

# DESIGNING A SMOOTH SERVICE EXPERIENCE

– Finding the balance between online and offline service

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Pro gradu thesis  
2015

## University of Lapland, Faculty of Art and Design

The title of the pro gradu thesis:

### **DESIGNING A SMOOTH SERVICE EXPERIENCE**

#### **- Finding the Balance between Online and Offline Service**

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Degree programme / subject: Industrial Design

The type of the work: pro gradu thesis  laudatur thesis

Number of pages: 107

Appendix: 7

Year: 2015

#### ABSTRACT:

While working as a research assistant in Value through Emotion research project at University of Lapland and doing service design projects with several companies, I noticed that there is a challenge in designing a service that combines online and offline service channels. Nowadays the trend is to have an online service, such as service application, as a part of the overall service path, but there is often a gap between the online and offline elements of the service in regards of the communication and the quality of service delivery.

The customers are more and more used to digital service channels and they are aware of the possibilities that online channels can provide. Therefore the customers have high expectations about the service delivery. Designing a service that keeps the continuity throughout the service despite the form of delivery channel would be a solution for providing the customer a smooth service experience.

In this research I study how a smooth service experience can be built using service design methods. I also study how the balance between online and offline service channels can be found in the overall service path. The research data of partly structured theme interviews are analysed by qualitative research methods. As a result for this case study I present a toolkit with seven templates that can be used as a guideline and support in the service design process when combining online and offline service elements as a smooth service experience.

Keywords: service, service design, online service, offline service, service experience, human interaction, qualitative research

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## Lapin yliopisto, taiteiden tiedekunta

Työn nimi:

### **DESIGNING A SMOOTH SERVICE EXPERIENCE**

#### **- Finding the Balance between Online and Offline Service**

Tekijä: Titta Jylkäs

Koulutusohjelma / oppiaine: Teollinen muotoilu

Työn laji: pro gradu -tutkielma  laudaturtyö

Sivumäärä: 107

Liitteet: 7

Vuosi: 2015

#### TIIVISTELMÄ:

Tutkimuksen tavoitteena on selvittää, kuinka digitaalisen ja analogisen palvelun voi paremmin yhdistää kokonaispalveluksi niin, että asiakas saa mahdollisimman sujuvan palvelukokemuksen. Tutkimuksen aihe nousee Tunteesta arvoa palvelulle -hankkeesta, jossa toteutettiin palvelumuotoilun kehitysprojekteja yhdessä viiden yrityksen kanssa. Niistä useammassa konseptien osana oli digitaalinen palvelu, mutta haasteeksi nousi digitaalisen kanavan yhdistäminen analogiseen, eli fyysisessä tilassa tapahtuvaan palveluun.

Nykypäivänä digitaalisten palveluiden yleisyys on kasvanut ja ihmiset ovat yhä tottuneempia käyttämään digitaalisia kanavia osana palvelukokonaisuutta. Toisaalta käyttäjät ovat myös tietoisia digitaalisten kanavien tarjoamista mahdollisuuksista ja siten heidän odotuksensa ja vaatimuksensa palvelua kohtaan kasvavat. Eri palvelukanavien välillä on kuitenkin havaittavissa eroavaisuuksia ja siten yhtenäisen ja sujuvan palvelukokemuksen syntyminen asiakkaalle on vaikeaa. Asiakkaan tarpeiden ja odotusten sekä yrityksen tavoitteiden huomioiden palvelupolun luomisessa mahdollistavat palvelun sujuvan etenemisen palvelukanavien välillä.

Tässä on laadullisessa tutkimuksessa tutkimusaineisto on kerätty puolistrukturoituina teemahaastatteluina. Tutkimusaineisto on analysoitu teemoittelemalla ja tutkimuksen löydökset vastaavat kysymyksiin, miten sujuva palvelukokemus muotoillaan palvelumuotoilun menetelmin, ja miten digitaalisia ja analogisia palvelukanavia tasapainotetaan palvelupolussa. Tutkimuksen tuloksen muodostaa seitsemästä osasta koostuva työkalu, jonka tarkoituksena on toimia palvelun muotoilun ja kehittämisen tukena.

Avainsanat: palvelu, palvelumuotoilu, digitaalisuus, palveluympäristö, palvelutuokio, palvelukokemus, kvalitatiivinen tutkimus

#### Muita tietoja:

Suostun tutkielman luovuttamiseen kirjastossa käytettäväksi

Suostun tutkielman luovuttamiseen Lapin maakuntakirjastossa käytettäväksi

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# 1. INTRODUCTION

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In a rapidly mobilising world one of the challenges in developing services is to use digital channels as a natural part of the service. According to the research by NearMe service in 2012, already 80 % of all sold mobile phones are smart phones. 56 % of the users use their mobile devices in stores and even 73% would rather seek information through mobile device than asking from a customer servant. Van den Bergh and Behrer (2011) talk about the Y-generation that is more used to use mobilisation than generations before but are more suspicious and critical towards the input as well. Considering this, what would be a suitable way to create a better connection between customer and company using digital services? And moreover, how to use digital service as a smooth part of the overall service path so that the communication doesn't differentiate between touchpoints, even if they were online or offline?

Even though the mobilization and digital services are becoming more a normal stage than an exception when talking about services, the human interaction and the physical touchpoints are still important. A multichannel service that combines different forms of service in one holistic service ecosystem is a form that people are expecting (Newbery et al., 2013). A face-to-face service moment for example is an important part in recognizing the quality of the service (Mohr et al., 1995). Also the service environment works as a place where the customer reflects his expectations towards the company, and therefore it is important that both the personnel and the physical environment reflect the values of the company (Bitner, 1990).

“Value Through Emotion” is a Tekes funded research project of University of Lapland that aims to find solutions for using immaterial resources such as emotions and experiences in developing businesses. Service design methods give opportunities and tools for realising customer's feelings and using them in a co-creational way to develop services further. There were five companies involved to the project and the aim was to execute several service design projects regarding digital service development and also service design and co-creation in general. I was involved to the project as a research assistant in spring 2014

and the topic of my thesis rose from this project. Part of the research data is also collected during the Value through Emotion company cases.

In my thesis the base of the topic comes from two company cases; "Norrhydro" and "Santa Park". Each company had their own needs and demands for the project, but these two Rovaniemi based companies had similar aspects to each other regarding the development of the service. Santa Park is a Christmas themed tourist resort located in Rovaniemi, North Finland. The resort is an underground cave that is claimed to be the home cavern of Santa Claus and where he invites people for a visit to see the magic of Christmas. With a strongly emotional and story based service the company is offering a life-long and unique Christmas experience for thousands of international tourists yearly. The service they provide is strongly connected to the physical environment, but with the service design project they wanted to include a digital service to make the experience more holistic. With the service design project they also wanted to expand the customer experience even longer including the service path before, during and after the visit to increase the customer satisfaction. Developing a digital service gave an opportunity to reach that goal.

Norrhydro on the other hand is a company that manufactures and sells products around hydraulic cylinders. Their biggest customers in the north polar cape are mining companies, but the company has production abroad as well. Through service design project they wanted to develop their hydraulic cylinder care service experience towards the customer. The main aim was to find solutions how to connect the company and the customer better during a critical situation when a cylinder is broken and needs a fast repair process.

Santa Park offers their customers an experience-based services while Norrhydro concentrates on giving profitable business solutions for their customer companies. All in all, both companies ended up reaching for their goals by using digital channels as a part of their service. One of the work packages of the Value Through Emotion -project was WP 2: Developing digital service products where the focus was on finding out how service design can be used to develop customer experience through digital channels. How additional value and solution-based services can be provided digitally? And how to enhance personality in online services?

With both companies we executed a service design project with several co-creational workshops where the company representatives were involved. Through workshop and service observations, interviews and prototype testing we tried

to understand the connection between the company and customer by using digital channels. Nevertheless, it also came out that connecting a digital service with physical service environment and human interaction, is not always an easy task to do. The different forms of touchpoints from online to offline should have a solid communication that represents the message of the company. Still the gap between online and offline service is visible in many services. You can read the same notice also from Fjords (2014) annual trend report "Trends 2015 - Trends impacting design & innovation":

*"The gap between physical and online spaces is a new challenge for businesses ---. Users expect a unified brand across digital touchpoints and, despite unreliable Wi-Fi, a seamless continuation of their experience."*

*(Fjord, 2014)*

As a service designer researching the challenges of the connection between online and offline service will give me more knowledge for my future work. The goal of this thesis is to first study what are the challenges in creating a smooth service experience with online and offline aspects. This will be studied by following research questions: "How to connect online and offline service as a smooth service experience by service design methods?" And "How to balance technology and human interaction in a service path?" Secondly the aim is to create a small toolkit to be used by any designer who faces the challenges in designing a smooth service path with both online and offline aspects. The toolkit consists of templates that can be used to help in the service design process.

## 2. THE RESEARCH TOPIC

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The topic of this research comes from the experience I got while working as a research assistant in a service design research project called Value Through Emotion. From two service design projects that were involved to this research project, there were similarities in the challenges that occurred in designing a digital service as a part of the throughout service path. This is from where the research questions formed out.

### 2.1. Value through Emotion -Research Project

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This research is a case study that bases on two service design cases executed as a part of “Value through Emotion” -research project. The project is Tekes funded research project executed in the University of Lapland during autumn 2013 and spring 2014. The aim of the project was to find solutions for using immaterial resources such as emotions and experiences to create user value in developing businesses. Service design methods were used to find new service opportunities, and service design tools to realise customers’ feelings and using them in a co-creational way to develop services further. One of the work packages of the Value Through Emotion -project was WP 2: Developing digital service products where the focus was on finding out how service design can be used to develop customer experience through digital channels.

There were five companies involved in the project and the aim was to execute several service design projects regarding digital service development and also service design and co-creation in general. Two of the company cases are used as a basis for the research challenge and research questions of the thesis and also the interviews executed during the project are part of the research material of this research.

