Using Service Design to better understand customer logic and improve customers' perceived service experiences when purchasing international relocation services

Loikkanen, Mikko

2015 Leppävaara

Laurea University of Applied Sciences
Leppävaara

Using Service Design to better understand customer logic and improve customers' perceived service experiences when purchasing international relocation services

Mikko Loikkanen
Degree programme in Service Innovation and Design
Master's thesis
January, 2015

Laurea University of Applied Sciences
Leppävaara
Degree programme in Service Innovation and Design

Abstract

Mikko Loikkanen

Using Service Design to better understand customer logic and improve customers' perceived service experiences when purchasing international relocation services

Year 2015 Pages 77

Within today's global market place customers have an almost endless amount of service providers to choose from. When a service is unfamiliar, complicated, or the customer does not have any previous experiences to which to relate, what is the customer's rational on how to choose the best alternative for their needs? The intangibility of services, without any past experiences means customers must evaluate service offerings and anticipate the upcoming service experience based on the elements that are presented to them. Without better knowledge of the topic, the most tangible element can in many cases end up being price, which unfortunately does not always translate into quality.

From an industry specific perspective, the study will focus on international relocation services. In short, using a service provider's turnkey door-to-door service to move one's personal belongings from one country to another. The underlying research question is what is quality from the customer’s perspective and what values and experiences do customers seek from using such a service? Certainly having everything arrive very damaged and weeks later than expected by a badly mannered crew is not what customer choosing even the cheapest of option are anticipating. In the international relocation industry customers cannot bargain hunt by searching for prices online, but they actually need to contact the companies themselves and ask for a quotation. Relocation companies cannot therefore create the need for customers to move abroad. From the service provider's perspective, the window of opportunity to win over the customer is extremely short. From the customer's need recognition to the company sending their quotation can be a matter of just a few e-mails over a day or two, meaning the company needs to have a well thought through and intentional strategy to communicating with its customers.

The context of the study will focus on a case company which is a global market leader within the industry. In order to gain an understanding of the company's customer basis buying rational, the research part of the thesis will look at understanding how the case company communicates with its customer and which elements the customers' perception of the company comprises of, eventually leading to the positive decision to purchase the service from this particular company.

The basis of the research phase is to define customer personas that represent a large portion of the company's current customer base, define the touchpoints and customer journey they encounter from first contact with the company to the point of receiving a service proposal. The scope of the research represents the very narrow window of opportunity the case company and its competitors have to influence the customer to choose them. The ultimate goal of using service design for the case company is to gain better understanding of its customers' expectations, improve customers' perceived service quality and service experiences. The findings will be used to create a new approach to servicing customers better, more efficiently and at the same time creating a sustainable business case of the new process.

Service quality, expectations, experience, touchpoints, customer persona

Laurea University of Applied Sciences **Tiivistelmä**
Leppävaara
Degree programme in Service Innovation and Design

Mikko Loikkanen

Asiakkaiden ostokäyttäytymisen parempi ymmärtäminen ja asiakaskokemuksen parantaminen palvelumuotoilun avulla kansainvälisiä muuttopalveluita ostettaessa

Vuosi 2015 Sivumäärä 77

Nykypäivän kansainvälisillä markkinoilla asiakkailla on lähes loputon valikoima palveluntarjoajia joista valita. Kun ostettava palvelu on asiakkaalle entuudestaan tuntematon, monimutkainen, tai asiakkaalla ei ole aiempia käyttökokemuksia joihin tukeutua, yrityksille on merkityksellistä ymmärtää mitkä seikat vaikuttavat asiakkaiden ostokäyttäytymiseen valittaessa palveluntuottaja vaihtoehtojen joukosta. Palveluiden aineettomuudestaan johtuen, asiakkaat saattavat joutuva arvioimaan heille entuudestaan tuntematonta palvelutarjontaa ja ennakoitua palvelukokemusta vain heille esitettyjen havainnollisten elementtien pohjalta. Ilman sen parempaa tietämystä asiasta, monessa tapauksessa konkreettisin elementti on hinta, joka ei välttämättä aina tarkoita samaa kuin laatu.

Tutkielma keskittyy kansainvälisiin muuttopalveluihin. Tiivistetysti tällä tarkoitetaan tutkimuksessa muuttopalveluyrityksen avaimet käteen palveluiden käyttämistä henkilön oman henkilökohtaisen irtaimiston muuttamiselle maasta toiseen. Keskeinen tutkimuskysymys on mikä asiakkaan näkökulmasta on laatua ja mitä arvoa asiakkaat hakevat käyttäessään kyseisiä muuttopalveluita? Luonnollisesti asiakkaat tuskin odottavat edes halvimman tarjoajan kohdalla saavansa omaisuutensa perille kuukausia myöhässä, pahasti rikkoutuneena ja huonokäytöksisen henkilökunnan toimittamana. Ulkomaanmuuttoalalla asiakkaat eivät voi suoranaisesti passiivisesti etsiä ja vertailla hintoja Internetissä, vaan heidän täytyy olla kontaktissa palveluntarjoajiin ja pyytää heitä varten tehty tarjous. Muuttoyritykset eivät myöskään täten voi luoda asiakkailleen muuttotarvetta ennen heidän yhteydenottoaan. Palveluntuottajan näkökulmasta, heidän vaikutusmahdollisuutensa saada voitettua asiakas heidän puolelleen on erittäin lyhyt. Asiakkaan ensimmäisestä yhteydenotosta tarjouksen lähettämiseen saattaa mahdollistaa vain muutaman sähköpostin tai puhelinsoiton, vain muutaman päivän sisään. Tästä johtuen palveluntuottajilla tulisi olla hyvin harkittu ja tarkoituksenmukainen kommunikaatiostrategia.

Tutkielmassa tarkastellaan yhtä kohdeyritystä joka on globaali markkinajohtaja kansainvälisellä muuttoalalla. Varsinaisessa tutkimusosassa pyritään saavuttamaan ymmärrys siitä miten yritys itse kommunikoi asiakkaidensa kanssa, millä periaatteilla kohdeyrityksen nykyinen asiakaskunta ostaa muuttopalveluita yritykseltä ja mistä tekijöistä asiakkaiden myönteiset, ostamiseen johtavat mielikuvat yrityksestä koostuvat.

Tutkimusmenetelmänä määritellään kohdeyrityksen nykyistä asiakaskuntaa mahdollisimman kattavasti edustavia asiakaspersoonia, sekä jokaiselle persoonalle ominaiset omat kontaktipisteet ja asiakaskokemus, alkaen asiakkaan ensikontaktista päättyen palvelutarjouksen lähettämiseen. Tutkimusalue vastaa tällöin mainittua, lyhyttä vaikuttamisajanjaksoa joka kohdeyrityksellä ja sen kilpailijoilla on käytettävissä saavuttaakseen asiakkaalta myönteisen ostopäätöksen. Perimmäinen tavoite tutkimuksessa, kohdeyrityksen kannalta, palvelumuotoilun käyttämisessä on pyrkimys saavuttaa parempi ymmärrys asiakkaiden odotuksista, kehittää asiakkaiden havainnoima palvelulaatu ja parantamaan varsinainen palvelukokemus. Tuloksien pohjalta kehitetään uusi lähestymistapa palvella asiakkaita paremmin ja tehokkaammin, joka on samalla myös liiketaloudellisesti hyödyllinen toimintamalli.

Palvelun laatu, odotukset, kokemus, kontaktipisteen, asiakaspersona

Table of contents

1 Introduction

The development of business in the global market place has kept shrinking the perception of physical distances around the world. This in turn has brought down barrier for individuals to search for employment abroad, as well as for companies being able to source the best talent from outside country boarders. This movement of workforce around the globe is also the customer base of international moving and relocation companies that facilitate the transfer of personal household effects from one country to the other. Moving companies are increasingly offering more specialized auxiliary services such as visa and immigration related services, home and school search and spouse support activities in the new country. Some may move aboard only once in a lifetime to settle down in a new land of opportunity, whereas others become long term expatriates travelling the globe not spending more than a few years in each country.

As with any business or industry, keeping old customers that come back over and over again to buy repurchase products or services is what keeps the business alive, so too is true for the international moving industry. Within the relocation industry the largest customer base are the employees of large global companies that send their staff all over the world as expatriates. Large relocation companies fight vigorously for these contracts to be the preferred supplier for moving services. The largest corporate accounts can have hundreds of employees relocating annually, so the contracts can generate millions of Euros in revenue to the service provider. Having a fixed contract and processes, cuts away the need to "sell" each individual service over and over again, allowing the service provider to focus on delivering the service as efficiently as possible. But being able to deliver international relocation services requires the service provider to have a global network of service partners or own offices as the companies move towards a one-stop shop type of procurement process. Small, local moving companies cannot compete directly for this large volume business. They can of course come a provider for the large companies. An equally large customer base, which small companies can compete for is the private customer that purchases and in many cases also pays for the service themselves. However big or small an international moving company is, the market is still limited in the number of potential customers and saturated with plenty of competitors competing for this customer base. The need to move abroad cannot be influenced by moving companies themselves by means of promotions or advertising.

1.1 Background to the issue

Relocating to an new country, possibly with completely different and unfamiliar customs and environment can be a highly emotional experience. A new promotion within ones company, in a new country can be the start of new exiting times. However, a lot of uncertainty and anxiety can also be involved in change. Sometimes the spouse and / or children may not be willing to move abroad. The new country can also be culturally very different compared to the origin country. Anxiety can also arise from the fact that the customer has lots of high value and / or fragile items and they are concerned about the safety during transportation. The list of things that could potentially go wrong is almost endless. Many of which will probably go unanswered when searching the internet for other peoples experiences and recommendations on the matter. In reality each move is individual in its characteristics. Even if two families moved from the exact same apartment building in country A to the exact same apartment building in country B at the same time, there would still be numerous differences between the two moves. Both families can have very different reasons for moving, past experiences with moving, budgets, and naturally personalities, age family size, education and even down to stress handling capabilities.

The above mentioned elements are the customers' reality when they contact an international moving company. And from the opposite perspective, the same applies to the moving companies. Each customer will always be different. It can therefore be somewhat of a challenge to manage a relocation in a way that keeps every single customer completely satisfied throughout the actual relocation process when a high level of personal emotions and other external factors are involved. Of course, a big part of the customer's service experience is about emotions. Some of these emotions of which are conscious and others subconscious. The subconscious aspect is worth bearing in mind when discussing the deliberateness of a company's customer experience. "Most customers (79 %) believe all that organizations are worried about managing costs. -- Only 0,89 % of customer think that organizations focus on their emotional needs" (Shaw, Dibeehi & Walden. 2010. p. 6). This cost management can and unemotional approach can materialize itself by companies creating processes, rules and standards by which it expects it staff and customers to follow. Typically the bigger the company, the more rules and regulation exist in order for the company to maintain control over desired matters. For example to make sure that customer service is done in a similar way in different countries or offices. An article in Taloussanomat claims that a modern flaw is that service companies rely to vigorously on set processes and rules and thus create an inflexible service platform that produces inferior service, something which can be further influenced by the fear of failure for acting outside these processes and rules (Taloussanomat 11.10.2011). The empowerment of staff is a very fashionable slogan of modern business, but examples where this philosophy actual materializes to its fullest might not be so common.

As a generalization the basic process of sending household goods from A to B is similar from company to company. Therefore, when the service and it's outcome is unfamiliar to the customer, or the customer does not have any previous experiences to which relate to, what is the customer's logic on how to choose the best alternative? A very generalized reasoning was presented in an article published in Helsingin Sanomat (Helsingin Sanomat 14.12.2014) on how one family moving to Abu Dhabi received several similarly priced quotations for moving their household goods and ended up choosing the cheapest quote. The most important deciding factor, presumably in addition to price, was that it was the only company that immediately gave a clear fixed price. The example demonstrates what can be assumed on a general level to be a typical service evaluation and buying behaviour when no other metrics, such as previous experience, are available; choose the cheapest price and lowest risk. If this also means best quality and best service experience is left unanswered. In contrast, the wording in one global company's relocation policy sent to all their expats states that though case by case cheaper service alternatives might be available, these lower cost options may not offer the same service standard levels, quality, or global compliance expected by the company purchasing and paying for the relocation services.

For one perspective the objective would be then to uncover the motivations and justifications of the customer when purchasing the service and choosing the preferred service provider. From the service provider's perspective however, the question is more on how to communicate with the customer during their buying process in a manner that is effective in meeting the customer's expectations and getting the sale. In essence, how to convince the customer that this specific company is the right one for them, preferably regardless of price. As will be presented later on in this thesis, the window of opportunity from the customer's first contact to the point of them receiving a quotation is extremely short and the only tangible element based on which the customer decision in made can be as little a few e-mails and the quotation itself. Factors such as service excellence can be what differentiate one company from a large pool of competitors. The total of all such differentiating factors can be summarized to represent the brand or brand experience, which can come in the form a promise, yet still very intangible in nature. It is in part what the company communicates externally, perhaps in the form of their brand slogan or what is printed on the packages the company is selling. Delivering on these promises can however be rarer than one would hope. Broken promises are a huge reason for customer dissatisfaction and turnover. (Smith & Wheeler. 2002. p. 12)

1.2 Study Goals

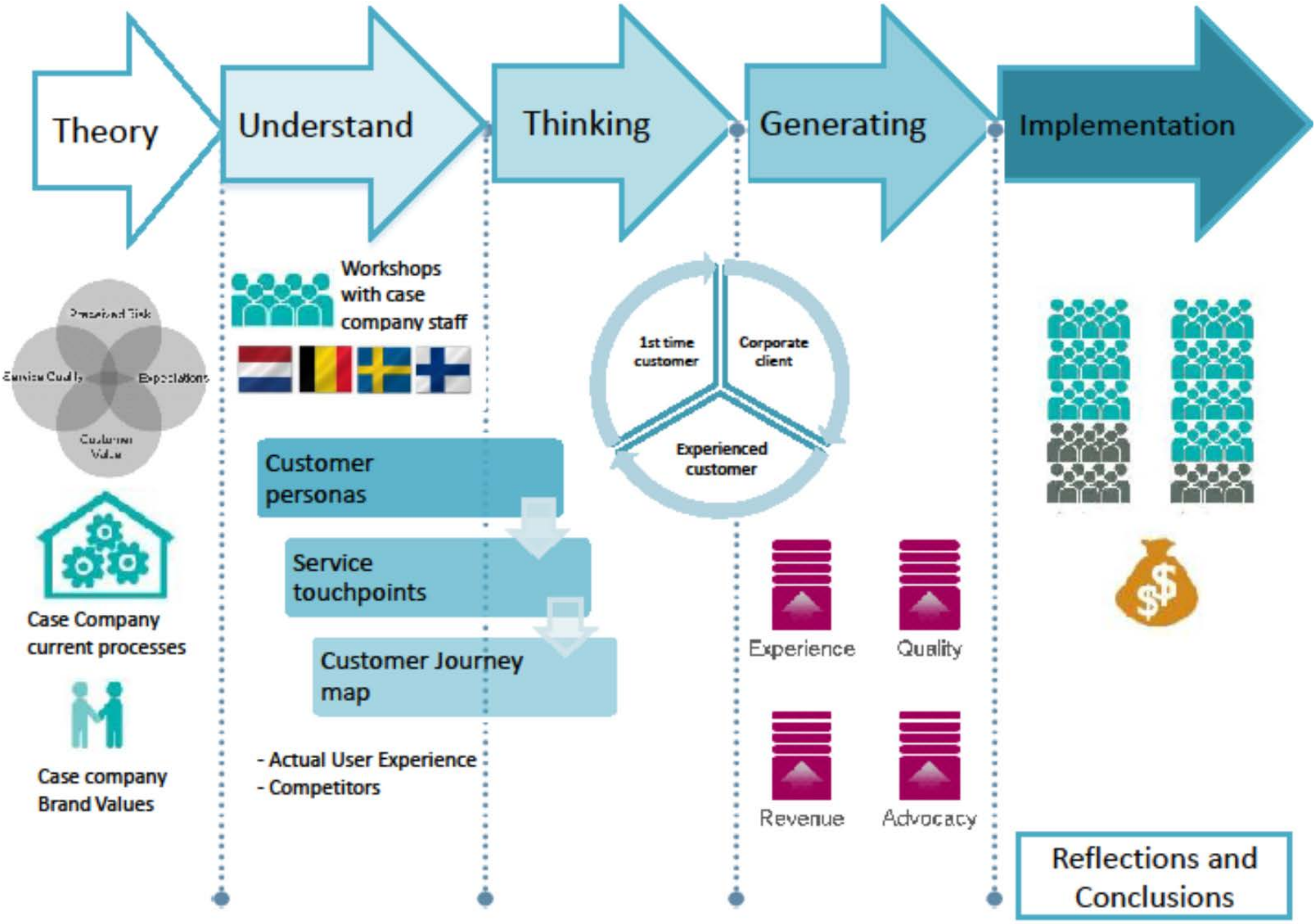
The question which has to some extent been left unanswered is what the definition of quality is from the customer’s perspective and what values and experiences these customers seek when purchasing and using international relocation services. The answers may lie in understanding customer expectations and to focus corporate resources to fulfil these expectations. In short, the context of this thesis is can the case company increase sales and hit rate by better understanding its customers buying logic and expectations when purchasing international relocation services. Furthermore, can the company improve customers' perceived service quality and service experiences in the process? In order to be truly meaningful and to be able to uncover the critical customer insights and logic, it will require us to actually ask our customers about the experience and expectations. Some of the underlying questions related to this thesis and further research and development areas are:

- Improving the case company's current quality survey (customer feedback tool) - Improving interaction with customers:
- Collecting meaningful information. Do we just collect data and not utilize it to develop ourselves through these insights?
- Customer expectations. Where do customer expectations come from (1st time, experienced customer etc.). How can we uncover these expectations?

