

# Improving the Customer Experience at the Olympia Terminal of the Port of Helsinki

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Improving the Customer Experience a	t the Olympia Terminal of
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**Abstract** 

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Traditionally, the passenger terminals are considered merely as pass through venues. Port of Helsinki wants to change that conception and develop the port and its passenger terminals' overall service offering, as well as to contribute positively to locals' daily lives.

The purpose of this research-oriented service design project was to improve the customer experience at Olympia Terminal of the Port of Helsinki. The research objectives were set out to be two-fold. First, the current customer experience of the foot passengers at the Olympia Terminal was investigated by mapping the pains and gains in the current-state customer experience as well as by ideating a future-state ideal customer journey with the help of service design methods, e.g. co-creation workshop. Second, the state of customer centricity at Port of Helsinki was examined with the help of a research by Hemel & Rademakers (2016).

Theoretical framework for this thesis draws from the service marketing research, service- and customer-dominant logics, value creation and customer centric approach. Methodological approach is qualitative benefiting from the field of design thinking and service design. Research data was gathered through desk research, thematic interviews, observations, autoethnography and co-creation workshop. Interview data was analyzed through content analysis. Service design tools used included persona creation, current- and future-state journey maps, empathy mapping, how might we -questions and ideation. With the outcomes, more aligned conversations can take place with a customer focus in cross-functional teams at Port of Helsinki.

Three objectives were identified and achieved in this service design project. First, Port of Helsinki moved towards more customer centric development by interviewing, analyzing and involving both the customers and stakeholders. Second, Port of Helsinki gained a reference case from the first in-house designer project of which the experience and expertise is scalable in the organization. Third, the pains and gains of the foot passengers at Olympia Terminal were identified and new development ideas were created which can be taken into use as part of the future work of the passenger development services.

This thesis has also shown that value creation is intertwined in both concepts of customer experience and customer centricity. When the customer centricity is a default way of doing things in an organization, also the customer experience will most likely be improved. It is then based on a holistic understanding of who the customer is, and what his/her needs are, and can be considered at every level and by each employee within an organization.

Keywords: customer experience, customer centricity, value creation, service design, design thinking

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### 1 Introduction

Ports are gateways to cities. Traditionally, the passenger terminals are considered merely as pass through venues between the ship and the destination city where people want to enter and exit as fast as possible. Port of Helsinki wants to change that conception and develop the port and its passenger terminals' overall service offering better, as well as to contribute positively to locals' daily lives (Port of Helsinki Magazine 2019a). This is stated in the near two-year-old strategy which includes a vision of the Port of Helsinki becoming the world's best functioning port. This is directly derived from the strategy of the Port's owner, the City of Helsinki, of which the vision is to be the most functional city in the world (City of Helsinki 2017).

Port of Helsinki sees functionality consisting of cost effectiveness, smooth traffic and logistics arrangements as well as customer satisfaction. One of the biggest changes with the new strategy has been the shift towards a better understanding of the customer experience of the end customer. In the port sector customers have commonly meant shipping companies and operators but in the passenger traffic, the end-customer is the passenger. (Port of Helsinki Magazine 2018.)

The focus of this thesis is to study how to improve the customer experience at the Olympia Terminal, which is one of the city center passenger ports managed by Port of Helsinki. Olympia Terminal was chosen as the focus of this thesis for the following reasons. First, the strategy of Port of Helsinki (2018) emphasizes putting the customer in the center of all development. Second, Port of Helsinki already has on-going projects on improving the customer experience in other terminals, but no such project was yet on-going at Olympia Terminal. This thesis is therefore part of the bigger development direction which is going on at Port of Helsinki. Third, Olympia Terminal building is planned to go through a big renovation project after inspection of the current condition of the building. It is a passenger terminal with prime location in the Helsinki city center. The building dates to year 1952 when the Olympic games were held in Helsinki, hence the name. With the possible renovation project, a major overhaul and alterations to the interior design, passenger flows, service offerings and overall functionality of the terminal will most likely be made. The aim of this thesis was to within this larger context to contribute to the passenger services' development work by Port of Helsinki by providing the information on the current-state customer experience as well as providing ideas for the future-state ideal customer experience at Olympia Terminal.

The purpose of the research in this thesis was set out to be two-fold. First, to investigate the current customer experience of the foot passengers at the Olympia Terminal by mapping the

pains and gains in the current-state customer experience as well as ideating a future-state ideal customer journey with the help of service design methods, e.g. co-creation workshop. Second, to examine the state of customer centricity at Port of Helsinki. This was done with the help of a research by Hemel & Rademakers (2016) who had defined nine shaping factors and three barriers for customer-centricity. The reason to combine these two approaches was the aim to get a wider perspective on the customer experience and customer centricity as intertwining concepts and look closer at both the customers' as well as the organization's role in improving customer experience. Other reason was that even if the literature and knowledge on the customer centricity is growing and becoming more popular, the topic how to implement customer centricity is still somewhat scarcely dealt (Lamberti 2013).

The theoretical framework for this thesis draws from the service marketing research, service-dominant and customer-dominant logics and value creation and customer centric approach. Methodological approach is foremost qualitative benefiting from the field of design thinking and service design. Research data was gathered through desk research, thematic interviews, observations, autoethnography and co-creation workshop. Tools used included the current-and future-state journey maps, empathy mapping, how might we -questions, ideation and persona creation. Research data was analyzed through content analysis.

This thesis is for the MBA Service Innovation and Design degree programme at Laurea University of Applied Sciences. It represents a research-oriented development project, where the main point is to contribute to the workplace development and at the same time provide a theoretical framework for the case of the development.

# 1.1 Power shift from businesses to customers

Improving customer experience has been commonly stated as creating more value to the customers. In today's business world, however, value is created with the customers, and customer centricity is seen to increase that value. (e.g. Fader 2012, Lowenstein 2014, Hemel & Rademakers 2016, Shah et al. 2006 and Rust, Lemon & Zeithaml 2004.)

Customer-centricity has become the prevailing trend or phenomenon in today's business world as the power has shifted to the customer. Today's and tomorrow's customers are more conscious and demanding both in relation to what they buy, and what is the origin of what they buy. Whether it is about products or services, more and more attention is also paid to the employees and the conditions they work in whether they either manufacture the product or are the providers of the service. What drives customers to make the choices they do, creates tomorrow's business (Chipchase 2013).

In addition, it has become to mean a lot, how and in which kind of context and through which type of interaction the service or product is sold to customers, i.e. what is the customer

experience like, to customers themselves. One major reason for this development is the accessibility of the vast amount of information which can be shared among people 24/7, and based on which today's customers can, and most likely also make their decisions. As Lowenstein (2014, 14) states, today the customer-related decision-making is based on knowledge instead of intuition and guesswork.

Other factors in addition to information and knowledge are the speed and the easiness of consuming. Due to digitalization, purchases can be made and withdrawn with just a few clicks and within few seconds. This has affected also the customer experience. For any kind of digital service, a new type of criteria has been created which defines the customer experience according to the easiness and effortlessness of using the service, and of which the references are no less than Facebook, Amazon or alike. New digital communication platforms have also changed drastically the way and speed with which the feedback of the customer experience is given and shared. Reactions to a service or a product that is purchased can be shared and go viral in seconds. More and more customers also act proactively instead of reactively which consequently has a big impact on future customer experiences. (Wuyts 2010.)

The customer experience in the form of customer satisfaction and feedback has moved from behind the scenes to open and digital channels which has made it visible worldwide and real-time. This has become also the reality in which businesses operate today, and to which businesses must try to answer for.

Hence, the customer experience has become the core of the business as it correlates directly with the business success by increasing the existing customer value (e.g. Shah et al 2006). This is also the reason why businesses, companies and organizations throughout the world and in all fields and sectors, both private and public, have had to rethink their approach towards their customers, and many have chosen to become customer centric (Lamberti 2013). Instead of merely reacting to customers reactions, companies and organizations *also* have chosen the proactive approach and made a strategic decision to embrace the customers' viewpoints by listening to customers and building their offerings based on the real needs and desires of the customers. It is however the customers, that keep their businesses alive.

# 1.2 Context of the study

This thesis represents a somewhat common research topic in today's customer centric world. Improving customer experience and creating more value with the customers has been studied widely both from theoretical as well as practice-oriented perspective with case studies from different organizations and situations. In relation to value creation one surely cannot bypass the pioneer work by Vargo & Lusch (e.g. 2004, 2006, 2008, 2017) and their theory of service-dominant logic which they have refined over the years.

Service logic has been studied thoroughly also by the so-called Nordic school of service marketing (Gummerus & Koskull 2015) with the forerunner Grönroos (2006, 2008, 2011) and e.g. Grönroos & Ravald (2011). Grönroos and Voima (2013) have studied service-logic and criticized service-dominant logic from not including the interaction concept. According to Grönroos & Voima (2013) service-perspective does not make customers always co-creators of value. Customer-dominant logic has been studied e.g. by Heinonen et Strandvik (2015) who emphasize the understanding of customer logic and how companies can develop into being involved with the customer context. They also make a point of value being formed and not created. In addition, one can mention the works from Michel et al. (2008) and Chesbrough and Davies (2010) on service-logic innovations and the affects it has on customer's role in value creation.

Customer centricity has been studied inter alia by Fader (2012), Lowenstein (2014), Hemel & Rademakers (2016), Shah et al. (2006) and Rust, Lemon & Zeithaml (2004). They all agree on the potential of organizations to increase the long-term profitability, competitive advantage and financial performance with the customer centricity.

Customer experience on the other hand has been mostly dealt with practice-oriented approach in the form of customer experience management while academic research on it has been rather scattered as stated e.g. by Homburg et al. (2017). This thesis aims to tie the concepts of customer centricity and customer experience together. The reason for this is the pre-understanding of the author of this thesis that more developed the organization is in the state of its customer centricity, better the customer experience is, and vice versa. This will be examined through the case organization by reviewing the state of customer centricity at Port of Helsinki and the current customer experience at the Olympia Terminal.

Service marketing is an academic domain which raises a lot of conceptual discussion among researchers, as is the function of the science. The goal of this thesis is not to deep dive in that discussion, but rather shed light on some of the essential concepts from the point of view of this thesis' topic. Hence, the theoretical framework in this thesis will be based on the concepts of value creation in service marketing, customer centricity and customer experience which will be presented more thoroughly in the literary review Chapter 2.

The context of the study is a city port terminal. The chosen scope for this research is the value creation in relation to customer experience of foot passengers at the Olympia Terminal and the customer centricity of the company Port of Helsinki. This follows the key area of "seamless passenger experience" of the strategy of Port of Helsinki. Urban city planning and logistics as well as sustainability are research fields that are part of the overall context. They are included in the development part of this thesis through the Port of Helsinki Strategy key areas of "outstanding city-port functionality" as well as "pioneer of sustainable

development". (Port of Helsinki 2018.) However, theory-wise they are not dealt further in this thesis. More on those themes can be found e.g. in a study by Browne et al. on urban logistics and especially on port logistics (2019, 124-135) and e.g. in Goodwin (2016) on the sustainable tourism.

### 1.3 Research approach and research questions

This thesis belongs to the wide field of qualitative research. Aims in the qualitative research is the will to understand the chosen phenomenon holistically. Tuomi & Sarajärvi (2013) consider the qualitative research as an umbrella term which contains many types of qualitative research. One of the key issues is to see the inherent subjectivity of the qualitative research as a value *per se* (Tuomi & Sarajärvi 2013, 166).

Design thinking and service-design as a methodological approach serve the same goal of holistic understanding. Hence, design thinking, and service design offer a well justifiable methodological approach under the umbrella of qualitative research for this thesis. The methodological approach consisted of a mix of methods and covered desk research, thematic interviews, observations, content analysis, use of design tools such as customer journey map (current and future), empathy map, persona creation as well as a co-creation workshop.

Research approach in this thesis benefits from both inductive and deductive approach. The approach is principally inductive since there is no previous research that deals with the same phenomenon in the same context (Elo & Kyngäs 2008). Inductive approach is also supported by the fact that the research data plays a key role and the findings emerge from the data. Aim has not been solely to test a precise hypothesis but by immersing in the data generate insights (Stickdorn et al. 2018, 113). In inductive research approach the aim is to move from the specific to the general by creating patterns and generalizations and to derive to a set of conclusions (Patton 2002).

There is also a dimension of deductive analysis in this thesis research since the state of the customer centricity of the case organization Port of Helsinki was reviewed through the model by Hemel & Rademakers (2016). Application of an existing framework, as stated by Patton (2002) can also result in new information which can make the boundary between inductive and deductive approach somewhat vague yet not necessarily mutually exclusive. The use of both approaches was supported by the author's motivation to have a more holistic approach also research-wise in relation to the phenomenon under scrutiny.

This thesis can also be described as a case study consisting of a detailed investigation and analysis of a certain phenomenon within a real-life context (e.g. Silverman 2005; Yin 2003). According to Yin (2003) a case study can be defined as a research strategy which includes a holistic analysis of the phenomenon and the use of different types of methods and data. In

addition, case studies often take advantage of the previous research and do not have so strict line between the case itself and the context (Yin 2003).

However, there is no one definition of a case-study nor are there any specific research techniques or methodologies defined which can be used in a case study. A case is neither a straightforward concept. In its simplest form it can be an instance, incident, a persona, an organization, an event or an action. (Schwandt & Gates 2018, 341.) There are a lot of published case studies in service design but most of them do not entail academic scrutiny (Blomkvist et al. 2010, 313). In this thesis the customer-experience of foot passengers in Olympia Terminal forms the case study and entails also theoretical framework deriving from the fields of service marketing and design thinking.

Yin has also defined a case study research process starting with the planning and designing the study to collecting and analyzing the data and sharing of the results (2009). The case study applies well to a research which poses the research questions in the form of how and why (Bamberg et. al 2007, 10).

In this thesis the research questions can be defined as follows:

- 1) How can the customer experience at Olympia Terminal be improved?
- 2) How does the state of the customer centricity affect the customer experience i.e. customer value creation?

In order to answer to the first research question, the qualitative research and service design methods were used, and a current-state and a future-state ideal customer journeys were mapped. In order to answer to the second research question, the state of the customer centricity of Port of Helsinki was examined with the help of Hemel & Rademakers (2016) model of the nine shaping factors and three barriers to the customer centricity.

# 1.4 Case company Port of Helsinki

The case company for this thesis is the Port of Helsinki. The Port of Helsinki Ltd is a limited company owned by the City of Helsinki. Helsinki is the busiest international passenger port in Europe. In 2019, a total of 12.2. million ship passengers travelled through the Port of Helsinki terminals to the cities of Stockholm, Tallinn, St. Petersburg and Travemünde. (Port of Helsinki News 2020.)

Port of Helsinki's strategy is to become the world's most functional port. This is stated in the nearly two-year-old strategy (Port of Helsinki 2018). It follows the strategy of its owner, the City of Helsinki, which has a strategy of being the most functional city in the world (City of Helsinki 2017).

The strategy of the Port of Helsinki has overall six key areas which are presented in the Figure 1. below: 1) outstanding city-port functionality, 2) seamless passenger experience, 3) enthusiastic and skilled workers, 4) profitable growth, 5) efficient port operations and 6) pioneer of sustainable development.



Figure 1: Port of Helsinki Values and strategy (Port of Helsinki 2018).

In this thesis, the focus was put to seamless passenger experience, but also city-port functionality and sustainable development were taken into consideration when examining the current- and future-state customer experience.

Port of Helsinki has six passenger terminals: Katajanokka Terminal, Makasiini Terminal (closed), Olympia Terminal, West Terminal 1 & 2 and Hansa Terminal at Vuosaari harbor. Olympia Terminal, which is the focus of this thesis, has daily departures to Stockholm by shipping company Tallink Silja. (Port of Helsinki website - Passengers.)

Olympia Terminal building dates to 1952. It was opened just before the summer Olympic games in Helsinki. It was designed by the architects Aarne Hytönen and Risto-Veikko Luukkonen. Olympia Terminal is planned to go through an inspection of the current condition of the building. With the possible renovation project, a major overhaul and alterations to the interior design, passenger flows, service offerings and overall functionality of the terminal will most likely be made in order to improve the customer experience for passengers and non-passengers within the terminal. Exterior of the building and some inside parts are protected by Finnish Heritage Agency which will affect the renewal project.

Port of Helsinki has two business units: Cargo and Passengers. These business units are supported by Finances, ICT and Development, Human Resources, Technical Services and Communications (Port of Helsinki website - Management and Organization). Port of Helsinki is,

together with its owner City of Helsinki, committed to implementing the carbon-neutral Helsinki 2035 action plan. Incentivizing and helping customers and stakeholders in their own carbon neutrality work is a strong focus of the program. (Port of Helsinki website - Sustainable Port Operations).

### 1.5 Structure of the thesis

The structure of this thesis is the following. The first chapter serves as an introductory chapter to the research topic and presents main concepts of the study, the research questions and the case company Port of Helsinki.

Second chapter presents the knowledge base with the key theoretical concepts in the form of literature review.

In the third chapter, the development setting of the research is presented, and methodological solutions are described and applied in the context of this thesis. This chapter also describes what data was collected and how it was collected as well as describes how the data was analyzed.

Fourth chapter presents the outcomes and the results and findings of the thesis. Both concepts of customer experience and customer centricity are considered and the answers to the relating research questions posed in this thesis are provided. To conclude, a summary of results is presented in the end of this chapter.

Fifth and the last chapter presents the conclusions as well as assesses the overall development setting. Validity and reliability are also taken into consideration in this chapter. Areas for further development are identified and some reflections in relation to the overall framework of design thinking are presented as closing thoughts.