The cases of Norrhydro and Santa Park gave a base for finding the research challenge to find solutions for fading out the gap between online and offline service. As I was part of both cases as a designer and research assistant the insights from the projects come also from the personal experience that was built during the projects. The design processes and service concepts of the cases are used as a base to set and explain the research questions. Both service design cases work also as a frame in which to reflect the findings from the qualitative analysis.

## 2.2. Santa Park – Expanding the Customer Experience

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Santa Park is a home cavern of Santa Claus located in Rovaniemi, Finland. This resort is where people can come and experience the magic and spirit of Christmas year around. With a strongly emotional and story based service the company is offering long-lasting and unique Christmas experiences for thousands of international tourists yearly. Through the service design project Santa Park wanted to provide their customers even better experience that would already start before the actual visit to the cave, continue while the visit and also extend to the time after the visit: to combine and extend the whole service path before, during and after the visit. By extending the service experience Santa Park wanted to enhance their relationship with the customer and to increase the customer satisfaction by longer service experience.

After getting the initial brief the design team visited in Santa Park and made a service safari through the cave in order to understand how the service path is at the moment in the eyes of the customer. We analysed this mapped service path to point out the challenges and possibilities from the perspective of service extension. We also created user profiles divided in different nationalities and group forms based on the discussions with the staff of Santa Park. Those analyses together with benchmarking results were taken into ideation, where we used especially brainstorming and fast prototyping as ideation method utilizing the SINCO (Service Innovation Corner) –service prototyping environment of the University of Lapland in order to simulate the development possibilities.

In two co-creational workshops the service design team worked together with the company representatives to ideate and develop new solutions for the ser-

vice. The ideas were divided in three concepts regarding a digital application, and two other activities in the physical environment in the cave. As the core idea of the project was to extend the visiting experience of Santa Park to make it unique and to create a long-lasting experience, the digital application was seen as a potential channel for providing this service. When the customer is not yet at the place itself the application can be used to raise the expectations and to engage the customer to the upcoming visit. When the customer is at the cave he can be tracked to his exact location and give information, engage and entertain him during his visit. This gives a lot of opportunities for using a digital channel in connection to the actual environment and to the people around you. Also after the visit the customer can use the application to memorize the visit, get further information from the company and to keep in touch with them.

Santa Park has a lot of different customer groups with different nationalities, ages and family relations. A big amount of the customers are children, but you also shouldn't forget the adults that visiting the place and are seeking an unique experience as well. Addressing an app to these different target groups is challenging and therefore we decided to have different layers in the application: one is to give information related to the resort and the other aims to entertain the customer. For this purpose we developed a story that guides the customer through the service by providing information but also engaging the customer in different kind of tasks and games that are closely related to his location and the environment and people around him. This could be for example to find out a secret word by asking questions from the elves in the cave or by searching the letter from the cave walls utilizing augmented reality in your phone.

These concepts were concretized as prototypes that were then tested in the actual surrounding in Santa Park with potential customers. During the day we tested two different types of the content related to the digital application: augmented reality and partly animated comic strips via QR codes and recorded audios. The test included six steps with small tasks and they all were related to each other by a background story. The testers were asked to go through the path and to conclude the main task: Finding the missing message and to deliver it to Santa Claus. After completing the path the testers were shortly interviewed about their experience and notices during the test.

In the discussions with the testers it came up that augmented reality and voices showed a lot of potential as a channel to connect the digital touchpoints to the physical environment to trigger interaction and create emotional reactions.

The connection with the physical place has to be strong before the customers take it as a smooth part of the service experience. The challenge is to find the right balance between the digitalization and actual human interaction by face-to-face moments with the staff. This also means that if the digital service includes a story it has to be in connection to the place itself and to the communication from the service staff. The story has to be continuous and the message through the service has to be clear and understandable. Even though the digital application gives a lot of possibilities for enhancing the customer's service experience, we saw that the interaction with the service staff as face-to-face moments is still needed and a big part in creating a service experience based on emotions and experiences.

### 2.3. Norrhydro – Enhancing the Connections

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Norrhydro is also a Rovaniemi based company, but instead of Christmas experiences they manufacture and sell products around hydraulic cylinders. Their biggest customers in the north polar cap are mining companies. On the side of the manufacturing business, Norrhydro also provides cylinder maintenance services to their customers. The brief of the service design project was to develop this hydraulic cylinder care service experience towards the customer. The main aim was to find solutions for how to connect the company and the customer better during a critical situation when a cylinder brakes.

The maintenance services are mainly needed in critical and unexpected situations. The customer usually contacts the company when there is an urgent situation with a broken cylinder and needs to be repaired as fast as possible. In such a business as gold mining time is money especially if the broken part is in a crucial part of the process. Therefore the communication between the company and customer has to be smooth, clear and fast. The project started with a visit to one of the company's customers in mining field to understand the context of the maintenance situations. During the visit we explored how the process of the cylinder care goes at the moment and what are the challenges and possibilities, which could be taken in account when developing the service further. The service path was mapped based on the current customer service path in order to find out the most crucial pain points in the system in which to concentrate in the ideation. Norrhydro also wanted to find out possibilities in making these care situations more predictable so that both sides would benefit from more regular services and avoid unwanted urgent situations.

During two workshops the service design team together with the company representatives and customers co-designed and tested service ideas. The observations from the visit at the customer were used to create service process models, which then were used as a basis for the ideation in the workshops. Those process models were analysed and the most promising points were taken out for further development and ideation. The ideas were prototyped in SINCO environment and tested as both low and high fidelity prototypes. The design challenges were to find the best way to include all the necessary people in a smooth, fast and understandable communication channel so that each stakeholder is always up-to-date about the service process. We also wanted to create a system that enables the identification of the cylinders so that the information is always available and therefore the future need for repair can be easier predicted based on the service history of the product.

We found out that there were a lot of small things that were not noticed before but changed the success of the service crucially. For example already the chosen channel of communication in different situations was related on how urgent the situations were. Even though there would be a digital channel to send requests and messages, and to follow the process, the customer sometimes still needed at least to talk on the phone with their contact person from the company just to be sure that everything was going as planned. They didn't trust digital channels enough in the urgent situations. Also the customer preferred to have some visual and tangible information about the products in addition to the digital app. This could be solved by "small things" such as a coloured tag on the side of the cylinder to show its service status, so that a person transporting the product would automatically see where it is going without seeking for the information from a digital device.

We ended up designing a digital service application to answer the needs of the customer and the service provider by being the communicational link between these two sides. The app would provide a platform for exchanging messages and documentation related to the service process and also real time information about the status of the product and the service process. Still in addition to that the customer saw it necessary to have an easy contact with the service provider by phone and email. It is even better if they would know the service provider by person, so that they always know with whom they are dealing with and who to contact in case of an emergency.



## 2.4. The Research Questions

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The research questions of the thesis were formed based on the challenges that rose from the two service design cases of Santa Park and Norrhydro that were part of the Value through Emotion –research project. Through this thesis I am researching the possibilities to improve services with online and offline aspects. I am studying if it's possible to better connect the digital services with the offline service that consists not only of the service encounter in the physical service environment but also the human interaction, whether it was a face-to-face service moment or some other form of human interaction. It is also interesting to see how the balance between the technology and human interaction can be created in such a service and where the separation blends.

Basing on this, the research questions of the thesis are:

How to connect online and offline service as a smooth service experience by service design methods?

How to balance technology and human interaction in a service path?

A smooth service experience means that all the touchpoints within the service path are in sequence to each other so that there wouldn't be any separation between the different channels and that it is easy and effortless for the customer to go through the service journey without noticeable differentiation. It means that all the touchpoint and used channels must reflect the same values of the service and speak the same language regarding to the service promise. This creates a challenge to blend the online and offline service channels together as a service that creates concrete benefit and value to the customer.

**How to connect online and offline service as a smooth service experience by service design methods?**

**How to balance technology and human interaction in a service path?**

## 3. RESEARCH DATA AND METHODS

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This thesis is a case study that follows the methods of qualitative research. The methods for both data gathering and data analysis have been selected to support the qualitative approach. The research data has been collected by partly structured theme interviews and the data analysis is done by using non prior coding where the themes rise from the data itself.

### 3.1. Research Data - Interviews

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The actual data for the research comes from interviews that were conducted in two phases. The first set of interviews was conducted as a part of Value through Emotion research project during spring 2014. The set includes five interviews that were done with the service staff of Santa Park and Norrhydro. The interviews were conducted by the Value through Emotion research team, and three of them myself.

The interviews were conducted as partly structured theme interviews where the focus was on the interaction between customer servant and the customer, their emotions and the actions that affect to the service encounter. The themes were:

1. The emotions that direct the customer's decision making during the service encounter
2. The mood of the customer servant and it's influence to the service encounter
3. Methods that support positive emotional reactions during the service encounter
4. Considering emotions in digital channels and offline services
5. Experiential knowledge and silent knowledge as a resource for developing services

The interviews are straight connected to the case examples and although the themes and questions of the interviews weren't planned based on the purposes of this thesis they give answers for the construction and elements of the service experience and how the communication between the service staff and customer actually works.

Since the first set of interviews was lacking the perspective from the digital service and therefore wasn't enough to answer to all the research questions of the thesis I decided to conduct two more interviews with service development experts with the competence from digital services. The interviewees are from two internationally well-known and respected companies; one from the manufacturing field and another from design field. In order to respect the confidentiality towards these interviewees the companies will remain unnamed.

The questions for these two interviews were reformulated so that they would give a better understanding to digital services as a part of the whole service path and as an interaction with the offline service. The interviews were conducted as partly structured theme interviews in the same way than the first set, but the focus was more on the digital aspects of the service. The themes for this set of interviews were:

1. Digital service
2. Service in physical service environment
3. Interaction between online and offline service

In order to keep the confidentiality towards the interviewees the interview results are analysed together as one set despite the separation in the gathering phase.

