Improving Customer Experience in Telecommunications Company

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Companies are trying to improve their customer experience to meet the needs of the customer and to give the best service possible before, during and after the customer encounter. Measuring the customer satisfaction is one of the key elements to improve the overall service quality of the company.

The goals of this thesis are improving the customer experience of the target company working on ICT-business, who is staying anonymous. By measuring the current satisfaction of the customers with a survey, containing both open and closed questions the suggestions were made to improve the customer experience in the target company. Customers were asked to mention particularly positive or negative experiences about the company and what they expect from the service, among other things. One of the store managers, who has been on the business for over 13 years, was also interviewed to give opinions about the customer experience and supporting the theory behind the survey.

The results of the survey can be considered trustworthy, emphasis on the open questions. The sample of the survey was small, which decreases the reliability to some extent. From the results it can be concluded that most of the customers are satisfied with the current level of customer service of the target company. On the contrary, there are cases where better customer experience could have been delivered, and the reason for the visit of the customer was not solved at all. Both authors of the thesis have been working on the target company, so the empirical study supports the theories and the results of the survey.

As most of the stores work on commission-based salary, the suggestions for improving the customer experience would be the change of the commission to include customer satisfaction and slightly lowering the commission for sold services or products. Also a thorough familiarization for the new employees and regular training sessions for every sales person can be seen important.

Keywords: Customer service, Customer experience, Service quality
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1. Introduction

Nowadays companies on the ICT industry are facing more and more competition, and pricing is not the only factor to keep the customers satisfied and loyal. The quality of customer service and the whole experience starting from the customers’ initiative and ending to the after sales is one of the most important aspects of the companies. This thesis is going to measure the current level of customer experience of the target company from now on mentioned as “Company X” and things that could be done to improve it even more.

Price is not the only factor that is attracting the customers, but the whole experience that is delivered to them. The reputation of the company is slowly earned but it can be damaged easily. If the customers are experiencing bad service, the word is going to spread fast to friends and relatives, while positive service does not have the same effect.

Company X has already planned well its customer relationship but in the authors’ of the thesis opinions there could be more to do to prevent the competitors taking the customers. In the thesis we made a questionnaire, which was handed out to the customers to measure if they had experienced especially well executed customer service and how long they had already been customers of Company X and how happy they are with the current customer service. We also interviewed one of the store managers of Company X to get more information how the company has improved the customer experience through the years.

1.1 Objectives

As stated previously, Company X has already put a lot of resources on measuring the customer satisfaction but the writers thought there would be more to add to better the customer encounters even more. Commission based salary sometimes leads to the situation where the products or services are not sold to the real need but to benefit the sales person. In the long run this custom of selling is not beneficial for the company or the customer.

The first goal for this thesis is to evaluate the current level of customer service and how happy the customers have been with the service throughout the relationship with the company. The evaluation happened by taking a questionnaire to customers at two shops in the Helsinki metropolitan area. The second goal is to improve the overall customer experience with the company even more, and trying to keep the time of the customer relationship as long as possible. After the two last mentioned goals are met, the third goal is to give suggestions based on measurements and an interview which actions should be taken to improve the customer experience in the shops.
1.2 Delimitations

In this thesis the products of the competitors and the level of their customer service are not analyzed. Even though Company X has multiple of shops all over Finland, the survey is only limited to two shops in Helsinki metropolitan area, where the writers of this thesis worked during the time of this research. Company X provides customer service in many channels but only the face-to-face service is analyzed in the survey. The other customer service channels are briefly mentioned in chapter 4.1.

1.3 Key concepts

Customer experience covers everything from the marketing of the company to using the product, and expecting it to last past its warranty period. Understanding the expectations of the customer is an important aspect in customer experience. Nobody wants unpleasant surprises but every customer wants a product or service that works as promised. It all starts from the marketing that has to be honest and not promising too much (Goodman, 2014, 11-12).

Hooker (2015, lesson 4) defines customer service as follows: "Customer service is a process of activities before, during and after the purchase, with the purpose of meeting customers’ needs and expectations, creating both customer satisfaction and repeat business." Conducting good customer service not only requires good communicational skills and human behavioural skills but also the willingness to serve the customer and help with the issue (Hooker, 2015, lesson 5).

Service quality can be defined by comparing what the customers expect how the performance is with the service provider. Customers compare how the service works in real-life situations and compare it to their expectations (Zeithaml, Parasuraman, 2004, 1). The customer is paying attention on the personnel and the facilities and the easiness of the service. Customers expect the service to be done right at the first time so that there is no need for another visit to solve issues (Zeithaml & Parasuraman, 2004, 2).

2. Client company overview

Company X is an ICT, telecommunications and online service corporation. In addition to consumers, the focus of the Company X is also in corporate customers. Company X gives tools for improving operating methods and productivity of organizations. This corporate also provides services for communication and entertainment. The main products are mobile and home-internet services on the consumer side.
2.1 Sales activity

Company X provides ICT-services for consumers and corporate customers. Company X has multiple sales and customer service points all over Finland. These retail stores are meant for sales and customer service. All the main products, like mobile phone subscriptions and different kind of mobile-networks or broadband based connections are available in the stores. Every store includes a store manager and a few sales representatives depending on how large the service area is.

Store manager tracks the sales of an individual store every day and knows its exact direction. Every morning sales goals and customer satisfaction rates are checked to keep sales personnel up to date and development discussions are held before every shift. When it comes to sales and customers, the company has set sales and customer satisfaction goals to each store which will be monitored by higher administration or company organ. There are four main products which are under closer supervision. A common monthly goal is set for every store which is cut to daily goals and then divided by the number of the employees. Every salesperson affects this goal with his/her own sales while serving customers throughout the day. Company X is constantly trying to improve sales and customer know-how through online training and weekly meetings with the store personnel.

