

Viivi Manninen

## **CUSTOMER EXPERIENCE IN RETAILERS' ONLINE STORES**

Case Polar Electro Oy

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Case Polar Electro Oy

Viivi Manninen  
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Tämä tutkimustyö on tehty Polar Electro Oy:lle, joka on tämän opinnäytetyön toimeksiantaja. Tämän opinnäytetyön aihe perustui toimeksiantajan pyyntöön.

Tämä opinnäytetyö tehtiin kartoittamaan Polarin asiakaskokemus jälleenmyyjien verkkokaupoissa tutkimalla. Tutkimus tehtiin selvittääkseen kuinka Polar voi auttaa jälleenmyyjä tarjoamaan positiivisia asiakaskokemuksia Polarin palveluita ja tuotteita ostaville asiakkaille. Opinnäytetyön tavoitteena oli kartoittaa kolmen pohjoismaisen verkkokaupan nykyinen asiakaskokemus ja löytää mahdolliset parannusmahdollisuudet asiakaskeskeisemmän kokemuksen kehittämiseksi. Opinnäytetyön tutkimustulokset edistäisivät projektia, jossa verkkokaupan kosketuspisteen parannukset toteutetaan.

Tietopohja kerättiin julkaistujen kirjojen ja sähköisten julkaisujen avulla. Tiedonkeruun tutkimusmenetelmät ovat palvelumuotoilun laadullisen tutkimuksen menetelmiä. Ennalta valittujen kolmen pohjoismaisen jälleenmyyjän verkkokauppoja tutkittiin keräämällä laadullista aineistoa niin jälleenmyyjiltä, kuin loppuasiakkailtakin. Laadulliset tutkimusmenetelmät olivat puolistrukturoitu asiantuntijahaastattelu ja haamuasiointi. Haastattelut tehtiin kolmen Polarin pohjoismaisen jälleenmyyjän edustajan kanssa. Haamuasiointi tutkimus tehtiin haastattelujen jälleenmyyjien verkkokauppaan, jonka toteutti 10 tutkija-asiakasta.

Polarin jälleenmyyjien edustajien haastattelut ja haamuasiointi osoittivat, että nykyinen asiakaskokemus jälleenmyyjien verkkokaupassa ei ole johdonmukainen. Epäjohdonmukaisuutta löytyi tuotetietojen määrässä ja monipuolisuudessa. Asiakkaiden kohtaamisten kehittäminen perustuu käytäntöihin ja tavoitteisiin, jotka ovat tämän kosketuspisteen yrityksen sidosryhmien laatimia.

Jatkotutkimuksia varten tietoa asiakaskäyttäytymisestä voitaisiin laajentaa ymmärtämään paremmin Polarin kokonaisasiakaskokemusta. Sen lisäksi, tämän opinnäytetyön kehittämiskohteen ratkaisun vaikutus verkkokaupan asiakaskokemuksessa voidaan todentaa vasta verkkokaupan muutosten jälkeen.

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Asiasanat: Asiakaskokemus, palvelumuotoilu, verkkokauppa

## ABSTRACT

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This research was done by Polar Electro Oy, who is the commissioner of this thesis. The subject of this thesis was also based on the request of the commissioner.

This thesis was conducted to research Polar's customer experience in retailers' online stores. This research was conducted to see how Polar can help the retailers to provide positive customer experiences for customers purchasing Polar offerings. The objective of this thesis was to map out the current customer experience in three Nordic retailers' online stores and to discover possible improvement opportunities for developing a more customer-centric experience. The research outcomes of this thesis would contribute to a project where the improvements of the online retail store touchpoint will be designed and implemented.

The knowledge base was gathered through published books and electronic indices. The research methods of data collection were qualitative service design research methods. The online stores of the three pre-selected Nordic dealers were studied by collecting qualitative material from both the dealers and the end customers. The qualitative research methods were a semi-structured expert interview and mystery shopping. The interviews were conducted with three Polar Nordic retailer representatives. The mystery shopping research was done to the interviewed retailers' online stores which was conducted by 10 research customers.

Interviews with Polar's retailer representatives' and the mystery shopping result revealed that the current customer experience in the retailers' online store is not consistent. Inconsistency was found in the amount and versatility of the product information. The development of customer encounters is based on practices and goals that have been developed by the company stakeholders of this touchpoint.

For further research, information of customer behavior could be expanded to better understand Polar's overall customer experience. In addition, the impact of this thesis' development solution on the retailer online store customer experience can only be verified after the changes have been made to the retailer online stores.

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Keywords: Customer experience, service design, online store

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# 1 INTRODUCTION

Polar has been utilizing service design methods and tools for several years now. Consequently, customer-oriented activities have been slowly expanding which has also made a need for managing customer experiences apparent. The research of this thesis was chosen to focus on a single customer's journey touchpoint to be explored by using customer-driven approaches.

Since in 2018 I had done a customer journey research in a study related internship at Polar, it was decided to use this research to define the touchpoint to be focused in this thesis. This research included documentation of all interactions made with Polar from research to three months of use of a device. This process was done as authentically as I would in a normal purchase situation and therefore, the device used in this research was a choice of mine. All observations made during a bit over three months' journey with Polar was finally adapted into a visual customer journey to be more intriguing and quicker to understand by any observant which is a fundamental characteristic of service design. The target of documenting this journey as authentically as possible was to broaden the understanding of the Polar customer experience in several different touch points. Based on this journey the focus and subject for this thesis was chosen to be on retailers' online stores.

The thesis subject is *Customer experience in retailer online store: Case Polar Electro Oy*. The purpose of this thesis is to research the customer experience of B2C customers and B2B customers to find out what aspects influence the customer experience in the retailer online store. By determining these aspects, Polar can improve their customer experience by providing more customer-oriented solutions to the retailer. This thesis research aims to find out what should be developed from the customers' perspective in the retailer online store touch point.

Three retailers and their online stores with different specializations from the Nordics were chosen for this retailer online store research. These three retailers were chosen intentionally to gain a wide perspective of different approaches with Polar products and the experiences. One of the retailers focuses on selling electronics, the second one specializes in selling sport related products and the third focused on selling watches.

The research questions are:

1. What is the current customer experience in retailer online store?
2. What improvements are required by Polar to make sure the retailers' online stores create a positive experience for the customer?

By answering these research questions, it should be possible to understand the needs of both customer types, the B2B retail customers and the B2C customer. The answers to the research questions are attained by using service design tools. The tools chosen for the research of the current customer experience and the process of applying product information are a semi-structured expert interview and a mystery shopping. Through mystery shopping research, the experience and needs of B2C customer are defined. The research results will explain more about the needs and challenges of the retailers and customers to find improvement possibilities of the current customer experience of the retailer online store. This research method combined with the interviews will provide information about the necessary actions and materials needed to be able to create and provide an improved customer experience in the retailer online store. Ultimately, these research results will form an understanding of what kind of internal process changes are needed to achieve defined goals.

## **1.1 Structure and scope of the thesis**

Structure of this thesis is divided into six different sections. The second chapter dives into customer experience, how it is formed, created and measured. Chapter three is about service design which is the process and tool kit used for creating and developing customer experiences. The fourth chapter dives deeper into the customer experience in the digital form. The methods and materials of the research are explained more thoroughly in the fifth chapter. The research findings and conclusions are discussed in chapters eight and nine.

This research consists of two different sections, theoretic and empiric. The sources of this thesis theory are books, journals and online publications related to my thesis subject. The empirical part consists of two research methods which are a semi-structured expert interview and a mystery shopping research. These both are used in service design as research methods for current situation analysis of the customer experience.



The empiric research is limited to concern only the research and development of the customer experience in three Nordic retailers' online stores. The research was not able to measure the purchasing experience of the offering which is also a crucial element of digital customer experiences. Another limitation, when developing retailer online store experiences, Polar cannot guarantee to have influence on the functionality and overall visuals of the retailers' online store. Consequently, the focus of the research had to be shifted more towards content side. If insight of usability or the overall functionality of the retailer online stores was received, Polar would see if something could be done to improve this part of the experience. Also, these insights were forwarded to the retailers themselves. Consequently, it would be their choice if they wanted to do something to improve their part of online store customer experience.

## **1.2 Polar Electro Oy as a company**

Polar Electro is a Finnish company founded in 1977 from a conversation idea at a skiing track in Kempele few years earlier by Seppo Säynäjäkangas. For decades there was no accurate way of measuring heartrate without interrupting the ongoing sports performance. This sparked up an invention idea of a device with a wireless heart rate monitor to make heart rate base training and tracking easier for athletes. This was the start of Polar becoming a pioneer of the wearables industry. Five years after the foundation of the company, the first wireless heart rate monitor was brought to the market in 1982. Therefore, Polar Electro is best known for being the forerunner of wireless heart rate monitors. (Polar, cited 24.7.2019.)

Polar Electro Oy manufactures majority of their products in their own factories and employs over 1200 people all around the world. In addition to their 26 subsidiaries, Polar supplies for over 35 000 retail outlets in over 80 countries through management of their distribution network. (Polar, cited 24.7.2019.) The center of action is in Kempele Finland where the headquarter of Polar has been for the past few decades. Other operation locations are in Jyväskylä, Tampere and Espoo.

Polar aims to create products and technology that guides you to train wisely and effectively. This goal is achieved by knowledge gathered for several years by the research in sports, physiology and electronics. This has enabled Polar to produce a product range designed for people in all fitness levels starting from wanting to enjoy healthier lifestyle, helping rehabilitation to athletes wanting to improve performance. (Polar, cited 24.7.2019.)

## 2 CUSTOMER EXPERIENCE

Customer experience is the customer's inherently personal experience. The customer experience consists of every encounter, mental image and emotion created from the company's activities, products and services in the several diverse touchpoints. Most of the customer experiences are formed by the customers' personal feelings. (Palo 2018, Cited 08.07.2019.)

The evolution of the economic progress can be divided into four distinctive phases – agrarian economy, goods-based industrial economy, service economy and the currently blooming experience economy (Pine, B. J. 1998, 97). Through evolution, experiences have become as real as any other company offering and their full potential can only be seen when these experiences are consciously designed (Pine, B. J. 1998, 98). To have a successful experience they should be designed to be unreplaceable, unique, reliable and distinctively recognizable (Korkiakoski, K. & Gerdt, B. 2016, 79).

According to Kalliomäki (2014, 27) customer experience starts forming when the customer identifies a need and attains an interest towards a company offering created by sensations which later evolve into a purchase decision. The use of the purchased offering or good educates the customer where the customer might have the possibility to learn something new. This can then have the potential of triggering transformation in the individual. This change experience is the most advanced form of an experience. These excellent experiences are achieved when customer needs are fulfilled and exceeded (Korkiakoski et al. 2016, 127).

Experiences can be divided into two different dimensions according to the customers participation and connection level. Both of these dimensions have two spectrums. Participation is either active or passive. Active participation is where the customer has a huge effect on service performance, and passive participation is where the service provider does all the work and thus the customer has no effect on how the service proceeds. Additionally, connection is divided to immersion and absorption which is the connection to the environment of the experience and how the customer is united to it. (Pine, B. J. 1998, 101.) Consequently, the customer has greater power in certain service situations because customers themselves can only be the ones to make the decision on how much effort they can and will put towards completing the service task in question. Therefore, participation

and connection have a significant impact on how and who will have the most effect on the success of the experience.

## 2.1 Formation of customer experience

Customer experience is like a red string that flows through every interaction connected to the company and its offering. This interaction could be a direct connection made during a purchase situation or while using the company's offering. On the other hand, it could be an indirect contact where customers come to contact with reviews in print, digital or word-to-mouth about matters concerning the company, brand or their offering. (Meyer, C. & Schwager, A. 2007, 118-119.)

