

# **Creating Next Generation Loyalty**

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<p>The purpose of this thesis is to describe the development process in creating next generation loyalty service in Finnair. The goal was to improve the customer experience by defining more effective ways of working and processes for customer service agents in serving customers while building a new platform. The planned outcome was to improve the customer experience by increasing the efficiency of customer service work and shortening the length of customer calls. Service design methods were used to define and understand the actual process and future needs. The development project was executed by using agile way of working. The success of the work and needs for further development were collected by a questionnaire sent to all users after go-live. To cover the purpose research questions were set for describing the current platform, which were the obstacles to hinder improving the loyalty customer service, how the goals were met and what are the future development items to ensure progress also in the future. Completion of the work is an enabler for future steps.</p>	
<b>Keywords</b> Agile, Service Design, Loyalty Program	

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# 1 Introduction

The purpose of this thesis is to describe the development process of creating next generation loyalty service in Finnair. The goal was to improve loyalty customer experience by defining more efficient ways of working and processes for customer service agents when serving Finnair Plus members (hereafter referred as customers). The technical enabler was a new service platform. The planned outcome was to improve the customer experience by increasing the efficiency of customer service work and shortening the length of customer calls. Service design methods were used to define and understand the actual process and future needs. The development project was executed by using agile way of working. The success of the work and needs for further development were collected by questionnaire after the go-live.

## 1.1 The case company

The company owning the loyalty program studied in this thesis is Finnair (hereafter referred as company). Company was established November 1<sup>st</sup>, 1923. Currently it is listed on the Nasdaq Helsinki Mid Cap list. Top 5 shareholders shown in figure below.

### Top 5 Shareholders

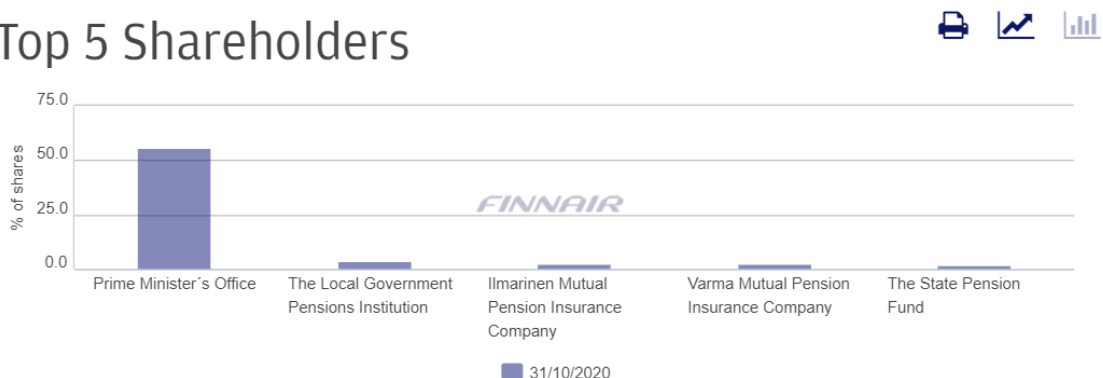


Figure 1: Shareholder structure (Finnair, 2020)

Company is a network airline specializing in passenger and cargo traffic between Asia and Europe. As package tours company offers Aurinkomatkat services. Company's vision is to shape the wonders of travel with passengers. "Finnair's mission is to inspire passengers to effortlessly connect and experience the world in a more sustainable way. Helsinki's geographical location gives Finnair a competitive advantage since the fastest connections between many European destinations and Asian megacities fly over Finland. Finnair has a stable position in the domestic market and it is poised to benefit from expected growth in Asian markets. Finnair aims to deliver value to its shareholders by

focusing on its core business and businesses close to it, and by investing in its competitiveness and growth.” (Finnair, 2020)

## 1.2 The loyalty program

The loyalty program presented in this thesis is Finnair Plus (hereafter referred as loyalty program). Loyalty program was launched in 1992 (Finnair, 2020). Currently on top of the flights operated by Finnair the member can earn points by flying on Finnair partner airlines and by using Finnair partners’ services. As a Finnair Plus member person can earn both tier points and award points. By earning tier points a member can move up from one Finnair Plus tier to another. Award points can be used for different kinds of rewards and benefits. A member can also utilize personalised services, offers and benefits. As a forerunner of global loyalty programs Finnair Plus has faced several innovations during the years. Below a summary of renewals.

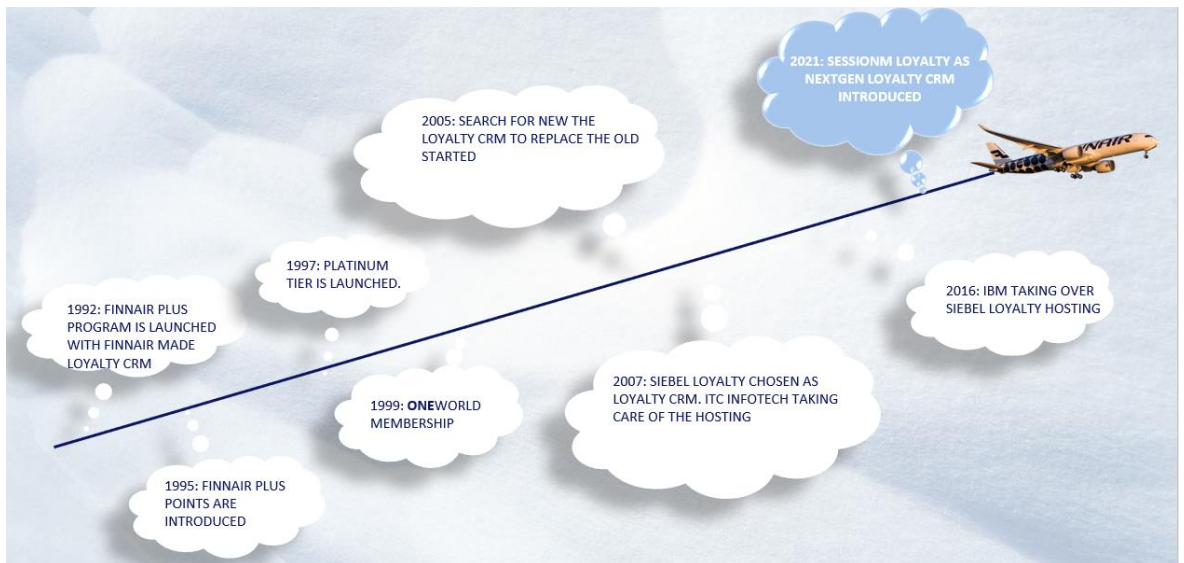


Figure 2: History of loyalty program platform

### 1.3 Contact centers

Finnair offers several contact channels for customer care. To offer easy access and fast service most of the channels are digital, as shown below.

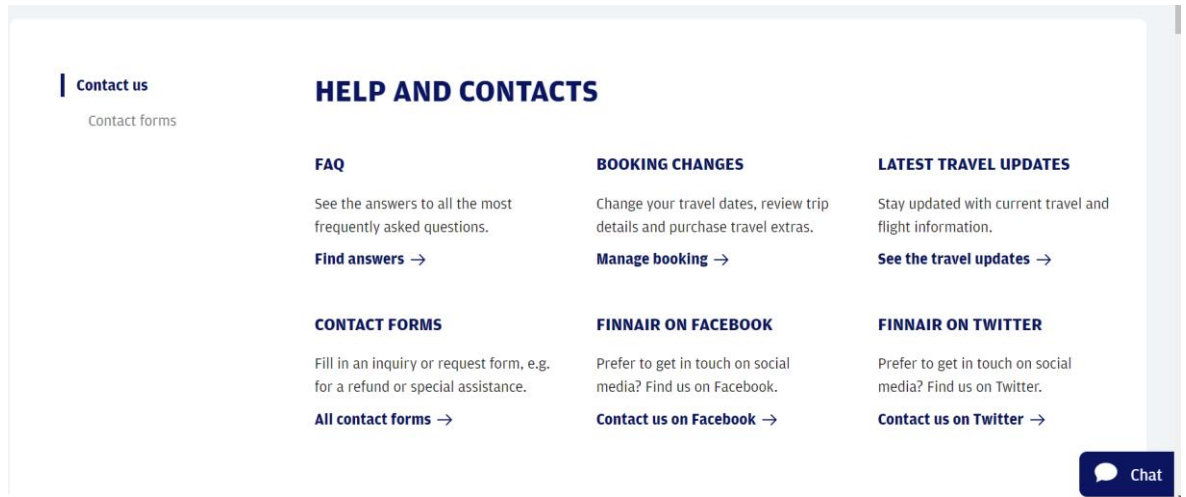


Figure 3: Finnair customer contact channels

On top of digital channels it is also possible to contact customer service by phone. Customer service in English is open 24/7 and in local languages mainly during office hours, except in Finnish every day between 6-22. To ensure a worldwide global service for its' customers contact centers are located in several countries in Europe and Asia. The development work studied in this work is for the agents working in these contact centers serving customers by phone.

## **2 Objectives**

Objectives of the work was to build next generation loyalty service both to improve current customer experience among Finnair Plus members who contact Finnair customer service by phone and to enable future requirements of the loyalty program.

### **2.1 Expected outcomes**

Since Finnair Plus members are loyalty customers for Finnair, the goal of customer service (hereafter referred as service offered by agents to customers over the phone) is to serve customers fast and efficiently regardless of the Finnair related services in question. According to customer surveys this has a direct impact on customer experience.

In many cases customers calling customer service have questions about very different topics, not only about Finnair Plus but also about flights, both Finnair and partner airlines, bookings, Finnair Plus points and other services. This means that agents need to move and surf between several systems and applications. Current customer service process provided by agents is not considered as most efficient. Therefore, it may mean that customers need to hold the line rather long. Hence, one of the expected outcomes was to improve the agents' way of working, the process itself.

The second expected outcome as a technical enabler both to improve the process, as described above and to ensure future improvement capabilities was to build a new service platform. The previous platform had successfully served the loyalty program over 20 years with some updates during the years. However, there were several reasons why a new platform was needed. One of those being the flexibility. The former platform was server-based and the new one a cloud-based service. A cloud-based service enables easier scalability and new applications.

A reason which set a strict timeline for the development work was the expiration of the agreement with previous platform provider. On top of the agreement expiration the data centre where the server located was to be demolished on March 29<sup>th</sup>, 2021. The date giving a hard stop for the migration.

### **2.2 Research questions**

As the purpose of the whole work was to improve customer experience in serving loyalty customers it was important to:

- identify changes needed
- get the information whether the goal was reached



- requirements for further development
- to continue linking customer experience measuring with customer service

Above gives the background for research questions, which were as follows:

RQ 1: Which are the current features of the platform that do not support improvement of customer experience?

Current customer service platform has served loyalty customer service agents during many years with minor updates. The purpose of the question is to define the challenges of current service and by doing so enable to solve so.

RQ 2: How customer service agents find the new service meeting their requirements?

The purpose of the question is to get first reactions after launch of the new service.

RQ 3: What are the items to be further developed from customer service point of view?

The new platform includes technological capabilities which enable further development in customer experience. The purpose of the question is to define those from customer service agents' point of view since they act as a direct customer point of contact.

### **2.3 Scope**

The purpose of this work is to describe how the loyalty capabilities were created to enable the improvement of customer experience. This means that in scope are the actions taken from service design and agile way of working point of views. Those are the actions which will give further insight also for wider audience when improving customer experience, not only limited to one service or platform.

Above also means that the actual technical work descriptions and requirements in building technical capabilities, such as: data flows, data feeds and other technology related activities are out of scope. The other reason for out scoping those deliverables is that all the technical features are only one platform related features and/or company specific requirements and therefore would not have added value to this work.

### **3 Conceptual framework**

In this work there have been used several frameworks to support the successful completion of the work.

#### **3.1 Customer experience**

“Customer experience (also known as CX) is defined (Superoffice, 2021) by the interactions and experiences customer has with the company throughout the entire customer journey, from first contact to becoming a happy and loyal customer”.