### 2 Literature review - path to customer centricity and customer experience

This chapter aims to shed light on the relevant literature in relation to the two intertwining topics in this thesis: customer experience and customer centricity. Improving customer experience can in other words be stated as creating more value with the customers. In today's business world, customer centricity is seen as a way for organizations to increase that value. Consequently, these two main concepts will form the main theoretical framework for this thesis.

Service management as a discipline dates to 1980's when the shift towards service economy started (Wilson et al. 2016). The transformation from service economy has continued into

information economy and it wasn't until the leap in the information technology that truly transformed the service culture by offering completely new type of services as well as increased accessibility to the old ones (Wilson et al. 2016). Today the shift has turned towards data economy where the customer focus and value creation has taken a new form due to customer-related data exchange. This has also brought forth MyData perspective signifying that each person should have the right to own and determine the use of their personal data, of which EU GDPR (General Data Protection Regulation) is a good example (EU Commission 2020).

Value is a pluridisciplinary concept. When discussing value from the marketing research perspective, one cannot bypass the researchers Vargo & Lusch, who are widely considered as seminal contributors in the field of service marketing and especially on service-dominant logic (e.g. Vargo & Lusch 2004, 2006, 2008). Northern countries have also been in the forefront of marketing research with representatives of the so-called Nordic School of service marketing e.g. Gummesson & Grönroos (2012), Grönroos (2006, 2008, 2011), Grönroos & Voima (2013) and their studies on service-logic and value creation, as well as Heinonen et al. (2010, 2015) and their studies on customer-dominant logic.

In their article on service-dominant logic from 2004, Vargo & Lusch presented the idea that value is not attached to any goods but to the service the goods provide. In their further work (e.g. 2008, 2012, 2014) they have continued to refine the service-dominant logic into foundational premises and currently reduced it into five axioms (2016) which will be later presented in the Chapter 2.2. of this thesis.

In this thesis, the theoretical framework of value creation is being mostly viewed through the work of Vargo & Lusch. However, the studies of the Nordic School on service marketing are also considered even if not examined more thoroughly within the scope of this thesis. Hence, value creation will be presented briefly through the goods-dominant logic, service-dominant logic and customer-dominant logic. After that, the focus will shift to the main theoretical framework of this thesis, i.e. customer centricity and customer experience.

### 2.1 Goods-dominant logic perspective on value creation

Goods-dominant logic is based on the idea of exchange. Economics leaned for a long time on the model of exchange of manufactured "goods". Focus was on tangible, and only later, also on intangible things which were exchanged, and which resulted in exchange-value centricity. Goods-dominant logic can also be referred to as industrial or product-centered logic since the focus was on products and the productivity *per se*. (Vargo & Lusch 2014, 4-5.) In the era of mass-production from which goods-dominant logic derives from, goods were offered to masses regardless whether they were even considered necessary by the customers. This derivation from the goods centricity is still prevailing to some extent in today's businesses.

In the goods-dominant logic, the companies are considered as crucial and proactive actors in value creation. Customers and consumers instead are regarded as part of the passive markets, some sort of bystanders. In fact, the value is seen only within the product and in its features or attributes or attached to it, and once the customer consumes the product, the value is considered to evaporate. The customers' role is reduced into passive receiver of that value. Hence, the customer's role is solely in the consumption of the created value. (Vargo & Lusch 2014, 9.)

# 2.2 Service-dominant logic perspective on value creation

Value as a concept is at the core of the service-dominant logic. Service-dominant logic was developed as an alternative for the goods-dominant or traditional logic of exchange. Four characteristics of intangibility, heterogeneity, inseparability, and perishability (so called IHIP) were used to differentiate services from the goods but it was found too simplistic by e.g. Lovelock & Gummesson (2004), Grönroos (2006) and Vargo & Lusch (2004). The core idea in service-dominant logic is that "everything" or "all exchange" is fundamentally about service and not products. Therefore, the value is not in the products, tangible or intangible but instead is co-created in the reciprocal interaction when people apply their skills and knowledge to benefit others by exchanging service-for-service. (Vargo & Lusch 2004.)

According to service-dominant logic, customers do not seek products but instead solutions and experiences (Vargo & Lusch 2014, 6). Goods do not have intrinsic value but instead, the value is co-created with a variety of actors what Vargo and Lusch (2014, 11) call resource integration and service-for-service exchange. Grönroos (2000) defined the service taking place in interaction where the interaction could be between the customer and e.g. a service employee, physical resources, goods or a problem-solving device.

Vargo & Lusch (2004) originally presented the service-dominant logic with the help of ten foundational premises. Since then they have developed their thinking further. Currently there are eleven foundational premises which can be reduced into five axioms which are the core ones and from which the other foundational premises can be derived from (Vargo & Lusch 2016). Hence, it is appropriate for the scope of this thesis, to present here only the five axioms, also presented below in Figure 2. and explained thereafter.

# THE **FIVE** AXIOMS

- 1. Service is the fundamental basis of exchange
- 2. Value is cocreated by multiple actors, including the beneficiary
- 3. All social and economic actors are resource integrators
- 4. Value is always uniquely and phenomenologically determined by the beneficiary
- 5. Value cocreation is coordinated through actor-generated institutions and institutional arrangements

Figure 2: Service-dominant logic's five core axioms (Vargo & Lusch 2016).

According to Vargo & Lusch (2016) service-dominant logic's five core axioms are the following:

- 1) Service is the fundamental basis of exchange. This implies that all economic as well as social activities is service-for-service exchange which makes all businesses service businesses. Goods are viewed merely as mechanisms for service provision.
- 2) Value is cocreated by multiple actors, including the beneficiary. This means co-creation of the value through interaction of actors which makes the value creation also relational and consequential. The use of the service consequently makes the customer's life better somehow. Value-in-use has extended into value-in-context in highlighting the context of beneficiary's and other actors' world. This co-creation of value differs from co-production of value which signifies that the customer participates in the creation of the company's value offering e.g. through co-design etc.
- 3) All social and economic actors are resource integrators. With this the aim is finally to get rid of consumer-producer distinction and understand the service-exchange with all other parties i.e. service-driven resource integration through which value is co-created.
- 4) Value is always uniquely and phenomenologically determined by the beneficiary. This highlights the fact that value is experiential, and all actors perceive and integrate value propositions independently from each other.
- 5) Value cocreation is coordinated through actor-generated institutions and institutional arrangements. Here value is put into wider societal and institutional context consisting of institutions and institutional processes including norms, rules, and beliefs which may lead into higher-level service ecosystems or, to institutional lock-in.

In the context of this thesis these five axioms can be viewed as follows. Olympia Terminal it-self can be viewed as a mechanism for service-provision (1), the value is co-created by multiple actors i.e. the ferry company, service providers such as the restaurant and kiosk and parking companies as well as the beneficiary, i.e. the passengers (2) but also all other social and economic actors such as the citizens and the City as the owner of the Port (3). All passengers

are heterogenous despite of belonging to specific customer groups and the value creation ultimately depends on the experience of the customer which is always unique (4). The final point of value co-creation being part of a bigger societal and institutional context derives from the understanding that Olympia Terminal represents something more than just a pass-through venue and a ship terminal but a place with historical, cultural, societal and institutional importance (5). It was built in the year of Olympic games in 1952, hence the name, and as part of other infrastructure projects the City of Helsinki realized due to Olympic games. It can therefore be considered as part of the institutional and societal history which put Finland to the world map as a western country (Olympiakomitea 2019).

Grönroos & Voima (2013) have criticized the service-dominant logic (Vargo & Lusch 2004) and emphasized the role of the customer as the driving force in the value creation. The role of companies (value providers) is reduced to facilitation of value creation by producing resources and processes. The value creation *per se* however, cannot be done without the active role of the customer (value beneficiary). Grönroos & Voima (2013) speak about customer and provider spheres where companies can enter the closed customer sphere by engaging in customers' value creation as co-creators of value and consequently create a joint value sphere. Prahalad and Ramaswamy (2004) also have suggested that value is created through co-creation where the customer is an active participant.

Hence, seeing the customer as more active participant in the value creation also shifts the power of consumption to the customer. It is no longer the logic of the service-provider but the one of the customers which weights the most and must be considered with better understanding of the customers.

# 2.3 Customer-dominant logic perspective on value creation

Heinonen et al. (2010) introduced a new perspective on value creation which puts the customer's logic in the center. They consider both goods-dominant and service-dominant logic still being too focused on the provider and emphasize the customer-based approach to service. They also critique the critique of Grönroos & Voima (2013) towards service-dominant logic by stating that even if the aim is to facilitate the value creation with the customer, it remains unclear what the customer does with the service (Heinonen et al 2010, 532). Grönroos et al. have tried to resolve this issue in their studies with the value-in-use concept where the value is not delivered by any service or goods provider, but instead, value is created by the customer when the customer uses the service or product and it somehow makes his/her life better. Hence, the customer creates value in the "user-sphere" and the service provider participates in the value creation with the customer as the co-creator of the value in the "provider-sphere" (Grönroos & Voima 2013).

Heinonen et al. (2010, 537) go even further and state that value emerges when the service, which is provided by a service company and which is used by a customer, is embedded in the life of the customer as a whole, i.e. in the activities, practices and experiences together with the activities of the service company. Heinonen et al. (2010, 532) see also that value emerges from mental and emotional experiences regardless whether the case is about already realized service or a potential one. Instead of a service, the exchange or the interaction, the center of interest becomes the customer and the overall context of how the service is embedded in customer's activities, experiences and practices. It entails the customer perspective in value-in-use as well as the customer's holistic experience of the service (Heinonen et al. 2010, 533).

The viewpoint in customer-dominant logic shifts the focus from companies creating services the customer will want into what the customers will *do* with the services in order to accomplish their own goals (Heinonen et. al 2010, 534). Hence, in-depth insights from the customers' worlds, needs, desires, experiences, activities and contexts are needed in order to be able to transform them into concrete and strategic service offerings, what Grönroos (2008) called participation of the companies in supporting customer's processes. Customer's perspective in customer-dominant logic comprises therefore the customer's activities and life as a whole and is extended also time and experience-wise. The focus is not only on the activities and experiences that relate directly to the service but also on customers' intentions as well as the activities and experiences that result from the service (Heinonen et. al 2010, 534). This entails therefore past, present and the future timewise as well as on-stage and backstage actions in relation to the service itself.

Heinonen et al. (2010, 537) see that it is based on the customer's service experience how the customers evaluate the value-in-use and this on the other hand is dependent on how well the service experience is embedded in the customer's context.

In relation to co-creation of value customer-dominant logic emphasizes the role the offering plays for the customer. Hence, the company focus should not be on a particular offering but go beyond and involve itself in the customer's life. This requires in-depth and holistic understanding of customer's lives and how the service supports those lives. According to Grönroos (2008) the customers create the value for themselves but there is also the opportunity for the service providers to increase the value creation during the interactions in the form of value propositions. However, the control over value creation stays with the customer.

Value-in-use can according to Heinonen et al. (2010, 539) be invisible to companies in three ways. First, customers experience the value in a broader time frame including the before, during and after and hence outside the interaction process. Second, value-in-use represents in addition to physical activity also mental activity, e.g. in the form of memories of earlier

experiences. In provider-dominant logics, as Heinonen et al. (2010) define goods-dominant and service-dominant logics, these experiences would be about the company's performance in service offerings whereas in customer-dominant logic the experiences would be about so-called enabling effects on the customer's life. Third, customer-dominant logic considers the drivers at the wider or collective customer level. The customer context is seen as dynamic and socially constructed which consequently serve as a ground for co-creation of service as well as for the value-in-use assessment. (Heinonen et al. 2010, 539-540.)

In the context of the Olympia Terminal, customer value may be the biggest if the customer experience solves something that has happened already before i.e. outside the interaction process (1). It could be for example that the relaxing and effortless customer experience at the terminal creates most value within the customer's mind as it wipes out all the potential hassle of making it to the terminal in time. This comes close also to the second issue of mental activity and enabling effects in customer's life, if for example earlier passenger experiences have also been rush- and stress-related (2). Customer context being dynamic can be interpreted from the point of view that customers also change in time (3). Family passengers at some point become elderly passengers which consequently has an effect for the value-in-use assessment as their needs, behaviors and attitudes change (Kumar et al 2006, 91).

These previous chapters have served as an overview to the value creation from the perspectives of goods-dominant logic, service-dominant logic and customer-dominant logic. As the topic of this thesis consists of the customer experience and customer centricity, it has been important to understand the logics behind the value creation and the shift in power from the goods to the service providers and finally to the customers. In addition, the theoretical concepts such as the five axioms by Vargo & Lusch (2016) and the concept of value-in-use by Grönroos and Voima (2013) and Heinonen et al. (2010) have been reflected by applying them within the context of this thesis. In the next chapters the focus turns deeper into the principal concepts of this thesis, that is the customer centricity and customer experience.

### 2.4 Customer centricity

This chapter opens the concept of customer centricity, which, as many other concepts, have almost as many definitions as definers. There is no one solid definition of customer centricity. It can also be debated whether it is a theory, organizational phenomenon or a business approach. Either way, it is gaining more and more ground in business and as a field of research as the amount of literature on customer centricity is growing fast.

The origin of the customer centricity is in marketing research dating back to 1960's. Many authors on customer centricity (e.g. Fader 2012 and Lowenstein 2014) mention Lester Wunderman as the pioneer in direct marketing and customer-oriented approach which has influenced and contributed a lot to today's understanding of the customer centricity. He was the first to

collect data from his customers in order to better serve them and consequently guide his business with a customer-oriented approach (e.g. Clow & Baack 2010). Marketing is however not the only field customer centricity is influenced by, but customer centricity is inherently interdisciplinary including fields such as organizational development and management, leadership as well as fields in relation to data management (Hemel & Rademakers 2016, 214). Another popular way of defining customer centricity is by separating it from the product-centered thinking (e.g. Fader 2012; Shah et al 2006).

According to Fader (2012), Van den Hemel & Rademakers (2016) and Rust, Lemon & Zeithaml (2004) customer centricity presents a strategic advantage for the organization. They all agree on the potential of organizations to increase the long-term profitability, competitive advantage and financial performance with the customer centricity.

Fader (2012) sees it essential to an organization to find its best customers and invest on them. The reason for this is that according to Fader it is impossible to please all customers, and at the end, it is the best customers who are also the most valuable and therefore ensure the company's long-term profitability.

Even if customer centric model is many times counterposed with the product-centric model, according to Fader (2012, 37-38) customer centricity has ultimately the same goal than product-centric model: to increase profits and in the long run, make the company as profitable as possible. However, today many public organizations emphasize customer centricity as well. Whereas their end goal may not be profitability, it is often the rationalization of activities and making savings to ever increasing costs. What makes the customer centricity to differ from other ways, and from the product-centric model, is the approach and the means how to do it. Customer centricity demands for a holistic approach requiring changes in the organizational, structural, strategic and cultural level (Fader 2012, 40).

Fader (2012, 39) defines customer centricity as follows: "Customer centricity is a strategy that aligns a company's development and delivery of its products and services with the current and future needs of a select set of customers in order to maximize their long-term financial value to the firm."

As his key point on customer centricity, Fader suggests that in a customer centric company, it is acknowledged as well as embraced that every customer is different. Another way of describing it is through the concept of customer lifetime value (CLV) (e.g. Berger et al. 2006) which constitutes the basis for the customer centricity. It is a forward-looking concept where the key is to understand the heterogeneity of the customers instead of calculating the CLV for the "average customer" (Fader 2012; 73, 78).

The heterogeneity of customers presents itself as an opportunity. Each customer has his/her own needs. Fader continues by stating that some customers simply matter more, and hence, they deserve more whereas others deserve less. All efforts should therefore be put to these best customers which will also bring most value to the company. The argument behind this is that a true customer centric company finds out and knows what these so-called "right" customers want now, and, in the future, instead of offering e.g. products they think their customers want. Fader calls this challenge organizational since organization-wise efforts must be made in daily work and be based on customers or customers segments, instead of products. (Fader 2012, 40.)

Fader (2012) as well as Hemel & Rademakers (2016) compare the customer centricity with the product-centricity. In the product-centered thinking all customers are offered the same product as well as treated equal whereas in customer centricity, the basis for all efforts is in serving the best and so-called *right* customers. The aim is not to exclude the products or services from the other customers but simply make the group of best customers grow. Acquiring new customers can be done e.g. by finding out commonalities with these *right* customers which have been identified. (Fader 2012, 40-42.)

Hemel & Rademakers (2016, 213) talk about 'outside-in thinking' in customer centric organizations and 'inside-out thinking' in product-centric organizations. Inside-out thinking means creating products or services and launching them, and only afterwards thinking whether customers need or like them. Outside-in thinking means deeply understanding the customers' needs first and only then starting the development of products, services or solutions. In many cases, as Hemel & Rademakers (2016) state, organizations must combine these both approaches. Examples such as mobile phones or iPad have shown, that sometimes customers do not even recognize the need for something before they are presented with the opportunity or solution. Hence, customer centricity demands for balancing with the ideas coming from outside as well as inside.

Often businesses ask for metrics or KPI's on the customer centricity and expect for instant results. This according to Fader presents itself as a financial challenge. As Fader (2012, 44) points out, customer centricity will rather cost companies money, especially in the beginning. This battle between short-term hit and long-term rewards may be difficult for some companies to bare.

Fader (2012, 45-46) suggests three key areas where companies can excel once they have adopted a true customer centric operational model and which will also realize the long-term profits. The key areas are 1) Customer acquisition, 2) Customer retention and 3) Customer development. All three areas are presented in the Figure 3. and described below.