Competition between other service providers is intense. One good example of the competitive products is the so called Mobile Number Portability (MNP) where the phone number of the customer is being transferred from one operator to another. Through MNP the customer can keep the same number even though the connection provider changes. The MNP process itself has to last a minimum of seven days according to the law. During this time period companies are offering even better subscriptions to keep the person as their customer. It is also called competitive bidding.

2.2 Customer service in the shops of Company X

“Customer service is defined as an organization’s ability to meet the needs and desires of its customers.” (Wreden, 2004, 49)

When customers are happy about your business the better it is for you because they are the core. Satisfaction of the customer is usually connected to customer service, withholding the customer whether you take in negative or positive word-of-mouth referrals (Wreden, 2004, 49).
Company X takes customer service seriously. A lot of data is being collected during the day considering the quality of the customer service. Each salesperson in the store is evaluated through the data every day which gives valuable information about the quality of the customer service. As mentioned earlier, daily feedback and training sessions are held with the personnel and different customer situations are brought up and discussed through to understand customer behaviour. Successful customer encounters and solved problems will be talked through to improve the knowledge of the sales personnel.

Depending on the case the customer has, it is important to find the actual problem and direct the customer to the right customer service channel. Company X can help their customers in the store through phone or by technical support service point. Each channel is specialized to different problem solving so that the issues of the customers can be solved immediately.

2.2.1 Customer encounters

Meeting or exceeding the needs of the customer is the primary goal for the sales personnel. When the customer enters the service desk after having waited for his/her turn, an employee welcomes the customer and kindly requests if the person has existing products or services. There is a PC available for every salesperson with CRM- database and ICT-tools to assist in the customer interaction. In the beginning, the employee is trying to help or to solve the issue the customer has. The sales representative asks about the current products they have in Company X or from another service provider. Some representatives are doing this right after the first need is met, the others might do it right away depending on the case they are facing. The more precise explanation about customer journey at the stores of Company X is shown in chapter 4.2.

In this customer encounter sales representatives often face a situation where they need to meet the needs of the customers and at the same time taking notice of the sales goals of the store and their personal sales goals. Also considering not to effect negatively on the customer satisfaction and thus lowering the brand image. Employees with commission are often distressed about making a sale or closing the deal instead of acknowledging what can happen in the future. As a result, employees may not put so much effort on building continuing customer relationships as those who work with just base salary (Arthur, 2017). This can effect negatively on loyalty and satisfaction of the customer in case the customer has bought the product or service with an insecure mind.

Every customer encounter makes a difference in achieving customer satisfaction, which in turn can lead to a longer customership. Loyalty plays a considerable role because the competition between teleoperator companies is vigorous. Each provider is constantly
developing their services and launching more innovative products. Company X is also constantly trying to find ways to attract the consumers’ attention in the hope of getting new customers and most of all, transferring customers from another service provider to theirs. Even though some customers are looking for a better price, some are still loyal to the brand as a result of good service they have had for several years. Customers are willing to spend more money if companies can provide continually above-average customer experience like Nordstrom and Apple. “The consistency creates confidence and in turn creates loyalty. Realize that one or two missteps and the customer will go to a competitor” (Hyken, 2013).

2.2.2 Common customer cases in Company X

This chapter presents possible customer encounter situations and cases sales personnel face in the store environment. An extensive solution is presented in the end of this chapter, which gives general answers to all cases. The purpose of the given solutions is to improve the customer service.

Case 1. Customer has a problem with the service which has been bought from the store. It can be either a broadband (ADSL) or mobile-network based connection. Connection problems are the most common reasons for customers to visit the store. Usually the customer does not know well enough how the device works which can cause connection problems.

Case 2. Customer has just received a better offer from another teleoperator. The reason for the visit is to come and check if Company X could give the same offer or even a better one. Some clients have already started the mobile number transfer (MNP) and are silent about it.

Case 3. Customer comes to the store to purchase a new device or has already a new one that needs a smaller sim-card.

Case 4. Customer has come to the store to check if Company X can offer cheaper subscriptions because the monthly fees are too high from the customer’s perspective.

Case 5. Phone or device bought from the store has broken and the customer needs it to be repaired.

Solutions: Sales personnel have a basic knowledge of the devices which means that simple problems can be solved in a short time. Training of basic knowledge should be considered as important as sales training. Some cases which cannot be solved immediately are led to special technical support. It is necessary to show commitment towards the issue even though the whole problem is not fully solved. As mentioned earlier, the problems with devices are
usually caused by poor hardware knowledge and are settled with a reboot of the device. Before the customer leaves the store with a new device, it would be beneficial to give basic instructions how the device works. Otherwise it can cause frustration later which lowers the brand loyalty.

If the customer is aware of the products or services he/she has, it is easier to offer different solutions or changes. That is why the employees need to clarify the current product situation. Most of the time the customer is already very pleased with what he/she has and is not willing to do any changes even though the price would be better. Drawing the customer’s products and their prices on a paper clarifies the current situation.

Customers are always looking for a better price but it should not be an obstacle for the sales personnel to offer products or services which are expensive from the customer’s point of view. The idea that a product is too expensive is just a matter of how we prioritize money. A customer will buy the product if he/she sees its worth and value. “Value is an outcome, the result of your solution. Value is return on investment, yield, or the impact of your solution on the customer’s world” (Reilly, 2017). He also considers the customer’s perspective by saying: "The value of something is determined by what customers sacrifice measured against the outcome of the solution.” According to Reilly (2017), the value argument is lost if the sales personnel get lost in the jungle of price justification.