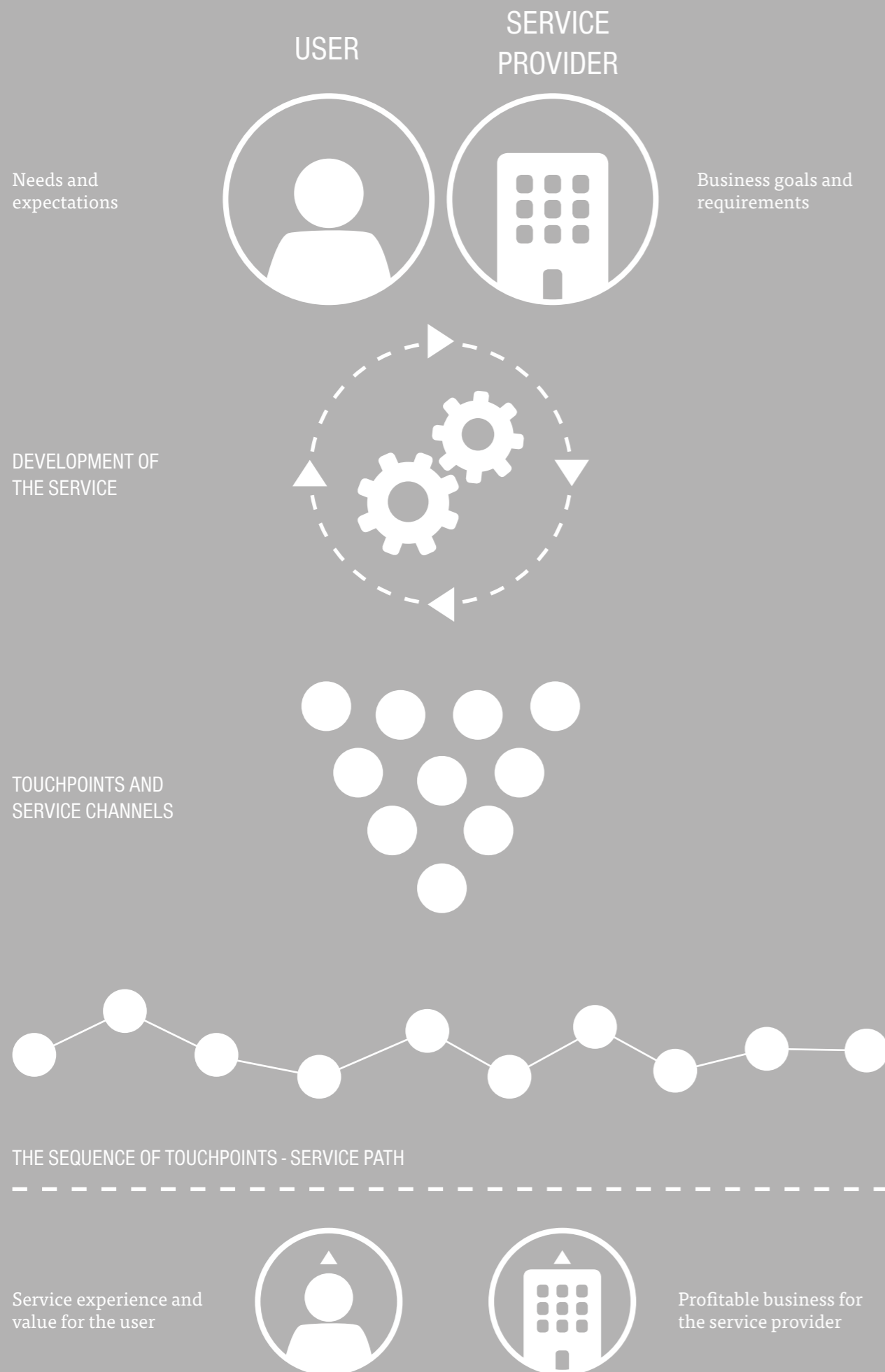
## 3.2. Research Methods – Qualitative research

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This thesis is a case study that follows the qualitative research method. Qualitative research means in general a research that has as a purpose to understand, explain and interpret meanings (Anttila, 2005). The results of qualitative research therefore are always interpretations of the researcher, and the interests and the perspective of the researcher affect to the results of the research. The results do not pursue to make statistical generalizations, but rather to describe some situation or to understand its functions, and by that to form a theoretical interpretation of a phenomenon (Eskola et al., 1998). By other words, the research focuses on the values and qualities that can be found and formed based on the research data.

The analysis that is used in this research is data based analysis where the results come straight from the research data and are then reflected to the previous studies in order to conclude the final results. The used analysis tool is coding method where the themes come from the data without prior coding. This means that the codes are emerged inductively through the coding process creating concepts, ideas, themes and categories that help to organize the research data and form the final themes (Given, 2008). After that the findings based on the themes are brought to a more general level by doing the coding in several phases, and then the results are verified with the known theories and discussions.

Picture 1: Service design



## 4. THEORETICAL FRAMEWORK

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In following chapters I will go through the core terms of this research. In order to understand service design principles, I explain first what “service” means, and how it can be designed. In the next chapter I go deeper in the service experiences. The two last chapters explain the characteristics of online and offline services.

### 4.1. From Service to Service Design

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This research is related to the service design field from its subject, but before trying to define service design, it is good to take a look to the service itself; what is a service? According to Tuulaniemi (2011, 30) service is mainly immaterial action or benefit that somebody can give to another person so that the ownership doesn't change. Service is related to interaction as well as environment and products. That way it is a sum of all the elements, actions and process not only to solve a problem of the customer, but also to give a smooth and unforgettable service experience.

According to Lovelock et al. (2004) a service is an act or performance that is offered by one party to another. Even though the service process wouldn't be tied to a physical product, the service performance is essentially intangible and it doesn't normally result in ownership of any of the factors of production. They also explain that service is an economic activity which creates value and provides benefits for the customer. This process happens at specific time and in specific place.

*“Services are something which can be bought and sold, but which you cannot drop on your foot.”*

*(Lovelock et al., 2004)*

Grönroos (2001, 79) has listed the three main elements of a service: “Services are processes that consist of actions or a chain of actions, not artefacts”. This means that service is immaterial and and continuous good which is produced and consumed at least partly simultaneously. Therefore a big part of delivering a service is interaction between service provider and consumer. It is also evitable that the user participates to the service process at least in some parts. In addition to the service delivering process this regards also to the development process of the service so that the perspective is user-centric. This can mean for example co-creational approach in the development of the service.

Services can be divided in different levels according to their role in the whole process; the core services (ydinpalvelu), assisting services (avustava palvelu) and supporting services (tukipalvelu) (Grönroos, 2001, 230). When thinking of the whole ecosystem of a service, all the levels of services are important in creating a continuous and holistic service experience for the customer. Liljander and Strandvik (1995) are talking about service episodes, which in sequence create the total service. Every user perceives the service in different ways and therefore the importance of the episodes and the different levels of the service can also be evaluated in different ways.

In addition to the levels of the service, services can be divided also according to their context. Services that are more concentrating to the human interaction are so called high-touch services (Grönroos, 2001, 84). Those services are dependent on the people involved to the service process from both provider and consumer perspective. In this research Santa Park case resamples a high-touch service. The other category is high-tech services, which are based on automatic systems, IT-technology and other physical resources (Grönroos, 2001, 84). This means that human interaction in such services is rear and mainly happens when the situation is critical. That’s why a good case to resample this category is Norrhydro case, which is based on an application that provides a digital communication channel between the customer and service provider to be used especially in critical situations.

Services in such aren’t anything new, as they have existed in different forms since human beings have existed. But how does service design affect to the

way we see services today? Service design is a rather young field and everybody involved in it tend to have their own understanding and approach to it. It is understandable as many service designers come from different fields of design and therefore merge their own history and knowledge to the service design field. When it comes to the research of service design, there are two approaches to be seen: the business approach and the academic approach. The business perspective, with which I mean for example service design agencies, is more practical and the methods and tools are formed by learning and doing. The academic approach on the other hand provides research about the topic as a purpose to create theories and to find new possibilities around the topic of service design. Because of that and many other reasons the service design field is not yet unified and is still searching its own form. That’s why it is also difficult to find one clear definition for service design.

When searching for a definition for service design, all the references noted that the term is hard to define. The fact that the research area, and even practice of service design itself is rather new and extremely wide, makes it hard to give one exact definition for it. One, probably most popular definition by Dutch service design company 31 volts (2008) explains service design by a classical coffee shop example:

*“When you have two coffee shops right next to each other, and each sells the exact same coffee at the exact same price, service design is what makes you walk into one and not to the other.”*

*(31 volts, 2008)*

This definition shows the importance of user centred approach in service design as the coffee shop can provide the customer an option that makes it more desirable than the other shop. In order to make that happen the coffee shop has to know what the customers need and what they expect from the coffee shop. It also shows how holistic service design can be; when you look at the coffee shop, you can’t pick just one thing that makes it better from the other, it is the whole system from interior and coffee cup to the smile of the waitress that makes the experience there better compared to the other one. As Maria Hayhow (2014) also explains it:

*“Good service design is a series of choreographed tangible and intangible brand experiences that lead users to differentiate and choose between products and goods.”*

*(Hayhow, 2014)*

When thinking about the two sides of the service, provider and consumer, there has to be something that service design offers to both. According to Mager (2008) what service can provide to the user is a useful, usable and desirable service interface that creates concrete value. For provider it is an effective, efficient and distinctive service process that communicates the desired solutions and values to the customer. The benefit for both user and service provider is essential in service design or otherwise there wouldn't be motivation to create the service in the first place. Moreover it is important to design the experiences and the delivery of the service in such a way that it makes the service more valuable for both sides (Marsh, 2008).