THREE KEY AREAS WHERE COMPANIES CAN EXCEL WITH CUSTOMER CENTRIC OPERATIONAL MODEL		
Customer acquisition	Customer retention	Customer development
Better understanding where to look for new customers     More and better referrals from the existing customers	Longer customer relationships with the best customers at lower cost	Cross-selling and tailoring products or services with price premiums  Enabling offerings with higher margins to best customers  Increasing the frequency of purchases

Figure 3: Three key areas where companies can excel with customer centric operational model adapted from Fader (2012, 45-46).

Customer acquisition becomes simpler since customer centricity enables the company to better understand where to look for new customers and what their true cost and value is. It can also contribute to having more and better referrals from the existing customers which can again have an impact as more committed customers in the future (Fader 2012, 45).

Customer retention becomes more effortless since customer centricity allows to lengthen the customer relationship with the best customers and maintain it at lower cost.

Customer development is possible through customer centricity through cross-selling and tailoring products or services with price premiums. It can also increase the frequency of purchases as well as enable offerings with higher margin to the best customers (Fader 2012, 45-46).

Focusing on the best customers within the context of this thesis means focusing on the family passengers. Persona creation on family passenger is more thoroughly explained in Chapter 3.3.5. in this thesis. Hence, the customer acquisition can be done more efficiently e.g. by concentrating marketing efforts there where the so-called best customers i.e. family passengers are, e.g. in particular social media family groups where referrals from existing customers can also easily be done. Customer retention may be realized with the understanding that family passengers and especially children "grow" into future customers which may lengthen the customer relationships to last for decades. As the children grow, also the travelling costs for family passengers increase, which makes tailored products or services with price premiums very attractive for family passengers.

Customer centric organizations tend to build more customer than brand value. This makes customer centricity also a significant competitive advantage. By identifying the most valuable customers and by concentrating on their needs a company can offer something unique as well as create long lasting customer relationships. Customer centric organizations both value their customers as well as care about their customers' values. (Fader 2012; 67, 65.)

Another way of looking at the customer centricity is through factors that contribute to or deter an organization becoming more customer centric. In their study combining theory and practice, Van den Hemel & Rademakers (2016) have defined nine factors which help organizations to become more customer centric and three barriers to it. Overall, their definition of the customer centricity is as follows:

A business approach that places the value creation of the customer at the centre of attention and takes it as the starting point for all organizational activities. Strategy development starts consistently at the customer and flows back to the organization (as opposed to insideout thinking; that is from the organization to the customer.) The aim is to create an optimal and distinctive fit between the value perception of the customer and the products/services offered. In this way, superior value is created for the customer, and superior value is captured by the organization. (Hemel & Rademakers 2016, 214.)

According to the study by Hemel & Rademakers (2016, 217-218) there are nine factors contributing to the customer centricity which are 1) agility, 2) interaction with the customers through-out the organization, 3) renewed organization and hierarchy, 4) cooperation within the organization, 5) empowering and guiding employees, 6) reward system in relation to customer experience, 7) recruiting the right customer-oriented mindset, 8) customer participation and 9) proactivity. As for the barriers, the three factors relate to 1) organizational culture, 2) too much choice in the product/service offering and 3) thinking only through and not beyond quarterly results. Both the factors and barriers are presented in the below Figure 4.

NINE FACTORS CONTRIBUTING TO CUSTOMER CENTRICITY		
1. Agility	Co-operation within the organization	7. Recruiting the right customer-oriented mindset
2. Interaction with customers through-out the organization	5. Empowering and guiding employees	8. Customer participation
Renewed organization and hierarchy	Reward system in relation to customer experience	9. Proactivity

THREE BARRIERS TO CUSTOMER CENTRICITY		
1. Organizational culture	Too much choice in the product / service offering	Thinking only through and not beyond quarterly results

Figure 4: Nine factors contributing to customer centricity and three barriers to customer centricity adapted from Hemel & Rademakers (2016).

Nine shaping factors of the customer centric organizations according to Hemel and Rademakers (2016, 217-218) are described more closely next.

- 1) Being agile can be translated into organization's ability to be flexible and to adapt to the changes in the fast-moving world.
- 2) Interaction with the customer means direct communication with the customers through-out the organization, from the top management to summer employees.
- 3) Turning traditional pyramid upside-down can be explained by creating and renewing the organization and hierarchy structures so that they enable an environment where the people interacting with the customers get all the support including necessary tools, technology and reward systems.
- 4) Teaming up means internal cooperation, cross-functional and silos-breaking teams and making customers joint responsibility of all units.
- 5) Balancing empowerment with guidance means non-restrictive job-descriptions and guidance which empower the employees to take responsibility of the customer needs and to solve customer problems.
- 6) Incentivizing relative to customer experience signifies shifting the focus to measures relative to customer experience or outcome instead of productivity measures. This can mean relating the key performance indicators to individual efforts of an employee on behalf of customers or based on the ability of employees to increase customer equity.
- 7) Recruiting for the right mind-set accentuates the fit between the personality and values of the employee with the organizational culture. Knowledge, skills and brand experience can more easily be increased, whereas values are more permanent.
- 8) Ensuring active customer participation means actively engaging customers in the value creation process in order to gain understanding of their needs and wishes.
- 9) Being proactive means going beyond the insights from customer participation and monitoring trends in order to find out to what extent the business can be developed.

As for the barriers Hemel and Rademakers point out the three following factors (2016, 219):

- 1) Avoiding a culture of fear and judgement recommends not punishing or judging the employees in case of mistakes, but instead creating a safe environment to make decisions on behalf of the customer and a culture of inspiration where the emphasis is put on things that go well, and things that go wrong, are used as a basis for training.
- 2) Less is more signifies that the service offering should not be overwhelming or confusing to customers but instead kept simple with a clear focus.

3) Staying away from quarterly run for results suggests making everyone understand that implementing customer centricity may not bring immediately visible results but will pay off in the long-term. It translates also in demonstrating the link between the customer centricity and organization's long-term value.

All these twelve factors were investigated as part of the second research stream in relation to the state of customer centricity at the Port of Helsinki. The twelve factors formed the basis for the interview questionnaire which is annexed as Appendix 2. The aim of the interviews was to find out whether these twelve factors apply within the case of Port of Helsinki or whether other factors come up during the semi-structured thematic interviews. More precise description of the content analysis is described in Chapter 3.3.4. and the results are described in the Chapter 4.5. of this thesis. They demonstrate clearly that customer centricity goes hand in hand with the customer value creation. It enables what Hemel & Rademakers (2016, 212) call dual value creation where the customer wins because s/he is served well i.e. customer experience corresponds to his/her needs, and the organization wins because by doing that, it creates and captures unique value for the organization.

According to Hemel & Rademakers (2016, 213) the value creation in customer centricity builds on the value perception of the customer. It forms the core in key business and organizational processes since the development of new products and services (i.e. value propositions) or improvement of existing ones, is truly based on customer wants, needs and priorities of (groups of) customers.

Customer management is also fast-growing field in marketing research. A research from Kumar et al. (2006) shows that managing customers for value as a strategic approach has replaced the more traditional approach of managing products or brands of companies. Today, more and more, customers are considered as the most important assets of the company. Customer equity at company level means same than customer lifetime value in individual level (Kumar et al. 2006, 88). More on both concepts can be found e.g. in Kumar et al. 2006 and Leone et al. 2006.

In relation to customer centricity, (Kumar et al 2006, 89) pose questions such as when the product-centered approach is better than the customer centric one, whether product managers can become customer segment managers, who "owns" the customer in each of the cases and whether the brand is even needed in customer centric organization, or what is the role of a brand in customer centric organization. They also raise an important point that customers change in time as their needs, behaviors and attitudes change (Kumar et al 2006, 91).

In addition, also societal and environmental conditions change. Those changes can also be called trends, which have a big influence on the customers and their actions, and especially

on the values based on which the customers realize their actions. Consequently, it has an effect also to the overall customer experience, which is examined more closely next.

# 2.5 Customer experience

Customer experience as a concept has gained a lot of interest during the last years (e.g. Shaw 2005, Shaw et al. 2010, Hill et al. 2007). Customer experience is considered as a highly subjective experience (Meyer & Schwager 2007). It is not a straightforward concept and even definitions vary between customer, service or consumer experience. According to Heinonen et al. (2010, 540) customer experience can be defined from a narrow and broader point of view. From the narrow point of view, customer experience is seen created and constructed by the service company. The customers are considered as passive recipients of the service who experience the service as the service provider intended and planned. From the broader perspective, customers are considered as active players evaluating not only the service provider's performance but also how the service can be embedded in their lives and hence, make their lives better.

Customer experience is dealt a lot in practice-oriented literature. In popular management books (e.g. Reason et al. 2010) the focus is often on how the company can improve as well as better manage the customer experience or measure it (e.g. Klaus 2015). Another dimension to the customer experience is the wide array of customer relationship management literature (e.g. Cunningham 2002, Peelen 2013). Third approach to customer experience puts the focus on the customer's viewpoint. This often involves emotions as they are inherent in the experiences. Customer-dominant logic sees the customer experience created by the customers themselves within their own activities. Customer experience depends also on the internal issues within the customer, e.g. customer's mood, understanding and frame of interpretation of the experience. (Heinonen et al 2010, 541.)

Embedding the service in the lives of the customers is at the core of this thesis topic. Passenger cruises represent most often leisure activities for customers; hence the experience is deeply intertwined in their lives. Emotionally the expectations are often high as time and money has been invested in the trip in order to get the kind of experience that is needed and desired exactly at that specific time and in the context of that particular customer's life situation. Hence, the customer experience becomes even more important than with the experiences in the regular everyday context. If the customer experience is positive, it builds the customer relationship over time (Fader 2012).

Customer experience is neither restricted solely to direct interactions between the customer and company but should be understood as going beyond the direct interactions (Heinonen et al. 2010, 541.) Verhoef et al (2009) point out that from the customer's point of view, service episodes and encounters as such are only parts of an ongoing flow of sense-making and

interrelated experiences. Customer experience should hence be understood first, as part of customers' ongoing life and second, as something which changes over time, as the life experiences of the customers change (Verhoef et al. 2009). This applies well to the passenger experience context within this thesis, as the customer experience changes significantly between the passenger groups as the passengers and their life situations change in time from family passengers to e.g. senior and young adult passengers.

Experiences before and after the core service encounter contribute to the overall customer experience (Price et al. 1993). Also, customer experience from one interaction, use occasion, or relationship is proved to have an influence on customer's perception of the service in the future and its value-in-use (Verhoef et al. 2009). Hence, customer experience forms a continuum with the customer centricity in building on the concept of value creation.

Reason et al (2016, 129) also point out that customers are in many ways the only common ground that can be shared by every function in an organization and across the business. Customers can be regarded as the glue that ties all other functions together. If it is not stated out in the open each time and in every context that the aim is to create value for customers, it might be that the result of the actions will be preventing customers from achieving their needs or goals i.e. reducing customer-value.

What is important to today's customers must be equally important to today's companies as it reflects directly to the customer experience. Value creation is formed from the interfaces of the customer experience where change in values from consumer-centric into more intangible ones consisting of quality of life and meaningfulness has taken place. Recognizing this new emphasis in the customer experience, and the emotional experiences that the customers expect, holds the key in contemporary value creation. (Tarjanne & Englund 2018.)

Understanding this new wave of value creation going beyond economic and functional into social and cultural also enables the creation of new business opportunities for companies. Often this involves going beyond traditional business ecosystems and new kind of creative cooperation among different stakeholders. (Tarjanne & Englund 2018.) Hanauer & Beinhocker (2017) call value creation simply as resolving human problems which resonates well with the service-dominant logic and design thinking views on value creation. Porter & Kramer (2011) have written about creation of shared value which means that economic value is created in a way that creates value also for the society by addressing its needs and challenges.

Reason et al. (2016, 126) point out that having a vision for a better customer experience or innovative service is the easy part, but to make it happen is often challenging. The organizational challenges include internal alignment and collaboration, delivering better staff engagement and participation as well as agility. These concepts come close to the shaping factors for customer centricity defined by Hemel & Rademakers (2016) and presented in the previous

chapter 2.4. of this thesis and analyzed more thoroughly in the Chapter 4.5. of this thesis. What Reason et al. also emphasize, is that service design tools offer a good and a quick way to start overcoming these challenges with visual representations such as scenarios or customer journey maps (Reason et al. 2016, 133). The customer journey maps of the current-state and future-state were created within the context of this thesis as well and they are presented more thoroughly in the Chapters 3 and 4 of this thesis.

Service and customer-dominant logics as well as customer centricity call for holistic understanding of the customers and their life situations. As Vargo and Lusch as well as Grönroos, Heinonen and others in the Nordic School of service marketing have pointed out, it is the embedding of the services in the lives of the customers which makes the customer experience better, and the measuring of it valid. It is always the customer who decides whether the customer experience is positive or not. Hence, by increasing the understanding of the customers, the service providers may offer value propositions which touch the core needs, desires and emotions of the customers whereupon the possibility for a successful customer experience for both the service provider and the customer becomes bigger.

This literature review on value creation from the point of view of different logics such as goods-dominant logic, service-dominant logic and customer-dominant logic served as a pathway to the central concepts of this thesis presented here i.e. the customer centricity and customer experience. The consideration of these topics in this thesis tries by no means be exhaustive but instead provide a few examples of the attempts to define and concretize them. In addition, for the concepts linked to the topic, but which were not more thoroughly dealt in this thesis, further reading has been suggested.

Customer centricity as well as customer experience both emphasize the human-centric and holistic nature of understanding the customer needs. This makes them deeply intertwined with the design thinking and service design approach which are presented next as they form the core of the research design in this thesis.

### 3 Research design - Improving customer experience at Olympia Terminal

Design thinking serves as a wider background for the research design and methodological choices in this thesis, hence, a brief overview into design thinking and service design as a process is given in this chapter. This thesis research design builds on the service design process model of the Double Diamond by British Design Council (2004). Therefore, this chapter also explains why that model was chosen, and then dives into the empirical part of this thesis.

In the empirical part the Double Diamond process model is described with the context of the topic of this thesis, i.e. improving customer experience at Olympia Terminal. After that the

methods used are presented along with their application, including also a detailed description and extracts of the data collection and analysis. In addition, this chapter presents the purpose and objectives of this thesis which are considered next.

# 3.1 Purpose and objectives of the research project

This thesis is for the MBA studies in Service Innovation and Design. It is written based on a service design project which was executed by the author of this thesis at Port of Helsinki during the months of January and February in 2020. The field of the study formed the background for why design thinking, and service design methods were chosen to be used as methodological solutions in this service design development project. The purpose of this research-oriented service design project was to improve the customer experience at Olympia Terminal by mapping the pains and gains of the current customer experience, by identifying the state of the customer centricity of the organization and by creating a future-state ideal customer journey map based on the research and previous stages of the service design process. At the same time the purpose was to contribute in the development of more meaningful products and services based on true understanding of the customers' needs and desires, i.e. in creating more customer-value.

Overall objective was to contribute to the vision of the Port of Helsinki as being the best functioning port in the world and guaranteeing the seamless passenger experience as stated in the Port of Helsinki strategy (Port of Helsinki 2018). In relation to the ports in the city center, the priorities are serving customers and maintaining good infrastructure and enabling good customer experience. Overall, as stated in the strategy, the aim in the Port of Helsinki's key projects is the better understanding of the end customers i.e. passengers (Port of Helsinki 2018). This was also one of the objectives in this service design process of which this thesis is about.

The scalability of the project was identified right from the start. Three objectives were identified for this service design project which were to be achieved at the end of the development project. These three objectives are presented below in the Figure 5. along with the starting point for the project.

CURRENT STATE	OBJECTIVES
in November 2019	for March 2020
<ul> <li>The vision of the Port of Helsinki is to be the most functional port in the world and to ensure seamless passenger experience</li> <li>In the city ports the priorities are developing the passenger service, and maintaining the infrastructure functional and in good shape</li> <li>The key projects of Port of Helsinki aim at better understanding of the end customer</li> <li>The service design project at Olympia Terminal will support the previously mentioned objectives and will be scalable within the organization</li> <li>With service design project a holistic picture of the customer's world will be created and customer experience will be built according to the genuine needs of the customers – this way services can be defined with content which is meaningful and creates value for the users</li> </ul>	With the service design project, Port of Helsinki  Has taken concrete steps towards more customer centric and customer focused development work by interviewing, analysing and involving both customers and stakeholders  Has gained a reference-case from the Olympia Terminal and from the first ever in-house designer project of which the experience and knowledge can later be scaled in the organization in the future  The pains and gains in the passenger experience at Olympia Terminal have been identified and the insights based on those can be applied as part of the service business and development of seamless passenger services

Figure 5: Starting point and the objectives defined for the Olympia Terminal service design project.

First, the Port of Helsinki has moved towards more customer centric development by interviewing, analyzing and involving both the customers and stakeholders. Second, the Port of Helsinki has gained a reference case from the in house-designer project of which the experience and expertise is scalable in the organization. Third, the pains and gains of the foot passengers at Olympia Terminal have been identified and the recommendations in relation to them in the form of future-state ideal customer journey can be taken into use as part of the development work of the passenger development services.

# 3.2 Design thinking

Design thinking aims at creating solutions to the problems people want and have a desire to solve. Verganti (2009) calls design thinking creating meaningful solutions. Griesbach (2010, 195) understands design thinking as a "special way of problem solving which creates more value by better satisfying human needs in the long run than other ways of problem solving might do".

Design thinking and service design can be described as a philosophy, a collection of various types of methods and tools and an activity which is carried out by a multidisciplinary group of people (Polaine et al. 2013). Segelström (2013) defines service design as stakeholder-centred design discipline.

According to IDEO's Tim Brown design thinking is:

"a discipline that uses the designer's sensibility and methods to match people's needs with what is technologically feasible and what a viable business strategy can convert into customer value and market opportunity" (Brown 2008, 86).

