The impact of brand image on customer experience – Company X

Hannes Siitonen
The aim of this thesis was to find out what kind of relationship there is between brand image and customer experience, and how the brand image affects to customer experience. The aim was also to define the company’s brand image and customer experience among the target groups, and what factors do affect to them. In addition, this thesis aimed to produce valuable information for the company about their brand image, customer experience, customer behaviour and customer satisfaction, followed by increased customer understanding.

This thesis was completed as an assignment for a Finnish company which wanted to remain anonymous, later referred as Company X. The study was delimited to concern brand in Finnish markets. The delimitation was done because Company X has a strong and recognizable brand image in domestic markets comparing to international markets and domestic customers are still company’s main customer segment. Also conducting a survey for domestic customers was easier to perform and control. This kind of study wasn’t performed for the Company X before.

The theory of this thesis is divided into three parts. The brand theory reviews how brands build competition advantage for companies, what brand equity is and how brand image forms in customers’ minds. The customer experience theory introduces what customer experience consists, how added value is generated, and how customer path forms. The theoretical framework of relationship between brand and customer experience compounds theories presented in previously and applies theory of customer experience and brand equity.

The research was completed with quantitative method and the research material was collected with an online survey in Webropol online platform. The research groups were Company X’s newsletter subscribers who represented the brand loyalists and the second and third year students of Haaga-Helia University of Applied Sciences, who represented millennials. Millennials were chosen as a control group, because Company X sees them as important future customers. The total of 970 respondents answered the study, 881 of them were Company X’s newsletter subscribers and 89 were students of Haaga-Helia UAS. The results were analysed with Microsoft Excel and IBM SPSS statistics software.

The results showed that brand image has a significant impact on customer experience amongst the Company X’s newsletter subscribers. The results also showed that the Company X has a strong and loyal customer base who are truly loyal for the brand. Due the small number of respondents among the students it wasn’t possible to draw any meaningful conclusions from the results.

Keywords
brand image, customer experience, impact of brand image on customer experience
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1 Introduction

Customer experience and added value have been trend words in marketing and strategic leadership in recent years. Experiences generated for customers have become an important way to differentiate in highly competitive markets and in many industries customer experience is becoming a crucial competition advantage. Companies are transforming their strategies to more customer-oriented direction. (Gerdt & Korkiakoski 2016.) Quote “Customer experience is today’s business benchmark” by respected American business magazine Forbes reflects the significance of the experiences generated for customers in modern day business. (Forbes 2014.)

Harvard Business Review (2013) defines customer experience as “the customer’s end-to-end journey”. What customer experience does, is that it binds together all the encounters in client interface and company’s visible actions as an ensemble for customers. There aren’t two customer experiences a-like and each customer forms their unique customer experience through engagements and feelings during these encounters with the brand. Harvard Business Review sees greater customer satisfaction, diminished customer churn, higher revenue, and better employee satisfaction as the advantages of investing in customer experience.

Customer experience can be seen as differentiate factor in highly competitive markets. Expectations exceeding customer experience creates an important competition advantage and helps company to gain market leader status. Another important way to differentiate and gain competition advantage are brands. Nowadays almost everything is branded and brands have a remarkable status on our everyday lives starting from basic commodities to luxury products. One of the most used definitions for brand is The American Marketing Association’s opinion that brand is “A name, term, sign, symbol, or any other feature that identifies on seller’s product or service as distinct from those of other sellers.” But in reality, brand is much more than that. Brand is all the characteristics associated with the company and their offering and the brand elements are the ones which differ the brand from its competitors. (Lindberg-Repo et al. 2009. The American Marketing Association, Borja De Mozota 2009. Keller, Apéria & Georgson 2008.)

Brand is a complex concept and each brand has its own distinguished characteristics which separates the brand from the others. Some brands are easier to identify but every brand should have something of its own. It could be argued that in today’s business almost everything from products or services to distribution channels and patents can be copied from the competitors but brand is the only thing that can’t be duplicated. If tried, it
will massively backfire and the copycat brand only gets confused to the original one. For example, almost everybody can start to produce a cola flavoured lemonade but there is only one Coca-Cola.

Brand’s mission is not only to differentiate the company’s offering from their competitors. Company’s brand is a promise for certain quality for the customers and reduce the customer’s risks when choosing a product or service to purchase. To many customers, brands are also a way to express their values, taste, or characteristics which they want others to affiliate to them. This creates continuity to the relationship between customer and the brand which instead builds brand loyalty and generates satisfaction for customer through the familiarity and intimacy while using brand’s products. (Kapferer 2008. p. 20-22, 186)

1.1 The objectives of the study and research problems

This thesis was completed as an assignment for Company X during the spring 2017. The main research problem of the thesis was how the brand image affects the customer experience among Company X’s customer base. The secondary research problems were how the image of Company X’s differs between different research groups, how the physical store-environment affects customer experience, and how the image of Company X varies between consumers who have purchased Company X’s products and non-purchasers. The study was a good chance for Company X’s to deepen the company’s understanding of their customers’ behaviour, perception of the brand, and possible issues in the relationship with the brand.

The study was completed as quantitative research which relied strongly on correlation coefficient between core findings of the study. The research groups used in this study were Company X’s Finnish newsletter subscribers and students of Haaga-Helia University of Applied Sciences, who were aimed to represent the take of 18 to 30-year-old potential future customers.

The focus of the study was to combine one of the biggest trends in modern day business, the customer experience, to the competition advantage generating system, the branding. The idea behind of combining these two concepts was to find a fresh viewpoint for a largely studied brand building process. Customer experience was a natural choice to add on because both include similar themes and a lack of previous academic studies of these two concepts further affirmed the choice of the subject of this thesis.
2 Brands as competition advantage

Brands are an essential part of modern business and they are one of truly differentiating qualities of the companies’ offering. The importance of brands is highlighted in Company X’s business where characteristics of the brand make company’s products unique and sought out in highly competitive markets. Brand is also a promise of company’s values and offering which should be redeemed through company’s actions, brand communication, and customer’s subjective experiences. (Borja De Mozota 2003. p. 97-99)

To understand the relevance of brands in modern business, it’s important to understand brand dynamics and its significance to customer experience. The concepts of brand equity, brand image, brand experience, and measuring brand image are viewed in this paragraph.

2.1 Brand equity

Brand equity is defined as everything that is linked to the brand and brand equity’s purpose is to provide added value to the brand. Customer based brand equity expects that brand is known in advance among the customers and strong customer based brand equity occurs when customer has a strong memory trace of the brand. (Borja De Mozota 2003. p. 102, Keller 2012. p. 59-60.)