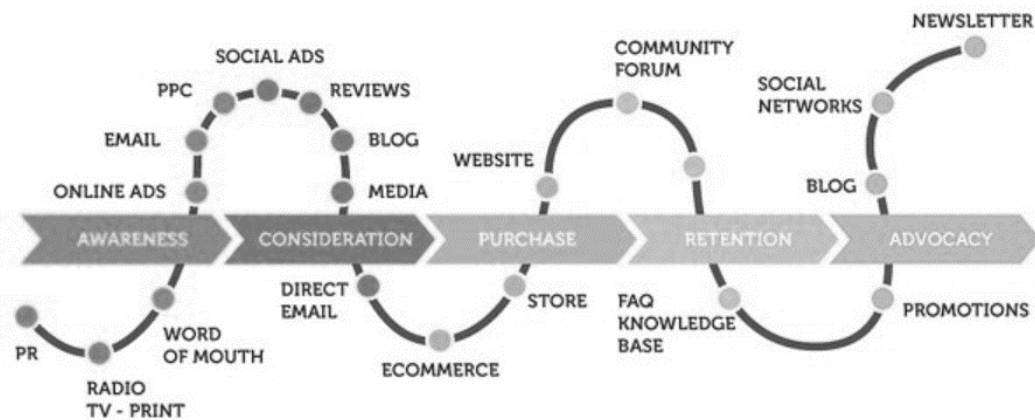


FIGURE 1. Customer Journey Example (Freshworks Cited 18.09.2019).

As seen in *Figure 1*, the customer journey forms of several separate touch points where interaction is made between the company and the customer. This journey is the customer experience as a comprehensive entity which is the sum and quality of every contact with a company. These interactions create feelings and mental images within a customer. The customer experience includes every moment before, during and after a service interaction. This includes all moments with marketing communication, products, services and any other interaction made with the brand. (Borowski 2015, Cited 25.7.2019; Suojanen 2016, Cited 22.7.2019; Tuulaniemi 2011, 74 &). These touchpoints cover interactions made in digital or physical format. In addition, it includes the backstage actions and processes of the provider. (Ihamäki 2016, Cited 17.7.2019.) Therefore, it is important to understand the question is about the total sum of all these small encounters and not only a specific individual encounter (Filenius 2015, 24.)

Customer experiences are based on inner events rather than facts. Therefore culture, personality and person's character influence these encounters. (Korkiakoski et al. 2016, 94.) These individuals have their own emotional, intellectual and physical attributes which have been formed during the individual's lifetime from their personal life events and diverse backgrounds. These life defining events are formed from several different encounters made, and during the process within the individual's mind. Therefore, no one can have the exact same experience as the person next to them. (Pine, B. J. 1998, 98.) The experience formation is not only dependent of the individual themselves, but additionally from the emotions the interaction characteristics create. Since no individual is the same, no situation is interoperated in the same way. (Filenius 2015, 26.)

Experiences create memories whether they are positive or negative experiences. Therefore, new experiences are affected by previous experiences, because they have set certain image or expectation base on how the previous experience fulfilled the needs and wants of the customer. Providing positive experiences is not just for creating memories but it is also a way to make sure the service is used again. As mentioned previously, experience memories are the ones forming expectations and making sure good memories are created which then will set a base for customer to purchase again. On the other hand, previous experiences are not the only factor that has an impact on the expectations. They are also determined by the individual's personal life, the current state of the market and the competition within (Korkiakoski et al. 2016, 93; Meyer et al. 2007, 120; Watkinson 2013, Cited 09.09.2019.)

These experiences dictate how successful and how much effort the individual must put into the service that then creates emotion. These three aspects create loyalty, but the most effective experience element is emotion. (Temkin 2018, 2.) Loyalty is formed though trust created by the duration of time. This is a huge competitive advantage of old companies, because they have built this trust between them and their well-established customers over a lengthy period. (Korkiakoski et al. 2016, 93.)

It is said that customer experience leaders in B2C are also leaders in the B2B markets. Therefore, it would be safe to say that our B2B experiences are determined by the success of the experiences we have as B2C customers, because they have set quality expectations. (KPMG Nunwood 2017, 4.) Thus, it is not a surprise that B2C experiences are defining the future of B2B cooperation. A B2B experience is also focusing on solving a problem similar to B2C situations, but it includes

solving a business problem rather than a personal one. Both customer group experiences are defined by how effortless and reassuring the service situation is. (Meyer et al. 2007, 119.)

### **2.1.1 Value and value proposition**

In the current service economy value is not created only by supplying an offering or good at a reasonable price. Instead, the added value comes from creating experiences in connection with the offering (Kalliomäki 2014, 27). Value is formed by a customer when they use a service or a product. It consists of how much effort they have put into buying it and how much value the offering has given them. The value is received when the customer feels that it has solved the problem they wanted to solve got answered by the usage of this service. (Tuulaniemi 2011, 30-31.)

When using a service, a customer is not using the value of the service, but instead creating it through cocreation and the interaction with people. Without the customer there would be no service. The company provides the customer with processes and resources to be able to use this service, but the interaction between the customer, process and the process provider is the key in creating the service. (Tuulaniemi 2011, 40; Miettinen, S. & Koivisto, M. 2009, 11.)

An effective message from a brand or company is a service promise. A service promise is a bigger promise of what a customer can expect from the specific offering, and when not fulfilling the promise a pleasant experience might as well be bad one. The service quality is communicated through these promises. When the correct message about the service process has been communicated the customer becomes aware of what to expect which then leads to easier acceptance of the service quality. (Korkiakoski et al. 2016, 52, 108.)

According to Tuulaniemi (2011, 33,71.) value proposition is a broader and more concrete than a promise made for the customer by the company. It is a proposition of what the purchased offering is going to deliver to the customer. These value propositions are a fact base on which the customers set their expectations. This element is a factor by which the customer defines partly if the need and expectation has been met. The success of the communicated value proposition is affected by previous experiences, wishes and needs together with the marketing communication and brand reputation. The perceived value is a concrete sum of all these contacts the customer has made with the company. It is formed from the equation on expectations and the subjectively fulfilled

experience. When creating value propositions, the proposition can only be attained as it was intended to if the customer needs were listened to.

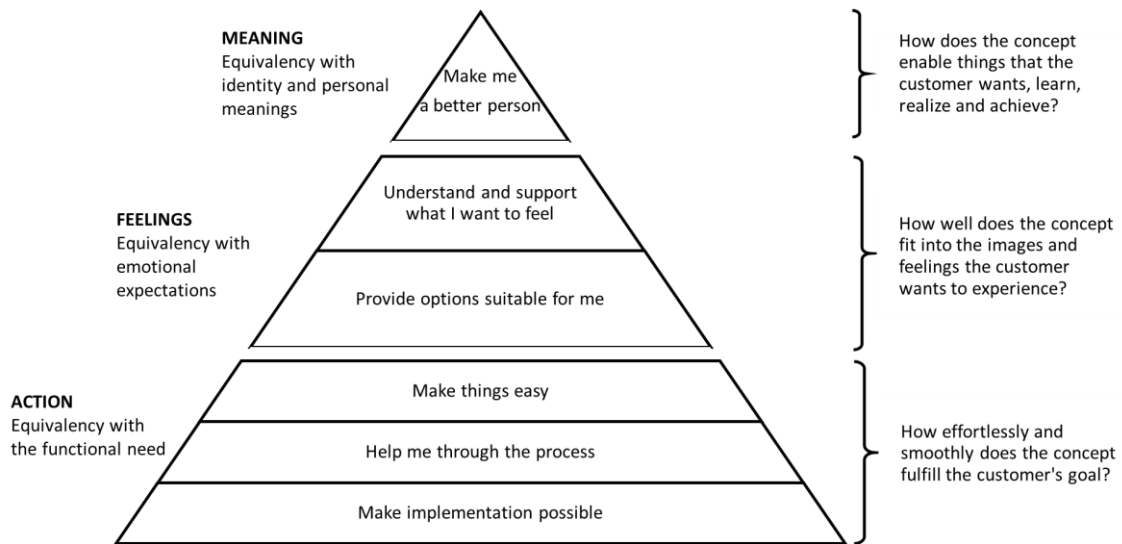


FIGURE 2. Value formation pyramid (Based on Palmu Inc. Tuulaniemi 2011, 75).

As seen in Figure 2. value is formed on three levels – action, feelings and meanings. The hygienic level is the action which includes the whole service process and its ability to meet the customers' needs of functionality. Usability, reachability, efficiency and the versatility of the process are defining features of this level. Instant feelings and the personal experiences are defined as the emotional level which consist of several different personal interactions. This is affected and formed by how much effort they need put towards fulfilling the need, how interesting it is, the atmosphere and style of it and how all this impacts all six senses. The highest level is where meaning is formed. The meaning level includes all the same aspects as the feeling level and more. It is the completion of mental images and their meanings, promises and cultural codes. Additionally, more personal features like one's dreams, how personalized the interaction is, the lifestyle and identity of the individual. (Tuulaniemi 2011, 74-75.)

### 2.1.2 Feelings and mental images

Decision making is based more on feelings than facts because we face a numerous amount of technological and other field specific information that a consumer does not have the ability to comprehend in full. The decisions based on facts can be made only after the customer has formed

a feeling-based decision. Then the final decision can be emphasized by the hard facts. (Tuulaniemi 2011, 47.) When companies produce consistent and different experiences which customers are content with, they feel appreciated and feel like they are served with a real interest. Consequently, technical success cannot by itself produce this because experiences are purely feelings. (Korkiakoski et al. 2016, 46.)

Experiences are extremely personal which means they are defined differently by each individual's undisputed feelings and mental images. Emotions and mental images create inherently personal experiences which have been influenced by the customer's personal attitude, expertise and price awareness. (Filenius 2015, 25.)

Watkinson (2013, Cited 09.09.2019) explains that when one's brain produces dopamine neurons one feels positive emotions because something has gone as one expected. It is in the human nature to focus more on the negative emotions and experiences because they are perceived as threats. It is our natural way to behave because this is the way we learn to survive. If our expectations are set to expect a successful outcome, the emotion created afterwards is not that impressive. Consequently, gratification and satisfaction of an unexpected occurrences is more effective because there is a surprise element.

## **2.2 Creating customer experiences**

An experience is created when the services and products of the company are intended to produce feelings and memories. The value of an experience is formed of the elements the company exposes during a period. (Pine, B. J. 1998, 98.) Additionally, it is essential to remember that experiences themselves are affected by time and the experience is formed when meaning and a process is linked to the specific service provider. (Filenius 2015, 29.)

The focus, when creating or developing customer experiences, should be in the big picture and not only on individual touchpoints, because true competitive advantages are created when improvements are made in the whole customer experience journey. This shift should be started by researching and describing the customer journey because this method will enable the company to understand the current challenges in performance and the process itself. Additionally, the company can pinpoint places of improvement where the company can create and gain sustainable

competitive advantage (Korkiakoski et al.2016, 146; Rawson, A. & Duncan, E. & Jones, C. 2013, Cited 24.7.2019).

Customer experience development can be divided into three different themes – efficiency, ease or emotion (Korkiakoski et al. 2016, 164). During these experience developments it is useful to map out everything that is not creating these values during the process and the value chain. This should be viewed from the perspective of the customer and as well as from the employee perspective to use everyone's input efficiently. (Ihamäki 2016, Cited 17.7.2019.)

In certain offerings instructions are obligatory. Especially when improving service efficiency or ease. Then it is the responsibility of the service provider to make sure these instructions do not become something that ruins the experience (Pine, B. J. 1998, 104). These instructions can in its simplest form have either a negative or a positive effect. Therefore, the voice of them must be chosen carefully to give the wanted message coherent with the company style (Pine, B. J. 1998, 97).