Even though service design is at least partly immaterial action, it doesn't mean that service design would be abstract design of emotions and experiences, which is almost impossible as those are things that every person perceives in their subjective way. Instead service design is concrete activity that combines the needs and expectations of the user with the financial goals of the provider in order to make a functional service that benefits both actors (Tuulaniemi, 2011, 15). That way service design can provide favourable circumstances for creating also an emotional connection between user and service. As mentioned above, designing emotions and experiences is almost impossible, but designing a service environment and context that gives a possibility for the desired kind of emotions and experiences to be created by the user, is something that can be achieved by service design (Polaine et al, 2013, 132).

As a practice service design is an interdisciplinary approach that combines different methods and tools from different methods (Stickdorn, 2011, 29). Most of all, service design is an user-centred approach that aims to involve users already in the early development of the service in order to get the best insights of the user needs and expectations to be used in the service development itself. This co-creative way of acting diminishes the amount of assumptions in the service process and ensures that the created service really answers to the customer needs and expectations.

Service design is also sequencing approach including all the steps of the service under one service experience. The holistic point of view makes it easy for the customer to move through the service path when all the touchpoints are in connection to each other. Even though the service can be mostly intangible, an essential part of the service design is to give customer also some kind of evidence about the service they have just experienced. This is why service design is also evidencing (Stickdorn, 2011, 34).

## 4.2 Service Experience

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The purpose of service design is not only to solve customer's problems, but to create experiences that makes the service pleasurable, desirable, unforgettable and binding. The difficulty in creating experiences is that it is a subjective feeling that only people themselves can perceive. As a service designer you will never know for sure what kind of experience or emotions your service raised in your customer unless you ask them. One can't design experience, but only create the design features that can evoke them (Sharp et al., 2007, 15).

People form their experiences based on the expectations they have and the information they have received through the formed understanding how things are supposed to work. This means that each experience is not only an individual case, but a set of information and emotional notices the user has had over time (Newbery et al., 2013, 64). This means that the users will always refer the experience to the ones that they have had before, meaning that if a company has given them a bad experience before, the user will expect them to do the same again. Customers understanding of the service experience evolves over time when the customer continues to use the service (Liljander et al., 1995). Therefore it is important to consider the level of expectations compared to the level of the given service throughout the whole service journey (Polaine et al, 2013, 137). If you let people to have too high expectations and you can't reach that level in your service, the customer will be deeply disappointed.

In order to get more insights for developing the service, the service designers need to start by asking what is important to your customer. Understanding the customer value creation processes is one of the core tasks for service design (Tuulaniemi, 2011, 17). The most valuable points can often be just a couple of essential elements or touchpoints (Kelley et al, 2005, 171), but recognizing them and enhancing their meaning can raise the whole experience towards the customer.

Getting a correct understanding of the customer experience without interpretive filters requires first hand data from the customers themselves (Csikszentmihalyi, 1997, 21). Getting stories from people, who use the service or are affected by it, makes it possible to identify opportunities for innovation and improvement (Polaine et al, 2013, 131). That's why experience is an essential part of the service.

*“Great service experience happens when all the touchpoints play in harmony, and when people get what they expect day after day.”*

*(Polaine et al., 2013)*

When all the touchpoints and the whole service ecosystem creates suitable conditions for a great service experience, it can be seen as customer loyalty; people are less likely to switch to another company when they have noticed the service good and valuable for themselves. They are also more likely to recommend the service for other potential users as well. That is of course the goal of the service from business point of view (Polaine et al., 2013, 131), but in the end the service experience is created together with the customer and service personnel. Without interaction with those two parts, there wouldn't be any service experience (Tuulaniemi, 2011, 34).

Mohr and Bitner (1995) say that the service experience and service satisfaction doesn't come only from the functional outcome of the service but the whole service process affects to the way how the customer experiences the service. This means that also the meanings the customer give to the interactions during the service, the surroundings of the service and the product itself affect to the way, how the service is perceived. If the customer has multiple transactions with the service provider, all the moments are put together to great an overall experience with the service provider. Although, not every service moment is equally important when creating an overall service experience (Cook et al., 2002) and therefore the perception of the service experience varies between the customers.



In this research service experience is seen as a subjective way the customer perceives the value and the quality of the service. The building of service experience is affected by the all elements of the service including online and offline service and therefore the previous history and the expectations for the future steps of the service affect how a customer personally experiences the service.

### 4.3. Online Service

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The raise of digitalisation and the spreading of the different media channels have changed the way how people interact with brands. The one-sided way of giving input to the customers has changed to an interaction between the brand and users, and that's why people are expecting also more of different ways to connect with the brands. They want more variety for the interaction from where to choose the channel they prefer, but they also expect transparent actions from the companies in order to get a real communication with them (Tuulaniemi, 2011, 24). Leimeister et al. (2014) also made a notice that when the communication from the service provider site in the online communities focuses more on the concerns and requests of the customers rather than promotional announcements, the customers see the value of the post much higher. This supports the understanding that customers expect the service providers to ensure the real interaction between the users and the service provider.

The amount and development of digital services has increased for some time now and it is already more a standard than an advantage to have a digital service as a part of the service system. According to Taherdoost et al. (2014) the digital services can strengthen the competitiveness of organizations as the technology changes the relationship to customers by creating a stronger connection between organizations and customers. But on the other hand the digital services are used to reduce the amount of labor activities and therefore lower the costs of the service (Salomonson et al., 2013).

Even though one of the reasons in making a digital service is the costs, the opportunity the digital service can provide is the transaction from time and location based activities to non-locational and non-temporal behaviours (Taherdoost et al., 2014). The delivery of the digital services is different to traditional services and its informative nature enables a high level of customization and personalization which gives them advantage in relation to the traditional services (Rowley, 2006). The amount of all the available data and the possibility to create a service that is not tangled to a physical context gives the service providers a lot of possibilities to create innovative and successful services, but it also gives a lot of challenges as the new opportunities also rise the expectations of the users towards the service (Leimeister et al., 2014). And with digital services, where the competitor is only one click away, it is even more important to know the needs of the customer and to be able to answer to their expectations. The users of digital services and the needs of the users should be a main interest



of the service provider in order to create a successful service (Leimeister et al., 2014).

Digital service and its affect to the service process and service delivery has been researched quite a lot. E-service, electronic service, digital service or online service, which ever the used name for the service was, there are certain aspects that characterizes this service. Based on the findings of the literature review of Tanderhoost et al. (2014), the digital service is characterized by intangibility and the abstract nature, process nature, heterogeneity, inseparability which is the simultaneousness of consumption, production and marketing; perishability, ownership, interactive nature, self-service and non-rival nature. From these definitions the inseparability and interaction might be the most important ones. The digital service has to be closely connected to the throughout service and it has to enable interaction between different stakeholders of the service and between the service and the customer.

The variety of digital channels from social media to emails and applications means that there is more choice for service designer to create interactions between customer and provider, but also that there is a challenge in applying those channels as a natural and separated touchpoint to the whole service path. Designing digital touchpoints is more or less interaction design, which can be defined as “designing interactive products to support the way people communicate and interact in their everyday and working lives” (Sharp et al, 2007, 8).

As Winegrad (1997, 160) defines the interaction design, it means designing spaces for human communication and interaction. Even though the tools would be in digital form, the basic is always connecting people. We have to remember also that functional IT- and web-based interactions need “real” and personal interactions in order to work properly (Grönroos, 2001, 235). Even though the digital service provides a lot of new possibilities for the service delivery through digital channels, the human interaction at some point of the service is still required (Sheth et al., 2007) whether it was through the digital channel or as a face-to-face service encounter. Even though the digital service system might work faultlessly, the users might need something else from the service than just the system (Taherdoost et al., 2014).

The digital service gives the users also a new kind of opportunity to connect with the other users of the service. Online consumer communities provide the user a platform where to share their experiences about the products and

service with other users or even with the representatives of the service provider. When the service provider is involved in this kind of usage of social online communities, the social media, the right kind of action can increase the brand awareness, improve the customer’s image of the service provider and to enhance the customer relationship (Leimeister et al. 2014).

In this research digital service environment is seen as a digital interface that is operated through computers, mobile devices or other digital devices. The digital service is not necessarily based on physical context, but it may contain human interaction that happens through the digital channels. As the digital service requires a working digital connection and in order to make the separation between the digital and traditional location and time based services clearer, the digital service is also called as online service in this research.

## 4.4. Offline service

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Offline service is often seen as a face-to-face service and there are a lot of researches mainly coming from the marketing field that study these service encounters from both customers and service providers point of view (Bitner, 1990; Bitner et al., 1994; Mohr et al., 1995; Wu, 2007; Sirianni et al., 2013). In this research the concept of offline service divided in two parts: the actual physical environment where the service takes place and the human interaction that in a form of face-to-face service encounter is an inevitable part of the physical service environment. These two aspects of the offline service are opened and defined more in the following chapters.

### 4.4.1 Physical Service Environment

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The physical service environment has a lot of impact in how people experience the service, what they expect to get and how they see the company. Physical environments direct the way people are acting as well as affect to their emotions (Tuulaniemi, 2011, 40). This can be seen strongly for example in the theme parks where people are wanted to have special interaction with the environment, but also in places like hospitals, where the service situations can be extreme and therefore the environment should make people feel more comfortable and calm. The service environment guides the customer, reflects the service values and gives hints about what is going to happen next (Bitner, 1990), and therefore rises the expectations of the customer.

*“As its best, service design is like ambient design.”*

*(Tuulaniemi, 2011)*

The performance of the service, the way and style how the service is delivered is an essential part of the physical service environment (Polaine et al, 2013, 32). It can support an immediate service experience, but also ruin it. Physical service environment is not only about the architecture or ambient design, but also

about the objects you find there, the service evidences, and more importantly the staff working in the environment. As mentioned earlier, the service staff has a huge part in delivering the service towards the customer, but sometimes it is also the matter of connecting customers with other service users in order to provide them a good service experience (Polaine et al, 2013, 37).