On the other hand, (Hotjar, 2021) customer experience requires “customer-centric-mindset”. This means that company needs to have a clear understanding what customer needs and expects. This can be done by collecting customer feedback and creating customer surveys. However, it is not only about what customers need to have today but also about trends for tomorrow. Therefore, to be able to improve customer experience company needs to foresee future, which are the trends to come.

Customer experience is (Forbes, 2021) one of the most valuable assets of the company. It may be that company is selling high quality products and that from company’s point of view is offering high quality in all service points, but the end result is all about customer perception. How customer finds the service, including customer service. If customer service does not meet the customer’s requirements it does not matter how top quality the rest of the service chain is. Therefore, to be able to improve customer experience company needs to concentrate on all parts of the chain.

Customer experience encompasses (Harvard Business report, 2007) and is present in all aspects what a company offers to its’ customers. Therefore, it is extremely important that company shares this view on all levels. Whether it is about customer care, easiness of using service or reliability of the functions of the company. When customer is in contact with the company either directly or indirectly, the level of service should be the same, especially nowadays when the speed of information sharing is so high. Customers expect all services to be at least next to real time and if the company is considered to deliver high quality services, its’ offering needs to be reliable and accurate. If this is not a case, there are other service providers on global markets who will deliver according to customer expectations.

To be able to be competitive also in regards of customer experience, company should have a customer experience strategy (Superoffice, 2021). The reason why a company should do this is to decrease customer churn. This means that customer would not keep on changing the service provider or products so easily to avoid that it would mean increased revenue to the company. At the same time, it means that customer would be willing to pay a bit more to get a product or service he finds suiting better for his needs.

Creating customer experience strategy can be defined on 7 (seven) steps:

- 1) create a customer vision
  - this means that a company needs to create customer focused vision, where it states the goals of strategy
  - the vision needs to be clearly communicated throughout the whole company
- 2) understand your customers
  - this is the basis for employees to support customer needs
- 3) create an emotional adaptation
  - this means putting yourself into customer's position
- 4) real time collection and reaction of customer feedback
  - this can be done by asking feedback in direct contact with customer or via chats after the customer service
- 5) set quality standards for customer service
  - measure the quality of customer service
  - this can be done by executing trainings for phone and mail customer service
- 6) be active with internal feedback
  - collect the feedback on regular basis and act according to the needs identified
- 7) measure the results achieved
  - this can be done using for example NPS (net promoter score) after every customer online meeting

Creating customer experience strategy enables a company to measure the progress set towards the goals for future improvement of the customer experience.

Customer experience can be increased by strengthening and activating relationships between the brand and customers (Apsis, 2021). One way to activate customer is to use drip marketing. It means for example when a customer signs up on company's site the first email goes out. The other one is sent a few days later and the third perhaps one week later as a follow-up.

### **3.2 Customer Loyalty**

One way to improve and strengthen customer experience is to increase the number of loyal customers. Therefore, when talking about customer loyalty a question: "Why customer loyalty matters?" Can be raised. In general (Carter, 2018) "loyal customers spend more, more often". Average 5 % increase with loyal customers can add profit

between 25 % up to 100%. This means that it is more profitable to keep existing customers than try to find new ones.

There are many ways to define customer loyalty. One definition (Carter, 2018) is to say that when loyal customer needs something he gives a first choice to get his business to service provider to whom he is loyal. Sometimes a loyal customer is considered being the one who only buys services from that one service provider and it can also be that, especially in case of big investment, a loyal customer buys only once the product from the vendor but after his purchase he always gives positive feedback about the product to his family and friends.

On the other hand, customer loyalty can be jeopardized with a poor service or weakened when a customer feels that he has been forgotten and other service providers are actively approaching the customer. Therefore, also loyal customers need reminders from service provider. This is about customer engagement meaning service provider needs to create an ongoing relationship between their customers and the brand. There are several ways to increase the engagement. Loyalty programs including customer incentives are well recognized. Values are considered being important part of the relationship. Company and brand should share the same values as the customer. Therefore, it is important that the company tells about their values and what are the actions taken to reach the values. For example, if sustainability is one of company' values to clarify the actions towards the goal. The better the brand matches the identity of customer the easier it is for customer to engage with the company. Therefore, engagement is a way to create earning opportunity for the company.

One way to increase loyalty is to have regular communication with customer and by doing so to keep him aware of company's offering. This can be achieved with regular communication through digital channels, emails etc. Another way is to have online communities where customers meet and share their views, for example Facebook. Company can activate these communities by giving them some questions or tasks to discuss about. For example, if company gives information about a new service before the launch and asking for comments from the community company may get valuable information and at the same time increase customer engagement.

### **3.2.1 Customer loyalty programs**

Customer loyalty programs (Jovancic, 2019) are reward programs for frequent customers, those who buy company's products or services on regular basis. In loyalty programs there are several ways to reward customers for example they may get discounts, different kind

of coupons, may get access to campaigns or new products or services before the others etc. There may also be several levels in loyalty programs, the more you buy the higher in ranking you get. The higher the level the bigger discounts or wider range of extra benefits offered. However, today there are so many different loyalty programs that it does not mean that getting the customer joined to the program he will be or stay loyal. Therefore, it is important that the loyalty program would be differentiated from the other service providers on the same field. That is why benchmarking with branches when creating or updating loyalty program would be good. Below 3 (three) loyalty programs (Jovancic, 2019):

- 1) Starbucks rewards:
  - all the purchases get a customer closer to free drinks and food
  - with purchases customer earns loyalty stars
  - for payments and ordering customers can only use Starbucks app
- 2) Virgin Atlantic Flying Club:
  - the program is divided into 3 (three) loyalty tier levels, all the levels bringing different benefits
  - benefits for each tier are clearly marked to make it more attractive for customers to buy more to get to the higher level
- 3) Amazon Prime
  - to get access to the program the member needs to pay a fee
  - as a benefit a member will get either free shipping or can choose a free gift from a wide selection of products

When thinking about the benefits a loyalty program brings to the company those are for example:

- 1) Starbucks: due to the payment and order method, app, they get a wide range of data of customer behavior and preferences, to be used for future marketing and personalized offers and selection
- 2) Virgin: by giving customers early benefits, on lower levels company attracts customers to be active from the beginning and with active marketing efforts company keeps customers awake also after first steps
- 3) Amazon: with wide range of offering either in saving costs or getting free gifts company gives customers options to choose from

Since most of the big brands are offering loyalty programs today the company needs to make sure the offering is considered as attractive and at least partially unique.

### **3.3 Net promoter score ® (NPS ®)**

As a tool to measure customer experience can be used Net promoter score ® (NPS ®) (Net promoter, 2021). On top of measuring current customer experience NPS ® can also be used for predicting growth of the business in question.

The scale usually used is from 0 – 10, where values from 0 - 6 can be considered as detractor, values 7 – 8 as passive and values 9 – 10 as promotor. Customers giving the highest scores will most likely recommend the service to others. Below you can see an example of NPS scale.

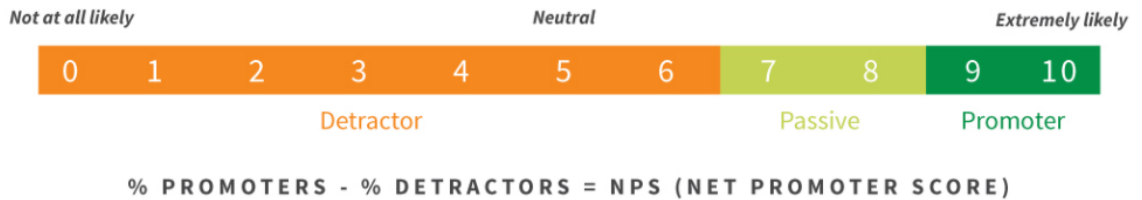


Figure 4: Scale of NPS®

Since NPS® is an easy and user-friendly way of tracking customer experience it is widely used.

## **4 Methodology**

In this work there have been described 3 (three) methods:

- 1) service design
  - to cover development approach and data collection methods
- 2) agile way of working
  - to cover development approach
- 3) questionnaire
  - to cover data collection methods and to give input for data analysis

### **4.1 Development Approach**

To serve the end result best the development approach adopted needs to be well structured, managed and still to give enough space for participants to enable coming out with new ideas. When thinking about development work service design and agile way of working are often combined. In the beginning the requirements can be defined by service design tools and then the actual work can proceed with agile approach.

#### **4.1.1 Service Design**

To be able to understand customer experience (Harvard Business report, 2007) it is vitally important to have a clear view about the process customer needs to go through when using the service. One important way to improve the customer experience is to make the process as smooth and easy as possible. One way to define the process is to use service design methodology as a tool. Using the tool can be started (Harvard Business report 2021) by defining the customer journey map. The purpose of this is to describe what the customer is doing on every step and define why he is doing that and if the process could be improved and if so how. To be able to find uncertainties and possible obstacles and solving those are part of the service design process enabled by customer journey maps.

“The aim of service design is to create customer- or human-centred solutions that make the service experience feel logical, desired, competitive and unique for the user, and boost innovation and engagement in companies and institutions while developing and delivering services.” (Miettinen 2017, 4)

Service design means that something which is not necessarily tangible is described as concrete and visible to be easier to discuss and understand among users. This means that for example a service will be broken into pieces to make it easier to be shared and improved. One of the most used ways to do this is to have the users of the service in question collected together and give them an opportunity to walk through the process, defining how it would be at its best to improve the end result.

Service design can be divided into 5 (five) core principles (Penin, 2018, 150).

- 1) It all starts with people. This means that the end-users need to be in the centre when creating a new tool or service. Their needs and ideas must be heard. By doing so it possible to avoid building a service or product on assumptions, which at the end may be wrong.
- 2) Taking people to the core means that they are participating and codesigning the service or product. This may mean challenges, especially when people are coming from different perspectives. However, to be able to succeed in the project participants need to be committed and engaged with the process.
- 3) All the goals are communicated through service narratives. This means that it is not enough when all participants understand current situation, but they also need to be able to imagine preferred futures and be capable of creating ways how to get there.
- 4) A part of service design includes also a tangible side of services. This means that in a service design process the material side of services must be described in way which is understandable for all parties. This part of the process makes it easier to argue and challenge the goal.
- 5) Service design as a way of working needs to be holistic and systematic including users experience of service delivery in a consistent way.

Below the steps are described as a summary.

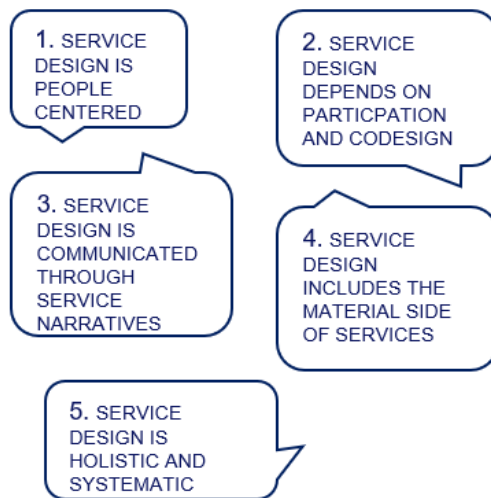


Figure 5: Core principles of service design Penin 2018, 153, originally adapted from Schneider and Stickdorn)

In service design projects company needs to decide what kind of change they want to achieve, either a real change or just a facelift. Defining the depth of the change will show how customer centric the company really is (Miettinen 2017, 86). This can be described as an iceberg, figure below.



