



Designing Customer Experience Case: Paulig Consumer Service

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Designing Customer Experience
Case: Paulig Consumer Service

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Customer experience is the subjective interpretation of all interaction regarding a company - both direct and indirect (Meyer & Schwager 2007). Customer experience management is the actions company takes to support experience formulation. Depending on the company's relation to customer experience, companies can be divided into three categories based on their customer experience management practice. These categories are preservers, transformers and vanguards. (Klaus 2015.) The target of this thesis was to research whether service design can enable customer experience management practice evolution to further categories.

The thesis is a research-oriented development project utilizing service design methodology to examine the hypothesis via case study. The case company of the thesis is Paulig and team within customer service, offering consumer guidance and service recovery. The development project began with a problem Paulig Consumer Service had: the amount of customer complaint samples arriving for examination had been declining for some time. The objective was to research influential factors causing this problem and create solutions to enable a change in the trend.

To understand the context of the research, the theoretical framework creates a knowledge base on dimensions of customer experience and customer experience management (CEM). Service design, customer experience and customer experience management synergies were examined in the theoretical framework to offer understanding for hypothesis testing in the case study.

The empirical part constructs of a case study on Paulig Consumer Service's development project. The project was formed based on Service Innovation Process grounded on Foresight and Service Design by Ojasalo, Koskelo & Nousiainen (2015). Paulig Consumer Service's CEM practice before the development project was evaluated to the first stages of a preserver category. The service design process constructed of methods fit to context and target of each phase of the process. The data on context was gathered with surveys, contextual interviews, observation, service safari and customer journey mapping. Thematic analysis was used to explore the data. Solutions to customer experience development were formed in a workshop. 18 months after the workshop all challenge themes had been improved with key driver based initiatives ideated and prototyped in the workshop or due to it.

Evaluation of Paulig Consumer Service CEM practice after the development project supported the hypothesis of the thesis. The category had not changed, but development within preserver category was noticeable. Customer experience development within service recovery team is preventing the organization from developing to transformer category. Future research opportunity would be to examine whether exceptional service recovery can trigger embracing customer experience strategy.

Keywords: Customer experience, Customer experience management, service design, development project

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1 Introduction

“Customer Experience is the official name for the emotions and sentiments your company is associated with in your customers’ minds. It’s very often mostly to do with how people view problem situations, daily encounters and how well the team plays together.” Tweeted Head of Customer Experience & Insights at Tieto, Liisa Holma (2018). World is full of explanations and descriptions on customer experience and how it could be a source of competitive advantage for companies. Ironically because customer experience is determined by the customer, it can’t offer a competitive advantage when it is pursued for the company benefits. Customer experience performance expectations should be high because companies want to be on the same side of a customer. When a company reaches the attitude of fighting with the customer, against bad customer experiences and not on demand of the customer, customer experience can become a source of competitive advantage.

Customer and company relationship can be similar to a relationship of a dog and owner, with the difference that companies do not own their customers, far from it. Customers can be loyal and obedient when treated respectfully and offered more joy than negative reinforcement. When punished or treated unfairly, they become frustrated or even aggressive and run off. They need the company, but if ignored, customers start ignoring the company. By caring for customer’s wellbeing, training them to work *together*, customer can reward the company by doing the work even *for* company’s benefit. Core in the relationship is respect and mutually beneficial co-creation. Today customers are more in charge, because they have many options (Klaus 2015) as in caretakers to choose from.

Companies are in constant pressure to stay relevant. For a business to be relevant it needs to acknowledge customer needs and offer solutions to answer needs proactively. Many companies fall behind by being reactive to customer needs. Interaction between a company and a customer has many layers. It is not just an exchange of product or a service. It is an experience. Customer experience (CX) is the new frontier of competition. (Klaus 2015.)

Even administrative institutions are pressuring companies to improve customer experiences. EU is preparing a law proposal to force mobile manufacturers to use a universal charger suitable for all mobiles (European Parliament 2014). This serves the purpose of enhancing customer experience, but also environmental issues by reducing electronic waste. EU administrative actions are rather slow, because they need local legislations to be operational and this can take up to 12 months. (BBC 2014.) Despite the time span, this law proposal proves the need for businesses to start focusing on customer experience.

Companies can emerge customer experience development through new business opportunities. Customer-orientation can be motivating through financial gains, marketing reasons or

strategic benefits. These new business opportunities may come in forms of service. This transformation is called service infusion. Infusion offers competitive advantage and can also facilitate customer value creation (Lindberg-Repo & Dube 2014).

Aim of this thesis is to explore service design methods ability to drive customer experience orientation in businesses.

1.1 Background

Innovation is a remarkable competitive factor in business and utilizing users as a source of innovation is increasing (Ojasalo, Moilanen & Ritalahti, 2014). Continuous improvement and renewal have become significant attributes in staying in the game of business. You will manage better if you are engine of the change instead of reacting to change happening around you. (Ojasalo et al. 2014.)

Business environment is in constant change. The competitive scene has evolved from products to service, to post-product scene to, still forming - post-service competition. Klaus and Maklan (2007) suggest that the new competitive battleground will be customer experience. Customers are not just buying goods or services. They attempt to fulfil deeper emotional, sensory and hedonistic desires. Experiences represent step up beyond purchased good or service. (Pine & Gilmore 1998.)

Developing customer experience is inevitable for company to stay in the competition. Although the competition itself shouldn't be the triggers to develop customer experience rather than the gains of developing. Developing customer experience keeps the current customers, acquires new customers and adds efficiency (Klaus 2015).

1.2 Research and development objectives

This thesis is a research-oriented development project. Service design is used as a methodology for executing the case example: designing customer experience in Paulig Consumer Service. Service design process model Service Innovation Process grounded on Foresight and Service Design by Ojasalo, Koskelo, Nousiainen (2015) is used as a framework for the development project. Research-oriented development project begins from wanting to create a change. Goal is to form, develop and implement solutions, instead of just framing or presenting theories. Research-oriented development projects create new kind of professional knowledge as groundings for future projects. (Ojasalo et al. 2014.) Aim of this thesis is to develop customer experience in Paulig Consumer Service, but also examine how service design can facilitate the emergence of customer experience practice in an organization.

All begins from knowing the context project is developed in. Research is done systematically, analytically and critically as a dialogue between theory and practice. (Ojasalo, et al. 2014;

Kananen 2012.) One could say that context is creating a map for a sail boat. Company is a sail boat and insights gathered from the research are the wind for the sails. Knowing the context company knows how to adjust sails. Service design tools can be seen as the sails to utilize the wind for the sail boat to move forward. When the context changes also the insights change. Sail boat can use the same sails, but it needs to familiarize with a new map and a new wind to move forward.

Starting point for a research-oriented development project is to identify the development target. Project can be problem focused or renewing focused. When dealing with problem focused project, identifying the context and causes for the problem are important. (Ojasalo et al. 2014.) If problem and effecting factors are not known, creating a change or a solution is practically impossible. It is vital find the core of the problem and what is causing it - map causality. Knowledge of causality is fuel for solutions. (Kananen 2012.) In the thesis context, development target is Paulig Consumer Service and project was renewing focused. Next steps of project are to gather information and choose a perspective, meaning the development assignment and setting the frame for it. Defining the development assignment is important and to be able to evaluate if the assignment is successful, metrics should be set at this stage. (Ojasalo et al. 2014.)

Development assignment for the thesis project is developing customer experience in Paulig Consumer Service. Assignment was defined to develop customer experience in coffee context and regards complaint and guidance customers. After the assignment is defined the next step of the project is to create knowledge of theory and concepts regarding the field of development and approach to the subject (Ojasalo et al. 2014). Aim of the theoretical part of the thesis is to create a framework on the existing knowledge on customer experience and service design. Research question for the thesis is: "Can service design facilitate customer experience management practice evolvment?" Mapping of the framework and documentation of the development project create results that benefit wider audiences than just one-off projects (Kananen 2012). When knowledge is gathered, the next phase is execution of the change and it is followed by results and evaluation of the project (Ojasalo et al. 2014). These steps are covered in chapters 4 (case study), 5 (results) and 6 (conclusions).

1.3 Case company: Paulig Coffee Division

Paulig is a family-owned business established in 1876 by Gustav Paulig. In the beginning business was focused on importation of different food products from colonial countries. Today Paulig Group is an international taste company exploring great taste in three divisions: Paulig Coffee, Paulig Foods and Paulig Snacks. (Paulig Group 2018.)

Paulig Group is well known of brands: Paulig Coffee, Santa Maria, Poco Loco, Gold&Green and Risenta. Coffee division is covering biggest share of the Group's turnover - 38%. Paulig Coffee

Division is a market leader in coffee business in Finland and also actively operating in Sweden, Baltic countries and Russia. (Paulig Group 2017.) Coffee Division operations are divided based on customer segments. Business-to-consumer operator Gustav Paulig Ltd operates in retail business and business-to-business operations, Paulig Professional Ltd offers services to business customers. Case function Paulig Consumer Service is serving both companies but belongs to Gustav Paulig's organization. Coffee Division was employing 590 people in 2017, when in comparison Paulig Group has 2042 employees. (Paulig Group 2017.)

Paulig has three roasteries: two in Finland: Helsinki and Porvoo and one in Tver, Russia. Paulig Kulma is a flagship store and café located in Helsinki city center. Kulma was opened 2016. Addition to café it has also a microroastery and Paulig Barista Institute training facilities. (Paulig.fi) Paulig Kulma is representing the new age of customer-oriented operations. With Paulig Kulma Paulig is answering to emerging trends in the world coffee scene.

Paulig Consumer Service was established in 1971 as Paula service to answer customers questions about coffee and Paulig's products. Paulig has long traditions of listening to customers. It was already in 1924 when Eduard Paulig received a letter from a customer asking prices of smaller packages of coffee. This customer contact operated as a trigger for launching household sized packages. Paulig continued the customer-oriented way of operating in 1929, when Juhla and Presidential blends were launched to market. These blends are still known as valued brands Juhla Mokka and Presidentti in the Finnish coffee market. (Junikka 2017.)

Paulig Consumer Service is employing three people at the time of the development project. They are responsible for handling all consumer customer contacts of Paulig Group in Finland. This includes Robert Paulig Roastery, Santa Maria and Risenta customers in addition to Paulig Coffee customers in both B2B and B2C segments. (Junikka 2017.) The development project was limited to focus only on Gustav Paulig Ltd.'s B-to-C customers.

Paulig Group has shared values in all divisions. Values are: *Grow Together, Stay Curious and Strive for Excellence* (Paulig Group 2017). Grow together refers to the partnership ideology and utilizing the potential that learning from others has. Stay curious has a link to exploring the great taste - vision Paulig has. And third value encapsulates the quality passion Paulig has had since the beginning of the company history. These values embrace the development project and create a nutritious soil for customer experience.

Paulig Group has launched a Consumer First -program, which operates as foundation for the Paulig Way of operating. It states that consumers should be the first thing to consider in all operations - when developing, making business decisions and affecting the everyday work of Paulig personnel. The program has been in implementation phase for already some years but hasn't succeeded to be integrated into the consumer service's way of working in forms of

having strategic goals. To enable cultural change in organization toward a more customer-oriented way-of-working, development should begin from functions facing the consumer. (Junikka 2017.) It is more of a slogan in everyday operations rather than a structured approach reaching for the strategy. At least not in a customer experience focused way.

The author of this thesis has previously been employed by Paulig and also operated in the service function in question. Paulig Consumer Service Manager Kaisa Junikka operated as a contact person for the project and project owner in Paulig's organization. Customer Experience was previously examined in Paulig Consumer Service in 2009 as a part of undergraduate thesis project. In that project customer experience was analyzed from value perspective. As an outcome of the project, a value chain was created, and recommendations were given, on how to create more value to customers. Focus of the project was the customer experience in complaint process. (Länninki 2009.) Due to resource limitations and lack of concrete action suggestions, only few changes were made to the service process even though the potential of the outcome was noteworthy. Previous project from 2009 was used as context information and material for the customer experience development project presented in this thesis. Author for both theses 2009 and 2018 is the same.

1.4 Structure of the thesis

This thesis is constructed according to research-oriented development project process. First chapter introduces the background, methodology and Case Company of the thesis. It covers also the key concepts used in the thesis and objectives set for the thesis project. Next chapter sets the theoretical framework for the development project by explaining what constitutes customer experience, management practice and service design methodologies by first presenting the ideologies grounding service design. Future-oriented service innovation process is also explained in second part of the thesis. Connections between customer experience and service design open the synergy benefits explored in the empirical part of the thesis by designing CX. Figure 1 visualizes the structure of the thesis.

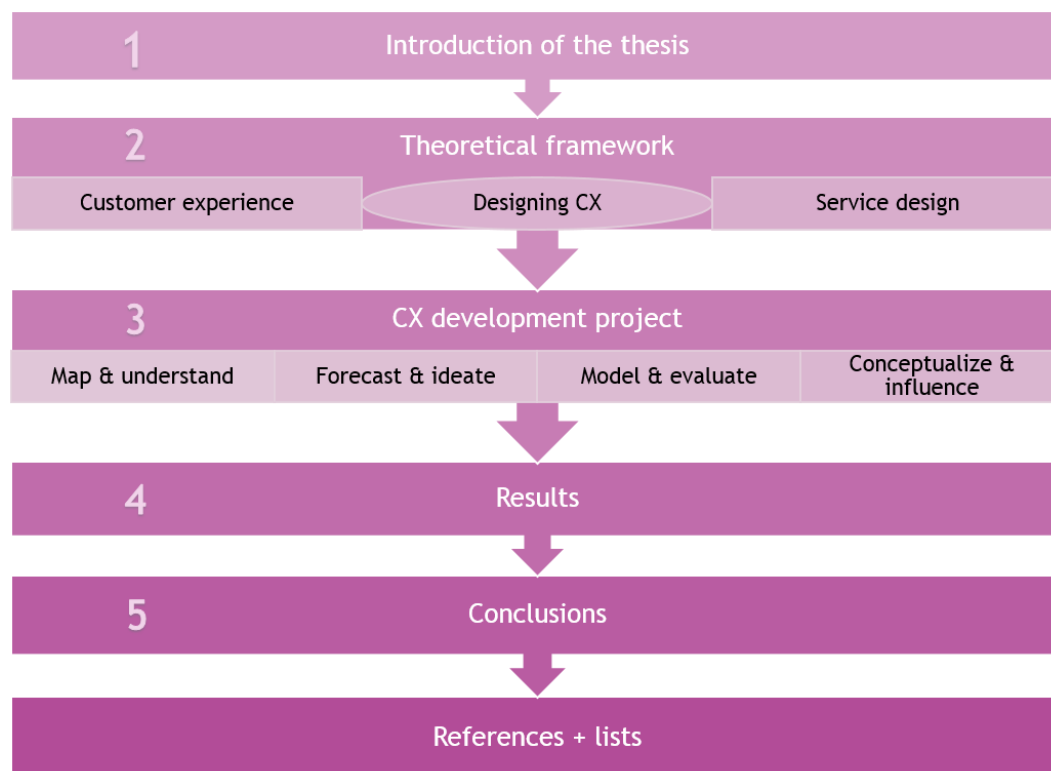


Figure 1: Structure of the thesis

Customer experience (CX) development project is presented and phased according to Future-oriented Service Innovation process by Ojasalo, Koskelo and Nousiainen (2015). Sixth chapter of the thesis explores the results gathered from development project and conclusion chapter combines theoretical framework and empirical findings together. Thesis is concluded with references and list of figures and tables presented in the thesis.

1.5 Key concepts

Key concepts used in this thesis are explained in this chapter. Concepts are explained through the thesis context, but later defined more in detail in theoretical framework.

Service is interaction between a customer and a company. Service can be seen as company's facilitation of resources to customers benefit (Lusch & Vargo 2014). In thesis context service is used as a referral to all interaction between company and customer.

Customer is the beneficiary actor of a service and an active participant in the experience (Lusch & Vargo 2014). Consumer is commonly known term for end-user of a product or a service. In goods-dominant logic consumer is seen as the beneficiary, who consumes the value generated by a company. Later explained service-dominant logic sees beneficiary actor as an equal actor in the exchange of services. Beneficiary actor creates value in use, when applying resources of service implementation. Value is experienced not consumed. (Lusch & Vargo

2004.) In this thesis user, consumer and customer are used as synonyms. Paulig Consumer Service -term is used to describe the customer service -team handling consumer contacts at Paulig Group in Finland.

Customer Experience (CX) is a subjective interpretation of all interaction between company and customer (Meyer & Schwager 2007). Experience is unique and holistic. Experience begins before any direct contact with the company and continues after contact has ended. (Meyer & Schwager 2007.) *Service Experience* is the perception on experience created during a service encounter. (Klaus 2015). Thesis covers both customer and service experiences but focuses on the holistic nature of customer experience. Customer experience is also referred as CX later in thesis. This term is commonly used in literature.

Customer experience management (CEM) is creating and developing the integration of consistent customer experience across all touch points (Klaus 2015). *Customer experience practice* is the procedure implementing CX strategy into action. *Customer experience practice type or category* is the classification of organization utilizing CEM.

Design thinking connects creative a design approach to traditional business thinking (Tschimmel 2012). Design thinkers comprehend holistic nature of situations and offer solutions from a customer perspective (Brown 2009).

Service-dominant logic (S-D logic) is a contemporary business logic (Ojasalo & Ojasalo 2015) which sees all business as transaction of service-to-service. In the logic there is no producer or customer, there is merely actors, who exchange services to enhance their system viability. According to S-D logic value is co-created by actors and determined by the beneficiary actor, most often the customer of the process. Service provider can only integrate resources to offer value co-creation opportunities to customer actors. (Lusch & Vargo 2014.) This way of thinking differs greatly from product-oriented business logics referred as goods-dominant logic in this thesis.

Service design is combining design thinking and service-dominant logic. Service design methodology can be applied in all fields of business, not just service business (Brown 2009). Together service-dominant logic and design thinking form ideology that guides service design tools in develop of customer experience in case study of this thesis.

2 Customer Experience

Customer experience is a customer's subjective perception on all contact with a company. Contact can be indirect or direct. (Meyer & Schwager 2007.) Customer experience begins before customer has any contact with a company and continues after interaction has ended. This makes it difficult for companies to grasp, what makes a successful customer experience. Customer experience is built on many outputs of the company, not just customer care (Meyer

& Schwager 2007). Creating a holistic customer experience is challenging, because many people in a company are responsible for different outputs, but don't communicate to one another and no one is overseeing them all. Every function should care for the customer experience they offer. (Meyer & Schwager 2007.)

Touch points with the company pile up the experience, but touch points vary on value to the experience. If customer is dissatisfied on the output of the company, well managed customer experience can balance the situation. (Meyer & Schwager 2007.) Sarah Cook (2015) suggests that a service experience offering can be divided into three levels. Levels form a pyramid and each level is reachable, when the lower level is fulfilled. Figure 2 illustrates the service pyramid. For a service provider to be able to offer a positive experience it needs to serve the hygiene factors of service. These are the factors that customer expect from the company for granted. They don't increase service expectations highly, but if not in place, service will lead to complaints. (Cook, 2015.) Service experience refers to the part in control of the company. Customer experience consists of a larger entity.



Figure 2: Service pyramid (Cook 2015, 5)

Next level of service pyramid is satisfying customer needs. This is created by offering service attributes that meet customer expectations of the service. Satisfying these requirements doesn't differentiate the service experience from competitors. Majority of service offered performs at this level. Highest level of service according to Cook (2015) is delivering exceptional service. This can be achieved through three ways: personalized service, above and beyond service or service recovery. Personalized service is tailored according to customer preferences and offers choices based on customer needs. Being able to offer exceptional service, company is awarded with loyal customers. Satisfying customer needs creates only satisfaction. Satisfied customers can be unfaithful, as they don't have emotional bond with the provider and might as well go to competitors offering in the future. Providing above and beyond service means exceeding customer's expectations on service. This is more challenging way to

offer exceptional service, because the next time customer's expectations will be higher. (Cook 2015.)

Third way of delivering exceptional service is service recovery (Cook 2015). Service recovery is successful procedure by the company in service failure situations (Bolton 2016). Complaint process should be efficient, effective and easy for a customer. Customers should feel, that they are trusted and taken seriously. (Cook, 2015.) Service failure and failed service recovery are top causes of customer changing service provider (Bolton 2016). Bolton (2016) argues against Cook's theory of exceptional service through service recovery. She claims that service recovery can, at times, generate exceptional service but is easier to avoid service failure and in case of service recovery need be prepared for a above and beyond service, than to rely on consistent service recovery excellence. Bolton (2016) suggests that employees should build the recovery from apologizing, acting fast, offering service context suitable remedy and fix the process and problem causing the service failure. These steps are general and should be used in discrete and context tailored manner.

Employee's role is crucial, when examining customer experience. Cook (2015) suggests that engaged employees are more likely to deliver excellent service. Employee engagement is built on *freedom and accountability*, employees feel they are trusted; *simplification*, working processes are made easy and development initiatives are encouraged; *prioritization*, delivering exceptional customer experience should be priority all the time, but other priorities should be clearly communicated, so employees know what they are expected. Last employee engagement building block is *leadership*. Example and leadership of one's closest manager create an important part of employee engagement. Cook (2015) claims that people leave managers not companies. Employees should be cared for as individuals. Relationships are the bonds that tie the workplace together. Engaged employees have the tools to create exceptional service. Result is still up to employee's willingness to pursuit abilities in service situations to offer exceptional service. This is pursuing discretionary effort. In service situation it is up to employee whether he offers basic service, satisfactory service or goes above and beyond. Company needs to empower and engage employees so that they are most likely offer exceptional service. (Cook 2015.) Klaus (2015) claims that pioneer companies in customer experience, understand the crucial role of employee's as deliverers of customer experience. Employees should be equipped with right skills and resources by investing in training and recruiting right people to match the customer experience goal (Klaus 2015).

Bolton (2016) suggest that customer experience is built on blocks that create four steps: service quality, customer satisfaction, engagement and customer experience. Customer experience building blocks are visualized in Figure 3. Steps are formed on the way most organizations see customer experience formulation. Each step higher on the ladder is broader and more inclusive. Steps are not attached to time. Experience is iterative and dynamic. From

customer standpoint each step can be evaluated separately (moving up and down the blocks), but organizations must have a structured plan on how to build the steps. Service quality is foundation to customer satisfaction, engagement and finally customer experience dimension. (Bolton 2016.)

