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How customer service effects the consumer experience and journey – Case Hennes & Mauritz

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<p>The purpose of this study was to identify how customer service effects the consumer experience and the consumer journey at Hennes & Mauritz. Hennes & Mauritz is one of the largest fashion retailers in the world and the importance of customer service is rising all the time due to rapidly growing competition in the industry.</p> <p>Qualitative research method was used to conduct the research for this study. The qualitative research data consisted of a survey that had ten open-end questions for specified group of customers. All of the fifteen respondents were aged between 15-25 years, they were all women and all of them regularly shop at H&M.</p> <p>The results of the survey brought up themes that should be considered by the company. 14 out of 15 respondents said that the experienced service quality does not affect their decision to shop at Hennes & Mauritz. However, when the respondents were asked about their reaction to poor customer service at H&M, also then 14 out of 15 respondents wrote that there was a high chance of them not completing their purchase process at H&M but to go purchase similar products from a competitor instead. On the other hand all except one of the respondents also wrote that in the case of receiving great customer service they would be likely to buy more than intended.</p> <p>The conclusion of this study was that as the expected quality of customer service at H&M isn't very high, the company should focus on changing customer expectations about their service quality in order to achieve competitive advantage compared to their competitors. The customer service quality can have a massive impact on the sales of the company, especially when the customer has already entered the store.</p>	
Keywords	Customer Service, Consumer Behaviour, Consumer Journey, Qualitative Research

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1 Introduction

Effects of customer service and consumer behaviour are broadly studied subjects in the field of research. The results give companies insight on how customers think and what they want in order to fulfil customer's needs and understanding customer needs is crucial for any company's success. The importance of customer service quality has also radically increased in the past years due to rapidly growing competition and the endless supply of good that the consumers are being offered every day.

The factor that the author of this research works in a role of sales advisor at the case company partly affected the choice of the topic for this thesis. Serving customers and seeing how the retailing industry and customer service has changed over the years offered the opportunity to look into the subject on a deeper level. The case company has a large amount of employees and a big part of them are precisely working at customer service.

This thesis focuses on the experienced customer service quality and consumer journeys of the regular customers of Hennes & Mauritz. The research is divided into four different chapters. The first part of this thesis is a literature review focused on theories and relevant literature on marketing, customer service and consumer behaviour. After the literature review comes a chapter on research methodology that shows different research methods and introduces the method chosen for this particular study. The second last chapter consists of the results and analysis of the research executed and it is followed by the last chapter, conclusion.

The main objective of this research is to identify the impact of customer service on the consumer shopping experience and journey at Hennes & Mauritz. The author also wants to identify what Hennes & Mauritz could achieve by improving customer service and how it could change the customer's journey.

1.1 The Case Company – Hennes & Mauritz

Hennes & Mauritz was founded in 1947 in Västerå, Sweden. It is an international corporation that consists of 9 different brands with in the company; H&M, H&M home, COS, Weekday, Cheap Monday, Monki, & Other Stories, Arket and Afound. Together all these brands create the H&M Group.

Hennes & Mauritz has more than 4800 stores, in 71 different markets. They also have online shops in 47 different countries and globally over 177,000 employees. The chief executive of the company is Karl-Johan Persson, the grandson of the founder Erling Persson. In 2018 the company made 210 billion (SEK) in net sales.

The values of the company are important to H&M and the goal is to execute the company values in everything they do. The values are; we are one team, we believe in people, entrepreneurial spirit, constant improvement, cost-conscious, straightforward and open-minded, keep it simple. The business idea of H&M is to offer consumers fashion and quality at the best possible price in a conscious manner. The product selection ranges between women`s, men`s, youths and kids clothing, shoes and accessories. In 2009 they also launched the H&M home collection and in 2015 the brand also launched their own cosmetics collection that is available in selected stores. (Hennes & Mauritz, 2018)

2 Literature Review

2.1 Marketing Concepts and Theory

2.1.1 Introduction

In order to understand the effects of customer service on consumers and their behaviour it is first important to review marketing concepts and theory. These theories form a base for basic understanding of markets and customer needs.

2.1.2 Marketing

'Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organisational objectives.' (American Marketing Association AMA)

Marketing is based on the idea that the customer is the most important person for organizations. For most the term `customer` refers to context of making profit and it is true that the concept of marketing widely practised in the profit making sectors but its principles are equally effective in the non-profit-sectors of the economy. One can think of marketing as an attitude of mind or an approach to business activities that should be adopted by everyone in the company. When marketing is understood in this broader concept, only then its role can be properly appreciated.

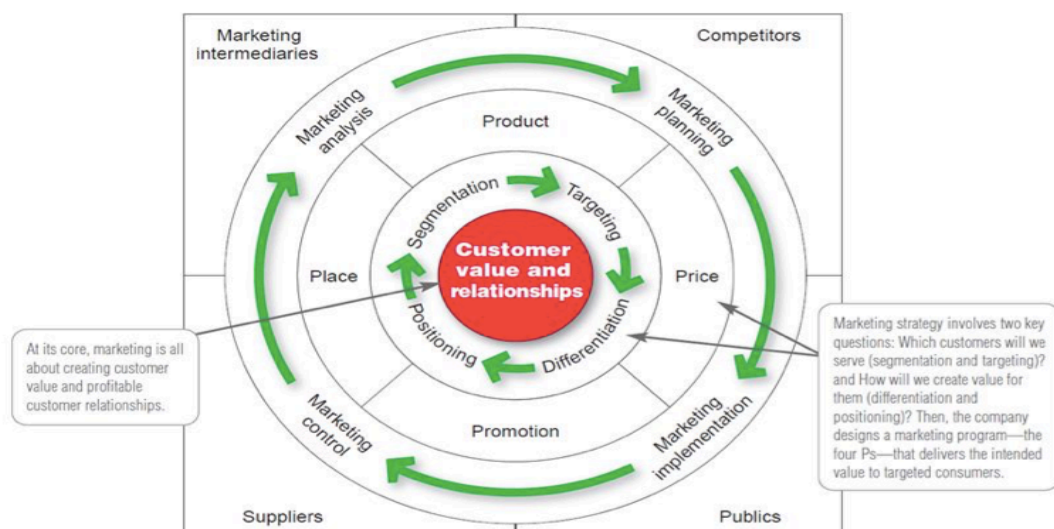


Figure 1. Managing Marketing Strategies and the Marketing mix (Philip Kotler)