## How customer-centric is the organization?

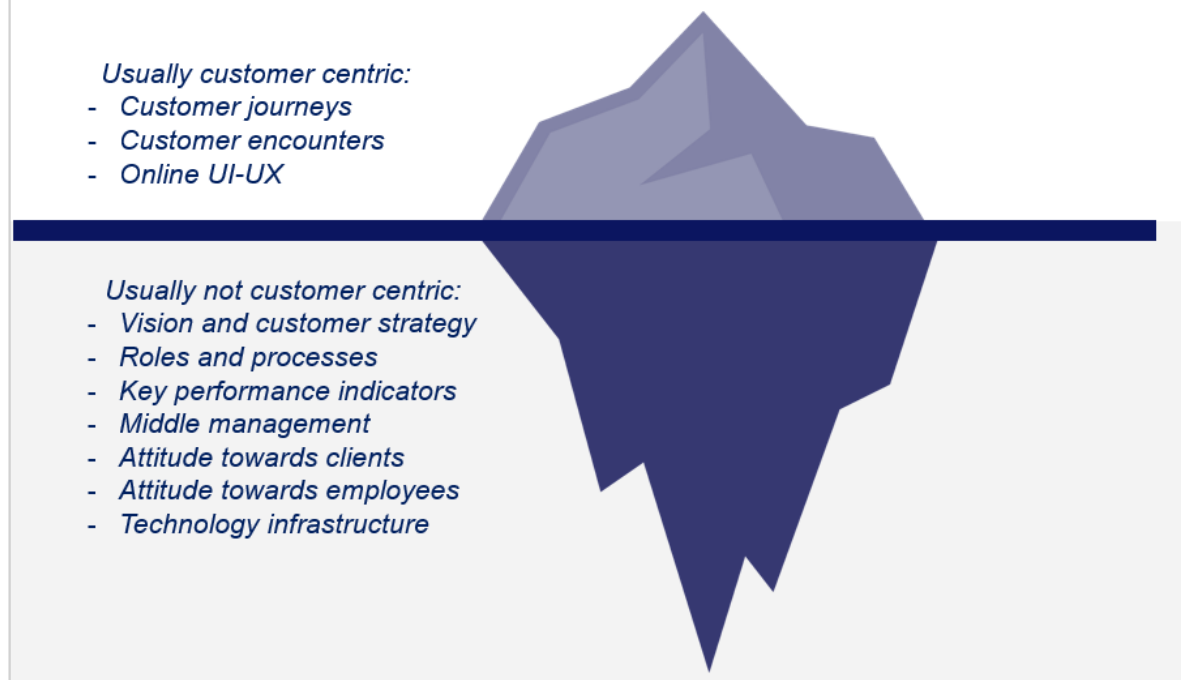


Figure 6: How customer-centric is the organization (edited from Miettinen 2017, 86)

When thinking about the lower part of the iceberg it is essential to understand that the cultural change can only start from inside of the company. The way towards a change and involvement can be lit by getting people talk openly about their ideas and by doing so they can find a motivation towards a new way of acting. It is about empowering people to take lead of their own work and goals supported by the management.

One of the methods used in service design practise is to use customer journey as a tool of processing the requirements. Customer journey can work as a platform for users to create ideas how the service can be improved (Miettinen, Valtonen 2018, 192). Since visualization can be said to be one of the biggest strengths of service design it means that by showing customer journey as a presentation, in a timeline with all actions needed it visualizes the process to be a tangible object. Customer journey means the whole process in which a customer, internal or external, needs to go through to complete the service in question. As simplest a customer journey can be drawn on the wall as steps starting from the customer's first point of contact towards the service provider until the point where the service delivery is completed. The journey can also include the customer feedback if that is relevant from the customer experience point of view.

As a service chain the customer journey could start from customer call to the service provider. All steps can be drawn on the board and then persons involved will be asked to describe actions he needs to take in serving the customer. To support the purpose in

question a customer journey needs to be relevant, that is it needs to be drawn from a correct point of view. For example, if the case to be solved is improving customer service towards end-user, customer journey needs to describe all relevant touch points in that service chain. To make a customer journey more concrete it can be done in a form of a user story. By doing so the participants would need to create cases where they describe different kind of situations which the service needs to solve and at the same time answering questions such as: "by whom and how?". The purpose of this exercise is to get the insights documented, since the participants have the best understanding of the requirements and needs of the customer. The aim is to improve the customer experience by improving the service these employees are offering. The same method can be used in creating a new service for end-users. This can be called as an agile prototype-based development approach (Miettinen, Valtonen 2018, 196)

To get the best out of the service design process it is very important that right persons are involved from the beginning. This means people from all levels in the company, but especially employees who are working with the service in question. The persons need to have a deep understanding of the requirements but also capability to see and think outside of the box, meaning the way things are run today. This is important especially if the work is about strategic change. Management commitment is naturally also required.

Getting rid of old habits and ways of working can be seen dangerous, as it may mean being out of your comfort zone. That is why people may fear the change, although the need of change is accepted. The change may also mean change in company values and especially in those cases the management of the company needs to be heavily involved. The values are linked with company culture and if the culture has not supported change in the past it may take quite a long time to adopt the change. The updated company values need to be shared and clearly communicated with all levels in the company.

There are different processes to be used depending on the nature of the service design process in question. An example for Human-Centered Design process (Penin 2018, 187) is to split it into 3 (three) phases. Process starts with research and learning (inspiration). This involves background studies from service designer. Especially when the service designer is assigned outside the company in question it may mean that the field is not familiar. Also learning of the context and environment is needed. Next phase is to understand what was actually learned and enabling to define and import the opportunities and ideas which were identified before (ideation). The input of all participants is essential at this stage. The third phase is about implementation, purpose of this phase is to bring ideas into life. This can be achieved by prototyping. Each phase starts with many ideas

and ways of thinking, which may mean even a wide divergence of opinions among participants, but when the process evolves there needs to be a convergence of definitions and ideas to be able to proceed. Below you can the process as a flow.

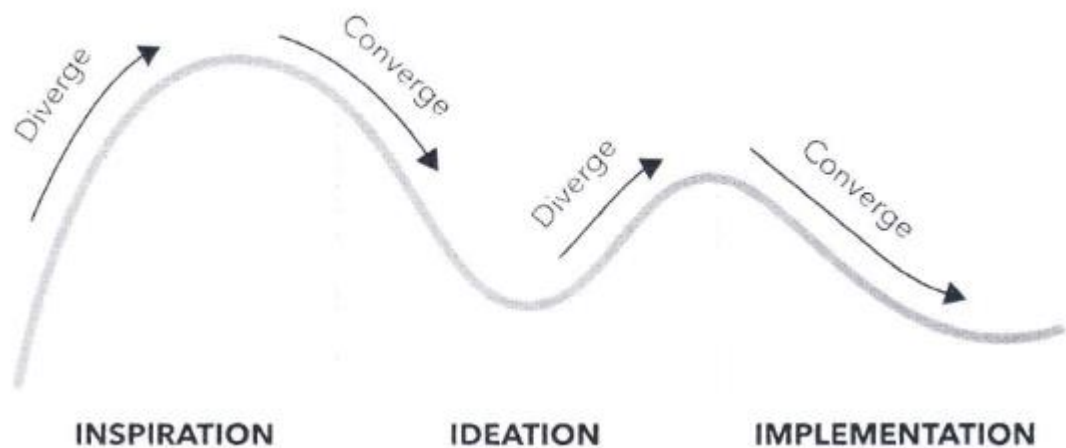


Figure 7: Human-Centered Design process (Penin, 2018, 187)

Before moving on to actual development work the findings of service design can and should be tested. This can be done as reflection (Stickdorn, Schneider, 2015, 132). Testing a tangible product may be rather easy by building a prototype but when service or concept in question this can be done by creating a vision of the service to be. To make it more tangible for a customer a storyline, video or situation could be created to be walked through with a customer. The aim is to be as close to reality as possible including emotions and personal interactions in the service proposition. If the feedback received meets the requirements the development work can be started.

#### 4.1.2 Agile way of working

After the service design phase the work can be continued with agile approach. The agile software development method (Guru99, 2021) belongs to group of simple and effective ways of working to bring vision of business requirements to software solution. "Agile is a term used to describe software development approaches that employ continual planning, learning, improvement, team collaboration, evolutionary development, and early delivery. It encourages flexible responses to change."

“The agile software development emphasizes on 4 (four) core values:

- 1) Individual and team interactions over processes and tools
- 2) Working software over comprehensive documentation
- 3) Customer collaboration over contract negotiation
- Responding to change over following a plan”

To be able to work agile company needs to break complex problems into more manageable parts. On top of that a very transparent way of working is needed. Every team needs to know who is doing what and with which effects. Benefits towards agile way of working can be summarized with following questions: (Rigby, Elk, Berez 2020, 64):

- 1) Which are the parts where employees can work independently and with their own decision-making power?
- 2) Would people be able to improve their productivity and prioritization if they could create backlogs?
- 3) How employees could learn more about customer expectations from their customers?
- 4) How could employees decrease the amount of work in progress?
- 5) Would it be possible to use retros in improving the work in hand?
- 6) Would a daily team stand-up improve internal information sharing?
- 7) Could internal cooperation be improved by commonly created measurements?
- 8) What would be a faster way to share information on deliverables?
- 9) What would be a way to minimize work with low impact?
- 10) How could experimental way of working support development work within iterations?

To be effective agile way of working can be seen as a process with several phases. In general, agile process can be divided into 6 (six) phases, as shown below.



Figure 8: Agile Model (Experfy, 2021)

These phases create one cycle and after each cycle the process starts from the beginning with new set of phases. Since one cycle may represent one feature launch the implementation speed comes faster compared to previous way of working.

In many innovative projects the former waterfall model has been replaced by agile way of working. In a traditional waterfall project type 3 (three) cornerstones have been (Highsmith 2010, 21):

- scope: work proceeds according to the given milestones
- cost: work needs to stay within the approved budget
- schedule: the whole project needs to be ready by the given deadline

Traditional Iron Triangle: It is assumed that there are no changes needed during the project and the release happens when the project is completed. In waterfall projects the project only gives value at the end, it may even take months or years before this happens. One of the challenges of the traditional project is the lack of both quality and value. According to its' cornerstones this project type concentrates on scope, schedule and cost. Quality and value are not even mentioned and by leaving those out of the cornerstones it means that the weight of those features may be left out as well. Although it may be assumed that value is built-in the process itself.

Agile Triangle: All the cornerstones are different compared to traditional way of working. Focus areas being as follows:

- value goal: building a releasable product by creating customer value
  - o external or internal customers are considered as a key point
- quality: building a reliable, adaptable product
  - o the expected quality level needs to be met
- constraints: achieving value and quality goals within acceptable constrains
  - o During the iteration rounds there are often issues to be solved and scope is not given at the beginning of the project, but evolves during the rounds

The transition from traditional iron triangle to agile triangle through agile iron triangle described below.

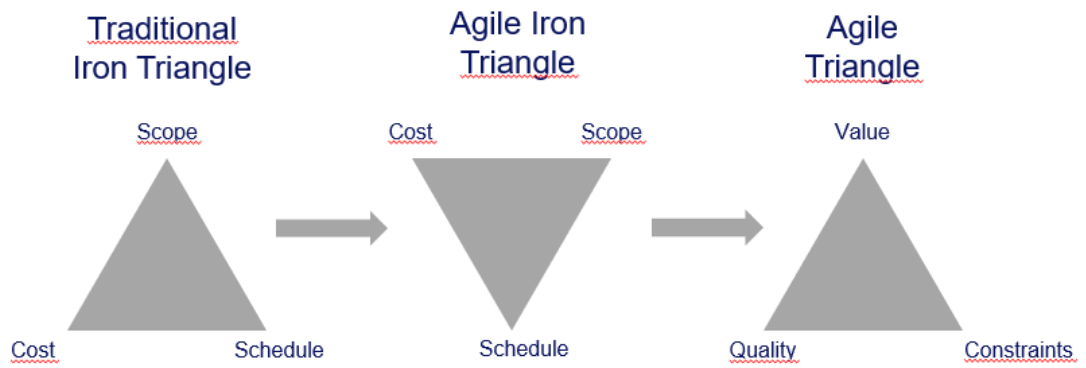


Figure 9: Evolution to an Agile Triangle (Highsmith 2010, 21)

One of the benefits of agile project, compared to waterfall project, is that agility may bring value faster and even during the project. By doing this the agile project increases the value even during the project due to several releases, as described below.