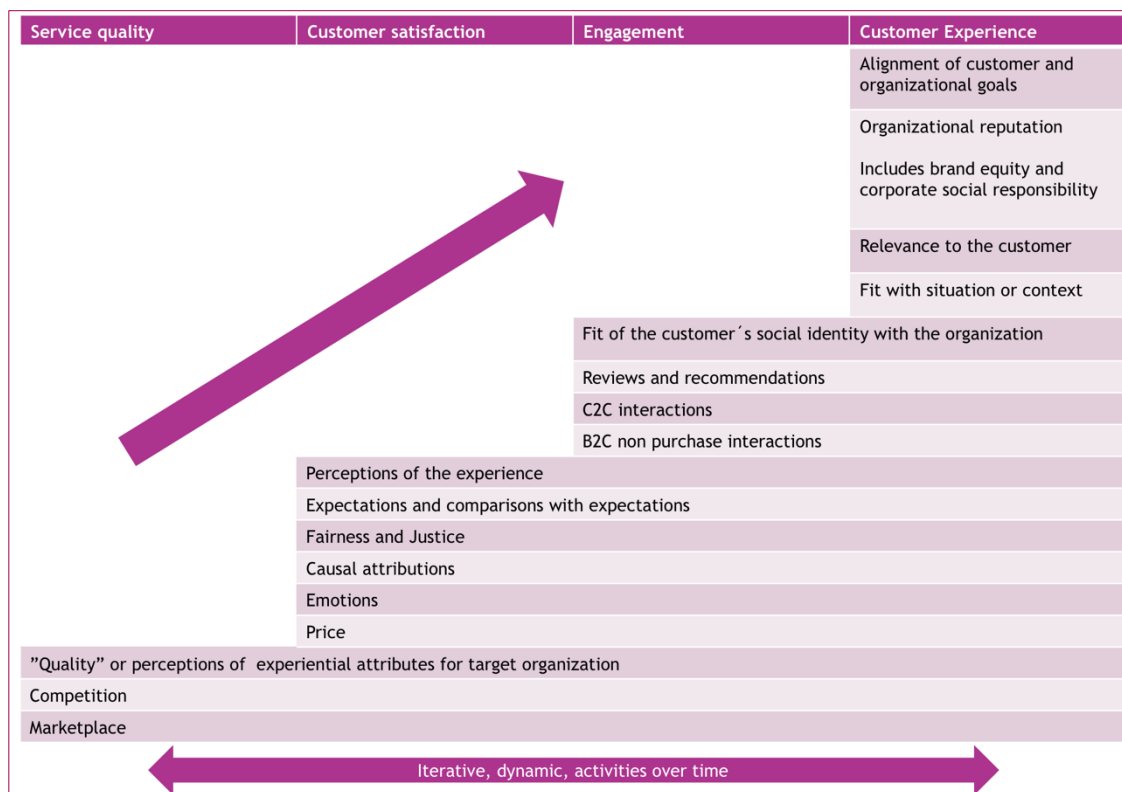


Figure 3: Customer experience building blocks: A moving staircase (Bolton 2016, 57)

Customer experience is built on customers' perceptions of quality of their experiences with service provider. These are affected by the context, competition and marketplace. (Bolton 2016.) Service quality perception consist of five dimensions: reliability, responsiveness, knowledgeable employees, empathy and tangibles of service (Parasuraman, Zeithaml et al. 1985). These attributes are commonly measured by organizations. As context is affecting the perception of quality, organizations should recognize context specific experiential attributes that effect customers' perception. (Bolton 2016.)

Customer motivation and goals are important when thinking about customer experience. Motives can be practical or emotional and they effect on the perception on customer experience. (Bolton 2016.) People contacting company on service failure are only top of an iceberg, compared to the service failure occasions. Social Media has and is changing the complaint habit, as contacting and sharing service experiences has become easier. (Cook 2015.) Companies need deep understanding of customer motivations and goals to be able to create positive

customer experiences and then again new chances of service recovery in case of service failure. Chance depends on the customer input to take contact. When organizations understand customer's latent motivations, they can utilize them to propose customer to create emotional connections with brands and engagement. Motivations generate goals and recognizing these connections gives tools to understand the evaluation of different attributes of customer experience. (Bolton 2016.) Attitude toward complaints needs to change. Companies need to understand that complaints drive business improvement, internal communications and increase operational efficiency, all added with more loyal customers through successful service recovery. (Cook 2015.)

Next level of customer experience in Figure 3 is customer satisfaction. Customer satisfaction is easy to measure, because it is easy to understand and interpret by companies and customers. Satisfactions can be evaluated by fulfilment of expectations. All aspects of experience are evaluated, and customers sum up a holistic assessment. (Bolton 2016.) When companies measure customer satisfaction, surveys don't give answers on how to develop customer experience and satisfaction. They only reveal, if the expectations on a service and experience offered meet. (Meyer & Schwager, 2007.) Customer expectations are constantly emerging (Cook 2015). Customers use expectations from previous encounters, learnt manners and associations as criteria to evaluate experience (Watkinson 2013). Even satisfying services have pressure for improvement. Companies need to innovate, improve, recognize and understand rising trends and constantly find new ways to offer exceptional service (Cook 2015).

Bolton (2016) suggest that expectations can be divided to predictive, normative and ideal expectations. Predictive forecast what will happen. Normative create framework, through asking what should happen and ideal perspective creates the best scenario, what could happen. Satisfaction is also affected by comparing experience with expectations and past experiences. Normative expectations include fairness and justice of experience. These include expectations on economical outcomes, fair service procedure and interactional justice. Customer want to be treated fairly. Communicating service aspects transparently, gives customer perspective on context and forms expectations. (Bolton 2016.) Customers seeks to explain the service experience result. Service outcome, good or bad, is evaluated in the context of service. Company and service employee are assessed: could the outcome have differed through their actions and what limited their performance. These context limitations are called causal attributes, which effect customer satisfaction and there for customer experience. (Bolton 2016.)

Emotions are a distinctive building block of customer experience. Feelings can be seen as power booster of other elements creating the experience. Emotions can change positive and

negative reactions to experiential attributes effecting the satisfaction. For example, frustration on long wait during service experience, may have critical effect on customer's evaluation on the procedure of service and effectiveness of personnel. (Bolton 2016.)

Price is a problematic element in building of customer experience, because customers response to pricing strategies differently. Price can be a quality indicator, and price perception is always context specific. Customers evaluate the fairness of price according to their perception of the service and expectations are influenced by price asked. Open communication of service offered and a valued brand lower price acceptance barrier and therefore generate customer satisfaction. (Bolton 2016.) Price should not be determined on what customers buy but aligned on the goals of customer as on what they need (Hinterhuber & Liozu 2013).

According to Bolton (2016) third step of building customer experience is engagement. Customer can interact with the organization or with other customers. Goal for the engagement building blocks is to match and increase social activities targeting the brand. These can be generation and observation of reviews and ratings, non-purchase interaction with stakeholders and compatibility of customer's social identity and brand identity. (Bolton 2016.) Great customer experiences reflect customer's identity and deepen the loyalty (Watkinson 2013). Social media has enabled new ways for organizations to interact with customers and communicate brand identity in multiple levels (Bolton 2016). Good customer experiences can be socially engaging. Engagement can come in forms of interaction or social currency. (Watkinson 2013.) Engaged customers can operate as advocates and promoters for the organization. Advocacy creates free visibility and lower customer acquisition costs. (Bolton 2016.) When organizations care for a holistic customer experience, customers reward them with loyalty and goodwill as word-of-mouth (WOM) in their networks (Watkinson 2013). 88% of British internet users consult reviews when making purchases and 60% were more likely to buy from sites which include reviews (Reevoo 2012). Customers have become more sceptic toward organizations and advertising (Watkinson 2013). Recommendations of other customers are seen more reliable.

Customers control the buying process more nowadays (Cook 2015). Companies need to understand that fundamentally people want to feel in control and give the control to customers (Watkinson 2013). One needs to bear in mind that control is not synonym to work load. Appealing customer experiences are effortless and stress free (Watkinson 2013). Uneasy procedures lead to customer giving up the process (Cook 2015). Time and energy consuming experiences are replaced with competitor offering (Watkinson 2013).

Highest step in Bolton's (2016) customer experience building blocks ladder (Figure 3) is customer experience. This step is future-oriented, while previous steps are observing the service in past form. In customer experience level, multiple measurements and indicators should be

used to forecast organization's and customer's future-state of relationship. Customer goals and motives play a key role in understanding the future needs. Brand and offerings relevance and company reputation need to favor the customer, to add willingness to continue customer relationship. Also, the future-fit of relationship needs consideration when building customer experience. This enables company to stay relevant for the customer in the future. (Bolton 2016.)

Bolton (2016) emphasizes that customers are affected by all levels of the customer experience moving staircase presented in Figure 3, but organization needs to understand the steps to build experience higher and to create connections between building blocks. All begins with solid foundation of service quality, (Step 1), continues by co-creating service experiences that satisfy customer (Step 2), then proceed the evolvement by engaging with customer in both benefiting ways (Step 3) and build a stronger possibility for a shared future by offering relevant experiences. (Step 4). Experience is iterative and becomes customer journey over time. Building blocks and perceptions change on the way and organizations need to understand and try to predict where customers are navigating on the journey. (Bolton 2016.) Customer journey is like the sail boat referred earlier and customer experience building blocks are actually the parts that form the boat. Fundamental learning of the metaphor is that customer is the captain of the boat, not company. Company is only the partner in sailing - expert in the field, but only part of the crew on the journey. As long as captain allows. At the end captain is the one deciding if the journey was a success or not. Captain can change boat, but crew is set on a ship. In this metaphor captain isn't going to sink with the boat, unless the crew has won his/her loyalty.

2.1 Customer experience management

Meyer and Schwager (2007) state: "Customer experience does not improve until it becomes a top priority and a company's work processes, systems and structure change to reflect that." Customer experience is generated by engaged employees, guided by customer-oriented company culture. (Cook 2015).

It is important to notice that customer experience management is different from popularly used customer relationship management (CRM). One has seen companies build up CRM systems and that way think they manage customer relationships. These systems gather quantitative past-action data of customers and create statistics (Meyer & Schwager 2007). As written earlier customer experience is subjective and multidimensional. Managing and measuring it goes deeper than interaction statistics. Customer experience management researches opportunities to develop business in touch points where expectations and experiences don't meet. It has future-oriented perspective. (Meyer & Schwager 2007.) Table 1 below presents the differences between CEM and CRM.

	What	When	How Monitored	Who uses the information	Relevance to Future Performance
CEM	Captures and distributes what a customer thinks about a company	At points of customer interaction: "touch points"	Surveys, targeted studies, observational studies, "voice of the customer research"	Business or functional leaders, in order to create fulfillable expectations and better experiences with products and services	Leading: Locates places to add offerings in the gaps between expectations and experience
CRM	Captures and distributes what a company knows about a customer	After there is a record of customer interaction	Point-of-sales data, market research, web site click-through, automated tracking of sales	Customer-facing groups such as sales, marketing, field service and customer service, in order to drive more efficient and effective execution	Lagging: Drives cross selling by bundling products in demand with ones that aren't

Table 1: Customer Relationship Management versus Customer Experience Management (Meyer & Schwager, 2007, 120)

Measuring customer satisfaction and service quality, don't go deep and wide enough to cover whole customer experience. Customer experience start before the service encounter and lasts long after the service experience has ended. (Klaus 2015.) When companies measure customer satisfaction, surveys don't give answers on how to achieve satisfaction. They only reveal, if the expectations on a service and experience offered meet. (Meyer & Schwager, 2007.) As Bolton (2016) stated, customer satisfaction is only one step in customer experience. Key is to learn by doing improvements and continue development. As said, customer experience is dynamic and iterative. Companies approach on it should be similar. (Bolton 2016.)

Measuring operations in business for no actual intention of acting on the results is waste of resources. There is a habit of collecting data on customer experience, but then not share or utilize it in any way (Meyer & Schwager, 2007). Klaus (2015) suggest that organizations performing on the highest level of customer experience management, share best practices, experiences and knowledge openly with stakeholders and customers. They want to communicate that they are not competing with other service providers rather than competing *for* customer. As customer experience also measuring of it is context specific. There is no fit-all metric for organizations to guarantee measuring customer experience state. (Bolton 2016.) Klaus (2015) then argues that customer experience management is not context specific. Same rules apply to all.

For customer experience (CX) to improve, it needs managing. Customer experience management has 5 dimensions: defining CX, scope and objectives, managing CX processes and implementation, governing CX by metrics and leadership, creating CX policy over time and mapping CX future challenges. (Klaus 2015.) Mapping of challenges fuels future definitions of CX and therefore loops the process as ongoing continuum. Dimensions of customer experience management are visualized as a loop in Figure 4. Loop form is thesis writer's interpretation based on Klaus' presentation on dimensions.

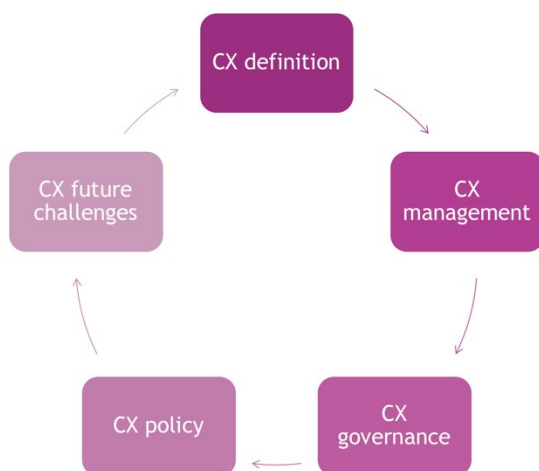


Figure 4: 5 Dimensions of Customer Experience Management presented as a loop (Klaus 2015)

Customer experience management is creating and developing the integration of consistent customer experience across all touch points. Management begins by clarifying what constitutes customer experience in company context. Definition is basis for determining the scope and objectives to form CX strategy. Customer experience management is holistic and focuses on customer assessment of an overall experience. Experience should be common across all touch points enabled through process and people development. Customer experience management (CEM) is creation and enhancement of this practice. CEM should focus on insight how customers evaluate experiences instead of just improving processes. Customer experience practice is the procedure implementing CX strategy into action. (Klaus 2015.)

CX governance is monitoring and maintaining the processes and practices assuring implementation of customer experience strategy. Customer experience is dynamic and complex, it should be managed in a coherent and integrated manner. (Klaus 2015.) Many companies are actually improving customer experience without actively realizing it. Customer experience management can be impelled in many ways. Sometimes a formal quality improvement program can trigger future customer experience investments. Customer experience investments need capital and top executives support. Well communicated objectives and management support have a proven linkage. Linking CX to financial outcomes, makes it easier for management to commit. Customer experience needs long-term commitment, due to the indirect return of investment nature of CX. Investments don't offer immediate financial results and measurability can be challenging. (Klaus 2015.)

Klaus (2015) suggest that there are three types of customer experience practices among companies: preservers, transformers and vanguards. Practices' approach vary in each of the five

dimensions of customer experience management (Figure 4) and each practice has many types of companies performing customer experience execution differently, but still landing on the same practice type. CX practice evolution is driven by measuring customer experience, adopting customer perspective on CX and understanding conclusiveness of employees, in addition to utilizing dynamic capabilities (Klaus 2015) explained further in this chapter.

For preservers customer experience management is an extension of existing channels and quality processes. Preservers acknowledge the importance of customer experience, but don't link it to identifiable goals and outcomes. Customer experience has rarely linkage to strategic level or even brands. Customer experience is developed through individual initiatives instead of coherent comprehensive program. Customer-facing employee importance is not truly valued, and tailored training is not offered. Partners affecting customer experience are known, but procedures are not integrated. Customer experience is measured with traditional measurement methods of service quality and customer satisfaction. (Klaus 2015.) Satisfaction is important, but doesn't capture the behavior side of the experience (Arussy 2010). Narrow conception of CX makes it difficult for preservers to evolve to new levels of practice.

Preservers understand the importance of customer experience, but vision-based management program is missing. Cause to develop customer experience is competition pressure not customer. (Klaus 2015.) "We know what is best for our customer" -attitude prevents preservers from emerging further levels of practice. Preservers see only critical incidents as drivers that change customer behavior and rely on service recovery to keep customers. This makes the approach to customer experience reactive not proactive. Customer experience management focuses on call-center functions, because they manage mostly service recovery. Efficiency in CX is emphasized due to cost-cutting opportunities, not strategic initiatives to enhance customer experience. (Klaus 2015.)

Klaus (2015) calls more developed practice companies in customer experience management transformers. Transformers believe CX has positive effect on financial performance. Holistic nature of customer experience challenges even transformers to define scope and manage it. Definition operates as grounding for design and execution of CX strategy. In transformer organizations personnel is valued for their role as customer experience providers. They are offered development opportunities through training programs. Transformers understand that customer experience development increases loyalty, satisfaction, recommendations and brand perception. (Klaus 2015.) Easiest way to validate successful customer experience is to monitor customer retention and measure customer's new role as promoters. Consumers reward companies publicly on social networks by liking or engaging with the brand. (Sathi 2011.) Transformer organizations have named employees responsible for customer experience and customer experience programs are developed in cross-functional teams. (Klaus 2015.)

Customer experience is visible more in transformer organizations than in preserver ones. Customer experience is integrated to organizational goals and measures of current customer outcomes. Companies understand that current measures don't reveal true customer experience and they are looking for new better metrics. (Klaus 2015.)

Recommendations can be seen as more customer experience specific than customer satisfaction. Some transformers therefore measure Net Promoter Score (NPS) (Klaus 2015) because it articulates clearly to management, how customer experience performance is evolving. Net Promoter Score is a metric developed by Fred Reichheld. NPS is measuring the likelihood to recommend an experience. Results split customers to groups based in loyalty: loyal promoters, neutral indifference customers and disloyal detractors. (Arussy 2010) Klaus (2015) reminds that measuring an intent to recommend is not the same thing as actually recommending. It would be more useful to measure behavior and actions. For this reason, transformers are continuously looking for a better metric to measure CX. Transformers have long term commitment to customer experience management and top executives more or less support the strategy. Strong business link is still missing to integrate CX to organizational performance. (Klaus 2015.)

Most evolved level of customer experience management is vanguards, pioneers of CX. Vanguard companies have customer experience-based business strategy and the whole organization is committed to executing the shared vision. Multidisciplinary team is steering the customer experience measurement and design. Accountability and consistent customer experience are cornerstones of performance. Vanguards measure customer experience programs effectiveness and efficiency and develop new tools to match overall strategy. (Klaus 2015.) Successful customer experience derives better business results (Dongen Crombags & Wietzes 2017). Validating it is not easy. Customer experience measuring is challenging and there is no shared view among scholars on how to cover the holistic nature of customer experience. Limitations are acknowledged, but in lack of a better option companies pursuit current measures by emphasizing simplicity over accuracy (Klaus 2015).

In vanguard companies all organizational functions are guided by customer experience strategy. Recruiting, training and human resources follow customer experience guidelines. Customer experience strategy is visibly supported by management. (Klaus 2015.) To implement customer experience strategy to this extent, there would be no other options possible. Customer experience definition is based on brand values. Goal of customer experience management is to produce emotional and functional benefits to a customer. Engaged employees are acknowledged as a vital medium to provide coherent and consistent experiences across channels and touch points. (Klaus 2015.) CX becomes the DNA of vanguard organizations (Dongen Crombags & Wietzes 2017).

Vanguards have a learning by development approach to customer experience management, as new measurement methods emerge, new insights evolve the customer experience strategy. This creates a revolutionary effect on business - a customer experience philosophy. (Klaus 2015.) All three practices acknowledge the importance of customer experience but utilize the potential of it differently. Preservers know that something ought to be done, but don't know what. Transformers have defined customer experience goals and they know CX could offer competitive advantage. On the most evolved level Vanguards have designed their business based on customer experience and it is on the company DNA to think customer first. Next chapter approaches the drivers which enable companies to evolve to a more developed customer experience practice.

2.2 Improving customer experience practice

Klaus (2015) states that for a preserver or transformer company to develop CX practice to become a vanguard they need dynamic capabilities. These capabilities are vital for company to develop a sustainable and competitive customer experience strategy. Capabilities are sensing, seizing and transforming. Sensing is ability to identify and evaluate opportunities to develop customer experience. (Klaus 2015.) Company must understand and value the potential to differentiate customer experience has. Seizing is utilizing resources to create opportunities into customer valued possibilities. Transforming capability is attitude of continuous improvement. Even as pioneer of customer experience, development doesn't end. It is constant search of improvement. (Klaus 2015.) Effect of dynamic capabilities and drivers (presented later) to customer experience practice is visualized in Figure 5. Visualization is constructed according to Klaus' view of customer experience management. Figure 5 presents the connection between customer experience focus and customer experience's impact on business and commitment of organization. Dynamic capabilities boost customer experience practices forward to become Vanguard of CX.

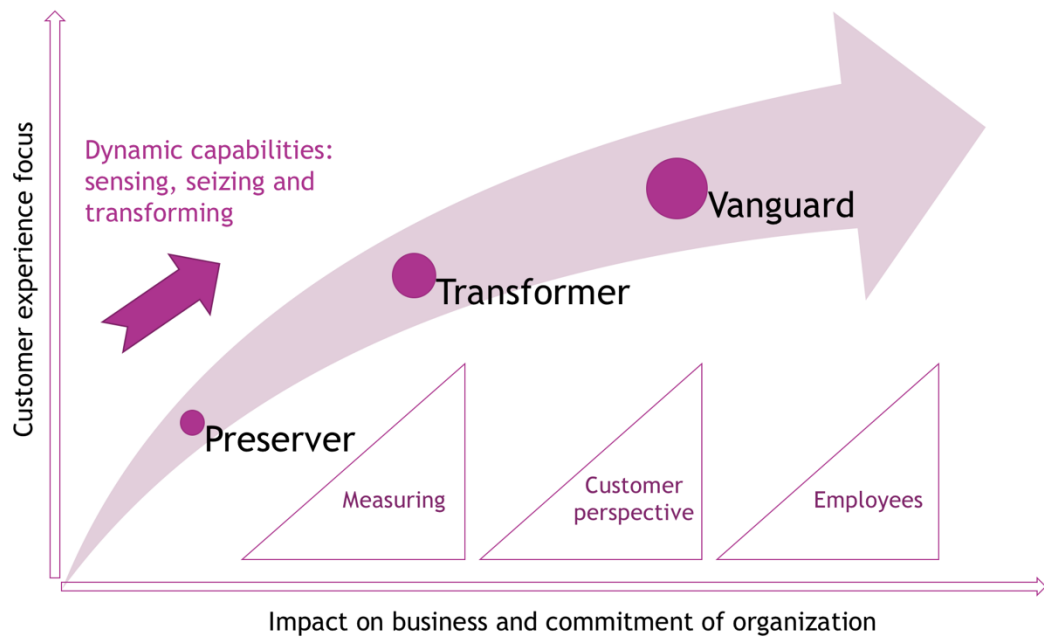


Figure 5: Dynamic capabilities and drivers boosting customer experience practice (Based on Klaus 2015)

Customer experience management is not a project - is an approach to business (Dongen Crombagg & Wietzes 2017). Seeking customer experience opportunities should be an organized process in companies. Innovation and improvement units have synergy benefits for identifying development possibilities. (Bolton 2016.) Actively seeking for CX opportunities is utilizing dynamic capabilities: sensing and seizing which Klaus (2015) referred. Team should have members from many parts of the company. Multidisciplinary team members have diverse perspectives to co-create holistic conclusions (Brown 2009).