1.3 Structure of the thesis

The theory section of the thesis includes elements which are believed to be relevant in supporting the research section in achieving the desired outcome. Starting from the basic definition and characteristics of services and building further understanding into what is service quality and customer value. As has been presented, purchasing an international relocation service can be a unfamiliar, once in a lifetime event, so perceived risks in services will be addressed as well. Equally relevant, the case company, it characteristics, values and current processes are presented. In the research section, based on the basic elements presented in the introduction and background to the issue, the thesis will try to gain insights on who are the customers, how and why the behave within the scope of the study. Based on the findings a new approach will be presented, based on which the case company's can try to achieve the goal of better understanding customers' perceived service experiences when purchasing international relocation services. Ultimately the results will allow the case company to secure more business in that limited window of opportunity it has with each potential customer. The thesis structure is visualized in figure 1.

Figure 1: Structure of the thesis report



2 Study Context

The international household goods removal industry has both large global companies as well as small, local suppliers. Size alone does not promise success and profitability, nor does being small mean that these companies must limit themselves to a specific customer segment. It has been seen that large global companies buying relocation services are becoming ever more demanding in their requirements. One factor that acts in favour of larger providers is the requirement to be a truly global provider with centralized points of contact, quick reposes times and real-time reporting capabilities. These characteristics can be too overwhelming for small local companies even though there exists numerous international movers associations which connect similar companies together to create a network of companies that together posses a global footprint. In these networks however each company is in essence an individual, separate company from each other, thus not necessarily sharing similar values, processes or even similar motivations for being in business overall.

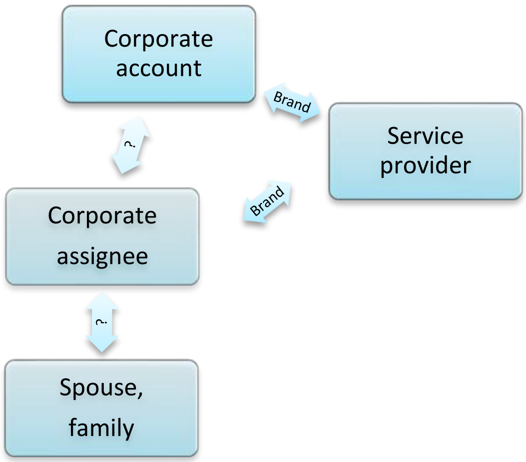
The organizations requiring international moving services have for the most part knowledgeable procurement departments that together with their global HR and compensation personnel know exactly how they wish to purchase relocations services, dictating the RFQ (request for quotation) process and eventually the service delivery process. The RFQs can cover dozens of combinations between different cities and countries using various modes of transport. However, in the process, companies may end up with is a highly standardized service delivery model where each individual assignee most certainly does not get anything more than the policy allows and perhaps not much of a personal or individualized service delivery model. From the perspective of the company providing the service, margins are most certainly low, so the fluentness of the service delivery is critical in making the contract a financially justifiable. It thus does not automatically promote a bespoke customer centric approach for each customer, but more of getting the service completed with as little effort and resources as possible. Basically the more services provided by the company or per office, the less personalized each service is.

Where corporate contracts offer moving companies an almost guaranteed quota of jobs per year, it is only a portion of the market demand. A large portion of small and midsized companies do not have formal contracts with service providers. Companies with expatriates may for instance pay their assignees a lump sum amount with which the assignee must make the necessary arrangements themselves. Alternatively, some companies ask for several competitive quotes from service providers and choose the most appropriate offering for the situation. In addition the migrant market of private customers paying for the service themselves is a huge potential customer base. It is within these different variations that smaller moving companies strive against bigger competitors. Generally smaller, and / or local companies are able to have lower fixed costs. They can also choose more freely with which other service providers they work with abroad thus being able to work out more competitive rates compared to bigger international moving companies. Small moving companies can also be more flexible and agile in meeting the customers' requirements and special needs as they might not have any fixed internal process that they need to follow.

This study will focus on a large international moving company with almost 207 facilities in 58 countries servicing approximately 2000 large and small corporate clients, business to business companies without formal contracts as well as the private market, totalling over 120 000 relocations services per annum. The company has approximately 3100 employees working for relocation and mobility services globally. As the figures demonstrate it is a large organization and it definitely needs and has processes unified service processes and standards.

For such a large company of over 5200 employees comprising of 72 nationalities in 58 countries it is critical that all employees understand the goals and values of the company. As will be presented later on in this thesis, the case company has mapped out its brand values and has done extensive communication internally so that old and new employees alike are aware of the values in a concrete way. Figure 2 illustrates a very basic model of external communication that demonstrates that simply expressing a certain corporate brand value language does not mean that all stakeholders involved actually hear it in the same way or hear it at all. The "service provider" or in this case the case company can use infinite amounts of effort to communicate its [brand] values and service excellence to the corporate assignee, but if the corporate account actually paying for the services is not hearing, and in more importantly understanding the same message, there is a possibility for conflict. Service providers themselves can use sub contractors to take care of part or the whole operational service delivery, further complicating communicating the company's values.

Figure 2: Communicating Brand values to stakeholders



There is no guarantee that the brand values communicated to the corporate account or assignee are further communicated to other stakeholders involved.

A key characteristic of the moving industry worth mentioning is that moving companies themselves cannot create the need to move for its customers. No amount of advertising will increase overall market demand. Moving companies must fight over the overall market demand and are only in a position to sell more services to actual customer relocating. An individual person that has just moved will not move again immediately just because they felt they received excellent service at a competitive price. A "frequent" customer might move every two to three years, maybe three times in total in their entire life time.

2.1 About the Case Company

The case company of this study is and international relocation and mobility service provider established in Japan in 1965. The company currently (2012) has a total 265 offices in 58 countries. The company is still privately owned by its founder and has its headquarters in Hong Kong. Being a market leader in its field, the company offers global mobility, household goods relocation and storage services, records management services, transport and third party logistics services. The services are divided into five different business areas: Relocations, Fine Art, Records Management, Logistics and Wine Cellars. Total group revenue from all the business units is around $828 million. The relocation services can further be divided into household goods (HHG) relocations, to which this study will focus on, i.e. the physical movement of goods and secondly to World Mobility Services, which include services such as visas and permits, settling-in, home & school search, tenancy management and even full policy consulting and management services for corporate customers. Figure 2 summaries the fast facts of the case company.

Figure 2: Fast facts of case company

Key figures of the case company's relocation and mobility services

The foundation of the case company has been in the household goods and relocations markets, achieving profitable growth by investing in expanding its own and ever growing global presence. The corporate strategy has been vastly infrastructure-led focused at opening offices in new markets and hiring entrepreneurially spirited staff to these offices. At times these expansions have been the result of contract-led investments where operational resources have been put in place only after being rewarded the business, sometimes causing tension among the parties involved. The strategy has however proved successful, leading to continuous growth of the Group, creating a vast operational network in its wake.

While the physical prerequisites of moving personal possessions from point A to point B is a core component of relocating, the relocations industry can no longer be defined as simply being the packing and transportation of household goods. Customer requirements are driving the demand for ever more complex support services in the form of a more comprehensive management of the entire relocation process for varying amount of assignment types on a one-stop shop basis. In an ever more commoditized market where not much else than perhaps word of mouth reputation is available to guide buying decisions, customers inevitably lean towards focusing on price.

Large providers, including traditional relocation companies as well as consulting firms, with a global footprint are positioning themselves as service-led strategic partners for global mobility and talent management field, with the traditional logistical capabilities being more of a support service. At the other end, smaller, local positioned companies are seeking opportunities, mostly lead by price, to compete for the physical business of moving household goods. The result of this development has led to decreasing margins and higher price sensitivity in the HHG market, where the more traditionally focused moving companies are more willing to compete for price alone and clients are wanting more for less do to ever tightening budgetary constraints. This has inevitably made a difference in terminology used among the industry, where bigger players are focusing more on “talent management” and “global mobility services” and pure HHG moving companies referring increasingly to “relocations services” a opposed to simply being a moving company.

As markets become increasingly mature and organizational value chains become carbon copies of each other, the key to future differentiation and success lie in matters such brand management and customer perceptions.

2.1.1 Case Company's Current quality standard system "QUEST"

To measure the performance of the case company's own offices against each other and the set service standards, the case company uses a "QUEST" quality standard system. The case company's quality program allows management as well as all service personnel to see current performance on a monthly and year to date level as well as identify areas that may need attention. The overall office score is comprised of customer feedback scores "MSQS" (moving service quality score and percentage of feedback received, number insurance claims from customer's and how quickly they are resolved and how thoroughly move management steps are followed in the shared IT system. All similarly sized offices are ranked against each other. Every branch naturally aims for 100% customer satisfaction, which requires customers to give "very satisfied" scores on all areas of the questionnaire. The system is unique in the sense that all of the case company's offices are measured. The QUEST score analysis will be used as the first step in understanding how the case company is currently servicing its customers.

Based on comparing the MSQS results from previous years (table 1), which only comprises of quantitative feedback received from customers, between origin, controlling and destination, we can see that lower scores are achieved at origin compared to the two others. Many customers may remember the good or bad experiences of a service based on the very last interactions of the service delivery process. Further still, the origin office's challenge is generally to answer all the customer's questions before the service starts, explain the service process, in some cases price the service and thus create the overall expectations for the customer. It is also at this stage that customers generally have the most anxiety about the service. These expectations are then reflected throughout the process, possibly leading to lower scores for the origin office. A conclusion for the assumption is that emphasis should be put on developing the origin process to be more customer centric.

Table 1: MSQS scores of the Case Company

	Origin	Controlling	Destination
2005	88,2	88,6	90,7
2006	90,0	90,2	92,7
2007	89,6	89,6	92,1
2008	90,0	90,3	93,1
2009	92,0	92,7	94,5
2010	92,8	92,9	95,5
2011	92,9	93,1	95,5
2012	93,4	93,5	95,8
2013	93,5	93,6	96,1

The higher the MSQS score, the better the measured overall performance is as a total score of all sections.

2.1.2 Current Case Company "QUEST" service failure statistics

As mentioned earlier, to achieve a 100% customer satisfaction score, the office in questions is required to score "very satisfied" on all questions. At the other end of the spectrum, every time an office scores unsatisfied or very unsatisfied an IOF or "Incident of failure" is automatically generated within the case company's operating system, which requires a manager's input in the form of an clarification to what has occurred, what actions will be taken to resolve the matter as well as present actions to make sure similar incidents do not take place in the future. The IOF database offers good statistical insights to in which areas customers are unsatisfied about (based on the questions asked in the MSQS questionnaire).

Based on data received from the case company's Regional Quality and Risk Manager of Continental Europe the statistics shows that in 2013 10,93 % of IOFs where the result of customers being unsatisfied with the door-to-door transit time of their relocation. The figure is down from 11,72% from 2012. The second most common reason is "Keeping the customer informed" measure, accounting for 9,36% of all IOFs in 2013. The communication of the progress of the relocation is one of the key responsibilities of the office controlling the move door-to-door. The controlling office can be the origin office, the destination office or a third country office. In any case, there can be uncertainty between origin and destination on when the handover of the customer occurs. It can also be down the nationality of the customer on who they wish to communicate with. The case company's IT operating system has a built in milestone checklist for the actions that need to be taken by the move manager at each point of the move, including actions related to contacting the customer or notifying them of upcoming progress. What the system does not automatically is generate a regular week or bi-weekly task to get in touch with the customer while the goods are in transit. This would be quite relevant considering that sea freights have a lead time of 30 to 60 days.

Both of the above issues have to do with basic communication between the case company and the customer. Door-to-door transit times are generally discussed during the pre-move survey at the customer's residence or in e-mail discussions when quoting to the customer, in other words before the relocation process starts. Door-to-door transit time can sometimes be mistaken for port-to-port transit time, which is indicated by the sea or air freight company providing the freight service and is easier for the sales person or move manager to communicate to the customer as it does not require knowing the exact departure date of the freight at origin, the lead time from packing to departure at origin or the lead time from arrival to destination port / airport to residence after customs clearance procedures. A second consideration of transport times is that they change constantly, delays are common and there basically is nothing that can be done to resolve the matter. In the event of a schedule change or delay it is generally too late to offer the customer any comfort by saying that transit time are out of the case company's control. Further still, all of the case company's competitors have to use the same airlines and ocean freight companies in similar situations, so the matter regarding transit times is universal.

2.1.3 Current Case Company "QUEST" limitations

The overall QUEST score comprises of several performance indicators which mostly measure internal compliance with set company standards. Only the MSQS score is data from the customers themselves. In addition to being a post service delivery questionnaire, the current MSQS does not take into account the importance or priority customers place on the different attributes that are measured. In other words the company might miss out on truly understanding important issues that achieve low / high scores by focusing on less meaningful attributes. It is meaningless to measure irrelevant issues from the customers perspective and even more wasteful to use resources to try and improve and developed these meaningless issues. Considering substantial efforts are put into the sale process and educating sales personnel with sales techniques and the case company's unique sales propositions that differentiate it from the competition, the feedback system at present does not measure the effectiveness of these actions in any way. The results themselves are quantitative for the most part with only two fields reserved for open ended commentary, which in most cases gets overlooked.

The responsibility of collecting the MSQS feedback from the customer is on the destination office. Feedback can be collected via sending the questionnaire by e-mail or post, thru and online link or calling the customer and asking the questions over the phone . In all but the online version, it is the case company's staff member from the destination office that enters the results into the system. One can argue that the integrity of the results is questionable as the office that is being measured manually enters the data themselves. Since the MSQS score is a performance measure for the offices overall performance there is always the possibility of manipulating the results.

Finally, the return rate of feedback is also measured, which does not take into consideration cultural differences in giving feedback overall and the tone of feedback generally given. For example on questions like appearance or courtesy of packing and delivery crews can be highly subjective and vary region to region.

2.2 Case Company Values

As part of an internal review together with Poulsen Selleck, a UK based creative agency, the case company mapped its prevailing company values, the driving behavioural factors that have an effect on the customer experience.

- People are our greatest asset: The aim is to foster a satisfied and productive working environment where employees can develop the skills and prefer to have as an employer
- Strength is in the network: Clients ultimately benefit from standardization, common operating technologies, global best practices and consistency in service delivery.
- Delighting the customer: The objective is to delight every customer served by understanding their needs, requirements and expectations, and then exceeding them.
- Growth and profits are essential: Only by being profitable can the company re-invest in its people, its network, technologies and its infrastructure in a way that eventually benefit its customers.

Case Company Brand Values

Together with Puolsen Selleck the case company also concluded the following five attributes as the main attributes of brand values of the people of the case company. These values describe how the company feels its people work by and how they consider their customers to feel when interacting with the case company.

- **Determined**: Determined to be the best we can for our customers, our colleagues and ourselves. Our hunger to din ways to improving all the we do, inside and out, is what gives us our edge in our market place.
- **Caring**: We care about people. We care about their experience, their feelings, and their environment whether personal, local or the wider world
- **There**: We are truly there for our customer and colleagues when and where they need us. We are attentive, with genuine interest and guidance.
- **Open minded**: To lead the way we have to think differently. To overcome challenges we embrace them with open and inventive minds. Whether it's using innovative techniques or adapting the way we work we're constantly thinking of new ways to achieve more for all
- **Sharing**: What is a network without knowledge? The physical infrastructure and the technology are mere carriers. The experience and the insight that is shared between people, offices and countries. That is the network. Sharing knowledge and experience is the platform for wisdom.