When developing experiences, the research might uncover that improvements might not concern only the existing work. Everything in an experience is not defined by what is done rather than by what is not done. Every sign, even the smallest ones, make impressions on the overall experience even if the customer does not apply any significant attention to it. Every suggestion should be aligned to the brand and the value proposition because inconsistent signs will have a negative impact. Therefore, these negative and contradictive cues must be removed and the ones that add to the positive experience should be emphasized. (Pine, B. J. 1998, 103.)

Ihamäki (2016, Cited 17.7.2019) states that a key element of creating successful experiences is to have the whole company, from management to employees, included in the development process. It is crucial to have the whole company on board trying to understand of what customer experience improvement process consists and requires from the working environment, organization and the organization culture when it is executed by service design tools and methods. Additionally, the best outcome of a customer experience development is obtained by involving customers in any necessary phase of the whole design development process. This is one way to avoid excessive costs, because the insight of the developed touchpoint is received directly from the customers themselves.



Another aspect to remember when designing experiences is to make sure every customer is catered according to their preferences. Customers appreciate when they are seen humanely and individual attention is given, because this makes them feel seen and that they are cared for. This can be done by acknowledging their feedback and showing that something is done no matter if it is keeping some service elements same or improving them. (Ihamäki 2016, Cited 17.7.2019.) Additionally, this means that the service should be possible to be personalized according to the customers' needs or wants of course keeping in mind the company's business aspects.

Kalliomäki (2014, 29, 31) describes story creation as an immaterial tool for creating memorable experiences. Even though it is an immaterial tool it is something that is made real through a combination of different interactions and features that engage the senses. Creating stories is one way to gain a special meaning for the specific event which can help companies differentiate and get away from price competition. As mentioned previously it is important to get customers come and use the service again and therefore, story creation is a way of creating unique and valuable memories.

According to Korhonen et al. (2016, 83, 71) brand is major part of customer experience, because it is present in every customer interaction. It is one of the biggest concrete elements of a company, its offerings and messages that the current and potential customer face. Therefore, it is important that the brand and experiences are a unified entity in the company or organization. One reason for the brands being a crucial element in customer experiences is that the brand is created through similar elements as the customer experience. Interactions, visual images and feelings to mention the most essential ones. The brand of the company should be kept in mind when creating meaningful interactions because they are affecting the experience as well. Without this there is a chance of inconsistency, which will have negative effects on the experiences.

To make sure a certain experience standard is met, consistency must be a hygienic aspect from touchpoint to touchpoint. Consistency is important because it is the one element which creates loyalty (Borowski 2015, Cited 25.7.2019). Measuring these touchpoints' success is crucial for building understanding of where the customer experience challenges are. Then service designer can make improvement towards providing great experiences. (Meyer et al.2007, 119).

### **2.3 Measuring customer experiences**

In the core of customer experience is the formation of a genuine customer understanding. Meaning that their daily lives, needs, wants, dreams and nightmares are known. Therefore, asking the customers' opinions in each touchpoint matters because then companies are aware of what the customers are searching for. These measurements might even indicate that the wants and needs are not automatically linked to the product or service improvements, but it could also indicate that the problem is in the process. This can be only solved by asking the customer themselves, because who would be better to know the answers than the customer themselves. Consequently, the ability to create and develop successful offerings increases. (Korkiakoski et al. 2016, 63.) It can be really damaging to start creating something according to employee assumptions because they do not have the most impartial opinions.

Customers have become more influential during time and dissatisfaction amongst them has become widespread. Since opinions can spread quickly through social media and other digital platforms, it has become evidently more important to know more about what has caused this dissatisfaction. We know a lot more about other customer habits and characteristics, but not enough about the reasons behind experience successes or failures to avoid dissatisfaction becoming a known link to the brand. Researching customers thoughts, emotions and state of mind about company offerings will help to get more knowledge on this matter. (Meyer et al. 2007, 126). Customer satisfaction and brand value are separate from experience measurement and understanding (Korkiakoski et al. 2016, 159).

Measuring customer satisfaction is not enough to achieve a pleasant experience over a bad one, because it just tells us the subtraction of good experiences from the bad experiences. To be able to know how to achieve a valuable experience the company needs to get an answer to the question of why. These questions must be examined thoroughly because these experiences are formed by several different interactions with the company and therefore, without consulting the customer on the 'why', the defining part of the experience cannot be directly detected. The customer's reasoning must then be followed and studied. It is crucial to compare and look for causation between these customer experience metrics and other company metrics because it broadens the understanding of the current status (Filenius 2015, 144; Meyer et al. 2007, 118; Questback 2018, 11).

A good customer experience makes people come back 44 percent of the time. Delighted customers recommend the service and from these 44 percent 33 percent tell about it to their friends face to face and on social media 14 percent tell about their experience. (Filenius 2015, 15.) Ergo, it is important to know how the customer feels about the received experience to know what to improve and what good things to keep. This is the reason measuring customer experiences is a fundamental part of the company's business development. (Questback 2018, 11.)

### **CES (Customer Effort Score)**

Customer effort score is a metric that measures the ease of an experience, measuring how much effort the customer had to invest in completing the task. Instead of measuring the overall business, it measures the service of the company through a 1-5-point scale. This measurement is used in reducing the effort of a customer to increase loyalty. (Filenius 2015, 125–126.)

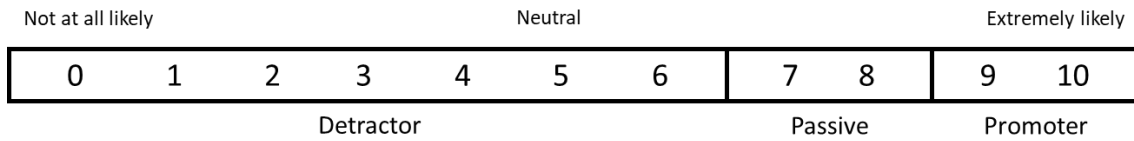
### **CSAT (Customer Satisfaction)**

Customer satisfaction measures short term happiness since it focuses on a certain interaction and not the overall experience with the business. The customers answer one question, "How would you rate your experience with your ..." or "How satisfied were you with your experience?" The scale of the measurement can be measured in 3, 5 or 7-point scale where customers express their satisfaction. (Ahvenainen, P. & Gylling, J. & Leino, S.2017, 27-28; Filenius 2015, 125.) This was used in the mystery shopping research questions when customers where asked about the overall experience of the retailers' online stores.

### **NPS (Net Promoter Score)**

Net promoter score measures customers willingness to recommend the company and their perception of the brand by asking "On a scale of 0-10 how likely are you to recommend the company to your friends and colleagues?" which can be seen in *Figure 3*. The net promoter score is counted by detracting the number of detractors from the promoters. This metric tool measures the whole experience not just the individual interaction. On the other hand, the question can be modified to concern a more specific experience. To make sure to understand the reason behind the given result, it is necessary to ask why, which will give more precise insight of the driving factors. (Ahvenainen et al. 2017, 24; Filenius 2015, 124-125.)

On a scale of 0-10 how likely are you to recommend the company to your friends and colleagues?



$$\% \text{ PROMOTERS} - \% \text{ DETRACTORS} = \text{NPS}$$

*FIGURE 3. Net Promoter Score Scale (Based on Korkiakoski et al. 2016, 167).*

There is evidence that customers, who have given 15 percent higher NPS review than the average, are worth 25 percent more than any other customer group. They are less likely to leave the company than less satisfied ones. In addition, these satisfied customers are more likely to order more and bring new customers in. On the other hand, people are 4 times more likely to tell about an unpleasant experience than a good one (Korkiakoski et al. 2016, 20, 53.)

### 3 DIGITAL CUSTOMER EXPERIENCE

A digital customer experience occurs when a customer uses any digital interface to execute an action or a complete service process. This experience can include anything from researching to purchasing with a computer, laptop, tablet or smartphone. The success of a digital experience is dependent of the designed service and how it supports the customer's process by intuitive usability. (Borowski 2015, Cited 25.7.2019; Filenius 2015, 30.)

After the internet became accessible for almost everyone it became a place where no-one was able to judge or give a penalty if you changed the service provider in the middle of a purchasing process. (Watkinson 2013, Cited 09.09.2019). These days the smartphone and tablet prices has decreased and consequently enabled more people to own such small smart devices which has made the internet even more accessible at any point of the day (Filenius 2015, 18).

According to Hallavo (2013, Cited 18.09.2019) it is important to remember that using the internet covers a broader scope of actions than just purchasing. It is a place for information and inspiration research, finding and checking offering availability, comparing different offering features, having direct interactions with sellers and with other customers through reviews of offering.

Internet has become a place where people go search for information and the accessibility of it has made it possible to have more choices than ever (Meyer et al. 2007, 118). A digital service is still only one company touchpoint, but it is important to focus on and invest in as any other touchpoint. This is because 93 percent of purchase processes begin online and 67 percent of customer purchase processes are completed in the digital format (Borowski 2015, Cited 25.7.2019; Aminoff, J. & Rubanovitsch, M. 2015, 86; Aminoff et al. 2015, 13).

Digitalization has affected the comprehension of the brand meaning which has created separation between the brand and customer experiences. They are a unified entity, and the company must be responsible for both. The key for success is in the combination of these two major company elements and making sure the management understands the meaning of both precisely. The customer experience and brand values are formed by the whole organization, not only by the marketing department and thus knowledge of both should be communicated to the entire company. (Korkiakoski et al. 2016, 77.)

Tuulaniemi (2011, 48) states that digitalization has also had an enormous impact on marketing characteristics which has in turn impacted basic marketing aspects and thus, basic marketing is not enough on its own anymore. Nowadays, there are more needs for direct interaction between the brand, company and customers. Marketing has evolved from the company being the only one sending brand content to the target market. This marketing content has advanced to a conversation between the company and customer in several different digital platforms. This evolution in customer engagement has made customers demand more openness and real-time interactions from companies.

### **3.1 Characteristics of digital purchase process**

In growing amounts, customer interactions are made online whether the customer interaction concerns a service or a product. Firstly, people search for information about offerings they think could solve the problem they have and then they can pursue purchasing it straight away. At the same time, they can easily contact personnel with questions on matters bothering them. (Ihamäki 2016, Cited 17.7.2019; Sytyke, 2016.) Since we are encountering information in substantially enormous amounts, we are looking for services that are up to our standards and work well.

Digitalization has not only made the customers use of digital services grow but also companies provide digital services more and more. It has enabled international markets to come closer which also means that so have the competitors. Consequently, digitalization has changed the purchase process to be more independent processes where companies must focus these digital solutions and their availability. Therefore, it is not enough to just supply a digital service to differentiate from competition. In digital services the competitive advantage is gained from the experience companies provide digitally. These experiences have become defining elements of the competitive advantage. On the other hand, digitalization's technological solutions have brought a broader and more effective selection of ways to produce these excellent customer experiences. (Aminoff et al. 2015, 89; Korhikoski et al. 2016, 127.)

As mentioned, a cohesive and successful customer experience should not differ from touchpoint to touchpoint. Since customer experience is seen as a comprehensive process where every interaction affects the overall experience, all actions of the company should be according to the

customer needs. Therefore, mapping and the data collected from the customer journey touchpoints can bring the right communication value to the customer on the right path stages. Falsely applied communication can have damaging effects on the experience. (Korkiakoski et al. 2016, 55.) Therefore, it is crucial for a company's digital touchpoints to be according to the same standards as any other touchpoint (Paytrail 2018, 2).