To be able to manage customer experience it needs to be measured (Klaus 2015). Measuring customer experience is the first of three drivers (Figure 5) Klaus (2015) suggests as actions to start the journey towards becoming a vanguard in customer experience. Measuring is challenging and varies in organizations according to practice and commitment to CX development. Klaus (2015) states that most important is to measure and iterate as the results guide the development.

Meyer and Schwager (2007) suggest that customer experience can be measured in three levels, depending on the time perspective: past, present and potential. Past pattern level focuses on capturing experiences on recent activity and is traditionally a follow-up measurement: for example, customer service or new-product purchase follow-ups. Level is useful for identifying issues in experience and assessing experience goals. (Meyer & Schwager 2007.)

Past monitoring has a quantitative emphasis. Present pattern level analyses current relationships and monitors new emerging opportunities (Meyer & Schwager 2007). Scope is then more specific, and data gathered needs deeper analysis. Methods for current patterns are periodic and target group determined in detail. Potential patterns monitoring focuses on future. Monitoring tools to test and prototype new opportunities are used. This level is used in specified cases and utilizes explorative methods like ethnography and focus groups. (Meyer & Schwager 2007.) Table 2 below presents the differences in customer experience monitoring levels in more detail.

Pattern and purpose	Data Collection Frequency and Scope	Collection and Analysis Methodology	Discussion and Action Forums
<p>Past Patterns: Captures a recent experience.</p> <ul style="list-style-type: none"> ✓ Intended to improve transactional experiences ✓ Tracks experience goals and trends ✓ Assesses impact of new initiatives ✓ Identifies emerging issues 	<p>Persistent:</p> <ul style="list-style-type: none"> ✓ Electronic surveys linked to high-volume transactions or an ongoing feedback system ✓ Automatically triggered by the completion of an transaction ✓ Focused, short-cycle, timed data collection ✓ Feedback volunteered by users in online forums 	<ul style="list-style-type: none"> ✓ Web-based, in-person or phone surveys ✓ User forums and blogs 	<ul style="list-style-type: none"> ✓ Analysed within functions, central survey groups or both ✓ Cross-functional issues directed to general managers ✓ Strategic analysis and actions directed by general managers
<p>Present Patterns: Tracks current relationship and experience issues with a eye toward identifying future opportunities.</p> <ul style="list-style-type: none"> ✓ Keeps consistent yet deeper watch on state of relationship and other factors ✓ Looks forward as well as backward ✓ Used with more critical populations and issues 	<p>Periodic:</p> <ul style="list-style-type: none"> ✓ Quarterly account reviews ✓ Relationship studies ✓ User experience studies ✓ User-group polling 	<ul style="list-style-type: none"> ✓ Web-based surveys preceded by preparation in person ✓ Direct contact in person or by phone ✓ Moderator user forums ✓ Focus groups and other regularly scheduled formats 	<ul style="list-style-type: none"> ✓ Initial analysis by sponsoring group ✓ Broader trends and issues forwarded to general managers' strategic and operating forums ✓ Deeper analysis of emerging issues at the corporate, business unit or local level
<p>Potential Patterns: Targets inquiries to unveil and test future opportunities.</p>	<p>Pulsed:</p> <ul style="list-style-type: none"> ✓ One-off special purpose driven ✓ Interim reading of trends 	<ul style="list-style-type: none"> ✓ Driven by the specific customers or unique problems ✓ Very focused ✓ Incorporates existing knowledge of customer relationship 	<p>Centered within sponsoring group with coordination by and support from central group</p>

Table 2: Customer experience monitoring perspectives (Meyer & Schwager, 2007, 123)

Monitoring level depends on the purpose and goals of measuring, which then guides the selection of tools and methods used. For Preservers measuring customer satisfaction is enough to reveal changes in customer experience. Measuring is then cyclical and monitoring on present level. Transformers try to find ways to truly measure customer experience and impacts of it. Impacts would then be loyalty and word-of-mouth activities. It is common for transformers to

connect customer experience measuring the willingness to recommend. Then monitoring methods could include Net Promoter Score -metric (NPS). (Klaus 2015.) NPS's monitoring level is past pattern as it follows the recent experience and monitoring is persistent.

Vanguards measure customer experience quality by aiming the systematically measure expectations in all touch points and how effective the delivery process of customer experience is. Target is to find new more effective ways to meet expectations. This embodies the seizing capabilities vanguards possess. Vanguards believe that satisfaction and NPS measure intention and not true behavior. (Klaus 2015.) To be able to develop, measurement should focus on true behavior. Klaus (2015) suggests that measures should be connected to customer behavior having an effect on profitability. Example on this would be repurchase. Vanguards have an exploratory approach to measuring customer experience quality and focus on "why" instead of "what or how" experience is perceived. Losing preconceptions on customer experience allow exploring what constitutes the experience. Finnish author Kari Hotakainen said on interview at Yle Aamu-TV (2018) that when you are entering to a new world, if you are prejudice and cynical, you are not welcomed in anywhere. If you are curious, you can come to the porch. But if you are open and sincere you are welcomed to the house.

Vanguards favor observation techniques like ethnography and netnography. (Klaus 2015.) Focus is on qualitative methods and that way finding improvement opportunities instead of measuring levels of customer experience. One could say that vanguards use past pattern and potential pattern monitoring to measure customer experience.

It is important to understand holistic nature of customer experience, it is not just service experience. Klaus (2015) presents that customer experience quality measuring has three parts: brand experience, service experience and post-purchase/consumption experience. Customer's brand perception is affecting customer experience and decision process before customer is in contact with the company (Fitzsimons, Chartrand et al. 2008) Brand experience is the pre-service part of customer experience measuring and it is studied to affect satisfaction, word-of-mouth (WOM) and repurchase (Klaus 2015). Digitalization of products enables new data to be utilized for customer experience improvement (Sathi 2011). It opens also new mediums to measure customer experience. Service experience measuring in customer experience quality covers measuring experience in contact with the service provider. Service experience has the greatest effect on customer satisfaction and post-purchase experience has biggest effect on loyalty and WOM. Post-purchase experience is evaluation on all possible outcomes of the service experience - possible service recovery experience included. (Klaus 2015.)

Second core driver for customer experience is to see experience from customer perspective (Klaus 2015). As obvious as it sounds, it is not easy. Companies need to recognize customer

experience influencers. These are the direct or indirect interactions with company or its offering influencing customer experience. Measuring creates understanding of customer viewpoint: knowledge and insights that should be integrated to CX influencers. Vanguard companies have active dialogue with customers. The goal is to provide best possible customer experience. This is enabled by sharing best practices internally and also externally with customers. Social media has created a new platform for this dialogue. Vanguards listen to customers and in return communicate what was heard. Active dialogue forms an outside-in approach to customer experience development, where company is not competing against competitors, but for customer. (Klaus 2015.)

Customer-facing employees are crucial actors in assuring customer experience as mentioned earlier. They form the third key driver of customer experience development. Happy, dedicated and productive employees drive customer experience and also company growth. Employees have instant and measurable impact on CX. Employees should have right skills and resources available to serve the customers in best possible way. (Klaus 2015.) Employee engagement (Cook 2015) is in key role to drive customer experience development. Challenge for customer experience is to define emotional aspects of service (Klaus 2015). Companies can only facilitate employees to their best possible performance, but it is always employee's personal decision to offer above and beyond service (Cook 2015). Facilitation constructs of dimensions building employee engagement mentioned earlier. Engagement is built from autonomy, empowering, clear priorities and leadership. (Cook 2015.) Autonomy expresses trust and trusted employees feel valued and satisfied. (Klaus 2015) Giving employees opportunity to impact their own work and encourage initiatives to develop CX, empowers employees. Communicating priorities is part of leadership. Good leadership is also a dialogue. Employee engagement and customer engagement base on the same principles of co-creation. (Cook 2015.)

Measuring customer experience, adopting customer perspective on CX and value the employees' important role in delivering customer experience form the key drivers of customer experience. Understanding of these drivers helps build customer experience strategy and utilizing the drivers guide transformation to further levels of practice. (Klaus 2015.) Drivers form basis of transformation, but as mentioned earlier customer experience is never finished and development is a permanent state. Arussy (2010) describes CX as a journey to destination in the horizon, but one never arrives. Horizon analogy fits also to the sailboat metaphor. CX sailboat should be on a voyage heading forward, not drifting.

It has been studied that 80 of CEO's state that they are delivering great customer experience, while only 8% of their customers agree with them. There is a resilient assumption in organizations that customers don't know what they want. (Klaus 2015.) Customers do know if

companies are not delivering the customer experience they want as described in the introduction of this thesis by the dog metaphor. Customer should be invited to co-improve the experience (Klaus 2015).

In most preserver companies, customer service and service recovery is seen as the only action changing customer behavior and affecting customer experience. (Klaus 2015). It is not denied that service recovery has an effect, but it is important to realize the multidimensional aspects of customer experience. Service failures have potential to learn how to improve business processes and benefit all customers. By deep analyzing service failure cases companies can reveal innovation insights or improvements to customer experience. Understanding the causes creating service failures is more important than quick fixes on the individual cases. Changing procedures to prevent service failure from occurring again, creates savings and enhances customer experience. (Bolton 2016.) Communicating these improvements internally and externally shows customer-orientation and adds commitment to customer experience. Customer service is a logical place to begin customer experience development. But to open full potential of customer experience, it needs to become a priority for the whole organization and be connected to financial outcomes (Klaus 2015).

Developing customer experience retains current customer relationships, acquires new customers and adds efficiency. (Klaus 2015). These should justify customer experience developing resources. Paradox is in the iterative nature of designing customer experience - the more you know, the more you need to know (Klaus 2015).

Customer experience is a subjective perception on all interaction with a company. (Meyer & Schwager 2007). It is built from building blocks that form four steps of customer experience: service quality, customer satisfaction, engagement and customer experience. Each step affects customer experience at the same time, but companies need to understand this structure to systematically enhance customer experience. (Bolton 2016.)

CX is commonly divided to three parts by time perspective: pre-service, service encounter and after-service. Companies need to understand also the indirect interaction affecting customer experience and the reality that many things are out of company's control. Brand experience is affecting the pre-service part of customer experience. Service encounter is creating the service experience, where customer is in direct interaction with the company. (Klaus 2015.) Sarah Cook (2015) suggested that service experience has three levels: covering basics, satisfying needs and delivering exceptional service. Exceptional service is achieved by personalized service, above and beyond service or service recovery. Post-purchase experience measuring is examining the after-service part of customer experience (Klaus 2015).

For a company to develop customer experience, it needs to understand what constitutes the experience and define it. Definition is grounding to determine the scope and goals of customer experience. (Klaus 2015.) Definition must cover the holistic nature of CX: building blocks, all three parts and different levels of experience. Customer experience management creates the linkage from definition to performance by applying the customer experience practice. Company needs to form a governance structure for customer experience policy and continuous improvement. Policy is formed over time. (Klaus 2015.)

It is important to examine customer experience from future perspective. Company needs to facilitate the future-fit of customer and company relationship. (Bolton 2016.) Monitoring future perspective is done by measuring potential patterns (Meyer & Schwager 2007). Future challenges from the fifth dimension on customer experience management. Especially for spotting future opportunities company needs to have dynamic capabilities which boost customer experience development. Sensing, seizing and transforming capabilities form a continuum. Sensing is identifying opportunities. Seizing is turning these opportunities into possibilities for customer value by integrating resources. Transforming is the constant efforts to renew way of working. Transforming puts sensed and seized opportunities into action. To enable dynamic capabilities superior performance needs to be core of the company. (Klaus 2015.)

Customer experience practice transforms the way company does business. It needs a new way of thinking. For a customer experience to truly develop it needs to support of the organization and commitment of management (Meyer & Schwager 2007). Klaus (2015) suggested that there are three core drivers that guide company to start the development of customer experience practice. These drivers were measuring, customer perspective and employee's role as visualized in Figure 5. When these drivers are combined with dynamic capabilities, company is equipped with potential to develop.

3 Design thinking and service design

In 2016 roughly 37% of trade activity in The Organization for Economic Co-operation and Development countries (OECD) around the world came from services (OECD 2018). And growth will continue to come from services in the future (Chesbrough 2011). Chesbrough (2011) claims that companies need to state this and start innovating for future beyond products and understand the potential which opening up the innovation process withholds. It all comes down to commodity trap, which companies need to escape. Global spread of knowledge, information and technology due to internet and progress in developed economies has brought new challenges for manufacturing business. Due to labor costs, manufacturing is being shipped to lower cost countries. Global competition gives pressure to advanced economies and gives developing economies way to enter new markets. (Chesbrough 2011.)

Increase of customer demands for customized and tailored products and services had shorten the life span of products and with new products coming to markets more frequently, companies face a challenge to keep up and maintain market share. All these actors create the commodity trap, where a price for a product is based on the manufacturing costs and margins keep shrinking. If a company creates an innovative product it gives competitive advantage for the provider for just a short time, because product features are easy to copy by competitors. Pressure for commoditization is also targeting service businesses and Chesbrough presents that open service innovation is a way out for both kind of businesses. Companies need to confront the limits of product focused innovation and rethink how to innovate. (Chesbrough 2011.) Arussy (2010) states that best tool to fight commoditization is customer experience. Social media is changing the market by enabling sharing of experiences and raising customer expectations. CX has differentiate power to fight against growing competition. According to Arussy company can escape commoditization by adding presale value, innovating, adding after sale value or using the last resort: giving discount. Last resort is only driving the commoditization forward. Both focuses: open innovation and customer experience concentrate on innovation.

Core of innovation is customer value and companies being able to answer true needs of customers. Changes in the global market share and commoditization, which companies face support for Lusch´ and Vargo´s (2004) ideology of service-dominant logic. Old way of looking at markets and business is referred as goods-dominant logic. Goods-dominant-logic (later G-D-logic) reviews that goods have embedded value. Producer creates value from resources while producing a good and sells the value through goods to a consumer, who then destroys the value in a good by consuming it. G-D logic views that value is transferred in the exchange of goods. In service-dominant-logic (later S-D-logic) there is no producer or consumer, there are actors who exchange service for service. Value is co-created and determined by the beneficiary of service, not by producer as in G-D-logic. Service exchange is based on a need of the beneficiary and motivation to support the need by the provider actor. Enterprise actor integrates different resources to create a value proposition for beneficiary actors. Actors integrate resources to enhance their system viability. In G-D-logic companies' value is reviewed in economic attributes, where S-D-logic underlines companies' operant resources, meaning the skills and knowledge which the company possess or has available. (Lusch & Vargo 2004.)

Service-dominant -logic states that value is created, not exchanged. Value creation process does not end with the sale and distribution of the product offering to the actor as beneficiary, but the beneficiary continuous the process of value creation. The beneficiary must learn how to maintain, use, repair and adapt the appliances to his/her needs, usage situations and behavior. Value is always created in the use and integration of resources. (Lusch & Vargo 2004.) The opportunity for a service provider lies in the understanding of beneficiary

actors process and needs the after-exchange value creation creates and how to integrate resources to support the beneficiary. The service provider cannot deliver value; it can only offer value proposition (Lusch & Vargo 2004) Building on service-dominant logic Ojasalo & Ojasalo (2015) present two additional contemporary business logics focusing on customer value creation: Service logic by Grönroos (2011) and Customer-Dominant logic by Heinonen et al. (2010). Differencing from S-D-logic, Ojasalo & Ojasalo (2015) summarize that in service logic customer is the one controlling the value creation in one's own processes and the company is only a supporter of value creation. In Customer-Dominant logic the understanding of customer life and context before, during and after the service have a key role. This gives companies opportunities to help customers create value. It aims to understand customers' logic to fulfil tasks and experience value. Customer Dominant logic emphasizes that the emergence of value happens when service is embedded to context and company understands which processes customers participate and need inputs to support them. (Ojasalo & Ojasalo 2015.)

3.1 Design Thinking

Design thinking is the capacity for integrative thinking. Design thinkers approach problems holistically and offer solutions from customer perspective. Basis for customer understanding is in attitude which realizes that behavior is never wrong or right, but it is always meaningful. Designers and design thinking can help companies in many other fields than just designing visuals for products or marketing. (Brown 2009.)

Design thinking is one way to name service design and customer-centered designing. It offers models to carry out customer focused processes not only by designers, but multidisciplinary teams in any kind of organization. It connects creative design approach to traditional business thinking. (Tschimmel 2012.) It takes advantage of the best designer attributes to create solutions which meet true needs of customers and use those to create offering to gain competitive advantage. Service design combines design thinking and service-dominant logic, which can be applied in all fields of business, not just service business. Key element of design thinking is to find needs and design solutions as offering to match (Brown 2009).

3.2 Service design

Service design thinking has 5 main principles. It is always *user-centric* (Schneider & Stickdorn 2010). User is the customer of the service. Applying service design in internal processes the customer can be an employee, client or even a manager. It is always the end-user of the service designed. This can be a great change in designing perspective, if companies have designed processes from provider view before. Second principle in service design thinking is *co-creativity* (Schneider & Stickdorn 2010). Customers input is always more valuable than an expert's opinion on customers input and needs (Sinkkonen, Nuutila et al. 2009). It is only logical that user-centered service design should involve user participation. No group of experts

can create a user-centered service without users as part of the creative process. Co-creativity applies to all stakeholders of the process and service. *Sequencing* is another principle of service design thinking. Service period has a beginning and an end, but service relationship is sequencing and that is why it is important to realize the rhythm of services as part of designing. Recognize the touch points and create a flow from one to one. Fourth principle states that service design thinking is *evidencing*. Services are mostly intangible. This is why it is important to focus on service evidence and make it tangible and well designed. (Schneider & Stickdorn 2010) Tangibility makes services more real to customers and easier for them to realize the value of services. Fifth principle declares that service design thinking is *holistic*. It is nearly impossible to consider all aspects of service, but as a principle it states the goal to zoom out and view the service in a wider context. (Schneider & Stickdorn 2010.)

In service-dominant logic one way of seeing customer world is to cluster it to jobs that customers have and need to get done (Bettencourt, Lusch et al. 2014). This creates a way to find service innovation sources. They can be a source of new services, core services, service delivery or supplementary service innovation (Bettencourt 2010) Principles of service design thinking apply also to service innovation and jobs-to-be-done context. Service design research uses multiple terms, but they all address to same issues and main principles of customer-centric, holistic, co-creative designing process.

3.2.1 Service Innovation Process grounded on Foresight and Service Design

There are many different kinds of process descriptions of service design. All of them have details and minor emphasis differences, but core is the same. One needs to build understanding of customer world and needs, to be able to create solutions. Process has divergent and convergent phases where perspective changes from seeing new opportunities to evaluating and selecting most potential ones. Main characteristic for service design is its iterative nature and allowance to fail. Failing is recommended as long as it becomes a source of learning (Brown 2009). Dealing with incomplete information, with the unpredictable, and with ambiguous situations, requires designers to feel comfortable with uncertainty (Tschimmel, Santos et al. 2015). Don't ask "What", ask "Why". Asking "Why" is an opportunity to reframe a problem, redefine the constraints and open the field to a more innovative answer (Brown 2009.)

Returning back to the sail boat metaphor: divergence and convergence phases of service design process have also roles in the boat. Divergence -phases of the process sense the wind circumstances for the sails as potential for the boat to move forward. Convergence part of the process creates the strategy on how to sail in the wind - adjustments of the sail to push the boat forward. Sequencing divergence and convergence phases create a wind flow for the sail and enables the boat to keep moving. Sometimes the boat needs to jump quickly to a new sail setting to grab the wind before it is gone. Iterative nature of service design can be reflected on the journey, because it is impossible to predict precisely where the sail boat is going. It is

important to navigate on the way. Destination is not the target, experience happens on the journey.

Service design process used in this thesis is Future-oriented service innovation process presented by Ojasalo et al. (2015). It is grounded on service design and foresight and contains the most common methodologies used in service design. The model constructs from four phases: Map and Understand, Forecast and Ideate, Model and Evaluate, Conceptualize and Influence. This process has many similarities to Katja Tschimmel's Evolution 6² -model (Tschimmel, Santos et al. 2015), but is more simplified and visualizes clearly how the process moves from sensing to seizing opportunities. Also, this model provides a list of tools suggested to be applied in different steps of the process (Ojasalo et al. 2015). In Figure 6 the model is presented.

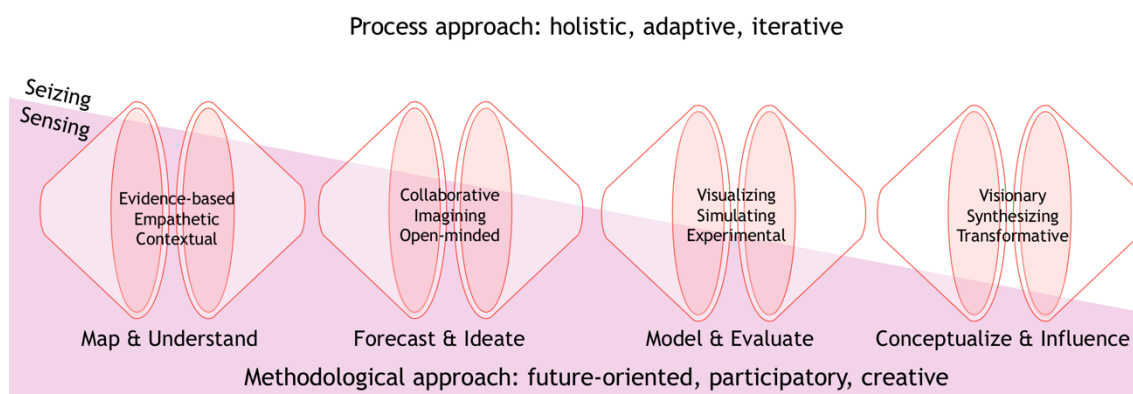


Figure 6: Service Innovation Process grounded on Foresight and Service Design (Ojasalo et al. 2015)

Futures and design thinking have many similarities. That is why it is only logical to combine these two aspects when designing something new. Both fields are future-oriented, creative in problem solving and have participatory approach. Approach to process is holistic, systematic and iterative in both views. Combined futures thinking and design thinking map customer needs and reveal and create business opportunities. (Ojasalo et al. 2015.)