The physical service environment is an inevitable element in the face-to-face service encounter as it requires that the actors involved to the encounter are at the same place. According to Shostack (1985) the service encounter is “a period of time during which a consumer directly interacts with a service.” This definition includes all the aspects of the service to be part of the service encounter: the service personnel, physical facilities and other tangible elements. The role of physical service encounter cannot be underestimated as it is the environment that reflects the whole service to the customer. As Bitner (1990) explains it, the service process itself is often so intangible for the customer that they need some “cues” to help them to estimate the capabilities and actions of the service provider. And in case of a face-to-face service encounter, the service environment is the most revealing cue for that.

In this research physical service environment is seen as a space including all the elements it contains; interior, architecture, other tangible objects, ambience, people. Therefore the service environment is a part of a service encounter.

## 4.4.2 Human Interaction

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The relationship between the actors of the service is characterized to be a positive commitment by both the customer and the service provider (Liljander et al., 1995). In order to build and maintain a relationship to the customer one has to interact with them. Typically human interaction is defined to be dyadic interpersonal communication. In the context of services, the human interaction is often processed through service encounters and face-to-face service moment. Service encounter is some interpersonal exchange between customers and service provider (Sur, 2008). On the other hand the customer's interaction is not only with the service provider, but the service itself (Bitner, 1990). In case of dyadic interaction with the service staff, the result of the encounter depends on the actions of all participants and therefore the outcome cannot be predicted if you just know the habits or behavioural code of one actor (Solomon et al., 1985). This means that even if you know how the service staff works, one cannot be sure the encounter with the customer goes as wanted.

Service encounter is also defined as a situation where customers are present and therefore they may have an influence to each other (Grove et al., 1997). When thinking about the human interaction in the service it is not only the interaction between service personnel and the customer, but also the interaction between customers. The behaviour of other customers do affect to the way people perceive the service, both in positive and negative meanings (McGrath et al., 1995). Therefore when designing an offline service one should also consider what kind of possibilities the customers have to interact with each other and if they are encouraged to interact with each other in some ways by the acts of service provider. This interaction can give a lot of possibilities for the success of the service, but also on the other hand diminish the service experience.

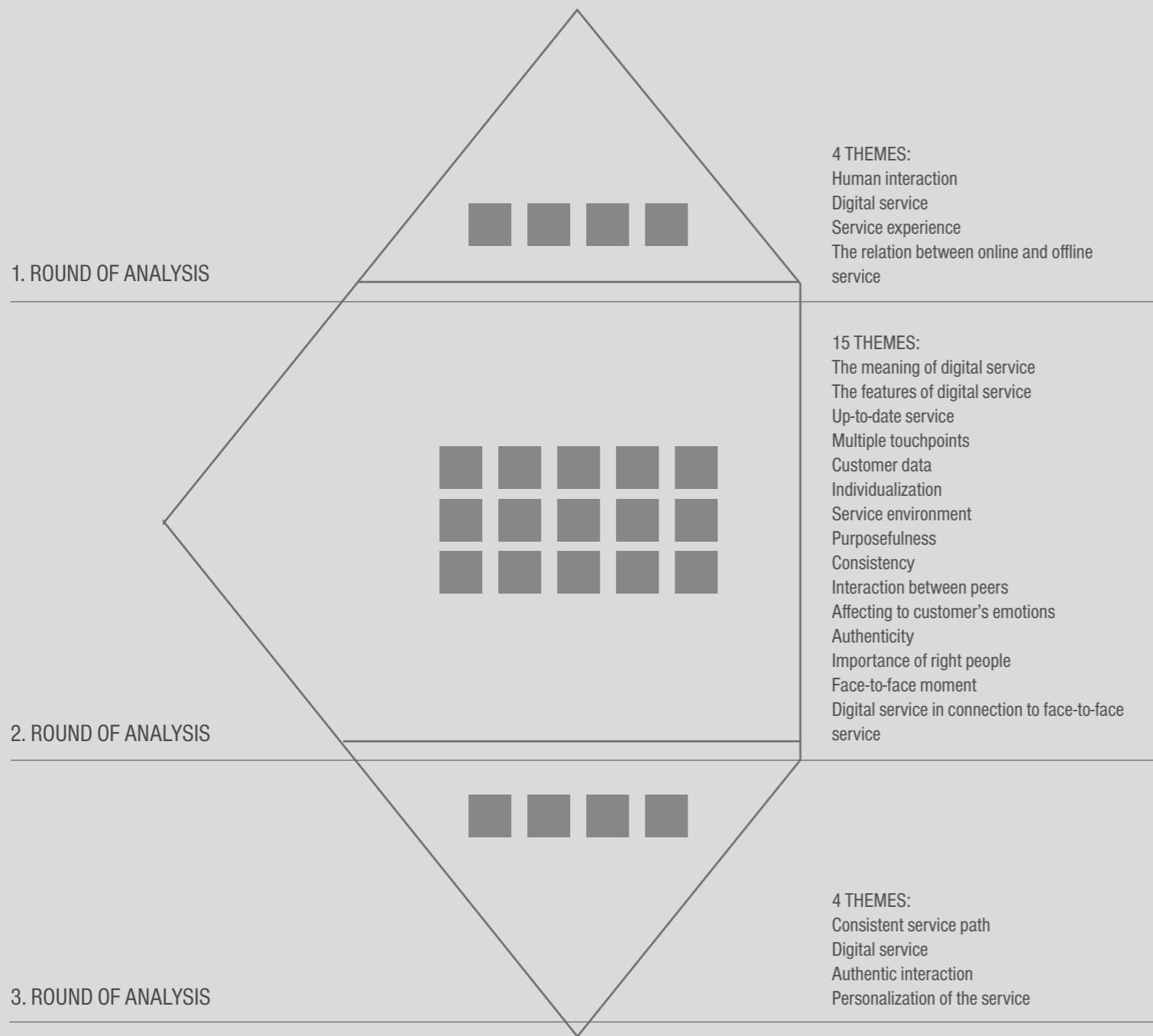
One point that distinguishes the service from another is the human interaction. The unique and successful interaction between the customer and the service personnel is then one of the key things in building a unique service experience. The human interaction is always perceived differently from each side of the actors and therefore the experience from an encounter is always subjective and therefore the quality of this interaction is hard to measure. But a successful creation of subjective experience is a critical point in a long run market success (Solomon et al., 1985). And that's why the importance of human interaction in the service shouldn't be overlooked. The quality of this interaction itself is an important part of the success of the service (Mohr et al., 1995).

Another key for a successful service encounter is the empathy between the actors. Empathy is a "person's ability to sense another's thoughts, feelings and experiences, to share the other's emotional experience, and to react to the observed experiences of another person" (Wieseke et al., 2012). According to Gabbot and Hogg (2001), the successful service interaction depends on the level of the empathy in the customer-employee interaction. When seeking for an unique service interaction between the customer and service personnel, the empathy towards the customer is an important aspect in understanding the needs and expectations of the customer.

Human interaction, when happening as a face-to-face encounter, always includes the influences of non-verbal communication (Gabbott et al., 2001). It is not only the things the service personnel say or do, but also the body language meaning the facial expressions, eye contact, posture, gestures and the distant between people. Also the tone of the speech is part of the non-verbal communication. Non-verbal communication can be intentional or unintentional, but nevertheless it is always part of the interaction as a kind of second level of conversation (ibid.). Without non-verbal communication it is hard to for example estimate the feelings of a person just by the speech. That's why a communication that happens through a device such as phone, always takes one level away from the communication. According to Fromkin and Rodman (1983) even 90% of the communicative process is nonverbal. It means that when managing the service encounters between service provider and the customer, nonverbal communication is a huge part to consider and to be aware of.

Human interaction is not only face-to-face encounters, but it also the interaction one has through a device as long as it still happens in the same time and therefore fulfils the requirement of instant exchange between two or more actors. This can mean for example a phone call, chat or other forms of messages.

In this research the human interaction is defined as either a face-to-face service encounter or a service encounter that happens through a device fulfilling the requirement of instant exchange between the actors.



## 5. ANALYSIS

The research data for the analysis consists of seven interviews that were gathered in two steps with two different focuses: The first focusing more on the elements of service experience in general and the other on the digital values of the service. In order to respect the confidentiality towards the interviewees, all the seven interviews have been analysed as one group.

I have been using the qualitative data analysing methods in the analysis of this research. The research data has been analysed with coding method where the themes come from the data without prior coding. In qualitative research it is common that the codes emerge inductively through the coding process creating concepts, ideas, themes and categories that help to organize the research data (Given, 2008). And that is also what has been done in this research.

In the step of open coding the interviews were split in smaller pieces so that the topics were framed through the research questions: How to connect online and offline service as a smooth service experience by service design methods? And how to balance technology and human interaction in a service? As a basis of the analysis I used the transcripts of the interviews and wrote all the relevant sentences or shorter extracts on sticky notes after marking them on the transcripts. I took all the notes and started to cluster them in groups. The first set of the groups fell under following topics: digital service, human interaction, service experience and the relationship of online and offline service.

On the next stage I split those extractions even in smaller pieces so that the next notes were just single words that came out from the extractions. These words were combined in new clusters that created more defined themes. The themes were: the meaning of the digital service, the features of the digital service, up-to-date service, multiple touchpoints, customer data, individualization, service environment, purposefulness, consistency, interaction between peers, affecting to customer's emotions, authenticity, importance of the right people, face-to-face moment and the digital service in connection to face-to-face service.

As these themes still had some similarities or overlapping elements, they were combined together and redefined as four bigger themes. On this third step of coding the final themes were created:

1. Consistent service path
2. Digital service
3. Authentic interaction
4. Personalization of the service

Each theme has subthemes and they are analysed more in detail in the next two chapters: “Building a smooth service path” and “Balancing technology and human interaction”.