Marketing does not just evolve around selling and advertising. Although both are important concepts, they are just the top of the iceberg. One of the leading marketing theorist Peter Drucker once stated *"The aim of marketing is to make selling unnecessary"*.

2.1.3 Marketing Concepts and Entities

Marketing can be divided into ten different kind of entities that managers can market; goods, services, experiences, events, persons, places, properties, organizations, information and ideas. In most cases companies use market offerings, these are combinations of different market entities. To understand customer and marketplace relations better, companies need to consider the five core concepts (Kotler et al. 2008, 8-13):

- ***Needs, wants and demands***

The most basic concept of marketing is the human needs, wants and demands. These concepts do not need to be created by the marketers; they are factors that are primary parts of being a human being. Wants however are formed by these basic needs, but get shaped through our individual personalities and cultures. According to humanist psychologist Abraham Maslow, our actions are motivated in order to achieve certain needs. He created the concept of a hierarchy of needs that suggests that people are motivated to first fill basic needs before moving on to the more advanced needs. The primary needs that are first one to be full filled include needs like water, food, sleep and warmth. Once the primary needs have been full filled, comes safety and security. As we move forward needs become more psychological and social. There is need for love, friendship and going forward comes feelings such as personal esteem and importance of accomplishments.

- ***Market offerings***

Companies satisfy consumer needs, wants and demands through market offerings. Market offerings are a mix of services, products, ideas, information, or experiences offered to satisfy the consumer needs. Market offerings are a challenge. Many make the mistake of paying most attention just on the product and lose the sight of benefits and experiences produced by the product. Well-planned market offerings create a deeper brand meaning and experiences to the customer and bring more significance to the products and services they are selling.

- ***Customer value and satisfaction***

Consumers often face a broad selection of products and services in the shape of market offerings that could satisfy a certain need. Customer value and satisfaction comes to the picture when they make their decision between wide range of consumer goods. It is important to set the right level of expectations, because over or understated market offerings will not help capture the return of customer satisfaction. When customers are satisfied they will buy again and tell others about their good experiences but that also works vice versa. Dissatisfied customers will eventually change to the competitor's product and surely will tell others about a negative experience.

- ***Exchanges and relationships***

One of the core concepts of marketing is peoples urge to satisfy needs and wants trough exchange relationships. Exchange refers to the act of obtaining a desired object from someone by offering something in return. In order for the exchange to happen, the parties need to be able to communicate and deliver for one an other. The goal is to create a successful process of creating, maintaining and enhancing strong, valuable relationships with consumers and other stakeholders.

- ***Markets***

The concept of exchanges and relationships create the concept of the market. The Market refers to a group of all actual and potential buyers of a product or a service. These potential buyers share a particular need or a want that can be satisfied trough successful exchanges and relationships. The size of a market depends on the amount of customers who share the same need and have the resources to go trough with an exchange.

2.2 Customer Service

As stated in the earlier section, marketing revolves around the customer. In order to be able to full fill customer's wants and needs particularly in a retail environment, it is important to provide them with customer service.

2.2.1 Definition of Customer Service

There are many definitions for services. A service can be defined as offering favours or being helpful towards another person. Customer service, helping customers, occurs in interaction between a customer and a worker of a company. Customer servant is required to have clear communication and emotion skills in order to work in customer service. The action of customer service can also be described as action where customer servant uses her knowledge in order to create entities from the company's services that fulfil the needs of a customer.

The goal of customer service is to help customer feel satisfied, experience the quality of the service, make them feel like they receive professional and reliable services that are suited to fulfil their personal needs. One of the most important skills of a customer servant is the ability to understand a customer and their point of view in order to be able to emphasis their situations. How the customer sees and feels things is their truth of the situation in which they base their decisions on. (Pesonen et al. 2002, 59–60.)

Every company needs employees to present their company that customers can approach on. Customer servants are the ones in the organization whose faces the customers sees and their actions effect the customer's first impressions of the whole company. Personnel that interact with the customer face to face, by email, on the phone or trough online services, presents a company in the role of customer servant.

Customer servants are the link between companies and customers. Customer servants receive a lot of useful information about the customers and trough them. In their position customer servants understand customer's needs and serve them accordingly to their knowledge. All interaction the customer servant has with a customer, offers them information about the customer's needs and problems that might occur when customer uses the services of the company or over all factors that cause dissatisfaction

towards the organization. In any case, customer service can be used as a great information resource for companies. (Ylikoski et al. 2002, 59.)

2.2.2 Quality of Customer Service

The quality of customer service is one of the most important things to cover the success of any organization. Services can be described as occasions where production and the consumption of a service happen all at once. However, the customer servant and the consumer interact and the way this interaction occurs during the service situation affects how the consumer experiences the level of service quality. Most of the time customers find the interaction between them and the service provider important and often customer's perception of the quality of the service is based on how they experienced the quality of the interaction. (Pesonen et al. 2002, 44)

Quality of customer service can be measured as how well the offered service matches with customer's expectations of the service. The quality of company's service is the customer's opinion about how they succeed with their services. Customers are the ones who interpret service quality and the quality of services should always be looked at from the perspective of a customer. (Ylikoski et al. 2002, 51.)