Values are however meaningless words if they are not translated in to consistent actions. Organizations need to put efforts into communicating how the values will be brought to life for customers and how employees will need to behave in order to deliver on that promise. (Smith & Wheeler. 2002. p. 13)

3 Literature Review

The theoretical framework of this thesis will focus on the common elements that define the consumers overall service consumption experience, the expectations related to it and factors of positive and negative influence.

As the business environment continues to evolve the roles and rules for all the stakeholders, from management, to front line employees and even entire organizations have to changes as well. "There has been a shift in the balance of power between customer and company, as digitally engaged and always-connected customers rely on their peers and social media commentary to conduct research and make buying decisions" (Soudagar, Iyer, Hildebrands. 201. p. 55). A one directional marketing message between company and customer is no longer relevant as today's customers expect companies to understand and fulfil needs and take into consideration their individual preferences in a new two-way relationship. (Soudagar, Iyer, Hildebrands. 201. p. 55).

Leaders need to even more engaged and enthusiastic about customers and that serving them will lead to desired business outcomes. Leaders need to have the ability to influence employees across the business to achieve desired success. Employees too, need to have the right authority and access to information to deliver the desired customer experience, answer customer questions and fulfil unexpected needs. Frontline employees also act as a vital source of insight to business development. Empowering employees to achieve these roles often requires cultural change within the organization, where people are not restricted by bureaucracy and policies. (Soudagar, Iyer, Hildebrands. 2012. p. 54).

Further still, individual departments within a company can no longer operate successfully as separate silos, with their own objectives, procedures, and information with little or no bond or communication with one another. "Customer centricity cannot be achieved by one business department or even several acting independently. The company needs to act as one organization, presenting a single face to customers and employees. There needs to be consistency across all customer touch points and all channels of communication, so that when customers call for support, for instance, they get the same treatment and information as they would get if they opted for self-service or visited the company's corporate Facebook page" (Soudagar, Iyer, Hildebrands. 201. p. 56).There needs to be a shared sense of purpose, mission and values across the entire company.

Finally, as literature generally focuses on transforming organizational thinking from a company centric approach to a customer centric one, an additional conclusion is to change philosophy of following what other companies doing to following what the company's own customers are doing. (Smith & Wheeler. 2002. p. 25). By listening to customers, companies can provide better service and eventually earn their loyalty. "As customer satisfaction increases, so do retention and referral rates, proving in sounding terms that satisfied and loyal customer are the principal drivers of profits" (Smith & Wheeler. 2002. p. 25). However, satisfied customers are not necessarily loyal customer. Thus using customer satisfaction as an all conclusive measure of company performance might not be meaningful. "Revenue growth has everything to do with "advocacy", the readiness of customers to prefer a supplier and then refer friends, relatives and colleagues. Advocacy is genuine, deeply felt, loyalty" (Smith & Wheeler. 2002. p. 35).

3.1 Service Design

“Service design thinking supports the co-operation of different disciplines towards the goal of corporate success through enhanced customer experiences, employee satisfaction, an integration of sophisticated technological processes in pursuing corporate objectives” (Stickdorn, M. & Schneider, J. 2010. p. 45.)

The service-centered view of marketing is a constant cycle of social and economic processes that is mostly focused on the operant resources with which a firm is continuously motivated to come up with better value propositions than its competitors, e.g. based on the feedback it receives from the market in terms of financial success. More than just being customer oriented, it's a question of collaborating and learning from customers. "A service-centered dominant logic implies that value is defined by and co-created with the consumer rather than embedded in output" (p.10. Vargo & Lusch). Tangible goods thus serve as applications for service requirements rather than ends in themselves. The characteristics of service-centered view can be presented as follows:

- Potential competitive advantage can be developed by identifying or develop core competences of an economical entity.
- Identify other entities that could benefit from these competences
- Develop relationships involving customers to create customized, competitively appealing value propositions to meet specific needs.
- Measure market reactions by analyzing financial performance from exchange in order to develop the firms offering to the customer and to improve firm performance
  (Vargo & Lusch. 2006. p. 9)

"The competitive advantage of firms stems from dynamic capabilities rooted in high performance routines operating inside the firm, embedded in the firm's processes, and conditioned by its history" (Vargo & Lusch. 2006. p. 10). Core competencies are thus seen as skills and technologies as opposed to tangible assets.

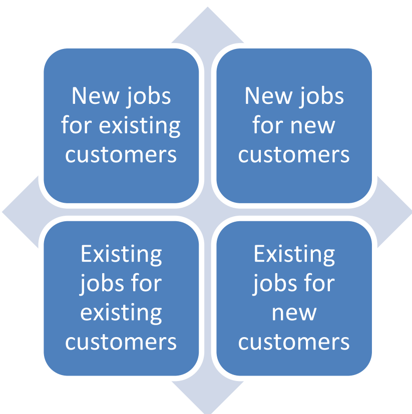
3.2 Innovation and Co-innovation

Innovation as a term can most definitely be defined in numerous ways. Technically speaking, innovation is the process of creating a product or service solution that delivers significant new customer value" (Ulwick, A. 2005. p. 20). The process as such is far from being a random way of coming up with unpredictable results, but a systemic process of creating new value, or simply discovering what customers really want. Innovations can be new products or solutions, but innovations must also cater to the outcomes the customer wish to fulfill with these products and services and how customers evaluate success in the matter (Ulwick, A. 2005).

Current trends such as co-creation place more emphasis on the customer involvement in new service development. Customers are no longer just static recipients of predefined elements provided by companies. "In co-innovation, customers are becoming increasingly involved in the very definition, development, and shaping of offerings" (Edvardson, Gustafsson, Kristensson, Magnusson, Matthing, 2006. p. 58). Customer co-innovation can thus be a useful source of valuable information not otherwise evident by traditional marketing research. "The main sources of innovation in service industries are employees and customers (Miles 2001) and new ideas are often generated through the interaction with users (user-driven innovation) and through the application of tacit knowledge or training rather than through explicit R&D activities (Meroni, A. & Sangiorgi, D. 2011. p. 12)

Innovation is thus not a process that happens merely by accident, but is based on market research and customer needs (jobs) understanding. When a company virtually creates a new market, i.e. creates a product or service that previously did not exist that allows customer to get a job done better, faster or more economically the term new market innovation is applied. Companies need to focus on the underserved jobs where customers are struggling to complete certain tasks. When inefficiencies in company processes are addresses through creative solutions operational innovations happen. Companies must recognize the outcomes their customers are trying to fulfill in company / customer interaction. Finally, in over served markets companies that are able disrupt the existing business model by means of technology are involved in disruptive innovation. (Ulwick, A. 2005. p3). Possible growth options in each of the above mentioned types of innovation can be further expressed in the following figure 4.

Figure 3: Service innovation target groups



Illustrated is a matrix approach for choosing a target customer group for service innovation and new service design.

A majority of innovation programs are focused on improving existing products and services for an already established customer base, requiring companies to address their customers' underserved outcomes. On one hand Companies can also focus beyond the primary job and uncover ancillary or related jobs their customers' want to get done. On the other hand, companies can create products and service for noncustomers who are not willing or incapable due to price or they are not skilled enough to use current offerings. Finally an innovation option can be to create a completely new offering for a job that is currently not catered for, i.e. the market does not yet exist (Ulwick, A. 2005 p. 7-9).

3.3 Understanding the Service offering

The first part of the theoretical framework focuses on creating understanding on the characteristics of services based on service design methodology.

3.3.1 Characteristics of Services

Many definitions exist for differentiating services from products. A common grouping, has four characteristics; intangibility, heterogeneity, inseparability of production and consumption, and perishability (Zeithaml et al. 1985, Edgett and Parkinson 1993). Intangibility refers to the fact that customers might not necessarily be able to evaluate the service before purchase by means to feel, taste, smell etc. "However, such evaluation seems often to be desirable for most consumers, so they evaluate what they can: interior of a restaurant, the appearance of the air hostesses, the behaviours of the bank clerks (Grönroos. 2007. p27). Some services will also have more tangible elements than others, and imply that services are always intangible is not be completely true (Wilson, Zeithaml, Bitner, Gremler. 2003. 9. 6-7). Services should thus be transformed into concrete offerings that consumers can evaluate and compare to those of competitors. If not managed properly, they are the consumers themselves who will in an unguided behaviour choose which attributes are service in their mind (Grönroos. 2007 p. 27).

A second characteristic is the production / consumptions interaction in most services, meaning that services cannot be detached from the producer, and that the seller and producer of the service offering are the same organisation (Grönroos. 2007 p. 27).
This also implies that services are generally highly interactive and depend on people-to-people interactions, where the quality of the performance may vary from time to time depending on circumstances and service participants, meaning that services are heterogenic. The service consumer thus enters the production process of the service provider, is influenced by what is happening, where and with whom and even by their own behaviour (Grönroos. 2007 p. 44).

Finally, a key characteristic is the fact that services in general cannot be stored and therefore depend on the service provider's ability to balance and synchronise demand and supply (Meroni, A. & Sangiorgi, D. 2011. p. 16). Services also have a lack of ownership, meaning that one does not own anything when having purchased a service (Grönroos. 2007 p. 28).

3.3.2 Service Quality

Parasuraman, Zeithaml and Berry define service quality as the degree and discrepancy between customer's service perceptions and expectations (Zeithaml, Parasuraman & Berry.1990. p. 1.). Service quality can in simple terms be described as the difference between a customer's expectations of how the service providers should perform and how the provider actually performs. A further interpretation of quality divides service quality into technical quality, i.e. the technical outcome of the service, and functional quality, which is how the customer actually receives the service. In a focus group research by Parasuraman, Zeithaml and Berry revealed a comprehensive list of ten general evaluation criteria of service quality:

- **Tangibles**: The appearance of staff, equipment, communication material etc.
- **Reliability**: Performing according to promises and customer instructions
- **Responsiveness**: The willingness to provide prompt service and offer assistance.
- **Competence**: Having the right skills and knowledge to perform the service accordingly.
- **Courtesy**: The behaviour of personnel.
- **Credibility**: Reputation and honesty of the company or personnel.
- **Security**: The feeling of safety and confidentiality.
- **Access**: Ease of contact and approachability
- **Communication**: Keeping customers informed and up to date in an way that is easy for the customer to understand.
- **Understanding the customer**: Knowing customers and their personal needs.

(Zeithaml, Parasuraman & Berry.1990. p. 2-3). "After an empirical analysis to determine the inter-relationships among these dimensions, 3 of the original 10 remained intact: tangibles, reliability and responsiveness. The remaining 7 clustered into 2 broader dimensions which Parasuraman, Zeithamel and Berry labelled assurance and empathy. (Zeithaml, Parasuraman & Berry.1990. p. 3). The dimensions thus were finally grouped as follows:

- **Assurance**: Employee knowledge and courteousness combined with their ability to encourage trust and confidence.
- **Empathy**: The personal attention and caring provided by the firm to its customers.
- **Reliability**: The ability to execute the promised service dependably and accurately.
- **Responsiveness**: Readiness to assist customers and provide swift service
- **Tangible**: The appearance of physical facilities, equipment, personnel and communication material.

Grönroos (2007) proposes a service quality model with three components: corporate image, technical quality and functional quality. Due the intangible nature of services, consumers will partially evaluate the quality and nature of the service based on the image of the company. The service also need to be technically acceptable, where using the service must lead to a desired result. The functional component refers to how the outcome is achieved (Grönroos. 2007. p. 45-46).

3.3.3 Perceived Customer Risk in Services

The intangible nature of services and their high level of experience qualities imply that services generally must be selected on the basis of less pre-purchase information than is the case of goods. Grönroos implies that the lack of traditional distribution channel in services requires a more innovative approach, the accessibility of a service where focus is put on the resources that provide the service, both human and non-human such as location, buildings, machines and not the intangible service itself (Grönroos. 2007. p. 29).

"To the extent that it is possible, service providers should emphasize employee training and other procedures to standardize their offerings so that consumers learn to expect a certain level of quality, again reducing perceived risk" (Wilson, Zeithaml, Bitner, Gremler. 2012. p. 32-33). "Frequently the employees have not been engaged to perform any marketing tasks but merely to produce the service" (Grönroos. 2007. p. 29). Few large organizations leave customer service entirely to chance, but instead invest in service training, standards and processes to intentionally create the customer experience to make it more predictable and consistent with their brand (Smith & Wheeler. 2002. p. 18). "We know that one of the biggest causes of dissatisfaction is unpredictability - not knowing if the product will be in stock, if the plane will leave on time, if the table reservation will be made" (Smith & Wheeler. 2002. p. 18).

Companies should therefore in addition to understanding expectations, perceived quality and where customer value is created, consider factors that reduce risk and the factors contributing to the consumers perception of risk. The characteristics of services can for example lead to the following types of perceived consumer risks:

- The greater the intangibility the greater the perception of risk
- Due to the non-standardized nature of services, consumers feel some uncertainty of about the outcome and consequences each time a service is purchased.
- Compared to goods, services are not always accompanied by warranties or guarantees. Services can rarely be "returned" after their consumption.
- Many services are so complex consumers neither poses the knowledge or experience to evaluate whether they are satisfied, even after they have consumed the service

(Wilson, Zeithaml, Bitner, Gremler. 2012. p. 32-33)

3.4 Understanding Customer reasoning

The second part of the theoretical framework focuses on how service design approaches understanding customer reasoning and expectations for purchasing services, experiencing services and why customers consider some services better than others.

3.4.1 Outcome Driven Method and Customer Value

Traditional product centric thinking states that the product as such is what brings value to the customer, when the outcome of a production process is consumed (Grönroos. 2007. p.70). The customer centric model to service development and innovation defines value creation in a different way. "Customers buy products and services to help them get jobs done" (Ulwick. 2005. p.16.) or as Zeithaml & Bitner define perceived value as the customer's overall assessment of the utility of a service based on perceptions of what is received and what is given (Zeithaml & Bitner. 2003. p. 491). The unit of exchange has also become dynamic and intangible, e.g. the application of competences aimed to benefit there receiver. (Vargo & Lusch. 2006. p. 24). When a certain need arises customers will search for a product or service that allows them to fulfill that need. The focus is thus not on the customer itself, but on the job that needs to be done. Only by focusing on that particular job can a company be able to create customer value. Products and services that allow the job done be done quicker, more conveniently and at a lower cost are the ones that customer will most likely want. (Ulwick. 2005)

It is also worthwhile to present the pricing based view on perceived value. Or vice versa, how companies should quantify perceived value into Euros, as the meaning of value is most likely not the same across the field of different customers and services. Zeithaml & Bitner (2003. p. 490) divide customer definitions of value into four groups: value is low price, value is whatever I want in a product or service, value is the quality I get for the price I pay and value is what I get for what I give. I.e. customers will make a purchase decision on the basis of perceived value, not solely to minimize the price paid. In order to quantify this value, companies can take the following steps:

- Obtain customer definitions of value in their own words and terms, allowing for the full range of components.
- Help customers articulate their expressions of value by identifying their relevant value definitions, benefits sought and abstract dimensions of quality.

- Capture information on concrete requirements and the benefits they indicate in order to create actionable definitions.
- Quantifying the monetary and nonmonetary value to customers.
- Establish a price based on the value of the service to customers.

(Zeithaml & Bitner. 2003. p. 492)

Furthermore to evaluate how well the job is getting done customers use a set of metrics which can be defined as the customers' desired outcomes. For any single job a customer can apply hundreds of different metrics and only when all of them are sufficiently satisfied can customer perform the job perfectly. By understanding which metrics are of most importance to a customer can a company successfully devise new services to better satisfy customer needs (Ulwick. 2005). "Only after knowing what jobs customers are trying to get done and what outcomes they are trying to achieve are companies able to systematically and predictably identify opportunities and create products and services that deliver significant new value" (Ulwick. 2005. p. 19). This can be done by taking advantage of current offerings with optimized messaging strategies and serving underserved outcomes, prioritizing future development projects to speed up the delivery of offerings to satisfy other target opportunities, and thoroughly create new ideas that address the left over unexploited opportunities. A further consideration for companies is to define which value chain member to target, i.e. identify to whom they are creating value for, for example the actual end user, internal or external stakeholder etc.

3.4.2 Customer Expectations and its effect on the Customer Experience

Still a few years ago companies focused on obtaining quantitative information about customer perceptions on their services. And quantitative data can be of value, produce visually pleasing graphs and give a feeling of control. Unfortunately it only tells what you want to know, not what customer want to tell. (Stickdorn & Schneider. 2010. p. 140). More important than putting effort into collecting post service customer feedback as a process of monitoring and developing current services companies should implement a more proactive approach at understanding customer expectations. This means understanding customers expectations prior to engaging in service delivery as well as the factors that lead to both a positive and negative customer experience during the process.