Brand equity is divided in two different perspectives through frameworks of branding authorities David Aaker and Kevin Lane Keller. Aaker views brand equity from company based viewpoint which is useful tool for company’s inner analysis of customer engagement, generated value, and brand’s performance in current markets. Aaker’s brand equity’s mission is to provide value to the owners of the brand. Aaker divides brand equity into four dimensions, brand awareness, brand loyalty, perceived quality, and brand associations. Aaker’s model (Image 3.) shows how these dimensions differentiate the brand from the competitors. While Aaker’s model treats brand equity mainly from company-oriented viewpoint it can be applied to customer based perspective too. (Aaker 2014. p. 9-11, Keller, Apéria & Georgson 2012. p. 42, 53)
Keller considers brand equity as a customer-based mechanism which aims to provide added value for the customer. In Keller’s Customer Based Brand Equity model (later referred as CBBE) (Image 4.), brand equity is viewed as a pyramid which has six blocks. These stages are partly the same with Aaker’s model but they are viewed by customer’s response on these factors. Both concepts aim to deliver deep and broad brand awareness among the customers, differentiative attributes for the brand, positive reactions from the customers, and intense and active loyalty. The stages pictured in the Keller’s CBBE model are salience, imagery, performance, feelings, judgements, and resonance. (Aaker 2014. p. 10-11, Keller et al. 2012. p. 54,66)
From the comprehensive perspective, a strong brand equity benefits the customers, the company, and the stakeholders. For customers, a strong brand equity generates advantages through company’s willingness to keep the customer’s satisfied and generate added value for the customers throughout the supply chain and product development. Increased brand equity will increase customers’ loyalty towards the brand and vice versa. (Grönroos 2015. p. 342) From company’s perspective, a strong brand equity is a competition advantage against the competitors and negotiation leverage in supply chain. Other assets of strong brand equity are widening customer base and diminished customer churn, enhanced customer loyalty, higher profits through consumer’s willingness to pay brand premium, possibility of brand extensions and production licences, and grown effects of marketing communications. (Aaker 2010 p. 274-275) Brand equity is simply economical value for stakeholders. Strong brand equity generates increased demand of brand products or services which result is greater revenues and profits for the company and stakeholders. (Lindberg-Repo 2009. p. 98-99.)

Brand equity is viewed from Keller’s customer based viewpoint in this thesis due its more relevant nature while applying the relationship between the brand image and the customer experience. Customer experience and brand image are both individual and subjective experiences which can vary massively depending on customer’s perception of the brand. Keller’s model builds brand equity on the salience which in turn consists brand awareness.
and brand image. CBBE model also observes constantly the relationship between customer and the brand in all of the stages of the pyramid.

2.1.1 Brand loyalty

Brand loyalty is a built relationship between consumer and brand which forms through successful encounters in user interface and customer service actions. Brand loyalty is a result of long term interaction with the brand and the customer and it won’t happen overnight. Brand elements which enhance the coherence between consumer and brand, will affect positively on customer’s brand loyalty. Brand loyalty can be viewed as a cause and an effect of a strong brand equity. (Keller. 2012. p. 90-91.)

Brand loyalty generates important trade leverage and stable customer base for brands. Active loyalty also reduces marketing costs while targeting this loyal audience and it helps to attract new consumers through brand awareness raised by loyal consumers or promoters who actively recommend the brand. In Keller’s Customer Based Brand Equity Model brand loyalty is the highest stage of the CBBE pyramid where the active interaction and dialogue between brand and consumer is achieved. (Keller 2012. p. 66)

Willingness to pay price premium from branded products is an effective way to define the level of brand loyalty. The customers who are truly loyal to the brand are willing to pay brand premium and if not, their loyalty level is shallow. Stages of customer loyalty can be divided in five categories which are noncustomers, price switchers who are sensitive to changes in pricing, passively loyal who tend to buy from more of a habit than for a reason, fence sitters who are in between of brands, and the committed. Clear brand identity, brand awareness, and perceived quality are effective channels to enhance the brand loyalty. In addition, different loyalty programs, customer clubs, and targeted marketing actions for specific customer segment can be useful. (Aaker 2010. p. 22-25, 321.)

2.1.2 Perceived quality

Perceived quality is the customer’s viewpoint of overall quality of the brand’s products or services. Customers form their perception of quality and value through assessing the performance, features, conformance, reliability, durability, serviceability, and style or design of the product. These elements of product or service can affect subconsciously on customer’s attitudes and behaviour towards a brand positively or negatively. Aaker describes perceived quality as “goodness” of the brand which means when the perceived quality of the brand improves same thing happens to other elements of the brand. (Keller. 2012. p.208-209. Aaker 2010. p.19.)
Perceived quality is a subjective concept which can be affected by customer’s earlier experiences with the brand or customer’s individual valuation of which attributes he or she considers important. Thus, from company’s perspective it is important to understand the definition of quality in different customer segments and to compare their products’ quality to the competitors’ products. (Aaker 2010. p. 324)

Other customers’ experiences and reviews of the brand may also have an influence on perceived quality. Positive reviews and word of mouth information will create expectations of quality which brand is expected to fulfil. If brand fails to deliver or exceed these expectations, it will shape customer’s perception of quality of the brand. Positioning of the brand has a factor on perceived quality too.

In today’s business, affiliate marketing has grown a lot in recent years and opinion leaders used more and more in brand marketing. Especially this has highlighted in social media and online platforms where the sent information is perceived immediately and responses are quicker. Opinion leaders such as celebrities, bloggers, vloggers, and other social media “superstars” shape the preferences and behaviour of consumer segments within which they are popular.

2.1.3 Brand awareness

Brand awareness represents customer’s recall and strength of the memory of the brand, the brand recognition. Brand recognition can be measured by customers’ ability to identify the brand in different situations and from different visible and recognizable attributes, such as logos, symbols, and designs, which are attachable in the brand. Brand recall on the other hand is customer’s ability to remember brands when they are given a specific product or service category. (Keller et al. 2012. p. 58, 60. Aaker 1991. p.10-15.)

For consumers, familiar brands are instantly more tempting options compared to unfamiliar ones despite the attributes of the product or service. People like familiar things and they are more likely to attach positive attributes to something which they are already familiar with. (Borja De Mozota 2003. p.103) In this light, most of the brands are searching for “top of the mind”-status which is the brand that most of the consumer’s recall first when asked to name a brand from specific category. The effect of brand awareness is most significant in low-investment products, for example a chocolate bar, where consumers use less time to evaluate the purchase decision. In some cases, brand awareness is the only factor affecting to the buying decision. (Keller. 2012. p. 58, 60-61. Aaker 1991. p.10-15.)
It could also be presumed that elaboration-likelihood model has slight effects on consumer’s evaluating process of purchase. It means that consumer which has a low involvement on product due lack of purchase motivation or ability is more likely to make choices based on brand awareness. In context of Company X’s business environment, the latter is more important through the assumed limited financial capability of some consumers. (Keller 2012. p. 61)

2.1.4 Brand associations

Brand associations are described as all the attributes, positive and negative, that consumer attaches to the brand. (Aaker 1991. p.25). Brand associations might be anything from package design to brand ambassadors. For example, adidas identifies strongly to their three stripes and Nike to their Swoosh logo.

Brand associations are relying highly on brand identity and messages sent by the brand but other things have an effect too. For example, brand positioning, brand values and pricing affect the favourability and uniqueness of the brand associations. In terms of favourability, decisive matters are how relevant, distinctive, or believable the brand is. Uniqueness of the brand associations are achieved by the positioning and values of the brand to the markets where competition is low or non-existence.

Brand associations are divided into three categories, attributes which consumer attach to the brand, benefits of using the brand and attitudes towards the brand. (Borja De Mozota 2003. p. 103) Attributes which consumers attach to the brand are the ones which characterize the brand. Benefit of using the brand is the reflection of consumer’s personal values which are shaped through consumer’s perception of him or herself and how they want to be viewed by others. Earlier successful encounters with the brand will also create positive feelings and beneficial views towards the brand in consumer’s mind. Consumer’s attitudes towards the brand are also heavily linked to the self-image of the consumer and values which consumer appreciates. This perception is affected by consumer’s coherence in specific group. For example, consumer who feels like belonging to young urban creative population is more likely to create positive attitudes towards the brands which are considered popular among this group.