There are two dimensions on service quality; technical and functional quality. Functional quality describes the experience of how the customer receives the service and how they feel about the service situation afterwards and technical quality means what the customer receives in the service. Functional quality is affected by many factors including the service environment, accessibility of the service, essence of the employees and other customers.

The experience of quality is formed through functional and technical quality and the image of the company. Company image consists of the image that the customer connects with the company. It is formed by the customer's own expectations and with everything that is being told about the company in public and privately. Having a positive company image creates trust towards the company and their brand, which can work as a competitive advantage. In other hand a bad company image can have a negative effect on service quality and cause lack of trust in customer relationships. (Pesonen, Lehtonen & Toskala 2002, 49)

2.2.3 Customer expectations and perceptions – gap model

The expectations of customers are beliefs of what company's services and products will be like. Several things, including the companies, can form customer's beliefs through adverts, website and social media. Also different online reviews, public perception of the company and the whole industry, previous experience or a recommendation can work as factors forming the expectations of a customer.

Customer's perceptions are how consumers feel about company's products or services after they have experienced their offerings. Many emotional and physical factors influence customer's evaluation of their experience and these include brand image, competence, credibility, accessibility, reliability, responsiveness and product or service features.

The gap model of effective service quality was created by Parasuraman and his colleagues Zeithaml and Berry. The gap model marked five gaps for customer evaluation of service quality. This specific model was created to find the gap between customer expectation and perception of service quality and it can help companies to improve their service quality by pointing out the possible gaps in their services. (Tti-global-research.co.uk. (2017))

- ***The gap between management perception and customer expectation***

The knowledge gap arises when customer has expectations of service quality and the management of a company perceives these expectations inaccurately or wrongly. Service providers may not always know how to fully fill customer needs with specific features or how to deliver high service quality to their customers.

- ***The gap between management perception and service quality specification***

This particular gap arises when the management has the knowledge of what customers want but their knowledge isn't transformed into well functioning and understandable customer service policies. This gap can lead to employees

serving the customers in a flawed manner, due to the lack of clarity on the customer service standards of the company.

- ***The gap between service quality specification and service delivery***

The gap between service quality specification and service delivery appears when the employees of the organization don't fulfil the customer service quality specified by the company. The customer service quality standards must be supported in appropriate manner through resources of staff, technology and support systems. Lack of staff training, poorly communicated customer service standards or badly organized processes can de-motivate employees and create frustrated customers, which causes them to look for products and services elsewhere.

- ***The gap between service delivery and external communications***

Organizations external communications can affect the customer's expectations about the service quality. Communication between companies and customer needs to be delicate – the company should not promise the customer more than they can deliver in reality, because customer expectations are an important part of the customer service quality perception. Promising too much will raise the expectations of the customer and when the promised quality is not delivered, the customer will end up dissatisfied and disappointed.

- ***The gap between customer expectations and customer perceptions***

The gap between customer expectations and perceptions depends on the degree of difference between the customer's expectation and perception. A negative difference between customer's expectations and perception results in a level of service quality lower than the expectations and vice versa. In other words the judgements of how high and low service quality is depends on how customers perceive the actual service performance in context of what they expected.

2.2.4 Retail Customer Service and Satisfaction

Looking into customer service quality and the customer's expectations leads to the subject of retail customer service and satisfaction since it is important combination of both. Retailing can be defined as activity of selling goods or services directly to the final buyers, for their personal non-business use. Any company that provides goods or services for consumption of the final user can be counted as retailers. (Hamel M.K, 2018)

Retail customer service is like any other kind of customer service: it is an act of assistance and solving problems between a customer and employee of a company. However, there are some specific factors to the retail industry that are important in keeping customers happy and loyal. In retail customer service the customer servants are in a direct contact with the final buyers and by serving a high level of service they can turn the customers into loyalists. When a company is enhancing customer perceptions of service quality and increasing the experienced consumer values through customer service, they can achieve higher results in customer satisfaction.

In retailing companies should focus on long-time customer satisfaction and try to keep already existing customer in the loyalty loop instead of replacing dissatisfied customers with new ones. In retailing it is very important to satisfy customers, because their sales comes from two different groups of customers: new customers and regular customers. To gain new customers in retailing, it is possible to cost almost five times more than keeping the already existing customer satisfied.

In retail having loyal customers is more important than attracting new ones, and the key to create loyal customers comes through customer satisfaction. A highly satisfied customer is more likely to visit more often, buy more, talk favourably about the retailer and their goods or services provided, offers their opinion to the retailer and is more affordable to serve than a new customer. It is also important for the retailers to continuously measure their customer satisfaction in order to be on track where they stand with their customers. (Kotler, Philip, Marketing insights from A to Z, 2003,42)

2.2.5 Measuring Customer Satisfaction

Measuring customer satisfaction is important for companies in order to understand what their customers need and how satisfied they are with the offered products or services. The key for success of a company is a loyal customer and the key for loyal customers is customer satisfaction.

There are multiple ways companies can measure customer satisfaction. Measuring customer satisfaction is not as straightforward as for example measuring revenue streams or website users, but over the years great methods and metrics have been designed directly to be used in customer service measurement.