The last option is to give the same discount price which the customer already had. The same old price keeps customers pleased but is not good for the company. The best option is always to raise the billing. A good salesperson should be able to do so.

3. Delivering good customer experience

Most of the companies are investing not only in intangible resources but also financial value on customer experience. Professionals are writing customer experience blogs; workshops and conferences are organized, and awards are given to companies that are implementing customer experience the best possible way. Companies are aware that Starbucks and Apple are among the best with customer experience management, but the greater problem is, how can everyone be as good as them? (Klaus, 2015, xi). Customer satisfaction and customer loyalty are also important aspects of customer experience, which are explained in chapters 3.1 and 3.3.
Table 1: Customer experience practice typology (Klaus, 2015, 49-50)

The figure shows that companies can be divided into three segments, how they are practicing their customer experience management: Preservers, Transformers and Vanguards.

Preservers have not fully implemented customer experience as their main core of the business. They know it is important but cannot use its full potential. Klaus (2015, 52) states that their focus is on maximizing the financial results of the company and coaching of the employees is not provided on regular basis.

Transformers think that customer experience is associated with good monetary results. They use resources to train their employees so that they can give the customer the best service they are capable of doing. Companies categorized as Transformers have appointed specific persons to handle the customer experience management. Transformens think that a more sophisticated way of approaching customer experience management is important to them and how it is affecting to the financial performance (Klaus, 2015, 53).

Vanguards acknowledge that customer experience management is affecting their whole personnel and invest massively to improve it. They constantly track the level of customer satisfaction and are developing new practices to give the customers even a better experience. Rewards are given to the employees who implement the customer experience...
program and go beyond it. These organizations think that giving good customer experience to everyone leads to better performance and prosperity of the company (Klaus, 2015, 54-55).

According to authors’ opinions, Company X is at the moment practicing the customer relationship management the same way Transformers do. They acknowledge that building a good customer relationship is important and improving the customer experience is constantly under supervision. Company X does not yet award their employees for outstanding performance towards the customers and the level of Net Promoter Score does not affect the monthly salary. Net Promoter Score (NPS) is explained in chapter 3.2.

3.1 Customer Satisfaction

Companies need to fill the customer satisfaction in two ways, emotional and functional. Emotional satisfaction is based on the experience of the service and functionality of the product or service the customer is using. Keeping this balance is often very challenging and a lot of organizations use a lot of resources creating a customer satisfaction strategy. Customers do not usually base their satisfaction on a single encounter, but the overall service given on a longer period of time. Customers expect high quality of service throughout the customership, but there are exceptions where a single mishap with the customer service might not be critical. It depends on the loyalty how the customer is coping with unpleasant surprises with the company.

As Klaus (2015, p.106) points out, pleasing the customer too much can result in bankruptcy for the company. Therefore, the company must know where to draw the line between having customer satisfaction high enough to have loyal customers, but at the same time keeping or increasing profit. Companies are dependant on customers, but the customers are not dependant on the companies. This is why it is always very important to keep the customer in mind but it is as important also to keep the mind on the company and to focus on what is beneficial for the turnover.

3.2 Measuring customer satisfaction in the stores

Net Promoter Score (NPS) is used to measure customer satisfaction at the stores. NPS is developed by Frederick Reiccheld in 2003 and it is based on a survey to customers. After every customer encounter a text message is sent to the customer’s mobile phone where he/she can evaluate the service given by the salesperson from grade 0 to 10 (grade 10 represents the best service possible). The most used form of question is: “How likely are you to recommend this business to a friend or colleague?” (SN4, 2015)
Grades 10 and 9 are among the best because the customers giving these numbers form up to 80% of the turnover of the company and they are happy to visit the same store another time. Customers giving grades 8 or 7 are neutral buyers and they do not have especially positive or negative image about the company or the customer experience given by the salesperson. These customers are not as loyal as the ones giving grades 9 or 10, which means that they are easily transferred to other competitors with attractive prices (SN4, 2015).

If grades 0 to 6 are given to the text message, the customer is labeled as a detractor, and they are less likely to give more value to the company. The length of the customership is usually short with this group, and the detractors are ready to share bad customer experience to their relatives and friends (SN4, 2015).

The generated score can be between -100 and 100 and it is calculated by subtracting the percentage score of the detractors with the promoters. If all the customers are giving the grade between 0 and 6, the Net Promoter Score would be -100. If every customer gives grade 9 or 10, the score is 100. Neutral customers are not taken into account when calculating the NPS. (SN4, 2015) The NPS is not the ultimate way to measure the customer satisfaction since the response to the text message is usually around 40% of the customers of Company X. Those customers whose native language is not Finnish might have hard time answering the message since the question is only sent in Finnish.