2.2 Brand image

Brand image is one of the key concepts of brand dynamics because it views how the brand is perceived in the markets by a specific group or customer segment, and what kind
of relationship consumers has with the brand. Brand image is a reflection on how the consumers, the brand recipients, view the brand and which attributes they affiliate with brand. In this point of view, it could be argued that brand image should be used as a synonym for brand through customer’s perception of their relationship with the brand. Every customer shapes their own image and perception of the brand. The image is affected by every visible action of the brand, such as marketing campaign or product quality, and what is said about the brand in public. This relationship between brand and the consumer is constantly changing and it needs to be nurtured. Brand image can be used to measure the strength, uniqueness, and favourability of the brand among the target audience. (Grönroos 2015. p.342, Borja De Mozota 2003. p.98, Kapferer 2008. p.174-175)

Additionally, brand image can be used as a synonym of the company’s reputation. CEO of Amazon online store has described brand as “what people say about you when you are not in the room”, which is transformable also as a brand image. (Kim 2015.)

2.2.1 Brand identity

Brand image is built upon brand identity which is organization’s self-perception and what associations it attaches to itself, and which associations organization wants to create or affirm. (Aaker 2010. p.68-69) Kapferer (2008. p.171-175) sees brand identity as a way to express brand’s uniqueness and values. Brand identity is also a source of brand positioning, which affects on image reflection. Aaker and Kapferer both agree that company’s strategy towards brand image should start from building identity instead of focusing on how customers view brand. Brands are considered too often through the external factors and affections of well managed identity are forgotten.

Kapferer’s (2008 p.182-187) brand identity prism considers mechanism between brand identity and brand image through six factors which are brand physique, personality, culture, relationships, reflection, and self-image. (Image 5.) These factors form a structure where all factors strengthen and affirm each other.

Brand physique describes what kind of visual appearance brand has and what kind of design it depends on. For example, Company X’s brand physique builds on recognizable design of their products, prints and logo. Brand personality is a way to build a character for brand. Set of tone in brand communications and spokespersons used in advertising defines brand personality and makes it more easily approachable for target audience. Brand culture reflects values that brand represents and how they communicate of them outwards. It is also an important differentiative factor among the luxury brands because
the culture is a way to communicate where the brand comes from and is there some higher cause behind the company. The relationship facet represents the connection that brand wishes to have with their clients. The importance of the relationship highlights in service business where service is defined as relationship and the customer remembers only the last service they had received. The reflection is a way for customers to express themselves through the use of a certain brand. The customers aim is to build their identity and show the better version of themselves by using a certain brand which they feel is addressing them. The last facet of the brand identity prism is self-image of the brand which is counterpart of the reflection. Self-image is an internal motivation for the customer to choose a certain brand and a way how they see themselves. (Kapferer 2008. p. 182-187.)

2.2.2 Affecting perceived brand image

Even though each customer is shaping their own unique image of the brand through interactions with the brand, it is possible to affect to this perceived image. Keller (2012) sees that brand image is a result of strong brand associations which are accomplished by successful brand communications and brand positioning. The aim is to strengthen the favourable brand elements and associations in customer’s mind which creates positive brand image. To create strong brand associations and brand image it is important to consider recipients respond to branding activities and measure engagement and relation with the sent message. (Grönnroos 2015. p.342)
As said above, brand identity and brand positioning has big role in strengthening the image of the brand but they also help to differentiate the brand from their competitors. The idea behind the positioning is to communicate actively about the preferred characteristics of the brand identity and brand value proposition for the targeted audience. When positioning the brand, the brand image, and the brand identity should always be compared to each other on different dimensions to get the realistic picture where the brand is now positioned. Usually there is three different scenarios to apply in the brand communication to reposition brand so that it responds better to the brand identity and preferred characteristics of the brand. These ways are augmentation, reinforcement and exploitation, and diffusing, softening, or deleting of the brand image. (Kapferer 2008. p. 175, Aaker 2010. p. 70-71, 180-181.) In addition to the elements of brand identity and brand image, a pricing can be a way to position the brand at the markets and shape the perceived image of the brand. For example, a Swedish clothing label Acne Studios has used a pricing in recent years to reposition the brand. With aggressive increase of brand premium in their products Acne has been able to transform from a common everyman’s brand to a real luxury label.

There is no doubt that the result of a strong brand image is a strong brand equity. (Keller 2012 p.62) While Aaker and Keller see the brand equity as an ultimate goal of branding, it’s highly important to look after the brand image as well. Brand image is constantly changing and it can be affected more easily than brand equity through the brand communication, the marketing activities, and the customer experience management. Brand equity is hard to ruin in one night whereas brand image can be destroyed in a minute.

2.3 Brand experience

Brand experience is mixture of “sensations, feelings, cognition and responses by brand-related stimuli” that are part of a brand environment. Brakus, Schmitt and Zarantonello divide brand experience into four different dimensions which are sensory, affective, intellectual, and behavioural dimensions and these are evoked differently by various brands. It is said that brand experience influences in consumer satisfaction and loyalty, together with indirect effects to brand personality. (Brakus, Schmitt, Zarantonello 2009.)

Brand experience is strongly linked to customer journey. During the journey, customer encounters product, shopping and service and consumption experience. Product experience is faced when customer is in contact with the product physically or virtually.
Shopping and service experience occurs when customer is visiting the store or being served by the sales personnel in store. Consumption experience happens when product or service is being used and it is often attached to feelings experienced while consuming. (Brakus, Schmitt, Zarantonello 2009.)

Brand experience reminds a lot of customer experience. Both concepts rely highly on creating differentiated experiences and added value for customer in touch points where customer is engaged with the brand. The differences between these strategies lie in approach to business. Brand experience is focused on bolstering attributes attached to brand within customer encounters whereas customer experience is driven by satisfying customers and offering seamless service throughout the channels and customer journey. (Chidley 2014.)

### 2.4 Measuring brand image

Brand image can be measured by studying brand associations structured in consumer’s mind. In these researches can be used either existent brand associations as measurement tools or the ones that the brand management wants consumers to attach to the brand. Usable existent brand associations can be found from Young & Rubicam’s BrandAsset Valuator® or Jennifer Aaker’s brand personality list. (Balabanis 2009.)

In Young & Rubicam’s BrandAsset Valuator® four dimensions measured are differentiation, relevance, knowledge, and esteem. In Jennifer Aaker’s brand personality list, subject person is to describe brand and him/herself through a set of questions that ask how different adjectives describe the brand. Facets used in brand personality list are sincerity, excitement, competence, sophistication, and ruggedness. (Balabanis 2009.)

Evaluating the strength of associations on brand image, the studies can consist an agreement chart which measures percentages of respondents’ answers on association strength. The reliability of these associations depends on the N of the study. (Balabanis 2009.)

Measuring the brand image is useful way to define a general perception of the brand amongst the main target group or more niche customer segment. As stated in paragraph 3.2.2 the perception of the prevalent brand image should be in knowledge to position brand correctly in the markets. (Aaker 2010. p.180-181)
3 Creating experiences for customers

Highly considered business publication Harvard Business Review (2013) defines customer experience as “the customer’s end-to-end journey”. What customer experience does, is that it binds together all the encounters in client interface and company’s visible actions as an ensemble for customers. There aren’t two customer experiences a-like and each customer forms unique experience through engagements and feelings during the encounters with the brand. (Löytänä & Kortesuo 2011. Questback 2017.) Harvard Business Review (2013) sees greater customer satisfaction, diminished customer churn, higher revenue, and better employee satisfaction as the advantages of investing into the customer experience.