Design research can also be described as gathering information and analyzing and applying it according to specific principles. According to Stickdorn et al. (2018) service design is based on six following principles: it is 1) human-centered, 2) collaborative, 3) iterative, 4) sequential, 5) real and 6) holistic (Stickdorn et al. 2018, 27). The six principles are described in the following Figure 6. and described more in detail below.



Figure 6: Design thinking principles adapting Stickdorn et al. (2018).

Human centricity signifies that the experience of all the people affected by the service is considered. Collaborative means that in the service design process, stakeholders of various backgrounds and functions should be actively engaged. Iterative means that the approach of service design is exploratory, adaptive and experimental, and implementation follows the iteration. Sequential means that the service is visualized as interrelated actions. Real stands for the fact that all needs come from reality, ideas should be prototyped, and intangible values should be backed with either physical or digital reality. Holistic means that all stakeholder needs should be addressed sustainably throughout the entire service and across the business. (Stickdorn et al. 2018, 28.)

Design thinking emphasizes user-centered empathy, multidisciplinary co-design and holistic engagement (Ojasalo et al 2015) which involves focusing on understanding people's practices, complex interactions, diverse contexts, latent needs, emotions and hidden motives (Dyer et al. 2011). Hence, there is a close connection between service design and service-dominant logic (Vargo & Lusch 2016).

There is also close connection of service design and design thinking with the future studies and forecasting, as is studied by Ojasalo et al (2015). Future studies and forecasting also

demand participatory approach as well as open-mindedness and multidisciplinary approach (Lustig 2017).

Human centricity is inherent in the design thinking. There has been a strong interest towards design thinking in disciplines interested in services from economy perspectives such as service management and service marketing. Perspectives such as psychological, anthropological and sociological offer needed nuances to enrich the design projects and there is a tendency for widening the scope. (Blomkvist et al. 2010.) Ojasalo et al. (2015) suggest futures thinking as a solution to complement design thinking with analysis of the commercial, technological, cultural, ecological and political environment. Immersing into the lives of the customers or users does not take place in vacuum but is always part of the institutions and institutional arrangements as is stated also by Lusch & Vargo (2004) in their discussion on service-dominant logic.

Overall, design thinking brings forth a concrete, co-creational and a pluri-disciplinary approach combining viewpoints from different fields and embracing views of others. It is balancing between those different and sometimes competing viewpoints and trying to come up with a complementary approach where new solutions can be created by intertwining approaches instead of excluding ones.

### 3.2.1 Service design process

There are many methodological models of the service design process such as Double-Diamond model by the British Design Council (2004), model by Stanford d.school (2010), Evolution 6<sup>2</sup> model by Tschimmel (2013), and the service innovation process grounded on foresight and service design by Ojasalo et al. (2015). In Double-Diamond the phases are called: Discover, Define, Develop and Deliver, whereas Stanford d.school uses five stages named Empathize, Define, Ideate, Prototype and Test. Evolution 6<sup>2</sup> has six following phases: Emergence, Empathy, Experimentation, Elaboration, Exposition, Extension. In Ojasalo et al. (2015) the stages are Map & Understand, Forecast & Ideate, Model & Evaluate and Conceptualize & Influence.

Overall, all these models serve the same goal - describing the service design process from understanding the phenomenon and empathizing with the customer to defining the problem and ideating for the solutions, and then continuing into prototyping, testing and assessing. Various authors have benefited from these processes and named service design process phases according to their own aspirations. Reason et al. (2016, 136) for example call the phases of customer centered design process as follows: Understand, Imagine, Design and Create. This thesis benefits from all these process descriptions even if by vocabulary and visualization primarily the Double Diamond model is used. Vocabulary from the other models is however also used in the visualization for complementary purposes.

The Double Diamond was chosen as the process model for the service design project which this thesis is based on because of its clarity and usability. The Double Diamond model is visually clear and has four clear stages which are presented more closely in the next Chapter 3.2.2 of this thesis. The clarity of visualization serves also to show the overall development process. The usability of the model is based on the following argumentation. The Double Diamond is widely in use and the process is presented in a simple yet holistic way. It was also a model which was familiar at the Port of Helsinki which supported it's use as a process model in the two-month service design project as the need was to have quick-start on concrete development actions and a clear framework for the whole. The use of a familiar model was seen contributing to the future potential scalability of the project as well.

### 3.2.2 Double-Diamond

Double-Diamond consists of four phases: Discover, Define, Develop and Deliver. It is visualized as two adjacent diamonds, hence the name. The form also visualizes the approach of diverging and converging of information which is explained more thoroughly next.

First, the aim in *discovering* is to go for a wide amount of information which can be achieved through research after which the focus is converged and narrowed down to *defining* the right problem (Design Council 2004). In service design it is often stated, that the time and effort should be put in finding the right problem, before the problem is solved in the right way (e.g. Spradlin 2012, Stickdorn et al. 2018, 32).

In the *developing* phase, the starting point is again with divergent information. In ideation phase the quantity is often said to override the quality. Ideas are not considered valuable *per se*, but the value lies in the outcomes that stem from them. (e.g. Stickdorn et al. 2018, 91.) After that, it is time to narrow down the focus again in order to be able to *deliver* solutions which are then prototyped, tested and possibly implemented. The value of service design is that iteration can be done in any of the phases and it is more cost-efficient compared to traditional way of developing services. (e.g. Stickdorn et al. 2018.)

The scope of the service design development project described in this thesis was set out to reach the second half of the second diamond as the renewal project of the Olympia Terminal is yet to start. However, as this thesis also included some form of conceptualizing in the form of recommendations as well as a process description in the form of this thesis report, also the last part of the Double-Diamond is considered, even if not implemented categorically. The research design following the Double Diamond service design process model is described in the following Figure 7.

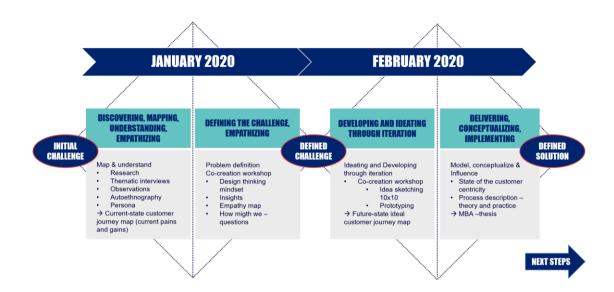


Figure 7: The research design

Next the service design process phases are described with the chosen methods for each phase as well as their application in the service design project for this thesis on improving the customer experience at Olympia Terminal.

# 3.3 Discover Phase

The first phase of Discovery means often research. The aim is to get a thorough understanding of the phenomenon being studied. Research phase is often described as an iterative process starting with defining the initial challenge, defining the research questions, and creating a design brief. The methods to collect the data are chosen and the data is collected accordingly. The planning in discovery phase has similarities with the planning process or a research strategy of a case study presented by Yin (2003). Both consist of a holistic analysis of the phenomenon and the use of different types of methods and data.

Research can be described as one of the core tools in service design. Research data can be raw data or interpreted data. Raw data can be e.g. statistics or transcripts or audio recordings from the interviews. Interpreted data is already gone through a process by a researcher who attempts to understand or explain the raw data. (Stickdorn et al. 2018, 37.)

Triangulation of data signifies combining and applying several research methods when studying the same phenomenon (Denzin 2010). The use of triangulation serves the validity of the research by increasing scope, depth and consistency (Flick 2002, 227). Stickdorn et al. (2018, 107) is also of the opinion that triangulation reduces the potential for biases which is always present in the qualitative research, and of which the qualitative research is most often criticized about.

As Saco and Goncalves (2010) have pointed out, the application of methods to collect data is always situational, highly context driven and depends on the resources available. In this study, the methods were suggested by the author but decided in cooperation with Port of Helsinki taking into consideration the project's timeframe of two months. For example, interviews were decided to be conducted with the Port of Helsinki employees and stakeholders. End-customers as such were decided to be involved through the already existing data from the customer research that had been conducted by a marketing research company RedNote during March 2019 - November 2019. Co-creation workshop was decided to be held with the selected participants representing Port of Helsinki and stakeholders representing the service provider shipping company Tallink-Silja, which is the only ferry line operating at the Olympia Terminal, and the marketing research company RedNote which had done customer research for the Port of Helsinki also at the Olympia Terminal.

### 3.3.1 Desk research

This thesis includes two simultaneous streams of research. First stream is about the customer experience of the foot passengers at Olympia Terminal and second stream addresses the state of customer centricity at Port of Helsinki. Triangulation can be considered as a way to gain more knowledge than simply just validating the research (Flick 2018, 449). That was also the motivating factor in this thesis for the use of two parallel research streams. The aim was towards a broader and more comprehensive understanding as well as going for broadness and depth in interpretation and analysis.

This research project aimed to contribute to future design and business decisions of the Port of Helsinki, hence, the research methodology was chosen in order to give strong theoretical background as well to comply with the design research by ensuring the insights were based on a dataset which was rich and comprehensive enough to serve as a basis for future design and business decisions.

Discover phase consisted of methods of desk research, interviews, use of already existing customer research, observations and autoethnography and data was collected via these methods. Primary data was collected by the author of the thesis and consisted of the desk research material, interviews, observations and autoethnography. Secondary data was collected from the existing customer research which was done by a marketing research company. In addition, primary data was gathered from the co-creational workshop facilitated by the author of this thesis. The different data sets acquired along the process guided the analysis throughout the research process, and findings emerged from the data (Patton 2002).

First, a desk research of the existing material was conducted. Text data was gathered by compiling various material from the case company, i.e. strategy, commercial strategy, company website, newsletters, other working documents and history of the Port of Helsinki

(Mustonen 2009). All internal meetings and discussions with the passenger services development team i.e. notes from these meetings also served as a material and source of information. Desk research served both streams of research in acquiring information on the customer experience as well as on the customer centricity.

The customer research was done by a marketing research company RedNote. The results from the customer research from the time period of March 2019 - November 2019 were used in this thesis as part of the desk research text data. The material consisted of insights and results from the end-customer research interviews. This data was not in its raw form; hence it can be described as interpreted data. This data was used to contribute in the analysis of the customer experience in creating the current-state customer journey map.

# 3.3.2 Autoethnography

Service design way of doing autoethnography does not acquire months but signifies exploring a particular experience which is under scrutiny. Often autoethnography is done in a situational context and from the point of view of customer or employee. (Stickdorn et al. 2018, 118). Autoethnography can also be described as a way to interrogate one's memory in a disciplined way (Altheide & Johnson 2013, 388). Empathy on the other hand is considered as one of the most important features in design thinking and service design (e.g. Brown 2009). With the help of autoethnography the researcher can quite quickly get a deeper understanding of the phenomenon to be studied and empathize with other users.

Empathy has brought a new dimension to the world of businesses where empathy is a way to put the person, a human being in the center of service or product development. It also accentuates the fact that most of the work is still done from human to human.

Empathy allows to go deeper in the understanding of the customers' lives and see the life situation holistically involving needs, wishes, life situation as well as the fact that customer experience never happens in a vacuum but is affected also by the past and the future (Heinonen et al. 2010). With empathic approach also so-called hidden needs can be discovered and relating to customers can be done in an empathic way. In ethnographic research the researcher might not share the values behind some behavior but through empathy, a researcher can seek to understand *why* someone is behaving in some way. In empathy, as in interviewing when building a rapport, it is about understanding, not necessarily about acceptance. (Portigal 2013.) Through empathy it is also more probable to create and develop services which truly help and serve the customers.

# Application of autoethnography in the form of an empathy map

At the discovery phase autoethnography served to empathize with the customers. Auto-ethnography was done by the author of this thesis in the form of an Empathy map. The author could do the empathy map in the role of an end-customer since the author had had a recent passenger experience on a cruise ship from Helsinki to Stockholm via Olympia Terminal. With the help of autoethnography the author of the thesis could quickly get a deeper understanding of the phenomenon to be studied and empathize with other customers.

As the research is never free of biases, the author chose to openly consider her own experiences and consequently be aware of the potential underlying biases with the autoethnographical empathy map of which the extract is described in Figure 8.

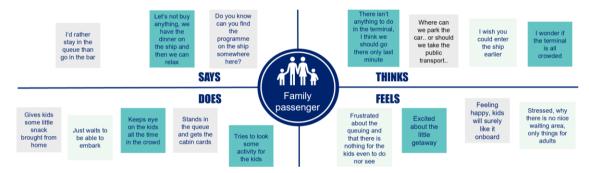


Figure 8: Extract of the author's autoethnographical empathy map.

As the outcome of this research phase, an autoethnographical empathy map was created. It consists of four blocks of *thinks*, *feels*, *does* and *says*, and was created around the family passenger persona.

As empathy is such an important tool in service design, it was also included in the co-creation workshop, hence, empathy mapping will be further described as one of the tools used in the workshop in Chapter 3.4.2. of this thesis.

# 3.3.3 Semi-structured interviews

Interviewing is a common as well as one of the key research methods in qualitative research. It can be defined as conversational process of knowing (Brinkmann 2013, 3). Interview strategies can be versatile ranging from structured and semi-structured to open-ended and focus group interviews (Noaks & Wincup 2004, 81). Thematic interview can be described as between a structured interview with a questionnaire and an open interview. Thematic interview is half-structured since the themes are the same for all interviewees. (Hirsjärvi & Hurme 2014, 47-48.) Qualitative interviewing in the form of focus groups has become predominant in market and consumer research (Brinkmann 2013, 11).

Distinction between structured and semi-structured interviews is not black and white. There is no such thing as a completely structured interview as the people may say things that spill beyond the structure. Also, discussion may start already before the recorder has been turned on and continue when it has been turned off. (Parker 2005, 53.) This is also the reason why standardized survey interviewing is often criticized, as they leave no room for any "wandering". According to Brinkmann there is neither a completely unstructured interview as the interview is always goal oriented. The interviewer wants to find out something about something. The differentiating factor can be the use of dialogical potential in the interview. (Brinkmann 2013, 18-20.)

Interviewing as a method creates shared experience. In qualitative interviewing it is important to follow up on various aspects that might come up in the interview and let interviewees enough space to talk. (Rapley 2004, 25.) Portigal (2013, 84) writes about silence, which the interviewer can use for his/her benefit instead of feeling awkward about it.

Madsbjerg and Rasmussen (2014a) call the resulting data set from the interviews raw, personal, and firsthand. Role of the researcher is to act as an enabler and facilitator in the interviewing session in order to gain the data needed. Portigal (2013) calls this leaving your worldview behind the door and being prepared to also discover emerging themes and new ways to frame the issue. In the ethnographic research, it is the interviewee and his/her opinions that come first, and which are in the center of the attention. In the interviewing it is not about acceptance but understanding. It is putting your own worldview to the side, and free of judgement, aiming to create a rapport that will result in even deeper understanding.

Semi-structured interviews can be described as requiring the following skills from the interviewer: some probing, rapport with the interviewee and a need to understand the context of the project to aid in identification of significant themes (Noaks and Wincup 2004, 81). The selection of the interviewees follows the judgement sampling method if the interviewees are selected based on their expertise on the subject matter (Sekaran & Bougie 2014, 252).

Interviews as a data gathering method is always somewhat biased and this subjectivity makes interviews, as well as the whole qualitative research vulnerable for criticism. However, instead of staying in the debate whether interviews represent true or false interpretation of reality, they can be taken as "displays of perspectives and moral forms which draw upon available cultural resources". Hence, interviews are often justified as being an approach going beyond categorization of true or false. (Silverman 2006, 145.)

### Application of semi-structured thematic interviews

In this thesis the interview method falls somewhere between the structured and the semistructured interviews. The interviews can be defined as thematic interviews. The interviews included some rapport with the interviewees and understanding of the context. The interviews also followed thematic questionnaires which were equal to all interviewees. However, wording and the order of the questions were adapted according to the situation which allowed to acknowledge the dialogical potential of the interviews. The interviews were built around the specific themes of customer experience and customer centricity and served to get information on those issues. At the same time, it was allowed for the interviewees to widen the scope and raise up issues that the interviewees felt appropriate to talk about in the interview context.

Altogether nine semi-structured thematic interviews were conducted to gather data. Interviewees were selected together with the Port of Helsinki. Interviews were conducted in two streams. First stream was about the current customer experience at the Olympia Terminal and focused on the current pains and gains. This interview was conducted with seven persons. The interviewees were selected by their expertise and their role in the context of Olympia Terminal.

The interviews included four interviews with the experts of the Port of Helsinki, two interviews with the stakeholders/service providers and one interview with the stakeholder/representative of the local resident association in order to include Port of Helsinki's port-city cooperation into the whole. No end-customers as such were involved since there was the possibility to use the existing data from the customer research done by a marketing research company.

The themes on the first interview stream on the current customer experience dealt inter alia about the role of the Port of Helsinki in the customer experience at Olympia Terminal, the current customer experience pains and gains, who is responsible for the customer experience, the characteristics of the customer experience i.e. when does it start and end, factors that prevent good customer experience, factors that would improve the customer experience as well as the themes of seamless passenger experience, sustainability and city-port cooperation. The questionnaire of the first interview stream is included as Appendix 1.

The second stream of interviews was about the customer centricity. This interview was conducted with two experts from the Port of Helsinki. In the second stream of the research on customer centricity, the interview questions were structured and formed on the basis of the nine shaping factors and three barriers to customer centricity defined by Hemel & Rademakers (2016). The questionnaire is included as Appendix 2.

For both interview streams the same formula was used. The interviews were conducted face-to-face either at the premises of the Port of Helsinki or at the premises of stakeholders. Each interview lasted for approximately 1 - 1,5 hours. All interviews were recorded with the

permission of the interviewees. Comprehensive notes were taken already during the interviews and the notes were completed with the listening and transcribing of the recordings.