"Customer experience is the cumulative impact - both emotional and practical - of all of the encounters and interactions that a customer has with a company" (Soudagar, Iyer, Hildebrands. 2012. p. 3.). Shaw, Dibeehi & Walden define customer experience as “an interaction between an organization and a customer as perceived through a customer’s conscious and subconscious mind. It is a blend of an organization's rational performance, the senses stimulated and emotions evoked, and intuitively measured against customer expectations across all moments of contact" (Shaw, Dibeehi & Walden. 2010. p. 3). "Customer expectation are beliefs about service delivery that serve as standards or reference points against which performance is judged". (Wilson, Zeithaml, Bitner, Gremler. 2012 p. 51). Knowing what customers expect is the first step and possibly most critical step in delivering goods quality service. Being wrong can lead to spending time, money and resources to things that don't matter to customers and losing business to competitors who are on target. (Wilson, Zeithaml, Bitner, Gremler. 2012 p. 51).

Zeithmal et al. have presented a Gaps model to identify reasons for service failure. The model is divided into the customer gap and provider gaps. "The customer gap is the difference between customer expectations and perceptions (Zeithmal et al. 2012 P. 96.). The personal standards, previous reference points and beliefs of what will or should happen as part of the customer experience are elements that formulate customer expectations. The perceptions are the subjective evaluation of the actual service experience. Ideally customer expectations are on par with their perceptions, though it is not uncommon for there to be a gap between the two, as suggested by the gaps model due to four provider gaps. (Zeithmal et al. 2012 P. 96.). When companies lack accurate understanding of their customers' expectations it creates a provider gap. Companies might not be able to capture the expectations when they have inadequate marketing research or research is not focused on service quality. (Zeithmal et al. 2012. p.97-98). Table 2 provides a checklist of factors that companies can take into consideration to narrow down the provider gap.

Table 2: Factors influencing customer service experiences

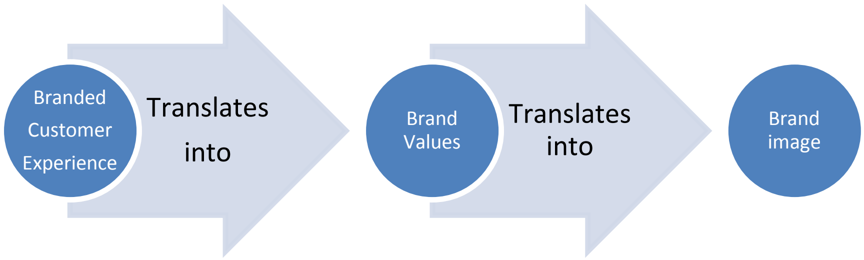
FACTOR	POSSIBLE INFLUENCE STRATEGIES
Explicit service promises	Making realistic and accurate promises that reflect the service actually delivered rather than an idealized version of the service. Asking contact people for feedback on the accuracy of promises made in advertising and personal selling. Avoiding engaging in price or advertising wars with competitors because they take the focus off customers and escalate promises beyond the level at which they can be met. Formalizing service promises through a service guarantee that focuses company employees on the promises and that provides feedback on the number of times promises are not fulfilled.
Implicit service promises	Ensuring that service tangibles accurately reflect the type of and level of service provided.

	Ensuring that price premiums can be justified by higher levels of performance by the company on important customer attributes
Lasting service intensifiers	Using market research to determine sources of derived service expectations and their requirements. Focus advertising and marketing strategy on ways the service allows the focal customer to satisfy the requirements of the influencing customer. Using market research to profile personal service philosophies of customer and use this information in designing and delivering services.
Personal needs	Educating customer on ways the service addresses their needs.
Temporary service intensifiers	Increasing service delivery during peak periods or in emergencies.
Perceived service alternatives	Being fully aware of competitive offering and, where possible and appropriate, match them.
Self-perceived service role	Educating customer to understand their roles and perform them better.
Word-of-mouth communications	Simulating word of mouth in advertising by using testimonials and opinion leaders
Past experiences	Using marketing research to profile customers' previous experience with similar service.
Situational factors	Using service guarantees to assure customers about service recovery regardless of the situational factors that occur.
Predicted service	Telling customers when service provision is higher than what can normally be expected so that predictions of future service encounters will not be inflated.

(Zeithmal et al. 2012. p.63)

Companies must thus define the experience they want to deliver, to make it a deliberate experience base on deep understanding of what customer actually want, not just what they say. Smith and Wheeler call this process the Branded Customer Experience (BCE) where the organizations sets out to create a specific experience for its customers and then brands it accordingly. "The starting point is the customer and what he or she values. This may not be the same as what the customer wants however. Sometimes customers don't know what they don't know simple because they have never considered it possible" (Smith & Wheeler. 2002. p. 14). The BCE design process naturally requires creativity and analyzing data, but most of all it requires customer empathy. Seeing, hearing and feeling things from the customer's perspective and then making is better. Branding the experience process is visualized in figure 5, where the first step is creating the unique experience and implementing it into every interaction the company, its people and products have with customers in a way that differentiates the brand from competitors. These brand values are the actual value customers come to expect and rely on. Finally, the brand image is what the company becomes known for in the market place. (Smith & Wheeler. 2002. p. 15).

Figure 4: Branding the Service Experience



Creating a unique experience for which the company ends up getting known for (Smith &Wheeler. 2002. p. 15)

Companies that can create a meaningful customer experience are able to differentiate themselves from competitors in a way that is also difficult for the competition to copy. It also allows companies to accomplish their goals in a cost-effective, scalable, flexible and sustainable manner creating customer value ultimately leading to profitability. Soudagar, Iyer & Hildebrands call this the customer experience edge. Smith & Wheeler define the characteristics of the Branded Customer Experience as follows:

- Consistent - in terms of delivering the experience regardless of time and location
- Intentional - The customer experience supports the brand
- Differentiated - from competing brands
- Valuable - The customer proposition meets the target customers needs

(Smith & Wheeler. 2002. p. 16)

In addition, companies should identify moments of truth for their customers, to recognize when they make the decision to purchase as well as repurchase and design these moments to be meaningful to the customer experience. (Lockwood. 2010. p. 92).

Stages in customer decision-making and evaluation process
1. Need recognition
2. Information search
3. Evaluation of alternatives
4. Purchase
5. Consumer experience
6. Post-purchase evaluation
(Wilson, Zeithaml, Bitner, Gremler. 2012. p. 30)

3.5 Customer Advocacy

By concentrating on keeping target customers satisfied, companies are in a better position to keep them loyal and eventually turning them into advocates who bring along new customers who value the same things. Advocates tend to be more interested in product and service quality compared to price, resulting in higher margins and more resistance to the price promotion of competitors. (Smith & Wheeler. 2002. p. 45). As the transition from prospective customer to advocate will take some time, the commonly seen strategy of rewarding new customers seems strange in comparison to focusing on the most profitable customer. The key question to be answered by management is how to create a level of customer satisfaction that is so strong that customer become your best salespeople? How to turn customer into advocates, true believers in a world of disbelievers. "Creating loyalty is about being intentional, consistent, different, and creating value" (Smith & Wheeler. 2002. p. 43). Companies that have been able to achieve these have followed similar steps as presented below:

1. Define customer values
2. Identify target customer segments - who are the most profitable customers? Consider segmenting based on customer behaviors as opposed to demographics.
3. Define what target customers value and what drives their buying and loyalty behavior - is this in line with managers and employees believe?
4. Create a differentiating brand promise - how does company performance compare against competitors in relation to the most important customer expectations?
5. Design the Branded Customer Experience
6. Develop a profound understanding of the customer's experience
7. Design critical touchpoints and employee behaviors to deliver the brand promise
8. Develop a comprehensive change strategy to implement the new customer experience
9. Equip people and deliver consistency
10. Prepare managers to lead the delivery of the customer experience
11. Provide employees with the knowledge, skills, and tools required to deliver the brand promise at every customer touchpoint
12. Reinforce performance through leadership action and measurement

(Smith & Wheeler. 2002. p. 43).

4 Service Innovation and Design Study

4.1 Service Design Methodology

“Service design addresses services from the perspective of clients. It aims to ensure that service interfaces are useful, usable and desirable from the client’s point of view and effective, efficient and distinctive from the supplier’s point of view” (Miettinen & Koivisto. 2009. p. 15). “Service design thinking supports the co-operation of different disciplines towards the goal of corporate success through enhanced customer experiences, employee satisfaction, an integration of sophisticated technological processes in pursuing corporate objectives” (Stickdorn & Schneider. 2010. p. 45). It is thus meaningful to understand the importance of service design in today's modern service markets as a source of innovation. "The main sources of innovation in service industries are employees and customers (Miles 2001) and new ideas are often generated through the interaction with users (user-driven innovation) and through the application of tacit knowledge or training rather than through explicit R&D activities (Meroni & Sangiorgi. 2011. p. 12). "Service design integrates management, marketing, research and design. It acts as an interface and connects organisations and clients in a new way" (Mortiz. 2005. p. 4). "Tekes for example suggests how design for services can apply design methods to develop a new offering or improved experiences by bringing "many intangible elements together into a cohesive customer experience" (Meroni & Sangiorgi. 2011. p. 13). Service design helps expose opportunities, create ideas, solve problems and create implementable solutions which create additional value, help differentiate against competitors, allow better use of resources and help connect to customers in a desirable way. Service design is a mediator between customers and organization desires. (Mortiz. 2005. p. 21)

The service design tools themselves can be categorized within the stages of the common service design project.

- **Understanding**, what is known so far about customers based on statistics, company data and field study.
- **Thinking**, which is about discovering, finding new perspectives on a particular service and gathering intimate and engaging results as a foundation for the following steps of the service design project.
- **Generating**, the stage where the insights are visualized into new ideas and concepts and the testing of these ideas to see how they could be further improved. Prototyping and testing generally will need the participation of as many people and stakeholders as possible to create a truly holistic foundation for the implementation stage.

- **Implementing**, is where the new or improved service designs are transmitted to all parts of the organization. This stage is about engaging and involving staff in the process and putting ideas into action.

(Stickdorn & Schneider. 2010. p. 149)

4.2 Understand

The definition of an international relocation will be moving a family or individual from one country to another based on the assumption that the case company will be servicing the customer at both origin and destination, by means of having its own office in both countries and the company's personnel is in contact with the customer at both ends. A third office can be involved as a so called controlling office. For example certain global corporate accounts are controlled centrally from London on all moves that originate from any EMEA country.

As a starting point for the service development will be to define and describe the most common customer types served, which is done by using workshops. Ultimately the company must secure the business with the customer first before it can affect matters related to the actual service delivery process. It is thus key to understand factors such as perceived risk of buying and using the service, expectations, ambiguity associated to the offering / service and what is customer value. The intangibility of services and the fact that customers generally are not experts of buying international relocation services they may not be able assess the technical characteristics of the service or even just the terminology of the service proposal in advance. The only point of comparison between competitive offerings can be left simply down to price. If customers do not understand the value offered, higher price offers generally loose to cheaper ones. Companies on the other hand are professionals in their own field and prefer the sell the service based on their own terms (service proposal format). The customer’s understanding is generally different when they buy / consume a similar service for the second and third time. They become more experienced in the service delivery and their expectations have developed. It is therefore not meaningful to use the same approach to first time customers as to second time customers (users).

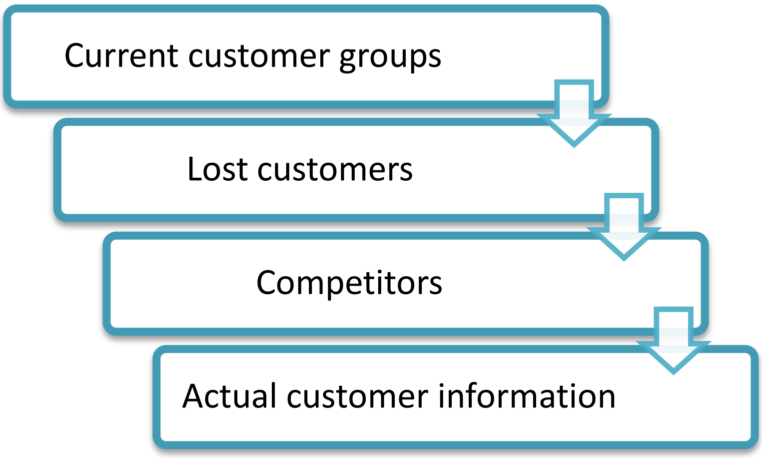
The context of the thesis has been if the case company can increase sales by better understanding customer expectations and improving customers' perceived service quality and the service experiences? Furthermore, to incorporate this knowledge to improve company performance in both customer satisfaction and profitability / revenue measures:

- Using customer knowledge to improve initial customer contact touchpoints to increase customer confidence in the case company and its service delivery process.

- Competitive factors and unique sales proposition. How to formulate and make concrete the understanding of customer expectations in order to sell the service better and achieve a higher service proposal closing ratio?

In order to gain insights into developing the existing services in future stages the following areas will be reviewed as presented in figure 6.

Figure 5: Steps in gathering information



4.2.1 Identifying and visualizing current customer types

The Understanding phase of analysing how the case company is servicing its customers has to do with looking at the current customers themselves. The case company has a shared IT system that has a set process milestone function that helps move managers handle moves in the right order and to guarantee that the necessary tasks are done in order to complete the move in the desired effective manner. There are different milestones based on the type of move and the role of the office participating in the move. For example an origin office will have different tasks as compared to a destination office. The tasks for example remind move managers to make necessary bookings with subcontractors, collect documentation from the customer, notify the customer and other relevant parties on development in the moving process. An experienced move manager can naturally complete the necessary move management steps without referring to the milestone tasks in the IT system, but the system in essence helps to unify the process from one move manager or office to another. The task also have set time frames for completion. The on time completion is also measured at each of the case company's offices. The processes have of course originally been set by the case company in company focused and logical manner, where one step naturally follows the previous one and so on. The process has been set based on the requirements of ISO:9001-quality standard requirements, allowing for easier compliance.

What the tasks do not take into account is that customers do not necessarily know to follow the same company set tasks in their own role. From the customer perspective one step might not necessarily logically follow the previous one. Customers certainly do not have any time constraints, responding and acting when felt most convenient from their perspective, not when the case company considers it critical. For example, a task may request asking the customer for to fill out and return a specific customs document, when the customers scanner might have been packed a week earlier and it is currently in a shipping container still in transit to the destination country.

In December 2012 we formed a four person team with members from Finland, Sweden, Belgium and the Netherlands comprising of the case company's Branch Managers and a mobility specialist. The objective of the first team meeting was to define the case company's most common customer types, later referred to as personas. The goal was to then visualize how these different types of customer groups act in the initial stage of the relocation process and if the company's own actions catered to their different needs. Emphasis was placed on delivering the correct customer experience and consistency with the case company's brand values in mind. Three additional workshops were held in Sweden, Finland and the Netherlands where additional people were asked to contribute with their ideas.

In order to visualize and compare the service process a three step tool kit was created in a format that could be reproduced in different countries and workshops. The steps are presented in figure 7. The techniques used needed to be simple enough to understand and easy enough for the case company staff to complete without much prior experience in using similar techniques. The focus was on end customers who will actually be involved in consuming the service. Corporate HR and procurement stakeholders were left out of the analysis as they were not considered relevant to the service delivery and experience mapping.

Figure 6: Steps in defining differences between customer personas

4.2.2 Personas

The first step was to create several user personas which would represent a majority of the current customer base. Personas are used for identifying, discovering and understanding the service context and the users by creating fictional user profiles based in research data (e.g. interviews, participatory observation, data analysis). Such profiles include names, personalities, behaviors, and goals that are representative of a unique group of individuals (Miettinen & Koivisto. 2009. p.21). As the participants involved were experienced relocation office staff the personas were based on a collective assumption of the best profiles to cover a majority of the customer based and most common customer types.

The persona groupings, presented in figure 8 were eventually narrowed down to a customer who is using a professional moving service to relocate from one country to another for the first time, a person who is experienced in using international moving services by having done one or more prior moves and a corporate account customer who basically does not have the freedom to choose the service provider. In the case of the corporate client persona the customer's employer has already chosen the service provider for them and will be paying for the moving expenses on their behalf. With the first two personas, the customers were consider to have the possibility to choose the service provider freely.

Figure 7: The customer personas

Customer personas chosen and defined to represent the majority of the current customers that are also different enough to separate them from each other.