Changing from manufacture-based innovation to service-logic based innovation, one needs a change in perspective when looking at processes, roles and methods service provider offers opportunities to create value (Sebastiani & Paiola 2010), which in other words means adding customer-centricity to innovation. (Michel, Brown et al. 2008, Edvardsson, Edvardsson et al. 2010). It is particularly important to see future trends and technological opportunities and have the ability to combine them with empathetic understanding on visible and latent needs

of customer in service innovation. For further communication of these opportunities innovators need good conceptualization skills as well. (Den Hertog, van Der Aa et al. 2010.)

Futures thinking is alternative based (Alstynne 2010; Bishop & Hines 2012). It is not about guessing the future, but mapping different alternatives, new perspectives and signs on anticipating which alternative is most likely to come true and. It is about being prepared and even influence which alternative will happen. (Ojasalo et al. 2014; Ojasalo et al. 2015.) Foresight is systematic and long-term observation of future, looking for strategic development areas with business, organization or society benefits (Ojasalo et al. 2014). Creative tools and critical analyzing are essential in futures work (Ojasalo et al. 2015).

Foresight is suitable for service innovation, because service is always designed for future-use and future needs of future customers (Ojasalo et al. 2014). Use of different methods is always context specific, situational and depends on available resources and goals of the process (Ojasalo et al. 2015). In *Map and Understand* -phase of the process tools aim to map the context, create customer understanding and generate data basis available in existing theory and possible future development trends in the field of study. Context knowledge enables empathetic approach on innovation. (Ojasalo et al. 2014.) Foresight tools help create a holistic and systematic view based on insights (Slaughter 2009), whereas service design tools give empathetic perspective to customers' world (Polaine, Lovlie et al. 2013). Mapping part of the first phase of service design process gather data and context knowledge. This forms the divergence effect, where viewpoint is zoomed out and wide for holistic perspective. Tools used in understand part of the first phase then aim to analyses and process the data available to form customer understanding and insights. These tools zoom in for convergence.

In *Forecast and Ideate* -phase collaborative creativity is emphasized (Ojasalo et al. 2014). Findings from context and customer perspective are generated to inspiration for ideation and forecasting of alternative futures (Ojasalo et al. 2015). In this part of the process different service design tools are used to create ideas and solutions to utilized insights generated in preceding *Map and Understand* -phase. Multidisciplinary groups form rich basis for divergent thinking (Brown 2009). Goal for ideation is often to produce as much ideas as possible, to find the diamonds among them.

Both foresight and service innovation are fueled by visual communication and story creation, which stimulate especially ideation and later testing of new alternatives in *Model and Evaluate* -phase of the process. Third phase uses tools to create initial models of solutions and tests them for further development. As seen in Figure 6 third phase of the process moves the perspective from sensing to seizing of new opportunities. Early testing gives feedback on the value potential solution ideas have. (Ojasalo et al. 2015.) Testing is active interpretation of signal to fail fast and learn. As mentioned earlier, mistakes are encouraged as long as they

become a source of learning. Potential solution proposals should fulfill Brown's (2009) three aspects of a good idea: feasibility, viability and desirability. These overlapping attributes test if the idea is possible, long-living and wanted. Goal for Model & Evaluate -phase is to concretize the solution idea by visualizing, simulating and prototyping and iteratively develop it further (Ojasalo et al. 2014).

Last phase of the process in *Conceptualize and Influence*. In this phase the given feedback guides the process further to implementation. (Ojasalo et al. 2014.) Due to iterative nature of service design it is possible (and quite likely), for the process to loop back for a new round to previous phases again. When preparing the implementation it is important to conceptualize it carefully. To create the concept service design offers tools like Business Model Canvas (Ojasalo et al. 2014). Many tools can be used in different phases of the overall process for different purposes (Ojasalo et al. 2015). Already applied methods can be used in last phase of the process again to compare and create knowledge on the progress of the process and validity of influence. Influence is validated with metrics - qualitative or quantitative (Kananen 2012). Each phase of the process has divergence and convergence parts. In divergence part process is opening perspective and convergence part is closing and synthesizing by zooming in. (Ojasalo et al. 2015.) It is characteristic for service design to refocus the plan during process. It is like the sail boat, one needs to navigate during the journey by interpreting the landscape and circumstances. Map is not enough to guarantee a smooth ride.

4 Connections of customer experience and service design

Aim of the thesis is to examine, how customer experience can be developed and if service design can facilitate the evolvement of customer experience practice. Previous chapters have examined the dimensions of both customer experience and service design. This chapter evaluates their synergy benefits and possible challenges. To create a holistic understanding Figure 7 visualizes the connections between customer experience, customer experience management and service design. This figure is generated from findings presented earlier in this thesis founding on existing theory of customer experience and service design. Connections or differences are not set in stone, this is merely one interpretation. Emphasize is on highlighting the great synergy potential these approaches have.

Customer experience is inheritable part of customer experience management, but in Figure 7 analyses customer experience from original perspective - customer viewpoint. Customer experience management in this context is seen as systematic creation and renewal of customer experience practice organization does to stay relevant and become a vanguard in CX. Service design is analyzed as a methodology adopting gains from design thinking and service-dominant logic. If customer experience represents the customer perspective and CEM the company perspective in this figure, service design can be seen as the neutral facilitator enabling these perspectives to emerge.

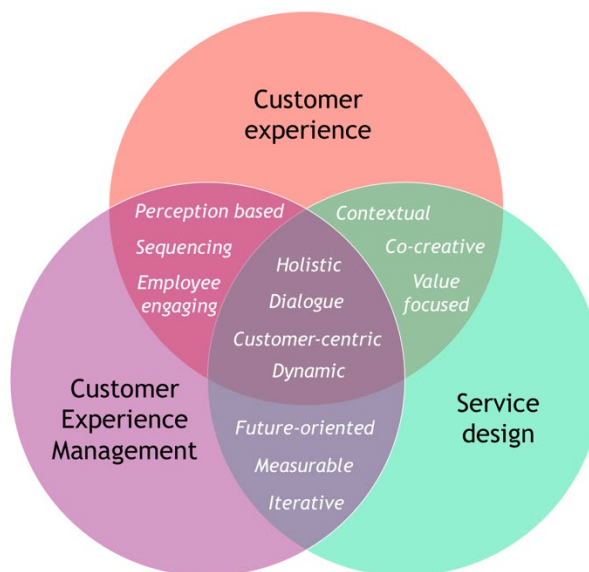


Figure 7: Connections between customer experience, CEM and service design

Customer experience, CEM and service design are all *holistic*. Holistic nature in all of them appears differently and makes it a challenge to conquer. Challenge is supported by the *iterative* approach service design and CEM share. In customer world entity has a new dimension from the *sequencing* nature customer experience and CEM have, by cumulating to relationships. This emphasizes the perception difference management and customer experience have. Iterative nature is the antidote to the sequencing customer experience, it gives companies a chance to improve. Companies need to keep in mind the customer motivation and inevitable position as evaluator of experience. Evaluation depends on the context experience is re-viewed. Only service design and customer experience have *contextual* connection, because Klaus (2015) stated that CEM is not context specific. Defining of customer experience building blocks makes also CEM contextual, but via customer experience.

While CEM tries to understand, why customer experience is perceived as it is, service design and CX address the same question *why* to understand the *value* of experience. In service design and customer experience value is *co-created*. Co-creation is enabled by active dialogue between participants. *Dialogue* is in common to all approaches. In CX and CEM context the dialogue is active between organization and customer. This emphasizes the crucial role of employees as deliverers of CX (Cook 2015; Bolton 2016; Klaus 2015). *Employee engagement* connection could have been set also in the center of the figure but as it is not a focus point of service design it's place between CX and CEM is justified. Only deep employee involvement enables CX and therefore CEM.

Research and testing by *measuring* are natural parts of service design as it is the only way to create understanding on customer world. As measuring was referred as one of key drivers of CEM practice, measurability connection is easy to agree. Ethnography and other qualitative

research methods need active use of sensing capability - a *dynamic* ability to identify opportunities to develop. Empowering the opportunities with resources, seizing is generating value creation potential. By combining these dynamic capabilities sensing and seizing, service design can offer insights to ideation support to CEM and finalizing synergy with transformative implementation tools. To understand the dynamics of customer experience, service design and CEM both need to be future-oriented. Foresight increases the likelihood for a company to keep the customer as captain of the sail boat as long as one remembers who decides if the boat sails or not. As explained earlier Customer experience management practice is evolved by embracing dynamic capabilities and measuring CX, adopting customer perspective to CX and empowering employees as deliverers of CX (Klaus 2015). As Figure 7 shows service design is covering 5 out of 6 connections to support the evolution of CEM practice. Sixth connection is employee engagement, which can be seen as indirect connection, due to the engaging and participatory effects of service design process' co-creative nature.

All dimensions seem to fit seamlessly together. As one dimension evolves it moves the other two forward. According to the explanation analyzed above, one can say that service design has the ability to facilitate customer experience and customer experience management in theory. Next chapter will examine if the connections are true and have enabling power in real life. Case study of Paulig Consumer Service CX development will research if the hypothesis is solid.

5 Case: Paulig Consumer Service's customer experience development project

In the empirical part of thesis, the development project will be reported. Development project was executed together with Paulig Consumer Service. Paulig Consumer Service is part of Paulig Coffee Division. The following chapters aim to answer research question: Can service design enable customer experience development? Research question is answered by stating the baseline of customer experience practice at Paulig Consumer service and analyzing the outcome of the project in form of development actions and future goals. In Chapter 6 outcomes and results of project are examined.

Current state of customer experience practice is the starting point of the project. To examine it one needs to reflect current practice to practice types (Klaus 2015) presented earlier in the thesis. Figure 8 visualizes the current state of customer experience management practice at Paulig Consumer Service and how applying service design methods in development project utilizes key drivers and dynamic capabilities to empower the improvement of current practice type.

Paulig Consumer Service understands the importance of customer experience but is not actively measuring the performance. According to Junikka (2017) quality customer experience in consumer service is an ambition and team has actively developed operations and mapped

processes affecting service experience from company perspective. CX monitoring has been based on service quality measuring and a one-time project to develop service experience was done in 2009 (Länninki 2009). Currently Paulig Consumer Service doesn't have a customer experience strategy or CX related financial goals. Partners affecting customer experience are known, but CX practice is not aligned. As approximately one third of contacts coming to Paulig Consumer Service are complaints, customer experience is mainly focusing on service recovery. Thus Junikka's team has actively been involved in creating proactive service via online content to support customers in social media, main focus of resources is on service experience. According to the customer experience practice attributes, it is clear that the baseline for CX practice in Paulig Consumer Service is a preserver.

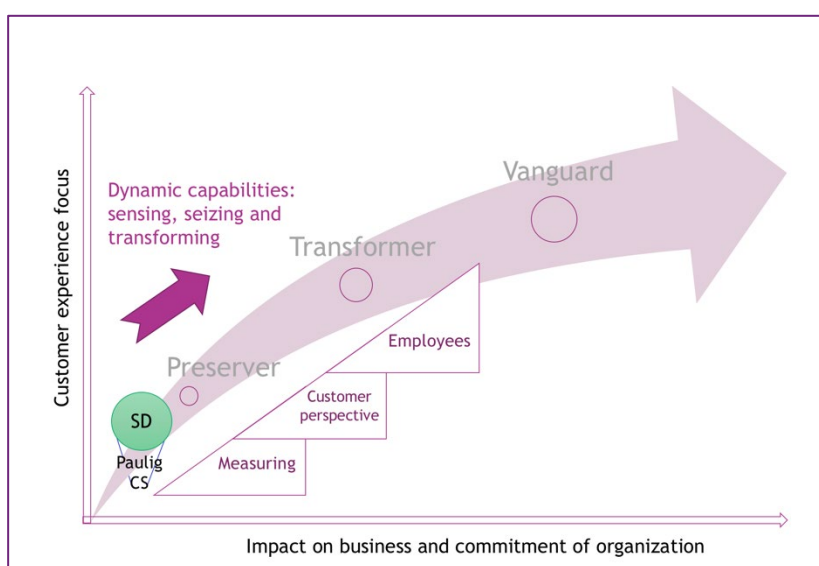


Figure 8: Paulig Consumer Service baseline in CX practice

Development project follows future-oriented service design -process structure presented by Ojasalo, Koskelo and Nousiainen (2015) (Chapter 3.2.1). As mentioned earlier, service design process is iterative and tailored according to context. In the following chapters development project will be presented and visualized with the help of figures.

5.1 Map and Understand

5.1.1 Map - Research tools

Development project began with Map phase of the service design process. To map development opportunities the current situation of Paulig consumer service process was researched through Service Safari technic. Service Safari is a service design tool where stakeholders go out and explore services as they would appear for a customer and observe emotions and actions from customer perspective. Service safari is used in beginning phases of service design

process to create understanding on customer world and current situation. (Schneider, Stickdorn 2010.) An authentic complaint was sent to Paulig Consumer Service and the process was observed actively following customer journey during the process. Writer of thesis operated as observer.

Also Paulig's contact person Kaisa Junikka was interviewed twice to map development project opportunities. Based on the initial findings and first proposal of the development project, a framework proposal was given to Kaisa Junikka. Development project proposal consisted of a suggestion to develop customer experience by applicable service design methods. The first meeting resulted an agreement on development project. Proposal operated as an invite to start a journey on a sail boat. Challenge was that the sail boat needed to be built before take-off.

Research based development project was to follow future-oriented service design process by Ojasalo, Koskelo and Nousiainen (2015) and project work would be presented as case study in this thesis. Basis for the development work was a finding: Paulig Consumer Service had noticed a declining trend in the amount of customer contacts and especially complaint samples for qualitative control. According to Kaisa Junikka (2017) it wasn't a sign of an improved product quality or extinct of reasons to contact, but more likely to indicate problems in customer experience. Based on the first meeting agreement, a proposal to proceed was made. Next months were reserved for mapping phase of the process to gather data and findings for a workshop to co-create solutions improve customer experience. The workshop was to proceed the project to Forecast and ideate - and Model and evaluate phases of service design process. Since the first meeting it was clear that last part of the future-oriented service design process couldn't be covered in this development project due to time limitations. Author of this thesis would operate as a consultant to guide stakeholders in the last phases of the process, but not as a hands-on facilitator leading the implementation. Plan was to recognize pieces that form the sail boat, create a map of the customer world and learn what makes the captain satisfied after the journey.

For the Map phase of the project different kind of service design tools were proposed. To clarify the gut feeling Paulig Consumer Service had, research needed to be made. As research tools: Service Safari, Quantitative Survey, Customer Experience Observation, Contextual Interviews and Customer Journey were proposed. Goal of mapping is to create a holistic understanding on customer context, needs and future development guidelines in the environment in question (Ojasalo, Moilanen et al. 2014) Map and understand -phase of the project is visualized in Figure 9. Map and understand phase was carried out during spring 2017.

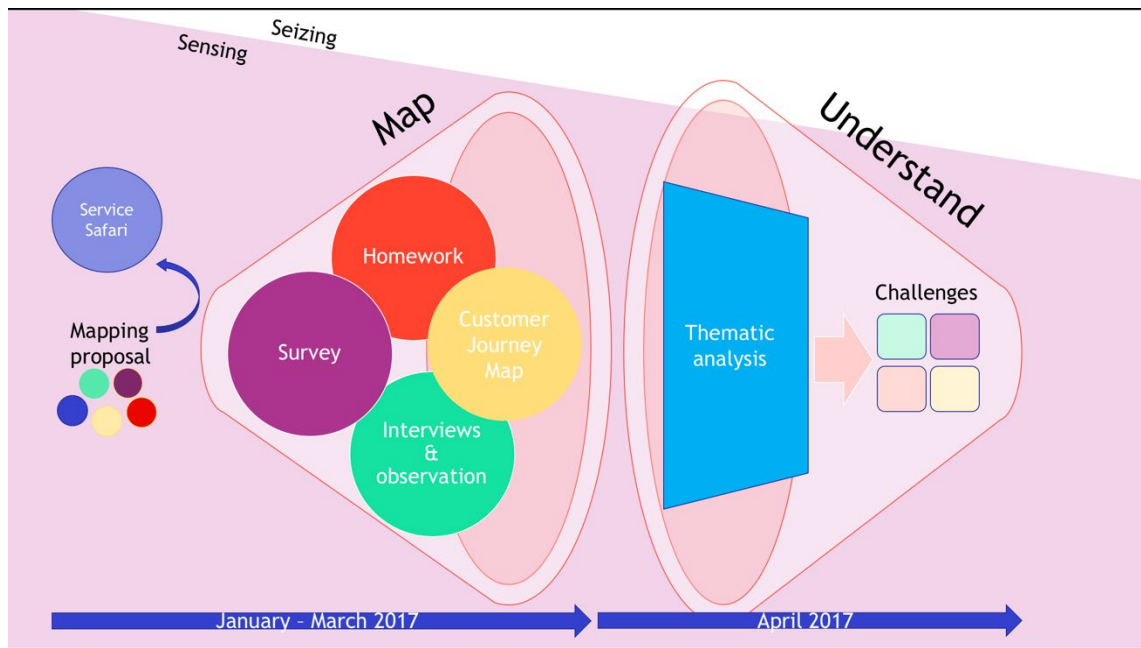


Figure 9: Map and understand -phase of the project

To be able to understand what customers need, want and how they behave, designers need to go and observe people at their natural habitat. This can be done by Service Safari method. In service safaris stakeholders go and explore services, which are in the same context as current project or can be used as benchmark. People need equipment to record experience and report results: feelings, behavior, notes, remarks, what was successful and what wasn't. This is an easy way to make stakeholders see the situation of a customer and open up customer perspective. Service safari is used in beginning phases of service design process to create understanding on customer world and current situation. (Schneider & Stickdorn 2010.) It is all about observing in the authentic environment and self-experiencing the service. Downside of the tool can be that it is heavily affected by observers' opinions and attitudes. (Ideapakka & Laurea-ammattikorkeakoulu 2015.) Good service safari is an experience where a relevant, engaging service is found and can be used as an inspiration for insights (Design Council).

Quantitative survey is a fast and effective research method and can be used when subject field is known, but knowledge needs confirming. It is a useful tool for mapping the primary conditions and then again measuring changes after project. Survey questions need to be self-explanatory and easy to reply in maximum of 20 minutes to preserve the respondent-friendliness. Key factor in survey process is to test questions before sending. Generalization of research finding is grounded on research sample and universality. Surveys are evaluated on validity and reliability. Superficiality of knowledge gathered can be seen as challenge of surveys. Researchers' can't be sure how committed respondents are to answering. (Ojasalo, Moilanen et al. 2014.)

Survey was suggested to be sent by email. Email surveys are easily shared and tailored according to respondent wishes. They give low-effort option to respondent and save time in answering and processing, when answers are already in digital form, ready to be analyzed. (Meyer & Schwager 2007) Suggesting this medium, naturally cut back the sample of respondents, when Paulig had email information on only limited amount of customers.

Examining the context adds empathy to the service design process. (Ojasalo, Moilanen et al. 2014). This was why contextual interviews were proposed as one mapping tool. Contextual interviews are made in the environment the service would occur. This enables the interviewer to also make observations on the service experience and not just ask questions. Contextual interview is an ethnographic technic (Schneider & Stickdorn 2010) which can be seen as a method instead of just a tool. Tools work with the same structure, where in methods the usage varies from context and circumstances. (Stickdorn, Lawrence et al. 2018.) Contextual interviews are conducted to stakeholders of the service (Schneider & Stickdorn 2010). Interviews can be structured, semi-structured or open interviews depending on the formality of the interview (Ojasalo, Moilanen et al. 2014). In this context semi-structured interview format was suggested as it gives space for modifying the questions as the interview proceeds. Questions and structure of the interview needs to be well-planned before, but interviewee has the change of deciding the order and format of questions as the conversation moves forward. Questions can also be reorganized between interviews. Semi-structured interview can be called thematic interviews. Thematic interviews are good tool when researching the significance of a phenomenon to a respondent. (Ojasalo, Moilanen et al. 2014.) Thematic interview has a deductive approach from theory to practice, where themes scan different perspectives on phenomenon in question (Kananen 2012).

Most important part of a succeeded interview is to make the interviewee feel at ease. This is easier in a familiar environment for the interviewee. (Stickdorn, Lawrence et al. 2018.) Rapport is a trust bond, where interviewee feels heard, comfortable and relaxed. After a good interview both participants are empowered. Rapport is route to empowering and good research findings. (Portigal 2013.) Rapport can be important when using Critical Incident technic (CIT). In CIT, interviewee is asked to share a service experience, which was exceptionally good or bad. Emphasis is on sharing a detailed description on the experience, rather than evaluating what made it good or bad. After interview the description is analyzed in detail, know which actors led to the perception of experience and therefore reveal which actors are valued by customers. (Ojasalo, Moilanen et al. 2014.) This is a useful tool to identify service process drop-out points and possible conflicts (Bolton 2016).

Observation is a tool to gather information on customers in their natural environment. It is systematic and structured method which has predetermined goals and preciseness. (Ojasalo, Moilanen et al. 2014.) In the development project Paulig coffee package was suggested to be

used as part of the contextual interview to give observational input on context. Using an item in observation, enables testing the attributes of the item in real use in customer context. This gives useful information on customer perspective. Observer can have an active or passive role in observation (Ojasalo, Moilanen et al. 2014). In the suggestion observer had an active role observing.

Customer journey map is a visual tool for gathering all the touch points, customer passes during a service experience (Ojasalo et al. 2015). Visualization of the journey is important to articulate insights, communicate insights and most of all to maintain empathy (Segelström 2012). Emotions and personal feelings are captured in customer journey. Journey can be built on personas and it tries to cover all different kind on streams service might have. Commonly the journey template has pre- and after-service sections to widen the customer experience from service experience. (Ideapakka & Laurea-ammattikorkeakoulu 2015.) Customer Journey is a useful tool to observe and concretize CX. Consistent and smooth customer journeys are enabled when interactions are well thought, designed and considered to the detail (Watkinson 2013).

Customer Journey Maps can be used in all phases of service design process (Schneider & Stickdorn 2010). It can be useful to use the same tool twice. First to describe the current service and then later to evaluate what kind of changes has happened. It is important to support the map with a storyline of the journey. Personas work as a good basis for journey, because team is already familiar with the user types and emotional understanding is easier adopt. Using the same visual language and form makes it easy to compare different journeys. Journeys should have formal and informal touch points and sources of information mapped to provide holistic view and knowledge of the service-scape provider should facilitate. (Schneider & Stickdorn 2010.)