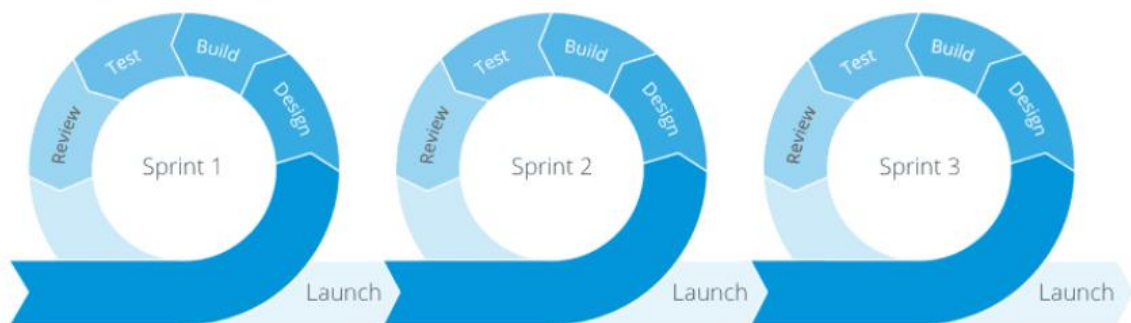


Figure 10: Agile processes (Product plan, 2021)

The main agile business objectives (Highsmith 2010, 10) can be described as follows:

- 1) Continuous innovation – deliverables need to meet present customer requirements  
New technology innovations increase customer expectations for a company to be successful it needs constantly be able to meet today's customer requirements.
- 2) Product adaptability – deliverables need to meet future customer requirements  
To enable tomorrow's growth the company needs to be able to meet also future customer requirements. This means that the company needs to create products and service for tomorrow.

- 3) Improved time-to-market – need to be on-time regarding market expectations and increase return on investment (ROI)  
To be able to meet this requirement agile process needs to meet three key points. Process needs to be focused, streamlined and take care of skill development.
- 4) People and process adaptability – need to be able respond fast on changes in the market  
To be able to work adaptably team members feel comfortable with market challenges, not to see those as issues but to be met as creation of customer value.
- 5) Reliable results – need to be able to meet growth and profit improvement requirements  
To be confident with outcome of the product deliverables the process needs to deliver the same result by every round. By doing so the process also needs to be able to constantly meet the goal.

A successful compliance of the objectives above means added simplicity and by doing so reduces overhead.

Adopting is one of the key words of the agile way of working. Changes in project are inevitable (Highsmith 2010, 63) and the project should not be afraid of adopting changes. As stated, key focus areas are value and quality and by adopting changes those bring plan to be a mean to reach goals. Project team should evaluate the progress of the work all the time. A way to do so can be described by questions as below:

- Has value, in a form of releasable product, been achieved?
- Is the goal of quality by building a reliable and adaptable product been achieved?
- Has the project progressed on an acceptable level with constraints that can be taken as acceptable?
- What is the rate of adaption level of team members, when it comes to changes proposed by managers and customers' technical requirements?

Answering questions frequently and honestly gives an overview of the current progress of the project. The project members also need to understand what is meant by change and adapt. Only by understanding the content it is possible to get the right level of the confidence of the progress.

Enterprise framework (Highsmith 2010, 78) can be used as a tool to create a clear view of agile structure and the role and content of each feature. All layers should be named and placed accordingly. Portfolio Governance layer users are usually mainly company's executive level representatives. The key role of the layer is to give an overall picture of all the projects within the company, whether agile or not. This can include the value of the project, to give the understanding whether the estimated ROI (return on investment) is reachable and the insight of investment and risks.

When talking about Project Management layer it is important to see the difference between release and iteration managements. Both fall under this layer. This layer includes also all the activities which are related to overall picture, contacts/relation management of vendors and stakeholders. There may even be separate managers for different tasks.

Iteration Management layer defines the way of working regarding planning and releases between iteration rounds. Technical Practices layer defines the technical requirements and approaches adopted. See below

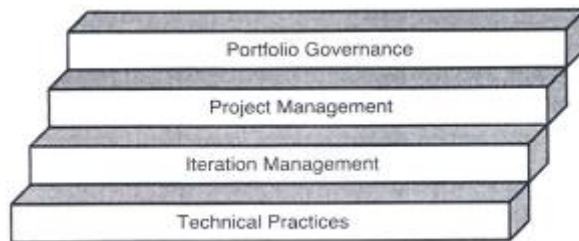


Figure 11: An Agile Enterprise Framework, Highsmith 2010, 78

To meet the current requirements and to be more precise with description in agile projects the traditional names of project phases have been renamed (Highsmith 2010, 82) as follows:

- 1) Envision; includes vision and goals, possible obstacles/blockers and the way the team is cooperating with each other
- 2) Speculate; in agile projects the plan phase has been replaced with an opportunity to evolve and iterate when reaching the goal
- 3) Explore; user stories are the basis of the agile project, the end result is not clear in the beginning, but instead only after several iteration rounds the goal will be confirmed. By doing so project risk factors can be managed and the project will be on more stable grounds
- 4) Adapt; as said the end result is not ready in the beginning, but it is evolving during the iteration rounds. This phase can be seen essential part of agile project
- 5) Close; in agile projects it is important to have a solid closure of the project and as a take-away to have a proper lessons-learned part.

Process described below.



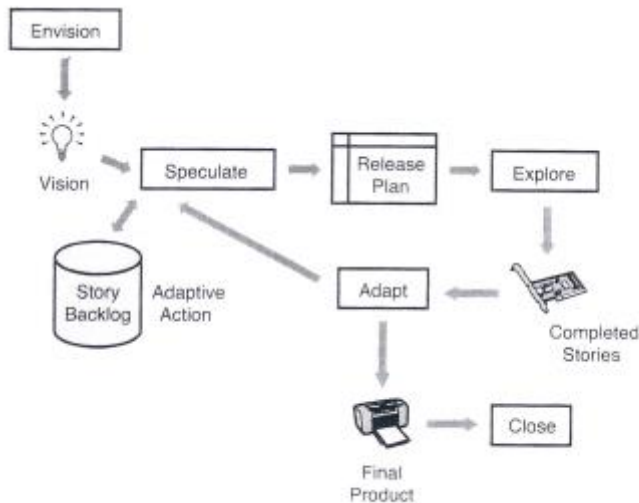


Figure 12: The Delivery Framework, Highsmith 2010, 81

One way of working can also be based on features or stories (Highsmith 2010, 134). Those stories can be described to be small products meaning product functionalities bringing value to the customer. Each story is written in format which tells what a customer wants or is expected to do in that story. The story is written on a story card. The acting person in the cards is called persona and then it is defined what the persona is expected to be able to in that situation. If story and feature should be differentiated a story may be one piece delivering functionalities, but feature is needed to deliver bigger entities. Stories are usually written on index cards (tangible or digital) and written in a form as: As a customer, the ability to buy books online.

The purpose of the stories is to clarify the meaning of the product or the service both to the customer and the project team member. It is a way to make invisible to visible and by doing so to make it easier to understand needed end result.

Stories are also used in creating iteration rounds for development. For this purpose, the cards are broken down into technical tasks to enable development. And to be divided into phases as: UI development, business objects, to be used by Middleware or Database purposes. Dependencies of stories shown below.

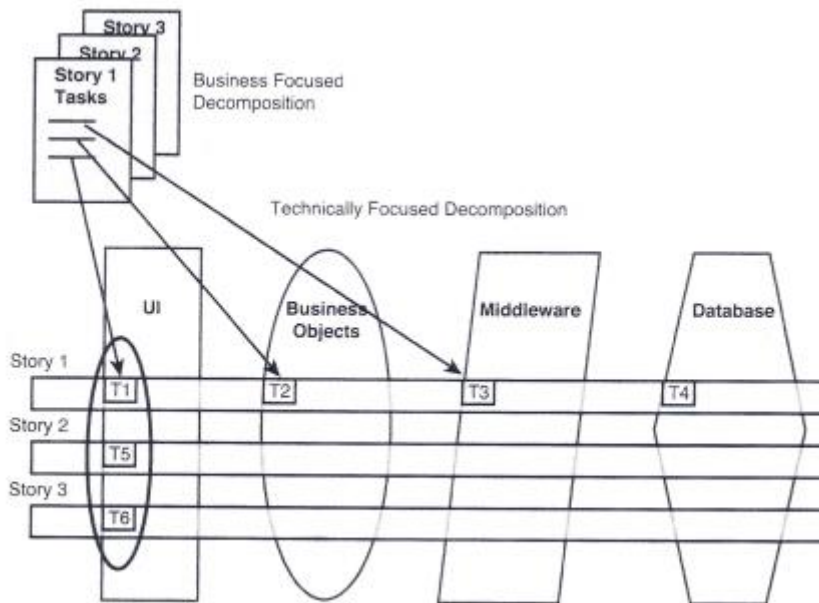


Figure 13: The Focus of Stories, Highsmith 2010, 136

In traditional waterfall project the scope is defined in the beginning of the project and when proceeding the whole outcome will be released at the end at the same time. This differs a lot in agile projects where enriching data collection is done by iterations with various rounds. These iterations mean working periods and the length of the iteration may vary. To be effective, iterations should be same length and rather short. Reason for same length means bringing the team into good rhythm and short length supports learning (Highsmith 2010, 211). In many projects a two-week-iteration round is considered a good one. In many cases iteration also means that project adaptability improves round by round.

An important part of an iterative way of working is to ensure that progress of the work is well monitored. This can be achieved with daily stand-ups. A stand-up means a short meeting where all the project teams go briefly through the current status of the iteration round in question and share all the possible concerns or blockers. A blocker means a task or an activity, mostly caused by the dependency of other streams' work. As mentioned, the purpose of the stand-up is information sharing to make sure the target of each iteration will be achieved. The actual work is done outside stand-ups and this a reason why these stand-ups should take only 15-30 minutes.

Today there are many tools to manage the progress of each iteration round. One way of doing this is to use Kanban boards, either tangible, with post-it notes or by using digital tools, such as Trello or Miro. All tasks can be marked with post-it notes and the colour of

the note indicates the status. Yellow as a task to be delivered during the iteration, red in progress/blocking and green as solved. After each iteration there should be a recap meeting where all the teams present the progress and achievements, blockers and dependencies of the iteration round in question. In the beginning of the next iteration there should be a starting meeting where all the tasks for the iteration round will be gone through with the possible risk items and dependencies. Those to be marked with coloured post-it notes. Dependencies can be marked with lines or in tangible Kanban even with threads. The main thing is to make the all as visible and transparent as possible. This will avoid information breaks and by doing so to increase the efficiency of the work. During either stand-ups or recap meetings the notes taken should be as short as possible again to ensure a lean way of working and to avoid unnecessary bureaucracy.

The challenge with agile projects regarding to release planning may be that it is often difficult to estimate the cost, the length of the project or the release schedule (Highsmith 2010, 157). To avoid these challenges, it may be good to:

- give clear guidance for stakeholders about how feasible and viable project is
- give information about evaluation of the deliverables and which kind of fallback actions will be in place
- keep teams' capability of prioritization on a high level
- ensure that the management is well informed about main topics
- make sure the level of confidence regarding project's achievements
- be well prepared for partial deployment

All projects need to be ready to face some failures or unpleasant surprises. It is not whether those will happen or not but how the project has prepared towards those and how those will be solved. For these a proper risk analysis and mitigation plan needs to take place. One way of doing this is to identify the major risk factors, give an evaluation for each and create a mitigation plan what can be done to avoid the risk factor to materialize and if the risk happens how to mitigate the consequence. The risk analysis and the mitigation plan should be updated on regular basis aligned with project's progress.