Considering the case company's extensive corporate account base, customer moving on a corporate sponsored policy are very relevant, but not necessarily on a industry level compared to other similar moving companies and smaller moving companies. Also, corporate sponsored customers may have different values related to using the service compared to private customers. The values and reasoning of customers moving for the first time were considered the most difficult to anticipate. Experienced customer on other hand were thought to be the most straight forward customer type, being to some degree demanding but reasonable in their requirements and expectations. This customer group also often expresses in advance if something has gone wrong in the past and which they do not want to happen again. An example can be poor packing leading to damages or a longer than expected delivery time. Each persona also has their own distinctive characteristics to consider from the customer experience perspective separating them from each other and also making them relevant to analyze in further detail. The attributes, description and characteristics of the three personas are presented in tables 3 - 5.

Table 3: 1st Time Mover

Attributes	Description	Characteristics
• Typically aged between 25 and 35 • New assignment / mid-level manager • No children or 1 child • Lives in a upscale neighbourhood, but might not have a lot of household goods or expensive furniture	• Up-to-date information searcher; "I googled it" • Keen on being involved in the process more than is necessary • Keen on personal benefits • Stick with corporate allowance	• Asks if they have to pack themselves and where they can get boxes and packing materials • Asks about different sized shipping container, typically to get the smallest one necessary for them • Worries about the details and will thus ask even irrelevant questions

Table 4: Experienced Mover

Attributes	Description	Characteristics
• Aged between 40 and 50 with kids • Senior manager or VIP employee • Has a big house and summer home	• Has no time to waste • Keen on making arrangements, but not too punctual on confirming details themselves • A bit demanding, but reasonable and relevant • Tries to bend corporate allowances • Negotiates	• Significant other will be point of contact or present during the survey • Knows entitlements • Knows to ask specific questions about the service delivery • Informal • Does not accept failure, but as long as things are ok, is satisfied

Table 5: Corporate account mover

Attributes	Description	Characteristics
• Some times may comes off as a bit arrogant; which can to some degree be the result of the customer's own company business culture	• Bending the rules is business as usual • Escalating things is the first step even if a small thing goes wrong, instead of allowing the issue to be fixed	• Hear what they want to hear • Demanding, even with irrelevant issues • Holds unrealistic service expectations

4.2.3 Service Touchpoints

Service touchpoints are the tangibles, e.g. spaces, objects, people or interactions that make up the complete experience when using a service. Touchpoints can be in the form of a customer service representative, web interface, bills, business cards to the front lobby of a business. From a service design aspect, all touchpoints need to considered as a whole and designed in a unified manner to create a consistent customer experience. (Miettinen & Koivisto. 2009. p.16). In the second step the participants were asked to come up with possible service touchpoints the customer is expected to encounter. In addition to the tangibles participants were instructed to consider the customer actions, feelings and experience between the touchpoints; the non-visible customer actions.

The team pointed out that for corporate account customers, the financial budgets associated to the service delivery generally restrict spending too much time in actually servicing the specific move, meaning that the Move Managers role is very outcome oriented as time is money. The move manager's objective is getting from A to B as quickly and smoothly as possible. In comparison, the first time mover and specifically one paying for the service themselves, the amount of attention required to satisfying the questions and needs of the customer seldom match the price they are willing to pay. Or in other words, the customer most often ends up choosing the cheapest available option even though their own reasoning would indicate otherwise. These customer appreciate the non-tangibles like being a well know and trusted service provider, but cannot convince themselves to pay the premium for these factors. When the service provider strives to come up with a "low budget" option that includes very minimal service, the customer's expectations may still be at a high level eventually leading to greater un-satisfaction in the end result when these expectations are not met. In contrast a low service level company with a similar price might eventually portray a better service experience with similarly low level of service as the initial customer expectations would have equally been lower. Of course high level of service does not always automatically mean a higher price than competitors have. The case company has a large network of own offices and large customer volumes which it can leverage as a price saving factor.

The number of customers demanding a high level of service and personal approach and whom are also willing to pay for it is eventually so small, that the above mentioned scenarios end up being the majority of the service companies regular revenue. A service failure will most certainly occur if the service company tries to implement similar processes associated to handling the above mentioned customer groups.

The basic customer touchpoints are presented in figure 9 and described in detail below.

Figure 8: Current service touchpoints

First time Mover & Experienced mover

Corporate account mover

4.2.3.1.1 Between touchpoints

The project team was also asked to consider what actions, thoughts and feelings, expectations etc. the customer was most likely to have in between the defined touchpoints. Further consideration was on how these customer emotions would change during the progress of the process and what affect each touchpoint would have. One rational for this was that the team could consider if the current process and way of doing things was simply following the case company's own standardized process or if the current approach was also suitable in building trust, reducing customer's perceived risk involved in buying and using the service as well as creating a positive customer experience.

4.2.3.2 Touchpoint: Case Company Web page

The case companies country specific digital marketing report indicates approximately 150 to 200 unique visits to the company's Finnish country website per month, with each visitor spending roughly 2:00 minutes on the site. 5 to 10 % of the visitors submit a enquiry for service. Financial statistics can also be reviewed to show the average quotation value per enquiry, converted business and average revenue per visitor. From a touchpoint perspective, the importance of a the case companies global website has not been underestimated, but on the contrary efforts are constantly being put into converting more business from visitors of the site. Recent development of the website has lead the overall appearance from a traditional trucks and moving boxes theme more towards people and larger service solutions. A relevant area of development has been the number of visits leading to the visitor sending a request for quotation, which has increased with the development of the site.

A majority of initial contacts and requests for quotation come from the case company's own website. Typically customer's find the company via a Google search (customer's indicate the lead source when sending a request for quotation). Google ad word optimization perceptibly plays a critical role in directing visitor traffic to the site in the first place. The ease of finding the case company from the search is perhaps a touchpoint even before the customer arrives to the company's website. Other lead sources where customers eventually contacted the company through the website have been that the case company was recommended by colleagues or friends or the customer's company policy recommends using the case company. Even the customers that contact the case company directly via e-mail or phone typically have found the contact details on the web / website. The website is thus one of the very first touchpoints that sets the customer's expectations. What the website or request for inquiry from does not ask or disclose is whether the customer has previous experience using international moving services. Only in the case the customer indicates the lead source as "used the company before" can the case company make the assumption that the customer has past experience in moving abroad.

In the context of the corporate account mover, they may or may not have actually heard of the case company in advance or visited the company's website. This is because the assignee's own HR department or a third party company is in charge of the initiation towards the case company, which in turn then directly contacts the assignee. Therefore information on the website can be overlooked by this customer group. This can lead to situations where a corporate account assignee moving for the first time will have very little if any information on the moving company itself, it's processes, quality standards, values or even on the services it provides. Assignees may rely solely on information, both good and bad they hear from colleagues or read online. It can also increase their stress and uncertainty levels if the company can actually deliver the service according to expected standards. The moving company in turn might overlook educating the customer in these matters at this stage, assuming that as this is just another initiation among dozens or hundreds from the corporate account, they know what they are getting.

4.2.3.2.1 Between visiting the website and the company's first contact

It is perhaps at this initial point between the first touchpoints that the customer, regardless of the customer persona feels the most uncertain and anxiety on what to expect from the upcoming process. Depending on how much the customer has used similar types of specialist services like plumbers, electricians, renovation companies etc. the expectations of a reply back to the inquiry can vary greatly. In comparison, from online ticket offices and web shops the expectation for a order / booking confirmation, confirmation of payment etc. are expected to arrive into the customer's e-mail instantaneously, but for services where a reply is expected to come from a customer service representative, or in the case of small companies, from the entrepreneur themselves, the lead time expectancy can be days if not weeks. Some prefer to find the direct contact details for the company as opposed to filling in a standardized template online. Often this is the case when customers feel they have certain abnormal circumstances that need special attention. From the case companies perspective, it is also difficult to have a 100% exact first reply that will cater to all needs when replying to a standard template that only has basic contact details.

The anticipated tone and professionalism of the reply can also be a source of anxiety, for instance in the case of the first time mover who will most likely have a lot of questions and not be familiar with the terms associated to the service. For the more experienced mover the expectations related to anticipating a quick reply are also often combined with the desire to get to speak with a knowledgeable person from the service provider as they want to get the process moving as fast and easily as possible and to get concrete answers to any questions they may have at the time. The corporate account mover on the other hand might not yet be even aware which company will make the contact and when. They might not even be aware that the initial contact may come from a third country, not the country of origin of the move.

4.2.3.3 Touchpoint: E-mail / phone contact

The first contact by e-mail or phone is the first point of contact from the case company's side towards the customer, the contents and tone of which the person making the contact can influence greatly compared to the customer visiting the company website. The most critical aspect of this first contact from the case company's side towards the customer is the response time. The quicker the initial contact is made the better the first impression. The perception is that it does not give a good impression if the customer has to wait for days for the moving company to make contact. The same applies to replies to all following message as well, in other words there needs to be consistency in the speed as well as a proactive approach where the customer is contacted and provided with relevant information before they know to ask for it. There can of course be numerous contacts made between the company and customer before the process moves along to the next touchpoint. Also, the customer themself can also affect the speed and direction the process moves with their own actions. A typical example is that customers do not reply to e-mails, they do not answer specific questions, or provide requested information.

The objectives of the first contact is to introduce the company and its services, gather necessary information from the customer and possibly schedule a pre-move survey at the customer's residence. There can naturally be several messages exchanged during this stage, for example the decision if a pre-move survey is needed or not is generally made based on the information provided in reply by the customer. If the customer is moving to an overseas location where the case company has its own local office, then a link to the local office's website is provided. The local sites have a short presentation of the city, the services offered and contact details with pictures of key customer service staff. The case company also has "settling-in tips" guides for numerous main cities which are provided to customers free of charge as a value added service.

For the first time mover the preferred approach has been an consultative one, where instead of simply asking for information related to calculating the quotation as quickly as possible, the customer is provided with advice on what to do and not do, expected schedules, insurance policies etc. The customers themselves typically also have many questions they would like answers to before responding to the company's own questions, which can sometimes even sidetrack the process. Another issue that can cause difficulty is the use of moving industry specific terminology, which can cause uncertainty and misunderstandings. The dilemma is whether to say as little as possible, potentially causing problems later on, or tell everything to the customer in detail with the risk of scaring them off. Sometimes customers consider terms and exclusions as a negative with a fear of possible high additional or hidden costs. At the other end, a vague or uninformative quotation and terms can causes uncertainty in the company's capabilities and a sense of increased risk.

The initiations that come from the assignees employer directly, ones that have been categorized as corporate account movers, generally include account specific information, characteristically allowance restrictions and other rules such as response times that the case company must comply to. This in part sets the tone of the contacts to the customer, i.e. the customer's own company has set certain rules, some of a negative nature, that need to be communicated to the customer. An example can be restrictions of items that cannot be transported, such as car tires (winter tires) or large instruments like pianos. At the same time the case company needs to try and promote its own agenda of getting the process started and provide information related to the moving process. An example is issues related to insurance. Some companies have their own policies in place, so the moving company cannot advise the customer in much great details how to fill out insurance applications or who possible claims are handled, but in turn it must simply tell the customer needs to contact their own company for specific information. These aspects can lead to the customer feeling unsatisfied in general with the service they are receiving, something which for the most part is out of the case company's control.

Experienced corporate movers typically do not have the time or interest to spend reading through brochures or long e-mails. This comes evident particularly later on during the move process when these customers say they are unaware of matters that have been presented to them in writing, sometimes numerous times. Therefore the preferred and most effective method of contact that is by phone with a short e-mail confirmation afterwards on what has been agreed, what happens next and exchange of contact details. A second critical characteristic is that the point of contact is in many cases the assignees spouse. This in turn means that the limited information that the customer is willing to receive and review will have to pass through this person. At matter which can prove problematic in the case of customs paperwork, passport and visa information etc. which needs to come signed from the assignee not the spouse or secretary.

For the experienced mover, the ease of using the service was identified as a positive influence. It is not uncommon to hear customers say they want the "same package as the last time". If in these cases the contacts and information provided by the case company differ greatly, it was considered to cause frustration. A problem here is what actually was included the last time and what factors lead to positive or negative experiences, especially if the move was completed by another company. The case company's own internal operating system does provide some information on technical data like volume of the move, dates etc. as well as the customer's own feedback after the move (if originally provided by the customer). Furthermore, if the initial contacts are rushed too quickly some critical details may get overlooked from the case company's perspective, which can lead to negative feelings later on, if for example a certain service is excluded or has an additional cost to it.

4.2.3.3.1 Between receiving contact from the case company and waiting for the pre-move survey

It is at this point that the customer's expectations should be at a reasonably high level, meaning that the customer feels comfortable and confident with the way process is progressing. The initial contact and possible further exchange of e-mails or phone calls should contribute to the customer building a positive perspective of the case company, furthermore so that it stands out compared to possible competitors. The case company's ambition is to demonstrate that it is a global company with a large network of own offices, so the service can be completed door to door under one roof, making the process easier and more fluent for the customer as well being much more knowledgeable on both a global and local level.

An aspect that needs to be considered between these touchpoints is how long is a reasonable time between the last contact and the pre-move survey. Within the team, one opinion was that the survey should be done as quickly as possible and afterwards the quote given equally quick in order to react much quicker than the competition and hopefully win the business before others even have a chance to quote. This is a valid approach in cases where the customer has a certain budget and does not care which company they use, or the corporate account is already familiar with the case company and has used its services before. On the other hand doing the survey last of all competitors can have a positive affect if the way the survey is done feels more professional than the surveys by other companies and the customer's preference is obtained. Being last also means the customer has more comparison points between competitive offerings.

4.2.3.4 Touchpoint: Pre-move survey

The purpose of a pre-move survey is to give the moving company a clear picture of the volume and type of household goods that are to be moved. A pre-move survey means that an in-home sales consultant or sales representative goes to the customer's home to "survey the items to be moved, put into storage, disposed of or left behind as part of the move. The survey allows the moving company to give a more exact quotation compared to information provided by the customer over the phone or e-mail only. Additional information that can be obtained during the survey are for example the exact floor the residence is on, if there is an elevator in the building, access conditions in front of the building and other restrictions or limitations that may require abnormal work / labor. During the survey, at least in the case company's protocol, the different stages of the move are also covered in detail.

For first time movers the sales representative typically will spend a large amount of time answering any underlying questions the customer may have and try to create trust towards the company. At the end of a successful pre-move survey all the customer's questions have been answered and additional information the customer did not know to even ask for has been presented. For the more experienced mover the sales representative will typically need to prove the knowledge and skill set of the company. Regardless of the customer persona in question a part of creating trust is presenting the value the case company can provide to the customer, not so much presenting the technical features of the company or service. The case company has composed a number of unique points of differentiation to fulfill this task.

Most importantly, the survey is an opportunity for the sale representative to gain the customer's preference to use that specific company over the competitors. The pre-move survey is a critical touchpoint as it typically is the only time customers gets to meet somebody from the moving company in person before the moving crew arrives on packing day. It is thus a key differentiating point for the company from competitors, a situation much influenced by the individual completing the survey for the company. It may allow a company to stand out from others in a situation where contacts are done by e-mail only. In other words it becomes a tangible touchpoint from the customers perspective and even more so one that has a instant two way dialogue with the company.

As with the previous touchpoint, the two way interaction allows the customer to also take control of the situation and in turn affect negatively the aspirations of the moving company. For instance if the sales representative would like to spend time discussing how the moving company will take care of the service and what differentiates it from the competition, the value they bring to the process etc. and the customer is only willing show what needs to be moved and then has to hurry off to other appointments these matters may never get appropriately expressed and then eventually leaving the decision down to price alone. A further consideration is what affect to the overall process does it have if a pre-move survey is not done at all? For every single move a survey is not completed or necessarily required based on the volume of the goods to be moved. For example if the customer has specified that they want to move only 10 pre-packed boxes, the mutual conclusion can be that a service proposal will be calculated directly based on the measurements provided by the customer. Another example can be that a competitor has already completed a survey and the customer informs the case company on the survey volume and results. However, as mentioned above, an important role of the survey is to give a face to the service and present the company and if a survey is not completed then this opportunity to stand out from the competition is lost. A final consideration in not completing a survey when competitors have done so is what affect it has on credibility of the case company, in particular in cases where the customer feels it is necessary.

4.2.3.4.1 Between completion of the pre-move survey and waiting to receive the service proposal

At this point project teams assumption was that customers have already made a decision on which company they would prefer to use, mainly because those that feel the quoted price is too high will get back in touch with the company to try and negotiate on the price. Further still it is a case of the overall value proposition; if the customer sees the value in their perspective they are willing to negotiate. If they don't see the value they choose alternative options. During the pre-move survey the sales representative may have tried to get the customer to disclose competitors prices and / or the customer's budget in order try and meet these expectations and set pricing at an appropriate level. One way of testing the customer's expectations is to give an indicative price range and see what the customer's reaction is.