To guarantee a professional level of research and find savings in internal resources Service Safari and quantitative survey were suggested to be done by a research company. Service Safari plan was to recruit five coffee consumers and ask them to experience Paulig Consumer Service process on a fictional complaint. This process would then be documented as a video diary, where target persons would map and express their findings and emotions related to the process. This tool would open an authentic view of the customer experience even though the actual reason for contact would be fictional. As for the quantitative survey Paulig Consumer Service send service quality questionnaire to customer. Plan was to send two kind of surveys to Paulig Consumer Service customers and map customer experience on an authentic target group. Observation was proposed to be used as part of contextual interviews and a variation of observation - benchmark was suggested as pre-assignment for workshop attendees. Contextual interviews and customer journey mapping would be done as part of thesis work. Interviews would be made to potential Paulig Consumer Service customers to map expectations on

customer experience. Customer Journey tool was planned to be used as an internal preparative intro for workshop to find pain points on current process.

Even though Paulig Consumer Service was highly committed to developing the customer experience, all proposed tools weren't accepted. Mostly due to budget limitations. Mapping tools were presented to Research manager. Based on the offer from a research company and project proposal Paulig agreed on only the quantitative survey as part of paid data sourced for the project. Service Safari video diary suggestion was then excluded from the plan. Unfortunately the benefits gained with the Service Safari couldn't be justified with the costs it would generate. Mapping phase of the project would then be formed from tools: two quantitative surveys, contextual interviews and observation on potential customers, benchmark pre-assignment for workshop attendees and customer journey mapping.

In the quantitative surveys the goal was to create data from actual customer experiences in Paulig Consumer Service. Two kinds of surveys were made: to complaint customers and another to guidance customers. Questionnaires were made together with Kaisa Junikka. Questions from survey done in 2009 were used as basis for the new surveys. Both questionnaires had the same frame. In the beginning customers were given hypotheses on customer experience and they were asked to answer if they agree or disagree with them on four answering options: completely agree, to somewhat agree, to somewhat disagree and completely disagree. Both customer groups were given 14 theses to answer. Complaint customers answered 3 extra theses more specifically describing the complaint process experience. After claims customers were given open sentence questions and were asked to complete them according to their opinion, sentences like: Most important thing on handling my customer service case is.... Survey had 5 continue sentence questions. To complete the survey, customers were asked to evaluate the overall experience Paulig Consumer Service created by grading it on five-step verbal scale from extremely good to extremely bad. Survey frame was created through two iteration rounds with Research Company, company representative Kaisa Junikka and author of this thesis. Surveys were sent to 326 recipients and of them 145 were complaint customers and 181 guidance customers.

Contextual interviews were part of the mapping plan since the beginning. As they were included as part of the thesis work, they didn't create any extra costs for the development project except in form of resources analyzing the results. Target of the contextual interviews was to gather data and insight material from potential customers of Paulig Consumer Service without prior experience of the service. Interviews were semi-structured, thematic interviews. All interviews followed the same before set theme and framework. Each interview contained also an observation part with two assignments. First interviewee was asked to hold a package of coffee and given questions about a fictional complaint situation. The second observation task was about Paulig Consumer Service web presence and services. Interviewee

was asked to search information as they would when contacting Paulig Consumer Service. Experience was then commented by the interviewee. Interviewee's actions were also observed, noted and comments documented. Observation notes were gathered to interview data. Over all 6 contextual interviews were done and reported to Paulig Consumer Service as data for Understand phase of service design process.

Key target for the workshop pre-assignment was to tune the attendees to customer role and that way authentically see processes and experience from customer, not company perspective. Two weeks before the workshop attendees got an email with the preparation instructions. Attendees were asked to contact other companies' customer services and this way truly experience the customer role. They were to make a question of a product of their own choice and then try to find an answer to the question and if needed, contact the customer service at question. During the process they were asked to think about the emotions they experience and their own expectations about the service. Second task in the assignment was to make an actual complaint about a product available at home and follow the process through as far as possible without an actual sample to send for examination. Attendees were informed that experiences for the assignment were shared in workshop and used as fuel for intro to subject and ideation. Due to time limitations, it wasn't possible to share the experiences with the whole group. Evaluating the process after, it would have been useful to share experiences if timetable would have allowed it.

Customer journey mapping was also used to understand the current situation customer faces when contacting Paulig Consumer Service. This tool was used to produce data for the workshop orientation material. Customer journey mapping was done by Kaisa Junikka and author of this thesis. Results from the surveys and interviews were already available when the journey was formed. Customer Journey Map identifies the touch point customers goes through when interacting with the service. Touch points act as a fishbone for the journey. Touch points can be of many kind: face to face, virtual (Schneider & Stickdorn 2010) or interaction with third parties in the process. Like in Paulig's case customer is sending the sample product via Posti. Presenting the customer journey in a visually engaging way makes the impact of the tool even bigger. It should be easy to understand but needs to be based on research and insight. Stories enliven the maps and explain the journey. (Schneider & Stickdorn 2010.)

5.1.2 Map - Results

In this chapter results from mapping tools are presented. Mapping phase consisted of survey, contextual interviews, observation and customer journey mapping. Results for a data set to be analyzed in the convergent Understand-phase of the process.

5.1.2.1 Surveys

Results from the survey were presented two days before the workshop. Research Company provided the data, statistics from the quantitative questions and a key findings report from open questions. Answering percentage was 39, 2 % (Paulig 2017). According to the research company percentage was a relatively good and offered a basis to generalize answers as customer opinion. From customer satisfaction point, results were excellent. Customer were satisfied with the service almost unexceptionally. 88% of guidance customers and 89% complaint customers thought at Paulig Consumer Service was good or even excellent (Paulig 2017). In development perspective most interesting data came from open questions and critical comments customers had given. As Bill Gates has said: "Your most unhappy customers are your greatest source of learning." Target for these tools was to create understanding which elements from the figurative sail boat and which of these elements need fixing and syncing together or changing over all.

One of the questions in the survey for complaint customers, gave a surprising answer. Paulig Consumer Service wanted to test, if customers were willing to give compensation of the complaint to charity instead of receiving it themselves. Charity co-operation would suit Paulig's values and way-of-working. Paulig wanted to validate the interest for this kind of opportunity, as there is already customer service operators offering this kind of choice. As it so often happens, assumptions don't match with reality. Results from the survey in case of charity stated that Paulig Consumer Service customers were not particularly interested in this kind of choice. Paulig Consumer Service wanted also to find out if customers were interested in receiving the compensation as gift certificate to a retail store instead of current way as product compensation. Validation in this case supported the assumption Paulig Consumer Service had. 24% were interested of gift certificate option. Over all 85% of customers answered that compensation exceeded their expectations. (Paulig 2017.)

In the survey customers were asked if they searched for an answer online, before contacting Paulig Consumer Service. In guidance customers 86% searched for the answer from Paulig website and 27% from Paulig social media channels. From complaint customers less people had browsed Paulig's website or social media channels, but more than half of them as well. (Paulig 2017) Research company had pointed out that in younger customers nearly all answered that they searched online, but the sampling on younger segment was small. This needs to be considered, when making conclusions. These numbers indicate, that most of the customers tried to search for an answer online, before contacting Paulig Consumer Service. Survey revealed that 81% of guidance customers and 61% of complaint customers used Paulig website of find contact information to Paulig Consumer Service. Second significant source of contact information was Paulig's products. (Paulig 2017) These findings should awake Paulig to give effort on online presence as contacting channel, but also as proactive service to give

guidance online and save the customer time from contacting Paulig Consumer Service at all. Findings from customer behavior gave good data for creating understanding to solve initial problem of customer contacts declining trend.

From open questions research company (2017) reported that guidance customers were, a part from two answers, more than pleased with the service they received and the fastness of Paulig Consumer Service. Those two customers and their experience is of course interesting from development point of view. These people felt that the service was slow and Paulig didn't solve their problem. One of the cases was explained in the survey answers. Customer had contacted Paulig, because production of his/her favorite coffee blend had ended and he/she was asking for a substitute coffee blend with similar taste profile. Paulig Consumer Service had given him/her an alternative with same kind of taste elements as was asked. Customer was not pleased, when he/she noticed that the suggested blend was double the price compared to the previous coffee blend. He/She felt that Paulig didn't solve the problem holistically, because the recommendation wasn't suitable for his/her price range. (Paulig 2017) One needs to keep in mind that this is only an individual case, but still it is an interesting feedback on the holistic need that customers have. Consumer Service needs to understand the context customers are and give tailored, well covering solution proposals. Often proposal can be given only once. As in this case the customer didn't reply, even though left unsatisfied, but luckily replied to the survey sent.

Guidance customers felt that most important attribute in their service at Paulig Consumer Service was that service was fast or given in reasonable timeframe. Honesty and empathy of the servant was also cherished. These attributes were mentioned as strong points in Paulig's case. Most valuable was kindness and dignifying treatment of service personnel and specially that Paulig treats customers and their questions as unique cases. Generalized example replies were mentioned as unwanted treatment. (Paulig 2017)

Measuring customer satisfaction gives answers if customer are satisfied or not, but it doesn't reveal to answer, how might the customer experience be developed (Meyer & Schwager 2007). This is why the development questions gave more fuel for understanding phase. In the survey guidance customers were asked: How might Paulig Consumer Service develop their performance. Guidance customers answered that Paulig Consumer Service should be more proactive and change their approach from problem-solving mode to more holistic service attitude. Respondents also hoped for more openness in the service and process. Especially that Paulig would share the progress of new product ideas more openly (Paulig 2017) One of the answers particularly apt. To rephrase it, customer wanted Paulig Consumer Service to be attached as part of other processes in the company and that the feedback would be understood instead of dealt with. Customer didn't believe that this answer would even be used in a right way. If someone cares to read it, still most likely they won't understand what the feedback is

trying to say. Normally people are given opportunity to give feedback, but only quantitative statistics are being followed. Statistics might look good, but it doesn't mean that for example in this case the process would be working. (Paulig 2017) It was really nice to have this kind of comment to the workshop as motivational boost. Workshop attendees were motivated to show this customer his/her assumption to be wrong in Paulig's case. As mentioned earlier in theoretical framework: measuring operations in business for no actual intention of acting on the results is waste of resources. There is a habit of collecting data on customer experience, but then not share or utilize it in any way (Meyer & Schwager, 2007). Luckily this wasn't the case at Paulig.

In complaint customer answers Paulig Consumer Service was operating just as customers wanted. Only one customer was unsatisfied with the service experience. Customer felt that the service approach was organization-oriented and not customer-oriented. (Paulig 2017) Paulig Consumer Service wanted to find out if customers had ideas on how to make contacting the service easier. This suggestions could help to find root cause of developing project, the decline of contacts. Neither customer group gave any ground breaking ideas for making the contact easier. Both felt that contacting was fairly easy already (Paulig 2017).

For complaint customers most important thing in service experience was that they were taken seriously and Paulig would admit if a mistake had happened and make changes accordingly. Serving the customer respectfully and valuing their contact, were mentioned valuable attributes for customers. Also the compensation was valued high. All these were written as qualities which Paulig Consumer Service was able to serve well. (Paulig 2017) As mentioned earlier, attributes that customer describe Paulig to have, don't fuel the development project as much as the areas which reserve criticism. Of course the positive feedback guides the values Paulig Consumer Service should keep and proceed acting on.

When asked of development areas, complaint customers gave three kinds of suggestions. Paulig Consumer Service should communicate the progress of the complaint process more actively to customers (Paulig 2017) In the current process customer is given instructions to send a sample of the complaint product and then Paulig examines it and sends a response via post with a compensation package. This process can take up to 4 weeks in time, depending on the post process. Second development area was aftercare. Paulig should organize some kind of follow-up service to make sure customer's complaint isn't a problem anymore (Paulig 2017). This can be seen as a great engagement opportunity as well. Complaint customers provided a third development area: all complaints should be treated as facts, full of development potential (Paulig 2017). This idea wraps a bigger entity in it. Development potential comment is supported by the customers' appreciation for a valued contact, importance of being taken seriously and company admitting mistakes. Development potential being utilized needs also for the consumer service being valued internally as source of customer insight.

5.1.2.2 Contextual interviews and Customer Journey Map

Contextual interviews were done by the author of this thesis. Goal for the interviews was to gather data on potential customers of Paulig Consumer Service and their expectations on service experience. Interviews were conducted to 6 people. All participants were coffee drinkers and aged from 28 to 55. Interviews were semi-structured and followed an advance prepared framework. Each interview included two observation parts where interviewees were asked to act as they would be on a complaint situation. Interviewee was asked to browse at a coffee package as they would when noticing a complaint reason and second observation was done when interviewee sources information online and landed to Paulig.fi trying to contact Paulig Consumer Service. Interview data and a report on findings was provided to Paulig Consumer Service as part of Map and Understand phase of the service design process. Main findings on the interviews will be explained in this chapter.

Most of the interviewees had never complained on a product or service to any company even if they had experienced an unsatisfying situation. It would be more natural to “vote with ones feet” and stop buying from the company if experience was unsatisfying. Also the price has an effect on contacting motivation. Price of a coffee package was mentioned not high enough to contact a company. Especially among busy people, time is valued high. Complaint benefits must cover the time consumed. Compensation and usefulness of the complaint information to the company was questioned. Compensation would need to be valuable enough to even make an effort. Critical comments were said about assumption that would the company *really* benefit from the complaint. Also it was a new way of thinking to some participants to think that a company might *want* to know if something was wrong about the product. Soft vacuum package was easily classified as caused by customer even though it is one of the main reasons to contact Paulig Consumer Service (Junikka 2017). Only one interviewee mentioned that could see oneself complaining about the taste of coffee. If a foreign object would be found in a package, all interviewees answered that it would be cause enough to contact and complaint.

When discussing about contacting Paulig and ways to contact, many said that they would probably google “Paulig + complaint”, “Paulig + contact” etc. and end up to Paulig webpages. When interviewees were asked how they would contact Paulig, they had Paulig coffee package in their hand and no one looked at the package to search for contact information. On digital ways to contact, email was the most preferred one. Sending an email is not attached to time and place, and gives the writer freedom to express the situation in own words. Few even mentioned that they hate ready e-forms. During the web page browsing observation, comments on Paulig web page functionalities were made. These comments were gathered and reported to Paulig for improving the process. Some were distracted with the numerous brand images placed on Paulig.fi. It made searching for the right place to contact more difficult. Limited opening hours of the phone service, excluded phone call for most of the interviewees

as contact method. One interviewee mentioned that most probably she would be more easily convinced to send a sample of the product via phone than with an email. Only one interviewee preferred social media channels and specially twitter. He would contact the company via direct message in Twitter if possible. Interviewee said that the channel would set expectations on the reply time and tone of discussion.

Sending the sample package craves a lot of effort from the customer (Junikka 2017). In the interviews people started spontaneously ideating on different ways to renew the described service process. Mentioning that Posti is involved with the process, interviewees automatically had a more broad expectation on the timeframe the process would take. Posti gave Paulig more understanding, that the process might take a long time. Alternative returning methods were proposed: Retail store's info desk was seen as a logical place as it is on the way, when making food purchases. Also the Posti package automates were mentioned convenient nowadays. Packaging the sample and writing a cover letter was seen as arduous. One interviewee questioned the sampling process over all. He felt that why would he need to proof something is wrong - Paulig should trust his judgement. Others were more understanding on the process described. When the complaint process was not seen as a high priority during busy life, an idea was given that Paulig could send a reminding note or a letter with an empty sample package to make the process easier for the customer if a sample hadn't arrived after expected time.

Paulig Consumer Service complaint process was explained to the interviewees and the interview questions were presented to follow an imagined complaint case the interviewee would face. Compensation and cover letter in the example case were described to the interviewees and asked for their spontaneous comments. All comments were positive and interviewees would assumable be satisfied if they would receive this kind of package. One interviewee had a personal memory on Paulig Consumer Service compensation. Her mother had been a customer on Paulig Consumer Service more than 15 years ago and she still remembers to tell to people, how generous the compensation package was and how she was positively surprised. Interviewees were asked for an opinion on alternative compensations. Gift certificate got comments for and against. Vouchers are forgotten easily and then left unused, but on the other hand one could have new experiences if the gift certificate would be to a new café for example. Donating the compensation value to charity was seen as suitable option for Paulig to offer, but only 2 out of 6 would consider using this option.

All interviewees felt that the compensation package and a letter was a logical ending point on the customer experience. They wouldn't expect on inquiry after the customer experience. If a questionnaire would be send, answering would depend on the time and place. Inquiry would need to be short and easy to click-through. Opportunity to give feedback on the process was

seen positive: It would show that Paulig cares. Offering an opportunity to win a prize could raise the answering motivation for some, but not all interviewees felt that way.

After gathering data on customer experience with surveys and interviews there was enough data to create a Customer Journey Map. Amount of steps the customer faces during the process was surprisingly high. This observation in itself already justified the use of Customer Journey Map tool. In Figure 10: Customer journey mapping tool in action can be seen the first draft of the Customer Journey Map for a complaint case in Paulig Consumer Service. Presented Customer Journey Map had 23 steps for the customer. Customer Journey Map was presented in the introduction part of the workshop and it was used to create a wake-up reaction for attendees of the workshop, to realize the work load and possible pain points customers face at the moment. As there is so many steps on the journey, one could refer that the sail boat is too complicated for most of the potential captains to launch.

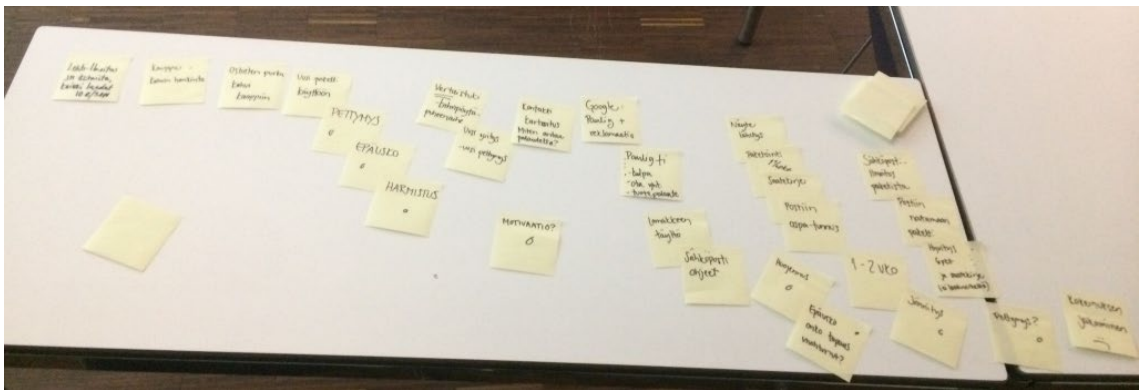


Figure 10: Customer journey mapping tool in action

5.1.3 Understand - Themes and derived challenges

In thematic analysis four themes were found from the data. Themes were motivation to contact consumer service, consumer service process and visibility to customers, customer experience aftercare and customer voice inside organization. These themes were formed as challenges, to be then given for ideation in the workshop. In ideation, groups tried to find solution ideas for the challenges. Themes and challenge questions are presented in Figure 11.

Process simplification	After care and monitoring
How to simplify the process from customer perspective?	How to verify successful customer experience?
Motivation	Customer voice
How to motivate customers to contact Paulig?	How to improve customer's possibilities to influence Paulig's operations?

Figure 11: Themes and challenge questions from thematic analysis

First theme: motivation was guided by the observation Paulig Consumer Service had made before starting the research development project: decline in customer contacts. This theme was supported by data from the contextual interviews and quantitative data from the surveys. Challenge questions for this theme was: "How to motivate customers to contact Paulig?" More than 50% of survey respondents were older than 50 years (Paulig 2017). This doesn't represent the entire customer pool of Paulig Consumer Service customers, but the number can imply that customer age average leans to the older age groups. The Motivation workshop group was given this challenge to ideate how Paulig might motivate all aged user groups to contact Paulig Consumer Service. Research data showed that people value their time. Customer experience should be so valuable that it compensates the time consumed. Impact of complaint was not questioned among survey respondents as 92% felt that solving their case was important for Paulig (Paulig 2017). So motivation wouldn't depend on the way Paulig serves customers at moment, but more how to recruit new customers to contact. Another side of motivation theme was to commit customers to the service process, that they won't drop out during the service experience.

Motivation to begin the service process derived the second theme in thematic analysis. Theme was the process itself and challenge formed of it: how to simplify the process from customer perspective. 93% of respondents in Paulig's research survey (2017) were still using Paulig's products. This number is showing that customer experience during service process is able to retrieve customer's trust on the company in most of the cases. Service recovery is achieved more than 9 cases out of 10. Recovered customers become promoters of the company and be even more loyal than before service failure (Bolton 2016). It is impossible to find

out, what is the same reference number of returning customers among people who have dropped out of the service process. One can assume the number to be lower. During customer journey mapping it became clear, that the invisible part of the service process is untenably long for the customer. As mentioned in survey results, customers were longing for more active dialogue during the process. This would inform customers about the progress of their case and give assurance that their issue isn't forgotten. At this point it is valuable to also evaluate necessity of each step of the process. It needs to be crystallized, what kind of value each step creates to customers and to company. For example short opening hours of phone service, excluded it as contacting channel for many interviewees. Workshop group ideating on this challenge was asked to think if limited availability of phone service is creating customer value or just saving resources. In other words the challenge was to find out which elements of the boat could we left out, so that it would still be suitable for sailing. Boat is too complex now.

Third theme in the data with insight potential was monitoring and aftercare. Challenge question formed was: "How to verify successful customer experience?" One respondent of the survey, actually asked for Paulig to develop an aftercare process to monitor, if customers are still in need of service (Paulig 2017). In the contextual interviews no one expected Paulig to send a follow-up questionnaire, but commented that it would show that Paulig cares. As the survey research (2017) shows, quantitatively customers were highly satisfied with the service experience Paulig Consumer Service provided. But as Meyer and Schwager (2007) state, measuring quantitative customer satisfaction doesn't give answers on how to improve customer experience, it only reveals if customers' expectations are met. Qualitative research gives development observations and this should be kept in mind when ideating aftercare processes.