Creating a proper deployment plan, whether there will be partial implementation/deployment or only one, should be carefully planned. Due to benefits of early implementation (Highsmith 2010, 152) project team should create the strategy of First Feasible Deployment (FFD). This means the first iteration round when the product can be deployed. After this first launch the product will be improved to be implemented later. The capability of having several deployments or only one differs by products and services. In software products or services it may even be better to proceed with several implementations since it may be effective to adopt early launch and develop the product

according to the user experience or even those customer comments would not be in place the early launch is preferable in many cases, for example due to competition. Early launch even though with minimum viable product may give competitive edge to the company.

Launching minimum viable product is not possible in all cases. For example, a tangible product needs to be fully ready or there may be some technical dependencies when one team cannot implement their work before the other team is ready with their development work. However, the current competitive environment encourages companies to implement as early as feasible product is ready.

The purpose of agile way of working is to support a lean and effective way of working. However, if there may be some challenges with delivery schedule it is said (Higsmith 2010, 146) that waterfall method may reduce number of deliverables, which usually involves testing which may impact the level of quality, when on the contrary agile projects may cut number of stories which may have an impact on scope.

## **4.2 Data collection methods**

After development definition work the process can continue with data collection phase. Data can be collected for example in service design workshops and with questionnaires, as follows.

### **4.2.1 Service design workshop**

A way to collect data with service design tools is to execute a required number of sprints/workshops, for example 3 (three) workshops. The approach of the first workshop can be in a form of customer journey. By using all the steps within that journey workshop participants list on post-it notes current process from their point of view. The purpose of this is to learn current process. After that, in second workshop all the participants will update the previous workshop findings by discussing about opportunities to help customers and by doing so improve the customer experience. The third workshop will be about documenting the findings along the customer journey.

Main benefits to use service design can be described as concretising something abstract into something that can be treated as tangible. To be able to reach the goal (Penin 2018, 184) service design project needs to start with a research/discovery phase. This means that designer(s) need to get involved with the project by understanding problem areas, opportunities and by gaining perspective. After studying the research findings, discussions with organization in question, its' customers and end-users, the work can start. By doing as described the benefits to be reached can be defined more easily. One of the most

important things is to involve right persons, the ones who know the service or process in question perhaps are using it already, especially if it is about improving a current service or the ones who are going to use it in the future. Using their help is not only to get a real understanding of the requirements but also about involvement for the future. Persons involved also need to have insight wide enough to be able to think and see outside the box. Current or future users know the service and current limitations. On the other hand, it is not only about the users but also about facilitator, who has an important role in service design. Facilitator needs to have experience of facilitating service design sessions or workshops to be able to get the best out of sessions. He does not need to be an expert of the field in question but needs to have an understanding of the service design concept.

#### **4.2.2 Questionnaire**

“Questionnaires can be classified as both, quantitative and qualitative method depending on the nature of questions.” (Business review, 2021) Below differences between these two approaches

1. quantitative, which means that the data is usually collected by questions based on numbers and calculations. Therefore, the data is based on random sampling, also easy to summarize and compare.
2. qualitative, which means that the questions are based on feelings and therefore those try to gain reasons, to make it easier to understand and to give motivation. These are usually used in for example business studies.

When describing the advantages of both types there are some common features for both. Nowadays the amount of data is not limiting the usage of either, so in that sense both can be used for multiple purposes. However, when thinking of disadvantages of questionnaire, it may be that not all the thoughts of the respondents can be covered. Therefore, it is important that the questions are clear and easy to understand and to avoid a try to cover several topics by one question.

Depending on the goal there are several types of executing questionnaires: telephone, in-house, mail. Decision, which type of questionnaire to be used depends on the goal. As an example: a computer questionnaire to be executed by Microsoft Forms:

- target group clearly identified
- users are used to work with Microsoft products, easy usability and access to system may be taken as a benefit
- to make the answering as easy as possible, the questionnaire may need to be compact and short

Regarding the question types there are several kinds of questions:

- 1) Open questions: a downside of this type is due to its' nature, analyzing the results may be difficult
- 2) Multiple choice questions: to make sure this type is clear to understand the number of options offered should be limited
- 3) Dichotomous questions: since the nature of these questions is based on yes or no options, the answering is easy, but the question itself needs to be very simple to serve the purpose
- 4) Scaling questions: the scale can be for example from 1 to 10, depending on the question, whether the scale is better to be wide or narrow. The end points need to be mentioned: 1: meaning the least, 10: meaning the most.

### **4.3 Data analysis**

To be able to utilize the data collected it needs to be analyzed reliably. There are several tools to be used. Data analyst tools mean (Datapine, 2021) either systems or applications in hand with capability to run analytical working methods in companies providing options to make informed business decisions. In many cases the purpose is also to cut costs and improve profitability. On top of rather time consuming and data analytical skill required work to create deep analysis, there are other options available to support lighter analyses. This kind of work would be needed for next to real time questionnaires with requirement only to compile data received into charts to be used for actions needed (Circyl, 2021)

Below described 3 (three) tools:

- 1) Business intelligence tools (BI tools)
  - used mainly for performing data analysis
  - creating analyses requires business analyst skills
- 2) Statistical analysis tools
  - used for exploring and generating insights
  - requires data modelling and programming skills
- 3) Light, easy to use tools
  - used mainly for questionnaires with need to fast responses
  - do not require any special analytical skills

The data analysis should be executed based on the requirement in hand, varying from heavy/deep dive to light analysis with short response time.

## 5 Development Project

In the development project chapter all the stages are proceeding and linked according to the steps described in the conceptual framework and methodology chapters in this work.

Development project started in March 2019 by sending the Request for proposals (RFP) out for selected vendors. Pre-study work had been going on for several months before this with selection and validation of the global service providers available. Before the official start of the project the internal project approval process including validation, business case, scope, resource allocation and timeline had been completed. Below you can see the project schedule.

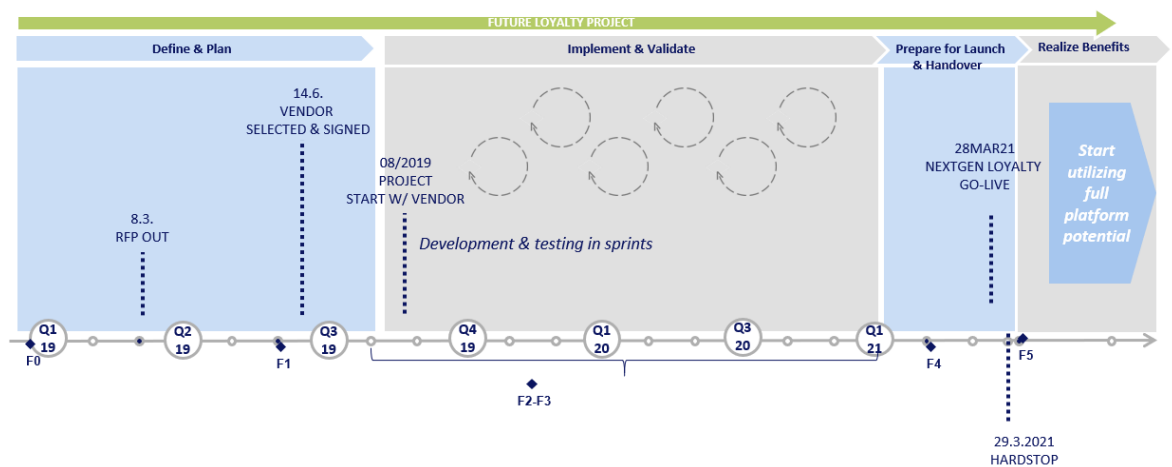


Figure 14: Project schedule

This project was considered as one the most important strategic projects of the company at the time. Total size of the project organization was about 40 internal permanent members. On top of this there were several internal stream members working time to time in the project.

Due to the high priority of the project the chair of the steering group was CCO and the other members were mostly on Vice President level. The steering consisted of 6 internal members, 3 from Business and 3 from Digital Services. The reason for this was to ensure both business and technical requirements to be met.

As working part of the project there were two vertical streams: Functional and Technical streams and two horizontal streams: Communication, Change management and Training stream and Testing stream.

The difference between Functional and Technical streams was that Functional stream defined the business requirements and monitored the delivery to meet expectations and Technical stream was responsible for delivering according to the requirements.

The purpose of the Communication, Change Management and Training stream was to take care of both internal and external communication. In this project especially the internal communication was considered to be in a key role. The reason for this was that customer service agents are the face of the company to its' customers. The company is operating all over the world and the customer service needs to be on the same high level regardless of the country. Therefore, the service needed to be available 24/7. There were two kinds of steering group meetings: one internal, and one with vendor representatives.

In the beginning of the project the kick-off and first workshops were held face-to-face in Helsinki. Tools used from the beginning were:

- Teams: for coordination of the documents, meeting materials and notes
- Confluence: for technical development work
- Trello: for user stories and progress
- Slack: for communication

From March 2020 onwards, when covid-19 started to set limitations and all the face-to-face meetings were put on hold, it was decided that all the stand-ups and iteration rounds were done using Miro board.

### **5.1 Defining current status and future state**

In definition phase the service design methods, as described in methodology chapter, were used. The work started with service design work. This was executed during 3 (three) sprints/workshops, where the purpose was to first: learn about current process from different viewpoints, secondly: understand and define opportunities and thirdly document the findings for implementation.

Participants of these workshops were key internal stakeholders. That is from Loyalty, Customer service and Business Services. The role of Business Services was more about listening and understanding so that the workshop itself was more business discussion than IT related discussion. Participants from business needed to define how they found the current process and how they wanted that to be in the future. The purpose of these first workshops was to get all the requirements and ideas from the end users covering all the steps according to customer journey to fulfil "what" part. This meant that all the participants concentrated on telling what they needed to have in place to enable improved



customer experience. Only after these workshops, Business Services translated the requirements into “IT language” to cover “how” part. This meant what kind of technical capabilities were needed. Workshops were executed by using service design methods. Current process was walked through as customer journey to cover current tasks, to identify which were to be updated, which ones should be left as were or needed further improvement. During the process participants started to create user stories for further study for key project members.

Key findings:

1. Biggest challenges of the current system:

Loyalty:

- 1) No one place to do things
- 2) Complexity of the rules and understanding possible consequences of actions
- 3) Slow system - month end runs is slow, which leads to member dissatisfaction, meaning Customer service gets several contacts and comes over loaded
- 4) Too many clicks
- 5) Can't see what the rules of the program are and having to check with the Helpdesk and the website
- 6) Continuous errors that has effect to member account and their benefits e.g. too many vouchers or incorrect higher tier – which is harder or impossible and not customer friendly to fix
- 7) Tangled way of fixing errors

Customer service:

- 8) Campaign details are not visible in the system, need to be manually checked
- 9) No log of changes - no historical data of contact information about updates, according to GDPR log required
- 10) Only part of the transition information visible for customer service, only up to 3 years - results stored in second contact resolutions
- 11) Transactions are sometimes slow
- 12) Some customer care agents do not know how to use both systems

Business Services:

- 13) Several systems in use, current ones being very old
- 14) Current technology at the end of its lifecycle

2. To overcome these challenges, in 2021, we hope to solve it by describing our goals:

Loyalty:

- Fast system, no down time
- Flexibility
- Information about the program being available to everyone
- Simple and fast way to do things
- Reliable system with less errors
- Agile way of resolving problems/errors, simple and clear layout
- Transparency of reasons why system acts the way it does

Customer service:

- Efficient platform for the customer care
- the system where marking an account if there are issues e.g. double points have been given and it is being worked on in the backend

3. The outcome we hope to achieve:

- To give better customer service - information visible, immediate problem solving, agent doesn't have to jump to different systems
- Cost saving
- Length of contacts will go down
- Serve customer service, seamless processes
- Cool and new things we haven't done before like campaigns

4. To measure our success:

- Contact centre user experience and satisfaction - currently measured by NPS
- Less contacts from support teams to the help desk
- When the contact is handled by single contact, means better customer experience and cost savings
- More proactive with the communication to make the need of contact centres redundant
- Member satisfaction increased

## 5. Things that may restrict us:

- Dependency on other systems
- Product limitations with new service provider may mean compromises and temporary solutions
- Web UI completely - it requires a lot of clicking
- Deadline is challenging
- Existing processes in the service cloud, we are not building something from scratch
- New system works differently so there will be changes in the way of working

### 5.2 Building the capabilities

The agile project, to build the capabilities to meet requirements started next. The first step was to build the user interface work, according to the outcome of sprint findings. At this stage the language used in workshops was “translated” into IT language. This meant that all the use stories were gone through with service providers and were transferred to business requirements and defined which kind of technical capabilities needed. To get a common idea those were built as one Kanban on Trello.