Customer experience is a highly emotional encounter with the customer and the brand. Over 50% of the customer experience forms through the emotions felt by the customer. Customer experience is a result of multiple encounters in customer interface with the brand and the customer in conscious and subconscious ways. Customer experience adds together company’s performance and customer’s feelings. While each customer experience varies slightly from each other it is impossible to fully affect the result of experience that the customer goes through. Although it is possible to manage which kind of experiences companies try to create. (Shaw, Dibeehi, Walden. 2010 p. 3.) Löytänä and Kortesuo (2011) see that successful customer experience supports customer’s self-image, surprises, and creates experiences, remains in the memory, and evokes customer for wanting more.

Customer experience is also a differentiative factor in highly competitive markets. Expectations exceeding customer experience create an important competition advantage and helps company differentiate from their competitors. In today’s business environment, it is important to stand out from the mass and to become a sought-out alternative for consumers. (Gerdt & Korkeakoski. 2016 p. 26-31. Shaw, Dibeehi, Walden. 2010 p. 2-3.)

3.1 Creating a customer experience

From strategical point of view the process of managing and creating customer experience begins by assessing current situation of the customer experience. Gerdt’s and Korkeakoski’s model of analysing current situation of customer experience includes three stages which analyse company’s I. inner prowess of the company, II. current customers and III. competition environment. (Gerdt & Korkiakoski 2016. p. 32-33, Questback 2017.)
Customer experience strategy should be a part of company’s comprehensive business model along several other strategies such as brand strategy, business strategy and it-strategy. To create successful customer experience customer-oriented vision and customer insight are needed. (Gerdt & Korkiakoski 2009 p. 41, 50, Löytänä & Kortesuo 2011.)

It should be noted that customer experience is always subjective concept and there isn’t a one proper way to execute the customer experience strategy. The execution is highly dependent on industry and competition environment in which the company is operating. (Gerdt & Korkiakoski 2016. p. 94.)

3.2 Expectations exceeding experiences

Customer’s expectations are categorised into three stage which are core experience, extended experience and expectations exceeding experience. Core experience is that something why customer decides to purchase the goods or service from a certain brand. Customer who uses the brand’s offering is expecting this core experience to fulfil and it can be the least that brands should be able to deliver. This can be also seen as frictionless experience where customer can shift smoothly from touchpoints to another. (Löytänä & Kortesuo 2011. Gerdt & Korkiakoski 2016. p.38-41, 94)

Extended experience is a step towards expectations exceeding experience and it should create that little something which adds value to the core experience. Extended experience requires advancement and enabling. Advancement means that elements are added to the customer experience which directly promotes the expanding of core experience. Enablement means that brand creates elements which indirectly expand the core experience. (Löytänä & Kortesuo 2011.)

After the customer experience has been extended from the core experience, it needs to be further refined to achieve expectations exceeding experience. Expectations exceeding experience is tightly connected to the feelings of the customer while the previous stages have been more objective ones. The experience which exceeds all the expectations should be personal, individualistic, real, essential, tailored, properly timed, sharable, sustainable, clear, valuable before and after the transaction, visibly valuable, emotional, surprising, and profitable. To fulfil these, the customers should be treated as individuals and their needs and behaviour should be taken into consideration during the engagements. The communication between customer and the brand is in key role when creating and pointing out the added value gained during and after the transaction. (Löytänä & Kortesuo 2011.)
Customer’s expectations during the customer experience are as individual as the customer experience itself. The expectations depend strongly on customer’s persona, character, and culture. For example, some customers may expect very individual service during the service setup as others prefer to roam around in shop without disturbance. It is essential to know the markets, customer base, and their expectations. (Gerdt & Korkiakoski 2016. p.94)

3.3 Added value

Added value is one of the main goals of customer experience. Two main sources of value creation for customer are utilitarian and hedonistic sources. Utilitarian sources are visible for customer and are ways to achieve something. Usually these utilitarian sources are tied to attributes of the good or service such as materials and price. Hedonistic sources are individually assessed benefits which are irrational, subjective, and emotional. For example, hedonistic benefits are brand image, need to self-express, and different feelings felt during the encounter. According the studies, customer experiences which include mostly hedonistic elements affect more likely positively to customer’s willingness to recommend the brand and customer's attitude towards the brand is more positive and passionate. (Löytänä & Kortesuo 2011.)

For example, in Company X’s case added value is generating for customers through utilitarian sources such as used materials, durability of the products and design of the products. Hedonistic sources could be the looks of the products, the need to express the taste, and the willingness to own a genuine product to name a few.

3.4 Customer journey

Customer experience is often considered as a synonym for customer service but it is much more than that. (Löytänä & Kortesuo 2011.) Customer journey and customer experience can include many different paths which customer goes through but there are three stages which are more permanent than the others and they are visualized in Image 6. (Questback 2016.) It is also worth to consider what are the channels in which customer wants to be in engagement with the brand. (Gerdt & Korkiakoski 2016. p. 131.)
First stage of the customer’s journey and experience is an image experience which is customer’s perception of the brand image and the brand. (Questback 2016.) Image experience shapes through the encounters with the brand and the customers and it can form way before customer even starts to consider purchasing the brands goods or services. The image experience combines elements of the brand image and the brand experience. The customer shapes the perception of the brand through multiple encounters with the brand. (Grönroos 2015. p.342, Borja De Mozota 2003. p.98)

Second step of the journey is the shopping experience where customer makes the purchase decision. Succeeding in this stage is critical for comprehensive customer experience because unhappy customer is not likely to come back to the store. (Questback 2016.) While reflecting that, it is important to create customer-oriented service culture where customer is placed in hub. (Gerdt & Korkiakoski 2016. p.98)

The decision to purchase the goods or service is highly affected by customer’s attitudes and previous experiences, other people’s opinions and information sources, and customer’s perception of brand. (Gerdt & Korkiakoski 2016. p. 73-75. Questback 2016.) Shopping experience can take place in physical store environment or online and main purpose of it is to create expectations exceeding experiences. Study completed in Wharton School of Business points out that customer service has a major contribution on shopping experience and requires constant engagement with the customer from the store personnel. (Forbes 2009.) A service can be also viewed as a concept which is tied into company’s business model. For example, when contemplating Swedish furniture giant IKEA, the service is exactly the same no matter where you visit the IKEA store. IKEA have created a recognizable service concept which aims to produce standardized customer
service each and every time and the company has eliminated the variables in service setup as they depend strongly on self-service. (Gerdt & Korkiakoski 2016, p.108)

The other factor which has a major impact on shopping experience are the emotions evoked during the visit in store, no matter whether physical or online. (Machleit & Eroglu 2000.) A great shopping experience affirms the relationship between customer and a brand, in the best scenario a customer recommends the brand onwards and becomes a promoter for a company. (Questback 2016.) It should be noted that a good service is remembered much longer than affordable price through the memory trace that it leaves. (Gerdt & Korkiakoski 2016, p. 101.)

Last step of the customer’s journey is user experience which length varies on products and services. (Questback 2016.) User experience of a design chair can last a lifetime while finishing a chocolate bar takes only couple of minutes. Customer’s user experience is affected by the expectations that customer might or might not have before purchasing a product or service. Higher the expectations have been pre-purchase, the better the product or service must be to deliver the expectations exceeding experiences. These expectations are affected by earlier experiences, reviews, recommendations, and a price of the good or service. (Löytänä & Kortesuo 2011.)