Last theme in the thematic analysis was customer's voice in the organization. This theme raise from a survey data point, were a respondent criticized the survey. Customer pointed, that he/she was skeptical that results from this survey would be used in a right way. Companies ask for the sake of asking and follow satisfaction in numbers, he/she wrote. Good numbers don't proof that the process is working. Consumer Service should be attached as part of company's other processes and feedback should be understood instead of solved. (Paulig 2017.) When customer were asked about the service they experienced, answers show that Paulig Consumer Service is able to create an appreciative, personal and upright experience, but customers are unaware of the utilization of their feedback in the company and skeptical if it is taken seriously. (Paulig 2017.) These worry-coded data pieces formed the theme of customer voice in organization and a challenge question became: "How to improve customer's possibilities to influence Paulig's operations?" An important value for the respondents was that company stays honest and admits if the feedback or improvement ideas don't lead to action (Paulig 2017).

To browse on themes formed by thematic analysis of mapping data, it is inspiring to notice the themes suit Klaus' (2015) theory on key drivers of customer experience. Measuring, customer perspective and employee appreciation cross-reference themes monitoring, process simplification and internal status of customer feedback. Internal status speaks for both consumer service appreciation as valuation of employees and customer perspective drivers. These key drivers were supported with the initial problem challenge: motivation, to keep it as core challenge for the project. Building solutions on these themes and implementing them in to action, gives good signals on improving Paulig Consumer Service CX practice toward Transformer status.

5.2 Forecast and Ideate

In this chapter actions in development project, which formed the service design Forecast and ideate -phase, will be presented. This phase is visualized in Figure 12. Actions described include preparation of the workshop, workshop introduction and homework unwrapping, warm-up, ideation tools and evaluation methods. In this phase of the research development project emphasis is still more on sensing new opportunities rather than seizing.

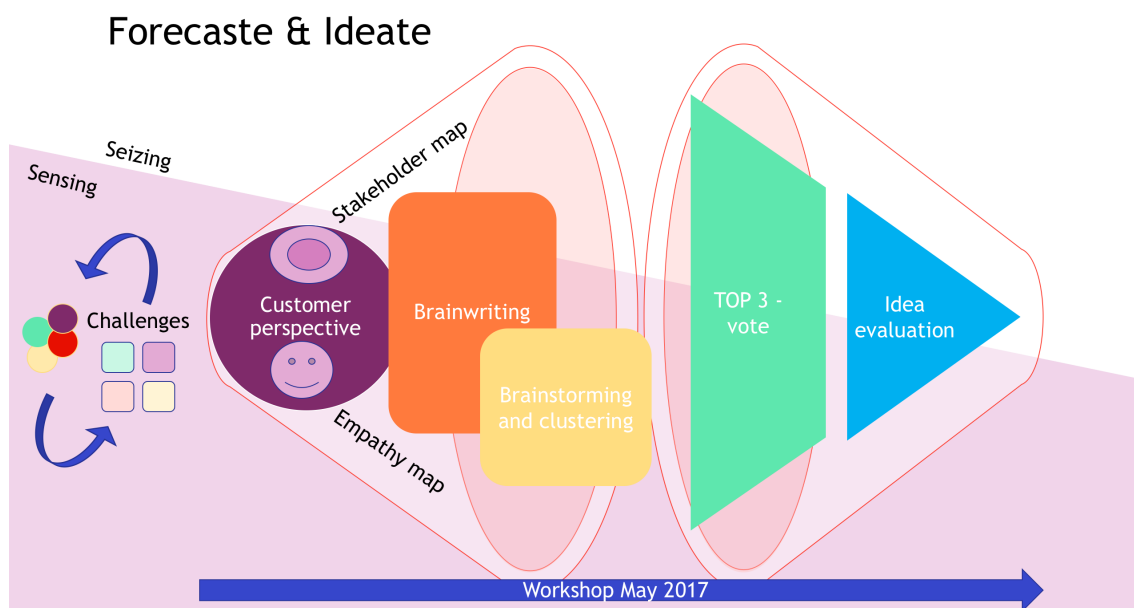


Figure 12: Forecast and ideate -phase of the project

Based on the challenges formed and key findings from mapping stage and project goals, Junikka and Saari were able to create concrete goals for the workshop. When the top target for this development project was to create customer experience management framework for Paulig Consumer Service, workshop goal was to create pieces of the framework by ideating solutions to found challenges. Workshop was covering the Forecast & ideate and Model & evaluate -phases of the service design process. A lot was to be done in a short timeframe

given. Due to time limitations, workshop needed to be well prepared. Workshop attendees didn't have a lot of prior experience on service design workshops. Workshops were familiar but design thinking approach wasn't. For this reason it was decided that service design should be briefly introduced as it was basis for the customer experience project. Service design wasn't just used as toolset, it was representing service dominant -logic and design thinking in the process.

Workshop was held at Paulig roastery in Vuosaari, Helsinki. Facilities were easy to organize for the workshop and needed materials were available. It was decided that all four groups, split according to the challenges, were working in the same space so that instructions could be given at the same time to all attendees. Space was big enough to guarantee work without distractions. Katja Tschimmel (2016) once mentioned that Service Design isn't ecological in a way that it uses materials sparingly. Service Design workshops consume a lot of paper, sticky notes and pens. Groups for the workshop were formed together by Junikka and Saari to create as diverse groups as possible, know-how from all departments of the organization. All tools and material were proposed and sent to Kaisa Junikka for approval in advance and some of material as in workshop presentation etc. was fine-tuned together by Junikka and Saari. Structure and key points were also presented to Digital Marketing Manager, who operated as superior for Paulig Consumer Service, in advance for management level of approval.

5.2.1 Workshop introduction & homework

Workshop was held in May 2017 at Paulig roastery. Kaisa Junikka opened the workshop with welcoming words and introducing the goals for the project and workshop. Author of this thesis Saari continued the introduction and operated as a facilitator for the workshop. After project presentation, service design was explained briefly so it would prepare attendees for the becoming actions. Service design was referred to a well-designed product and how it has many utilities that make it fit like a clove to any user. Fiskars design classic, orange scissors were used as an example. Workshop phases were presented and shortly explained. Phases can be seen in Figure 13. First row of boxes in the figure formed Forecast and ideate -phase of service design process and second row presents steps in Model and evaluate -phase.



Workshop phases

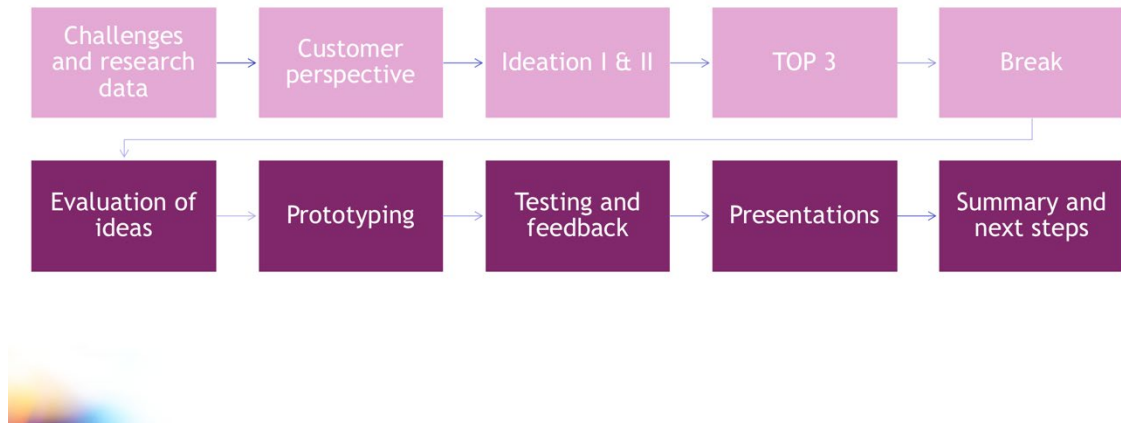


Figure 13: Workshop phases after introduction to project and service design

When goals, methods and phases of the workshop were presented it was time to introduce the research material gathered and findings made. Introduction began from Customer Journey Map. Attendees were explained a story of fictional customer Kati, who had a complaint about a Paulig coffee product. As mentioned before, Customer Journey Map was created based on research material from surveys and contextual interviews and knowledge gained by Junikka and Saari from working in consumer service. Customer Journey Maps are traditionally divided into preservice, service and after-service phases (Rosenbaum, Otolara et al. 2017). Figure 14 presents the Customer Journey Map in Paulig Consumer Service. Darker colored steps of the journey present parts where customer is not in direct contact with consumer service and lighter colored parts present parts where consumer service is in direct contact with the customer. In the pre- and post-service parts of the journey consumer service can proactively serve the customer by facilitating the journey. Emotions attached to the journey are verbally expressed in the map. Emotional dimension deepens the perspective Customer Journey Map can create (Rosenbaum, Otolara et al. 2017). Presentation of the journey map had evident effect on the attendees. Amount of steps and story told proved to attendees that the process was redundantly heavy for the customer at the time.



Customer journey at the moment

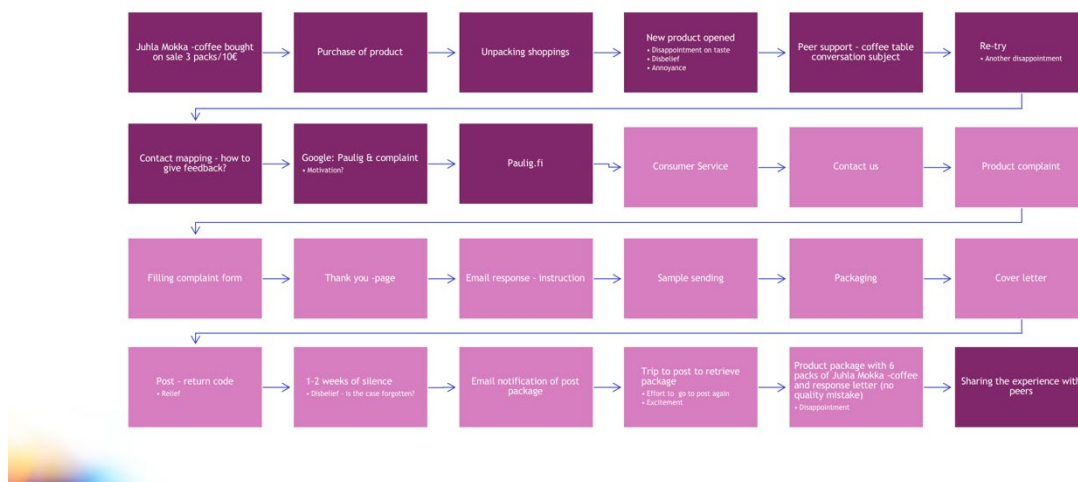


Figure 14: Paulig Consumer Service Customer Journey Map

Research process and report of thematic analysis were then presented. Group split was told before the presentation so each attendee could focus on their own ideation challenge already at the challenge introduction stage. Workshop had an open conversation ambiance since the beginning and attendees commented on research findings freely. Also experiences from pre-assignment were shared with the whole group to orientate for ideation. Experiences from pre-assignment arouse mainly negative observations. Comments were made that customers can't be treated this way. Pre-assignment created a wanted effect on attendees: customer perspective was planted to their mindset already from the beginning.

Before moving to ideation phase of the workshop, attendees were reminded on workshop guidelines. Workshop ABC followed good manners in team work and stated light rules for creating a positive and inspiring atmosphere to create as much of ideas as possible. Rules also tried to dissemble hierarchy in groups. Workshop ABC can be seen in Figure 15 below.

Workshop ABC

- All reviewing and criticism of ideas is forbidden!
- All ideas are written on post-its - tiny or giant!
- EXCITE AND SUCCEED!
- The more ideas - the better!
- More crazy ideas - more superb!



Figure 15: Workshop rules

5.2.2 Ideation

Next phase of the workshop began with a warm-up. Attendees formed a circle and started counting. Trick of the warm-up was to count as high as possible by stating one number at a time. If two people would say a number out loud at the same time, counting would begin again. This got people to wake-up and created spontaneous laugh bursts in the group. It is surprisingly tricky to sense the rhythm of counting and anticipate others' actions. Warm-up created wanted positive energy and relaxation in the group before next steps.

Groups were then divided into working places according to ideation challenges. Depending on the challenge, groups started the customer perspective orientation part with either Empathy Map or Stakeholder Map -tools. These tools were used to create a common ground among the group about the context the challenge was given and strengthen customer perspective for the ideation -phase. Motivation and Aftercare -groups worked with Empathy Map. This method is a good tool for making sure that the design process stays human-centered. By empathy mapping team tries to interpret the end-users' emotions and perspective (Tschimmel 2012). This tool is created by Scott Mattgeews. It covers six areas of emotions: what does the target person feel and think, see, say and do, hear and which are the pain points for him/her and where she/he feels emotions of accomplishment. This is an effective and easy way to describe customers but is based on assumptions and not on research. (Ideapakka, Laurea-ammattikorkeakoulu 2015.) Empathy Map can uncover patterns, find details on behavior and values

(Tschimmel 2015). This tool is used on getting empathetic toward customers in the beginning of design process. Empathy Map -template used in workshop can be seen in Figure 16.

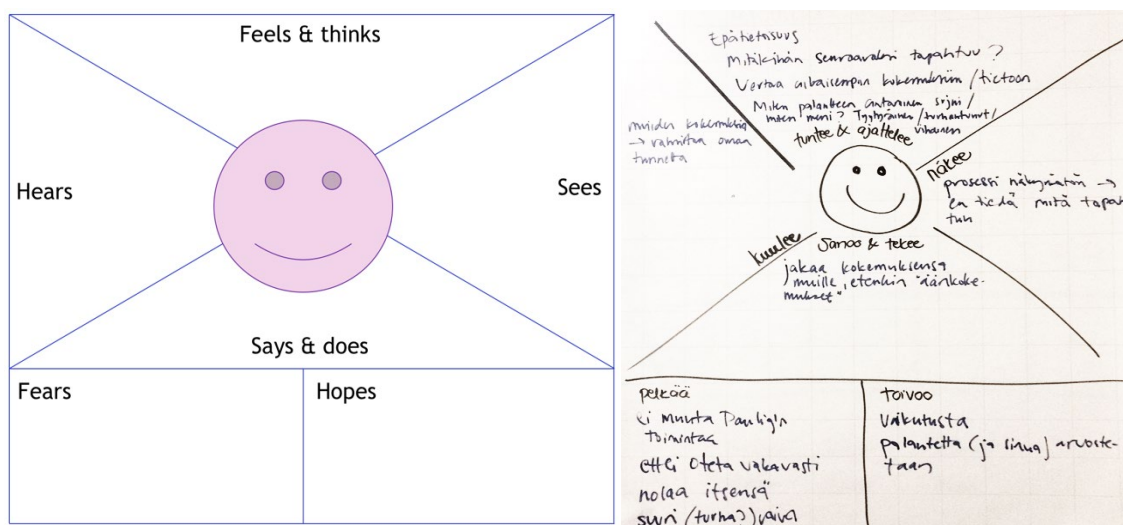


Figure 16: Empathy Map -template (Ideapakka, Laurea-ammattikorkeakoulu 2015) and Empathy map from Aftercare -ideation group.

Other two groups used Stakeholder Map -tool to find perspective of customer's context. Groups had ideation challenges on process simplification and customer voice within organization. By using Stakeholder Map, design team gets a better understanding on the context and network of the service. In the tool team clusters all possible stakeholders to internal and external circles and creates relationship symbols between stakeholders. This reveals roles, shared interests and possible conflicts among actors. It can also raise the perspective discussed to a new level. It is important to present the tool in a visual way. Actors can be grouped according to many attributes like: importance, relationship, resources, influence and engagement. This tool can be used in exploring phase of service design process but also in creation phase, where mapping can help reveal latent needs and be a source of ideas. (Schneider & Stickdorn 2010.) In the workshop map was used in divergence phase as it was opening method for ideation stage. In Figure 17 Stakeholder Maps by workshop groups are presented. Due to timetable, groups didn't have much time to dive deep into relationships between stakeholders. This would have been useful to create a holistic understanding of the multidimensional context.

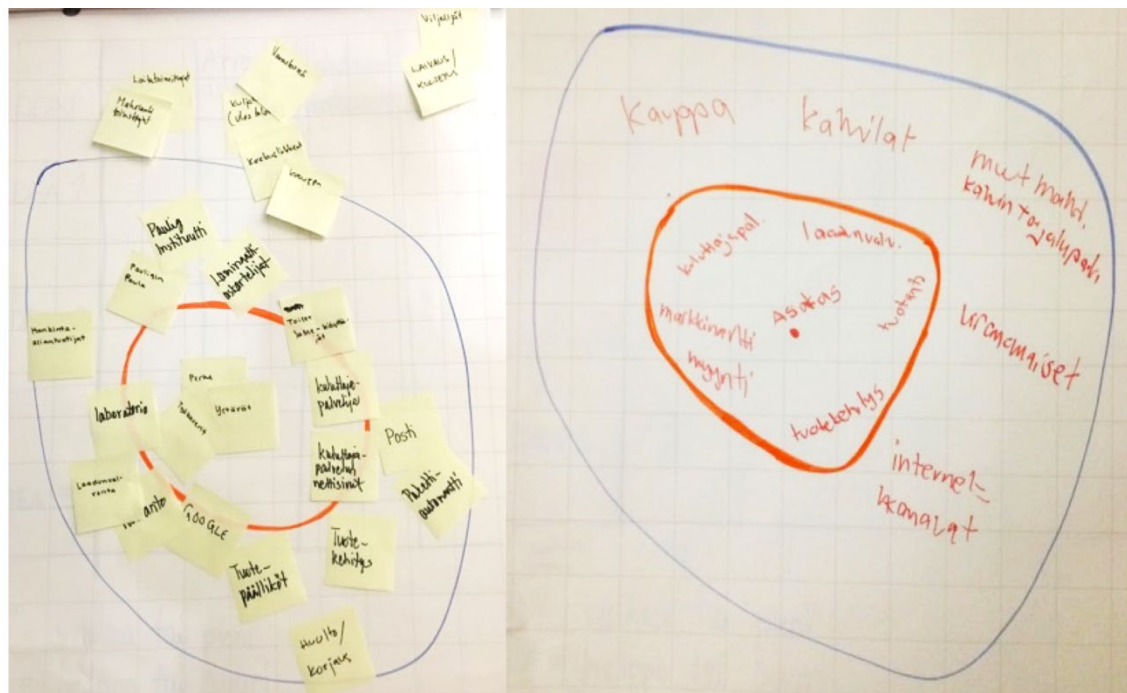


Figure 17: Stakeholder Maps by Process simplification and Customer voice groups

After Customer perspective -orientation, groups moved on the ideation -phase. Ideation began with brainstorming solutions to given challenge questions. Brainstorming is solution and idea generation tool with various methods suitable for different contexts. During a session multiple techniques can be used for different purposes. (Schneider & Stickdorn 2010.) Goal is to produce as much ideas as possible, to achieve this there is few rules to follow. All judgement during brainstorming is suspended. Ideas can and should be built on one another. Everyone should focus on the topic and discuss one conversation at a time. Also wild ideas should be encouraged. To provoke diverse thinking and range of ideas, teams should be structured heterogeneously. (Design Council.) To be able to achieve this goal, workshop ABC stated the rules to follow as visualized in Figure 15 earlier.

To get most of different personalities in the group, a brainstorming session should have a quite ideation part as well. Examples of these are brainwriting (Ideapakka & Laurea-amattikorkeakoulu 2015) and individual writing. These methods enable more introvert people to express their input better and after quiet ideation the ideas are discussed in group. (Kaner, Lind et al. 2014). One recommended way to use brainstorming is brainsketching. In brainsketching the sticky notes are use as drawing paper and ideas are presented with visual drawings not text as in other techniques. This way idea work has a more diverse stimulus to new ideas, when everyone can interpret the idea visualized. It is more difficult to express and needs more time to discuss all the ideas afterward, but this method can engine new ideas better. (Tschimmel 2012). To begin solution generation, group started by brainwriting ideas in silence. Brainsketching wasn't used this time, due to limited service design experience of the

attendees. No limitations were needed to prevent people from expressing their ideas. Sketching abilities could have been a barrier for people to skip ideas. Sketching was encouraged, but not expected. People were also recommended to browse other's ideas for building new ones based on them. Also an important setting was created - everyone had their own sticky note - pile and a pen. This way everybody can produce their ideas straight to a shared wall. If only few had pen and paper and others gave them ideas, ones taking notes could automatically and unintentionally start filtering or changing the ideas based on their perception.

After 10 minutes of silent working, groups were given instructions to view generated ideas, discuss them, and write down possible idea extensions. It was emphasized that evaluation of ideas is still forbidden at this stage. After all ideas were read, groups started clustering them in to common themes and naming the themes. Sticky notes were color coded based on cluster heading names and ideas to visualize the idea clustering. Clustering was used to create convergence in service design process. It possibly generates new ideas, but also summarizes ideas into bigger themes. After clustering groups were given instructions to vote TOP 3 -ideas of the solutions. Each member had 3 votes. One could split the votes freely or give all votes to one ideas if wanted. Three most voted ideas managed to next stage in the process.

Context is the framework, where ideas are evaluated and context effects on the evaluation criteria (Herman & Reiter-Palmon 2011). Context framed the evaluation metrics in the workshop as well. TOP 3 -ideas were evaluated based on implementation efforts, value to customer and effect on challenge given. Groups assessed each attribute in number scale from 1 to 4, where 1 was difficult or small and 4 was easy or high, depending on the metric. Each idea got a total score and idea that scored highest was chosen as most potential idea for Model and evaluate -phase. In Figure 18 idea evaluation chart can be seen from Aftercare group. They were creative to solve evaluation disagreements by using decimals. As can be seen from the figure, this group chose as most potential idea an alternative with high impact on challenge and value to customer, but a more challenging idea to implement. Other two ideas were easier to implement, but had lower effects on value and challenge given.

Ideat	toteutus	arvo asiakkaalle	vaikuttavuus	yhteensä
Palautte prosessissa, helposti nopeasti	1	4	4	9
Kuluttajan palautteen vaikutus miinymiin	4	1	1,5	6,5
Kuluttajat mukaan, miinymiin	2	1	1	4

Figure 18: Idea evaluation chart from workshop

5.3 Model and evaluate

In Model and evaluate -phase of the service design process focus changes from sensing the context into seizing new opportunities (Ojasalo, Koskelo et al. 2015). Figure 19 presents the Model and evaluate -phase of the project. Ideas chosen as most potential ones were prototyped and presented to peer groups. Peers groups commented on prototypes and gave feedback. Based on the feedback prototypes were developed and then presented to the whole group. Stars inside square in the figure represent the solution ideas as outcome of the workshop. Small stars present the smaller ideas generated as side products of the process. These small ideas were so called quick-fixes to improve customer experience.