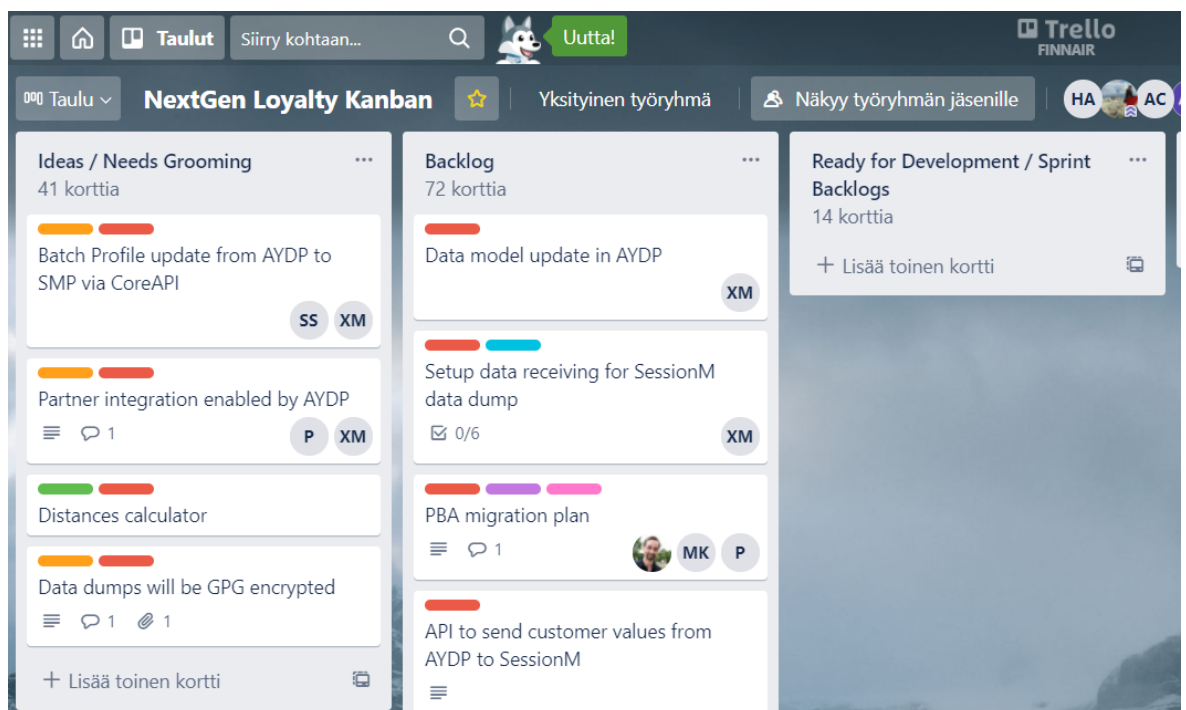


Figure 15: NextGen Loyalty Kanban

All deliverables were divided by vendors. Below one sub-Kanban as an example

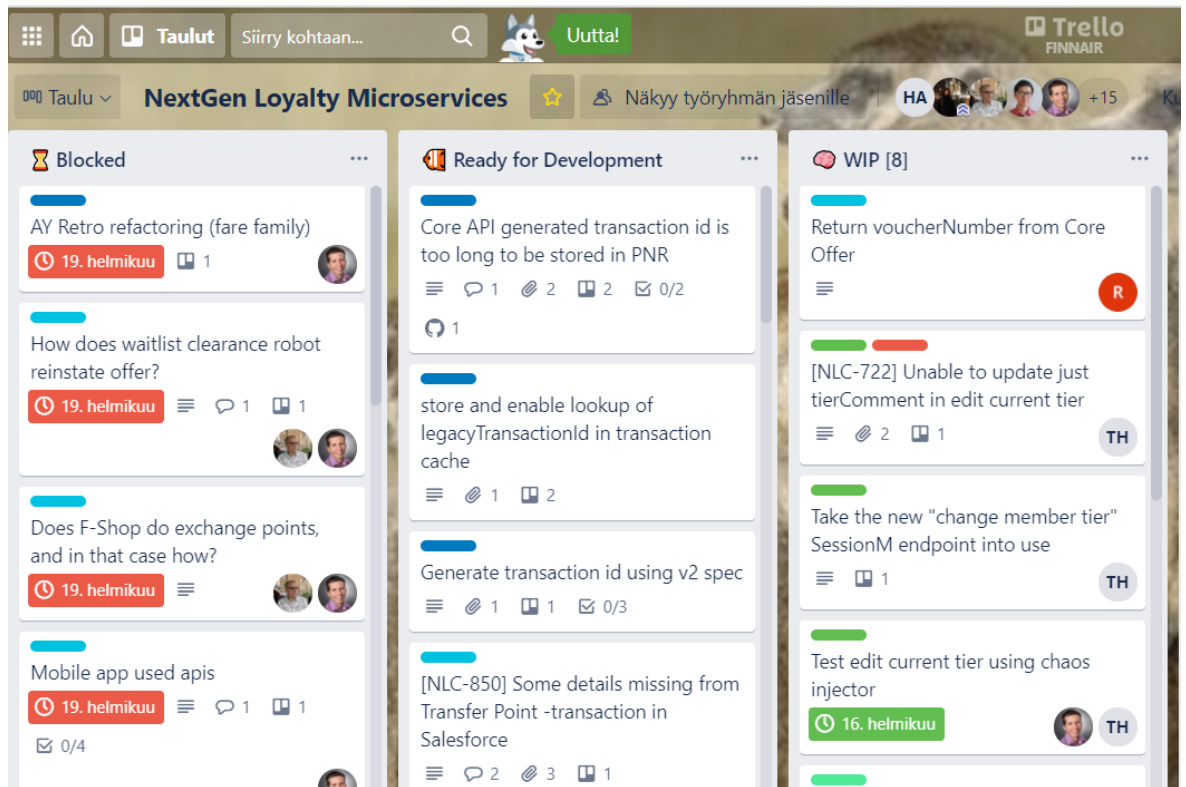


Figure 16: User stories in Trello

The project was divided into 2-week-iteration rounds. The reason why it was decided to use a two-week cycle was due to complexity of the project. It was seen more efficient to use rather short cycles to enable ability to keep the pulse on teams' progress.

There were 6 (six) different teams working under iteration round mode. Company's internal teams were divided into 3 (three) teams from the beginning. Testing team was added as a fourth team after UAT (User Acceptance Testing) started. There were 3 (three) external teams representing all vendors involved in the project:

- 1) Platform provider
- 2) UI building vendor
- 3) Vendor mainly taking care of data migration and architecture related topics

At the beginning of each iteration round all the features in question were described and marked. The colour of a note indicates the status of the task:

- blue: to do
- yellow: work in progress (WIP)
- green: done
- orange: delayed
- red: blocked

Dependencies between teams or tasks were shown on threads

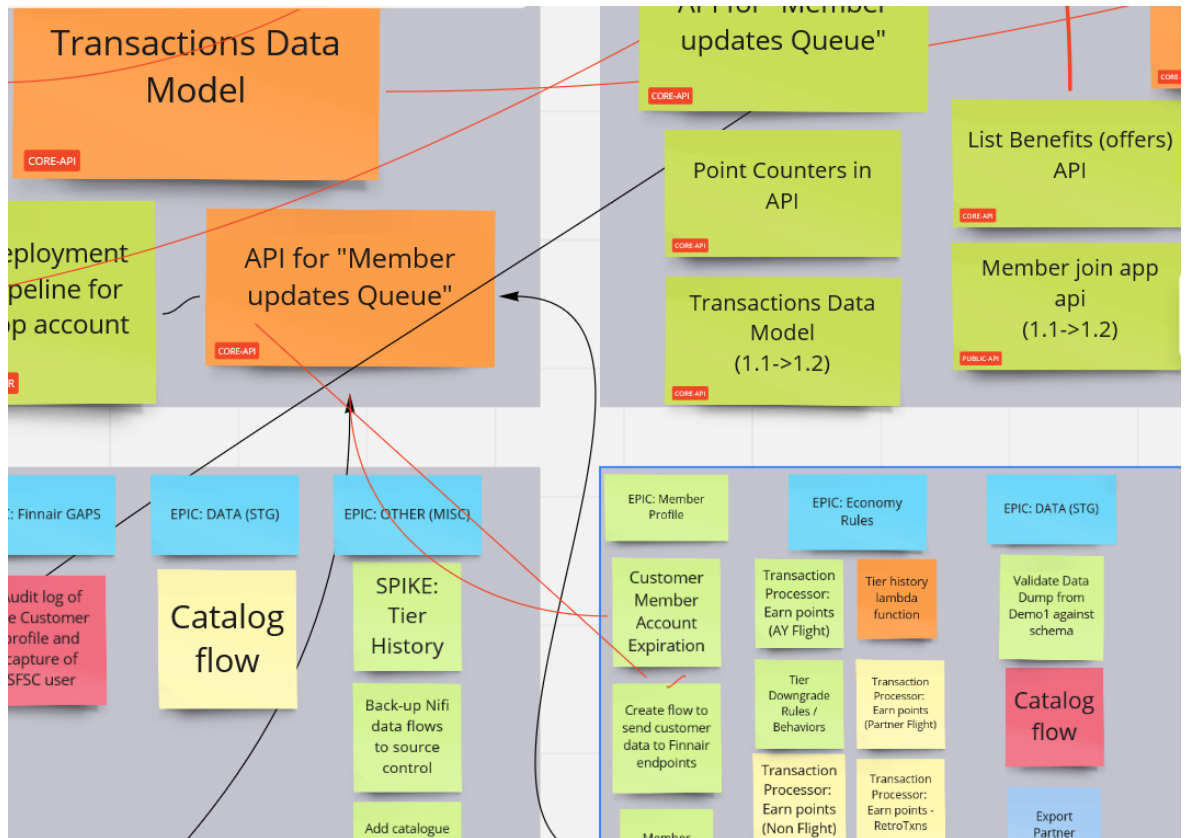


Figure 17: NextGen Miro board

The progress of the work was gone through during daily stand-up meetings. The purpose of the stand-up was to discuss about tasks in hand and talk about possible issues, blockers and dependencies. Those were not about the work itself, as that discussion was ongoing in between and mostly through Slack. One of the challenges, known from the beginning, was the time difference between teams. The development team was based in Boston, US. Time difference between Finland and Boston is 7 (seven) hours, which meant that when project team in Finland was about to finish the normal workday, the team in Boston was starting the day. The time difference brought some challenges to the project especially if there were any critical deliverables to be deployed or challenges in doing that.

Progress of the remaining work was monitored with the velocity of the work, below the graphs. Since in this work the schedule was extremely important the graph was a good tool to get the understanding of the big picture.