4.2.3.5 Touchpoint: Service proposal

The service proposal template, or quotation, used by the case company in Finland is a minimum of five pages long (for European moves) and anything up to 10 -1 2 pages (for overseas moves) depending on customs regulations etc. involved with the destination country. In the most basic form the template consists of the following parts listed below as well as insurance terms and application and general terms:

- Page 1: Brief introduction of the case company with a few sentences, Door to door price of the move, cost of the optional transit protection policy, detailed description of what services the proposal includes
- Page 2: Exclusions and general assumptions and terms based on which the price is calculated on, e.g. that delivery will be to a single address only.
- Page 3: Summary of the additional insurance policy that is offered (the full insurance policy and application is provided as a separate attachment)
- Page 4: Acceptance of service form
- Page 5: Case company fast facts as an illustration and in numbers

The service proposal clearly is the most critical touchpoint up to this point as it is the point where all the build-up of rapport and interest towards the customer if finally presented in a written, concrete format and more specifically in monetary terms. Within the project team and the case company's Nordic organization the service proposal is also a issue that causes somewhat of discussion and disagreement. From one perspective the proposal should not be too long and overly detailed, with the rational that customer end up only looking at the price anyway and if it's too formal in context of being only terms and conditions it may scare of customers. The opposite opinion argues that a comprehensive and detailed service proposal demonstrates the companies professionalism, gives the customer a clear picture of what they are getting and leaves little room of interpretation. Furthermore in many cases it is a person in the customers own company that makes the decision and they need to make the decision based on the information presented to them, which in most cases is the service proposal itself and nothing more than maybe the personal recommendation of preference of the person actually moving.

There are plenty of real life examples of why both examples have its supporters within the case company. Customers frequently come back after receiving the service proposal to ask if what services are actually included in the price or if a certain service is included, even though it is specifically written in detail in the proposal, meaning the customer most likely stopped reading the proposal after looking at the price. In contrast, sometime customers ask very detailed questions about certain terms of wordings requesting additional information, sometimes being put off by the matter.

When looking at the service proposal in terms of the defined customer personas, a generalization is that first time movers are the ones asking for clarifications and further information on the proposal and its wording, where as the more experienced customer focuses more on price and merely double checks that the price includes all the essentials. Overall the contents of different moving companies can be said to be relatively the same, with variation coming mostly from how it is presented. Interestingly in the case of the corporate account mover, it is very common that the person moving never gets to see the actual service proposal or even know the final price of the service. A similar question that emerged with the previous touchpoint, with what happens in company to customer communication if no pre-move survey is done, similarly at this stage, what affect does it have when the information in the service proposal is never presented to the customer? Are certain customer expectations left unaddressed, leading to service failures later on?

The final customer experience up to this point can end in either a positive of negative outcome, depending on whether the customer decides to purchase the service or not. Except perhaps in the case of the corporate account mover, no customer should end up purchasing the service and not be satisfied with the decision at that given time. The corporate account mover may have had preference to use a different company based on good past experiences, but is now forced to use the case company. Unsurprisingly the quoted price can simply be too high compared to what the customer is willing to pay, regardless of how satisfied or confident in the company's service they are.

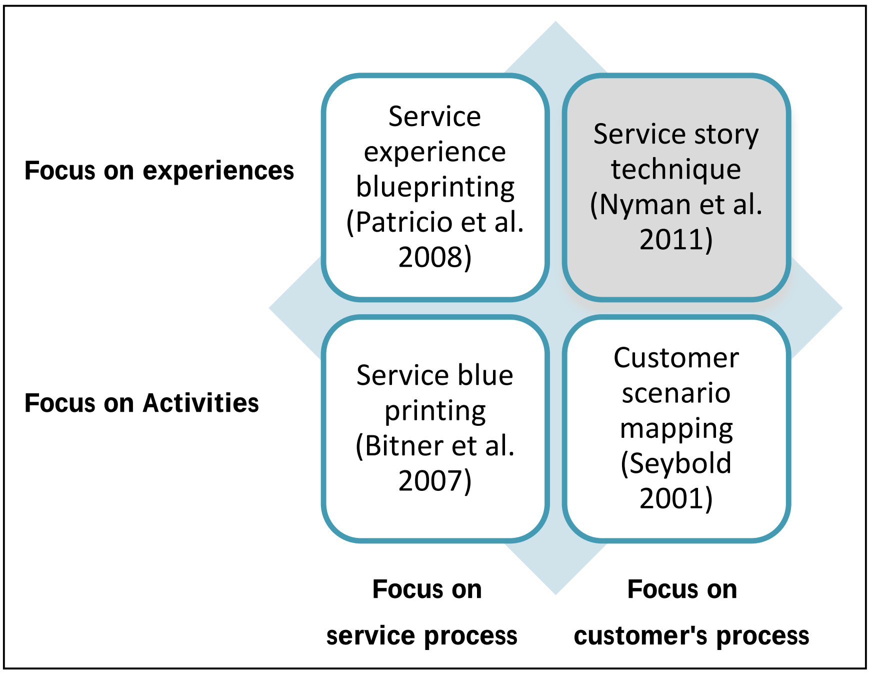
A customer group not included in this study is the one that only benchmarks an existing quotation from a company that they have already decided to proceed with, just to make sure the price is indeed competitive. With these types of customers even being a bit cheaper will not have any affect in their decision.

4.2.4 Customer Journey

The customer journey illustrates how the customer perceives and experiences the service interface along the time axis, also taking into consideration the parts of the process that occur before and after the actual interaction with the service (Miettinen & Koivisto. 2009. p.15). Nyman, Mickelsson and Strandvik (2011) suggest in their paper using a story telling technique to uncover the customer logic which forms a customer-specific pattern of how the customer themselves lives their life or conducts their business in relation to an offering. The customer’s logic is formed by her reasoning, actions, reactions, practices, experiences, preferences, focus, energy and involvement, or lack of these.

The customer journey mapping technique was chosen in order to try and visualize the customer logic. In this study this technique was considered to be more practical from the customer experience perspective as opposed to Service Blueprinting (Bitner, Ostrom and Morgan. 2007), which focuses more on the providers processes, not necessarily the customer's service experience. Service blue prints also focus on the touchpoints themselves, but not necessarily the customers reasoning between each touchpoint. Furthermore, the case companies processes were considered to already being tailored to be efficient and logical. Changing already set processes throughout the entire case company would be a much greater challenge as opposed to looking at specific touchpoints and fine tuning them to create a better customer experience, which could then be relatively easily communicated throughout the company. A critical incidence technique could also provide insights into memorable positive and / or negative occurrences in the customer's experience, but this does not necessarily take into consideration the service offering itself, but rather on the customer’s perceptions of certain events within the interaction. Different techniques for understanding the service process are presented in Figure 10.

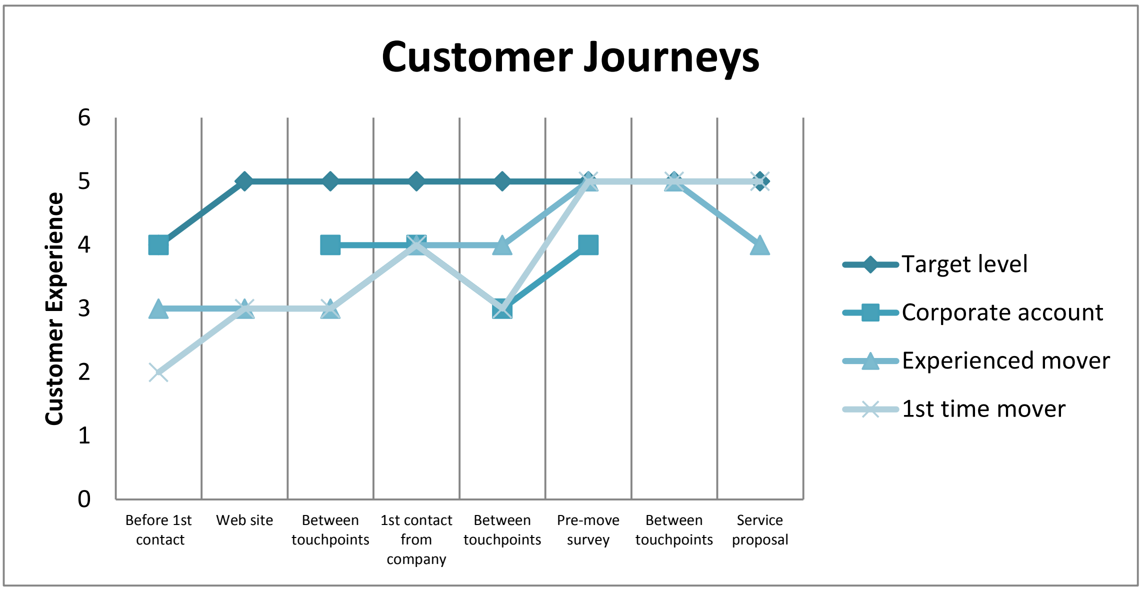
Figure 9: Techniques for understanding the service process



Differences in focus of service blueprinting, service experience blueprinting, customer scenario mapping and service story techniques. (Nyman et al. 2011)

Consuming a service means consuming an experience, a process that extends over time. During a service process, the customer is not necessarily in contact with the service provider continuously from start to finish, like in a relocation service. Even before choosing a service provider for an upcoming move, the customer is in contact with prospective companies perhaps only once every few days. Even during the move, when the goods are in transit, there might be weeks or months, when there is not interaction between the customer and service provider. The customer journey map template was divided into columns to show both the touchpoints and the non-visible emotions in between the touchpoints as is presented in the story telling technique. The project teams customer journey maps are consolidated in figure 11.

Figure 10: Customer Journey map of defined customer personas



The horizontal axis includes the touchpoints defined in the previous steps and the vertical axis the customer overall experience and emotion, with zero being very unsatisfied and uncertain to five being very satisfied. A target level equivalent to a very satisfied customer is shown as well for reference. Overall this phase was considered as the most difficult. even though the project team had experience in dealing with each of the personas, getting the in-depth insights for the non-visual actions proved hard to uncover.

When the project team finally evaluated the personas, touchpoints and journey the following general conclusions were made:

- Consistency of the brand values at every touchpoint
- Brand values needs to shimmer through from the communicated messages
- Professionalism is key in inspiring trust
- Empathy towards the customer circumstances
- Proactive, being one step ahead of what the customer knows to ask or expect.
- Empowerment of staff and oneself to perform according to the set standards

4.2.4.1 Lost jobs

In an effort to gain insights on the requests for quotation that end up as lost, during the summer of 2014 during the international moving industries peak season a selection of the case company's customer were contacted with a simple three questionnaire. The selection criteria was private customers in the Nordics (Finland, Sweden, Denmark and Norway) that at the time of sending out the questionnaire were indicated in the case company's system as lost and ones that had an estimated move date during the summer period. Corporate account customers were excluded as they were considered to not be able provide the same insights as private customers as they are not always the ones making the final decision on which company is eventually chosen and why. Secondly, the case company's own internal rules do not necessarily allow corporate clients to be contacted in matters not directly related to their relocation. In total 12 customers were identified and contacted by e-mail. The following questions were used:

- Is this your first time using an international relocation company?
- What were your three most important selection criteria when choosing your international relocation service provider?
- How did you evaluate your selection criteria between the competitive offerings?

Unfortunately only two replies were eventually received back. In both replies the final selection criteria was noted as the price being too high.

Reply 1:
"Yes this is the first time I use a relocation Company, and I chose Crown because I heard it was reliable and efficient - actually I saw a TV-show of 'Undercover Boss' concerning Crown relocations, that was have I first encountered the company. Alas I thought the cost of a move from Sweden to England too high!"

Reply 2:
Main selection criteria when choosing an international service provider were "Finland based, European reach & Price" and the final evaluation criteria between the different offerings was "price".

As neither of the answers received were from the case company's Finnish office it is not possible to examine the actual step by step process of how the customer was contacted, surveyed and quoted, in other words if the process followed the customer journeys presented earlier. Though not fully conclusive based on just two replies, what is evident in both replies is that private customers searching the market for competitive offerings are drawn mostly towards price.

4.2.5 Case Company Competitors

Having reviewed how the case company measures current service performance and customer satisfaction as well as identifying the most common customer personas, the third phase was to conduct a brief competitor analysis. The general assumption that is evident with both inexperienced and experienced customer personas, competitors are a factor that must be taken into consideration. Especially if local competition handles the process in a much better or differentiated way.

As the persona mapping was focused only from the first point of contact to the point where the service proposal is sent to the customer, this particular competitor analysis was constructed in a similar way, concentrating on how customer expectations are catered to and how value is presented to the customer through e-mail(s), phone and the quotation template.

With regards to customer expectations the focus was on how the customer's point of view is taken into consideration. For example, does the company educate the customer into buying the service, is the type of language and vocabulary used understandable from the customer point of view and the overall appearance of the quotation, which as has been presented can be the only tangible element in the process if a pre-move survey is not arranged.

From the customer value perspective, emphasis was on attributes of interest for the customer that the customer could also understand, such as guarantees, benefits and other non-monetary matters. Other points of customer value could be considered as for example unique sales propositions.

A case company's employee in Helsinki was assigned to contact several local removal companies with a fixed set of parameters based on which all the companies should be able to provide comparable quotations. The companies which were to be contacted were chosen simply by being the most known Finnish removal companies. The websites themselves were not evaluated in this case. The move itself would be from Kerava, Finland to Utrecht, The Netherlands. In total four companies were contacted using online request for quotation forms on the respectful websites. All requests were sent at the same time so that response times could be measured as well. As the request for quotation templates had variations between each other the data was provide in the best way possible, or provide later by e-mail. No company representatives were met face to face and similarly none of the companies called the customer.

4.2.5.1 Response time and initial contact

All but one company replied to the request within one working day, either requesting additional information and / or to answer questions asked in the request for quotation. One company replied to the request and proposed a pre-move survey. After replying back to the company requesting to quote based on the indicated volume, the company replied that they will pass on the request to their sales team, but after that no further reply was received. The three companies all provide a written quotation, two of which were in Finnish and one in English.

4.2.5.2 Managing Customer Expectations and Value during quoting process

Where all three companies that replied seemed to focus more on a quick response time in getting the quotation to the customer, none made much effort to ask the customer about their expectations or current situation. From a company point of view, perhaps the information provided in the request made it all too easy to calculate the price and send the quotation without the need to make further inquiries towards the customer. This may be an efficient way to handle large volumes of enquiries, but what the affect is to actual booking ratio is worth questioning. An assumption of the quick turnover from request to quotation is that all request are replied to in a uniform manner, assuming all customers are equal in their knowledge and experience.

As opposed to concrete value propositions the companies focused more on presenting features such as number of vehicles or staff, how many years they have been in business or which global moving organizations they are members of. This could be relevant points, but none elaborated these points in more detail.

Two out of three quoted transportation based on a combined transport method which leaves the actual collection and delivery dates open. The third company clearly mentioned that they did not have their own removal truck in the country during the requested move dates and quoted transportation using shipping pallets. Interestingly the same company mentions on the first page of their quotation that their removal vehicles are state of the art trucks with GPS tracking and air suspension, which contradicts with the quoted mode of transport. This same company did however have a very good overall layout in the quotation, including a clear split of what is included and what not, what the final price the customer has to pay including VAT and a mention of what the next step is if the customer would like to approve the quotation. Overall the format of the quotations were quite similar and traditional, with the small exception of the company mentioned above.

4.2.6 User experience interview: Experienced mover

Thought the focus of the research question is more focusing on how customer can be better approached and through understanding the customer experience, secure more business it is not meaningful to overlook the insights that a customer actually using the service has. In order to reflect on the teams persona and customer journey findings presented earlier in the research on 31.7.2014 a 24min telephone interview was carried out with a customer with past international relocation experience. The interviewee had moved with the case company a year ago. Based on the phone interview and e-mail correspondence during a customer's moving process information on a actual customer's personal feelings and experience were gather as the move progressed. The time of the interview was during the actual move process, after the origin packing and loading was completed and the goods were in transit to Finland.

The packing team showed great team spirit in their task of packing household goods. In addition a key element was that their professionalism should in a way that the customer described as "thinking" i.e. there was logic to what they were doing. As a result the customer experienced this as a confidence builder, meaning that based on her personal observations she felt that the work being done was in good hands / a confidence builder and that everything would go as expected from the service.