Net Promoter Score is a great tool to measure the customer satisfaction in multiple channels of the company. With NPS the company can improve the service of the specific channel based on the score given by the customers. Another advantage for NPS it its easiness. The customer is only asked to answer with a number between 0 and 10 to do the survey. (PTP, 2017)

Another way to measure the customer satisfaction at the stores of Company X is sending a second text message, which measures the First Call Resolution (FCR). The message asks whether the first reason why the customer came to the store was solved or not. There are three options to answer:

- The first reason was solved
- The first reason was not solved, but the salesperson and the company are proceeding to solve it.
- The first reason was not solved

FCR is mostly used at the call centers to measure the quality of the service but it can also be used in face-to-face customer encounters. Measuring First Call Resolution eliminates the need to visit the store another time for the same issue the customer has. Companies with a high
FCR score also have more advocates, who are more likely telling friends and family how good the customer service was with the company, which is great for the brand. (PTP, 2017)

3.3 Customer loyalty

It is crucial for companies to have customers who keep on coming back to the same place to buy same kinds of products time after time. Those customers may create significant amount of the turnover to the company. A good customer experience leads to loyal customers but there are more things to increase customer loyalty. A great example of a good customer loyalty is from Apple. This company has made loyal customers without spending significant amount of money on advertisements or telling every technical aspect of the products. The secret for success of Apple is the excellence of customer experience.

For example, Apple makes every customer important. They do not have pressure on selling the product quickly and moving to next customer but they are rather building a strong customer relationship. Naturally every Apple store has certain numbers to reach in terms of selling but the sales goals are often reached. With a warm welcome to the store the customers are ready to wait much longer than usually. Calling by their first name makes a more intimate approach to sell products and it does not feel as oppressive. Because nowadays people are stressed and in constant hurry at work, they do not want to experience it anymore outside the workplace. When creating the unhurried atmosphere at the store, the customers are much more willing to spend more time at the store and come happily back again (Gallo, 2012, 109-110).

Even though some customers might give negative feedback, it should not be taken as a failure but as a valuable case. If customers are willing to give negative or positive feedback, they are showing loyalty because they want the problems to be solved in the store they buy their products and not at the competitor. Customers often think that negative feedback does not help at all, and when complaining they are afraid of the answers the salesperson gives. If the problem is not addressed, it can not be resolved. (Goodman, 2009, 17).

Customer loyalty starts with good customer service and the motivation of the employees is also a factor that affects this. The employees should have a clear purpose of what they are doing and considered more as a mission (Gallo, 2012, 79). Carmine Gallo (2012, 80) also mentions that employees want more than just a paycheck. “They want to feel as they are contributing to the growth of the company.”

Customer loyalty means that the person is still staying as a client in the company even though there might have been problems with service or the product. If the company has treated the
customer well earlier, the customer is not immediately seeking for competitors’ products or when the competitor is trying to approach, the customer is not interested. The level of customer loyalty is not easy to measure as there are no specific formulas to calculate. Companies often forecast the customer loyalty by measuring the products or services bought within certain amount of time by the same person and asking the customer strictly if they are ‘loyal’ but it often gives uncertain answers about the loyalty. Customer loyalty is often intangible, but it can be noticed if the customer is recommending the products to relatives and friends, is comfortable buying other services that the salesperson is suggesting and not seeking for competitors’ services (Ranade, 2012).

3.4 Customer churn

Usually customer is considered to be churned after a certain period of time when the customer has not been in contact with the company. Most often cell phone and internet providers are most affected with the customer churn because discounts and special offers appear on regular basis on these industries. Customer churn, also known as customer attrition, can be divided into voluntary and involuntary attrition. In voluntary attrition, the customer is ending the relationship with the company with his/her own reason, in some cases the price might be the largest factor, or dissatisfactory customer service. Involuntary attrition happens when the customer has to end the relationship without his/her own will. These situations may occur during the times of death, moving to another city or problems with health. (BigCommerce, 2015)

The main reasons for customer churn are usually the high prices and attractive offers from competitors. The prices for the subscriptions are often based on a certain time where the lower price is present. After the discount has ended most of the customers visit the store again or contact the customer service asking for another offer. This phenomenon occurs at every mobile phone carrier in Finland and it might remain so, in terms of healthy competition.

In the longer period of time, customer churn becomes exceedingly expensive for the company. Acquiring a lost customer costs much more than keeping the old customer. It is often said that companies spend seven times more money on getting new customers than retaining the customers. For those people who have already abandoned the company an inquiry should be sent to determine the reasons behind the churn. The company gets valuable information why the customer left the company, they can also provide solutions to get the customer back. Personalized services and good quality of customer service is causing the customers to come back again. (NG Data, 2017)
3.5 Overview of customer experience in Company X

Every customer has to take a queueing number so that the sales personnel knows which customer is next. The salespersons try to keep the waiting time within ten minutes, but it can often slide over twenty minutes, which is not beneficial either for the customer or the sales person. The customer is more open for product updates and buying if he/she is served as soon as possible. The longer the customer has to wait, the more difficult it is for sales personnel to serve. As mentioned previously, sales personnel must first solve the problem of the customer to be able to offer or suggest changes. In most cases customers want to leave the store as soon as their problem has been solved.

The customer has come to the store for some reason. Usually it is something to do with billing, technical difficulties, repair or need for a new phone. On rare occasions the customer wants something new which will raise the monthly invoice. The basic interactions with the customer start with finding the reason and the need. Roughly 80 percent of the problems can be solved immediately. It is necessary to show commitment towards the problem if it cannot be solved. In case the outcome is good and the customer is pleased with the result, it gives a great opportunity for sales personnel to carry on to sales phase.

TARP (Technical Assistance Research Programs) research reveals us that customer dissatisfaction caused by employees is only 20 percent. It also tells us that the employees have a mind-set to do good job. Considering other factors, around 60 percent of overall customer discontent is generated by processes, products and marketing messages that are not expressed as planned, but have unexpected surprises. (Goodman 2009, 18)

3.5.1 Waiting for one’s turn

When the customer is waiting to be served, their eyes are on sales personnel and the customers they serve. It is important to keep up the good atmosphere in the store and remind everyone to smile even though the last situation was unpleasant. As we smile, it creates a positive impact on the others, especially if other customers are leaving the store with a smile on their face, it discharges the possible negative tension in the room. We form a profile of the other person with a blink of an eye and create patterns and formulas how the upcoming meeting or interaction will go (ScienceDaily, 2014).