One can acknowledge that the sort of human metadata such as hesitations and 'hmmm' sounds might be helpful in interpretation and analysis (Portigal 2013, 109) but in this case they were left out as they were not seen contributing much to the analysis. All recordings were deleted at the end of the project.

The aim of the two interview streams was two-fold. First, to define the state of the current customer experience at Olympia Terminal by mapping the pains and gains and second, to define the state of the customer centricity at Port of Helsinki.

# 3.3.4. Content analysis of the interviews

The content analysis based on data can be roughly described as a three-stage process: 1) reducing the content, 2) clustering the data and 3) creating abstractive concepts. The research progresses with the following stages of analysis, described in the below Figure 9.

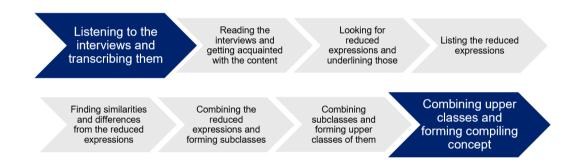


Figure 9: Analysis stages, adapted from (Tuomi & Sarajärvi 2009, 109).

Everything starts from the listening, transcribing and reading the interviews. After that the phase of reducing the data means eliminating all the redundant. Patton (2002) calls it also sensemaking and identifying the core meanings of the qualitative data. Expressions can be highlighted with different colors after which they are listed. Second phase of clustering the data signifies organizing the data into relevant categories i.e. finding similarities and differences. Then the concepts which are similar or different are combined and subclasses can be formed out of them. Third phase is abstracting the data, which helps forming theoretical concepts and deriving to conclusions and compiling concepts from the data. (Tuomi & Sarajärvi 2009, 109-111.)

# Application of content analysis in the interviews

Data analysis of the interviews was made based on the content analysis. The content analysis was used for both interview streams separately. Coding frame was created in both according to the research and interview questions.

The content analysis in this thesis followed the three stages presented, i.e. 1) reducing the content, 2) clustering the data and 3) creating abstractive concepts. The analysis was applied in relation to the third phase in creating more general and compiling concepts instead of truly abstractive concepts. This was more appropriate as the further use of the content analysis results was more practice- than theory-oriented, i.e. the creation of the current-state customer journey map of the customer experience at Olympia Terminal and defining the state of the customer centricity of Port of Helsinki.

The coding and categorizing of the data were done according to the interview questionnaires. Reducing the content into initial categories was defined directly according to the research themes and questions in the questionnaire. The reduced expressions were formed from the original expressions and color-coded. After that the similarities were searched in the reduced expressions and combined first as 1<sup>st</sup> order and after that as 2<sup>nd</sup> order concepts. The same format of analysis was done for both interview streams. The tool used in the coding and categorization of the data was Excel. The extracts of the codification and categorizing of the data from the both interview streams are described in Figure 10. and Figure 11.



Figure 10: Extract of the codification and categorizing of the data from the first interview stream on current customer experience at Olympia Terminal.

First stream in Figure 10. was about customer experience at Olympia Terminal and the second stream in Figure 11. about the state of customer centricity at the organization Port of Helsinki. However, at the data analysis phase, also the data from the interviews about the customer experience was used if that provided input for the customer centricity and vice-versa.

This was the case of some interviews and is due to the nature of the semi-structured thematic interviews.



Figure 11: Extract on the codification and categorization of the data from the second interview stream on the state of the customer centricity at Port of Helsinki.

The interviewees were all experts in their fields, and they took the interviews as an opportunity to bring forth their opinions on the subject matter. This had a positive impact to the information gathering within both interview streams.

# 3.3.4 Observations

Observations enable you to get in touch with the phenomenon and build empathy. Depending on the scope, hints of culture as well as micro and macro connections in a particular social world can be observed. Observation is based on the action of the observer who looks, listens and records. Ethnography can be described as doing something extra with the observations, combining the folk (ethno) and writing (graph). (Silverman 2006, 67-68.)

Observations can be done without interference or as a participant observation (Portigal 2013, 53). During observations one can take pictures and do contemporary fieldnotes. Emerson (1995, 146) has introduced five questions observer may try to answer:

- 1. What are people doing? What are they trying to accomplish?
- 2. How exactly do they do this?
- 3. How do people characterize and understand what is going on?
- 4. What assumptions they make?
- 5. Analytic questions: what do I see going on here? What did I learn from these notes? Why did I include them?

Petersen has pointed out, that if observation is done, it must be built on something, i.e. it must be supported by evidence and argumentation (Petersen 2011).

# Application of observations

In order to get a more holistic picture of the current customer experience situation, in situ observations were made by the author of the thesis at Olympia Terminal.

Direct observation with no interference with the passengers was done in altogether four observations rounds that took place at Olympia Terminal. Two off peak hour observations were done on 19.12.2019 and on 24.1.2020 and two peak hour observations on 29.1.2020 and 5.2.2020. Observations lasted from 1-2 hours. Also, for comparison, an observation at the West Terminal 2 was conducted on 29.1.2020.

Since observations in this study were complementing the customer research done by a marketing research company, the Emerson (1995, 146) tips on fieldnotes were adapted to include three key questions:

- 1. What are people doing?
- 2. How they do this?
- 3. What do I see going on here?

These questions also formed a simple kind of observation guide. Extract from the observation table is demonstrated in Figure 12.

THE .	Dolar.	Observations: 11 What are people doing? 21 How they do this? 5) What do Issee going on here?
of pask-hour	1 2	<ol> <li>People are wating - standing and sitting with their luggage, mobile phones in their hand, 2) recople are sitting, the window seats are the most popular ones even if the view is to the parking lot 3) Two Tellink-Sija employees check the tickets, gates are not in use, no one using the klock pervises.</li> </ol>
peak-four		1) People are waiting 2) There are very few people, January is officesson. They also reither stand by the window, some channes town as take selfies by the window in front of the ferry, some sit in the restaurant, no families. Families are in the waiting area in front of the windows. S) The queue that is formed uniques in few reinutes, all lookers are free, no customers in the klock.

Figure 12: Extract from the observations on 27.1.2020 and 29.1.2020.

Observation notes were done thoroughly already in situ according to the three questions and complemented when necessary afterwards in Excel. Also, general pictures from the Olympia

Terminal not including faces were taken from each observation round. Extract of the pictures from the observations from January - February 2020 are presented in Figure 13.



Figure 13: Pictures from the observations at Olympia Terminal, January - February 2020.

The observations showed inter alia that rather many people still use the traditional counters but at the same time the view which is blocked by the counters is of interest to many, especially to family passengers. During the embarking, a queue is formed in front of the currently non-automatic gates.

#### 3.3.5 Persona

The use of personas derives from software development and especially from Alan Cooper's pioneer work (Cooper 2004). In order to design better products and solve challenging questions relating to functionality and user interaction, Cooper started to use fictional personas. The aim of these fictional personas is to make the service needs more understandable and to help understand that there are groups with similar and shared service needs or common behavior patterns. (Cooper 2019, Stickdorn et al. 2018, 41.) Cooper (2004) called this 'goal-directed design' as the goals of the fictional personas were put in focus of scenario creation in development of new products.

According to Cooper (2019) the personas are effective design tools for the designers and developers, and valuable communication tools for the rest of the team, or for the clients in order to understand their customers' point of view. Hence, personas can be considered as tools for the organizations to come closer to their customers as well as providing an efficient means to communicate their ideas to their clients. Pruitt and Grudin (2017) see the personas moreover complementing, instead of replacing other usability methods.

Personas are practice instead of theory originated (Cooper 2019). They present profiles which represent a certain group of people such as a market segment or a group of customers, users or even employees. They are more of archetypes than stereotypes. Personas can be either assumption-based or research-based. (Stickdorn et al. 2018, 39.)

Using personas has given a new dimension to product design as the focus has turned into the needs of users and customers and understanding their everyday experiences. Traditionally

product design has been about creating unique products where the quality of being artistic has been considered as the value "per se" and usability has often been neglected. (Nielsen 2018.) Hence, the use of personas can be considered as contributing for the value-in-use concept (e.g. in Grönroos & Voima 2013, Heinonen et al. 2010) to becoming practice instead of it serving solely as a theoretical concept in the service marketing field.

The personas do not necessarily always comply with the traditional segments in marketing. They allow sharing of the research findings and insights across different teams and departments in the organization. Personas can build empathy and understanding towards the needs, motivations and experiences presented with the character's customer group, and consequently engage teams to work for solving the task for a particular persona. As empathy maps or customer journey maps, also personas may serve as useful boundary objects when trying to align interdisciplinary teams. (Stickdorn et al 2018, 41-43.)

Boundary objects can be described as objects which serve as externalizations of knowledge which contribute to the sharing of the knowledge in collaborative interaction. Boundary objects provide a shared context or object to collaborate with and help move from individual thinking to co-creative thinking (e.g. Leigh Star 2010, Carlile 2004).

#### Application of persona

A persona was created benefiting from the customer research results, interviews, observations and autoethnography. The persona created was a family passenger. Decision to select that customer group derived from both the customer research results done by a marketing company and interviews conducted by the author. Family passengers represent 46% of the passengers at Olympia Terminal according to the customer research by the marketing research company (RedNote 2019). Family passenger was also considered as the most typical customer in the interviews. Some interviewees considered the family passengers also as the best customer as suggested by Fader in his notion of best customer (2012). Personas can be research- or assumption based. The persona created in this service design project at this stage was mainly based on research (Stickdorn et al. 2018).

The goal of the persona was to support the current- and future-state customer journey creation as customer journey maps are most efficient if they are built on the needs and experiences of one main actor. (Stickdorn et al. 2018, 45-46.) The persona was created to serve as background information which helped to proceed with the customer journey mapping.

The following Figure 14. demonstrates the extract of the persona which was created in order to be able to create the current-state customer journey map. The persona is built on the need and wish to have a little stress-free mini holiday from the busy everyday life.



Figure 14: The extract of the persona.

The persona was further developed after the co-creation workshop (which is further dealt in the Chapter 3.4.1 in this thesis) along with the data created at the co-creation workshop. The reason for this was that in the workshop co-creative exercises of empathy map and how might we -questions gave more insight to the persona. This data on the persona was based on the real experiences of the workshop participants and for some it was produced through empathy. Final persona is hence based on both research and assumptions. In addition to serving in creation of the current-state customer journey map, the motivation to create the persona was its potential future use as a boundary object when trying to align interdisciplinary teams in cross-sectoral cooperation in the service development at the Port of Helsinki.

#### 3.3.6 Current-state customer journey map

Customer journey maps are used to visualize the overall experience a customer has with a service or a product, intangible or tangible. Customer journey map is a specifically human-centered tool which in addition to describing the interaction with the company, also describes all the key steps of the whole experience. They can be understood as helping to find the gaps and exploring potential solutions in customer experience, and as serving in understanding how the current service or product works, and which are the gaps, pain points and opportunities for improving the service or product. (Stickdorn et al. 2018, 44.)

'Customer journey map' gives approximately 221 million results in Google search (executed on 2 February 2020) which demonstrates its popularity as a tool and method. However, scientific articles on customer journey mapping (CJM) are rather scarce or they mostly present case studies on various topics e.g. Fichter (2015) on library users, Crosier & Handford (2012) on improving public services and Moon et al. (2016) on mobile services. There are also plenty of so-called how to -books, such as Rosenbaum et al. (2017) on how to create a realistic

customer journey containing also advice such as not all touchpoints should be considered as equally important.

Journey maps may vary in scale and scope, depending on the purpose. They may include stages representing the main phases of the experience which are dissected into sequential steps which can be interactions or activities. Journey maps can include photos or illustrations, graphs representing emotions, a list of stakeholders or channels, or backstage processes etc. List could be continued, however Stickdorn et al. (2018, 50-51) point out five factors to be considered in relation to customer journey maps:

- 1. Reliability whether the journey map is assumption-based or research-based
- 2. State of the journey map whether it is current-state or future-state journey map
- 3. Main actor/perspective whether it is customer or the employee journey map
- 4. Scope and scale whether it is high-level or detailed journey map
- 5. Focus whether it is product-centered or experience-centered journey map.

In many cases the end goal of the customer is not using a service but to embed the use of the service in the overall situational context which then makes the overall customer experience (Heinonen et al 2010). The interest then turns to what customers really want to achieve instead of merely looking at the customer interaction with a company.

The aim of the journey maps is to visualize data in a simple and empathic way by making intangible experiences visible (Stickdorn et al. 2018, 43-47). At the same time, the journey maps facilitate cooperation and common understanding between different teams. They are also useful boundary objects when trying to align interdisciplinary teams. Boundary objects serve as a common object for everyone to look at and work with but at the same time allowing different viewpoints to it. The main purpose is to facilitate people from different backgrounds to collaborate on a common task mapped out in the customer journey map (Carlile 2004).

Customer journey maps can also help to envision future experiences and services in the form of future-state customer journey map. Journey maps try by no means be exhaustive in describing the full complexity of a service offering but instead demonstrate one typical instance of a service. Therefore, customer journey maps are always built on the needs and experiences of one main actor, usually a particular persona. (Stickdorn et al. 2018, 45-46.)

Application of the current-state customer journey map - current situation of the customer experience at Olympia Terminal

Current-state customer journey map in this thesis was created based on the insights gathered from the research phase consisting of desk research, thematic interviews, autoethnography

and observations. In addition, the customer research results done by a marketing research company were used.

The service design project which forms the basis for this thesis represents a real-life business case where the time is money and money is scarce. Hence, no extra or redundant work was needed. It was a joint decision by Port of Helsinki and the author not to repeat the work that had already been done in the form of customer research but instead, following the design principles, build on top of it. The use of already existing customer research data also enforced the triangulation of data collection.

The current-state journey map was created with family passenger as the main persona. The decision to select that customer group derived from both the customer research results done by a marketing research company RedNote and interviews conducted by the author. In the current-state customer journey map that was created about the current customer experience for the foot passengers at Olympia Terminal, all the five factors of reliability, state of the journey map, main actor/perspective, scope and scale and focus defined in Stickdorn et al. (2018) were considered.

Reliability in this thesis demonstrated as a research-based customer journey map. The journey map was built according to the data received from the interviews as well as from the customer research data. Observations and autoethnography also supported the creation of the current-state customer journey map.

State of the journey map at this point of the design research process was the current state as the aim was to map the current pains and gains in the foot passenger customer experience at Olympia Terminal.

As main actor the persona of the family passenger was taken since the family passengers represent 46% of the passengers at Olympia Terminal according to customer research. It was also considered as the most typical customer in the interviews. The family passenger also complies with the appearance shipping company has at Olympia Terminal. The only operating shipping company at Olympia Terminal is Tallink-Silja which is known as a family friendly brand.

The perspective of the current customer journey map was set out to be the one of the customers as the research focused on investigating the current customer experience.

As for the scope and scale the customer journey was decided to be made more on a high-level however consisting of the whole customer journey from home and back home. This came through from the interviews that the customer journey of the customer experience at Olympia Terminal does not limit itself only to the terminal or the ferry but extends to entail the whole experience starting from the reservation and leaving home, transportation to the

terminal, the time spent at the terminal and on the ferry, and again the arrival and transportation back home. In order to grasp the whole of the customer journey, high-level was considered more appropriate level.

Focus of the customer journey map was more on the overall experience and value to the customer. However, as the customer experience consists also from the service and product offerings, they were also considered.

In this thesis, also a future-state journey map was created but since it was done as part of the collaborative activities at the co-creation workshop, it is reported in Chapter 3.5.2. as part of the Develop phase following the Double Diamond service design process model.

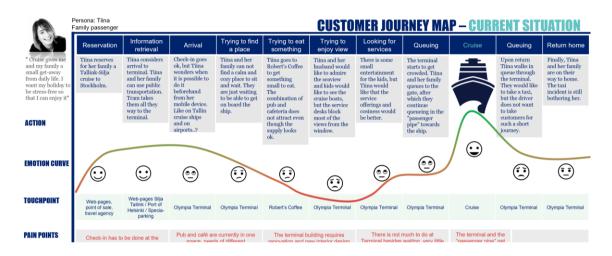


Figure 15: Extract of the current-state customer journey map.

The current-state customer journey map of which the extract is presented in Figure 15. presents the overview of the passenger experience from home to home. The emotional curve stays somewhat stable which backs the current experience of terminal as being a place to enter and exit not offering much to the current customer experience. The pain points relate to the infrastructure and interior design but also to the lack of physical and digital services. These same issues represent also many possibilities, e.g. the joint service concepts between the service providers, digital services, customized services, better informing of the customers on relevant matters as well as considering the sustainability and the specific history and environment of the Olympia Terminal as part of the urban marine environment.

# 3.4 Define phase

In design thinking the aim is creative problem solving while seeking new opportunities as solutions (Brown 2009). Overall, design thinking can be considered as future-oriented which ties it together with the field of futures thinking (Ojasalo 2015 et al.) The Define phase draws from

the results i.e. insights of the Discover i.e. research phase. At the Define phase the aim was to refine the insights into a challenge or problem worth solving.

# 3.4.1 Co-creation workshop

In design thinking empathic and participatory approaches and methods are inherent. Collaboration is one of the five principles in service design. It means that in the service design process, stakeholders of various backgrounds and functions should be actively engaged. Co-creative workshops offer an efficient and viable means to do this. (e.g. Brown 2009; Stickdorn et al. 2018.)

Service design workshops have often a future-orientation as they are often about creative problem solving and dealing with something that does not yet exist. Mapping out new opportunities involves iteration of divergent and convergent approaches. (Brown 2009.)