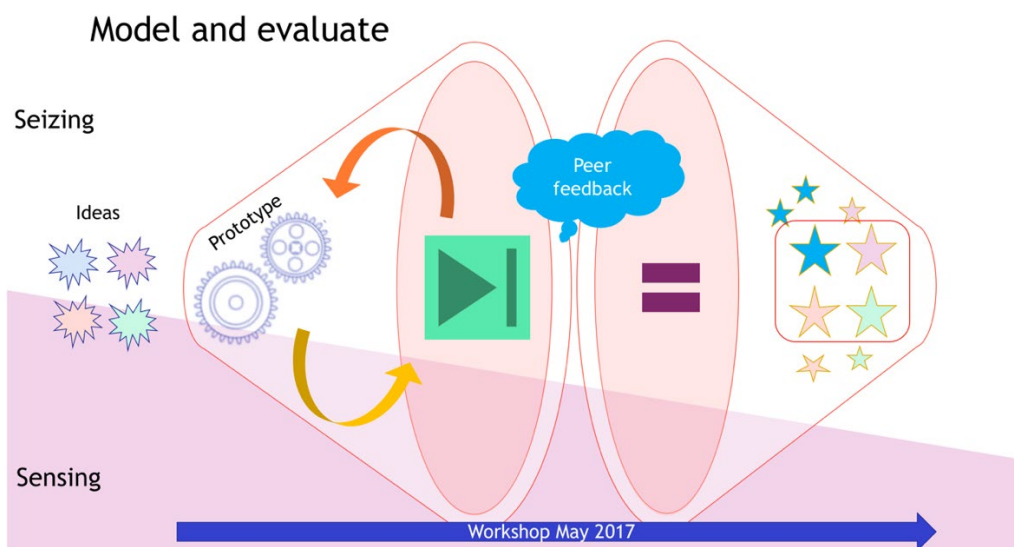


Figure 19: Model and evaluate -phase of project

5.3.1 Prototyping

As brainstorming, prototype is general toolkit name for a process typically part of service design process. When ideas and solution suggestions are gathered they can be tested with prototyping. Prototype is usually some sort of a mock-up of the idea and is then tested with potential users. After first round of testing the prototype will be developed and then tested again. (Schneider & Stickdorn 2010.) Prototypes can also be used to target the future, like with prototyping method: futures headlines (Ojasalo, Koskelo et al. 2015). Future headlines present fictional news and articles placed in the future, which present how the new service would be described or written of. It makes the idea more concrete and future aspect changes the way people react to the headlines. There is still a risk, this method doesn't lead to new insights or proof of concept. (Ideapakka & Laurea-ammattikorkeakoulu 2015.)

Prototypes can be used for a proof of concept, but also to generate new ideas and develop current idea forward. It helps to catch the emotional side of service and experience. It is a quick and rough model of the idea. This way the feedback is also on the right level. Prototyping can be used on high fidelity, but then they should be already tested earlier with rough sketches. High fidelity prototypes have different goals than preliminary testing. (Ideapakka & Laurea-ammattikorkeakoulu 2015.) Different techniques to use prototyping can be for example: desktop walkthrough, roleplaying, and fictional advertisement and story boards.

Roleplaying is a technique, where solution is tried out by physical acting and insights are gathered from people's reactions (Tschimmel 2015). Video can be used to record the act and this way reflect on the play by discussing together (Schneider & Stickdorn 2010). Placing team members in a roleplay situation, the goal can also be to evoke empathy and human-centricity for ideation instead of fact based information approach. Roleplay can also be categorized as design games toolkit in service design. (Vaajakallio 2012.)

Groups were given instructions to form a prototype of the solution idea they had. Prototype could be made as a fictional advertisement, comic or with roleplay. Fidelity level was set low intentionally. So attendees wouldn't pay too much attention to details, rather than crystallizing the idea core for others. Target was to create a cardboard sail boat so to say, not carve one from mahogany. Three groups presented the prototype as advertisement and one group a roleplay.

Prototype was then presented to a peer group. Audience groups had opportunity to give feedback and comment on the idea. Presenting group was instructed to receive feedback and not explain or comment back. Allowing the peers to comment freely and not use energy on defending the case, group gets more information for idea development (Tschimmel 2016). Based

on feedback, group returned to prototype and made some changes. Iterated prototypes were then presented to the whole group. Each group had only three minute slot to present prototype. This forced them to be efficient and concise.

After presentations Kaisa Junikka presented next steps of the project. Results were to be gathered, ideas collected and analyzed more deeply and mapped for conceptualizing and implementation planning. Workshop attendees were thanked for their input and time and promised actions based on the active discussions. Consumer Service Team stayed behind to clean up and gather fresh thoughts on the results. Some small, easy to execute ideas were presented during the workshop referred as the small stars in the process figure. These “quick-fix” ideas were collected and shared for people responsible for their execution. Challenge ideas were gathered for the workshop result presentation.

5.3.2 Understand - Thematic analysis

To create meaningful and trustworthy results the collected data must be analyzed in a transparent and precise manner (Nowell, Norris et al. 2017). Thematic analysis is a method to identify, analyze, describe and report recognized themes from a data set (Braun & Clarke 2006, Nowell, Norris et al. 2017). This method is good for summarizing key findings on large data sets as it makes the researcher approach the research data structurally (King 2004, Nowell, Norris et al. 2017). For the thematic analysis to be trustworthy, it needs to meet the trustworthiness criteria. Analysis needs to be credible, transferable, dependable and confirmable. (Nowell, Norris et al. 2017.) Figure 20 visualizes the process of thematic analysis explained step by step in this chapter.

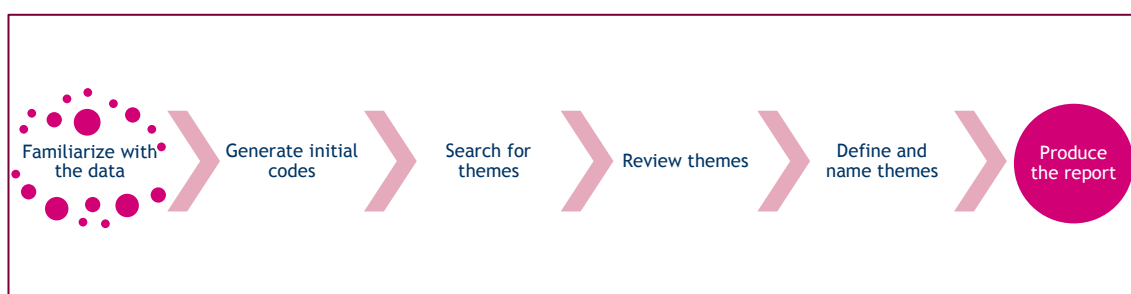


Figure 20: Thematic analysis process (Nowell, Norris et al. 2017)

Data collection and analysis can happen in parallel, so the analysis process isn't as linear as it is usually presented. It is an iterative and reflective on-going process. (Nowell, Norris et al. 2017.) Still there is 6 phases identified in a structured thematic analysis (Braun & Clarke 2006, Nowell, Norris et al. 2017). First phase is to get acquainted with the data collected (Nowell, Norris et al. 2017). Braun and Clarke (2006) recommend to read the whole data set at least once, before starting to analyze it. During the familiarization of data, researched may have some initial thoughts, first findings and questions about the data. Making notes on

these, begins the analysis. (Tuckett 2005.) In the second phase of thematic analysis, researchers start finding initial patterns and codes in the data. This phase should begin after the whole data set is read at least once. Similarities are branded with the same code and each data can have many codes and there for references to many patterns. (Nowell, Norris et al. 2017.) Whole data should be systematically analyzed and coded according to decided code rules (Braun & Clarke 2006). Templates can be help in processing the data set (King 2004).

Third phase of thematic analysis starts when the data is coded and code list is made (Nowell, Norris et al. 2017). Researcher starts to cluster the codes and tries to find larger entities and themes (Braun & Clarke 2006). Coded data has insight potential and as individual data pieces the fragments don't mean a thing, but when collected together, they can form themes (Ar-onson 1995, Nowell, Norris et al. 2017) King (2004) recommends to start with few predetermined initial themes. These themes guide the mapping of the codes. Researchers must remember to keep an open mind and not let the initial themes guide the interpretation too much. (King 2004) Analyzing the connections of themes and data cells coded to same theme is important to achieve a deep analysis. (Ojasalo, Moilanen et al. 2014.) Fourth phase of thematic analysis is reviewing the themes. Set themes are examined and evaluated if the data coded to themes, creates patterns. (Nowell, Norris et al. 2017.) Recoding and theme deleting can most likely happen at this stage, if there simply isn't enough data to support the theme proposed. Codes can also refer to many themes. (Braun & Clarke 2006.) This phase is for analyzing the themes as previous phases were analyzing the data. When the fourth phase is ready, researchers have a clear image of the data and the story themes tell about it. (Braun & Clarke 2006.) Each theme derivation needs to be easily tracked from the data (Nowell, Norris et al. 2017).

Fifth phase of the analyze process is naming and defining the themes (Nowell, Norris et al. 2017). If the data set withholds research question relevant data not classified to any themes, themes cannot be finalized. (King 2004.) Themes need more reviewing and this shows iterative nature of thematic analyzing process. When scope and content of the themes are clear to researchers and themes have descriptive and apt names, team is ready to move to the final phase: report. Report should be holistic, logical and data-based theme presentation. (Braun & Clarke 2006.) Direct quotes from the data are essential part of the report (King 2004). "The final analysis report should create an overall story about what the different themes tell about the topic" (Nowell, Norris et al. 2017).

Research data collected for Paulig Consumer Service development project was thematically analyzed. Data collected in surveys was delivered to Paulig. Raw data was read through together with Kaisa Junikka and author of this thesis. Thematic analysis focused on the qualitative data of the survey. Also data from the contextual interviews and observation accompanied with Customer Journey Map were used in the analysis. Junikka and Saari started coding

the survey data in excel, by coloring the cells. First coding alert was development potential for customer experience. Figure 21 visualizes the first steps of thematic analysis in form of coding the data.

The image shows a screenshot of an Excel spreadsheet with multiple columns and rows of text. The spreadsheet is divided into several sections, with yellow highlighting applied to specific cells across different rows. The highlighted cells contain various phrases and sentences, likely representing the initial coding of the survey data. The text is dense and appears to be a list of responses or observations. The highlighting is used to mark specific parts of the data for further analysis.

Figure 21: Initial coding of data

During the process Junikka and Saari shared all thoughts and findings the survey data woke and started discussing about shaping the themes and connections to interview data and journey map. Goal for the thematic analysis was to find challenge themes to be ideated on as development solutions in the workshop ahead. Before the results presentation, initial theme set was known. After research company presented the report on key findings of the survey, Junikka and Saari sat down and continued the thematic analysis process by reviewing the themes. Some of the initial themes changed and Junikka and Saari created a presentation, where evidence data was gathered under each theme. Four theme sets were proposed in the process. Themes were formed as challenges and named with theme name and a descriptive challenge question. Definition and naming of the themes happened simultaneously with the report forming. Report of the thematic analysis was in a presentation format and was presented in the workshop. Presentation had an introduction of the whole data set and was followed with more detailed theme presentations. A lot of direct quotes were used. In Figure 22 the theme template is presented. Template presents the theme and challenge questions setting the framework and is followed with the data findings supporting the theme.

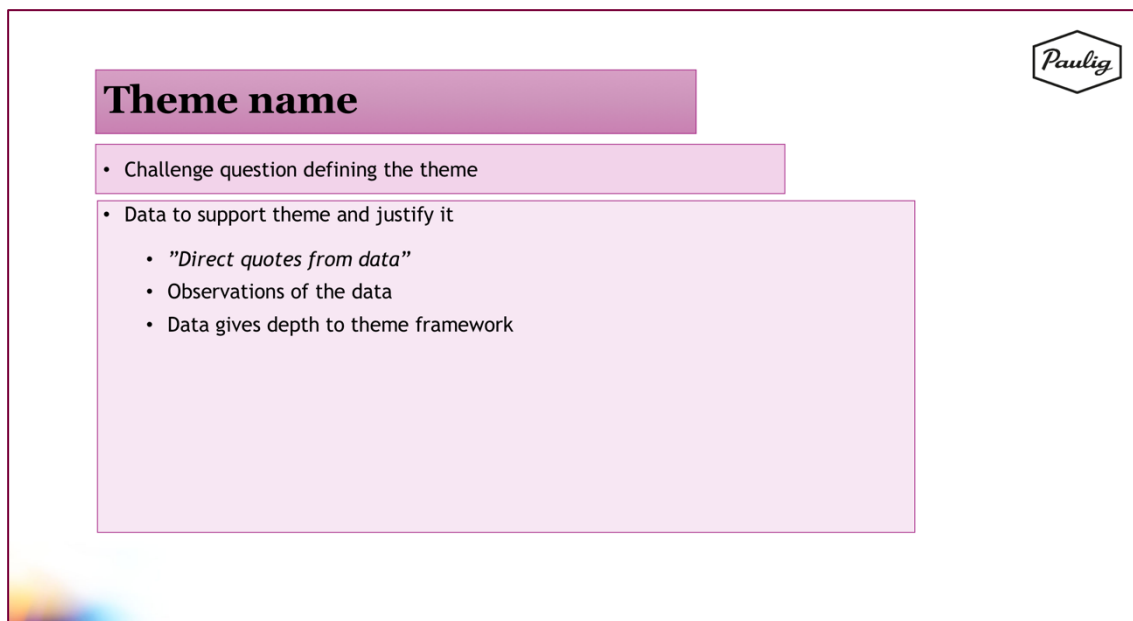


Figure 22: Theme template for thematic analysis reporting

5.4 Conceptualize and influence

Results of the workshop were reported based on the video tapes recorded during solution presentations and prototype material produced by the groups. Results were gathered to a PowerPoint presentation and followed the steps workshop program had. These results would build content for the last phase of the development project and service design process Conceptualize and influence. This phase of the project is visualized in Figure 23. In the report each tool was explained and material generated from tool also documented, e.g. empathy map. Each challenge theme was then presented as a reminder and solution ideas were explained in detail. By the time of the results reporting three out of the six “quick-fix” ideas were already executed. Workshop clearly had an engaging effect on Consumer Service team.

Conceptualize and influence

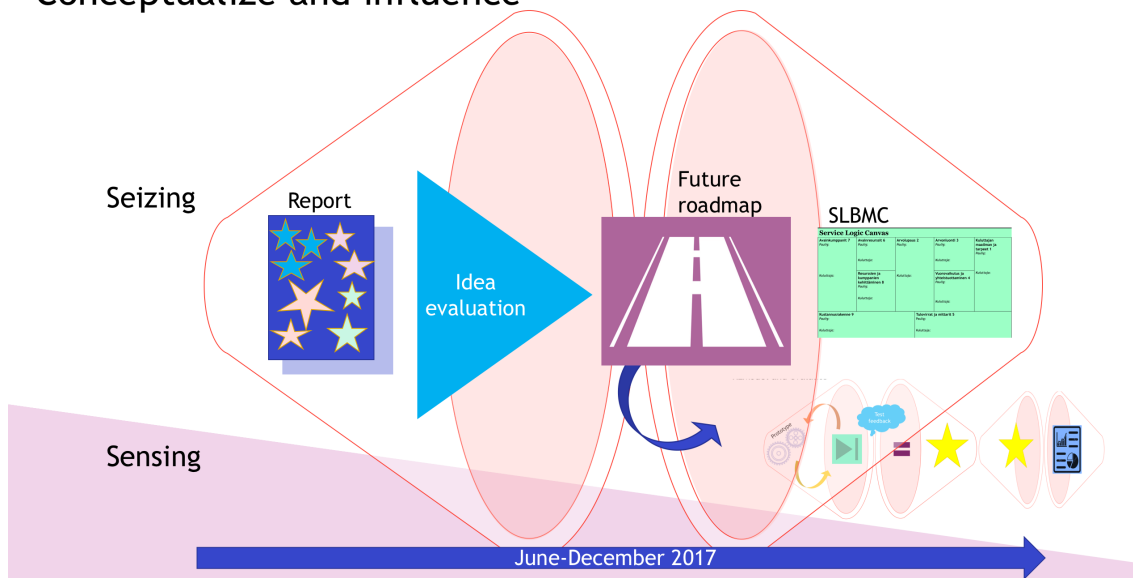


Figure 23: Visualization of conceptualize and influence phase of the development project

Results report was followed by a proposal for next steps of the project. As mentioned before, next step were executed by the organization and not led by the thesis writer due to resource limitations. Saari operated as an external consultant for Conceptualize and influence phase. Proposal constructed of three steps. Steps are presented in

Jatkosuunnitelma

- STEP 1: Tavoite syventää ratkaisuipeat konsepteiksi
 - Evaluation chart
- STEP 2: Valitaan toteutettavat ideat ja suunnitella toteutusaikataulu ja resurssitarpeet ja vastuujako
 - Future road mapping
- STEP 3: Luoda suunnitelma jatkuvan kehittämisen mallista jatkossa. Miten asiakaskokemus näkyy kuluttajapalvelussa?
 - SLBMC



Figure 24.

Jatkosuunnitelma

- STEP 1: Tavoite syventää ratkaisuipeat konseptiksi
 - Evaluation chart
- STEP 2: Valitaan toteutettavat ideat ja suunnitella toteutusaikataulu ja resurssitarpeet ja vastuujako
 - Future road mapping
- STEP 3: Luoda suunnitelma jatkuvan kehittämisen mallista jatkossa. Miten asiakaskokemus näkyy kuluttajapalvelussa?
 - SLBMC



Figure 24: Proposal for customer experience development ideas implementation steps

First stage was reserved for idea refinement. Presented ideas were to be evaluated again with evaluation chart against each other. Evaluation chart had the same comparison attributes as in workshop: implementation efforts, value to customer and effect on challenge given. This evaluation would help the team to priorities ideas. Second step of the proposal was to create a future road map. Road map is a tool for planning and presenting future actions. Road map draws a route to a goal and consist of drivers, needs, enablers and solutions on the path in course of time. Road map helps in timing, flexibility estimating and creates a systematic way to follow the progress. (Meristö & Laitinen 2013.) This roadmap would be used for continuous improvement of customer experience. The Proposal contained a suggestion to choose two of the most promising solution ideas to proceed forward. Potential would be determined based on the evaluation chart. Two ideas would then be planned further including implementation timetable, mapping of resources and decisions on the share of responsibility.

Third step of the proposal contained suggestion to have a discussion on the overall feedback of the project so far and assess learnings with the team. Consumer Service team should consider pros and cons of the process and overall experience: what was achieved, what was surprising and how could the data gathered and knowledge gained be utilized in the future. Team would have an opportunity express emotions related to the changes and deepen the commitment toward more customer-focused way of working. Main question to be analyzed was: How customer-centricity can be seen in Paulig Consumer Service? To analyze this question team was introduced with a Service logic Business Model Canvas -tool. The Tool is further developed version of the known business model framework tool Business Model Canvas (Ojasalo & Ojasalo 2015), created by Alex Osterwalder and Yves Pigneur (Ojasalo, Moilanen et al. 2014). Focus on service logic bases on contemporary customer value focused business

models like service-dominant logic (Lusch & Vargo 2008; Lusch & Vargo 2004), service logic (Grönroos 2011) and customer-dominant logic (Heinonen, Strandvik et al. 2010). All these emphasize the active role of customers in the value creation process. When this Service Logic Business Model Canvas is used to design services in service design process, service logic inherently becomes implemented to a company's business logic. (Ojasalo & Ojasalo 2015.)

The Service logic Business Model Canvas -tool is built on blocks of essential areas in business. Differing from the original tool Service logic Canvas has organization perspective and customer perspective included into each block. (Ojasalo & Ojasalo 2015.) Business Model Canvas is a useful tool to encapsulate and communicate core logic of a unit (Ojasalo, Moilanen et al. 2014). In Figure 25 the Service logic Business Model Canvas -template tailored for Paulig Consumer Service is presented. Numbering in each block creates the suggested order of filling the canvas (Ojasalo & Ojasalo 2015). The Canvas begins from mapping the customer context and needs, continues to value proposal and value creation. Customer and company worlds meet in the fourth block of the canvas in interaction and co-creation of service. All these elements are on the right side of the canvas. Left side of the canvas is reserved for resources and partners. Lower parts of the canvas communicate incomes and costs of operating. (Ojasalo & Ojasalo 2015.) In Paulig Consumer Service context incomes are seen as benefits other than capital.

Service Logic Canvas				
Key Partners 7 <i>Paulig:</i> Who are the key partners connected to our value proposal, how are their roles and how they benefit from co-operation? <i>Customer:</i> Customer's partners and how they are considered?	Key Resources 6 <i>Paulig:</i> What skills, knowledge and other resources do we need? <i>Customer:</i> What skills, knowledge and other resources does customer need?	Value proposition 2 <i>Paulig:</i> What kind of value are we proposing? Which are the attributes of offering? <i>Customer:</i> What is the value potential customer is buying. Which are the elements of customer need?	Value creation 3 <i>Paulig:</i> How are we helping customer to achieve value? <i>Customer:</i> How is value created in customer life?	Customer's World and Desire for Ideal value 1 <i>Paulig:</i> How do we understand customers and their challenges in everyday life? <i>Customer:</i> Why is customer using the service, what are the gained benefits and ideal value for customer?
	Mobilizing resources and partners 8 <i>Paulig:</i> How do we coordinate and develop partners and resources? <i>Customer:</i> How does customer coordinate and develop partners and resources?		Interaction and co-production 4 <i>Paulig:</i> How are we creating value together with customer and how do we support communication between customer and us? <i>Customer:</i> What is customer's role in value creation and interaction?	
Cost structure 9 <i>Paulig:</i> Where do our costs generate and what other sacrifices are needed? <i>Customer:</i> What are the costs for customer and other sacrifices?			Revenue Streams and Metrics 5 <i>Paulig:</i> What is our earning logic? Also others than money. How do we measure created value? <i>Customer:</i> What benefits is customer willing to pay/make an effort and what kind?	

Figure 25: Paulig Consumer Service logic Business Model Canvas -template with instructions. Modified from model by Ojasalo & Ojasalo (2015).

Suggested three steps: evaluation of ideas, future roadmap with assessment of the project and SLBMC, formed guidelines on customer experience development implementation. Road map operated as a script for more customer-centric Paulig Consumer Service. Each solution

implementation process would follow iteration rounds through Model and evaluate -phase again to second round in Conceptualize and influence -phase. This stream is visualized also in Figure 23 above.

6 Results of the project

To evaluate the accuracy of hypothesis: Service design can facilitate customer experience practice evolvement, one needs to first see how customer experience management has changed in Paulig Consumer Service. To form a holistic view, challenge areas ideated were scanned for changes. Results are reported in the next paragraphs. During the project four challenges were found in thematic analysis and solutions to solve the challenges were created.