So even before the customer has entered the store, he/she has already formed a picture of how everything will go. This picture changes during the time they wait and it is important with our body language and face expressions to shape this picture and the prejudice the customer has. Nicholas Rule of the University of Toronto says that we still judge the books by
their covers, which means that also the sales personnel often form a picture of the customer even before the encounter starts (ScienceDaily, 2014).

It can be difficult to leave the salesperson if they have behaved nicely and friendly. The more secure the customer feels during the interaction, the more they will be open for spontaneous suggestions. A small talk during the problem solving is highly recommended for more open atmosphere and getting to know the customer personally.

3.5.2 Thought-provoking situation

In the store environment the sales personnel are racing against time. Finding the need of the customer does not happen easily. There are several factors in the customer encounters. The salesperson makes a deal or solves a problem for the customer, or both at the same time but in that time the salesperson could have made more sales with another customer. When the problem of the customer appears to be big or takes too much time to solve and is not leading for any sales, the decision to carry on can be unfavorable for salesperson and for the company. The ideal outcome is that the salesperson gets sales and the problem is solved in minimum time and the customer leaves the store satisfied which most likely will lead to good customer feedback.

4. Service design implementation at Company X

When you want coffee and there are two similar coffee shops next to each other, what makes you walk into one of the shops and not the other? The shop where you just walked in has made service design more attractive to you than the other. Service design is about the actions that promote positive experiences in service to make stronger customer relationships. (Curedale, 2013, 2-3)

The basic task for organizations is to create more value to the customers. This does not always mean the pure monetary value the organization is bringing but the sacrifice that the customer is doing to get the product or service. People usually buy these for getting something done or solving the problem. If the person gets the problem solved with the product or service, then the value is created. (Tuulaniemi, 2013, 18-21)

Nowadays people do not just buy services or products but solutions to make life easier. Environment plays a big role in the industry today and services are much more environmentally friendly than products. Services are often more useful than products and they also provide good sales margin to customer companies. The more advanced the
economy, the greater is the share of services in gross domestic product (GDP). In the Western EU countries the percentage of services is between 70-75% of the GDP. This is why service design has become very important these days. (Tuulaniemi, 2013, 18-21, 30)

Customer journey and service touchpoints are important sectors of service design, and those concepts are mentioned in the following chapters. Company X has already made quite comprehensive plans for customer journey and service touchpoints are well covered.

4.1 Service touchpoints

Touchpoints are defined as contacts where the customer can see the brand before, during and after the purchase. There are numerous different touchpoints, and the company must decide which of the touchpoints are the most essential for it to grow sales and getting more customers. (SurveyMonkey, 2017)

The target company is representing in various channels when it comes to service touchpoints. Before purchase the customer can compare contracts on website, see advertisements on TV, radio and in the newspapers and ask more about the services on social media channels.

During purchase, the customer can choose whether to go to the store where mobile phones and other devices are usually available. Company X is also represented on smaller sales booths where devices are not immediately available but services can be bought. Customer service is available if the customer wants to make a phone call or discuss via a chat application on the company website.

After the purchase is done, the company is usually the one approaching the customer. Most obvious approach is billing, which is done every month. The company sends also marketing emails, also known as newsletters so the customer is kept up-to-date with latest offers and devices. If the customer has something to ask about the product or service, the company has online services to help the customers with their questions. As stated above, the chat box on the company website also provides help if the customer has problems with the services. Customer service also answers phone calls to help with similar issues, as stated previously.
4.2 Customer journey in the store

Customer journey consists of phases before, during and after the meeting with the salesperson. When the customer first arrives to the store, there is a machine where the queuing number can be taken if no staff is available to serve at that moment. In the store there are mobile phones and tablet devices ready for use if the customer is willing to test these devices while waiting for the turn to come. Some stores may have sofas or benches for comfortable waiting. The salesperson calls for the next queueing number and starts to serve the customer, who is usually telling the first reason for the visit. The salesperson may ask additional questions to deepen the understanding of the issue. After the necessary information about the issue has been gathered, the salesperson starts to solve the need or issue of the customer. After the customer’s need is met, the salesperson may introduce additional products or services. If the customer accepts the new services or changes to the existing ones, the papers are signed and archived. If there is nothing else that could be done to the customer and he is happy with the end result, the salesperson ends the encounter by saying goodbye and welcoming the customer to visit again. A text message will be sent to the customer’s cell phone to get feedback about the latest visit to the store.

If there are no other customers in the store, the salesperson is usually the one making the first move and starts asking how the customer can be helped. The normal procedure of the customer journey starts after greeting the customer for the first time. Depending on the reason of the encounter, the visit usually lasts between 10 to 30 minutes.

An important aspect is that the customer really feels comfortable with the situation and is well aware what services or products are being sold to him/her. After closing the deal the salesperson usually asks if there is anything else that he/she can help with. After everything
is solved, the salesperson ends the encounter by sending a text message to the customers mobile phone, where the service can be evaluated between 0 and 10, where 0 means the worst service possible and 10 being the best. This measures the NPS level of the salesperson.

5. Research

5.1 Research methods

Customer satisfaction research was executed in two stores owned by Company X. Questionnaires were given right after the customer encounter for those who were willing to fill the form. The questionnaires were dropped into a box which was sealed in the entrance area. Answers were collected from two stores starting from December 2016 to March 2017.