A contrasting observation was from the two drivers, which were from another supplier, that had a not so nice external appearance of just looking a bit scary and for example spitting quite a lot. This combined with some rough handling of personal items. This created a negative feeling compared to the other crew on site at the time.

Flow of information. Though the general plan on schedule was confirmed to the customer from the office, even any small discrepancies in schedules or communication that deviated from what was originally confirmed caused anxiety and confusion. In other words if affected the credibility of what was confirmed from the office in comparison to what the customer experienced on-site. As an example the packing of valuable paintings was agreed to take place on Friday and Monday [by a two man crew] but the party responsible for this decided to finish in one day [Friday] with a four man crew in order to have to avoid coming on the second day. As the main office coordinating the move did not know of this until the customer questioned the arrangement, it caused confusion.

Customer concerns during the origin service

- Different stakeholders and communication between them was lacking causing confusion. An element which should have been taken better into account by the managing office. Though certain issues were resolved, the information did not receive are parties leading to confusion.
- The customer clearly acknowledged the different roles and responsibilities of the different stake holders, and what each stakeholder could themselves affect and not affect. E.g. the people in the office coordinating the arrangements cannot of course come to another country to pack things and a packer from one company cannot know about a packer from another company. However, the fact that the overall coordination

and information flow needs to be handled in some way. The customer should be on up to date on the situation at all times.

- Lack of painting boxes at the time the paintings were packed. Suitable boxes were later delivered and the paintings packed into the boxes by a separate person.
- Lack of a complete packing list, raising the concerns how will all the items be accounted for and what is something goes missing.
- Will everything fit into the truck? In mid process of loading the truck even a vague doubt expressed by the crew that everything might not fit can cause big concerns for the customer as they generally will head off to a temporary residence or hotel elsewhere or even directly to the airport so a contingency plan of coming back at a later date is not always sufficient. In this case everything eventually ended up fitting into the truck as planned, so in the end this aspect was not an issue, but it did cause unnecessary anxiety for a short while during the loading.

Customer value is of course much more than having everything arrive on time and in the condition before the move, as the above listed concerns illustrate. The anxiety and confusion was fortunately non-existent when the goods were finally delivered to the residence in Finland. The case company's local Finnish crew was present to assist the foreign delivery crew. At the time of delivery if all goes according to schedule, generally only damages can spoil the end of the service delivery. In this particular case the only damages where to the frame of one painting, which were promptly repaired.

4.3 Thinking

Managing large customer volumes on a global scale in a consistent manner has lead to the case company mapping and creating a set process from door to door and building a move management IT tool to allow service staff to comply with this process. The system itself has pre-defined milestones or so called tasks at each step of the relocation process that need to be manually completed on time by staff. The on-time completion in turn is monitored down to an individual employee level and is then consolidated to a office score. Offices are then ranked from highest to lowest performer. The task vary according to the office role in the service delivery process. Certain tasks have fixed deadlines, others can be postponed or followed-up on at a later date and new additional tasks can also be added manually. The task are however always the same, appearing in the same order with the same deadlines for completion regardless of who the customer is.

One single approach to handling all customers may not be sufficient or effective to create a meaningful customer experience for all customer. As has been presented in the theoretical part of this study, based on the case company's own statistics from customer feedback the origin stage of an international relocation has a lower satisfaction score than the destination stage. The role of the origin office is typically also more demanding, requiring more knowledge and attention to make sure the customer has the necessary information to be aware of the future process of their relocation all the way to the ending of the service. The destination office more or less simply has to deliver the goods home on time, when the shipment actually arrives, and in one piece to maintain a happy customer. As both theory and experience has shown, the end of the service is remembered much more strongly than the beginning, especially in the case of international relocations as the duration from start to finish can be several months.

Unless the move is initiated by the customer's company based on an existing service contract, it is also most often the role of the origin office to price and sell the service to the customer. As well as not being able to manage the move process with a single service delivery approach for every customer, the sales process should be looked at from various perspectives instead of using a one for all approach. The differences between customer personas have been presented and explained in the previous section at the different touchpoints of the beginning of the sale process. Some key characteristics are presented in table 6.

Table 6: Comparison of characteristics between different customer personas

	1st Time Mover	Experienced Mover	Corporate Account Mover
Customer can freely choose service provider	✓	✓	✗
Customer makes contact using case company's website	✓	✓	✗
Pre-move survey is completed	✓/✗	✓/✗	✓
Case company has possibility to up sell auxiliary services	✓	✓	✗
Customer has option to select the case company's transport insurance	✓	✓/✗	✗
Customer receives a detailed service proposal from service provider	✓	✓	✗
Customer compares prices of competitive offerings	✓	✓	✗
Customer knows final price of the service	✓	✓	✗
Customer makes final purchase decision	✓	✓/✗	✗

✓/✗ means either yes or no is possible.

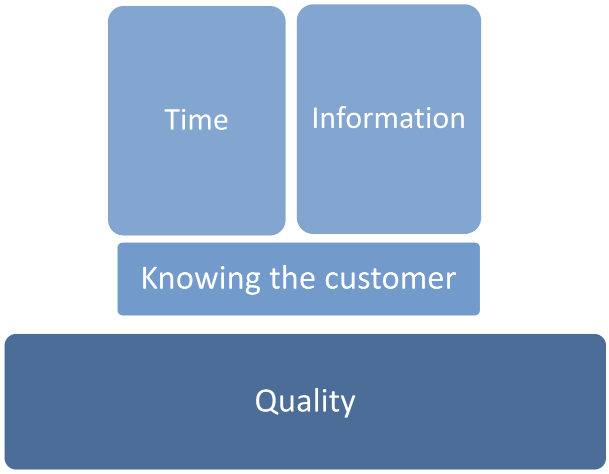
An observation of the different personas is that a private customer, who could represent the 1st time mover, has the most options and freedom to customize the service package. On the other hand they will also have to pay themselves for what they want to get. The corporate account mover would gladly include as much additional services as possible if it were a no-cost option. Furthermore a corporate account mover can have the characteristics of a first time mover or experienced mover, so these personas are not completely exclusive between each other.

4.3.1 Main observations

As it has been concluded, a single approach to servicing all customer is not necessarily the best process with a homogenous customer base. The reasoning for defining the customer personas and opening up the touchpoints from first contact to sending the service proposal was to see how and where the customer's expectations and objectives differ from each other and whether certain customer receive different service delivery or miss out completely on any relevant parts. The case company's objective is of course to deliver high quality services to all customer regardless of who and where the customer comes from or the reason for moving, business or private related. Corporate movers require high quality service in order to keep the account as a whole satisfied and other customer groups are equally demanding expecting to receive the anticipated value for money. As the company fundamentally cannot choose its customers, but the customers choose the company, the starting point for any service development initiatives has to start from this high quality for all foundation. The company has to identify the customer type [persona] and adjust to cater to their specific expectations, in other words knowing the customer. Most often this is not a difficult task for a relocation service professional to identify a customer moving for the first time based on communicating with the them. But, does the customer actually know if the company is treating them intentionally in a certain way based on this knowledge in order to try and create a positive service experience if it does not ask the customer for this information. By means of really knowing the customer the company can focus its resources better. Corporate account movers are easier to handle in the sense that no selling has to be done, but their budget can be limited and corporate regulations restrictively tedious. Private customers moving for the first time or an experienced customer will have the biggest potential for the case company to up sell additional services and as the company has more flexibility with quoting it has a better possibility for higher margins. The compromise in this case is however that competitors will push down pricing and the case company without doubt will have to put much effort into selling the service and differentiating itself from the competition.

In conclusion, the main observations that stood out from the research part were the time available by service staff to actually service each customer and information and the way it's managed. The main observations are visualized in figure 12.

Figure 11: Main observations of research



4.3.1.1 Time

Time is a resource that is budgeted similar to money. There generally is not enough of either. The same applies to from the customer's perspective, in the time they are willing to commit to understanding the information provided to them. Furthermore, the speed at which information is given, service proposal prices calculated and questions answered to, is directly related to customer satisfaction and managing customer expectations. Available time as such, just as a monetary budget, is something that cannot be increased endlessly, but instead the way daily tasks are handled needs to be more efficient and effective. As has been presented, the move management tasks follow a set process and are in place to meet the requirements of the move manager at each specific point of time. Even the move management task may not reflect the customer's own process exactly, they are a designed by professionals and are relevant to the service delivery. Time is spent at each move management milestone, sending information to the customer or other stakeholders. To a large degree the information sent at each stage is similar move to move. The more skilled the move manager is, the better they can identify and summaries the information relevant to each customer at each given time. Starting every e-mail from scratch for example is not efficient in the current situation where staff have limited time availed and the contents of the message should be both professional, informative and have a positive tone of voice. Having the well thought out layout and visual appearance would surely an added benefit for customers.

4.3.1.2 Information

Case company personnel at the customer interface level during the sales process, such as sales representatives and move managers, are persons that deliver the service by means of managing information as opposed to actually packing or moving the customer belongings. Thus the information conveyed to the customer and the information received back from the customer is of crucial importance. Far too often feedback from customers is that the case company has collected a vast amount of information from the customer, but they have not actually processed it, shared it efficiently within the organization or used the information in a relevant manner the customer could have assumed, leading to the company asking for the same information several times or delivering something opposite to what the customer's expectation might be. This is issue is typically summarized by the customer comment: "We feel like we are not being listened to". As was presented in the research part, corporate account customers for example may not actually get detailed information on what services are included in the relocation as the person actually moving does not receive a service proposal which normally contains this information. And even thought the allowances and corporate set rules are provided to the customer, they are not the same thing as information in the case company's service proposal.

4.3.1.3 Other factors

Based on the comments from the project team the case company's current quoting process is proactive, responsive and fast thanks to the determination of the sales staff. The process and approach compares against those of the competitors as well. Therefore the process itself, if slightly fine tuned and pragmatically followed case to case, should not be a limitation for the case company to offer a positive an desired experience. A question this research does not answer is what amount of requests for quotations or new service initiations the case company could handle at a single given time and not compromise its current service level. In other words, there is naturally no guarantee that the case company could handle 100 new request a day compared to current figures.

For a quality focused service company price is always a difficult matter to conceptualize into a concrete value proposition. The case company does not want to position itself as a low cost alternative and is to a large degree known globally as one of the more expensive options. However, to be able to compete, overall pricing has to be within market level tolerance. Any economies of trade from being a big company, logistical optimization and other tools for lower costs are naturally exploited at every occasion possible in order to be able to provide customers with more competitive prices. Price reductions cannot of course come at the compromise of service quality, or profitability for that matter.

Based on the above mentioned factors, cutting prices is not a primary objective of the case company as a source of increased sales or better hit rates from current customers. This will also not solve customer expectation related matters or create a better service experience. How customers are contacted and serviced during the quoting process is something that should be further evaluated. An improved, customer focused approach that identifies customer types and takes expectations better into consideration should be able to generate more sales from customers that currently already are contacting the case company. Further increasing the potential customer base is then more a question of directing even more qualified customers to the case company's website, and therefore a marketing related matter. When the sales process is fine tuned to be informative and efficient, handling greater customer request volumes should be feasible without compromising service quality.

4.4 Generating

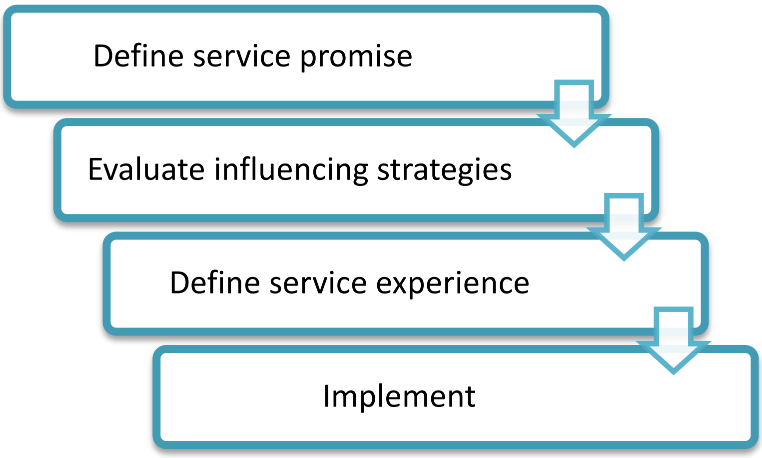
The next phase in this service design project is generating a new idea or multiple ideas in improving the case company's current service delivery model within the scope of the research area. Based on the theory presented in the literature review section, companies can adopt steps to create a branded service experience, customer loyalty or customer advocacy. A starting point would be to try and build a meaningful customer experience in the researched, initial phase of the moving process in order to differentiate the service offering from competitors and actually win the business. An overall goal could be an increased hit rate for service proposals, increased customer retention, better customer satisfaction scores, or a combination of numerous such elements. Smith and Wheeler have presented for example four, rather rational, elements for creating loyalty among customers: being intentional, consistent, different, and creating value";

- Consistent - in terms of delivering the experience regardless of time and location
- Intentional - The customer experience supports the brand
- Differentiated - from competing brands
- Valuable - The customer proposition meets the target customers needs

(Smith & Wheeler. 2002. p. 16 & 43)
Loyalty being the end result of a larger poll of factors that demonstrate that a company is doing things right.

These four elements will be utilized in the generating phase as they are practical and relevant elements, especially within the case company where the service delivery, at the specific scope of this research, is done by numerous staff in different countries. In other words, in order to be able to influence the customer experience, for example on a regional level, the process needs to be systematic in the sense that each sales representative and move manager needs to be aware of the objectives and reasoning behind it. Further still they must commit to delivering the desired outcome. The design steps are illustrated below in Figure 13.

Figure 12: Design steps to generating new service delivery model



Within the generating phase, for each of the three customer personas presented in the research phase, the first step will to be to define a service promise; what and how the case company wants to deliver the service. Or in other words, what the specific customer persona is thought to expect from the service provider to successfully meet their expectations and provide a positive service experience. The design will be evaluated based on the influencing strategies presented by Zeithaml et al. in the literature review in order to better meet customer expectations and actual perceptions.

4.4.1 Creating change by means of Communication

As has been presented earlie, the touchpoints from initial contact to the customer receiving a service proposal are mostly communication related, either by e-mail or phone. Without a pre-move survey e-mail messages can be the only tangible elements the customer receives from the case company. The situation continues throughout the entire relocation process, with the only other tangibles being the removal staff at origin and destination, the packing materials and the fact that once completed the customer's goods have been delivered to a new location. Based on the observations made in the research phase, time and information are the main areas the case company itself can influence and the combination of which results to developing communication. A new way or format of providing the customer with information should naturally span the entire relocation process in a consistent manner.

By creating well thought out, customer focused communication tools such as e-mail templates that have continuity and a proactive approach taking the different customer personas into account, the case company could save time and improve its customer experience. In theory, everyone in the different office teams can benefit from each other's best practices in servicing customers at each given touchpoint when the information is collectively combined into such templates. New approaches to communication can be easily and quickly adopted and existing ones revised where necessary, for example based on customer feedback. As the research phase illustrated, not all customer personas are serviced similarly, so new touchpoints could come into question as well. The case company has educated staff on so called "tone of voice" communication technique, which emphasizes how through the use of specific words and sentence structures staff can portray their messages in a more customer focused and friendly manner. As practical and simple as it may sound, the case company has not thoroughly looked into creating detailed templates or the visual appearance of communication towards customers.

The case company has recently implemented Microsoft Outlook as their new e-mail platform, replacing a an obsolete Lotus Notes e-mail. Outlook will allow templates to be created and shared easily within the case company. Outlook also allows for relatively easy creation of visually appealing messages without the need for specialist skills. It makes redundant the need to copy and paste messages from old e-mails or word documents, a key element in making the activity fast and efficient.

4.4.2 Defining the Service Promise

Each individual customer and customer persona eventually has the same objective: to get their personal belongings transported from point A to point B as smoothly and economically as possible. Even if the outcome is the same, the process of how it is achieved in a satisfactory way can vary dramatically customer to customer. Therefore different, customer persona specific service promises are defined below.

In the research phase the customer personas and the touchpoints have been defined and presented, giving an understanding or at a minimum a basic assumption, based on service staff experience, of how each customer persona typically acts and expects. Furthermore we know what the case company itself does at each touchpoint. Some of the case company actions are to react to customer actions, some proactive towards the customer and others simply an established way of doing things. To start generating a new way to intentionally react more proactively and intuitively a service promise is defined to summaries and describe what the customer experience is intended to be. The promise reflects the persona attributes and characteristics presented in section 3.2.2. Personas as well as the case company's own brand values described in part 1.4. The service promises are presented in figure 14.