User experience binds the customer to the brand and successful user experience creates loyal customers. The communication after the sales should also considered as a part of the user experience. If the customer is forgotten after the sales transaction, it is certain that it affects the customer experience. On the other hand, after sales communication is a good chance to additional and cross-sales. (Gerdt & Korkiakoski 2016, 132-134.) The post sales communication is also important part of user experience if the purchased product or service hasn’t fulfilled the promised. Helpful and understanding communication with complaining customer can turn negative feelings of faulty product or unsuccessful service into a positive and memorable experience with the brand.

Car sales is a good example of how the successful user experience affects in customer experience. A customer who hasn’t had any big issues with the vehicle and is happy about the driving experience is more likely to be loyal for the brand. A customer who’s constantly suffering about type faults and minor discomforts during the driving experience will probably not consider the same brand’s car as an option when buying a new one.
3.5 Measuring customer experience

As stated before customer experience is mostly a feeling and it can’t be measured directly by using service or product meters. Even though it is possible to measure by assessing customer’s experiences and gaging the effects of the customer experience management. Customers are willing to give feedback and they should be able to do that easily. To gain the biggest benefit of measuring the customer experience, the company should be willing to use the feedback to develop their business. Customer feedback and customer experience measurements are not useful by themselves and they need market understanding and tracking of customer’s activities to construct a wider range of frame of reference. (Löytänä & Kortesuo 2011. Gerdt & Korkiakoski 2016. p. 157-159)

Measuring customer experiences can be divided into passive and active measuring. Passive measurements are defined as spontaneous feedback and feedback forms, reclamations, social media feedback, and analysing customer service phone calls and e-mails. Active ways are customer satisfaction surveys, panel discussions for customers, biometrical measurements, mystery shopping surveys, and constant feedback inquiries in different touchpoints. (Löytänä & Kortesuo 2011.)

Gerdt and Korkiakoski (2016 p. 164-166) see other way to divide the customer experience into categories. Their model includes three categories which should be measured and defined, these are activity indicators, experience indicators and performance indicators. These indicators are defined by company and can be tied to factors in which company is interested to. The aim is to survey how these categories influence on business performance. Performance indicators can be tied for example to customer’s net worth or willing to recommend the company. Experience indicators should be tied to themes of customer experience which are defined as efficiency, ease, or feelings by Gerdt and Korkiakoski. Third level is dedicated to activity indicators which can be tied measurements like waiting time or number of visits in store. Gerdt’s and Korkiakoski’s model of measuring customer experience is trying to find a way to develop each stage towards customer oriented direction and strengthen efficiency, ease, and feelings in customer experience. If company can enhance these themes around the customer experience, it should have direct effect to the company’s business performance.

Universally the most used survey method to measure customer experience is Net Promoter Score (NPS) created by Fred Reichheld and the Bain Company. It measures customer’s willingness to recommend the brand and their products or services to a friend or a colleague. NPS uses scale from 0 to 10 and respondents are categorized as
promoters (score 9-10), passives (score 7-8), and detractors (0-6). NPS is calculated by deducting the percentage of the detractors from the promoters. (Satmetrix Systems 2016.) Net Promoter Score is a straightforward way to measure customer satisfaction while unhappy customer clearly wouldn’t recommend the brand to anybody. It also offers a possibility to compare the brand’s result to the competitors. (Questback 2016. Gerdt & Korkiakoski 2016 p. 166-167)

While previous surveying tools focus on customer’s perception of customer experience the return of investment, ROI, on customer experience focus on management of customer experience. Possible measurements for ROI of customer experience are amount of average purchase, value of customer churn, number of customers, re-purchase percentage, growth of additional and cross sales, lead-time, given discounts, number of prospects, number of customers who abandon their shopping cart, sales hit rate, the brand’s share of customer’s wallet, customer-specific and product-specific viability, number of returned customers, costs of marketing per lead, costs of new customer acquisition, and number of promoters. (Löytänä & Kortesuo 2011. Questback 2016.)

To gain applicable data through measuring customer experience, it is important to assess who are the right people to answer, what should ask, when should ask, and which channel is the right one? For example, in B2C markets all customers are valid to answer but in B2B setting the selection of respondents is essential. (Gerdt & Korkiakoski 2016. p.161-162)
4 The impact of brand image on customer experience

Impacts of brand image on customer experience is not widely studied subject and in this chapter the writer is forming his own framework for the subject using the earlier described theory and existing viewpoints on the matter.

4.1 Impact of customer experience on brand equity

Even though brand equity and brand image are different concepts of branding these two elements can be applied together while studying impacts of brand image on customer experience. While brand equity is comprehensive and long-term process in brand building and is more of an organizational view on brand, the brand image is an instant response from customer on how they view the brand. In this light, it is more expedient to review impacts of customer experience on brand equity than impact of brand equity on customer experience.

Galina Biedenbach and Agneta Marell review the subject in their study “The impact of customer experience on brand equity in a business-to-business services setting” published in Journal of Brand Management in 2010. According to the study customer experience has a clear positive effect on brand equity on four dimensions, which are brand awareness, brand associations, perceived quality, and brand loyalty. The study showed that customer experience has the biggest influence on brand associations and smallest influence on brand awareness. The study also confirmed the intercorrelation between these four dimensions but the significance was variable. According to Biedenbach and Marell, the correlation between customer experience and brand equity is applicable in B2C and B2B markets. (Biedenbach & Marell 2010.)

4.2 Integration of brand and customer experience

When contemplating customer experience and brand image, both concepts consists of similar elements. Because of that the relationship between the customer experience and the brand they should be implemented in company’s strategy on top of each other and shouldn’t be seen as independent parts of company’s business strategy. (Gerdt & Korkiakoski 2016. p. 71-78.)

The integration of brand and customer experience is an essential part of successful customer experience. “TRUE brand compass framework”, created by American marketing research company Forrester, is helpful in this integration. (Gerdt & Korkiakoski 2016. p. 78-80) The framework created by Forrester employees Tracy Stokes, Chelsea Hammond,
and Roxana Strohmenger consists of four different dimensions in brand resonance which is the highest level in Kevin Lane Keller’s customer-based brand equity pyramid. (Strohmenger 2013. Keller 2012.) These dimensions described in TRUE framework are trusted, remarkable, unmistakable, and essential. (Image 7.)

![TRUE brand compass](image)

Image 7. (Strohmenger 2013.)

Trusted status for customer experience and brand comes from transparent and accountable multi-channelling communications between customer, aligned brand promise with customer encounters and brand promise transmitting products and services. Remarkable stands for differentiation in customer encounters and brand communications so that they would not settle in industry’s standards. These encounters should aim in exceeding customer’s expectations. Unmistakable is recognizable encounter and as a part of the company’s brand which should also be included in company’s brand promise. Essential in turn means that a goal of a brand and the customer experience should be accomplishing an irreplaceable status in consumer’s lives by fulfilling their needs while creating added value through experiences. (Gerdt & Korkiakoski 2016, Strohmenger 2013.)

The relationship between brand strategy and customer experience strategy should be organized as a chain in which brand strategy is followed by customer experience strategy and customer encounters. These actions should constantly be assessed so that customer experience and customer encounters truly redeem the brand promise (Image 8.). The brand and the customer experience should create a coherent groundwork for execution of marketing, sales, and customer service. (Gerdt & Korkiakoski 2016 p. 82-84.)
4.3 Theoretical framework of impact of brand image on customer experience

This paragraph includes applications of theories viewed in previous chapters and assumptions and viewpoints of the writer of this thesis. In Image 9. is shown the writer's viewpoint on the relationship and dependence of brand image and customer experience.