An interview was also given by one of the store managers to support the research and to give another perspective to the research case. The interview turned out to be more of a discussion between the employee and the manager, and thus it is not transcribed.

5.2 Reliability and validity

There are some exceptions to keep in mind when examining the results of the research. The questionnaires were not given to those customers who were extremely unsatisfied after the customer encounter but rather to those who seemed to enjoy the situation. Nevertheless some forms were also given to customers who mentioned poor customer service experiences in the past. It was mentioned that through this research it was possible to have some sort of impact on the development of the customer service quality.

The results might have been different if the questionnaires had been handed by other employees rather than the employees who were executing the research. Despite of the mentioned possibility to have more realistic results it was better that the research questionnaire was explained shortly to the customer before filling the form. This enabled better and more profound answers.

The number of the samples were small, which lowers the reliability of the research. 40 customers gave answers to the questionnaire which can be considered low. The validity of the research can still be considered high, as the knowledge and personal experience of both authors supports the results. The interview with the store manager also increases the reliability of the research, as some of the experience and answers that the store manager gave supported the answers that customers gave to the questionnaire.
5.3 Results

40 customers answered to this survey and almost all the customers were over 30 years old. Younger customers usually came to the store just to buy a phone or another device and were not so interested in updating their products. They were aware of their products and in most customer cases they just wanted to leave the store as soon as possible. That could also be one of the reasons why the majority of the given answers came from the age group of over 30 years. It seemed that when ever there was actual conversation between the customer and the sales personnel it was much more easier to ask them to fill the questionnaire.

Both of the authors of the thesis have seen that most of the customers are indeed over 40 years old. Younger customers are accustomed to buying their products online and visiting the shops rarely. Often, the customers aged under 25 years still have their subscriptions owned by their parents, which decreases the amount of young customers even more. The paragraph indicates that the female customers came to the store more often than men. Nevertheless it can give a tip that the interest among female customers towards customer service development is higher than among male customers. Unofficial knowledge which is based on mutual experience in the store environment gives us a theory relating to women who are more likely to handle family affairs considering telecommunication subscriptions.
The following figure visualizes that the majority of the customers who visit the store are long-term clients. According to the previous graph, customers who belong to generation X visited the store more often and have been over 5 years the customers for Company X. Price awareness in the younger generation indicates the desire to compare the prices and services. Generation X seems to settle with the current situation even though the price would not be the best possible. Older people tend to have a fear for changes and when the majority of the customers are aged over 40, the graph displays that older people are more loyal customers to Company X.

The graph also shows that Company X has very loyal customers who are committed to the company and not willing to change their services to competitors. Attractive offers from competitors drive other customers to try their products and if they are satisfied with it, it might be difficult to persuade the customers back to Company X with affordable prices. Although 60 percent of the customers have used some products of Company X, it does not tell if the customer is using only one service provider. In the another part of the survey, it was clear that some customers had decentralized their products between two operators. The reason for this is a better price or connectivity.
Customer loyalty is strongly connected to good customer experience as we have pointed out earlier. Almost 40 percent of the given answers confirmed this conclusion but it is important to remember that the customers filled the questionnaires right after a good encounter with the sales personnel. Those who were not so pleased with the outcome of the service in stores were not willing to answer in most cases.

To prevent the influence of the last customer service experience, we asked if there were differences between the previous and the latest experience. Most of the customers mentioned that the quality of the service had been kind and excellent. Some customers mentioned some exceptions about poor service, which was not affecting the relationship. This means that one poor customer experience does not always end the customership. Better price and other reasons were next in the primary reasons to stay. Many referred to sustainable quality service they received from time to time.
When was the last time since you switched teleoperator?

In the face of competitive bidding, Company X has been able to sustain long-term clients. 80 percent of the customers who answered were over 36 years old, which is a considerable factor when analyzing figure 6. The numbers might have showed something else if we had had younger people in the research. Almost 40 percent of the customers had changed the teleoperator during the last three years and 20 percent within a year. Still around 60 percent had used products of Company X over five years. The reason for not changing the services can be the result of strong brand loyalty considering older people who feel uncomfortable in making changes.

Mobile number subscriptions are under a competitive bidding than any other service in the teleoperator markets. Changing the provider has been done easy for those who are price sensitive and it is common among the younger generation. This can explain why clients have changed their services during one year.
As mentioned earlier the competition between the service provider has increased excessively during the last years. The awareness of the prices which are available in the markets has expanded. Competitive bidding challenges operators even more. Better price was the most common reason to change the operator according to the research. Customers mentioned also that the reason for changing was another service which the current provider could not offer or they just wanted to try something else. The third reason for shifting the provider was simply better connection. Even though the connection coverage between every service provider is remarkably good, there are still some blind spots which the customers usually discover after their living area changes or the places they visit the most.

5.4 Analysis of open-ended questions

Question: What was the most important thing after the customer service situation in the store?

Almost every customer understood the following question as what is the most important in the customer service encounter. Customers desired to be encountered with willingness to solve the problem they had. It was also significantly important that the case was opened and explained for the customer so that there was no uncertainty towards the case. Especially if the problem was not solved. Some highlighted the importance of getting things done at once. This type of customer demands problems to be solved during the first visit in the store. Few customers mentioned unwillingness to come again to solve the same problem again.
A few appreciated the smoothness and fastness of the service. Personal advisory was also commented considering the use of devices. Those who had problems with the phones or any other devices were expecting to have them working normally after visiting the store. Some customers replied to the original question and referred to the support after the customer service given in the store.