Since a customer might repeat the same purchase process step several times before finalizing the purchase, the customer journey understanding has become more important to make sure the customer ends up purchasing the offering. The multi-channel approach has made it possible to search information from various sources before making any decisions. Customers might go back and forth to search for information from videos, blogs and social media. Therefore, the experience of every channel must be as good as the experience in each touchpoint. If the process is not understood clearly, the customer could go to another place to spend their money. (Aminoff et al. 2015, 113-114; Filenius 2015, 26.)

Hallovo (2013, Cited 18.09.2019) explains that there are some specific defining elements which have positive effects on the online store customer experience. Customers want to be able to access online stores with pleasant community aspects every hour of the day. From a broad selection a product must be found, compared and bought easily with the price shown clearly. The product must have the possibility of return. Customers want to see their purchase history and get personalized offers according to their preferences. A part of these features is discussed in the following segments.

### **3.1.1 Searching and finding**

Excellent experiences are created in customers preferred channels. Google is one of the most dominant places where customers start to look for new products or services. It is said that 88 percent of customers start the purchase process from Google, and this highlights the fact that the companies must be present in the same places as customers to gain their interest. (Suojanen 2016, Cited 22.7.2019.) Companies need to start comprehending in which channels and when customers want to be connected or in interaction. This is a crucial part of understanding the whole customer buying process. (Korkiakoski et al. 2016, 50.)

A major defining characteristic of digital experiences is the fact of how much effort a customer needs to put into the use of the service. Comprehensive ease of use of the digital service is of the most important characteristic which has exceeded price factors. (Paytrail 2018, 4.) The ease of use has made digital service more attractive and consequently, preference of digital services has been growing over the preference of physical stores. The threshold to use digital services is low, because it is fast and easy to find things you are looking for. (Korkiakoski et al. 2016, 140.)

One challenge of digital service is that the expertise of the user defines the service experience. Therefore, customer validation is a crucial factor in making sure these services are interactive, and that people can use them intuitively. The use of digital services is commonly referred to as usability. Usability means how easy and interactive the user interface for individual to use. Usability is linked to digital experiences because it should be able to be adapted to every user knowledge of how to use digital devices. (Filenius 2015, 25; Filenius 2015, 30.)

Since customers have become more demanding, they cannot stand if an experience is barely good. One of the demanding characteristics of consumers is that they are less patient to wait for something to happen. For example, half of people leave a webpage if it takes more than ten seconds to load and company is blamed for this inconvenience. (Borowski 2015, Cited 25.7.2019.) Therefore, there will be major developments in the usability and search methods to make it as easy as possible for everyone (Paytrail 2018, 15).

Visual consistency is one element that builds customer trust and loyalty towards the brand and website. Visuals have direct effects on the customers' will to buy from the visited website because visually pleasing website with brilliant design and consistency create positive mental images of the company and the offering itself. If the visual is combined with intuitively usable website it creates a cohesive entity where customer actions will naturally go towards the purchase situation. (Borowski 2015, Cited 25.7.2019; Paytrail 2018, 22.) Visuals of the website include everything between text, pictures, videos and their placement on the website.

### **3.1.2 Choosing and making decisions**

A customer's purchase process always starts from noticing the need for something and a Google research states any digital process a customer does most likely starts by using a smartphone. The



purchase decision is supported by several actions made during the customers journey which all have to support the overall purchase process. (Aminoff et al. 2015, 49.) The growing availability of digital interfaces has activated the use of them. This has made customers react fast if they have not found anything suitable through their comparison. (Ihamäki 2016, Cited 17.7.2019.)

Since digitalization has made customer access to data easier it has also made them aware of several things. This evolvement has enabled customers to make comparisons online where and whenever they want to, and their knowledge of different companies' offerings has been broadened. They are now able to compare several products from different brands side by side. This makes it easier for them to even change the provider if they have found a better answer for their need from another company. This comparison has made them more aware of product prices. Therefore, search engines inside the company's website must also be made easy to use, because more and more often customers compare products online before buying. (Aminoff et al. 2015, 13; Filenius 2015, 18; Ihamäki 2016, Cited 17.7.2019; Korhikoski et al. 2016, 55, 141-142).

The accuracy of product information has a significant impact on the customers, and this can make or break a purchase situation. An impressive 77 percent of customers thought that incorrect or incomplete information has had a negative effect on their purchase decision, and it has often if not always discouraged them not to buy. (Gesenhues 2019, Cited 23.7.2019.) Also, according to Lusiah (2018, 30) communication is one factor that affects customer relationship marketing and the result of her study highlighted that the absence of communication had a negative influence on the customer satisfaction.

In addition to the accuracy, the amount of information is significant to on the customers experience. It is necessary to have enough information in a format that is understandable. It is also beneficial to include other materials such as pictures and videos to the website because they are effective presentation tools. (Filenius 2015, 90.)

According to Borowski (2015, Cited 25.07.2019) consistency in digital experiences is as important as is any other form of interaction, because it is a factor affecting customers understanding. Inconsistency creates confusion and disjointed impressions that in the long run will not be beneficial for the brand. This can be the result of badly written product information. Consequently, customer understanding is also affected by the style of how information is written. Challenges appear when the customer does not understand the professional language of the product information which is

understood only by the creator company employees. Therefore, it is not enough to be grammatically correct if the words used are not something that customer can get grasp on because of the professional context. (Filenius 2015, 91-92).

Customers read reviews to gain a broader perspective of the viable offering options before to make sure the purchase decision is the right one for them. It is not anymore self-evident to ask for help from a salesperson. The product reviews are searched from social media platforms and forums where their families, friends and colleagues are present and sharing opinions about their experiences in the form of texts, pictures and videos. In addition, people have the freedom to search for other users or influencers for feedback about offerings they are looking to purchase. These people make genuine reviews no matter if it has been a negative or a positive experience. (Aminoff et al. 2015, 25.) Since the internet has made reviews more accessible for the customer, they have a much broader impact on the purchase decision. These reviews support and make the decision making easier because they are genuine reviews from customers who have used the products themselves, which makes them more credible. (Filenius 2015, 97.) Consequently, this has led to the fact that companies themselves are not the only ones providing information about themselves. (Korkiakoski et al. 2016, 73.)

Digitalization has given us a wider selection of ways to research information about offerings and brands. The risen amount of information has made customers more knowledgeable and, in some cases, customers might even know more than the salespersons themselves. (Korkiakoski et al. 2016, 55; Korkiakoski et al. 2016, 73.) Due to this, customers are becoming more demanding of the services and precise on the services they receive due to their progressively growing demand, awareness and expectations (Paytrail 2018, 16). Therefore, the digital customer services must serve the customers and play the role of the expert to create more value to the process (Korkiakoski et al. 2016, 161).

### **3.1.3 Purchasing**

The key is to make the purchase action as clear, easy and fast to complete by any devices the customer chooses to use to purchase the offering. No surprises should come in the last steps of the process which might undermine the decision. A good purchase process is done with few clicks with the total amount, including the shipping and other potential fees, visible straight away. (Paytrail

2018, 26.) Since customers are expecting every part of the process to advance effortlessly, from the customers point of view the best possible purchase situation is completed on one screen (Filenius 2015, 99). This means that the more the steps and more clicks the easier it is to lose the customer.

Digitalization has affected on the purchase process so that customers are completing purchasing processes by themselves (Korkiakoski et al. 2016, 52). Companies marketing department is not solely the only creator providing value for the customers and the reason behind this is the growing power of the customer. Therefore, companies are forced to create feelings and experiences to go forward. (Korkiakoski et al. 2016, 74.)

#### **3.1.4 Word of mouth after the purchase**

Since customers can use digital services at any point of time without dependency on the location, their power over the company and brand has increased massively. People can speak out and reach more people because of social media, and they are more than willing to use this power. Therefore, individuals' activity in voicing opinions aloud has also increased. The increase of sharing experiences has increased the power so that it is not even vital for the information to be correct to make a negative imprint on the brand. This is one reason behind why customers are expecting transparency from companies. Thus, it is necessary for companies to be present in these places where the opinions are written to be able to take a part in the conversation, because the competition is one click away. (Filenius 2015, 19; Suojanen 2016, Cited 22.7.2019.)

Positive feedback makes more people come to your company and it has been researched that to every five positive comments there are two new customers (Aminoff et al. 2015, 55). Additionally, to sharing experiences, people also want take part in sharing company content they enjoy watching. Consequently, these people have become supplemental marketers for companies. (Paytrail 2018, 19.) These reviews can spread like a domino effect and therefore, companies should take every chance they can to use already existing positive customer feedback to improve success. People listen to others more, because they see these words being more genuine, whereas the companies' comments are seen as biased. (Aminoff et al. 2015, 114.)

Measurement of these opinions, and the experience they are projecting, enables companies to find improvement opportunities. There are different tools to gather opinions directly from customers online and the measurement helps to find out where the customers feel like improvement is needed to be able to meet expectations. (Borowski 2015, Cited 25.7.2019.) Therefore, personalization has become a big trend, because customers want to be treated as individuals and treated according to their personal needs (Löytänä, J. & Korkiakoski, K. 2014, 112).

### **3.2 User experience**

User experience is commonly linked to technological products which is a part of the broader concept of customer experience. Customer experience is the personal experience of an existing customer, which consists of the sum of encounters, images and feelings that customers form about the company's operations, products and services. Customer experience focuses more on the service situation and the overall experience which includes the user experiences where experiences are created by using the service or product. (Kalliomäki 2014, 39; Palo 2018, Cited 08.10.2019.)

User experience is a key element in digital experiences, and it has become a major competitive element (Filenius 2015, 29.) The customers want the digital service to be easy and to be acknowledged by expert customer service with a customer centric approach. The easiness on purchase is the most important aspect and therefore, price is not the only major driver of customers decisions. (Paytrail 2018, 4.)

The ISO 9241 standard is a standard for human-center design specifically meant for interactive systems development to focus on the user. The standard provides requirements and recommendations to be able create human-centered interactive systems. These requirements and recommendations are design principles and activities by going through planning and management of human-centered-design. (Miettinen et al. 2009, 64; ISO 2019, Cited 19.09.2019.)

Suojanen (2016, Cited 22.7.2019) describes user interface as the visual part of the digital user experience and it is the place where the customer and the company interact. User interface becomes important in this situation because it is the relationship between the customer and the technology.

When improving usability of digital interfaces an understanding of the unpleasant actions is allegedly important. In the near future interfaces are developing into totally new directions where the removing of unpleasant actions is not enough. For example, in voice control, which needs another understanding of what is beneficial and intuitive for the user. Therefore, the technology must be suitable for every user. Stage and form of usability has been showed to influence customer loyalty. If the usability has been intuitive and easy to use, it has shown to increase customer loyalty. (Gerdt, B. & Eskelinen, S. 2018, Cited 18.09.2019.)

According to Filenius (2015, 32) in information technology usability and user interfaces has been present for almost for two decades. Polar has been a technology and product-oriented company and therefore, the user experience is easier to understand due to the long presence of usability's effect on user experience in this field of business. Since customer experience is a much broader concept than the user experience, it is still difficult for many to understand what it consists of and how much attention should be payed to it to be able create excellent customer experiences. Consequently, it is a business element which has been invested in because the benefits of investing are universally understood compared to the novelty value of the customer experience.

## 4 SERVICE DESIGN

Excellent customer experiences are designed and developed by utilizing service designs creative iterative process, and a tool kit which produces services (Tuulaniemi 2011, 58, 64). The main goal of service design is to create offerings which fulfil the customer needs and at the same time the company's set business objectives (Tuulaniemi 2011, 103). To exceed good outcomes, experiences should be deliberately created to be unique to be memorable.