In collaborative processes the participants often are the experts who want to make their own decisions. They do not need process experts imposing their views or making decisions for them. Instead what is needed is a facilitator who can assist in constructing and implementing a process equal to all participants as well as enable a safe environment and fair communication within the group which hopefully results in co-created solutions. It is the role of the facilitator to manage such a process. (Schuman 1996, 127.)

Collaboration, conversations and co-designing with customers or users and other stakeholders is crucial. Design thinking facilitates the creation of collaboration platforms and tools to engage people in experimenting with prototypes, mock-ups and new service concepts (Meroni and Sangiorgi 2011).

# Application of the co-creation workshop - service design workshop held at Port of Helsinki

The main objective of the co-creation workshop was to ideate a future-state ideal customer journey map based on the pains and gains identified in the current-state customer journey map.

The co-creation workshop was held February 6<sup>th</sup>, 2020 and it was set out to last for two hours. This type of service design workshop was the first ever to be organized at the Port of Helsinki. The date and the time were agreed together with Port of Helsinki at the very beginning of the project.

There were altogether six participants plus the author of this thesis as the facilitator. Three participants represented the Port of Helsinki, two participants shipping company Tallink-Silja and one participant marketing research company RedNote which does customer research at the Port of Helsinki terminals, including Olympia Terminal. All participants had been invited

to the workshop for their expert role. However, in addition to being experts they also wore a customer hat, as they all had had customer experience from being a ferry passenger at Olympia Terminal.

The participants were invited to the workshop by the Port of Helsinki and they were told beforehand that the workshop would be a service design workshop where the focus would be on ideating future services. The outline of the workshop was sent to participants prior to the workshop.

After welcoming the participants, they were first given the context of why they were invited to the workshop by introducing the service design project of improving the customer experience of foot passengers at Olympia Terminal and the research background as part of the MBA-studies. After that the participants were asked to write their expectations on post its and introduce them by putting them on the wall as well as telling one thing that gives them energy in life. The aim of this was to allow participants to state their thoughts when coming into the workshop as well as present each participant as a human with feelings and at the same time make each participant think of something positive.

The expectations consisted of getting a good start and an overall plan for the renewal project, mapping how the customer experience can be improved from different point of views, aligning common goals as well as getting new ideas for own work as well as for the development and implementation. Expectations are presented in the following Figure 16. alongside with the photo of the workshop sticky notes.

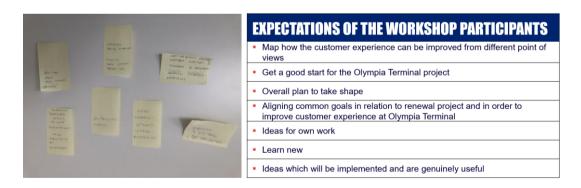


Figure 16: Expectations of the co-creation workshop participants.

The participants were also given a short introduction to design thinking by highlighting the design thinking mindset consisting of empathy, optimism, embracing ambiguity, visualization, learning from failure, iteration and creating an atmosphere that allows and supports creative thinking. A warm-up exercise of 'Yes but, Yes and' was done in order to embrace the design thinking principles as well as building on top of each other's ideas, and not dismissing the ideas of others. (For more information on the warm-up, see Stickdorn et al. 2018, 418.)

It was also pointed out that it is important first to find the right problem before it is solved in the right way. After that the key insights from the research phase consisting of interviews, data from the marketing research, observations and autoethnography were presented to the workshop participants in the form of current customer journey map.

# 3.4.2 Empathy map exercise

Empathy is as an important part of all work. It is especially important in cooperation where the starting points and premises for cooperation are different between stakeholders. With empathy, human-to-human approach becomes real. This was the underlying reason why empathy mapping was taken also as a workshop activity in this service design project.

Empathy translates best in the willingness to understand others and their world views. With the empathy map exercise, the goal was to go deeper in understanding customers, their contexts and latent needs. This way the chances for service developers to find the right way to serve and help the customers are also bigger.

# Application of the Empathy map exercise

Empathy map exercise was done as a joint exercise where all workshop participants came in front of the empathy map template attached on the wall and had some silent time to think about content to each empathy map quadrate - thinks, feels, does and says. The empathy map resulted in a holistic understanding of the persona and her life situation and of the whole customer experience. The empathy map sticky notes and visualization is presented as Figure 17.



Figure 17: Empathy map exercise done at the co-creation workshop.

Empathy inter alia included feelings of stress about how to get to the terminal and how to be there on time, but also joy and expectations for the mini holiday. There was also some pondering about what to do there, whether there is food for children and thoughts on travel arrangements such as packing, making dinner reservations and social media updates.

# 3.4.3 How might we -questions

The aim of the How might we -questions is to use a question format in order to formulate the challenge or the problem which needs solving. It is a systematic method which enables the following step of ideation to be based on research and knowledge. At the same time, it also defines the problem worth solving by giving an answer to the question of what is exactly the *right* problem that needs the *right* solution (e.g. Stickdorn et al. 2018, 328).

### Application of the How might we exercise

Through empathy mapping participants had achieved a shared understanding of the life situation and feelings of the family passenger persona. With this deeper understanding, the aim was then to find the problem which all considered worth solving. This was done with the help of How might we -questions. The tool was introduced to the participants with an example. The aim was to use and build the HMW-questions basing them on the insights deriving from the research i.e. identification of the pains and gains of the current-state customer journey as well as through empathizing with the family passenger persona. Altogether six How might we help -questions were formulated. They are presented in the Figure 18.



Figure 18: How might we -questions exercise at the workshop.

The How might we -questions included challenges such as how to create more peace and relaxation, how to prevent the travelling stress to be born, how to diminish queuing as well as how to share relevant information with the customers.

Choosing the question with which the participants continued to work further was taken with a vote. The first round of votes ended up in tie, but the second round resulted in choosing one question which was selected for the following ideation phase. The chosen challenge was *How might we create peace and relaxation into the customer experience at Olympia Terminal?* 

# 3.5 Develop phase

Developing phase in service design is about finding right solutions for the right problem. In order to be able to do that the first focus is in understanding the human experience and finding

out what is most important in creating the best solution for the customer. It is essential to take a broader view on the issue and look at the environment, processes and systems which affect to the whole. (Lockwood 2018, 80.)

According to Fraser (2009) "to maximize impact on corporate outcomes, design should be the path to understanding stakeholder needs, the tool for visualizing new solutions, and the process for translating cutting-edge ideas into effective strategies."

Visualization is hence understood moreover as a way of communicating ideas instead of visuals being considered by the quality of the designs (e.g. Kelley & Kelley 2015). Visualization also helps to get closer to concreteness and practice when working with the service interactions which are intangible concepts by nature (Segelström 2013).

### 3.5.1 Ideation

Ideation consists of idea generating, diversifying, developing, sorting and selecting (Stickdorn et al. 2018). Ideation is based on imagining. Imagining is the essential step to be taken in order to move from observable and provable reality into a reality where possible new solutions for unmet needs are embraced. Looking beyond what is existing to what could be and using imagination to generate altogether new-to-the-world solutions enable to see the possibilities instead of constraints. (Fraser 2009, 61.)

In ideating in a group, the main point is to develop the shared ownership of ideas and letting go of your own ideas. Another important thing in order to advance with the ideation is selecting and deciding on which idea to take forward. It means converging and narrowing down options from the phase of diverging. In design process, the aim is not to choose the best nor the perfect idea, but instead choose an idea which is good enough to enable to start the process. (Stickdorn et al. 2018, 157-158.) Instead of being linear the process is iterative between the needs, ideas and business design (Fraser 2009, 58).

10x10 method provides a fast and visual ideation method for generating many ideas. It combines both breadth and depth of ideas. It allows individual silent work, sharing and co-creating. The idea is to quickly sketch approximately ten ideas per group based on a common starting point. The ideas are then shared within the group and one idea is chosen to be further developed with another ten sketches. (Stickdorn et al. 2018, 180.)

# Application of ideation - Sketching ideas with 10x10 method

Before the exercise of sketching with 10x10 method, a quick drawing warm-up exercise was done in order to lower the bar on sketching. The exercise was to draw the person next to you in 20 seconds without looking at the paper nor pen. The initial plan was to do the three-brain-warm-up (for more information on this warm-up, see Stickdorn et al. 2018, 179) but as the

energy levels were already high and time was running, this quick exercise served the purpose better, and worked well. This small change in plans also allowed more time for valuable discussions between and during the exercises at the workshop.

Based on the challenge defined with the help of HMW-questions participants worked individually and sketched several ideas each, making around 10 ideas for the group. They then shared the ideas with each other and chose one sketch as the starting point for the next round. The ideation phase ended with a wide range of options from the first round, and a deeper approach from the second.

After the second round, no selection was done. As the main point was to co-create the future-state ideal customer journey, there was no need to continue working on solely one idea. Instead, it was more appropriate to use all the previous exercises as well as all the sketches as material for the co-creation of the future-state ideal customer journey map. As the future-state ideal customer journey map was created on the same high-level than the current-state customer journey map, many of the ideas sketched could be included in the journey map.

The ideas created at the workshop were mainly divided between solutions related to the interior design and to digitalization. They included inter alia solutions for dividing the space between family passengers and other passengers, adding more sitting places, e.g. lounge chairs or seating rails, providing wow-elements in the services, activities for children as well as mobile content both for informing passengers of the relevant matters as well as for entertainment purposes. Figure 19. demonstrates the extract of the ideas and co-creation workshop in action.



Figure 19: Extract of the ideas and co-creation workshop in action.

The ideation phase boosted the creativity within the participants and inspired the participants to active cooperation and to build on top of each other's ideas. Having the Tallink Silja ship, by fortunate timing, arriving to the port and anchoring just behind the windows of the

Port of Helsinki Head Office where the workshop was held, also inspired the participants to lively and very much contextual discussions.

# 3.5.2 Prototyping

Aim of the prototyping can be to explore, to evaluate or to communicate how people would experience a future service situation. Prototyping allows identification of key aspects of a new service concept, evaluating which solutions might work, and creating a shared understanding of initial ideas and concepts while at the same time enhancing collaboration and participation of all stakeholders. (Stickdorn et al. 2018, 209.)

Prototyping is part of the iterative process. It may be done after research and ideation phases and it can uncover new questions which demand for new research and ideation. Prototyping keeps the work grounded as the ideas are tested in reality instead of being based on opinions or assumptions. (Stickdorn et al. 2018, 209.) Prototyping can be considered as an efficient tool for thinking and communicating which accelerates strategic planning process. It incites creative and energizing, and at the same time risk-free, exploration of big ideas as well as stimulates dialogue and quick testing of ideas around new possible value creation strategies. (Fraser 2009, 61.)

Prototyping i.e. creation of a future state customer journey could be also called a trialogical i.e. as an object of collaboration since it consists of the action of collaboratively generating a shared object in order to create new understanding and practices (Paavola et al 2012).

# Application of prototyping - Creation of a future-state ideal customer journey map

The future state customer journey was created during the last part of the co-creation workshop. It involved visualizing the whole customer journey from the point of view of the main actor, the family passenger.

Creation of the future-state ideal customer journey at Olympia Terminal context can be defined as explorative prototyping. The future customer journey created new insights, new questions and new hypotheses about how a future service experience would be. The creation of the future customer journey raised very active discussions between participants on the potential solutions for the Olympia Terminal.

With the future-state ideal customer journey, the five factors of reliability, state of the journey map, main actor/perspective, scope and scale and focus were all considered as in the current-state customer journey map. The only thing that changed was the state from current into future-state. Family passenger remained the actor, and the scope and scale as well as focus was on the overall experience. (Stickdorn et al. 2018.)

The prototype could be labelled as quick-and-dirty as it was done in a two-hour workshop. This kind of customer journey maps created in workshops may often be judged as lacking quality unless the participants have profound knowledge on the subject and the workshop is properly facilitated (Stickdorn et al. 2018, 39). In this case, the participants all had profound knowledge on the subject. The workshop was also facilitated following the process which has been described here. However, it is fair to acknowledge, that even if the workshop participants were experts in customer experience and insights and the creation of the future-state ideal journey map was mainly research-based as it was founded on the previous research and exercises, there might be assumption-based features included in it. (Stickdorn et al. 2018, 39.)

The below Figure 20. presents the outcome of the workshop, i.e. the future-state ideal customer journey map of the foot passenger at Olympia Terminal. It served as a trialogical object as it was generated in collaboration and created new understanding and practices.

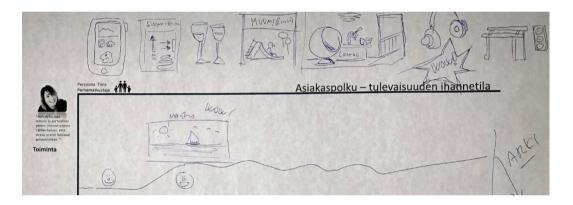


Figure 20: An extract of the future-state ideal customer journey map sketched at the workshop.

The future-state ideal customer journey was very much built on the digitalization enabling communication, reservation and other practical issues from mobile. It also included offering wow-elements that would enable entering the holiday mood already at the terminal and taking into consideration different types of needs of the best customers (silent working, activities for children of different ages, enjoying the city marine scenery).

As for the closure of the workshop, the participants had a chance to express what they *liked* and would have *hoped* for the workshop, as well as what they *will* do after the workshop. Many liked the group and the participants' expertise as well as the creativity of the participants, the co-creating i.e. working together, the process as well as the exercises and the atmosphere created within the group. Almost all would have wanted more time. As for the I will, many aimed to keep the ideas in mind and inform others about them as well as concentrate on finding solutions to the problems.

The value of the workshop was especially seen as a kickoff for future cooperation and discussions in relation to Olympia Terminal renovation. Hence, the real outcome of the entire cocreation workshop was seen by all participants as going beyond the creation of the future-state ideal customer journey and more in achieving a common starting point for a joint process.

The final part of the second diamond as such was left out of the scope of this service design project which forms the basis for this thesis. The reason was that the renewal project of the Olympia Terminal is yet to start. However, it is possible to consider the last part of the second diamond as well by understanding it through the modelling of the state of the customer centricity, recommendations in relation to customer journey maps and the process description including theory and practice, i.e. this MBA-thesis, as has been done in the research design visualization in Figure 7. in this thesis.

In a more categorized understanding, choosing some of the service ideas and concepts, testing them with the end-customers and consequently and possibly implementing them through iteration, would form the content for the Deliver part and be a logical and natural continuation for the project and the concrete next steps to be taken at the Port of Helsinki.

# 4 Outcomes and results

This chapter presents the outcomes and the results of this thesis in relation to the two intertwining topics in this thesis: the customer experience at Olympia Terminal and the state of the customer centricity at Port of Helsinki. The persona, the current-state customer journey, the future-state ideal customer journey, new service development ideas as well as the description of the state of the customer centricity represent the main outcomes. In addition, insights from the research phase i.e. creating the current-state customer journey map and co-creation workshop are presented as results.

Next, the outcomes and the results are described in relation to the objectives and research questions posed in this thesis. To conclude this chapter, a summary of the results is presented by intertwining the concepts of customer centricity and customer experience together.

# 4.1 Persona

In human-centric design, personas are key tools. They enable designers to get inspired by the specific lives and challenges of different types of customers which consequently contributes in finding the right solutions for the customers.

The persona in this thesis was built around the family passenger. The decision to select that customer group derived from both the customer research results done by a marketing research company RedNote and interviews conducted by the author of this thesis. According to customer research results, 46% of the passengers at Olympia Terminal are family passengers (RedNote 2019). Family passenger came up also in the thematic interviews and was considered as the most typical customer. Some considered it even the best customer (Fader 2012). This is backed with the fact that Tallink-Silja as the only shipping company operating from the Olympia Terminal has a family-friendly brand and reputation. The persona was built based on the holistic understanding of that specific customer group which derived from the research and development phases consisting of interviews, observations, autoethnography and co-creation workshop.

With the persona, it is possible to think further the development of services, as the persona is built on the holistic view of a specific customer group. It is not a stereotype but an archetype which allows understanding customers as a heterogenetic group. This is also the point Fader (2012) makes with his definition of the "best customer". It is impossible to please all customers, so investing on the best customers who are also the most valuable ones, is at the end the best option for the company to ensure its long-term profitability.

With the help of the persona now created for Port of Helsinki in the context of Olympia Terminal service design project, the following gains can be identified: First, a deeper understanding of the customers, their behavior, life situation and needs and second, a more empathetic approach with the customers is better achieved. This way it directly has an impact on the designing of the services and in the long run also improves the customer experience as the services are created based on the real needs and desires of the customers.

With the help of persona, the discussions are more grounded and focused on the customer needs and goals. The persona also offers a useful boundary object to be used in cross-functional teams within the Port of Helsinki and is by no means restricted to be used only within the Passenger Development Team. In fact, if the persona would be used in supportive functions as well, e.g. in communication, IT and HR, the customer focus could more easily become a common issue for every employee and more aligned way of working with customer focus could be encouraged within the whole company. This way, the cross-functional use of persona could also have an impact to the state of the customer centricity. The persona created is annexed as Appendix 3.

# 4.2 Current-state customer journey

The current-state customer journey presents the pains and gains in the current customer experience at Olympia Terminal. It is based on the insights gathered in the research process consisting of desk research, research interviews, observations and autoethnography. The

current-state customer journey map was created from the perspective of the family passenger persona.

Current-state customer journey emphasized the well-known pain points in the current customer experience. The building is old and in need of renovation and the interior design does not serve the customers in the best possible way. There are a lot of possibilities with the digitalization but in order to go forward with those, cooperation with the stakeholders is the key.