## 5.1. Building a Smooth Service Experience

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One of the topics to find out in this research is a question of how to build a smooth service experience with online and offline aspects. In the interviews I asked about online services and offline services, how they are perceived and what is their role in the throughout service path. There were some themes that could be seen in the interviews repeatedly: one of them is a consistent service path that combines all the touchpoints and different aspects under one continuous customer journey. The other aspect is the authenticity of the interaction in the whole service regardless from the nature of the interaction, digital or face-to-face. Interviewees also saw that one aspect to make the service smooth for the customer is to answer to their specific needs. Therefore personalization in some level is also a key aspect in building a smooth service path. These three aspects are analysed more in detail in following chapters.

### 5.1.1. Consistent Service Path

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One of the biggest findings from the interviews is that a service, regardless from the channel, has to be consistent. In order to give a customer a smooth service experience the service has to communicate one voice throughout the whole service path. That way the customer gets a feeling of security as he knows what to expect from the following steps of the service.

*“You have to talk one voice to the customer online and of-  
fline, and you need to be consistent throughout the whole  
customer journey. It’s the key thing and really difficult.”*

Talking the same voice through all the channels of the service means that all the elements of the service communicate the same values and quality promise giving the customer realistic expectations about the upcoming encounter with the service provider. If one part of the service gives a different idea of the service and that way differs from the real service delivery, it gives customer a



wrong promise and therefore the expectations and the reality don't meet. This may end up in a negative service experience from the customer side, but on the other hand in some cases the surprise can also be positive.

*“What is important in this case is that offline and online experience must be really the same in terms of the service provided.”*

Keeping the same identity of the service throughout the service journey makes it easier for the customer to understand how the service works. A solid communication throughout the service requires also that the customer gets enough information about the service process in order to avoid uncertainty. Basing on the insights from the interviews, customers need to be managed during the service process. In order to avoid frustration and insecurity the customer needs to be guided to the right direction. This means also that the customer gets a feeling that he is considered and taken care of throughout the whole service path.

*“That the customer is taken seriously and that he gets a feeling that he really has got service. --- So that he has been taken care of from beginning to the end and not left alone.”*

The way the service provider can show the customer that he has been taken seriously and that his issue is taken care of comes first from giving the customer a tangible response. If it is an email he will get an answer that explains the situation and tells what is going to happen next. If it is a phone call, the service personnel due to an empathic approach is able to listen the customer and answer immediately accordingly to the situation. Through an online service it can be a notification about a new step of the service, or if you are queuing in the line in front of the door, you can somewhere see that the queue is moving and that in a certain time period it will be your turn. The way to do this depends on the situation, but the main thing is to show the customer that he has been noticed.

When thinking about a consistent service path, it means that not only the elements of the service, but also the action of the service personnel follows the

same communication with the rest of the service. This is the point where the human interaction has a huge role in creating a smooth service experience to the customer. When shifting from a service channel to another it should be as unnoticeable as possible. If the customer has booked a meeting from the website of the service provider, he already got some kind of idea how the service will be. That is where the given service promise on the website has to be in the same level of the actual service encounter that happened face-to-face.

*“It is not only that a customer servant succeeds, it is not enough in these things, but everything in the service environment affects how the customers behave in front of the customer servant.”*

It is so that a good customer service can save a lot if there is something else in the service that doesn't quite work out. But a bad customer service can also ruin all the good experiences the customer got from the other elements of the service. Imaging going to a luxurious hotel where the facilities are excellent, but if the service staff is rude, one cannot really enjoy the stay at the hotel.

*“One really positive thing, it can save the situation. But in the same way the whole positive experience can be ruined by one thing that doesn't answer to your expectations.”*

Of course every step of the service path is not equally important and every customer forms their understanding of the service provider basing on different things. For some of them the facilities of the service is everything that matters, for others it only matters that the service app is working right and they don't even plan to seek anything else from the service. But when all the elements of the service are in the same level by the quality they provide to the customer, the service provider can give the customer more options for service transactions and therefore the customer is more likely to use the service and be more satisfied for it.

### 5.1.1.1. Multiple Touchpoints to Connect with the Customer

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The importance of consistent transaction with the customer was one of the outcomes of the interviews. When the service provider has multiple options to be in contact with the customer, they are more likely to be able to provide the customer what he needs and expects from the service. Having a consistent way to communicate with the customer also helps the service provider to learn more about their customers and therefore to be able to create better service proposals and solutions for them. In order to do this, the service is suggested to have multiple touchpoints with the customer.

*“The multiple touchpoints and the consistent touchpoint is a good thing if you manage it the right way.”*

When the service provider and the customer has a more frequent interaction it is more likely to rise the customer loyalty. When the customer knows the benefits he can achieve by using the service it is harder to change to the competitive service. It is even more so if the provided service is based on the user data and customer’s service history.

The online service channels make it easier nowadays to keep in touch with the customer. A service that is not based on time or location enables a continuous channel for the interaction between the service provider and the customer. Lowering the barrier for the customer to contact the service provider by giving multiple options for the interaction makes it also more natural for the customer to interact as he can choose the channel that is most suitable for him.

*“This (digital channels) gives us a chance to have multiple touchpoint and instant exchange with customers. – So we can really multiply the interactions and the quality of interaction --.”*

The installation of multiple touchpoints in a consistent service path and the idea of providing several options for the customer to choose from, leads also to the topic of personalization and the up-to-date service delivery. The digital

channels give a lot of opportunities for innovative ways of service delivery, but they have to be used right in order to make the service smooth and therefore to ensure a smooth service experience for the customer.

### 5.1.1.2. Accurate and Up-to-Date Service

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As mentioned before, the digital channels make it easier to create new and innovative methods for providing a service: The online service makes the service independent on the time and location, but provided in right time and location the service can be more efficient. Imagine being at the airport waiting for a gate to be opened for the next flight and you still have some time to spend. If you notice the password for wifi hotspot written on a sticker on the seat next to you, would you use it? Even more likely, after connecting to the wifi, if you are suggested to use a free application specially designed for that airport and showing in which restaurant there is space to eat, would you go to have a closer look? Providing a service in a right time and place enables to address the service to the people who already are in a right mind set to accept the given proposal and to use the service.

The digital channels make it also possible to use the existing data in order to create predictive services. If service knows that the customer has been using the service for the dentist last time one year ago, it might sent you a message proposing a new appointment during the next half a year for the checking and even give you a straight link to the online booking or alternatively the phone number in which to call straight from the smart phone you just used to read the message. According to the interviews, knowing the customers habits, service history and the expectations makes it possible to provide more accurate service proposals for the customer.

The knowledge of the customer also gives the service provider a possibility update their understanding of the customer needs of a certain customer or a bigger customer group. By collecting up-to-date customer data, the service provider can better give accurate service proposals for the customers even though their needs would have been changed during the time period of using the service. This requires also and instant exchange with the customer, not only digitally but by real time human interaction.



*"Fast delivery of the information in the accurate level of details, the problem solving in the situation and keeping the customer updated."*

In order to provide accurate and up-to-date services the service provider must read right the situation and the needs of the customer in that specific step of the service. It might be that the customer only needs an automatic reply that his order has been received and that the service process has been moved to the next step, or he might need an answer to his question regarding an unclear action within the process. Answering to this need, and to provide an accurate and up-to-date service in general, requires that the service provider has enough knowledge about their customers and about their needs towards the service. And the best way to get that knowledge is to ask straight from the customers themselves.

### 5.1.1.3. Purposefulness of the Service

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When services are created, each of them has a purpose - they may vary widely from each other, but every one of them has a purpose. If there is none, there is no point in making the service in the first place. The service provider might have their own purpose for creating the service, but also the customer has certain needs for using the service. In order to have clear understanding about the service itself, one should first consider what is the actual purpose of the service and then design the service so that it meets that purpose.

*"It has to change something in your life, make things easier."*

According to the interviews the service is successful when it is able to change customers' lives in some level. Giving a positive impact to the customer's life by for example making some actions easier, answering to specific customer needs or by providing the needed information at the right place, might be the goals of

the service. Which ever it was, the approach should start from the user point of view: is there an existing need for this service? Is it possible to create the need based on the understanding we have about the customers? And if there is a need, how to answer to that by providing a service that creates concrete benefit and provides added value to the customer?

Once the service provider knows what the needs, goals and expectations of the customer are, they can design and address the service to answer them in a way that communicates the values of the service. But only answering to the customer needs isn't always enough to create a successful service. One should be able to also create added value to the customer, which can be achieved by exceeding the customer expectations. A positive surprise supports the creation of customer engagement and customer satisfaction and on the other hand the creation of customer loyalty. When the service provider has succeeded in earning the trust and loyalty of the customer by exceeding their expectations, they can diminish the risk of losing the customer to the competitor.

*“One has to always learn to read the customer to know what tell and how to do it.”*

Based on the findings from the interviews one of the purposes for the service is to provide relevant and meaningful content to the customer. It can be certain kind of information, but on the other hand it might be also some entertaining content depending on the situation. The different kind of content requires different channels and methods for the delivery and therefore it is also important to consider always what is the best way to deliver the service. Some content might be best delivered by service application, but in the other situation a phone call from the service staff would work better. A radical example would be to receive some alarming news about your health: would you rather read it from a letter or to hear it straight from the doctor over a phone call? Finding the best way for the service delivery enables achieving the goals of the service.

*“You should have a really personal touch with the customer and the whole experience will be higher.”*

As the interviewees explained it, the key thing for finding the way to achieve the purpose of the service is to learn what the customer wants. Once you have a real connection with the customer it is possible to provide a unique service that answers to the specific customer needs, and by exceeding the customer expectations gives a higher service experience and creates added value to the customer. This should be a purpose for every service.

## 5.1.2. Digital Service – Meaning and Features

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When asking from the interviewees, how they would define a digital service they told several different meanings and features a digital service can provide. First of all the digital service is a channel to communicate your service proposition to the customer through a digital device. This can be a smart phone, tablet computer, computer or any other digital device such as touch screen or automat. The definition of digital service doesn't only narrow to a service application, but also other digital content that can be communicated through digital channels such as website or social media. But as in the whole service, the chosen channel has to provide concrete benefit to the customer and therefore it has to be considered as the most meaningful channel for the purpose.