- **Customer Satisfaction Surveys**

Customer satisfaction surveys are a standard way to collect data from customers on customer happiness. The surveys consist of asking customers how satisfied they are with the experienced service or product purchased, with or without follow up questions. Customer satisfaction surveys can be used in different variations, such as In-App Surveys, Post-Service Surveys and Email Surveys.

- **Customer Satisfaction Score (CSAT)**

CSAT is the most commonly used customer satisfaction measurement method, asking customers to rate their satisfaction of a service or product. The rating scale is usually number sets between 1-10, but different scales are preferred in different cultures. CSAT rating can also be displayed in different forms such as emojis or star ratings.

- **Net Promoter Score (NPS)**

The Net Promoter Score measures how likely it is that the survey participant recommends a company's product or services to others and it is the most popular way of measuring customer loyalty. Normally customers are being

asked on scale from 1 to 10 how likely they are to recommend the company to others.

- ***Customer Effort Score (CES)***

The CES method measures how much effort it took for the customer to have their problem solved. Usually this method is measured from 1 (very low effort) to 7 (very high effort). Companies target to achieve as low effort score as possible, because it is shown that customers with high effort score show reduced loyalty in the future.

- ***Social Media Monitoring***

Social Media has had a big impact on the relationship between companies and customers. Before social media took over, customers usually shared their poor or great experiences with their friends or family but social media has offered a platform that can possibly reach millions of people. Due to this fact, it offers companies a good spot to hear what consumers really think of their products and services. (Van Opzeeland, P. (2016))

2.3 Consumer behaviour

While customer service is created to fulfil customer needs and assist them with answers to pertinent questions, customer service and marketing attempt to focus in on how consumers make decisions and identify their needs and wants with the subject area called consumer behaviour.

2.3.1 Consumer decision making process

The consumer decision-making process is combined from five stages to obtain a product or services. In the very beginning consumer recognizes the need and they move on to gathering information and sources to evaluate their alternatives. After this this consumer makes a decision and moves forward to the purchase. (Kotler and Armstrong 2005, 314). When it comes to regular buying process or a routine purchase,

consumers might skip a few steps in the process. However, in a complex purchase situation or when consumer is thinking of purchasing a new product, they go through these five stages of decision-making process shown in the figure below.



Figure 1. Decision Making Process (Kotler & Keller (2012))

The whole consumer decision-making process begins when consumer recognises a need. The need to obtain a specific product or service can be triggered with internal or external stimuli. Internal stimuli are basic human needs, for example a thirst that makes throat feel dry and gets the consumer to purchase a soft drink. External stimuli can arise when seeing a commercial on social media or TV, having a conversation with a sales person who makes the consumer think of buying a new computer. In this situation the consumer sees the difference between the current situation and the desired state. Recognition for a need can start completely natural but in many cases the marketers of services and products put it in motion. (Kotler and Armstrong 2011, 152).

The second stage of the decision making process is where the consumer usually starts gathering information about the product or service. Consumers can collect information from many different resources;

- Public; media or consumer rating organizations
- Commercial; Internet, Sales, Packaging, Display, Influencers, Social Media
- Personal; Family, friends, colleagues
- Experiential; By testing the product, examining

In some cases the consumers drive to buy the product can be so strong that they skip the information gathering process and move directly to purchase.

After the consumer collects enough information about the product, they start evaluating different options available. This is the third part of the decision making process and it is not always so simple to make the decision. Sometimes the consumer has to go through the process of evaluating the options multiple times before being able to reach their final decision. (Kotler and Armstrong 2011, 153)

The decision making process continues even after the actual purchase has been made. Consumer's feelings and evaluation after the purchase are important to marketers because they can convince them to buy again and influence other customers to choose their product as well. The buyer would be dissatisfied if the product doesn't match the expected value and in other case the buyer would be satisfied if the product matches or exceeds their expectations. Delivering expected value is the key for winning customers trust and that is the reason the seller should always make promises to the extent that they can actually deliver. (Kotler and Armstrong 2011, 154.)

2.3.2 Consumer journey

While the earlier section focused on consumer decision making process in order to identify consumers needs and wants and to understand how they make decisions, it is important to look at the subject of consumer journey to be able to try to understand the touch points consumers go through before the actual purchase happens.

For many years the consumer journey has been also known as the "purchase funnel". It is a model that shows the "touch points", when consumers are the most open to influence. Consumers usually start from the wide end of the funnel, where they have multiple product choices in their mind. At that point marketing is directed at them to reduce the amount of brands they are thinking of and the customer moves forward in the funnel until they end up with that one brand they choose to purchase from.

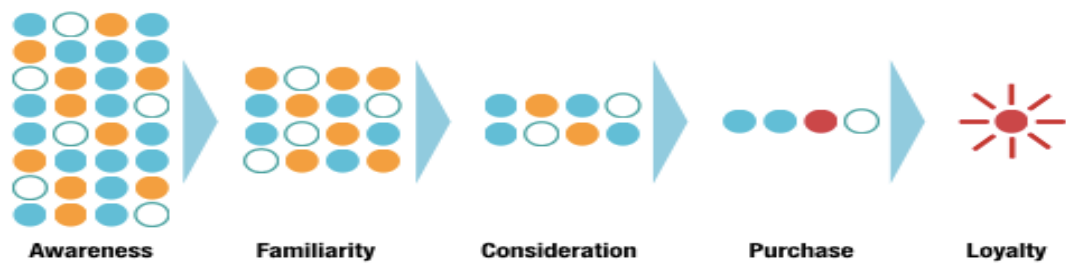


Figure 2. The traditional consumer purchase funnel (McKinsey)

However, McKinsey & Company suggests that the traditional five-stage funnel shown in the figure above, maybe too linear due to several factors. The company states that the funnel concept fails to present all the possible touch points and key buying factors because of the expansion of product choices and online shopping. These factors combined with the rising of increasingly perceptive and well-informed consumer, a new more accurate theory was created.