**Question: Have you ever had especially negative or positive experience in Company X?**

The feedback which was given right after a good customer encounter could have some sort of impact on the results. Overall status referred to good customer service experiences in the store environment. Friendly and positive service attitude was mentioned many times in the feedback. According to the clients there has been improvements in the quality of the customer service compared to the previous year. Customers also praised professional touch which sales personnel applied to their cases. Some clients seemed to have only good experiences and were more than satisfied, which has led to transferring their other products from another operator to Company X.

Negative experiences were also brought up. High prices in the special services, for example technical support or assistance in the usage of the devices. Some said that negativity was caused by own ignorance, which affected the outcome of the case. Sometimes long lines happen to accumulate, which is unfortunate and irritates some customers. Tension can be high if customers have waited for more than 20 or even 30 minutes.

In one of the stores sales personnel tried to sell additional services and did not focus on the case or the problem the customer had. It resulted in an unsolved problem. There were also some promises done considering the problem and getting it done but nothing happened. The customer mentioned that the problem was solved in another store, which prevented ending the customership in Company X. The case was handled perfectly in the store and even though it took some time, the customer kept all the products the family had from Company X. One bad customer encounter might lead to cancelling the services. Especially the cases where customers felt that the sales personnel were forcing them to buy some products or services and were not selling for the need. Some had very strong negative encounters with the sales booth personnel, which affected the brand image.

**Question: In case you have visited the stores of Company X before, were there any differences considering this and the last time?**
Most of the time the quality of the service has been effective and friendly. Results show that there are no tremendous differences how the customers have received the service. Even though the problem has not been solved completely, sales personnel have tried their best. The service has not always been as it is today but it has improved a lot. For example, some employees have been lukewarm when facing difficult tasks. One customer pointed out one case where sales personnel tried to sell services which the client clearly did not need and left there store annoyed. Fortunately, the latest experience was excellent because sales personnel was listening to the needs and tried to find the best solution.

**Question: What are your expectations towards the customer service in the store of Company X?**

Customers preferred to get the same good and polite service they had been used to. Many were satisfied with the current level of the customer service and wanted it to remain at least the same. Efficiency when serving but still presenting the ideas and solutions with terms which are easy to understand. Some claimed that they are not always familiar with the terms which causes uncertainty in the customer encounter. Older customers wanted that sales personnel would notice the age of the customer when explaining things. Listening to the client before offering any services or solutions was requested referring to the customer first expression.

As mentioned earlier, long lines will affect the satisfaction rate and the atmosphere before the customer service situation, which means that the sales personnel should always serve with a positive attitude in spite of hectic or difficult situations. This exhortation came from a few clients who had faced lukewarm employees. Some were looking for more professional and personal advisory during the service situation. This is already happening in the light of the results but it is understandable that long lines might create pressure in the sales personnel, which can force them to shorten client encounters. During the rush-hours, it is necessary to extract the queues so that the customers would not leave the store because of the long lasting waiting.

6. Conclusions and suggestions for development

The importance of customer experience is growing all the time as the consumers are demanding more than just a product that is working as it is supposed to. Customers also expect companies to provide ‘wow’-elements to the everyday lives and something surprising for the customers. Brave and innovative moves make companies stand out from the competitors and well executed marketing for the new products or services makes them fancy a buy and thus create more value for the brand.
Measuring the customer satisfaction should always be one of the top priorities of the companies working on consumer business. Even though satisfied customers does not always mean that they are loyal to the company, receiving good service continuously and exceeding the expectations of the customer lead to spreading the word about the great customer experience to friends and family. It is often said that a person receiving bad customer service will tell to 10 of his friends, whereas 10 people who experience good service, only one is spreading the word about the wonderful experience given by the company representative.

The interview with the store manager (2017) gave good information about the history of measuring customer satisfaction at Company X using NPS for two years. It also turned out that more consistency has been added to the daily routines of the stores, such as daily tracking or the sales and NPS levels. Customer encounters have been under improvement for Company X, the services and products are sold for the real need to the customer. The store manager (2017) also mentioned that orientation of the new employees has been under discussion for a long time. Another company where the store manager worked over 10 years ago held a two-week long intensive training for the new employees before starting the customer encounters in the stores. Implementing the orientation is still up to the managers and brought under discussion regularly.

Building a good customer loyalty is up to the sales person. With a nice open discussion with the customer and finding interests that both the salesperson and the customer share releases the possible tension of the customer (Store manager interview, 2017). Creating an open and relaxed atmosphere is vital, where coming back feels more like an enjoyment rather than a forced visit to resolve an issue.

Commission-based sales may sometimes lead to pushing the sales too far. This can lead the customer to abandon the company if the first reason for the visit is not solved. Instead of being interested in the issue the customer has, the salesperson has tried to close the deal any way possible to get the commission.

In chapter 3 it was mentioned that the benefit of the company, sales personnel and the customer are looking for balance in the customer service encounter. There are a few suggestions considering development of the customer service based on the results of the research and the accumulated information gained while working in the store environment. These suggestions are not final and they were made to create discussion in Company X to make possible changes to customer experience.
1. Company X would keep the same monthly salary and commission model to some extent. As an extra, NPS would be added as a factor to the new salary system which affects the total amount of salary. Commissions to sold services could be slightly lowered without dropping the monthly amount too much. This would increase the level of customer service given by the salesperson and the first reason for customer visit would be solved, whether it is issues with billing, phone purchase or seeking alternatives for subscriptions.