Customer journey mapping represented a new way to compile information and describe and visualize the customer experience as a whole and from the perspective of a family passenger persona. The process allowed Port of Helsinki to focus on the customer in a structured manner and following the service design process. Overall, it gave new tools and ideas and enhanced the design thinking mindset which may in the future impact the organization's everyday practices and through that contribute to the customer centric way of working. The current-state customer journey map is presented in the Appendix 4.

The following main insights can be drawn from the current-state customer journey map:

1. The customer experience needs to be fluent, easy and pleasant.

Today's customers are demanding. Tailoring the products and services according to the needs is no news, since many people are already used to getting exactly what they want and when they want it. They can order a product from other side of the world, follow the logistics and decide where and when it is delivered to them. Hence, unnecessary waiting, outdated processes or worn infrastructure are not desired nor even needed to bare anymore. World is full of other options and service providers.

### 2. Customer experience is a whole.

Customer experience is starting from the home or from the way to the terminal and ending at home or on the way back from the terminal. Customer experience includes all the services during the whole customer journey regardless who is the service provider. For example, if the taxi experience from the Olympia Terminal is bad, it affects the whole customer experience and most probably the next one as well. Instead of being linear, customer journey is more of a cycle where the last touchpoint can already be understood as the first touchpoint of the potential future journey.

3. Today's customer needs and wants services and ease of use in digital services.

Digital services, e.g. mobile apps are related especially to the feeling of fluency and easiness of the customer experience. Services and digitalization can be relating to the needs of customers in the following categories which were defined in the customer research by the marketing research company (RedNote 2019):

- a. Getting into the travel mood
- b. Quick and easy
- c. Spending time
- d. Some little delicacy

These categories present clear touchpoints where new service-offerings might be welcomed. The categories do not need to concern only products as they did in the customer research but could be extended to services with a more holistic approach in order to somehow make customers' lives better, which the insights from the interviews and observations clearly back.

The needs and desires to take care things digitally, preferably from your mobile has become the default of doing things which all companies should strive for. However, there are two things to keep in mind, if companies truly want to improve the customer experience with digital services. First is the usability where reference-services are Facebook, Amazon and alike and the second is accessibility of the digital services. Considering the accessibility issues is ever more important when there is a strong push for overarching digital services.

4. Customer is common among all service-providers.

In order to serve the customers in the best possible way, joint service concepts would often solve many of the customers' problems. This is the reason why it is of utmost important to work together with all stakeholders and customers as value is co-created with variety of actors in the reciprocal interaction when people apply their skills and knowledge to benefit others (Vargo & Lusch 2004). The current-state customer journey represents all different needs and questions which that persona might have irrelevant to the fact who the service provider is. This is also something the customers should not be burdened with but instead be resolved by the service providers through de facto cooperation. A concrete step towards that direction is the acknowledgement of the customer being the common responsibility of all service providers.

5. Value creation goes beyond economical and functional into social and cultural.

Quality of life, meaningfulness and personal emotions have replaced many of the more consumer-centric values (Tarjanne & Englund 2018). What is important to the customer, should also be important to the company. Value creation today goes beyond the economic and functional and includes social and cultural values. However, they do not exclude each other but instead are mutually supportive. So called shared value creates value also for the society (Porter & Kramer 2011) as well as enables new business opportunities with different stakeholders in new type of business ecosystems (Tarjanne & Englund 2018).

Cultural and historical context and the location of the Olympia Terminal demonstrates this well. It was highlighted in the interviews that the terminal "needs the attention it deserves". Respecting the original architecture and the spirit of the 1950's as well as recreating and embracing the venue as a part of the urban city life and marine environment in Helsinki was clearly stated. Value creation is contextual and consequential as customers are seeking solutions and experiences in making their lives better (Vargo & Lusch 2014).

Insights from the current-state customer journey map are also described in the following Figure 21.

# NSIGHTS FROM THE CURRENT-STATE CUSTOMER JOURNEY The customer experience needs to be fluent, easy and pleasant Customer experience is a whole Today's customer needs and wants services and ease of use in digital services Customer is common among all service-providers Value-creation goes beyond economical and functional into social and cultural

Figure 21: Insights from the current-state customer journey map.

These insights were found useful at Port of Helsinki in relation to the future possible renovation project but also on a more general level.

# 4.3 Future-state ideal customer journey

Reason et al (2016, 148) call customer pain points combined with business impact hotspots. If the customer pain is severe and causes a significant business issue, the hotspot needs addressing. The pain points of the current-state customer journey were discussed at the co-creation workshop and with the help of How might we -questions the problem worth solving was defined. In the case of Olympia Terminal, the need for peace and relaxing was defined as the most important challenge. This responds well to the holistic understanding of the customer needs highlighting the value-in-use embedded in customers' world (Heinonen et al. 2015) and value creation going beyond the economic and functional into cultural and social (Tarjanne & Englund 2018). This was achieved through insights from the research, empathy mapping and ideation.

In the future-state ideal customer journey map the issue of creating more peace and relaxation was clearly demonstrated. In the future-state ideal customer journey practicalities such as the reservation, check-in and dinner reservations can be taken care of digitally. In addition, e.g. a mobile application provides also an efficient channel for all relevant information regarding the travel. The Olympia Terminal interior design allows for different type of passengers to start their journey already at the terminal allowing them to get into the holiday mood, or when necessary providing silent spaces for working. The extraordinary urban maritime environment in a city-center port is embraced and kept alive and active also outside the ferry schedules by providing services needed and wanted by locals. The future-state ideal customer journey map is presented in the Appendix 5.

The results from the co-creation workshop and process of forming the future-state ideal customer journey go also beyond the action of journey mapping and are described below.

1. Boosting the co-creative and open mindset.

In design thinking the mindset has a key role. The workshop where the future-state ideal customer journey was created as a joint exercise encouraged the co-creation mindset and enabled to focus on the new-to-the-world solutions and possibilities rather than on the constraints.

2. Kickoff to a collaborative process in relation to Olympia Terminal renewal.

The workshop and the process of creating the future-state ideal customer journey map offered new ways to cooperate and co-create and served as an active start for

developing future service offerings in relation to the upcoming Olympia Terminal renewal. The co-creational working methods launched can also be implemented on a wider scale.

3. Enhancing the idea of the common customer.

The interviews and the current-state customer journey map already showed that the customer is considered as a common customer for all stakeholders. This was supported at the co-creation workshop while creating the future-state ideal customer journey. With the help of empathy, the right problem for the common customer was defined and right solutions were ideated based on that. The emphasis was on the end-customer, for whom the 'whole' of the experience counts. Hence, enhancing collaboration over competition, supporting the service offerings of others and building on top of others' ideas and services in creation of new service offerings was acknowledged and welcomed.

4. Enhancing customer value over brand value

A holistic understanding of the customer as well as stakeholders concretely joining forces on how to best serve the common customer is a step towards customer centricity. This was achieved with the co-creation workshop. Focusing on the end-customer needs and wishes enhances also the creation of customer over brand value which is typical for customer centric organizations.

Results from the co-creation workshop and future-state ideal customer journey mapping process are also described in the following Figure 22.

# **RESULTS FROM THE CO-CREATIVE WORKSHOP**

- Boosting the co-creative and open mindset
- Kickoff to a collaborative process in relation to Olympia Terminal renewal
- Enhancing the idea of the common customer
- Enhancing customer-value over brand-value

Figure 22: Results from the co-creative workshop.

The co-creation workshop kicked off the renewal project for the Olympia Terminal and emphasized an open mindset and the idea of a common customer. It also enhanced the customer value over brand value.

### 4.4 New service development ideas

As a result of the service design process and co-creation workshop, also new development ideas were created. They were created as a response to the pain points mapped in the current-state customer journey as well as by building on the gains i.e. identified new opportunities in the form of future-state ideal customer journey map.

Olympia Terminal in its ideal state was defined as a customer friendly place to spend time and start the journey, and as a place where one can enjoy the maritime environment, atmosphere and services and where one wants to come back to even without embarking on a cruise.

The new service development ideas derive from the overall service design process presented in this thesis. Overall, they demonstrate the need and wish to develop the Olympia Terminal as a customer friendly location to spend quality time:

1) prior to embarking on a cruise ship when starting the journey and getting into relaxed and stress-free holiday mood

and

2) as part of the everyday life in the urban seafront environment offering services to both passengers and non-passengers.

The value of the new development ideas is not whether some specific idea is viable and ready to be implemented but instead in providing food for thought for the start of the process of future development of services in relation to the possible renovation of the Olympia Terminal. The process is also scalable to other environments and contexts.

The development ideas are often left out in the open without a follow-up. In order not to leave them only hanging, they are categorized here in relation to infrastructure, digitalization and joint service concepts for passengers and non-passengers. These development ideas derive in addition to the co-creation workshop also from the thematic interviews on the current customer experience at Olympia Terminal, hence some potential overlapping may occur. They are presented in the following Figure 23.

# **NEW DEVELOPMENT IDEAS**

# **INFRA RELATED SERVICES**

- Dividing space to family areas and other passengers
- Sea view, terrace
- Lounge chairs, seating rails
- Childrens' play area with digital activity wall/floor (bug free, can be turned off when not in use, not taking space) low-maintenance cost digital reflections on the floor.
- Simple and clear floor guidance to ensure a smooth experience for everyone and make queueing more convenient and less confusing
- Some exercise / sport exercises / facilities
- · Headphones / silent seats to enable working

#### **DIGITAL SERVICES**

- Being able to check-in with the mobile and use e.g. QR-code instead of a cabin key
- Mobile content for children of different age, e.g. related to the ferry experience / e.g. Harri Hylje go in the destinations Hki-Sto etc
- Using digital and interactive solutions for kids play area
- Mobile content providing relevant information for the customers (transportation to terminal, cruise program and services, offers, destination weather and activities based on your profile)
- Content to encourage the use of social media

#### **JOINT SERVICE-OFFERINGS**

- Joint services offerings for passengers, e.g. car driven to the parking hall and reservation to the restaurant to enjoy some little
  delicacy and sparkling wine, car maintenance while owner taking the cruise
- After the meeting on the ferry, dinner at the terminal restaurant and enjoying the terrace and seaview "after work" type of thing
- Activities for children of different age, coloring books and pens at the restaurant, building on the Harri Hylje and Moomin characters

Figure 23: New development ideas in relation to Olympia Terminal renewal.

The project's new development ideas were categorized under three headlines of infrastructure related services, digital services and joint service-offerings. They were found useful at the Port of Helsinki and containing issues that could possibly be taken further with the upcoming renewal project.

4.5 Study of the state and barriers of customer centricity at Port of Helsinki

Customer centricity demands for a holistic approach requiring changes in the organizational, structural, strategic and cultural level (Fader 2012, 40). Along with its strategy Port of Helsinki has updated its organization. Currently the organization is divided between Cargo and Passenger business units (Port of Helsinki website - Management and Organization).

Since the customer experience does not include only the actions between customers and the company, but also depends much on what goes on backstage of a company, it was considered useful to investigate also the state of customer centricity within the organization of the Port of Helsinki. This was done with the help of Hemel & Rademakers (2016) study on shaping factors and barriers of the customer centricity. In their study, they defined nine shaping factors and three barriers to customer centricity. These twelve factors were discussed in the form of thematic and semi-structured interviews with two Port of Helsinki experts and the interviews were analyzed as presented in Chapter 3.3.3 of this thesis.

The study of the current state factors and barriers for customer centricity according to Hemel & Rademakers (2016) resulted in defining factors and barriers that have an impact to the customer centricity at the Port of Helsinki. They are described in the Figure 24. and described more in detail below.



Figure 24: Factors and barriers that have an impact to the customer centricity at the Port of Helsinki.

Company strategy affects always to the attitudes and culture of the organization, and consequently also to the value proposition of the company. Port of Helsinki is still going through a change which has an impact on the customer centricity. The change of strategy and organizational change to have two clear and separate business focus (Cargo and Passengers) have set a clear vision for the company. First steps have already been taken, and the organizational culture change is on the way to reach all levels of the organization. It is also understood that customer centricity should be traversing all levels and all employees, and hence, be a common issue for every employee.

Key role in this is seen with Human Resources. Role of the HR is emphasized as an enabler in the change and providing the support, guidance and tools for the customer centric approach in the organization. This relates also closely to the recruitment and the current HR processes. The roles of each employee should be defined so that the customer centricity is defined in all role descriptions. The need for support, guidance and tools e.g. in relation to data is clear as is the need for brave decisions by the leadership and management. Barriers in relation to the organizational culture change may be resolved with the commitment from the leadership and management together with the HR by ensuring that customer focus will be a common issue for every employee. This can also increase openness in cooperation and enable incentivization in relation to customer centricity.

When the barriers to the customer centricity have been surpassed and the other factors are considered, the customer focus should become as a default in all actions, both front-end and back-end of the company, and at all levels and all functions. This on the other hand has then a direct impact to the customer experience as all the actions derive from a common and co-owned goal of customer centricity and understanding of the end-customer needs and desires.

# 4.6 Summary of the outcomes and results

Highlighting the family passenger as persona enhanced the conception of the most typical and potentially the best customer in relation to the customer experience at Olympia Terminal. The current-state customer journey also brought forth challenges and possibilities in a new compiled way. The process of arriving to mapping the pains and gains gave a chance to the experts at Port of Helsinki as well as within the stakeholders to express their views in a structured manner. The approach of design thinking, and service design can however be said to offer results going beyond that. The co-creation workshop brought the relevant stakeholders together and introduced a design process to be used in passenger services development as an in-house design project. This meant that the process was driven and facilitated by the needs and desires of the Port of Helsinki and within a settled schedule.

# Two main advantages can be defined:

First is the importance of the deeper and more empathic understanding of the customers, their behavior, life situation and needs which should be considered in the new service development. The whole process emphasized and provided a participatory approach in the form of co-creation workshop. New development ideas were sketched, and a future-state ideal customer journey ideated in cooperation with the stakeholders. Achieving a design thinking mindset and collaborative spirit enabled an active kickoff for the Olympia Terminal renewal project.

Second is how the use of design thinking and service design tools and methods as well as the investigating the state of customer centricity of the company contribute to the same goal of improving the customer experience. The in-house service design process has offered practical tools and ways of working which hopefully have affected positively to the current change in process at Port of Helsinki.

The outcomes of the persona and the journey maps will hopefully be utilized and help in making the customer focus a common issue for every employee by offering tools which can help to have more aligned conversations with customer focus in cross-functional teams. The ideas and the work on the future-state ideal customer journey map may possibly later contribute to the Olympia Terminal renovation project and improving the customer experience at the Olympia Terminal.

The use of design tools and approach might contribute to the approach to jointly work for the benefit of the customer in a way which trespasses all organizational levels and functions and hence generates openness. This may also affect positively to the already on-going change in organizational culture where the support and guidance from the leadership and management is essential, no less in enabling the incentivization.

Overall, the results presented in this Chapter answer both research questions posed in this thesis. The creation of more customer value depends on the customer experience as well as on the customer centricity of the organization. This is described in the Figure 25. below.



Figure 25: Mutual value creation of intertwining concepts of customer experience and customer centricity.

The customer value is always at the end determined individually by the customer in how well the customer experience affects the on-going life of the customer whereas the state of the customer centricity influences the organizational sense-making i.e. how well the customer is put in focus of all development within the organization. In ideal case, they both mutually support each other in the continuum of past, present and the future as well as contribute to the sense-making in ongoing life at both organizational and individual level.

# 5 Conclusions and reflection

This thesis's starting point was to implement a research-oriented development project which would contribute to workplace development and at the same time provide a theoretical framework for the case of the development. This turned out to be a two-month first-ever inhouse service design project done at the Port of Helsinki in order to improve the customer experience at Olympia Terminal, which is one of the ports managed by the Port of Helsinki.

Olympia Terminal was chosen as the case of this thesis because of the customer focus in the strategy of Port of Helsinki and because Olympia Terminal building is planned to go through a big renovation project. The time for mapping the current customer experience pains and gains was hence considered appropriate and useful for future potential renewal project.

The purpose of the research in this thesis was set out to be two-fold. First, to investigate the current customer experience of the foot passengers at the Olympia Terminal by mapping the pains and gains in the current-state customer experience as well as ideating a future-state ideal customer journey with the help of service design methods. Second, to examine the state of the customer centricity of the case company Port of Helsinki. The reason to combine these two approaches was the aim to get a wider perspective as well as examine the potential implementation of the customer experience and customer centricity as intertwining concepts in customer value creation.

The research questions were formed as follows:

- 1. How can the customer experience at Olympia Terminal be improved?
- 2. How does the state of the customer centricity affect the customer experience i.e. value creation?

As research design, the Double-Diamond service design process model was used. It offered a framework work for the research, analysis and ideation, which formed the key steps in this development project. Service-design has intrinsically a holistic, human-centric way of doing things. As in customer-centricity as well the guiding principle is the focus on the customer, hence, service design process offered a well justifiable research design for this thesis.

In the Discover phase desk research, interviews, autoethnography as well as observations were used to collect data and they were analyzed thoroughly. Content analysis was used for the interview data. Current-state customer journey map as well as the persona of the family passenger were created based on the research and analysis in the Discover phase.

In the Define phase the co-creation workshop was used to define the challenge worth solving through empathy mapping and How might we -questions. The focus was to emphasize the design thinking and co-creative mindset.

In the Develop phase new development ideas were sketched and a future-state ideal customer journey map created. The additional value was to work on boundary objects such as current-state customer journey and trialogical object of future-state ideal customer journey which enabled common understanding and working towards the same goal.

Outcomes and results in this thesis were formed from the insights of the service design process and from the creation of a persona, current- and future-state customer journey maps, co-creation workshop and identifying the state of the customer centricity of Port of Helsinki.