*“If there was some other service that wasn't digital that does the service better, then you should go to use that. The point of only making digital service is that it is the best way to do it and there is nothing else that can fill the customer need.”*

According to the interviews the digital service has to give real value to the customer. Whether it was information that the customer gets easier because of service or an easier connection to other users, the bigger goal is to change customer's life somehow by the service. It adds value and connects the service to the real life almost augmenting the real life experience. It should be a continuous part of the whole service and work as a harmony with other touchpoints within a consistent service path.

*“It's not just about apps but how digital services are going to be more connected with our real lives.”*

In the discussions about what a digital service actually means to the interviewees, it came out that it isn't too obvious to only think about a service app, which is already a common part of a lot of services. The features of a digital service depends of course on the channel that is used; you cannot communi-

cate same things through a smart watch and a website, and that's not even the purpose. It is more likely that the digital services are going to be more and more connected to the environments of the users starting from the change to wearable devices and soon after to the connection of the Internet of Things that give a lot of opportunities for blending the service to the actual lives of the users. In the end it is about the question of what makes an app. An answer that came from the interviewees is that it is a digital service that has a single purpose and a specific use case, but it is not only meant for mobile devices.

*“Digital service is an electronic way of making your proposition in the way that you make it visible so that you have access to it digitally.”*

When thinking about what is the best way to communicate your proposal, one should consider the opportunities of different channels of the service. The purposes that came out from the interviews are: engaging and triggering the customer, providing information and making it visible, supplying content by aggregating data and enhancing the actions of the service.

A digital service can have a big role in the beginning of the service path by giving the customer a first bite of the service by engaging and inviting the customer to use the service and to find more information about it. It has a role of guiding the user to the right direction by giving enough information and options, but not revealing too much so that they have a right kind of expectation for the next steps of the service. Therefore the digital service works as a kind of an icebreaker towards the service itself, like some of the interviewees described it.

The icebreaker role can be purely as a meaning of guiding the user to use the service, but also to work as a conversation topic when getting into a contact with the service staff when the barrier for the interaction is seen lower. When the customer already has some information on which to base the conversation, it is easier for him to get in touch with the service staff. This came up also from the concept testing with the customers of Santa Park: the cave is an environment with a lot of things to explore and see, and there is also a lot of service staff who have a big role in enhancing the customers service experience. Usually the starting for a conversation comes from the staff, but they saw that when customers use a digital service as a part of their visit, they have a reason to ask and

comment things with the service staff by using the app as a topic. Therefore the digital service works as an icebreaker for a conversation as well.

Due to its informative nature, a digital service has a huge potential in providing useful information to the users. By aggregating data, combining it and pulling out the most meaningful part for the customer and visualizing it in an easy and powerful way, is an advantage a digital service can provide. This way a digital service can expose information that otherwise would be hidden from the users.

By using a digital service it is also possible to affect on the moment and context when the information is provided. Location based services for instance can provide information about subjects around you or give information about tasks related to the time of the day. According to the interviews, using the digital service at a right time and context makes it easier to find a way to affect to the customers when they are most likely to absorb the given input as they are in a right mind set.

*“The main things a digital service can provide in the right place of the service path is that it can supply content really well. It can know some information and then give it the right way at right time.”*

Ever since the digital services came more common there have been discussions about the safety and security of the personal data of the customers. By collecting the user data a digital service can customize the service proposal and the content better to the customer needs. This should of course be done confidentially and by respecting the privacy of the customer. When learning real time the behaviours and expectations of the users based on the previous usage and the traces they have been leaving when using the service, the digital service can provide information and content straight to the customer needs. This leads to the personalization of the service, but also an up-to-date service offer that can be provided through digital channels, when the service knows the changing needs of the user. The topic of personalization will be opened more in chapter 5.1.4.

When using the digital service it isn't only about providing the right content at the right context, but also the way it is done. Allowing an easy usage to the

users and making the content understandable is a key for a smooth service experience. I see it in a way that the digital service is almost like a window that gives you a view to the information you need, but also reflects it to your own usage. Unlike Taherdoost et al. (2014) defines in their article that the digital service is intangible, all the interviewees said that the digital service is absolutely tangible in the sense that it makes the content understandable and more real by visualizing it and by making the outcome of the service concrete. Even though it is not a concrete physical thing that you could touch, it is a real impact the digital service can provide.

A digital service is interactive, but it also has to be bi-directional meaning that it doesn't only provide content towards the customer but takes input from them and allows real interaction between the user and the service provider. This means that the digital service should always make it possible for the customers to either communicate with the provider through the digital service or to change easily to a different channel of the service. This can be for example by calling straight to the service personnel in order to fulfil the need that wasn't possible through the digital service. Making the connection from the channel to each other makes it easier to the customer to smoothly continue the service path without extra effort.

*“Of course digitalization offers plenty of possibilities and if properly managed it deals with a unique chance we have really to enhance the quality of the business we do with our clients. But on the other hand it can be a really easy way to give our customers to the competitors if you manage them in a bad way.”*

### 5.1.3. Authentic Interaction

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The other side of the service compared to online service is always the offline service. Based on the findings from the interviews the key elements of the offline service are the actual service environment and the human interaction between service staff and customers. Although the human interaction is often considered only as an offline element, it can happen also through digital channels, and therefore not only as a face-to-face encounter. If the channel was something different, the encounter still has to be authentic and done with emphatic approach with instant exchange with the customer. This includes both human interaction and the interaction with the service environment.

#### 5.1.3.1. The Face of the Brand – Human Interaction in the Service

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In order to create a smooth service path with online and offline service elements, it is important to remember the same communication in every channel of the service, as talked in the chapter of consistent service path. This appears also to the human interaction as a part of the service. The face-to-face moment should reach the expectations the customer has based on the previous steps of the service. According to the interviews, if there is a deviation between online and offline service, the offline service has failed when it couldn't reach the expectations. On the other hand I think the online service should give the customer a realistic promise for the actual online service and not to promise something that isn't possible to keep. If this happens, the face-to-face service encounter doesn't have much to do to save the situation. So it's then not only the face-to-face service that has failed, but also the previous steps of the service by promising too much.

*“I think face-to-face service is really a game changer.”*

In order to keep the same communication throughout the whole service, it is important to have the right people as the service staff to face the customers. The service staff is the face of the service in the meaning that when there is a face-to-face service encounter, all the responsibility of creating the service experience for the customer lies on the shoulders of one person. Then the actions of that person have to reflect the values of the brand in order to communicate a consistent message to the customer. A good personal service from service staff can save a lot if the customer has had negative experiences before, but on the other hand a bad service encounter can ruin the whole service experience. Every detail counts, and if one of them is bad, it can make the whole service experience negative.

Executing a consistent face-to-face service that gives the same message than the rest of the service is challenging but based to the interviews one key is to have a right kind of hiring and training process. If already from the beginning when hiring people their attitude is aligned with the brand it is easier to keep them working in a way that reflects the values of the brand. But if the staff doesn't care about the values of the brand, the customer can immediately sense that the service is not authentic, but somehow forced from the staff.

*“You have to have humble attitude --- you have to be able to give your everything.”*

It is like Santa Claus to kids; you cannot fool your customers, because they will notice your dishonesty and give that feedback further to others by word of mouth. Like children in front of Santa they can tell if the service staff member is faking and not truly giving his attention to the customer and being in the moment with him. All the human connection from the company side has to be genuine and show that they are taking their customers seriously. This builds trust to the customer; trust that he knows something is going to happen, and that his feedback has been taken into account. Giving the customer a visible or even tangible feedback about your communication diminishes uncertainty and therefore decreases also the anxiety even during a possible waiting time. Anyhow, customer servant or any other member of the service personnel is just one link in the service path, but their actions can either support or ruin the continuous and smooth service experience.

*“In the end of the day our business like every other is “people business”. It means that if you have people who can run every day constantly, forgetting about their personal problems, it would be incredibly important to enhance the quality of the service.”*

Every staff member is a human being and every person has their own personal things to deal with, but training a service staff who has methods and tools to use for forgetting about the issues that are outside of the service would be really important in order to ensure a consistent and smooth face-to-face service. As said, it is hard, but it also plays an important role in the whole service. The actions of one person can formulate the whole brand image for a person. Especially if the actions have created a bad experience to the customer, it can be an ending point for the customer relationship.

By having an emphatic approach towards the customer and avoiding to pressure them towards the sales would help a lot in reaching consistent customer service. When the staff knows their own importance in the whole picture of customer's service journey, they can better realise and adjust their behaviour as well. The face-to-face service embodies the assets of the communication of the brand itself. If not, there is again a detachment from the rest of the service.

*“One absolutely cannot be artificial, but you have to find your own way to do it.”*

When thinking about human interaction in the service, it doesn't necessarily mean only the face-to-face moment - the one-to-one encounter that the staff has with the customer - but it can also be through a communication tool. Communication tools in this context means any device or channel the service provider uses towards the customer, or which the customer uses within the service path. This can mean for example phone, email, website, social media or mobile application. Sending emails, text messages, chatting, speaking on the phone, getting suggestions from other people, reading comments and sharing things on social media. These are just examples of human interaction that doesn't happen at the same place or sometimes not even at the same time, but changes



information between people. There are of course some aspects that are lacking from the interaction when it is through a communication tool. Based on the interviews the most challenging aspect is that you cannot know for sure the emotions of the other person as the facial impressions and gestures are missing from the communication. It creates challenges especially if the topic of the discussion is sensitive. Therefore the ability to read the tone of the person or the written text is really important but it also gives a lot of space for guessing. Therefore it is important to meet the customer also in person from time to time.