The service design process covers a comprehensive designing and management of customer centric offerings. Service design and methods focus on the big picture, which is a fundamental element for creating competitive advantage. (Ihamäki 2016, Cited 17.7.2019.) In all design processes the core idea is to make everything according to the customer's needs and wants. Thus, service design also enables companies to make service experiences as easy and seamless as possible for the customer, and at the same time creates memorable experiences (Kalliomäki 2014, 46). This process, and tool kit is used to keep focus on internal processes, on the customer, and their needs by creating value through distinctive interactions (Tuulaniemi 2011, 97).

When designing excellent customer experiences, one of the main goals is to understand where and how your customers engage with your brand. Service design defines these various interaction places between the brand and people in the customer's journey. These identified interactions are designed and planned in detail using the methods and tools of service design to guarantee the best possible experience with the company offering. (Tuulaniemi 2011, 49). In addition to interaction design, the design of interaction environments are also in the center of service development and therefore, a key influencer in creating brand relationships as well (Tuulaniemi 2011, 99).

Creativity, social skills and the ability to empathize with the customers is emphasized in the service design process, methods and tools used (Miettinen, S. & Koivisto, M. & Hämäläinen, K. & Vilkkä, H. & Mattelmäki, T. & Vaajakallio, K. & Kalliomäki, A. & Ruuska, J. & Vaahtojärvi, K. & Savolainen, P. 2011, 32). To truly serve a customer, one must have humility and genuine will to understand the customer by stepping into their lives and grasp the insights of how it is to be like them (Korkiakoski et al. 2016, 101).

## 4.1 Process

Every service is unique with its own characteristics and therefore, the development and design process of services is one of a kind. For this reason, it is hard to define one service design process with certain methods and tools which suit every service development project because of the several distinctive service characteristics. Since service design development cases might differ between each other in many different manners, the service design process uses a creative iterative problem-solving process which can be adapted to the specific characteristics of the service in question (Miettinen et al. 2011, 32; Tuulaniemi 2011, 126).

Building and creating customer experiences is a continuous process which has no end in sight. This is because people learn what to expect from experiences because people use numerous services from the diverse selection of providers constantly. Therefore, people learn what and how other providers cater their experiences which makes a shift in their expectations from future offerings they use (Korkiakoski et al. 2016, 93, 96).

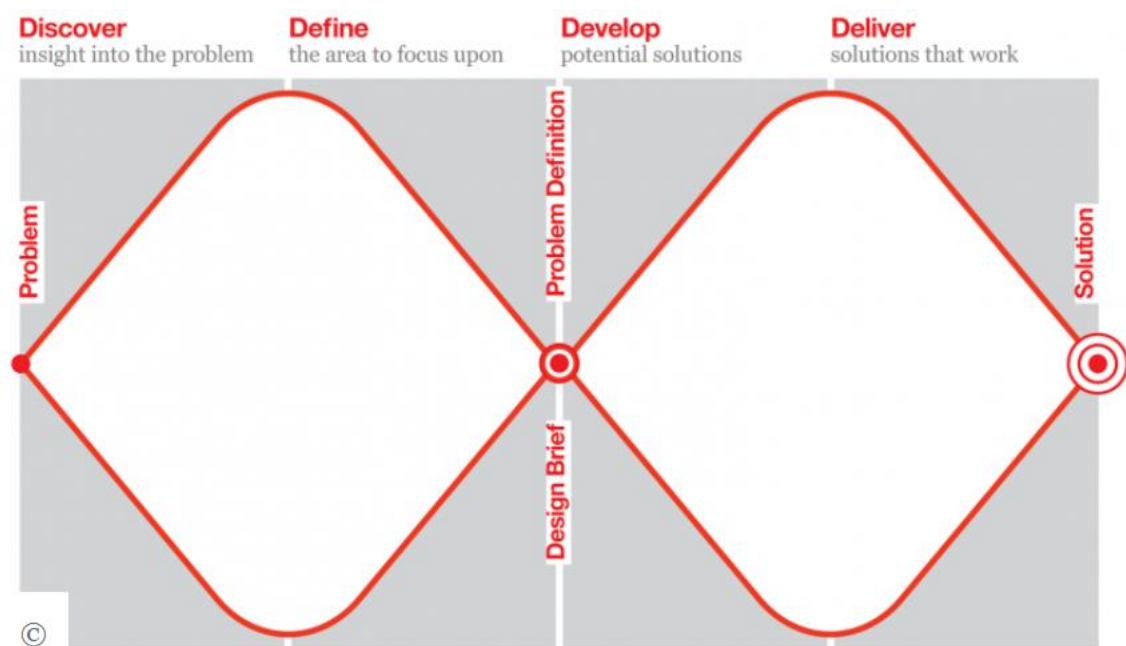


FIGURE 4. Double Diamond Service Design Process (Design Council 2019, Cited 12.8.2019).

The service design process is commonly represented by a double diamond as seen in Figure 4. This representation comes from the creative process where several ideas are created and where the best ones are selected to narrow down the problem definition and solution creation outputs to

the best opportunities. This idea forming and idea narrowing are referred to as divergence and convergence. (Design Council 2019, Cited 12.8.2019.) Each diamond and section have a distinctive set of methods and tools, which can be used to gain insights, ideation, selecting, analyzing and prototyping to generate the best possible opportunities to produce successful results. This reaches through the creative and iterative process where several design and research methods are used.

Discovering is the start of the whole service design process where the focus is on gaining insights and new perspectives to find customers hidden needs that they themselves might not even know (Design Council 2019 Cited 12.8.2019; Miettinen 2011, 32). This is where customer behavior itself and the behavior towards the company offering is examined to gain a perspective of people's everyday routines in work or private life. This process phase research results gives the ability to design human centered solutions. People, who would use the company offering, are involved in the research phase to guarantee success from two point of views, the customer's and company's business perspective. (Stickdorn, M., Hormess, M. E., Lawrence, A. & Schneider, J. 2018, 91; Miettinen et al. 2009, 62; Miettinen 2011, 32.) This thesis could be described as being the service design processes discover phase and the result of this phase are then utilized in the following phases of the double diamond.

The second half of the first diamond focuses on defining the problem which should be chosen for further development. This part of the process includes assessing all problems and challenges identified in the first quarter and narrowing it down to the one with the biggest urgency to be solved or the one with the most potential. Narrowing down the possible challenges is a fundamental part of the design process because this usually reveals where the real value lies in the outcomes of the ideas. Therefore, the massive amount of produced ideas should be modified and combined by the iterative process to gain genuine value. This phase also includes the formation of final design challenge. (Design Council 2019, Cited 12.8.2019; Stickdorn et al. 2018, 91.)

Developing, the third quarter, is the phase where ideation for solutions and concepts begin. This part of the process includes creating prototypes to real customers and users to them to test if it solves the problem which was defined in the earlier phase of the process. Prototyping is a fundamental part of service design because offerings are used in real-life situations to find out and evaluate how these services are working with real users. This might bring up elements that are not working along with alternative solutions, while giving a genuine possibility to evaluate if the



solutions work. Prototyping and testing provide more insight to improve the solutions. From these insights it is possible to go back in the iterative process or the customers feedback could give the green light to go forward to implementation the created offering. (Design Council 2019, Cited 12.8.2019; Stickdorn et al. 2018, 91.)

The last quarter is the delivery phase, where everything is implemented. This quarter includes the input of several different fields because created design solutions are finished, produced and finally launched in this phase. (Design Council 2019 Cited 12.8.2019; Stickdorn et al. 2018, 91.) The design process is a continuous process and therefore, this phase continues to the customer experience measurement where it is examined to see whether improvements are needed and if the creative process should be started again to develop necessary improvements.

## **4.2 Methods and tools**

Service design methods and tools are a compilation of methods and tools from different fields for example anthropology, sociology, psychology, design, management and business (Lehti, A. 2019, 33). Service design has not discovered new methods, but it has gathered them into a distinctive comprehensive collection to make sure customers are considered in each step of the process. The service design tools are concrete models and templates that explain what to use, and they have a distinct structure to be followed. On the other hand, methods are procedures which explain us how to create or work on. (Stickdorn et al. 2018, 37.)

Watkinson (2013 Cited 09.09.2019) emphasizes that service design focuses on the big picture and it is crucial for customer experience that it is seen as one whole concept. The whole customer experience concept consists of several different actions, which have dependencies. It is important to understand these customer journey dependencies when creating services and their experiences, because the connection between them can be complex. If they are left unnoticed, these dependencies could have negative effects on the journey. The service design methods and tools make it possible to comprehend fully all dependencies during the customer journey by visualization.

A customer journey, as presented in *Figure 1.* on page 11, is a tool that can be used to represent the customer interactions and the dependencies with the company, or brand, from start to finish. It is a process visualization starting from where the customer hears about a company for the first

time. Then the customer goes through information research and purchasing to the use of the offering and ideally to repurchasing and recommending it others. This tool is useful for illustrating the fact that customers' paths are formed of more than only the purchase situation. (Korkiakoski et al. 2016, 132.) It is good to keep in mind that customer journeys are not identical because of the differences of individual preferences and personalities.

A quality customer journey designing starts from the company's clear and realistic understanding of the places, channels and platforms where their customers prefer to buy and communicate. This understanding should also include a sharp vision of the differences between these channels and platforms. Additionally, the channels and platforms should be distinctively understood in terms of them being different from the ones the company itself uses. This part of the customer journey must be understood in the same manner in each company and organization. Especially, the sales organization, because companies must be present where their customers make the purchase. This understanding makes the buying process of the customer and the sales process of the company to be unified. (Korkiakoski et al. 2016, 134.)

When customer journeys have been constructed and are used to create comprehensive experiences, it has been shown that these companies have increased customer and employee satisfaction, revenue and cost reduction (Rawson et al. 2013, Cited 24.7.2019). Therefore, these journeys must be created from the real needs of the customer and not assumptions of what is thought to be the process (Korkiakoski et al. 2016, 37).

#### **4.3 Customer centric approach**

According to Tuulaniemi (2011, 116-117) customer centricity means that the focus of the whole service process, from the designing, to the service situation itself and its development, is solely on the customer. This means that the company understands the motivations and needs of the customer to be able to achieve the set business goals. Consequently, this means that every company decision and situation is based on the customer perspective (Korkiakoski et al. 2016, 98). Customer centricity can be achieved when it is included in the company strategy, which ensures that the company culture supports employees to make actions accordingly to customer insight (Vesterinen 2014, 15).

Customer insight means that customers behavior and their genuine living environment and daily lives are comprehensively understood. Customer centricity exists only when the customer's real motives and values that guide their actions have been researched and the results understood comprehensively. (Tuulaniemi 2011, 71.) Customer insights are gathered through several different quantitative and qualitative research methods. To have clear insight of customers and the ability to be a customer-centric company both methods should be used. Measuring customer satisfaction in quantitative methods gives companies a broader insight of its customers, but qualitative research goes beyond customer satisfaction results to find the real reasons behind the satisfaction or dissatisfaction. (Korkiakoski et al. 2016, 35.)

The success of a company is maximized when customers are in the center of the entire process of creating offerings because this means everything is designed based of their real needs and motives (Tuulaniemi 2011, 72). It is not enough to just focus on the customer in certain phase, but in every phase to make the customer journey unified entity designed from the start to the finished offering (Tuulaniemi 2011, 135). Customers can only comprehend customer centricity by the way the service provider interacts and treats the customer in addition to how they meet the quality expectations of customers (Vesterinen 2014, 14).

A competitive advantage is created with a pleasant experience. To gain competitive advantages in an international setting requires creating an emotional connection through providing services that create excellent experiences where the customers feel welcome and at the end want to recommend to others. This emotional connection with the brand and the customer will be achieved when the customer is in the center of the company which can be seen in each touchpoint, because it was a strategic decision. (Suojanen 2016, Cited 22.7.2019; Paytrail 2018, 4.) Therefore, the best way of creating excellent customer experiences is to create a customer-centric culture which is created by the customer-centric company values. This culture is created when these values are visible in employee behavior and this behavior is rewarded. This is also achieved when the aspects which customers value are measured (Korkiakoski et al. 2016, 96.)