In response to the research questions, the concept of value creation is essential. This has been presented through the concepts of service-dominant logic, customer-dominant logic,

customer centricity and customer experience. With the help of design thinking, these theoretical constructs can be applied in practice, as has been done in this thesis.

Value is intertwined in both concepts of customer experience and customer centricity. The customer experience is built more and more on the fact that the customer is active value creator with all other parties which have a role in value creation. Customer centricity on the other hand enables what Hemel & Rademakers (2016, 212) call dual value creation where the customer wins because s/he is served well i.e. according to his/her needs. The organization wins because by doing that, it creates and captures unique value for the organization.

When the customer centricity is a default way of doing things in an organization, also the customer experience will most likely to be improved. It is then based on a holistic understanding of who the customer is and what his/her needs are, and can be considered at every level and by each employee of the organization. This according to studies results often also in business profits as well as provides a competitive advantage for the company (Fader 2012).

Improving customer experience i.e. enhancing customer-value can be said to be directly linked to the customer centricity, and vice versa - they are mutually supportive, more customer-oriented actions are done, more it influences on the personnel and the way work is organized internally. Internal collaboration in cross-functional teams, agile approach, proactivity and engaging the customers and stakeholders directly will have an impact on the mindset, employees' roles and consequently to the organizational culture. Empowering, supporting and permitting to fail is also knowingly a better way to motivate people to take responsibility. (Hemel & Rademakers 2016.)

# 5.1 Dialogue between the results and the knowledge basis

In customer centricity, customer experience and value creation the focus is on customer's needs, both latent and expressed ones, market trends e.g. digitalization or sustainability, as well as on trying to figure out and address the constant changes, opportunities and risks as part of a larger business ecosystem.

Hence, customer centricity nor customer experience can no longer be solely restricted to customer-company relationship but needs understanding of the overall ecosystem including all political, social and technological and cultural conditions as well as integration within the timespan covering past, present and the future (Ojasalo et al. 2015). Being non sensitive to changes in customer behavior and motives is the biggest threat to any business.

Customer centricity and customer experience are mutually supporting concepts. As the customer centricity is adopted as an organizational culture, the customer value increases as all the work is done in order to increase that value in the form of improving customer

experience. This on the other hand demands cross-sectoral teaming, implementation of such HR policy and leadership which is supporting that. These concrete actions then consequently enable the customer centric culture to be born within the organization.

This could be interpreted as a sort of joint value creation sphere, concept introduced by Grönroos & Voima (2013), which is enforced when the organization is implementing customer centricity in its actions and hence, places the customer and the customer's experience as a focus of all development. As the service used by the customer should be embedded in the life of the customer (Heinonen et al. 2010, 537) so should the development of that service be embedded within the different functions of the organization developing that service. As Reason et al (2016, 129) state, customers might be the only common ground that can be shared by every function in an organization and across the business. Even if the control over the value creation will stay with the foot passenger at Olympia Terminal, there is the opportunity for Port of Helsinki to increase the value creation during the interactions. This can be done e.g. through cooperation of different service providers.

In relation to customer experience value creation was accomplished following the understanding of customer's life situation and embedding the services designed in the life of the customer as a whole, hence following the principles of customer-dominant logic (Heinonen et al. 2010). Service design thinking offers a way to apply in practice the theoretical constructs of customer-dominant logic and value creation. Applying the skills and knowledge is directly related to one of the corner stones within the customer centricity at organizational level i.e. how the daily work is organized and demonstrated in the job descriptions. Overall it is a question of sense-making in the on-going life within the continuum of past, present and the future.

# 5.2 Assessment of the development activities and their results

The overall objectives within this research-oriented workplace development project was that with the service design project, Port of Helsinki

- has taken concrete steps towards more customer centric and customer focused development work by interviewing, analyzing and involving both customers and stakeholders
- has gained a reference-case from the Olympia Terminal and from the first ever inhouse designer project of which the experience and knowledge can later be scaled in the organization in the future

the pains and gains in the passenger experience at Olympia Terminal have been identified and the insights based on those can be applied as part of service business and the development of seamless passenger services

All these three objectives were achieved during the project. First, the Port of Helsinki has moved towards more customer centric development by interviewing, analyzing and involving both the customers and stakeholders. Second, the Port of Helsinki has gained a reference case from the first-ever in-house designer project of which the experience and expertise is scalable in the organization. And third, the pains and gains of the foot passengers in Olympia Terminal were mapped.

The service design process provided insights for the future development work deriving from the current-state customer journey as well as presented in the form of future-state ideal customer journey new development ideas. In addition, the state of the customer centricity at Port of Helsinki was defined and the intertwining of the two concepts of the customer experience and customer centricity presented. The definition of the state of the customer centricity was found very useful in order to take further steps in the customer centricity at organizational and systemic level. In addition, tools and visualizations such as the persona and the journey maps were found very useful for future use at Port of Helsinki.

This thesis process including a research-oriented approach and development activities gave an opportunity to Port of Helsinki experts to share their expertise and views on the customer centricity and current customer experience of foot passengers at Olympia Terminal. The added value was providing new ways of gathering as well as presenting and visualizing the information, new tools and an example of an in-house service design process. The co-creation workshop which was held as part of the project was found useful and served as a kickoff for enhanced cooperation and joint service development with the stakeholders based on true customer needs.

Overall, this service-design project gave Port of Helsinki a model for the co-creational service design process. With the help of studying the state of customer centricity a connection between customer experience and customer centricity was also shown. The value creation involves both sides, the customer and the company and the better these both sides are aligned, more customer-value is created.

## 5.2.1 Validity

Validity of the research signifies that the research approach and the methods are considered appropriate to study a certain phenomenon (Silverman 2006). In this thesis, the methods have been considered so that they provide the type of information which is appropriate to study the phenomena of customer experience and customer centricity.

The methods chosen such as interviews and observations follow the established methods in the qualitative research tradition (Silverman 2005). The design tools used such as the persona, journey maps and co-creation workshop tools follow the established methods within the design research community. This enabled triangulation of data collection which is not necessarily considered to improve the validity of results (Silverman 2006, 290) but which can add "rigor, breadth, complexity, richness and depth to inquiry" (Denzin and Lincoln 2000, 5).

In this research, the number of interviewees was small mainly due to the limited timeframe of the project. Especially in relation to investigating the state of the customer centricity, more interviewees would have increased the validity (as well as the reliability) of the results. Hence, this can be considered as a limitation in this research and should be taken into consideration when reviewing the research results and planning the further research.

## 5.2.2 Reliability

Reliability expresses how reliable the research results are and whether they could be repeated (Silverman 2006). This thesis followed parallelly both the service design (Double Diamond from British Design Council 2004) and case study (Yin 2009) processes. The research planning and design, collecting of information, analyzing the data as well as documenting and visualizing the whole process, outcomes and results was done carefully and systematically. This supported also the sharing of the results with Port of Helsinki and contributed to the fact that the outcomes and results were received so well at the Port of Helsinki.

The outcomes and the results in this thesis were formed from the data gathered from the desk research, interviews, autoethnography and observations as well as from the co-creation workshop. The data was analyzed thoroughly as is explained in the Chapter 3.

The gathering of the data could be repeated with the same interview questionnaires, same observation venues and same workshop exercises and templates, hence in that sense, it is repeatable. However, people as respondents are not necessarily consistent with their answers. Therefore, the results might differ depending on the day and situation they are asked the interview questions, or they are participating in the workshop. Observations might alter according to the people behavior even if the venue was the same. This kind of issues are however out of the reach of the researcher and belong to the nature of the qualitative research.

In qualitative research the role of the researcher is also an arguable topic in relation to validity and reliability of the research. The inherent subjectivity of the research puts all research vulnerable to criticism which is recognized by the author of this thesis. There is no such thing as full objectivity in research and the role of the researcher contains always biases to one way or another. The subjectivity of the process can however be embraced instead of hiding it as has been done in this thesis in the form of autoethnography.

The results of the research have been reported by explaining the practical parts of the research and describing the methods used and their application within the context of this thesis. Also extracts of the analysis have been included in the reporting part. The research process is in addition to being repeatable also transferrable and scalable within the organization of Port of Helsinki or in a wider scope including other stakeholders.

## 5.3 Future research and development areas

Stakeholder cooperation and considering the customer common for all is crucial in improving the customer experience. This is also pointed out by Heinonen et al. (2010, 541) who have stated that the customer is never the customer of any sole company instead of being linked to many companies. Hence, they make the point that one should not study only one company. This is something that could form the path for the future research within the research context of this thesis.

In the same association, more emphasis could be put to the overall context. Value is never created in vacuum even if it is co-created by multiple actors, but it is coordinated through actor-generated institutions and institutional arrangements as stated by Vargo & Lusch (2014). However, this dimension to the understanding of the author of this thesis is rather underrepresented and would benefit from more research as the value creation of today is directly affected by the political, social, cultural, technological, economic, legislative, environmental and demographical conditions. The PESTEL framework would possibly provide a framework to be used e.g. in environment scanning, future forecasting, strategic analysis as well as in marketing research (Fernandes 2019).

Another future research direction could be the interaction studies and joint sense-making and the ability to think of a problem as a phenomenon — that is, to see it in terms of human experience. More and more the aim is to incorporate sense-making approach into businesses as well. Madsbjerg & Rasmussen call this a complexity gap which needs to be narrowed (2014b). One could also see it more from the human side and call it 'a mutual recognition phase' where both the service developers and providers as well as users and customers would operate from the same starting point - aiming at mutual understanding and recognition and thus creating more value to everyday lives of people.

### 5.4 Reflection

Design thinking and service-design approach with its various methods and tools have gained a lot of popularity during their existence in the last twenty years. The reason for their popularity may be that they offer meaningfulness and sense in the world of excess consumption where people's lives are saturated with different types of products and services. The service offerings are created even if no-one had asked for them, neither needs them.

The fundamental idea of design thinking - that products and services are developed based primarily on the needs and desires of the people - may touch some core value deep inside the people of today's world where climate action and sustainability are becoming mainstream and a default way of doing things, and mass production and over consumption are reminiscent from the past times where no one wants to go back to. From the same viewpoint, design thinking can provide solutions in the economically scarcer conditions. When the resources are limited, it is even more important to make sure you are solving the right problem before you solve the problem right - as is the main claim behind design thinking and service design.

Customer experience as well as customer centricity are topics with a lot of practice-oriented guidance books. In a way, one could even call them organizational self-help books. If the organization follows this principle, it can improve its customer experience and if the company follows that principle, it can be defined as well as consider itself as customer centric.

One can debate about the meaningfulness of this type of categorization but also find arguments that support this line of actions. Language and the way we communicate about our actions defines, or one could even argue, creates the reality we live in. Futures are constructed with the language, and the way things are narrated e.g. in an organization, is part of the joint sense-making and shared understanding (Lustig 2017, 64). Communication is therefore crucial, but it is only when words become everyday actions within the organization which makes the communication credible both internally within the organization as well as externally towards outside stakeholders.

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Appendix 1: Interview questions on the current customer experience of the foot passengers at Olympia Terminal

# Interview questions on the current customer experience of the foot passengers at Olympia Terminal

- 1. What is the most important role of Port of Helsinki in relation to foot passengers at Olympia Terminal?
- 2. What does it mean to be a customer at the Olympia Terminal?
- 3. How would you describe a good customer experience?
- 4. Who is responsible for the foot passenger at Olympia Terminal?
- 5. Where does the customer experience start and end?
- 6. How is the customer experience currently at Olympia Terminal?
- 7. What works well for the foot passengers at Olympia Terminal?
- 8. What are the pain points for the foot passengers at Olympia Terminal?
- 9. What prevents good customer experience from happening at Olympia Terminal?
- 10. What would improve the customer experience for the foot passengers at Olympia Terminal?
- 11. What is a typical customer at Olympia Terminal?
- 12. Who and what is the best customer at Olympia Terminal like?
- 13. How are the needs and wishes of the customers considered currently?
- 14. Are customers involved in the designing of services?
- 15. How does the sustainability show in the current customer experience? Should it show in the future customer experience? If yes, how, if not why not?
- 16. How does the city-port cooperation show in the current customer experience? Should it show in the future customer experience? If yes, how, if not why not?
- 17. How does the seamless passenger experience show in the current customer experience? Should it show in the future customer experience? If yes, how, if not why not?
- 18. Can you think of anything else that should be considered when thinking of the current customer experience at Olympia Terminal?
- 19. What comes into your mind when you think of the customer experience in relation to following issues?
  - a. renting spaces
  - b. advertising
  - c. restaurants
  - d. parking
  - e. memorability/experiences
  - f. mobility services

## Appendix 2: Interview questions on customer centricity

## Interview questions on customer centricity:

- 1. What does the customer centricity signify in your opinion?
- 2. Do you consider Port of Helsinki as customer centric organization? If yes, why, if not, why not?
- 3. How does the customer centricity show in the operations at Port of Helsinki?
- 4. What contributes to customer centricity?
- 5. What prevents customer centricity?
- 6. Do you consider Port of Helsinki as an agile organization?
- 7. Are you directly in contact with the customers?
- 8. Do the Port of Helsinki employees work with customers at Olympia Terminal?
- 9. Do Port of Helsinki employees work together cross-functionally in order to improve the customer experience? If yes, how, if not why not?
- 10. Do you have guidance on how to work to improve customer experience?
- 11. Do you have incentives for improving the customer experience? If yes, what kind, if not, why not?
- 12. Do you emphasize customer focus in the recruiting?
- 13. Do you involve customers in co-creation of services/products?
- 14. Do you work proactively with the customers? If yes, how, if not, why not?
- 15. What prevents customer centricity?

## Appendix 3: Persona

routines. Tiina enjoys fine dining and when her children also get to eat well and get entertained. When kids are happy, also the parents enjoy the cruise fullhearted. When traveling with her family, Tiina wants to be able to get quickly and easily something

Tiina is a mother of two children. She thinks that a cruise to Stockholm offers her family an excellent get-away from daily

small to eat and drink. During the summer she would like to enjoy ice cream on a terrace and admire the sea view before

embarking and enjoying the services and offerings on the ship.

guidance and check-in are working and the cruise personnel are polite, waiting and standing in the crowded terminal – totally

Tiina wishes that all practical arrangements of the trip would go quickly, easily and as smoothly as possible. Even though

come by for a coffee or hot chocolate for example during week-ends. As a local Helsinki citizen, Tiina thinks that cruise ships

are part of the urban and marine Helsinki city scenery.

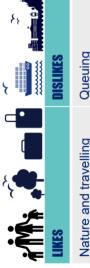
Sustainable development is important for Tiina, and she appreciates good public transportation connections to the terminal.

luggage has been carried to the cabin. Tiina enjoys looking at sea view, and if the terminal would be comfortable, she could

lacking services for families – is not tempting. Getting into holiday mood is possible only after embarking on the ship, after



family a short get-away from to be stress-free so that I can daily life. I want my holiday 'Cruise gives me and my eniov it "





<b>*************************************</b>	

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	DISLIKES	Queuing
		and travelling
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=		a

Overconsuming	Traffic jams
Good food and drinks	Small extra luxury

FRUSTRATIONS

Queuing

- The kiosk does not fulfill any needs passenger needs much better
- Restaurant services a separate pub and cafeteria would serve family

Parking is challenging if arriving with own car - parking can not be reserved

together with the cruise

- Infrastructure related
- Overall look is old and worn
- Not enough places to sit down
- Interior design
- Cleanness

Selfish people

Digital services

- different themes and seasons, e.g., Activities for families related to Moomins and Harri Hylje
  - Seasonal- and local food to restaurant/cafeteria

A smooth and easy way to do the check-in and make dinner reservations

Include easy digital solutions to the cruise experience

Something meaningful to do during the waiting time at the terminal

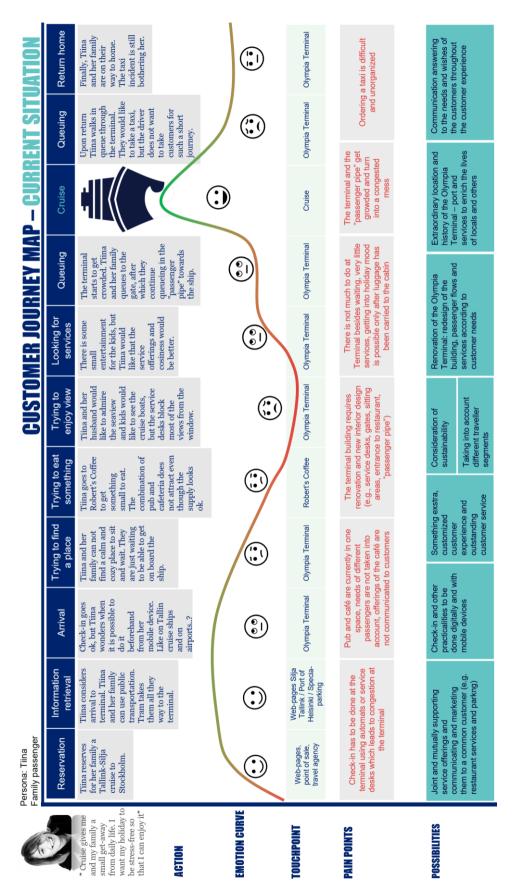
**DPES AND GOALS** 

Something extra to the travelling experience More customized services and/or products

A stress-free travelling experience

- Services and products outside the
- Joint service/product offerings with ferry schedules – also for the local Separate pub and cafeteria other service providers people and tourists
- Creating a new urban and maritime If check-in could be done digitally it passengers and others (e.g., local environment for the cruise people and tourists)
- To bring up the theme of sustainable would smoothen the experience development (infrastructure,
  - recycling, space for scooters, etc.)

Appendix 4: Current-state customer journey map



Appendix 5: Future-state ideal customer journey