2. Customer feedback (NPS rate) has to be on a certain level but the amount of commission given would be on a higher level than it is now. Monthly salary is also paid besides of commission. This would drive the sales personnel to serve the customers the best possible way and sell the products or services for the real need. For example, the NPS level has to be at least 70% to get the commission. If the NPS of the salesperson is 100, the commission will be fully paid. If the NPS level is 90, the salesperson will get 90% of the commission.

3. Loyalty system is developed for customers to show gratitude and there would be a visible way to show the customers how focusing all the services under the same provider is affecting to the monthly fees. As seen from the results of the survey, pricing is one of the major factors affecting the customer churn. The more products and services the customer owns, the more percentage advantage customers would get. Understanding the benefits in Company X has always been a bit difficult for some reason. Clear and simple way to show the bonus and discount models could lead to more loyal and profitable customers.

4. Orientation for the new employees for Company X. One of the store managers (2017) mentioned that the company used to have a two-week orientation camp for all new employees. Now only the stores have responsibility to train the new employees about everyday routines and this causes differences, because some stores have better readiness for training, such as proper areas for the personnel only. Regularly arranged orientation camps should be brought up so that new employees can learn the sales methods and computer programs of Company X in good conditions.

A thorough orientation saves time from other salespersons in the stores, where the atmosphere can sometimes be very hectic. When long queues occur, all the customers could be served effectively and professionally. Even those employees who have worked in the store environment for several years, still face new situations while serving the customers. This two-week long orientation would still give enough confidence and readiness for new employees to face the most common reasons for customer visit, like new device purchase, changing the sim-card and problems with connections.

5. Monthly salary and provision model would stay the same. If the customer keeps the product or service for a longer period of time there would be additional bonus depending on the
number of the past months. Salesperson should recognize the importance of the introduction of the product and offer. If the customer has deeper understanding what he/she is buying, it is more likely that the product is not terminated during the first months. This model is already adapted in Company X, but to go even further, the salesperson will get an extra commission after two or three months if the service is still in use.
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Appendix 1: Questionnaire in Finnish

Hei, teemme opinnäytetyötä Laurea-Ammattikorkeakoululle liittyen Yritys X:n asiakaskokemuksen kehittämiseen sekä analysoimiseen. Olisitko ystävällinen ja vastaisit alla oleviin kysymyksiin.
Tony Johansson & Tuomas Kidron

Mikä on sinulle tärkeintä myymälässä saadun asiakaspalvelun jälkeen?

Onko sinulla ollut erityisen positiivinen tai negatiivinen kokemus Yritys X:ltä? Kertoisitko siitä muutamalla sanalla?

Mikäli olet asioinut aikaisemmin Yritys X:n myymälässä, oliko palvelussa eroa viime kertaan nähdyn? Jos oli, niin mitä?

Millaista odotat Yritys X:n myymälän palvelun olevan?

Sukupuoli: Mies / Nainen

Ikä (ympyröi): 15-25v 26-35v 36-50v 51-65v yli 65v
Kauanko olet ollut Yritys X:n asiakkaana?

a) alle vuoden  
b) noin vuoden  
c) 2 vuotta  
d) 3 vuotta  
e) 4 vuotta 
f) 5 vuotta tai yli

Mikä on pitänyt sinut asiakkaana nykyisellä operaattorilla?

a) Hyvä palvelu  
b) Parempi hinta  
c) Parempi kuuluvuus  
d) Lisäedut  
e) Joku muu syy, mikä__________________________

Milloin viimeksi olet vaihtanut matkapuhelinoperaattoria?

a) Vuoden sisällä  
b) 2 vuoden sisällä  
c) 3 vuoden sisällä  
d) 4 vuoden sisällä  
e) yli 5 vuotta sitten

Mikä oli syy operaattorin vaihtamiseen?

a) Asiakaspalvelun heikko taso edellisellä operaattorilla  
b) Parempi hinta  
c) Parempi kuuluvuus  
d) Lisäedut (esim. kylkiäiset)  
e) Palveluiden keskittäminen yhdelle operaattorille  
f) Joku muu syy, mikä__________________________________________

Kyselyn tuloksia käytetään ainoastaan opinnäytetyötä varten, kiitos vastauksistanne!
Appendix 2: Questionnaire in English

Hello! We are writing a thesis to Laurea University of Applied Sciences in order to improve and analyze the customer experience of Company X. Would you kindly answer to the following questions. Tony Johansson & Tuomas Kidron

What was the most important thing after the customer service situation in the store?

Have you ever had especially negative or positive experience in Company X? Would you kindly describe in a couple of words?

In case you have visited the stores of Company X before, were there any differences considering this and the last time?

What are your expectations towards the customer service in the store of Company X?

Gender: Male / Female

Age (circle): 15-25yrs 26-35yrs 36-50yrs 51-65yrs over 65yrs

How long have you been a customer for Company X?

a) Less than a year  
b) For about a year  
c) 2 years  
d) 3 years  
e) 4 years  
f) 5 years or over
What has kept you with the current service provider?

a) Good service  
b) Better price  
c) Better connections  
d) Benefits  
e) Other reason, what______________________________

When was the last time you switched a teleoperator?

a) Within a year  
b) Within 2 years  
c) Within 3 years  
d) Within 4 years  
e) Over 5 years ago

What was the reason for changing the operator?

a) Poor customer service in the previous operator  
b) Better price  
c) Better connections  
d) Benefits (free giveaways)  
e) Focusing the services on one operator  
f) Other reason, what______________________________

The results of the questionnaire are only used for the thesis, thank you for your answers!
Appendix 3: Store manager interview (2017)

We interviewed one of the store managers to get background information about Company X. The interview contains disclosed information and is not public.