The thought process of that the only way for a company to earn money is through creating new products and selling should be forgotten. The only way of selling offerings is to understand the customers' needs and then by fulfilling the needs the company can make money. It is not only the product that solves these problems and fulfils these needs because these days it is a

comprehensive sum of all company offerings. This is when the customer sees the real worth. The best way to gain this is through service concepting. The customer focus is lost when the focus is too much on the product and not the need and problems we want to solve. Product features bring only some interest to customers, because customers encounter a huge amount of information these days. The massive amount of information is the reasons why we do not comprehend or gain real value of every presented feature. If a brand creates a story, the emotion created through it has a great informative impact on the customer. Only 30 percent of the experience is technology related and the remaining 70 percent is customer experience. Thinking that products and services are different things is an outdated view because most companies are providing both even though they are not deliberately designing services. (Tuulaniemi 2011, 45, 66; Korhonen et al. 2016, 143)

Watkinson (2013, Cited 09.09.2019) explains that conflicts arise between the company and customers from strategic decision which focuses single-handedly on maximizing profit and shareholder profit because cuts and compromises must be done, and then the customers' voice is thought as a secondary element. These decisions have direct negative effect on quality because expectation and market cannot both be simultaneously pleased completely. This disappoints the customer and harms the experience which causes negative feedback and in worst cases the company loses the customer for good.

The importance of knowing where and how your customers behave has risen. It is more cost effective to keep existing customers than trying to reach new ones. This is one reason for creating processes that enhance and support the buying process rather than just focusing on the short action customers make, such as a purchase interaction. (Korhonen et al. 2016, 132.)

The most effective way to keep your development process customer centric is to involve the customers to the process itself. Cocreation is not limited only to the creation process but is involved in every phase in the needed form. In addition, it is important to involve employees of the company to the process to gain expert insight on the subject. This will make sure that the designed offering is something that a customer wants, needs and something that can be made. Cocreation enables every necessary stakeholder to give their expert knowledge on matters during the process which helps to create the best possible offering according to the set goals. This additionally develops a powerful sense of commitment especially from the employee point of view, because they can input their knowledge in several process phases. (Tuulaniemi 2011, 116-117.)

Lehti (2019, 32, 34) states that customer experience and service design consultation bring far bigger growth than the traditional business management consultation. Companies which have implemented design as a part of their strategy increased their profit by 32 percent. Additionally, the share value of these companies in a five-year time period had increase a whopping 62 percent. When observing these companies on a longer time period of ten years it has been showed that the companies that had utilized design doubled their value development compared to the ones that did not. To create concrete changes in the business culture and to attain these earlier mentioned positive business progress, a company must appoint a team of service designers.

## 5 RESEARCH METHODOLOGY AND MATERIALS

Alasuutari (2011, 32) states that researchers utilizing both quantitative and qualitative research methods aim objectively to find logically reasoned findings which are based on research observations, not personal assumptions or views. Quantitative analysis bases its reasoning on numbers and connections between research subjects where each subject has been given a numerical value (Alasuutari 2011, 34). Then, reasoning is made through average connections where statistical regularities are found. The research subjects could be for example individuals, larger groups of people, cultural matters or time. The qualities common to research subjects, by which the subject population was chosen, cannot be used as a base for reasoning because the research population forms the borders of generalization. Consequently, it is the quantitative analysis that bases its reasons by other separable variables. (Alasuutari 2011, 37.)

On the other hand, qualitative research assesses the attitudes, opinions and behavior subjectively which is the core of customer experience research. This research method gathers results through impressions and insights by questioning or observing the researched subjects. The results are quality based and therefore are subjectively assessed. Interviews, observation and focus groups are some examples of qualitative research methods (Kothari 2004, 5.)

To conclude, quantitative research is about quantity or amount when qualitative research focuses on quality or phenomena. Quantitative research results can be reasoned by the quantity of the same result. Whereas qualitative research is used to measure an attitude or opinion about the research subject to discover the motives of human behavior where results are not generated in quantitative form. (Kothari 2004, 3-5.)

Understanding of experiences should preferably be reached through qualitative research methods, because this will supply broader the perspective of what is behind satisfied and dissatisfied customers thoughts and opinions. This method supplies an opportunity to receive open answers which will explain more thoroughly about the current situation by getting answers to the why questions. (Korkiakoski et al. 2016, 37.)

It is a common characteristic in service design to consider all parties involved in the examined research subject and therefore both the retailer and customer are included in the research. Both

research methods for this case study are qualitative research methods, because the goal is to understand the reasons behind the currently created customer experience. The ultimate goal is to be able to provide a theoretically meaningful and sustainable interpretation of the materials collected. The amount of materials is strictly linked to the research itself and there is no specific amount required in qualitative research to make these interpretations. (Eskola, J. & Suoranta, J. 1998, 61-63).

The interviews for this case study were carried out by telephone and the mystery shopping task was conducted by 10 customer researchers based on instructions sent through email, which can be seen from Appendix 2. Both researches were conducted with the same three retailers to gain a comprehensive overview of the whole customer experience process and to discover if major differences or similarities can be found from the product pages of these retailers specializing in different fields. Three retailers from there different specialization fields were chosen, because the goal was to find out what approaches retailers have made with Polar product to gain broad perspective of the current customer experience.

In this research a service design tool called service blueprint was utilized to identify what questions should be asked from the interviewees and mystery shoppers. According to Stickdorn et al. (2011, 204-205) service blueprint is a tool for identifying dependencies between different parts of a service. This tool visualizes a service process in one image by defining actions of both the customer and the service provider. Service blueprint consists of physical evidence produced in the service interactions, customer activity, frontstage activity where the service provider actions are visible, backstage activity where the service providers actions are invisible for the customer and finally, the support processes of the service provider. For these reasons, the service blueprint was effective tool to make sure all necessary questions are asked.

## **5.1 Semi-structured expert interview**

The semi structured expert interview was made with three marketing managers from three different companies which will give insights from their expertise knowledge working in that position in the company. These interviews were conducted to map out the current state of the relationship, communication and quality of product materials. Fifteen questions were asked in a telephone

interview in July and August to gain more knowledge on these three matters. These three retailer interviews were recorded and transcribed to help analyzation.

A semi-structured interview was chosen as the method to research the experience of the retailer representatives. The use of a semi-structured interview was chosen because it gives the respondent the possibility to answer freely to the questions. The interview is structured so that the questions are phrased and asked in the same order from each interviewee. The interviewees answer the questions in their own words since the meaning of a question is the same for everyone. (Eskola et al. 1998, 87.)

The goal of interviewing experts is to gain insights and knowledge on the phenomenon or process, which they have gained through their role in their company or in the process in examination (Ruusuvoori, J. & Nikander, P. & Hyvärinen, M. 2010, 373-374). The interview is limited to concern a specific subject, because the interviewee is giving their expertise as a person involved in the research matter. The goal of interviewing an expert is to gain facts to form a description about the phenomena and process. (Ruusuvoori et al. 2010, 375.) These interviewed representatives are experts of their field because they are the ones in control of the process and in this research the online store material input process in their company (Eskola et al. 1998, 87).

## **5.2 Mystery shopping**

The research method chosen for the current state examination of end customer experience of the retailer online store was mystery shopping. The goal was to understand what the needs of the Polar customer are and to figure out what which aspects they thought currently worked and what did not, for Polar to be able to provide an improved end customer experience. The mystery shopping research was done in July to the same retailer online stores as the interviews. For this thesis research, twelve mystery shoppers were recruited to share their thoughts and feelings about their experiences in the three retailer online stores, but in the end 10 of them completed the task. These research customers were five women and five men from ages between 20-59. The criteria by which the research customer where chosen was that they were interested in doing sports and that they were potential Polar customer who did not own a Polar device at the time of the research. The research customers where given task instructions through email where the steps were explained and instructions of where to keep their eye on. These instructions can be seen from *Appendix 2*.



The mystery shopping task included several different questions about overall experience and specific questions related to Polar and their offerings, which can be seen from *Appendix 3*.

Mystery shopping is a service design research method. In this method the recruited research customers are a part of the process as a user, but additionally as an observer of the process. Mystery shopping research subjects can vary from defining the current state of the brand or service, how well offerings sell or how visible they are compared to a competitor. In addition, this method enables to pinpoint the reasons why the product is not selling and locate where in the process the weak links are located. Is it the attitude towards the product or the missing information or is it caused by failed customer promises or marketing materials? After the research customers have completed the mystery shopping task, they answer questions about the service experience. (Taloustutkimus, Cited 23.7.2019.) For this method, a service to be observed is specifically chosen and while the research customers use the service, they examine what works and what does not (Mäkinen 2018, 104).

An important aspect of this research method is the objectivity of the results. The reliable result can be utilized to ensure a consistent service quality which can be reached by setting a service standard. Meaning, setting a minimum level for a service which at least must be reached with every service situation. The service quality standard ensures the satisfaction of customers which reduces the need for reclamation. (Taloustutkimus, Cited 23.7.2019.)

### **5.3 Qualitative research data analysis**

In qualitative analysis the material is analyzed as one whole entity because it is thought to produce some internal logical entity. Individual argumentation cannot be used to reason difference when the research data has been collected from separate individual units, for example in an interview, because no statistically significant difference between individuals can be detected from small amount of examined individuals. Therefore, in qualitative research needs absolute explanation where all findings must be explained within the created framework (Alasuutari 2011, 38-39.)

According to Alasuutari (2011, 43.) differences are crucial for qualitative research, because they will give insights behind the differences of the people or observed units. Consequently, these

individual differences will be examined to see if the exception can be reasoned by formulating a condition.

For qualitative research analysis it is common to analyze observations from the theoretical-methodological point of view by simplifying research results and making connections between observations. This means that the data is reviewed from the theoretical framework and how the question is set, which crops the finding into a more manageable entity. Combining the found observations is done because it is thought to form a sample of the phenomena. (Alasuutari 2011, 40.) The combination and simplifying of data does not mean that observations are combined to determine example cases or averages (Alasuutari 2011, 42).

Expert interviews are analyzed to gain facts about the research phenomena, which starts from the preparation of the interview frame and supporting material. The facts are created during the interview between the interviewer and interviewee where the interviewee confirms or denies the presented information. (Alasuutari 2011, 41; Ruusuvaara et al. 2010, 389-390.)

For the reason mentioned above, a qualitative analysis method was chosen for both thesis research analysis method. Reason for choosing this method is that the amount of research individuals is not enough to base arguments on numerical factor, because saturation point could not be reached through ten individuals.

Both the interview and mystery shopping research results were analyzed with an affinity wall method to help gather and organize the large amount of data. In the affinity wall method findings are written down on post-its and then they are organized into groups where connections can be drawn between the individual elements that were discovered from the research data. This kind of analysis is used to help to define the problem to which solutions ideas can be designed. These grouped problems can then be ranked by the urgency of with the most potential problem to be solved. (Dam, R. & Siang, T. 2019, Cited 21.10.2019.)

## 6 RESEARCH RESULTS

The research findings could be divided into six different broader categories to make the number of findings more comprehensible. The first three headings are findings from the three retailer interviews and the last three are from the mystery shopping research. Even though the results were divided, it was discovered that there was a clear dependency between them, and all found elements influenced the online retail store customer experience.