The new decision making process for consumers is more circular journey with several touch points. It is focused on the four primary phases representing the potential touch points, where marketers have their chance to influence consumers; initial consideration, active evaluation, closure and post purchase. (McKinsey, 2009)

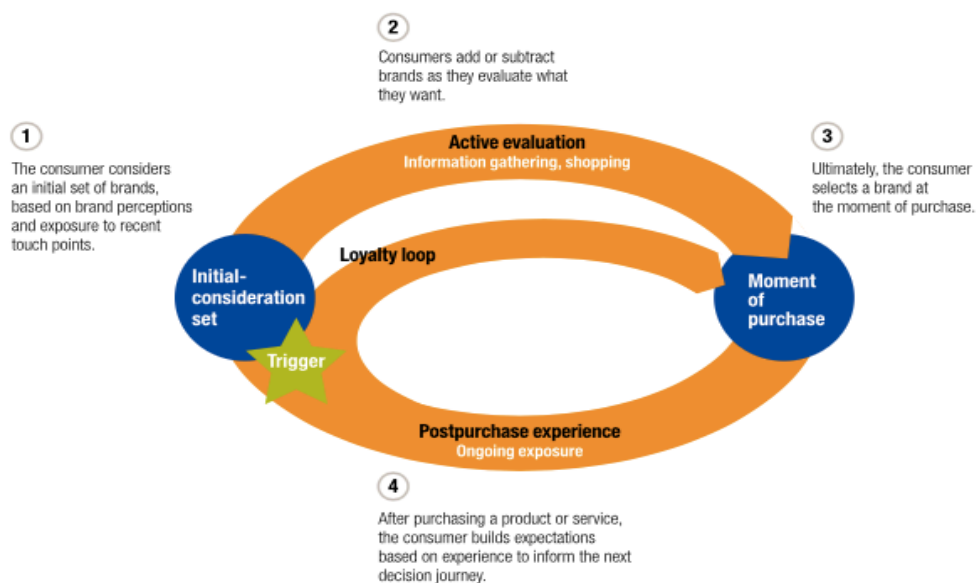


Figure 3. Decision Making Process for consumers (McKinsey)

In the research McKinsey & Company executed, they found three profound changes in the way consumers make buying decisions;

- ***Brand Consideration***

It is shown in the research that fragmenting of media and the proliferation of products has actually narrowed down the brands consumers consider at the outset. Consumers that are faced with too many choices and adverts, easily tend to fall back with brands that have gotten their message through in one way or another. Brand awareness is a big factor; brands considered in the initial consideration point are three times more likely to be purchased than the brands that aren't in it.

- ***Empowered Consumers***

The second big change is that consumers outreach towards marketers has become much more important than marketers outreaching consumers. In the way of decision making journey the customers take control over the process and more actively search for information that is helpful to them. According to the research during the active evaluation phase two out of three touch points included consumer driven referencing such as online reviews, recommendations or word of mouth. Also past experiences involving specific brand works as a deciding factor.

- ***Two types of loyalty***

The post purchase experience of a product or service shapes the consumers for every subsequent decision in the step, so the journey keeps moving forward as ongoing cycle. There has always been the need for post purchase experience that inspires the customer to buy again, but today with increasing competition all loyalty is not equal. Loyalty had been divided into two categories, active loyalists and passive loyalist. The active loyalist profess loyalty to the brand and while sticking to them, they also recommend it to

others. Passive loyalist however stays with the brand without being really committed to it. Staying with the brand might be due to laziness or having too many choices of products but passive consumers are more open to competitors who give them a reason to switch.

3 Research Methodology

3.1 Definition of Research

Research can be defined as systematic investigation including the process of research development, testing and evaluation, designed to contribute or develop knowledge. A systematic investigation is activity that consists of a plan that involves data collection, either quantitative or qualitative, and a data analysis to answer the research question. Examples of systematic investigations include questionnaires and surveys, interviews, public or private observations, analyses of already existing data and cognitive and perceptual experiments.

3.2 Exploratory, Descriptive & Causal Research

Most of research can be divided into three different defining categories; exploratory, descriptive and causal research. Each one of these research methods serves a different purpose and can only be used in a certain way.

- ***Exploratory Research***

Exploratory research is a valuable tool for marketers and for companies building their business strategies. It focuses on the discovery of insights and ideas instead of collecting statistically accurate data. It is most commonly used for further defining of company issues, figuring out alternative course of action, finding areas potential for growth. Exploratory research is most commonly used in the form of open-end questions. Using exploratory questions in a survey can

help you understand the people that are being surveyed. Receiving longer text responses might not be statistically measurable but it will give you more detailed and deeper information that might help find new discoveries or problems that companies should look into.

- ***Descriptive Research***

A lot of research is done through descriptive research and it is considered conclusive because of its quantitative nature. Different to exploratory research, descriptive research is planned in advance and formed so that the information gathered can be statistically compared on a population. The main purpose of using descriptive research is to achieve better views on opinions, attitudes or behaviours held by a group of people on the research subject. There are defined categories the responder must choose from, this makes the research descriptive. These questions will not give the same unique insight as exploratory research questions does, but dividing the responses into predetermined choice groups will provide statistically viewable data. Using this method allows the comparison of the results on the overall population that is being studied and also shows the possible changes of respondent's views on the matter over time.

- ***Causal Research***

Causal research is quantitative in nature and also planned in advance and structured for design. For these reasons it is considered conclusive research. Causal research method differs from the others because it tries to explain the cause and effect relations between different variables. Causal research has two main objectives – to be able to understand which of the variables are the cause and which the effect. It also tries to figure out the relationship between these variables and predict the effects.