Image 9. Framework for applying brand image to customer experience

When the customer experience is viewed as a result of image experience, shopping experience and user experience (Questback 2016), it should be considered how the customer’s perceived brand image affects this mechanism. As stated before, brand image is a result of engagements between customer and the brand. The customer perceives
their own reflection of the brand and the reflection is affected by inner motivations and external influences. (Grönroos 2015. p.342, Borja De Mozota 2003. p.98) Brand image is thereby fully comparable with image experience.

Brand image consists of visual elements which are communicated not only through the marketing channels but also in store environment. These visual elements of the brand are affected to the shopping experience and atmosphere created for customer during the shopping process. Atmosphere is an important factor of the customer experience because the emotions linked to it. When brand image is visually pleasant for customer, the visit at store, online or physical, is felt more enjoyable and customer is more likely to affiliate positive feelings to the visit. Likewise, if visual elements of the brand image are not preferred by the customer, the shopping experience is not felt amusing or enjoyable.

The brand image affects user experience through perceived benefits and brand elements. The brand which consists of the elements which are more favourable for the customer is expected also to feel more beneficial and satisfactory in use. On the other hand, if the brand affiliations are not fulfilled in user experience, the perceived brand image has negative effects on the customer experience.

Added value in customer experience can form from utilitarian and hedonistic sources. (Löytänä & Kortesuo 2011.) Brand image can be equated as hedonistic source of added value through customer’s attitudes and feelings towards the brand. For example, customers might use brands to identify themselves as part of a social group or social class. This automatically adds value to the customer experience through positive brand image.

From the perspective of brand image, the affiliations and brand elements are the measurements which define the expectations of the customer. If a brand image is strongly favourable for the customer and customer has previous positive engagements with the brand, the expectations exceeding customer experience will become harder to achieve. Expectations of the customer will rise also constantly. If customer has negative brand image and attributes which customer affiliates with the brand are not favourable ones, the customer’s prejudices could produce negative customer experience even if there has not been anything wrong with it. It is also noteworthy that customers who have a neutral brand image are easier to surprise positively and exceed their expectations. Same applies to some customers who have a negative perception of the brand.
Positive brand image naturally creates positive perception of the engagements with the brand. Even if there have been some fractures in the shopping or user experience, positive brand image helps to recover from the small faults and irregularities in the customer experience and the overall impression is seen positive. But if the brand image is negative or neutral, unsuccessful shopping or user experience is seen as a failure of the brand.

The graph in Image 9. applies the study of Biedenbach and Marell which showed the correlation between the customer experience and brand equity. The aim of the graph is to visualize the effects of brand image to customer experience and the customer experience’s effects to brand equity. It could be argued that the brand image should be a part of the brand equity in Biedenbach’s and Marell’s chart as the brand image prior the brand equity in generally accepted branding theories. Brand awareness and brand associations can also be viewed as part of the brand image so it can be argued that brand awareness and brand associations have effect on the customer experience too as on contrary.
5 Conducting the study

The aim of the study was to find out how different research groups see Company X as a brand, how they rate customer experience with Company X and how the brand image affects the customer experience. Simultaneously, the study focused on how different research groups’ images of Company X as a brand vary from each other, how physical store environment affects customer experience comparing a brand store and retailer, and how the customer experiences and brand image differ between those who own Company X’s products and those who don’t. In Company X’s point of view aim of this study was to gain insight of their current customers and possible future customers who Company X has yet to reach with their marketing.

The research groups used in the study were Company X’s newsletter subscribers who represented the brand loyalists and second and third year students of Haaga-Helia University of Applied Sciences who represented the millennials. The millennials are considered as potential future customer segment by Company X.

The study was conducted as a quantitative correlation research because it was the most reliable way to respond to the research problem. The theory framework and needs of the client were used as a guideline for the survey form. The most relevant questions for Company X were disclosed in an interview with the company’s marketing department and then included in the survey. The survey was built in Webropol online platform and it was sent for the respondents during the April 2017. The form included structured questions and a few open questions.

The survey form was mostly built on theory frameworks used in the thesis. The first questions were aimed to define background variables of the respondents which were aimed to be used to refine results of the study among different age group or gender. The gender variable wasn’t used in the findings of the research due the small number of male respondents. Due the low dispersion with geographic location of the respondents this background variable wasn’t used in the review of the findings.

The question about the purchase decisions aimed to provide information for Company X about the purchase behaviour of the respondents. In addition, the aim was to define how brand premium, the relevance of the brand, visible and invisible brand elements, brand values, and user experience affect in purchase behaviour. Question matrix about factors affecting purchase behaviour also reflected Kapferer’s brand identity prism and included brand identity elements which are valuable for Company X. The questions about the
ownership and willingness to own pre-listed brands were designed to measure Company X’s brand favourability and the competition setup with the company’s competitors. Question measuring the top of mind status was designed exclusively for students because Company X’s newsletter subscribers got the study form directly from Company X so the question would have been invalid.

The questions about physical shopping experience of Company X’s brand store and retailer’s store based on theories about the shopping experience and exceeding the expectations which is important part of memorable customer experience. The follow up questions about the physical shopping experience were all different applications of Net Promoter Score to define if the respondents are willing to recommend Company X onwards. The questions about the customer’s satisfaction regarding to Company X’s products and post sales communications were based on theory about user experience as a part of customer journey and fulfilling the expectations of the customer.

The question matrix of Company X’s brand image was based on Balabanis’ theories about measuring brand image by assessing the strength of brand associations. Adjectives used in the matrix were picked from Company X’s marketing materials and they were aimed to define attributes which consumer attach to the brand, benefits of using the brand and attitudes towards the brand. The final question about the latest experience with Company X’s product, store or brand was reflecting the overall customer experience and customer journey. The respondent was also able to define with their own words which factors affected the experience.

The main research problem how brand image affects to the customer experience. Before it was possible to answer that question, it was essential to define from what Company X’s customer experience consists and how Company X’s brand image is viewed. The question 28. defines Company X’s customer experience in overall and 24. reveals how Company X’s brand image is reflected by respondents. Correlation of these two questions answers the main research problem.

The first secondary research problem how the image of Company X differs between different research groups is answered by comparing results of question 24. between research groups and background variables. The second secondary research problem how the physical store-environment affects customer experience is answered in questions 12. and 28 and the results of Company X’s brand store and retailer’s store were compared with each other. The third secondary research problem how the image of Company X varies between consumers who have purchased Company X’s products and non-
purchasers was defined by questions 15. and 24. and comparing the results of question 24. among the respondents who had purchased Company X products and those who hadn’t.

The survey was sent via e-mail to 5 936 recipients and it was completed anonymously but it included a possibility to attend to a draw with personal details.

5.1 The findings of the research

In this chapter, the findings of the survey are reviewed in whole and from both research groups’ point of view. The answers of the study were analysed statistically with Webropol survey tool, Microsoft Office Excel, and IBM SPSS Statistics. The used statistical methods to analyse the results were statistical dispersion, calculation of average, cross tabulation, and correlation coefficient.

5.1.1 Company X's newsletter subscribers

This part of the thesis includes confidential information and therefore parts of the results are not disclosed.

The survey was sent to 5 059 Company X’s newsletter subscribers and total of 909 respondents answered to the survey. Company X’s respondents represented brand loyalists who have proactive relationship with the brand and who want to be in touch with Company X.