First challenge was motivation, the initial problem for the development project. Solution idea was: Paulig goes mobile - mobile contacting solutions could lower the barrier of contacting, when methods suit a younger customer's media consumption habits. Paulig Consumer Service has actively added new channels and tools to their repertoire and generated blog content tailored for students to work as a proactive service.

Simplification of complaint process challenge went through great changes due to the project. After workshop quality team and consumer service changed their protocol on sample examination. According to the new protocol consumer service would ask for a sample only if customer has unopened packages of the same batch. Otherwise complaint would be checked in quality control according to production information. From June 2017 on, rolling 12 months period 15 % of complaint customer had a simpler complaint process. (Junikka 2018.) Also dialogue during the complaint process has been upgraded. Consumer Service notifies customers when the sample has arrived for analysis and sends an information on complaint results and follow-up information on a compensation package via email. As quick-fix ideas this challenge was tackled also with blog content on how to pack a product sample and how complaints are processed at Paulig. These elements work as a proactive service to support customer experience indirectly in form of knowledge to understand how important the feedback is and how the customer case formed. Consumer service is also considering video content to make the information more approachable, especially for young customers. (Junikka 2018.)

Measuring was one of the key drivers to develop customer experience management practice to a next level. Challenge on monitoring customer experience was in the heart of measuring - one of key drivers on CEM practice. Through monitoring Paulig Consumer Service wants to verify a successful customer experience and more importantly to become aware of un-successful experiences. After workshop Paulig has piloted NPS -measuring. By the end of 2018 NPS has been measured three times and concept for continuous monitoring has been made and is to be implemented during 2019. (Junikka 2018.) There is a clear need state to improve active

monitoring of customer experience and consumer service team is committed to continue on the path of progress.

Fourth challenge was to strengthen customer voice within organization. The development project itself already had an effect on customer voice valuation and consumer service team visibility within the organization due to the great results of research survey and commitment on improving already a great satisfaction result toward holistic experience improvement. Workshop gathered stakeholders within organization and customer-focused time had a trigger effect to review processes internally also in consumer service related teams, referring for example to the consumer related quality management process mentioned in the process simplification challenge results. Consumer service is now actively sharing monthly feedback results to internal stakeholders and all Paulig employees via intranet and taking part into different supply chain team meetings to report on topical customer thoughts. Project had a boosting effect on customer feedback interest in the organization. Consumer Service did actively share information already before the project, but stakeholders are more proactive. In addition Consumer service has opened an idea sharing -tool to Paulig webpages for customers to give Paulig related development ideas or wishes. (Junikka 2018.) Ideas are visible for everyone at the page. Co-creative features are to be implemented as well, so customers can comment and engage to others' ideas and have an open dialogue with Paulig. Through these actions Paulig can show customers more actively how their input is effective and is an important source of development.

When evaluating the results one must return to the baseline of customer experience management practice presented in Figure 8: Paulig Consumer Service baseline in CX , where Paulig Consumer service was in the early stages of a preserver CEM practice type. Baseline was quite clear and commitment for improvement strong. To review the last phase of service design process Conceptualize and influence, Paulig consumer service did conceptualize and influence challenge solutions generated in the process, but improvised on the methods of implementation. The Implementation planning workshop was not organized, as was proposed. Solution idea evaluation chart or Service logic Business model canvas were not used and future roadmap as such not utilized. Paulig consumer service did conceptualize a monitoring solution and customer voice strengthening via new mediums to share customer voice and make dialogue more visible. Concepts were implemented together with actions to simplify the process and adding new elements to make contacting more interesting and easier. Together all these influenced the key drivers of customer experience management practice and moved Paulig consumer service toward a transformer practice type. New position is visualized in Figure 26. Efforts on measuring and implementing customer perspective drivers for development were direct. Customer-facing employee valuation and empowering was approached indirectly by cherishing the great results of mapping phase and committing employees to the development

project. Effort on the third key driver could have been stronger and should be reviewed for further development in the future.

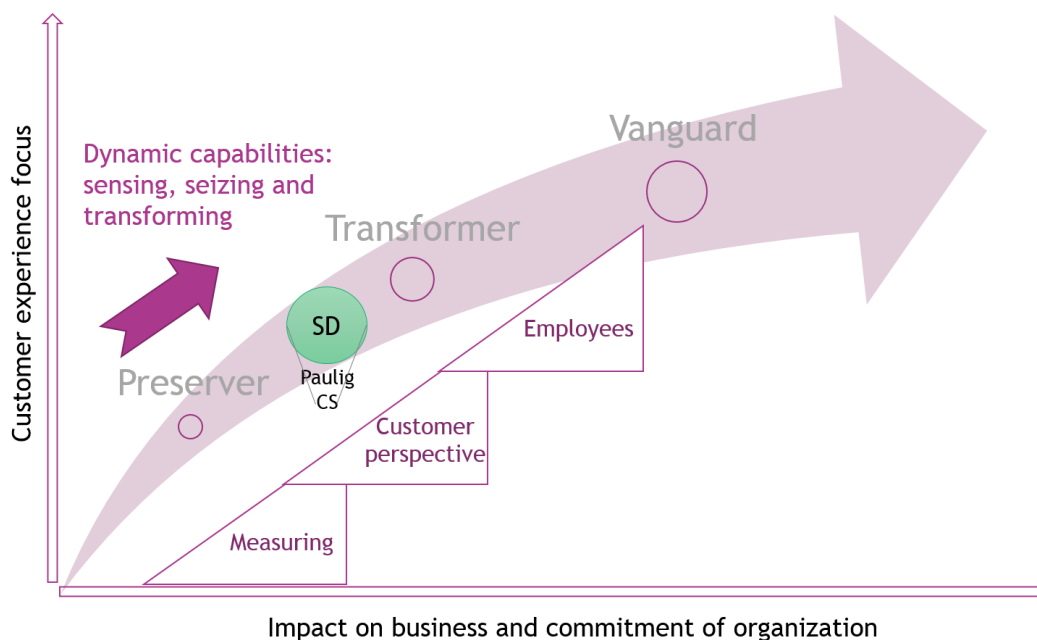


Figure 26: Paulig Consumer Service CEM practice after project

To be able to move fully to a transformer practice type Paulig Consumer Service will need to continue the development actions. Customer experience management should be defined holistically and linked to financial performance of the whole organization. Customer facing personnel should be brought to the spotlight internally and externally to show their vital role delivering the customer experience. Customer experience definition perspective should be lifted to organizational level. As long as customer experience is developed only within consumer service, Paulig can't evolve to a new practice category, because CX should be seen as commitment of the whole organization and not just service recovery. Paulig has committed to the Consumer First strategy, but it lacks a customer experience perspective. Customer experience should be linked to organizational goals (Klaus 2015).

Creating an ongoing monitoring concept for NPS at Paulig consumer service is a good baseline for measuring. But as described earlier, CX measuring is not sufficiently covered with measuring willingness to promote. Paulig should continue improving and looking for new ways to monitor customer experience. On-going concept is vital to track CX performance. Linking the monitoring more closely to financial goals, Paulig could have leverage on improving toward a transformer practice. To scale customer experience management to an organizational level,

Paulig should name a cross-functional CX management team to strive to cover the broad nature of CX and possibilities it withholds. Development needs a long-term commitment from management and a cultural change from the organization.

When analyzing the synergy effects of CX, CEM and service design in theoretical framework, they matched perfectly. To evaluate the match in practice, Paulig Consumer Service case supports the synergy effects. One needs to bear in mind that these three elements need to be tailored in scale to one another. Customer experience is multidimensional as stated earlier and impossible to control by the company, but a company needs to strive to understand the dimensions of CX to be able to define customer experience management. CEM can then steer and align elements by which a company can support successful CX. For the service design methodology to support these two elements, it needs to be adjusted carefully. Perspective needs to be suitable for the context and tools fitted for the framework. When the triangle of these elements is in place, service design is able to grow in effect and this way feed the customer experience management to support a greater value potential in customer experience for customers. This creates a positive loop, which then grows the size of all three. This loop is visualized in Figure 27. When adding a business area box to the visual, it states that customer experience and service design elements have parts out of the business area, which feed new context knowledge to the loop. Customer experience management operates within business area. As these elements grow, also CEM can have potential to scale the business area bigger. This logic is supported by Phil Klaus' (2015) research on Vanguard companies to be more profitable than other CEM practice types. When CEM has potential of sensing new business opportunities which match the customer experience context, company has valid business potential.

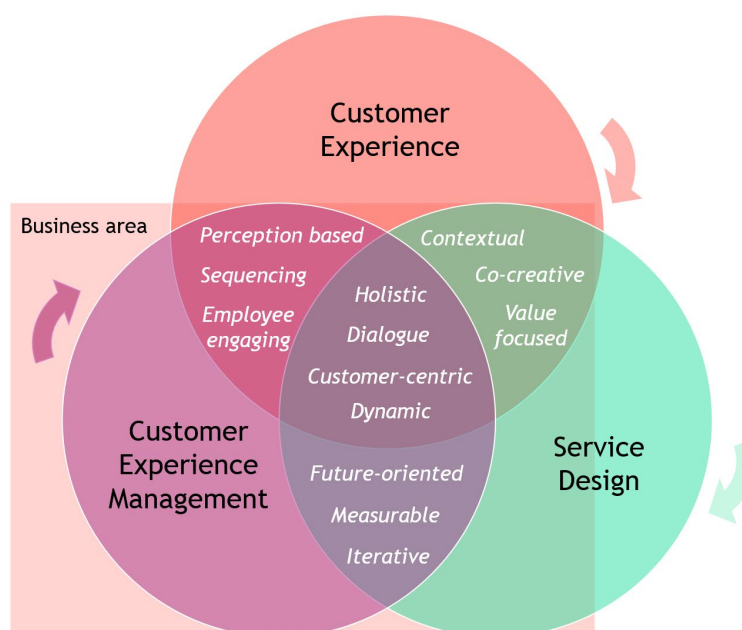


Figure 27: CX, CEM and service design synergy loop

The looping impact has an emerging effect on the customer experience management to seize a larger role in the organization. The more service design ideology and methods are used at Paulig Consumer Service the more efficient and empowering customer experience management becomes. Empowering CEM supports even greater share of the customer experience and forces the business area to grow within organization to absorb customer experience focused business elements. This enables Paulig to become a transformer and one day a vanguard in customer experience management. To reach this level, consumer service needs to engage design thinking and adopt dynamic capabilities as core competences, to be able to feed the synergy loop. Also importance of customer service needs to change for a company to be able to transform from a product-oriented business to a customer-focused dialogue-based business logic where metric of success is value (Lindberg-Repo 2005). It is only logical to begin the transformation from customer-facing units. For this emerging potential to scale to organizational level, management needs to commit to finding strategic value from customer experience.

Through the thesis service design and customer experience has been referred to a sail boat. From project point of view the sail boat is now ready to be tested at water. During the process Paulig Consumer Service created a map from customer world by researching data from the customer context and experiences. Contextual interviews mapped the possible changes in the surroundings and willingness of new captains to embark, so Paulig could equip the boat to meet the future needs of captains. Customer journey mapping tool was used to create an example journey based on previous logbooks the data gathered offered. Analysis on research created an evaluation on the current condition of the sail boat. Understand-phase of service design process recognized the themes in which were holes on Paulig Consumer Service's sails preventing them from progressing on the journey.

Based on the understanding Paulig searched for the ways to fix the sails and re-organize elements on the boat to provide a smoother flow in the future via Forecast and ideate -phase of the process. These solutions were then sewed & sketched to prototypes as miniature sails and model boats and presented to others. Paulig Consumer Service gathered all solutions and started an implementation plan. Tools were proposed to team to create a future plans for improving the boat even forward to become the first captain oriented boat of the ocean, but Paulig wasn't ready to step to a new level. This would need a deeper understanding on sailing as way of living. The passion cannot be planted for outside the organization, it is a culture that grows step by step. Still common understanding was that Paulig Consumer Service boat could become the best journey provider in class and eventually also the shipping company would notice it and want to follow the example.

Based on the learnings from development project done in 2009 at Paulig Consumer Service, it is important to keep in mind, how to follow-up on the implementation of solutions in the key

driver areas. In previous project, the focus areas had potential to enhance customer experience, but were not implemented due to limited resources for development. It is a universal challenge to continue progress after a single project has ended. Customer experience management should have a clear ownership in organization and the team implementing it would need diverse competences. Assigned resources increase the probability of CEM evolvement.

Consumer First way of working at Paulig was mentioned earlier. It had failed to be implemented organizationally from the top management down to customer-facing employees' every day work. Building customer experience management practice in customer facing teams, can meet the customer-oriented management's commitment half way in organization - culture change from down up and up down. Customer-orientation should have a clear customer experience linkage.

7 Conclusions

In the final chapter of this thesis the development project is summarized, key theoretical findings are highlighted and contributions and transferability of the results are evaluated.

7.1 Summary

Target for the thesis was the develop customer experience at Paulig Consumer Service and research if service design could support emergence of customer experience management practice. Customer experience is customer's subjective interpretation of all interaction related to a company (Meyer & Schwager 2007). Company has limited possibilities to affect customer experience, because it is an interpretation of many elements. Service experience term is referring to the visible service encounter customer and company share. Company has the greatest impact to a service experience, which is an element building customer experience. During the service experience company has three ways to deliver exceptional service: by offering personalized services, offer an above and beyond service or by service recovery. (Cook 2015.) Whichever way the exceptional service is provided, next time the same experience is more difficult to reach as customers expectation rise based on the past encounters. According to Bolton (2016) wider customer experience is created from building blocks, which divide the gradual progress of customer experience to levels of service quality, customer satisfaction, engagement and customer experience. Building these steps is a dynamic and iterative process, where each block strengthens the basis for upper levels to reach new dimensions of customer experience. (Figure 3)

Role of the employees is vital delivering customer experience. Cook (2015) suggests that engaged employees are more likely to deliver excellent service. Employee appreciation is one of the three key drivers enabling customer experience management practice evolvement. (Klaus

2015) According to Phil Klaus (2015) customer experience management practice types are divided into three categories: preservers, transformers and vanguards. Companies in different practice types approach customer experience and customer experience management differently. For a company to be able to evolve to a next category it needs to focus on the key drivers: employee's role providing CX, embracing customer perspective to customer experience management and measuring. To utilize the potential of these key drivers, company needs to have dynamic capabilities enabling change in companies. Capabilities include sensing, seizing and transforming. When the key drivers are combined with dynamic capabilities, company should have the recipe to emerge to a new practice type. (Klaus 2015.)

Design thinking is a holistic way to approach problems and create customer-centric solutions. Core of customer understanding is that customer interpretation is never wrong, but always meaningful. (Brown 2009.) Service-dominant logic by Vargo and Lusch (2004) base on the idea that customer and companies are actually changing a service for a service, even when the company is selling products and the customer is paying money. Motivation for exchange is the goal to enhance one's life system viability. Company and customer are just actors trying to reach a better situation in life. Companies that embrace this logic, need to focus on offering resources for customer's needs, so customer would be willing to exchange services. Beneficiary actor, customer, is the one determining the value of service. (Lusch & Vargo 2004.) Service-logic and customer experience share value logic. Service design as a methodology, combines design thinking and service-dominant logic. Service design is holistic, customer-centric, sequencing, evidencing and co-creative (Stickdorn & Schneider 2010). Service design is a toolkit to solve problems by combining integrative way to view the phenomenon causing the problem and focusing on the value potential a solutions could offer customers. Dynamic capabilities are characteristic to service design process as it focuses on sensing value potential in context and seizes opportunities to transform the potential into solutions enabling value creation. Service design, customer experience and customer experience management have overlapping features, which create synergy power. To study the effect of this synergy, empirical part of the thesis focused on validating the hypothesis via case study.

Case company in the thesis project was Paulig and case unit Paulig Consumer Service. Kaisa Junikka operated as a contact person, for the project. Paulig Consumer Service had a problem of declining customer complaint samples. Target for the project was to develop the customer experience so that valuable customer feedback would be reachable for Paulig also in the future. This would mean a need to evolve to a new category in Customer experience management practice. To enable this target Service Innovation Process grounded on Foresight and Service Design was used to map context, ideate and model solutions and conceptualize changes to enable influencing the problem which initiated the project. Service design process is presented by Ojasalo, Koskelo and Nousiainen (2015). Paulig Consumer Service was rated to early stages of a preserver in customer experience management practice scale.

The process constructs of four phases: map & understand, forecast & ideate, model & evaluate and conceptualize & influence. Each phase had divergent and convergent perspective where the focus was alternately wide to find possibilities and narrow to evaluate potential. Each phase moved the focus gradually from sensing potential to seizing opportunities. (Ojasalo et al. 2015.) To map current context and the baseline of customer experience and possible future needs service safari, survey, contextual interviews, observing and customer journey mapping service design tools were used. Survey was conducted by a research company. Thematic analysis was used structure the data gathered. Analysis resulted four themes. These themes operated as development areas of the customer experience. Themes were closely linked with the key drivers of customer experience management practice. Themes were motivation, simplification of the process, after-care and customer voice (Figure 11). Paulig organized a workshop to ideate and model solutions to the found themes. In the workshop different tools were used for different purposes. Empathy Map and Stakeholder Map were used to create empathy and strengthen the customer perspective in idea generation. Ideas were produced by brainstorming methods. Ideas were evaluated on their execution feasibility, value potential and impact on the challenge. Highest ranked idea was prototyped to test concept and iterated once based on the feedback.

After workshop results were gathered and service design tools proposed to proceed to the last phase of service design process independently. Paulig Consumer Service implemented solutions to all areas recognized in thematic analysis within 18 months of the workshop. Proposed tools on the last phase were not used, due to limited knowledge on methodology. Paulig Consumer Service's customer experience management practice category was re-evaluated after solution implementations and it could be agreed that progress had happened by the support of development project. Paulig Consumer Service was still a preserver type, but had moved from early stages of the category closer to the verge of a transformer type. Paradoxically Paulig Consumer Service can't not proceed to a new category on its own as customer experience needs to have financial performance linkage in next practice types. By continuing development of the key drivers via service design process, Paulig Consumer Service has the potential of being a forerunner of customer experience in the organization and awake stakeholders to the potential CEM to grow business.

7.2 Contributions and transferability of results

Research-oriented development project had visible effects on the customer experience in Paulig Consumer Service. Process is now simpler, dialogue between a customer and the company is more active, and customer experience is measured and will be monitored continuously via NPS in the future. New ways to contact the service are piloted and customer voice has strengthened within organization. From the key drivers, employee valuation could be promoted even more.

Hypothesis for the thesis was to validate can service design enable evolvement of customer experience management practice. Customer experience management constructed of 5 dimensions: definition, management, governance, policy and future challenges. The way each CEM practice approaches these dimensions varies. Paulig Consumer Service has covered elements in definition, management, governance and future challenges dimensions via the project. Policy is a dimension Paulig Consumer Service had already developed earlier. Junikka (2017) has developed a playbook to create guidelines on how Consumer Service acts in different customer cases. Playbook offers support for all customer-facing employees on the Paulig way of creating customer experience and can be developed further to drive holistic customer experience strategy in the future.

Baseline for Paulig Consumer Service customer experience management practice was in the early stages of the preserver category. Scale of practice types is divided into three categories: preservers, transformers and vanguards. Each category has margins. Companies can belong to a same practice type, but approach customer experience management differently. (Klaus 2015.) Characteristics of each practice type were explained in chapter 2.1. Two years after the project Paulig Consumer Service is still a preserver by CEM practice type, but had evolved closer to the border to become a transformer. For Paulig to reach transformer practice type, CEM would need to emerge to organizational level from consumer service. Customer experience is impossible to control, but CEM should be steered closely by the company.

Contributions of the project support the hypothesis. Service design can enable evolvement of customer experience management practice. This development project was referred to a project of preparing a sail boat. Sail boat is constructed from the building blocks which create customer experience and company is the crew enabling the journey on the boat. Service design is the knowledge on how to learn from the needs of customers as captains of the boat and also of the conditions the sail boat is designed to travel in. According to the knowledge, company is equipped to decide what kind of boat it wants to be and how to achieve that - creating customer experience strategy. Mapping creates an atlas of the context and wind can be seen as insights that move the boat forward if the sails are in a right angle. Service design finds repair areas and creates solutions to the sail boat. Main goal for the project is to offer memorable journeys and a desire for the captains to return.

As the hypothesis was supported by the findings in case study, also transferability of results is supported. Service design can be applied in many fields of business (Brown 2009). Applying the same process and key drivers as focus areas supported with the dynamic capabilities the results can be transferred into other contexts. As long as service design skills and competences are available and organization is committed to change.

7.3 Future research development

Even though results of the project were great and limitations of customer experience management practice evolution and understanding on service design within Paulig Consumer Service team were known, there are some areas the project could have performed better. The thesis project failed to sell in the business potential customer experience has. The project was called internally as development of customer experience with service design. Service design is challenging to understand, when the ideology is not known. Tools and methods have customer-centricity integrated into them so underlining the customer-focus and change potential felt unnecessary. Maybe because of this, service design value was not fully understood within organization as enabler of CEM practice evolution. This could be seen for example in the last phase of process, where future mapping service design tools were proposed, but not used as it was not possible for the thesis writer to support the execution. If there would have been a service design committed resource within organization, maybe the likelihood of emergence of CEM focus from consumer service to organizational level would be higher. Without close support of service design capabilities it can be, that this project might have the same results as had the earlier one in 2009. Potential to reach new levels might be lost.

It would be interesting to research how these kind of project would be supported with after-care in organizations where service design or customer experience have no clear ownership - how to verify successful company experience. Providing exceptional experiences is challenging even for companies committed to be vanguards of customer experience management. Imagine how difficult it must be for a company, not utilizing methods and tools to create customer-oriented services to be able provide exceptional experiences.

Another research area in this context would be to study, can exceptional service recovery experience be a source of emergence of customer experience management strategy to the organizational level. This was the scene in results of the case study. For Paulig to emerge to new category in CEM practice it needs to expand customer experience focus from consumer service to organizational level. Hypothesis was that continuous improvement of the key drivers with dynamic capabilities would loop the synergies of service design, CEM and customer experience (Figure 27) and that way cumulate expansion of the business area.

Future research area derived from this thesis would also be to examine can exceptional service recovery process trigger service-dominant logic to become organization's business logic. In the constant pressure of commoditization and competitive scene, companies are in the search of a differentiate potential. It would be interesting to see cases, where competitive advantage has emerged from valuation of customer facing employees.

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