The exploratory research method is adopted in this thesis via an online survey. Therefore, this thesis uses open-ended question information collection to obtain more detailed and richer quality information to gain a deeper knowledge of the research subject. (Pratap, A. (2018))

3.3 Qualitative & Quantitative Research

Researchers most commonly use either quantitative or qualitative method when conducting a study or research. There is profound difference between these two types of data. The way they are normally defined is that qualitative data is in numerical form and quantitative data isn't.

“Quantitative research gathers data in a numerical form, which can be put into categories, or in rank order, or measured in units of measurement. This type of data can be used to construct graphs and tables of raw data” (McLeod, 2017).

The methods to obtain qualitative data are various.

The methods to obtain quantitative data are various. For example experiments, controlled observations and questionnaires can all result quantitative data. Using a rating scale and having closed end questions on a questionnaire would produce quantitative data, because they generate either numerical data or data that can be put in `yes` or `no` categories. Using the experimental methods can limit the way that the research participant can react and express their normal social behaviour in the observational situations. That's why the findings from these types of situations are likely to be just a reflection of the presumptions of the researcher.

Quantitative data can be turned into useful information by using statistics and this information can help with decision-making. Statistics can be used to summarize the data, to describe patterns, connections and relationships. The strengths of quantitative research are the facts that it offers scientific objectivity, it is useful for validating already existing theories, it gives rapid analysis and can be replicated by others. There are also some limitations to this particular method, because generally quantitative methods are fairly inflexible and it requires deep understanding of the important questions to ask. It is also needed to collect a large amount of samples in order to be able to get accurate analysis. Limited quantitative analysis may not be reliable because of the low quantity of data.

“Qualitative research is multimethod in focus, involving an interpretive, naturalistic approach to its subject matter. This means that qualitative researchers study things in their natural settings, attempting to make sense of, or interpret, phenomena in terms of the meanings people bring to them.” Denzin and Lincoln (1994, p. 2)

The other most common option for gathering data is the qualitative research method. The purpose of qualitative research is to understand the reality of individuals, their cultures and groups as close as the participants truly feel it. This means studying people in their natural environments. Qualitative approach leads often to exploratory approach, which tries to explain 'how' and 'why' particular behaviour is operated in particular context.

There are multiple methods to obtain qualitative data. Researchers use different methods in order to develop deeper understandings of how people perceive their social norms and how they behave within the social world. Documents, participant observations, open-ended questions and diary accounts are often used as methods of gaining qualitative data and knowledge. For example, using unstructured interview with open-ended questions can generate good qualitative data. It allows the respondent to talk with their own words and it gives depth to the answers. The depth in answers allows the researcher to develop a real sense of a persons understanding of a particular situation.

The research method chosen for this particular research was qualitative method due to its descriptive nature. Qualitative method allows there to be depth in the answers of the participants and in order to understand the research subject in a deeper manner, this was necessary. The chosen method provides better information about the often-contradictory behaviours, beliefs, opinions, emotions, and relationships of individuals and those are the factors looked at in this research.

3.4 The research plan & execution

The research for this thesis was executed through a qualitative survey with open-end questions. Before executing the survey the research group was narrowed down to 15 participants with certain characters. All of the participants were female, aged between

15-25 years and shop at Hennes & Mauritz at least twice a month. The target group was chosen to present a regular customer of H&M from the slightly younger generation, to be able to understand their attitudes towards the meaning of customer service. The selection of products is wider for women, so the participants were selected to be female.

The survey consists of 10 different questions divided between the subjects of customer service and consumer behaviour. The questions of the survey were designed to achieve the research objectives to understand what customers expect from customer service at H&M and how does customer service effect their purchase process. The participants of the research received the research forms by email and sent the answers back by email as well.

After receiving the answers to the survey the data was analysed and the answers were categorized. Most of the answers followed a similar structure and the same views were applied. For every question there were withdrawn conclusions to the most frequent themes that came up.

3.5 Validity and Reliability

This thesis consists of both primary and secondary sources of data. Secondary data was mainly collected trough books, articles and publications online that discussed the topics related to the research question. Primary data was collected with a survey combined of ten open-ended questions concerning the same topics and from a particular focus group of the research. Validity measures how compatible the findings of the research are in order to answer the research questions and open-ended questions are seen as a good way of collecting data in order to get a deeper understanding of the experiences of the participants. This fact being stated, the research can be seen as a valid research.

Reliability measures the extent of the measurement tool providing consistent outcome if the research is repeatedly performed. The general findings of this research have good reliability to be repeated if the research was performed multiple times. The

retailing industry is rapidly evolving to the needs of the consumers, so time can change the reliability of the specific research results.

There are certain limitations to this particular research due to different factors. Using qualitative method of research generates data that gives a deeper meaning to the participant's answers but the results of the research might not be valid in a bigger scale. Also the fact that the research is done as a bachelor thesis gives a limited time frame to execute the work and the resources for the work are also limited.

4 Research Results

This research focused on discovering how customer service affects the consumer journey and their experience at Hennes & Mauritz. The whole process of purchasing begins with the most basic concepts of marketing which are the human needs, wants and demands and these are factors that do not need to be created by the marketers, they are primary concepts of being a human being. However, the human wants are formed by these basic needs, but differ largely due to our individual personalities and cultures.