The questions from 9. to 15. treated Company X’s flagship store and physical customer experience. The respondents who had visited the store used adjectives stylish, bright, beautiful, spacious, and cosy among the others to describe the store.
Question 12. and 13. aimed to find out customer’s expectations before the visit in the flagship store and how Company X managed to fulfill these expectations. The questions 12. And 13. were asked after the respondents had visited in the flagship store and the respondents were asked to memorize what kind of expectations they had before the visit and how they were fulfilled. Before visiting the store, the respondents (n=558) valued the most presentation of the products, customer service, and location and selection of the store. Rest of the factors were little bit important for the respondents.

When reviewing the realized customer experience, it is seen that the respondents felt that Company X was able to provide a good overall customer experience. The respondents’ expectations were exceeded in location of the store and in the opening times of the store. The findings (Appendix 1.) show that there is strong correlation between the respondents’ expectations before the visit in Company X store and the realized experience. The respondents who had high expectations for the listed attributes in chart above, also felt that their experiences were good. The Pearson’s correlation coefficient and p-value show that factors enumerated in Appendix 1. have strong dependence towards each other. The
expectations which had the most correlation to the realized experiences were attractiveness of the selection and delivery of the products. The respondents who valued most of these factors felt that their customer experience was better in general.

Question 17. measured respondents' willingness to recommend a visit in Company X flagship store for a friend. An applied scale of Net Promoter Score was used in this question so that answers 1 to 3 were listed as Detractors, number 4 was listed as Passives and answer number 5 were Promoters. Normally Net Promoter Score is measured with scale from 0 or 1 to 10 but to keep the survey form unified a smaller scale was applied to it. As the chart 8. shows, 61% of the respondents (n=661) are willing to recommend a visit in Company X store for a friend and are counted as net promoters of Company X's flagship store.

![Chart 9. Expectations before the visit in retailer’s store and realized customer experience](chart.png)

In questions 21. and 22. the respondents who had purchased their latest Company X product from retailer's store or online store were asked identical question matrix as in questions 12. and 13. to find out if the expectations and realized experience in retailer's store differs from experiences in Company X’s store. Chart 9. shows that the respondents (160) had similar expectations before the visit in retailers' store as they had before visit in Company X’s. The respondents had highest expectations for customer service, attractiveness of the selection, and delivery of the products before the visit. Comparing to results in question 12. the respondents felt that opening times, and delivery of the products were more important in case of retailer’s store. When considering the realized
experience, the respondents (n=187) were generally satisfied with the retailers realized customer experience and their expectations were exceeded in location of the store and opening times of the store. When comparing to results of realized customer experience, visitors in Company X’s store gave higher average grade for findability of the products, presentation of the products, customer service, location of the store, and attractiveness of the selection. Retailer’s store scored instead a higher average on opening times of the store and delivery of the products.

![Chart 11](chart11.png)

**Chart 11. The associations affiliated with Company X’s brand in average**

In question 26. the respondents were asked to evaluate the associations of Company X as brand. The used scale was semantic differential scale in which the respondents (n=909) assessed whether he or she agrees or not with the given adjectives. Most of the chosen adjectives were the associations which Company X defines as a part of their brand essence in their marketing material. The chosen adjectives were aimed also to be generally positive. As the chart 11. shows the respondents agree with most of the given adjectives and the strongest association are traditional, durable, familiar, aesthetic, and attractive which respondents attach to Company X’s brand. The largest dispersion within the responses were in adjective ordinary and on average the respondents didn’t agree or disagree with the adjective. Only adjective that the respondents slightly disagreed with was inexpensive. To sum up the results, the associations affiliated with Company X’s brand were generally positive.
Questions 30. and 31. were aimed to sum up the respondents' last experience with Company X. In question 30. the respondents were asked from how their last experience with Company X’s product, store or a brand responded to their expectations. The used scale was 1 to 5, with 1 being Did not meet my expectations at all and 5 being Notably exceeded my expectations. The respondents (n=899) felt that Company X had slightly exceeded their expectations on average. In question 31. the respondents (612) were asked to define which factors affected the most on their experience with Company X. The most common answers among the respondents were received customer service and quality of Company X’s products.

5.1.2 Students

This part of the thesis includes confidential information and therefore parts of it are not disclosed.

Due the small amount of responses it is not valid to draw any broad conclusions about Company X's customer experience and brand image in this research group. All the findings in this paragraph should be viewed directly and only the most relevant findings are taken into consideration. Only the questions with decent amount of responses have been viewed next. Neither the background variables weren’t included in analysis of the results due the small variation.

The survey was sent to total of 877 students in Haaga-Helia University of Applied Sciences from which 89 respondents answered to the survey the answering percent being 10,14 %. The gender distribution among the respondents (n=89) were 83,2 % (74) female
and 16.8% (15) male. Age of the respondents (n=89) were divided as follows, 1.1% (1) of the respondents were aged under 20, 67.4% (60) were aged between 20 and 29, 19.1% (17) were aged between 30 and 39, 9.0% (8) were aged between 40 and 49, 3.4% (3) were aged between 50 and 59. It is also notable that these results do not fully represent the views of millennials as there were respondents who were over 40-year-old.

Chart 15. The associations affiliated with Company X’s brand

The question 27. was determined to define Company X’s brand image and the respondents’ (n=88) perception of attributes is shown above. The findings show that the respondent agree slightly on every adjective except on inexpensive. The strongest perceptions of Company X were traditional, durable, and domestic.

The question 31. measured the realised customer experience reflected on expectations the respondents (n=75) had before the last experience with Company X’s product, store, or brand. The chart 23. shows that Company X’s experience didn’t exceed or elude the expectations. It could be presumed that the respondents who didn’t have experiences with Company X chose the answering option 3 which was the most neutral. When the respondents were asked what individual factors affect to their customer experience the responses were the received customer service and the quality of the products.
5.2 Summary of the findings

This part of the thesis includes confidential information and therefore parts of it are not disclosed.

In research group one the respondents’ expectations were very high before the visit in Company X’s flagship store. Despite the elevated expectations, Company X managed to deliver good overall customer experience during the visit and managed to exceed the expectations in location of the store and opening times. The high expectations of the respondents caused Company X to trail a bit in other categories in terms of exceeding the expectations. Despite that it can be said that Company X’s overall customer experience was good as average of categories studied in fulfilled experience was 4.36, just between Quite satisfied (4) and Very satisfied (5) in scale 1 to 5. Most of the respondents who had visited in Company X’s flagship store were very likely to recommend a visit for a friend and 61% of them are active promoters according to calculated NPS. This also supports the results telling that overall customer experience in Company X’s flagship store was good.

When the correlation between expectations and realized customer experience was studied, it revealed that the strongest correlation to realized experience in overall had attractiveness of the selection and delivery of the products (Appendix 1.). The respondents who had biggest expectation on those factors, were more likely to give better grade to realized experience.

The respondents who had made their purchases in retailer’s store had similar expectations before the visit in store than they had before visiting in Company X’s store. In overall, the respondents had higher expectations before the visit in Company X’s store but in some categories, such as findability of the products, opening times of the store and delivery of the products, the respondents had higher expectations on retailer. When reviewing the success of retailer in fulfilling the expectations of the customer it was seen that overall customer experience was good average score being 4,30. When comparing this score to Company X’s store’s score it can be seen that retailers’ experience trailed only a just. The biggest differences between in realized experience were presentation of the products, customer service, location of the store, and attractiveness of the selection which were better in Company X’s store. Retailers instead managed to deliver better experience in findability of the products, opening times of the store, and delivery of the products. The difference for the retailers in findability of the products could be explained by the size of the store spaces and multi brand selection, where varied brands are
categorized as independent departments in retailers’ stores. The opening times are arguably better with the retailers’ than Company X so the difference in the results in that category is understandable. The delivery of the products could be explained by the size and location of the stocks of the large department store and retailer chain comparing to independent brand store which warehouse is located outside of the capital area.