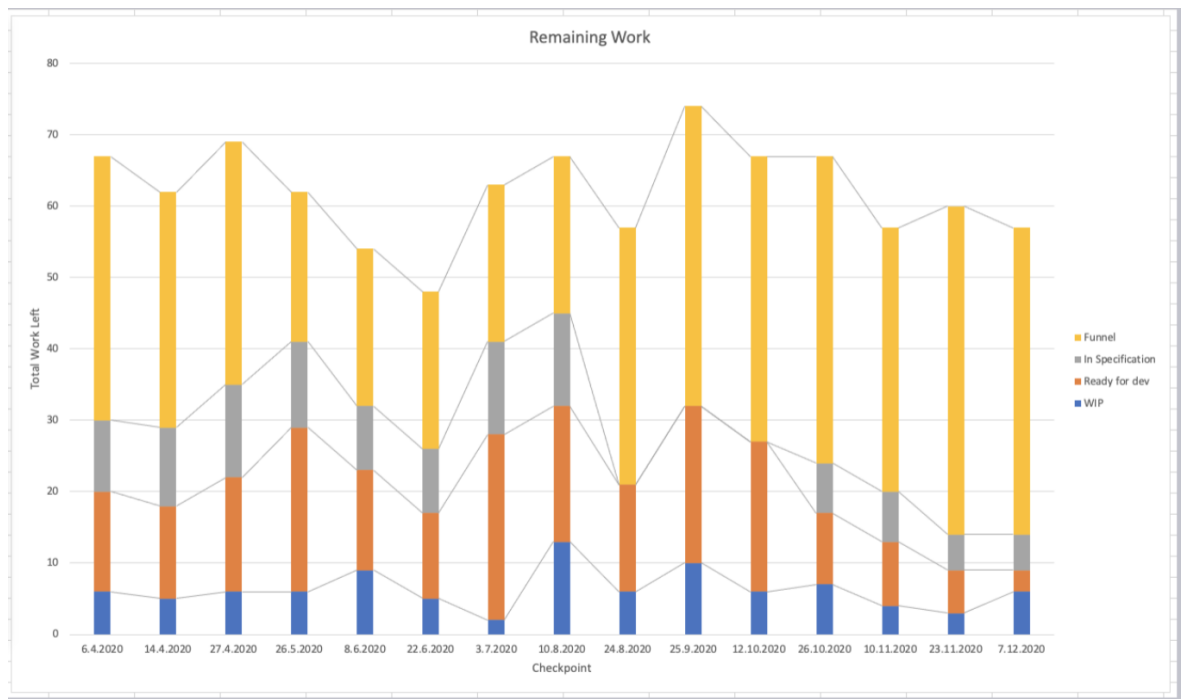


Figure 18: Progress of the work

### 5.3 Risks and Mitigation Plan

In the project there were two types of risks identified. The first set of risks was related to the criticality of the schedule and therefore effecting the whole project. This kind of risks were related to the most critical deliverables, that is readiness of the platform and the loyalty program. Those risk items were identified as risk sources and potential risk events. A mitigation plan was created for each risk source. Each risk item was also defined by impact and likelihood, marked by scale 1-9; 1 = light impact, 9 = severe impact. Combining those two factors total score was given. A scale used: low, medium, high. This scale described the impact on company level.

The second set of risks was related to iteration rounds and therefore was more operational. After each iteration round there was an end of iteration joint status update and planning stand-up meeting. In that meeting all the deliverables of previous round were discussed. And risks, blockers and threats identified, categorized and marked on ROAM Board (Resolved, Owned, Accepted and Mitigated):

- 1) Resolved: The risk is not a problem
- 2) Owned: Someone in the team needs to take ownership of the risk since the solution was not found in stand-up
- 3) Accepted: It is not possible to resolve the risk, therefore there needs to be a way to continue the work with it or to find a workaround
- 4) Mitigated: Create a plan to erase the risk

After roaming exercise, risks that need further follow up during the work were moved to the project risk board for further tracking.

As one of the key features of the project was to ensure a secured data transfer from one platform to another. The reason why this was considered as a very important factor was the requirement to keep customers' confidence towards loyalty data high. It is extremely important that the data is valid and information the same, regardless of the channel. The data input is on real time. This means that whatever updates customer service does regarding loyalty information the same update can be seen on Loyalty site. The other reason for reliability is that customers need to be sure that all the information shown is accurate and up-to-date. To enable above there were several data feeds and systems involved. To give the big picture a thorough architecture picture of data flows was needed. In that it was shown which data comes from which application or system and where it needed to go, who used the data and for which purposes. To fill-in this requirement project needed to make a data impact analysis, which covered all company units from finance to operations.

#### **5.4 UAT (User Acceptance Testing)**

According to the project plan, due to system feature deliveries, UAT was planned to take place in 2 (two) rounds. The plan was to test all the features which were ready during round 1 which started in September 2020 and the features which belonged to January release tested and end-to-end (E2E) process testing to take place during round 2. Round 2 to start in late-January 2021. Due to criticality of round 2 the length was planned to be 6 (six) weeks, which was estimated to be sufficient.

Testing team consisted of 12 (twelve) members, meaning test manager, 3 project members and 8 members of customer service. The purpose was that the users to come were able to have input in creating the system. These same persons were involved in the project already from the first service design workshop, when they defined the future service's user interface and functionalities. They have been involved along the whole project and now they were able to test that all the functionalities were as they defined.

In the beginning of the project all the business requirements were defined and described in a business requirement document (BRD). This was completed by using service design in customer journey. After that all the requirements were discussed with service providers to be deliverables and product features. The progress of the BRD feature completion was monitored and managed in Jira. Prior to the UAT, testing group had used these business requirements as a base for test cases. There were 300 test cases together. The purpose

of combining business requirements and test cases, from the early beginning to the end was to ensure that all parties were able to identify and ensure a successful delivery of all requirements. Monitoring business requirements' finalization and testing was executed by using Jira Software. Jira is designed especially for business requirement definition, delivery monitoring and testing and bug fixing purposes.

Due to strict project schedule it was extremely important to monitor the progress of testing. As said earlier, UAT round 1 was planned to be started in September 2020, materialized as planned. However due to late delivery of some features the scope was forced to be decreased. This meant the scope for round 2 needed to be increased. Due to delays of delivery UAT round 2 was only 4 (four) weeks. This brought some challenges to the project.

Due to criticality of the schedule it was important that the progress of testing was clearly communicated to all parties. To ensure the transparency UAT testing was monitored by using several reports:

- 1) overall progress, to give the understanding of the big picture:
  - how many test cases were completed
  - how many have passed as success
  - how many have been failed, which meant that those needed to be sent back to the service provider for bug fixing
  - how many were taken as blocked, meaning for example that those were not possible to be tested due to dependency on other features

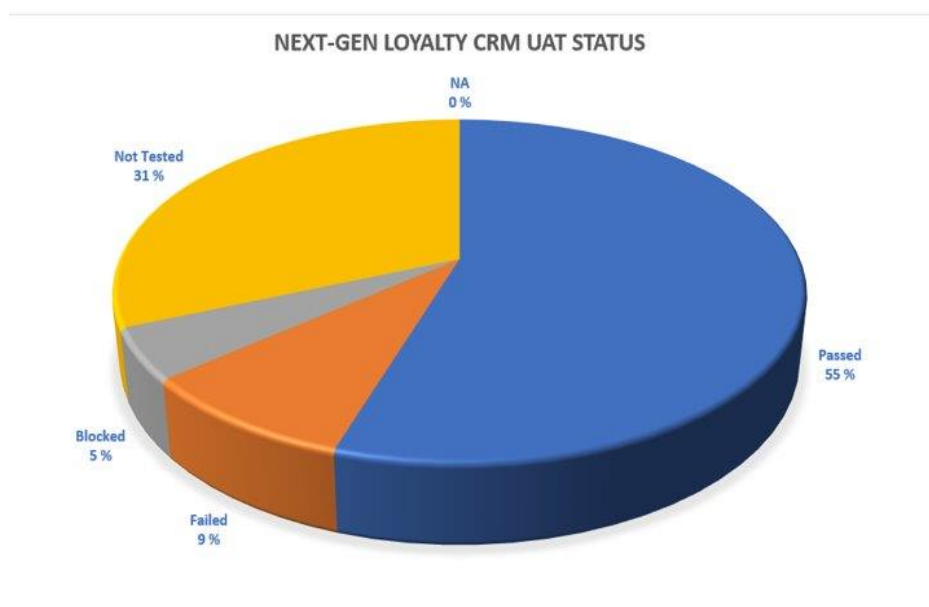


Figure 19: High-level test case status



- 2) Feature level progress:
  - current status divided by features

Test Case Executions by Cycle							
Project:Nextgen Loyalty CRM							
Test Plan:NLC-471- Nextgen Loyalty CRM Test Plan							
Cycle	Total	Passed	Failed	Blocked	Not Tested	NA	✖
Exchange and Transfer Award Points	14	0 (0%)	0 (0%)	0 (0%)	14 (100%)	0 (0%)	0
Deduct Points - Run 2	55	52 (94.5%)	2 (3.6%)	0 (0%)	1 (1.8%)	0 (0%)	0
Add points - Run 1	24	1 (4.2%)	5 (20.8%)	0 (0%)	18 (75%)	0 (0%)	3
Tier Dynamic Upgrade - Session M - Round 2	29	26 (89.7%)	2 (6.9%)	1 (3.4%)	0 (0%)	0 (0%)	2
Member Profile - Round 2	45	33 (73.3%)	6 (13.3%)	0 (0%)	6 (13.3%)	0 (0%)	19
Transactions_Deduct - Round 1	64	45 (70.3%)	3 (4.7%)	13 (20.3%)	3 (4.7%)	0 (0%)	17
Tier Dynamic Upgrade - Session M	30	23 (76.7%)	4 (13.3%)	0 (0%)	3 (10%)	0 (0%)	8
Month End Run - Round 1	50	1 (2%)	0 (0%)	0 (0%)	49 (98%)	0 (0%)	6
Member Profile- Round 1	24	6 (25%)	8 (33.3%)	2 (8.3%)	8 (33.3%)	0 (0%)	34
<b>Grand Total</b>	<b>335</b>	<b>187 (55.8%)</b>	<b>30 (9%)</b>	<b>16 (4.8%)</b>	<b>102 (30.4%)</b>	<b>0 (0%)</b>	<b>83</b>

Figure 20: Feature level test progress monitoring

- 3) Defect status divided by teams:
  - what was the progress of each team, giving a transparent view for all teams of possible blockers and dependencies

Two Dimensional Filter Statistics: NextGen Open Defects							
Components	IN PROGRESS	REJECTED	TO DO	NEW	BLOCKED	UAT	T:
Data Migration	2	0	1	0	0	0	3
Finnair.com	0	1	1	0	0	0	2
Member_Profile	0	0	1	0	0	0	1
Microservices	11	5	4	2	1	3	26
Service Cloud - NGL	2	5	1	5	0	7	20
Service Cloud - Other	1	1	2	1	1	0	6
SessionM	4	2	0	0	0	6	12
No component	0	15	0	3	0	0	18
<b>Total Unique Issues:</b>	<b>17</b>	<b>28</b>	<b>8</b>	<b>11</b>	<b>2</b>	<b>14</b>	<b>80</b>

Figure 21: Team level testcase progress monitoring

During UAT round 1 the progress of the work was monitored on biweekly status calls. Due to covid-19 situation also these meetings needed to be taken as calls. Purpose of these calls was to go through issues and dependencies between all test cases. The actual test work took place in between the calls. Since there were not that many features ready it was

possible to discuss and improve the way of working for round 2, which was seen to be very challenging due to huge workload.

During UAT round 2 status update calls were held every day and due to criticality of schedule, concentrating more on prioritization and progress of bug fixing.

### **5.5 Communication, change management and training**

To ensure the commitment towards the changes to come, the initial internal communication and change management had started already at the same time as the first workshops were held. Change management in this context meant to identify changes needed in the agents' future way of working.

The training sessions were held a month prior to deployment. Due to covid-19 all the trainings were held as Teams meetings. After go-live there was a 2 weeks' hyper care period agreed with key vendors to support service agents. On top of this hyper care model a normal service desk support was available for technical issues.

External communication was also carefully planned. Customer communication message needed to be consistent regardless of the channel.

### **5.6 Deployment**

To enable a successful deployment a proper cutover plan was completed. This cutover plan included all actions needed both prior, during and after the cutover. All the actions needed were at first defined by teams and after that all actions were combined and scheduled by hours. Because different teams worked in different time zones the actions were allocated around the clock, meaning 24/7.