The results of this particular research show that human needs, wants and demands also work as a factors when the participants start their purchasing process and decide to shop at H&M. When the participants were asked about of the very beginning of their purchase process, half of the participants said that their process begins with a clear need and the other half said that their process begins with a desire which can be classified as a want. According to the Hierarchy of Needs by Abraham Maslow the needs experienced in the begging of the purchase process would be considered more advanced needs due to their nature of being more psychological and social.

4.1 Customer Service

Large part of the secondary data collected for this research's theoretical framework revolved around the theme of customer service. The customer service section in the literature review consists of five different aspects related to customer service and customer satisfaction. When the survey was created to gather primary data for the

research, half of the questions were created within these particular customer service aspects.

Most of the time customers consider the interaction with the service provider important and the quality of customer service provided is very important. In this particular research the answers were slightly different than expected based on the theoretical framework of the service quality. The first question of the research was concerned with the service quality at H&M. The questions asked in relation to the customer service literature were:

“Does the experienced quality of customer service effect your decision to shop at Hennes & Mauritz? How?”

Almost all the participant answered in a similar matter and 14/15 respondents wrote that the experienced service quality does not effect their decision to shop at H&M. Some of the respondents wrote about the fact that they would shop at H&M in a similar matter as they do now, no matter if the experienced customer service would be higher or lower. This tells us that the offered customer service normally corresponds with the customer’s expectations and requirements, and the next question clarified why the experienced quality of customer service does not affect the consumer at H&M.

“What are your expectations about the customer service quality at H&M?”

The answer to this specific question gave a clear view that the customers of Hennes & Mauritz don’t expect much of a service at the stores. 13/15 respondents wrote that they don’t have any kind of expectations about the service quality, neither positive nor negative. 2/15 participants told that they expect polite customer service when they approach a staff member with a question, but they don’t expect anybody to approach them first. The replies for these two previous questions reflect well the participants expectations and perceptions about Hennes & Mauritz as a company. The quality of customer service rarely disappoints the participants, because the offered service matches their expectations.

“What kind of service is most important to you when you are shopping at H&M store? For example, do you value tidiness of the store, the availability of staff, friendliness of the staff or fluent service at the cash register?”

“The most important part of customer service that I personally value is the friendliness of staff, since if the customer servant is not polite and friendly, then other parts of the customer service like tidiness of the store is not able to save the purchase process.”
(Hanna)

The particular question of the preferred services was hoped to give a clearer view of what the customers expect and what services they value the most when shopping at H&M. The answers divided the participants into two groups – the ones that value the tidiness of the store and fluency of the cash register services and the other ones who value staff availability and friendliness. Having the participants divide into two groups so clearly was unexpected result, but it shows that the customers have their personal preferences on what they want and expect on their visit at H&M. For this reason all the services mentioned in the question should be prioritized in order to make all of the customers satisfied.

“If you would receive poor customer service at H&M store, how would it affect your shopping habits at H&M?”

A few different themes came up from the answer to the question about the effects of a poor customer service experience. All of the participants told that receiving a poor customers service wouldn't affect their relationship with the company in a bigger scale and they would still purchase the products of H&M. However, 14/15 responses said that there would be a high chance of them not purchasing on that specific time when receiving a poor service.

“If I would receive poor service while shopping at H&M, I would most likely drop everything I was about to buy and go to a competitors store to purchase similar products. I would still return to H&M on a another occasion” (Pia)

A few of the respondents commented that they might avoid the specific store in the future but they would still visit other H&M stores. Only 1/15 respondents said that

receiving poor customer service wouldn't affect them in any way and that they would still finish their purchase.

“When you are shopping at H&M, could good customer service affect the sum of your purchase?”

“If I get bad customer service I would likely not buy the garment I was going to buy – in the other hand good customer service makes me more likely to buy more things that I was originally planning on.” (Kimberly)

14/15 participants agreed with Kimberly's statement. Many commented that they would definitely be more like to buy more in case they received more interactive and positive customer service at the H&M stores. 1/15 respondents replied that she always purchases just what she came to the store for because of her very limited funds, but in a different situation she could also be open to buying more things than originally planned because of good service.

4.2 Consumer behaviour

In the theoretical frameworks the other big focus was on consumer behavior, which included consumer decision-making process and the consumer journey. Half of the research questions were focused on these particular subjects, in order to find out what kind of purchasing processes the customers of H&M have and if there are similarities within the participant's processes. The research also tried to find gaps in the decision-making processes of the customers of H&M, in order to result suggestions for further research topics. The participants had many similarities in their replies about their purchase behavior and clear themes emerged through the research answers.

“How does your purchase process usually begin? At what point of the process you decide to purchase from Hennes & Mauritz?”

The research group could be divided into two categories with their answers to how their purchase processes start. The other half said that their purchasing process usually

starts with a specific need and the other half clearly specified that their process usually starts rather with a desire of something than a particular need. 10/15 participants wrote that H&M is within the first couple shops they visit when in a need of a specific product.

“Does H&M’s advertising/marketing/communications influence your decision to shop at H&M? How?”

The most common themes rising from the answers to this particular question were that the once who are influenced by the marketing of H&M either gets inspired through following the company on Instagram or regularly scrolling through the company’s online shop. Approximately half of the participants said that their purchase process has not been influenced by H&M’s marketing and the other half said that it does occasionally affect their decision to visit H&M stores. The participants that were affected by the marketing of H&M either followed them on Instagram or had the H&M mobile app on their phones. TV or magazine adverts barely had any influence on the participants purchase processes.

“Why do you choose H&M over the competing companies?”

All of the participants (15/15) mentioned that the main reason they choose H&M is the affordable price of the products. The generation that was chosen for this research has used the products of Hennes & Mauritz for almost all their life, so the brand is very familiar to them. From the answers this factor raised to be one of the reasons that the participants choose the company over its competitors, simply because they are used to shopping at H&M and they can count on them to have the products they need. So if we look at the traditional purchasing process model, H&M has already achieved its place as a company that has loyal customers.