Figure 13: Service Promises for each customer persona

4.4.2.1 1st Time Mover

The customer moving for the first time is assumed to be a young individual leaving abroad for a new assignment as a mid-level manager. A new ambitious challenge and position for them. They are typically aware of their entitlement if their employer is sponsoring the relocation and want to stick to the allowance and limitations. They also want to make sure the small details are covered and any surprise avoided in advance. Communication wise they might not be sure how much detailed information they should provide to the service provider, and how much to expect from the provider. They don't want to come off as demanding or arrogant and react well to a service provider "we'll take care of it" attitude. Should the persona refer to a private person paying for hte service themselves, the general traits are fairly similar, with a greater emphasis on reassurance, trust and risk avoidance. For the 1st time mover the service promise has to do with the service provider being a trusted, equal partner that is there to serve the customer.

4.4.2.2 Experienced Mover

The experienced customer that presumably has been around the world and moved many times, dealing with sales representatives and moving crews of various nationalities, will know and want to go straight to the point. If previous experiences have been good or neutral they will be willing to trust the service provider in that they will do their part and they'll therefore want to make the necessary arrangements with as little fuss as possible. Relevant for this customer is to secure preferred moving out and moving in dates. If there has been negative experiences the customer will openly point them out and test the overall skills of the service provider. As long as things are going smoothly they are generally satisfied overall and react positively if there are above expectations experiences along the way. The service promise for this customer persona to proving to be a global, experienced service provider that takes care of things in a professional manner door to door.

4.4.2.3 Corporate Account Mover

The definition of a corporate account mover can include features of either a 1st time mover as well as a experienced mover. It mostly stands out for not having the exact characteristics of either of the previous personas. As an example a high level executive will arrange their personal schedules to allow a pre-move survey to arranged within business hours, but a corporate account mid-level manager will demand to have the survey done after business hours or during the weekend because this is the most convenient for them. Being demanding is of course an quality customers are allowed to have and a professional service company representative will know to react accordingly. This customer persona requires a high level of social skills and a professional approach from all front line staff. The service promise therefore needs to be a equally determined to help the customer achieve their ambitions.

4.4.3 Evaluate influencing strategies

Based defined service promise, before actually defining what the service experience should be it is worthwhile to evaluate different factors (Zeithmal et al. 2012. p.63) influencing the service experience that the case company has an effect on when designing its own communication strategy. These factors are presented in table 7.

Table 7: Communications strategy considerations

FACTOR	1st Time Mover	Experienced Mover	Corporate Account Mover
Explicit service promises	Making sure the terminology used in communication is not technical lexicon or abbreviations but in the vernacular so it can be more easily understood. Services and features should be communicated as values and not just as lists of inclusions and exclusions. Reducing perceived risk. Truly listening to customer feedback at all times	Demonstrating case company's expertise by offering relevant auxiliary services such as mobility services (e.g. home search)	Communicating to the customer that the case company is doing its best to maximize the customers allowance.
Implicit service promises	Transparency in both verbal and written communication to make sure	Focusing on increasing number of pre-move surveys to create rapport with customers	Providing the customer with a detailed service description similar to a formal service proposal, without

	expectations are in-line with service delivery		disclosing the total price
Personal needs	Communicating the value the case company can provide	Focusing on the ease of use the service provides	Focusing on the ease of use the service provides
Temporary service intensifiers	Advising customers in advance about peak seasons and expected lead times.	Proactive and personal follow-ups throughout the process to demonstrate special attention for the customer	Providing customers with certain priority advantages, like booking dates.
Perceived service alternatives	Being careful not to over sell a too complex service package that exceeds customer's expectations, requirements and budget.	Differentiating case company's service offering and focusing on points of value to customer and factors that separate the company from the competitors that the customer can understand as relevant.	If possible, offering customers with alternative shipping modes that allow more volume to be shipped or a faster shipping option.
Self-perceived service role	Making sure explicit service promise is comprehensively made and communicated. Making sure the customer knows the upcoming steps in the process, so the customer is not required to make contact first.	Stressing the importance of returning required customs documentation to allow for the move to progress without unnecessary delays.	Making sure the customer is aware of the correct personal point of contact at all time during service delivery and the upcoming steps in the process, so the customer is not required to make contact first.
Word-of-mouth communications	Increasing number user testimonials on case company website.	Increasing number user testimonials on case company website.	Using other completed services from customer's company as reference to demonstrate case company capabilities.
Past experiences	Using other, similar service experiences to gain customer insights.	Listening to customers to gain understanding on factors they value in the service delivery, as well as issues they wish to avoid.	Focusing communication on how the case company works to make the service more smooth and efficient compared to what could typically be expected in a similar service.
Situational factors	Open communication on issues that can go wrong or not meet	Emphasizing the case company's key points of differentiation from the competition	Making sure the customer understands that the case company is focused on

	expectations and give examples of service recovery used.	that are of value to the customer.	maximizing the customers allowance.
Predicted service	Communicating how price reflects the actual service standards.	Where necessary and feasible adjusting the scope of service outside the general terms to meet individual requirements.	Highlighting any complimentary services are done in favor of the customer.

(Zeithmal et al. 2012. p.63)

4.4.4 Define service experience

The research part of the study looked at the current process and touchpoints with which the different customer persona's are serviced by the case company from first need recognition to the point where the service proposal is sent to the customer. The findings showed that customers moving for the first time justifiably require the most attention from the service personnel in answering questions and giving more understandable definitions as to how the actual service is delivered. It also showed that corporate account movers that have no choice but to use the case company and who's service is initiated from the corporate side may be underserviced by definition that the information they are provide on the service delivery process and in general what the service will actually include could be more comprehensive.

Referring back to figure 11: "Customer Journey map of defined customer personas", at the start of the process, each customer personas expectations might not be relatively high after simply visiting the case company's website. In its current form the website might not even need to be any different, considering the short time spent on the site and the fact that customer uses it mostly to send the request for quotation. It is the steps thereafter that have the most relevance and are critical in creating something differentiated from the competition and valuable to the customer.

The essential starting point for define a new service experience must start from identifying which customer persona is in question when a new service inquiry is received. The corporate account mover is clearly identifiable, but within this persona there can be both a 1st time mover or an experience client. The easiest way of course is to directly ask the customer. This should therefore be implemented in the first contact towards the customer. The first contact could just as well be structured in a way that would try to gain a better understanding of the customer's initial motivations as opposed to going directly to the relevant technical questions, such as size of the house, which floor the apartment is on, how many boxes need to be moved etc., all companies seemed to be asking for as described in the competitor analyses part. Customers might also disclose which company or companies they have used in the past, further giving the case company a better understanding of the customer's expectations based on past experiences. The approach should be structured to include a brief introduction as to why the company is interested in this "soft data" and how it will benefit the customer later on, in other words creating or defining customer value for the customer at each touchpoint leading up to the service proposal being sent to the customer.

After uncovering the customer persona type the process could follow one of the pre-define paths designed specifically to cater to the expectations and requirements of that particular persona. The service promise and communication strategy of which have already been presented above and future applications for later steps in the process presented in part 3.5. Communication should have customer centric language, and where necessary, business related technical words should include understandable explanations. Most importantly the communication should advise the customer on future steps in the process. Referring back to the case company's move management tasks that followed a company centric process of handling a relocation, where issues emerged when customer intentionally, or mostly unintentionally, did not follow the same task steps and deadlines. By adjusting the communication to proactively steer and prepare the customer to know what steps lie ahead the company gains better ownership of the customer and the customer becomes more committed.

4.5 Implementation and future applications

When it comes to experienced customer service staff within the case company, there certainly is as many perceptions on who quality service is delivered and communicated as there are staff servicing customers. As it was seen within the case company's Nordic organization, the form in which the actual price of the service, or in other words the service proposal, varied. Others felt a short and no too detailed format works better than an exhaustively informative and all inclusive one. Just as well, within each of the customer personas, customer's will exhibit vastly different behavior. It is therefore impractical to say one vigorous new process of touchpoints and pre-defined communication templates would satisfy the needs of all potential customers. Therefore within the implementation part this study presents one example of communication touchpoints that could implemented and that are different enough from the current process. These touchpoints are presented in figure 14.

The starting point for each persona's process is the service promise defined earlier. This promise and what it stands for should be what guides for example the tone of the communication. Furthermore, it asks staff to consider in greater detail the aspects in which the case company can deliver greater customer value. Aspects which are unique to the case company.

The implementation as such should start by hosting workshops within the selected region to analyze and evaluate the look and feel of information at each touchpoint. Once the contents is finalized, the actual e-mail templates and phone scripts can be composed and shared within the customer service teams.

Figure 14: New service toucpoints

In order to be consistent throughout the entire customer service process the communication between the case company and customer, regardless of the customer persona, should continue in a similar scripted and visually appealing manner. A critical touchpoint will certainly be the handover of the service delivery from the Sales Manager to the Move Manager, in other words, the point where the customer accepts the service proposal and the enquiry changes to a booking. It is at this point where internally within the case company the critical task of relaying the detailed and customer specific information gathered by the Sales Representative to the Move Manager must be done correctly so as not to create a feeling of back tracking on the rapport built between the company and client up to the point of making the sale. It is therefore important that regardless of customer specific details, the general terms and services provide should be well understood by the Move Managers. Just as well, sales personnel should know in details who the process will proceed once the service is booked so as to not over promise or create unnecessarily high (or low) customer expectations.

There will undoubtedly be many unscripted e-mails and phone calls between the customer and case company regardless of how well and proactively the case company provides information to the customer. This is a natural part of the relocation process and keeping a open and encouraged line of communication from the customer towards the case company is something that should not be overlooked. The case company does in fact measures customer's perceptions on service staff availability. It is at these times when the customer contacts the case company that customer service staffs' experience and empathy are most important and it is something that cannot simply be handled by means of pre-defined templates. The communication related touchpoints that the case company does have control over when departing at origin and arriving at destination are presented below in figures 16 & 17. Each of the touchpoints are relevant to the customer as they are communicated either before something tangible happens in the relocation process, such as the movers come to pack and load, or deliver goods, or for example after the packing and loading has been completed and the customer is informed about the upcoming transportation schedules and destination contact person. Each message contains information as to what will be the next step in the relocation process, when the customer will be contacted again and in what regards. The messages logically follow one to the next from outbound to inbound, from one office to the other. The first message in figure 16 would also follow right after the customer has approved the case company's service proposal, thus being the first step outside the scope of this study. They will therefore not be explained in greater detail.

Figure 15: Outbound Shipment communication steps

Figure 16: Inbound Shipment communication steps

4.5.1.1 Strategy for Lost Jobs

A final consideration within the process of interacting with customer from first contact to the point where a service proposal is sent and follow-up on accordingly is that naturally not all proposals lead to a service transaction. The percentage of lost proposals can vary between 30 to 70 % depending on the customer persona and mode of transport. Moves completed by road transportations (European moves) are more price sensitive and varying company to company as possible combinations of moves and the company's on logistical capabilities greatly affect customer pricing. Overseas moves done with sea containers or air freight are more even as the transportation is done by a third party provider and their pricing is similar to all customers. Private customers moving for the first time and paying themselves are typically ones that choose lower cost options over more comprehensive and expensive options. This customer groups accounts for the highest number of lost moves as they typically are more eager to search for alternative options. The experienced mover may have a personal preference to use the same company they moved with the previous time, only to be put off by an expensive price or if the process does not start off in the same way it was left off the previous time. With certain corporate accounts, the company may choose a provider from two or more competitive offers based on certain criteria, such as price. The corporate account mover may also have some personal influence on preference to use one company over the other. Other times, the service is part of a bigger global contract and the amount of lost jobs is zero.

When implementing new communication approaches to servicing customers it should not be forgotten that the customers that end up buying from someone else are potential customers the next time they move. Adding the notion that a person may move again at minimum only after one or two years and even a repeat customer may only move only twice in their lifetime, companies should take good care of the total pool of potential customers, not just the ones that buy from the company at that given time. In the occurrence of that 30 to 70% when the customers choose another company, the process for making the final follow-up can be a meaningful way to leave a positive impression in the customers mind.

5 Summary

The original objective of the thesis was to see if the case company could increase sales by better understanding customer expectations and improve customers' perceived service quality and service experiences. It can be concluded that by using service design methodologies to "visualize" the customer process and touchpoints, it has given an invaluable opportunity to look and analyse how the case company is currently going about servicing its customers. Furthermore these insights have give a practical foundation for further developing current processes and creating new ways of thinking of customer expectations and the service experience. Equally, we can conclude that the future scope of development should reach through the entire service delivery process, not just from the need recognition to securing [or loosing] the business with the customer. This wider scope has been unachievable within this research.

One underlying challenge of the outcome of this service design project can be translating the outcome into a concrete business case. From a business relevance perspective, there is no doubt demand for methods for increasing revenue or overall hit rate of service proposals, but does it correspond in equal terms a better customer experience? There will always be price sensitive, one-off customers who are simply looking for the cheapest option, even if they can identify that what they are buying is in fact a inferior service compared to other offerings. Translating the perfect service design into a sustainable business case that customers are actually willing to pay for, can as a result be viable for only a small group of customers.

A personal observation from completing the service study and opening the processes into steps and touchpoints, discussing the processes with the case company staff and reflecting these against the top management levels own communication: Is the case company focusing on developing the non tangible side of the service, i.e. what happens in the office, how things are communicated etc. compared to the more tangible, actual delivering of the service that happens on-site in the customer's home. Which end of this spectrum is what brings the customer a greater feeling of satisfaction and a positive experience, and should therefore be an area of development is left unanswered in this study. In a global company where moving staff are both the case company's own staff as well as staff of subcontractors, this part of the service delivery is bound to vary more than the process of customer service staff in the offices.

Further to the above questioning, can improving the back office process and therefore raising customer expectations have an negative impact on the overall customer experience and satisfaction if the actual service delivery does not meet these expectations? The argument here is that the customer service processes cannot be developed in isolation from the service delivery processes. As an example, referring to the interview with the experienced mover, the customer can be completely confident and satisfied with the sales of the service, the responsiveness of the sales representative etc., but none of which has any relevance if and when the actual service delivery falls short of expectations. Further consideration should therefore be placed on understanding where true customer value is actually created.

6 References

Ulwick, A. 2005. What Customers Want - Using Outcome-Driven INnovation to Create Breakthrought Products and Services. USA: McGraw Hill.

Edvardson, B., Gustafsson, A., Kristensson, P., Magnusson, P., Matthing, J. 2006. Involving Customers in New Service Development. London: Imperial College Press.

Grönroos, C., 2007. In Search of a New Logic for Marketing - Foundations of Contemporary Theory. UK: Wiley

Lusch, Robert F. & Vargo, Stephen L. The service-dominant logic of marketing : dialog, debate, and directions. Armonk, N.Y : M.E. Sharpe, 2006.

Stickdorn, M. & Schneider, J. 2010. This Is Service Design Thinking. Amsterdam: BIS Publishers

Zeithaml, Valarie A., Parasuraman, A. & Berry, Leonard L. Delivering Quality Service : balancing customer perceptions and expectations. New York: The Free Press, 1990.

Zeithaml, V., Bitner M J. 2003. Services Marketing - Integrating Customers Focus across the Firm. New York: McGraw Hill International Edition.

Zeithaml, V., Parsuraman, A., (2004) Service Quality, Massachusetts: Marketing Science Institute

Design for Services (2011), edited by Anna Meroni and Daniela Sangiorgi, Burlington, VT: Gower.

Moritz, Stefan (2005), Service Design, Practical Access to Evolving Field, Köln International School of Design.

Soudagar, R., Iyer, V., Hildebrands, V. G, (2012) The Customer Experience Edge, McGraw-Hill

Shaw, C., Dibeehi, Q., & Walden S., (2010) Customer Experience – Future Trends & Insights. Palgrace Macmillan. New York.

S. Miettinen, M. Koivisto, (2009) Designing Services with Innovative Methods. Otava Book Printing Ltd. Keuruu.

A. Wilson, V.A. Zeithaml, M.J. Bitner, D.D.Gremler, (2012) Service Marketing, Integrating Customer Focus Across the Firm, McGraw-Hill Education

S. Smith, J. Wheeler, (2002) Managing the customer experience - Turning customers into advocates

Lockwood, T. Design thinking : integrating innovation, customer experience and brand value. New York, NY : Allworth Press, 2010.

H. Nyman, J. Mickelsson, T. Strandvik: USING SERVICE STORIES TO TRACE THE CUSTOMER'S LOGIC

Tämän takia Suomessa saa surkeaa palvelu, Taloussanomat, online publication, 11.10.2011

Espoosta Emiraatteihin; Helsingin Sanomat 14.12.2014

http://www.poulsenselleck.com/

7 Figures and Tables

Figures

Tables