Company X’s brand image is generally positive among their newsletter subscribers and the respondents agreed in most of the adjectives which Company X wants to attach to itself. Only adjective which the respondents didn’t agree with was inexpensive which could be explained by changed perception of prices in the product category which Company X’s product represent through low-cost brands appearing in the markets. Adjective ordinary also divided the respondents’ answers and it had the biggest dispersion, so in the average the respondents didn’t agree or disagree with it.

The students’ answers showed that they have similar perception of Company X as a brand but they don’t agree with the adjectives as strongly as the brand loyalists. However, they don’t see Company X as ecological brand like the loyal customers’ see.

Company X’s overall customer experience among the newsletter subscribers were good and had exceeded the expectations by little. The most of the respondents’ parallel customer experience to received customer service or quality of the products. The student’s answers showed that they are more critical about the customer experience and it didn’t exceed or elude their expectations.

The correlation coefficient (Appendix 2.) between brand image and the last experience with Company X show that the respondents who had had positive experiences with Company X had also strong perception of Company X’s brand. This supports the hypothesis stated in chapter 5. that the customers who have strong positive image and perception of the brand are more likely to have expectations fulfilling or exceeding experience with the brand. It is also noteworthy that the respondents who had expectations exceeding experience with Company X didn’t agree with the proposition of Company X being ordinary brand and while the correlation is negative it is thus transferrable as positive perception.
6 Conclusions

This part of the thesis includes confidential information and therefore parts of it are not disclosed.

6.1 Reliability and validity

The reliability of this study was confirmed by using measurements which gave consistent answers and guided the results towards the wanted outcome. The reliability was confirmed by documenting each step of the study so that it can be repeated. Company X can repeat the survey for example after a year, and evaluate if there has been a change in the behaviour and attitudes of their customers.

The validity of the study was confirmed by documenting each process of the study, and making sure that all the material was carefully analysed and up to date. All the methods and solutions used in this study were attempted to justify as well as possible. Also, the validity of the study was confirmed by sending the survey for as many control group members as possible. In control group 1. total of 905 respondents answered to study and the answering percentage was 17,89 %. This amount of answers was large enough to state that the results are generalizable for the control group. On the other hand, out of the control group 2. total of 89 respondents answered the study and the answering percentage was 10,14 %. This amount of answers was not large enough to give any reliable results and these answers are to be hold only indicative. The answers were analyzed and documented carefully and their validity was confirmed multiple times. The researcher tried to be as objective as possible while analyzing the results, although Company X was meaningful brand for him.

The validity of the study was made sure of by making a precise plan to conduct the thesis. In the planning phase the research methods, research problems, and contents of the theoretical part were chosen and these were used as a baseline for the research form. The research form was tested beforehand by multiple persons who were part of the research groups, Company X loyalists and millennials, but they weren’t included in the actual research. The research form was clear and interpretable which affirms the validity of the study. The survey was sent for research group 1. by Company X and all the recipients were Company X’s newsletter subscribers, but this was not separately confirmed because the link for the survey wasn’t available for anybody else. The research group 2. were 18 to 30-year-old students of Haaga-Helia Uni. of Applied Sciences and belonging to the right age group was confirmed in background questions. Although there were respondents older than 30 years old in research group 2. it wasn’t significant
regarding the results because the results of the research group 2. were irrelevant and only indicative.

The research problems were answered through theoretical framework and the survey. The objective of the research was accomplished. It can be stated that the research is valid.

6.2 Self-assessment of the learning

I started to work with the thesis in June 2016. After discussing the possible subjects and defining the topic with my supervisor and the client, I started to make the thesis plan which worked as a guideline for the theoretical framework. After setting up the baseline for the theoretical framework, I started to work with the survey form with the help of the theoretical framework. The survey form was conducted in Webropol and the pre-testing was completed in January 2016. The actual survey form was sent to research group 1. on 31st of March 2017 and it was set to be closed on 9th of April 2017. The survey form for research group 2. was sent on 10th of April 2017 and it was set to be closed on 3rd of May 2017. After that I started to analyze the results and refine the theoretical framework. Finishing the thesis took much longer than I thought and my original execution plan was too ambitious, yet I’m still satisfied with the process and the way it progressed.

The thesis process was also a great way to combine the theoretical part of brands to the practical business. I widened my understanding of brand concept and customer experience management, which I believe are useful in the future. I also noticed that theories don’t always seamlessly apply to practice and I learned to review different brand theories critically. In addition, I learned to use IBM SPSS statistics software to analyze research material and draw conclusions of it as an ensemble and as a proportion. I feel that I was successful of being objective and didn’t let my personal feelings towards Company X to affect in analyzing of the results or the conclusions.
References


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### Appendix 1. Supported correlation coefficients of visit in Company X’s store

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<thead>
<tr>
<th>Construct measures</th>
<th>Pearson’s correlation coefficient</th>
<th>p&lt;0.050</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expectations: Findability of the products</strong></td>
<td></td>
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</tr>
<tr>
<td>Realized: Findability of the products</td>
<td>0,200</td>
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<tr>
<td>Realized: Location of the store</td>
<td>0,132</td>
<td>0,006</td>
</tr>
<tr>
<td>Realized: Opening times of the store</td>
<td>0,231</td>
<td>0,000</td>
</tr>
<tr>
<td><strong>Expectations: Presentation of the products</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Realized: Customer service</td>
<td>0,106</td>
<td>0,030</td>
</tr>
<tr>
<td>Realized: Location of the store</td>
<td>0,108</td>
<td>0,023</td>
</tr>
<tr>
<td><strong>Expectations: Customer service</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Realized: Customer service</td>
<td>0,119</td>
<td>0,016</td>
</tr>
<tr>
<td>Realized: Delivery of the products</td>
<td>0,189</td>
<td>0,002</td>
</tr>
<tr>
<td><strong>Expectations: Location of the store</strong></td>
<td></td>
<td></td>
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<tr>
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<td>0,002</td>
</tr>
<tr>
<td>Realized: Opening times of the store</td>
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<td>0,009</td>
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<td>0,009</td>
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<tr>
<td>Realized: Presentation of the products</td>
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<td>0,038</td>
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<tr>
<td>Realized: Opening times of the store</td>
<td>0,203</td>
<td>0,000</td>
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<tr>
<td><strong>Expectations: Attractiveness of the selection</strong></td>
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<tr>
<td>Realized: Customer service</td>
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<td>0,046</td>
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<tr>
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<td>0,016</td>
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<tr>
<td>Realized: Attractiveness of the selection</td>
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<td>0,015</td>
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<tr>
<td><strong>Expectations: Delivery of the products</strong></td>
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</tr>
<tr>
<td>Realized: Findability of the products</td>
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<td>----------------------------------</td>
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</tr>
<tr>
<td>The success of the latest customer experience with Company X's product, customer service or brand</td>
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<td>Brand image: Affordable</td>
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<td>Brand image: Durable</td>
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<td>Brand image: Familiar</td>
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<td>Brand image: Ordinary</td>
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<td>Brand image: Functional</td>
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<td>Brand image: Ecological</td>
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<td>Brand image: Domestic</td>
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<tr>
<td>Brand image: Attractive</td>
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</tbody>
</table>

Appendix 2. Correlation between Company X's brand image and customer experience