“Does the experienced quality of customer service at H&M stores effect your decision to shop there or online?”

The selection of brands and products has expanded so massively partly because of the growing business of online purchasing. In the purchasing process there comes a touch point that the consumer might consider purchasing online instead of going to the store, and it needed to be clarified if customer service could affect that decision. The question was a mix of the subjects of customer service and the purchasing process.

10/15 participants commented that the quality of customer service wouldn't affect their decision of whether they would shop at the store or online. However, 4/15 answered that in the case of receiving excellent customer service at the store, it could work as a push to choose the actual store rather than shop online. 1/15 participants commented that she has received such poor customer service while purchasing from the web shop, that she rather always visits the store in person.

“If the customer service quality at H&M stores would be excellent, would you turn into a more loyal customer? How?”

Most of the participants of the research could already be counted as loyal customers, because they shop at H&M at least twice a month. However, as it is mentioned in the literature review, one of the factors that differ between the old and the new consumer journey models is the fact that the traditional model only has one perception of a loyal customer when the new model shows us two types of loyalty that exists these days.

Based on the answers of the survey, almost all the survey participants could be counted as passive loyalists who mainly stay with the brand due to laziness or having too many options to choose from. Approximately half of the participants answered that they could be turned into more active loyalists if they always received excellent customer service at H&M stores, but the other half replied that it wouldn't change their loyalty towards the brand because of other matters such as sustainability and quality of the products.

5 Conclusion

The aim of this research was to gain answers to how the offered customer service affects the customers experience and their consumer journey at Hennes & Mauritz. The first part of the research was literature review focused on the subjects of marketing, customer service, customer satisfaction and consumer behaviour. These subjects gave the base for the primary data collection survey, which was used to find the answers to the original research question.

The results in general show that customer service quality at H&M does not affect the consumer's journey in a bigger scale but it does affect their purchase decision in a situation when they already have entered the store. The customer service quality can have a massive impact on the sales that the company makes from the customers that have entered the store, either on a positive or negative note. H&M should focus on changing customer expectations about their service quality in order to achieve competitive advantage compared to their competitors.

One gap came up during the research that could be suggested as a topic for a further research. All the customers that either followed H&M on Instagram or regularly visited their online shop said that the decision to shop at H&M was influenced by this factor. For further research it could be worthy to look into if social media and the online store could work as bigger marketing platforms for the company.

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Appendices

Appendix 1. Research Form

<h1>Metropolia University of Applied Sciences</h1>	Researcher: Emma Laurila Phone: E-Mail: emmajuditha@gmail.com
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Hello,

My name is Emma Laurila and I am a final year business student in Metropolia University of Applied Sciences. I am writing a thesis on how customer service affects customer experience and consumer journey at Hennes & Mauritz. For my thesis I am executing a survey on customer service satisfaction and the consumer journey in order to answer my research question. I kindly ask you to answer the survey below, so I can get your opinion on the matter. Taking the survey takes approximately 10-15 minutes.

1. Does the experienced quality of customer service effect your decision to shop at Hennes & Mauritz? How?
2. What are your expectations about the customer service quality at H&M?
3. What kind of service is most important to you when you are shopping at H&M store? For example, do you value tidiness of the store, the availability of staff, friendliness of the staff or fluent service at the cash register?
4. If you would receive poor customer service at H&M store, how would it affect you shopping at H&M?

5. When you are shopping at H&M, could good customer service affect the sum of your purchase?

6. How does your purchase process usually begin? At what point of the process you decide to purchase from Hennes & Mauritz?

7. Does H&M's advertising/marketing/communications influence your decision to shop at H&M? How?

8. Why do you choose H&M over the competing companies?

9. Does the experienced quality of customer service at H&M stores effect your decision to shop there or online?

10. If the customer service quality at H&M stores would be excellent, would you turn into a more loyal customer? How?

Thank you for taking the time to answer!

Sincerely,

Emma Laurila

Kysymykset Suomeksi

1. Vaikuttaako aiemmin koettu asiakaspalvelun laatu päätökseesi asioida H&M-liikkeissä?
2. Mitkä ovat odotuksesi H&M-myymälöiden asiakaspalvelun tasosta?
3. Minkälainen asiakaspalvelu on sinulle tärkeää asioidessasi H&M:llä? Esimerkiksi priorisoiiko myymälätilojen siisteyttä, henkilökunnan käytettävyyttä, henkilökunnan ystävällisyyttä vai kassapalveluiden sujuvuutta?
4. Jos kokisit huonoa asiakaspalvelua H&M-liikkeessä, miten se vaikuttaisi sinuun ja asiointiisi kyseisessä liikkeessä?
5. Voisiko hyvällä asiakaspalvelulla vaikuttaa ostostesi loppusummaan/määrään?
6. Miten ostoprosessisi saavat yleensä alkunsa? Missä vaiheessa ostoprosessia päätät valita H&M:n ja miksi?
7. Vaikuttaako H&M:n mainonta/markkinointi/viestintä asiointiisi kyseisessä yrityksessä? Miten?

8. Mitkä seikat saavat sinut valitsemaan H&M:n kilpailijoiden seasta?

9. Vaikuttaako kokemasi asiakaspalvelun laatu päätökseesi asioida myymälässä vs ostaa verkosta?

10. Voisiko hyvällä asiakaspalvelulla sitouttaa sinut lojaalimmaksi asiakkaaksi H&M:llä?
Miten?

Kiitos vastauksistasi!