*TABLE 1. Summary of the interview and mystery shopping research results*

<b>Retailers Interviews</b>	<b>Mystery Shopping</b>
Retailers' customize the received product information	Products were easy to find by using the search function
Mistakes occur in translations	Choosing color and size variations was difficult and annoying
Product information should be accurate and comprehensive in the first transmission	Missing and inconsistent information created confusion
Product information must be obtained well in advance of product launch	There is no or only little amount of information about the whole ecosystem on the product pages
Instructions nor guidelines were given for the use of product information materials for the product pages	Customer experience was enhanced when the product pages included text, pictures and videos diversely
Information in the retailers' online stores is also used in the brick and mortar stores by the sales personnel	The differences between Polar products are not informed clear enough in each retailers' product pages
Retailers' current communications needs are met	

The contents of the table above are gone through more thoroughly in the following parts of this chapter.

## 6.1 Retailers' online store material process

From the retailer's point of view the process of creating product pages starts from receiving a file from Polar with product launch material including text, pictures and videos. This information is received by the retail company's person or team responsible for this process. After this each retailer modifies the given text into the company's preferred style. The electronic and sports store retailers keep the given product information text in the same format as Polar has sent them, but the retailer specializing in watches changes the entire format and tries to include every piece of information they can get hands on about the wearable. Additionally, they diversely use other materials received from Polar which could also be used in their own marketing materials in diverse platforms. These materials include pictures and videos of different lengths.

As an intermediate process the product description texts are translated to other languages from English. The watch retailer translates the products only into Swedish. Electronic and sports store retailers receive the text in English which they then translate to at least Norwegian and Finnish. Translations are additionally made to other needed Nordic languages which are dependent on the countries the retailer operates in. Every retailer translates a part of the translations inhouse, but to certain translations third parties help is necessary. Third party companies translate the product text based on versions modified into the company style. Interviewees explained that mistakes happen in these translations.

The responsibility of this information input process lies on the interviewees, but each of them has a team or a person who takes care of the practical work. These teams take care of text modifications into the company style and some of these teams, or people, translate the same text to the other languages. They mainly do translations into the company's main language.

The watch retailer was the only one to make an improvement suggestion when interviewees were asked to give direct improvement suggestions. This improvement suggestion referred to the scope of the product information materials. The interviewee suggested that they should be given a fact sheet which contains every piece of information about every function and feature of the device. This was suggested because they wanted to improve the knowledge of their customer service employees by making sure they have the access for all information to be able to help customers'.

## 6.2 Retailers' received product page materials

A question about what the most essential information about the wearable is, was asked, and each interviewee answer referred to the accuracy and comprehensiveness of the product information because there are lots of differences between wearable devices. This answer was given, because it is important to know about the new features comprehensively and that they should receive the broad information package as early as possible to be able to create the product pages. Additionally, it was seen that it was important to get a finished test device as soon as possible because having a personal experience about the device would make the creation of the product pages easier.

On the other hand, when asking about how accurate the current information is, there was some differences in the answers. The electronic and sports retailers thought the information was prompt and exact, but the watch retailer was not satisfied with the amount and accuracy of the information sent in the first transmission. For this reason, they have had to wait to use the Polar.com comparison tool after the product launch to be able to complete the product pages of their retailer online store. In the cases where it was noticed that information was missing, the retailers had to ask for it themselves.

When asked about if any kind of guideline or instruction about applying product information to the retailer online store product pages was given at any stage, every interviewee answered the negative or that they had no knowledge if something like this had been received. This meant that no instructions were given from Polar on how much they can modify the sent version of product information. Therefore, the electronic and sports store applied the given information with only small additions and modifications. On the other hand, the watch store did major modifications because no guideline was given, and they thought the customer wanted more information about the wearable than Polar had supplied them during the product launch.

Product pages in the electronic and sports retailer online store have the exact same template for every product which does not differ between product categories or brands. On the other hand, the retailer specializing in watches does not have a clear template for every product in their online store and it might differ according to the product specs.

Every interviewee told that the salespeople in their physical stores used their own online store's product pages in their sales work. In addition, the interviewees told that their salespeople also utilize

Polar online store product and comparison page to check information about the products in their assortment to be able to provide correct information.

### **6.3 Cooperation between Polar and the retailers**

When asked about the cooperation between Polar and the retailer company each interviewee explained that they were pleased with the process and communication with Polar. The interviewed electronics and sports retailers specified that all the materials were transferred in one transmission and the material packaging received was comprehensive with all necessary product information, pictures and videos. On the other hand, the watch retailer would have hoped for more comprehensive and complete product information, because challenges occurred in the making of product pages when product information was received of the products which were not ready. As mentioned earlier, for this reason it is critical to get the information in detail in the first transmission together with the test device to create the best possible product page.

The cooperation questions included a question concerning the retailers communication needs. All answers proved that each retailer was satisfied with the current amount of communication. It was explained that the amount of communication needed between Polar and the other companies was little. The communication needs usually concerned missing product information, future products or the product deliveries. Each interviewee told that there were no limitations for improving the current relationship from the managers side. On the other hand, it was answered that limitations existed only on the retailer online store visuals and functionality. The watch store did not want to answer this question more thoroughly than saying that there were no limitations.

The customer experience of the retailers has been a valuable experience. The electronic and sports store representatives told that they have nothing negative to say. These two retailers were especially happy about Polar's activity, because Polar has exceeded their expectations when comparing to some other companies they are working with. The watch retailer was quite content with the cooperation as well. On the other hand, this retailer said that some improvements could be made. The interviewee was referring to cooperation campaigns or other possible cooperation forms. All three retailers were willing to hear out Polar's wishes concerning their online store Polar product pages.

#### **6.4 Finding products on the retailers' online stores**

Polar was noticed on the online retail store's front pages from product advertisements. These advertisements were from Polar's newest products, the Polar Vantage sports watches and Polar Ignite fitness watch. The advertisements were the reason behind all the nine observations made on the retailer online store front pages. Additionally, a blog post observation was made about the new Polar Ignite fitness watch at the end of electronics stores the front page. This observation was made by only 4 people. On the contrary, only one person saw something referring to Polar at the sports retailer's online store.

Customer thought finding Polar product easy from these retailer online stores due to the advertisements on the front pages. Another factor which made finding products easy or fairly easy was the built-in search function. Through the search engine, Polar was found by entering Polar which gave the research customers several options. In some cases, the product naming was not consistent which also influenced the experience negatively because it made finding the products more challenging.

The hardest part was to find the products size and color variants. This was challenging, because each product's size or color options were shown individually. This means that it was not possible to change the size or color of the same product on the same product page. Consequently, the customer had to go back and forth to find other size or color variants. Additionally, there were no specification on how to choose the size between S or M/L which also made choosing the product challenging.

#### **6.5 Product page information on the retailers' online stores**

The mystery shopping research customers chose battery length, wrist heart rate, activity tracking, integrated GPS and sleep following as the most important product information they would like to know about the wearable devices. The answer percentages of the chosen information deferred between retailers' online stores slightly, but the top five features stayed the same which could mean that different information is highlighted on different retailers' online stores. In the open answers sleep information, heart rate, GPS and the battery length in different modes were the features that came up the most.

The missing information created confusion and most of this confusion was towards the retailer online store. Only a few missing information pieces were said to be missing from the product pages. A customer researcher answered that the guarantee and mobile app information was missing from every retailer's online store product page. Furthermore, confusion was also present on the comparison pages because of the missing or uncomplete information. Confusion was also created between the product size and color options, because it was hard to find, and it was unclear why different colored products were priced differently. Price was only mentioned as a defining element when they were comparing products on the comparison page.

The mystery shopper customers were eager to read other customers comments and reviews about the experience they have had using the device and ordering from the retailers' online store. The comments were read if they were found and easily accessed.

A chat was found from only two of the three retailers online stores. Most of the contact possibility observations were done on the watch retailer's page, because it was easily accessible and the information about contacting times was displayed in a customer friendly manner. The research customers did not find the contact places of the other two retailers at all or only a few found them. An additional question was asked from the research customers who used the contact place, chat, to ask a question concerning the products. Only one person was patient enough to wait for an answer, but each answer stated that it took too long to get an answer from the chat customer service and got fed up with waiting.

## **6.6 Retailers' online stores customer experiences**

Product reviews were read to get a user perspective of their experience with the wearable and the retail store itself. More comments were read if they were easily accessible on the product page. Additionally, if the retailer's product page did not have any reviews the research customers commented that they were missing these customer reviews.

Additionally, the experience improved when product information was presented in a clear and simple manner. Supplementary materials such as informative videos enhanced the experience.



Therefore, it is not a surprise that the separate product pages for varied sizes and colors had a negative effect, because customers had to put more effort towards finding their preferred product.

Customer experience in this scale was measured through the customer satisfaction measurement as mentioned in the first chapter. The watch retailer stood out clearly from the other two retailers. They received a 4.6 review when asked how satisfied the customers were of the overall experience. Electronics and sports retailers' online stores did not have an enormous difference, because their results were 3.6 and 3.8. Watch retailer's online store stood out, because they had informed the products colors, sizes and accessories clearly on the same product page. They also had clearly communicated the differences between the two newest Polar products, Polar Vantage M and Ignite. Mystery shoppers also explained that they had the most comprehensive product pages with the most information and that they were able to supply additional value by their fast delivery which was 1-2 days.

## 7 CONCLUSIONS

The purpose of this chapter is to find the links between the results of the study and the theoretical framework. In addition, the results seek to find those things worth paying attention when developing the retailer online store customer experience. This thesis research was to map out what the current retailer online store customer experience and through this would find out what should be developed from the customers' perspective in this specific touchpoint.

The two research questions could be answered through the research findings which can be supported and strengthened by the theoretical framework in this thesis chapters 2-4. The research results showed that there is some deficiency in the currently created retailer online store experience. Therefore, it would be beneficial to make some improvements to the current product materials sent in product launches according to the analyzation made in the previous chapter. The research methods revealed there to be a clear and undisputed dependency between actions of Polar to the retailers which then directly influenced the customers experiences.

As Filenius (2015, 90-92) mentioned that the amount and versatility in the purchase process is significant for the customer. The research customers' comments revealed that the amount and versatility of the information and material use effected the opinions about the retailer online store experience. Additionally, the style and proofing of information was highlighted in the theoretical research and it was shown to have effects on how comprehensible the information was to the customers. Therefore, more focus should be shed on the way the product, its features and name are presented. The presentation of technological product elements should be presented in a customer centric way where the information is described in an understandable manner that people with different knowledge levels understand and get value from it. The interviews also highlighted the fact that retailers want to be able to use versatile materials and it also came up that there was a want to receive even more information.

Versatility of information is not enough to create loyalty towards a brand. According to Borowski (2015, Cited 25.7.2019) consistency effects the brand because consistency is a strong characteristic creating loyalty in the customers. The mystery shopping task affirmed the suspicion that retailer online stores experiences differed and had inconsistency between each other visually,

in the amount and the quality of information. Therefore, actions towards reducing these differences should be taken to improve the overall touchpoint experience.

As Gesenhues (2019, Cited 23.07.2019) stated that 77 percent of customers thought incorrect and incomplete information to affect negatively on their purchase decision. This could be seen also in the customers experiences when they compared product and they noticed that there was information missing. This context was not mentioned in a positive way. Consequently, it is important for a Polar employee to keep track and check the state of retailer's online store to make sure that new product feature updates and information is informed correctly to avoid generating this feeling in a customer.