Originally the cutover was supposed to take place during the weekend, because during weekends number of customer contacts was lower. However, due to covid-19 there was only a very limited number of flights operated and passengers travelling and was not a big difference between days. Therefore, the cutover was decided to be started on Thursday March 25<sup>th</sup> to be completed on Saturday March 27<sup>th</sup>, 2021.

Since face-to-face cutover meetings were not possible it was decided that a virtual War Room was established. This meant there was a 24/7 Teams chat for all key stakeholders to share and monitor the progress. On top of this there was a status update call on every 3-hour to ensure the progress proceeded according to the plan. For monitoring purposes there was a decision log. This was to make sure that all the key milestones and decisions were tracked.

After successful completion of all cutover activities and final testing the go-live of new service took place on Sunday March 28<sup>th</sup>, 2021, according to the plan.

## **6 Initial feedback**

Shortly after go-live the company wanted to collect first user experiences of the service. One goal of the survey was to get the understanding how well the expectations for the new service were met. As described in the beginning of this work the purpose was to improve customer experience by shortening the customer calls, widening the service offering and to support agents' work. On top of this the other goal was to find out what would be the best ways to support agents' work to further improve customer experience. The purpose of the survey was to find out how well the new service met the requirements which were set and to get the understanding of the needs for further development based on first experiences.

The questionnaire wanted to be kept fast and easy to answer to get the response rate higher. For the sake of time, number of resources and locations the survey method was chosen to be questionnaire.

### **6.1 Implementation of the questionnaire**

The questionnaire was executed by using Microsoft Forms which is a tool for internal surveys used company-wide in general. The other reason for using Forms was that the target group was well known, which made it easy to send a personalized email with the link to the questionnaire for all customer service agents. Since the target group was well known only a minimum amount of background information for analysis purposes need to be collected. This way of procedure also supported company policy. On top of this Forms was found to be a fast way collecting data with only a couple of questions which meant that limited time needed for answers would also support higher response rate. When thinking about analysing the results concentrating on few questions enabled a faster way forward. As stated before, the questionnaire wanted to be kept as short and easy as possible still to support the purpose. That is the reason there were only 2 (two) background questions and 2 (two) new service-related questions, questionnaire attachment 1.

The questionnaire was sent out two weeks after the go-live. Reason for two weeks' period in between go-live and survey was considered needed for users to get familiarized with the system. All the results were collected and analysed by using Forms.

The company serves both all its' passengers and loyalty customers worldwide. To be able to this the company has 6 (six) customer centres:

- company's head office HOTT, in Vantaa,

- Home Hubs in Kajaani and in Tikkurila,
- Europe Hub
- Asia Hub in China
- Backoffice Services in Estonia

The reason why the location of the agent was needed was that based on earlier experience the questions and service requirements vary to some extent by country and continent. That is why also the user experience and development needs wanted to be collected based on area.

The number of responses (N) was 63 and respondents were located evenly based on number of employees in each location. Below the responses received by locations.

1. My work location

[More Details](#)

<span style="color: blue;">●</span> HOTT	9
<span style="color: orange;">●</span> Home Hub (Kajaani/Tikkurila)	21
<span style="color: green;">●</span> Europe Hub	14
<span style="color: red;">●</span> Asia Hub	15
<span style="color: purple;">●</span> Finnair Backoffice Services	4



Figure 22: Questionnaire question 1, “My work location”

In general, the length of employment in the company is rather long. This means that the more experienced person in question the easier it may be to tackle cases. However, the company wants to learn if there is a dependency between length of service and requirements. This can be seen in the responses, majority of the respondents being over 3 (three) in the current position.

2. How long have you worked in current position

[More Details](#)

<span style="color: blue;">●</span> under 1 year	4
<span style="color: orange;">●</span> 1 - 2 years	14
<span style="color: green;">●</span> over 3 years	45



Figure 23: Questionnaire question 2, “Length of employment”

## 6.2 Easiness of using new service

One of the key reasons to build the new service was to improve the customer experience by supporting the work of customer agents. Therefore, it was very important to find out how well this goal was reached.

The response rate out of all respondents was over 98 %. Considering the length of the experience using the platform (2 (two) weeks) the result can be considered being rather good. Especially as stated in the question, there were still some minor challenges in the usage of the service.

3. We know that there are still some functionalities under work after go-live, however, we would like to have your opinion. How easy do you find to use new Loyalty functionalities through Salesforce?

[More Details](#)

[Insights](#)

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Responses



7.06 Average Rating

Figure 24: Questionnaire question 3, “Easiness of using new service”

In the figure below it can be seen that 44% (27) out of respondents (N= 63) rated the easiness of using the service by score 8-10.

44% rated between “8-10” for this question

Score distribution

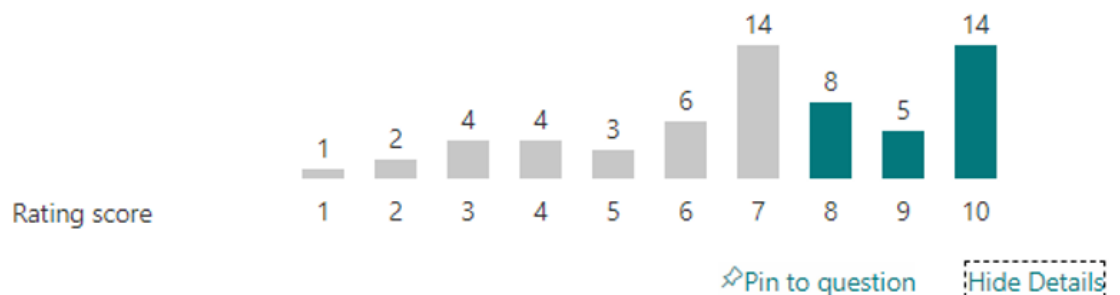


Figure 25: Questionnaire question 3, Score distribution

### 6.3 Future development items

To implement the new service was only the first step towards next generation loyalty capabilities that is why it was very important to get all the development ideas from the end-users from the beginning.

For 4<sup>th</sup> question N = 37. To ease the validation of the responses those free-form responses were uploaded to Haaga-Helia's Webropol system and a word-cloud was created.

As an example, how the word-cloud (shown below) can be interpreted. Keywords can be found in the outer circle and by following the line the explaining words can be studied.

Below a couple of examples as improvements:

- 1) Views for ticket reservations, awards and functioning process are clear
- 2) Handling the amount of multiple customer cases is easier

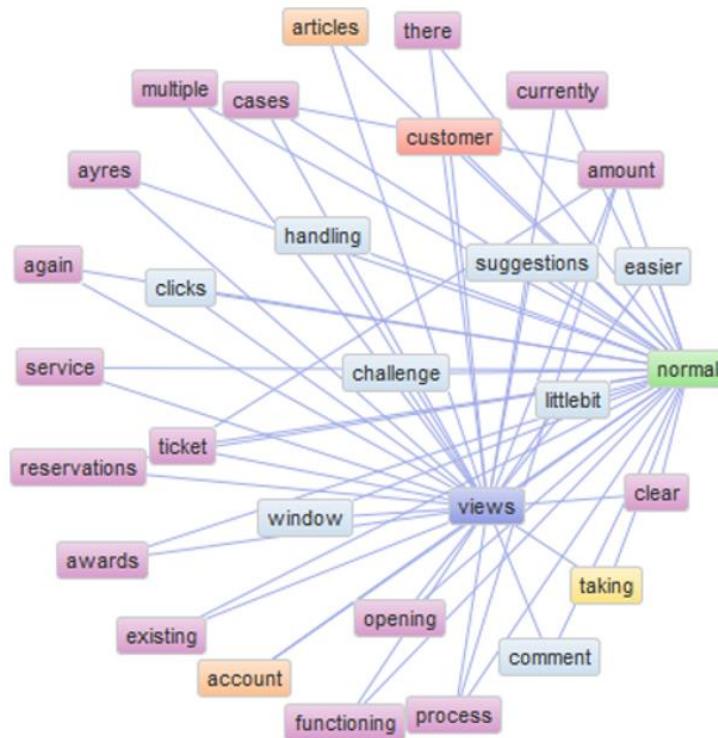


Figure 26: Questionnaire question 4: "Future development items"

As stated in the beginning of the work, company will continue improving the loyalty capabilities in the future. Based on the findings of the questionnaire, a couple of items as examples:

- 1) Handling of ayres (company's ticket reservation system) is considered normal, considered room for further improvement.
- 2) The number of clicks needed is considered normal, however, still room for improvement.



## 7 Conclusion

### 7.1 Research questions and received answers

The purpose of the work done was to improve loyalty customer experience by defining the current state, defining the ways how to do it and to implement the changes required. The research questions were set to serve the goal.

Research questions (= RQ) and answers received as follows:

RQ 1: Which are the current features of the platform that do not support improvement of customer experience?

This question was asked in the first service design workshop when the purpose was to collect data. Key findings of the workshop can be summarized as follows: to be able to serve loyalty customers well the agents need to surf between many systems and applications, they need to contact different units to get the answers since agents do not have access to all systems. This is due to lack of system integrations, not about access rights. The current system itself is slow and to fix errors is time consuming. All above means long calls for customers and extends the waiting time for customers in line. Both being obstacles for improving the loyalty customer experience.

RQ 2: How customer service agents find the new platform meeting their requirements?

The purpose of the question was to get first reactions after launch of the new service. The responses were collected by Forms questionnaire sent to all loyalty customer service agents 2 (two) weeks after the launch of new platform. According to response (N=63) the average rate was 7,06. Scale being 1 – 10. When looking at the range of the given responses it can be noticed that 44 % considered the rate between 8 – 10 and only 7 responses between 1 – 3. The result can be considered being good due to rather short experience period.

RQ 3: What are the items to be further developed from customer service point of view?

The new platform includes technological capabilities which enable further development in loyalty customer experience. The purpose of the question was to define those from customer service agents' point of view since they act as a direct customer point of contact. The responses were collected by using the Forms questionnaire.

The given free-form responses were around same topics. They consisted for example of handling the company's ticket reservation system and number of clicks needed. It was also noticed that following areas could be further developed: re-booking reservations, updating awards and handling multiple cases. The company decided to take all identified items to the development roadmap.

## **7.2 Management summary and next steps**

From company's point of view the actions taken towards improvement of customer loyalty program can be considered as remarkable investment item. This is especially during covid-19 time when travelling was very limited.

The purpose of this work was to describe actions taken in identifying the current state of loyalty platform and defining needs required when creating capabilities for next generation loyalty. The purpose being to improve customer experience. The work was completed successfully according to the plan and schedule. This can be taken as a huge effort during exceptional times.

Based on the initial feedback from customer service agents they find new service easy to use. This can be seen as faster service for customers which means shorter calls and shorter waiting times for the customers holding the line. Therefore, as a factor to improve customer experience.

As next steps company will do deeper analyses of development items to define what kind of actions would be needed. On top of this company will define business requirements what needs to be done to be able to meet loyalty customers' expectations and which are the technical and data driven capabilities that can be used. Combining these items company will continue to develop the loyalty program features to ensure further improvement of loyalty customer experience.

Loyalty programs can be considered being strong enablers to engage customers with personalized and data driven services. In general, to be successful a company needs to listen and understand its' loyalty customers even better in the future.

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## Attachments

# NextGen Loyalty

You are receiving this questionnaire as a user of NextGen Loyalty service.  
Your response is highly appreciated.  
Thank you!

...

1. My work location

- HOTT
- Home Hub (Kajaani/Tikkurila)
- Europe Hub
- Asia Hub
- Finnair Backoffice Services

2. How long have you worked in current position

- under 1 year
- 1 - 2 years
- over 3 years

3. We know that there are still some functionalities under work after go-live, however, we would like to have your opinion.  
How easy do you find to use new Loyalty functionalities through Salesforce?

☆☆☆☆☆☆☆☆

4. About future development items  
Which are the items to be further developed to support your work?

Attachment 1: Questionnaire