Satisfaction of the experiences where quite high, but the open questions told more about the deficiencies in the effort of finding color and size variants. This finding is affirmed by Ahvenainen (2017, 27-28) and Filenius (2015, 125) explanation of the impact effort and the ease of digital services have on the customers experience. Customer satisfaction was the highest in the watch retailer's online store because it was effortless and easy to find all product variants. Additionally, this specific retailer online store had used product information, pictures, videos and had a lot of reviews on their products pages, because they made their own decision of adding more information than Polar gave to the pages. These elements defined the success of the experience of this specific retailer online store. Therefore, the theoretical framework supports amount, versatility and effort have a huge effect on the overall experience. (Ahvenainen et al. 2017, 27-28; Filenius 2015, 125)

The other fact that could explain the broad differences in the product information is that the electronic and sports stores operate in other Nordics countries with a wider product assortment whereas the watch store operates only in Finland with a specific product specialization. This might indicate that they have a better possibility use more time on Polar products, because in the bigger retail stores Polar wearables is a marginal product category.

One of the research findings was that retailers' have not been given any guidelines or instructions on what to place on the retailer online store product pages. The findings mentioned above could be the result of the missing instructions. This highlighted the fact that Polar should provide guidelines or instructions for the retailer, because this would ensure better that the inconsistency between retailers would narrow down and the customer experience would be more coherent.

Since the interviewees told that the sales people in the physical stores use the retailer's online store's information, it would be crucial to have a comprehensive and versatile amount of information on the retailer's online stores. This can be confirmed by Korhonen et al. (2016, 61), because they mention that customers expect the sales people to be the expert providing additional value. In the end the retailers themselves decide what they upload on their product pages. Therefore, as one solution a template of a certain format with specifically defined text, picture and video contents would make product information more accessible. Additionally, it would make the retailer's effort to input information lower because Polar provides a broader set of information in one place. Then retailers would not have that much responsibility in the information input, and they would not have to ask nor find more information to create the product pages. This template could improve the accuracy of information as well. This template would make sure that every retailer would have the same opportunity to create comprehensive product pages.

This template would make sure that the retailers are given enough information to support and create value for the customer purchase process. By creating a template with versatile information, pictures and videos about the product together with other value-added services would reduce customer effort. This would be possible because a comprehensive amount of information is accessible in one location. Customers get all necessary information with less clicks which can make the conversion rate better. As the theory framework explained, consistency will also improve loyalty. It is important to have an experience with a versatile and extensive amount of information to make sure the customer must make few clicks to make the decision to complete into a purchase as said that purchases must be made as easy as possible (Paytrail 2018, 26).

This thesis' research results and analysis have been forwarded for further development before the presentation seminar of this thesis was held. A template was created based on the research analysis of the current experience status findings mentioned in the research analysis and this conclusion in a workshop. The workshop purpose was to use service design methods to cocreate an improved customer experience by utilizing stakeholder expertise. The workshop was held for all necessary stakeholders of the retailer online store touchpoint. These stakeholders included product managers, marketing communication managers and subsidiary sales and marketing personnel.

A workshop was held for designing the contents of the template to create a more consistent, comprehensive, versatile, accurate and effortless customer experience in the retailers' online stores. The outcome of the workshop was the content of the template were all product information,

pictures and videos were defined. The product information will be sent to retailers according to this template from now on.

After the workshop content ideation my responsibility was to create a template draft and mockup based on the ideas created through cocreation. This cocreated template was afterwards gone through in a meeting where stakeholders made improvement suggestions. After suggested improvements were made a Polar Ignite version of this template is made based on the template draft by a marketing communication manager to be tested and implemented to the retailer online stores. The next step would be to deploy the use of the template to Polar subsidiaries. Another next step would be to study the overall experiences of Polar customers in other touchpoints to gain an even wider perspective.

Service design methods as the methods used in this research should be utilized in the future of developing customer experiences in Polar's touchpoints since it was useful by the outcome of the research result as well as the workshop for creating the template. As known customer experience influencers have stated that the process of creating and developing memorable experiences. Additionally, design process creates the most valuable results when all necessary stakeholders have been included in the right process phases. The broader implementation of this customer experience development design process will make sure that Polar will be in the loop of the ever-changing customer expectations. (Ihamäki 2016, Cited 17.7.2019; Tuulaniemi 2011, 40; Miettinen et al. 2009, 11.)

For Polar to continue improving the overall customer experience more resources should be implemented towards this work. As Lehti (2019, 34) mentioned that one service designer is not enough for a big company to create and develop experiences by design methods. Therefore, a team of services designers should be responsible for developing customer experiences in the numerous touchpoints to gain genuine business value of creating and developing customer experiences.

## 8 DISCUSSION

The purpose of this thesis was to map out the current status of Polar's retailer online store customer experience and to generate improvement suggestions. By finding out these things the company can develop the customer experience and provide customers with more consumer centric solutions. The research problem was to find out what should be developed from the customers' perspective in the retailer online store process to create a more customer-centric experience in the retailer online store touchpoint. The results obtained were mirrored, analyzed and the main conclusions drawn.

The thesis process started in the start of June 2019 by reading and making notes of the theoretical framework. The actual writing started a bit later and this part of the process was completed in September. The research tasks and questions were defined in July and the research was carried out after the information foundation base was gathered. The analysis and conclusions of the research was done after the theoretical framework of the thesis was done. The whole thesis process ended as planned in November 2019 when the final touches were made.

The semi-structured expert interviews were planned to be carried out during July, but the arrangements were affected by the holiday months and therefore interviews had to be rescheduled after the summer holiday period. The third interview was a conclusive interview, because the opinions of this retailer representative differed. This was a realization and pivotal moment in the research process, because it gave insight that there actually was some necessary improvements to be done. This part of the research generated the wanted research insights to improve the retailer online store content process because by these materials the customer experience is created in the retailer online store.

Mystery shopping was a wonderful way to explore the current status of the retailer online store customer experience. This mystery shopping research was conducted in July and I did not meet any significant challenges. The goals were to get at least 10 completed tasks and therefore 12 mystery shoppers were recruited. In the end 10 answered even though a reminder email was sent after a week and two days before the possibility to answer ended. The 10 completed mystery shoppers were enough to gain broader insights and to discover what the current status is and where the customer experience improvements could be made.

Feelings of success arose in analyzing the expert interviews and the mystery shopping question answers when they noticed that the delivered material was found relevant to the research problem. This was the result of finding connections between the obtained research result and the theoretical framework. Especially when analyzing the mystery shopping result by the research customers it could be seen how important it is to understand the real and hidden needs of the customers to improve the experience in the right direction.

Other postgraduate research topics arose during the making of thesis. I noticed that other customer journey touchpoints could be researched for example the physical retail store touchpoint. Since in physical stores sales people use the online retailer store information in their work, it is unquestionably important for the information about these products to be comprehensive and accurate enough for these sales people to create genuine value for the customer and the experience. Therefore, the research could next examine how the retailer online store product information is used by the retail store sales and how the use of this product information affects the customers purchase decision. When changes and improvements are made, it could be examined what impact this has had ultimately on the customer experience.

The thesis and especially the research phase have been useful for the researcher's own learning process. It has been an interesting and educational process where the expertise and interest towards customer experience and service design has grown. Additionally, learning has happened from a project management point of view, because responsibility of completing the thesis was on the author herself. A schedule for this thesis process was made in the beginning which has made the whole process progress systematically and according to plan.

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**Retailer interview questions**

1. Describe the process how product information from Polar ends up on your online store?  
Who is/are responsible for this process?
2. How satisfied are you with the process? (e.g. when Polar delivers product information for product launches of new products) Was it easy / difficult?
3. List the most important information you need for new product releases?
4. Are you satisfied with the quality (accuracy, timeliness) of the product and service descriptions provided by Polar? Why? Is something missing?
5. How do you choose the type of product information you will use in your company's online store?
6. Has Polar provided any guidance / instructions for utilizing product information?
7. Does your company have the ability to customize product information? How much?
8. Does your company have a consistent template for product pages within the same product category?
9. How do the salespeople in your brick and mortar utilize the product information on your website?
10. Do you translate all product information? In what situations? How?
11. How much do you feel the need to communicate with Polar? Does it meet your needs currently?
12. What is your experience of working with Polar?
13. Is it easy for Polar to be in contact customer service for questions?
14. Do any restrictions placed by your dealer / company / manager affect your ability to improve collaboration? (policies, culture, standards, etc.)
15. Do you have any development suggestions?

### **Mystery Shopping task instructions**

Do the mystery shopping task by setting yourself in a role of a customer buying a wearable suitable for your needs. Examine Polar retailers' online store as you would do in a real purchase situation.

- Do one task at a time and follow the instructions below.
- Go to retailer's online store when asked.
- On the retailer's online store checkout Polar products and focus especially on 1 to 2 products which you are interested in.
- Pay attention to the following:
  - How easy is it to find Polar products?
  - Can you find the wrist unit that is right for you?
  - Do the product pages clearly identify the information you are interested in?
  - Is there a possibility of customer service on the site, for example by chat? If so, you may wish to ask a question.
  - Is there a comparison option on the online store? If so, you can use it if you wish.
- When you think you have researched the pages enough, always return to this email.

Now you can start the task!

- First review Polar products on the sports shop online store
- Go to the sports online store *LINK*
- After visiting the sports online store, please go to the link below to answer questions:

*(Link)*

Great, you beat the first step!

- Next, go to the electronic online store *LINK*
- After visiting the electronic online store, please answer the questions from the link below:

*(Link)*

Two experiences richer! One more left, good luck!

- Go to the watch online store at *LINK*
- After visiting the watch online store, please answer the questions from the link below:

*(Link)*

**Mystery Shopping questions**

1. Did you notice anything related to Polar on the front page of the online store?
  - a. Yes
  - b. No
2. What did you see about Polar on the homepage?
3. How easy was it to find Polar products?
  - a. Easy
  - b. Reasonably easy
  - c. Hard
4. What made finding the product easy / reasonably easy / difficult?
5. How easy was it to find product size options?
  - a. Easy
  - b. Reasonably easy
  - c. Hard
6. What made it difficult to find the size of the product?
7. How easy was it to find the product color options?
  - a. Easy
  - b. Reasonably easy
  - c. Hard
8. What made finding the color difficult?
9. What information are you looking for in Polar products? (Select one or more)
  - a. Battery
  - b. Integrated GPS
  - c. Wrist based heart rate
  - d. Sleep measurement
  - e. Activity Monitoring 24/7
  - f. Replaceable bracelets
  - g. Training Programs
  - h. Stress management
  - i. Compatibility (Android / iOS)
  - j. Compatible devices (sensors, etc.)

- k. Compatible Applications
  - l. Water resistance
  - m. Color Display
  - n. Touch screen
  - o. The size of the wrist unit
  - p. Materials
  - q. Something else, what?
10. Which product information is particularly important to you? Why?
11. Do you think there was any relevant information missing from the product page?
- a. Yes
  - b. No
12. What information was missing?
13. Did you read other customers' comments on the product?
- a. Yes, I did
  - b. No, I did not
14. Why did you read other customers' comments?
15. Why didn't you read other customers' comments?
16. Did you use the Product Page Comparison Tool?
- a. Yes, I did
  - b. No, I did not
17. What did you pay attention to in the comparison?
18. What did you find most confusing?
19. Was there a possibility for customer service on the reseller site, for example through chat?
- a. Yes
  - b. No
  - c. I do not know
20. Did you ask customer service any questions you may have?
- a. Yes, I did
  - b. No, I did not
21. Did you get an answer to your question?
- a. Yes, I did
  - b. No, I did not
22. How long did it take to get an answer to your question?
- a. I got an answer quickly

- b. It took quite a while to get an answer
  - c. Too long, I couldn't wait for an answer
23. Was the product of your interest available (in the online store or in the store)?
- a. Yes
  - b. No
24. What kind of overall experience did you have at our retailer online store?
25. What kinds of things did you remember in particular? (Was something positive surprising?  
Did something irritate you in particular?)
26. If you were buying your wearable now, which of these three retailers would you have bought it from? Why?