*“In the emails you cannot see the difference between people and not necessarily even on the phone. --- And when you are not face to face with the customer you can’t see their facial impressions.”*

As it came out from the interviews, the face-to-face service encounter is relevant during the whole service path. It is not just one part of the service but also supports the other channels such as service application. Face-to-face service has to be authentic and purely concentrating in answering to the customer need. And this can be realized only by letting the customer to talk and by listening to his needs. Therefore also a co-creational approach in developing the services is a necessary element in order to find out the real expectations of the customers.

*“So face-to-face is really important. I think it should be a core thing in the whole journey.”*

Human interaction in the service can also be as a communication between customers: getting suggestions and comments from other customers affects to the decision making of the customer. Also taking an example from other users in the service environment is something one has to consider when designing a service. A classical example would be a restaurant where the customer has never eaten before, so he tries to see what other customers are eating in order to make a right choice for himself.

According to Wu (2007) the peer customers can affect to the nature of the ser-

vice outcome or process. This affect can come by direct interaction in the service environment, but also indirectly. The positive influence from peer customers can affect the service experience positively, but the same works also vice versa. Still the service provider has a possibility to guide and direct the customer behaviour as the actions of service staff have a huge impact to the customer behaviour. Therefore a service provider has a chance to change a negative incident to a positive one by his own actions.

Exchanging experiences between the customers can also be a huge advantage to the service provider. When the positive feedback is starting to spread as the word of mouth, it is free advertisement for the service provider. On the other hand, if there was something wrong, the negative feedback is much harder to turn into a positive service experience. Especially in that case it is important to take the feedback seriously and adjust the actions according to that.

When talking about human interaction there is of course always a question if designing human interaction is really possible. This goes to the same category than designing a service experience: the experience itself is almost impossible to predict and therefore also to design, but it is possible to create a suitable context where a certain kind of experience could be born. In the same way you cannot know how two people are going to communicate together but you can train the service staff in a way that they have the knowledge and skills to make the most out of every encounter with the customer in a way that the moment speaks the language of the service communicates the values and mission of the brand.

*“The challenge is always also that we find the right people for right places so that they are able to give the experience that creates the kind emotion in the customer that we have wanted to.”*

In the service encounter the service staff is the critical link between the service provider and the customer. They have a chance to find out and understand the customer need, and to answer to the customer requirements in real time. By focusing on how the service is perceived and how it is remembered, it is possible to affect to the customer’s encounter. This can be done by avoiding the

uncertainty from the customer and focusing on those parts of the service that are expected to be unique and therefore giving added value to the customer.

### 5.1.3.2. Interaction with the Service Environment

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Another element in offline service in addition to the human interaction is the service environment. In some services it has more role than in other, but in many services exists in some form. For example in the case of Santa Park the environment and people in the location are the core of the whole service as it basis on the emotions and experiences that the customers gets in this Christmas themed environment. On the other hand in the case of Norrhydro the environment is more the surroundings of the customer and not the facilities of the company. In this case the question is how the service can be made visible also in the surroundings of the customer so that the service provides visual evidence.

Based on the interviews it is important that the customer can have an interaction with the service environment. It can be by various ways and one example from this is the concept of a story based challenge in Santa Park. The advantage of the physical service environment is that it can use all the senses as a channel to communicate the message to the customer. Using sound, visuals, smells, tangible objects to touch and even the taste, the service environment can provide an overall experience to the customer and create a long-lasting service experience.

In the same way than the human interaction, service environment has to support the overall message of the service. The functionality and the aesthetics of the environment support the overall service path in a way that they can either create new expectations or to answer to the expectations the customer had already from the previous steps of the service. When the environment is designed right, it can create the right kind of emotions and experience to the customer by reflecting the values of the throughout service.

### 5.1.4. Personalization of the Service

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As every service is different so is each customer as well. In order to create a smooth service path for the customer one has to take into account the needs of an individual. The digital service gives a possibility to learn the specific needs of a customer, so why not to use it as a basis for the service proposal? Earlier the customers have been clustered in certain customer groups and segments, but it doesn't tell all about the actual user, the individual. Using the personal usage data in order to learn their behaviour enables the personalization of the service, not only in online service but also in the offline service encounter. When the service personnel knows what kind of person the customer is, they can already address the right kind of communication towards the customer. This can be just by choosing the right amount of information to tell, when you already know the usage history or by calling the customer by his name already when he walks in the store.

An up-to-date service also gives a possibility to learn about the customers real-time. It means that if and when the needs of the customer changes due to different kind of reasons, the service provider can adjust the proposal for him without the need to ask for it. If you don't know what the customer wants, one must ask. Also when the customer relationship is created, one has to take care of it by updating the actions according to the changing needs of the customer.

*“It (communication) should be flexible. You always have to ask from the customer if they have new needs, because maybe the situation has changed.”*

Treating the customer as an individual and not just another piece of certain user group, gives them a feeling that they have been taken seriously and that the provider truly cares about them. Providing the customer a personal service path in the sense that it is his choice which way to go in each step, is also an additional value for the customer. This means that the provider can truly find the right way to interact with the individual, which increases the interaction quality and ends up in a strong customer relationship.

The interview results also show that when the customer has a personal relationship to another individual from the service provider side, he can over time create a trustable relationship with the service provider and it is easier to contact the brand when you know the face of the person you are talking with. Therefore personalization also means that the service should enable a kind of long term contact person for the customer so that the interaction feels safe and trustable.

*“Once we have a strategy, we cannot use it for all customers the same way. Only then we should really use it in a way that customer’s own character is respected.”*

Bringing out the character of the customer and respecting the individual is a core thing in personalizing the service. Giving the customer a possibility to choose his own service path by giving enough options that support the needs and expectations of the customer works as one approach to achieve this goal. On the other hand, when trying to respect every customer as an individual, it creates a risk for spreading the service too wide, and therefore it is important to remember the core purpose of the service and follow the individualization in the frames of that.

## 5.2. Balancing Technology and Human Interaction

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As already mentioned before, each service is different and therefore each service has different specifications. That’s why it isn’t possible to give one right model for how to balance the amount of technology and the human interaction in the service. But there are ways to start with and to keep as a guideline for the design of the service. The first perspective is to keep the user always in mind. If the service is designed to the needs of the user, they are more likely to use it and to take it as their own. The other perspective is to only provide something that is meaningful for the customer and therefore enhances the service experience.

### 5.2.1. Asking from the Users

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In order to find out the best way to communicate the service, one has to first understand what is the customer need behind the service. If there is no need for the service from the customer point of view, the service is meaningless already from the beginning. But when there is the need, one has to understand also what is the best way to realise it: some people prefer digital service to offline and others vice versa. Therefore the service provider has to have a clear understanding of who the customers are and what they expect from the service.

The amount of online and offline elements in the service are individual per each service, but it can be reflected to the purpose of the service. As an example to view this, I’ll take again the cases of Santa Park and Norrhydro. As Santa Park aims to give the customer a unique service experience that bases on the experience that evokes from the physical location, it is more than logical to enhance the offline elements in the service to create this experience. The online service was created to this service system to expand the service experience to start already before the visit at the location and to continue also after the visit, and therefore the online channels were the best option as they are available for the customers regardless from the location. Also, an online service is easy to connect with the physical place itself to support the throughout service experience.



In the case of Norrhydro the building of the service experience starts from another perspective. The service is mainly used remotely and therefore the challenge is to make such an online service that supports authentic human interaction, which is important in delicate situations when the customer mainly contacts with the service provider. Therefore the online channels are used as a primarily service channel, but visual elements such as codes and tags are used to support a smooth process.

There are good examples also from other fields of business about services where online and offline service support each other without overtaking one and another. For example Uber, a mobility service for private people encourages the drivers and riders into interaction when they meet face-to-face for the actual delivery of the service, the ride. This is a nice example where a human behaviour has a big impact to the service experience, but most of the supporting actions happen online.

All of these examples show that services rarely are purely online or offline, but rather a mixture of both. Working closely with the users and having a clear understanding about the purpose of the service helps a lot in finding the right balance between the online and offline. Even if the part of the service would be online, the customers still need a touch base to the ground by human interaction and that way they want to have a straight exchange with the service provider.

*"Human interaction has still a huge role (in the service). It is shifting back to pure service and there is really a nice balance coming when people doing digital services realize they can impact people's face-to-face interactions as well. They should be thought about together."*

## 5.2.2. Enhancing the Service Experience

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The key point in finding the right balance between the online and offline service is to first consider what is the purpose of the service. After that the service provider should consider the different option these two channels can provide to the service and then to choose the one that communicates the service best in each step of the service by enhancing the service experience.

*"Taking away all the unnecessary stuff and only focusing on enhancing the service experience."*

When choosing from different channels of the service, according to the interviews the core criteria is to define if the channel really adds the value for the customer. The way of communication must not be something added on just for the case of having it, but to really offer the most meaningful and useful way to provide the service to the customer. This can be done by defining first what is the proposal you want to communicate through the service, and then choosing the best way to execute

*"Finding the balance between human interaction and digital interaction simply by following users' and customers' needs and expectations, and creating relevant value for them."*

By giving the customer real value and concrete benefit, the service gets a tangible goal in addition to the financial goals of the service provider. By following the clearly defined purpose of the service and adding it to the needs and expectations of the service, one is able to reach the basic level of creating a satisfying service for the customer. But in order to give added value to the customer, the service provider must be able to exceed that basic level and to give something the customer didn't expect but still finds valuable.

*“We have to always think about the reality that we have to sell the service to the customer. And in order to do that the customer has to get additional value from which he is ready to pay.”*

When the level of exceeding the expectations is found the service provider is able to provide additional value to the customer. But one must be careful when doing that by choosing the right moment as a highlight of the service and therefore avoid the possibility that due to risen expectations after the positive service experience, the customer would be disappointed in the next steps of the service if they don't remain in the same level in terms of service quality. Therefore it is important to keep the whole picture of the service path in mind in order to guide the perception of the service experience in the right way.

## 6. CONCLUSIONS

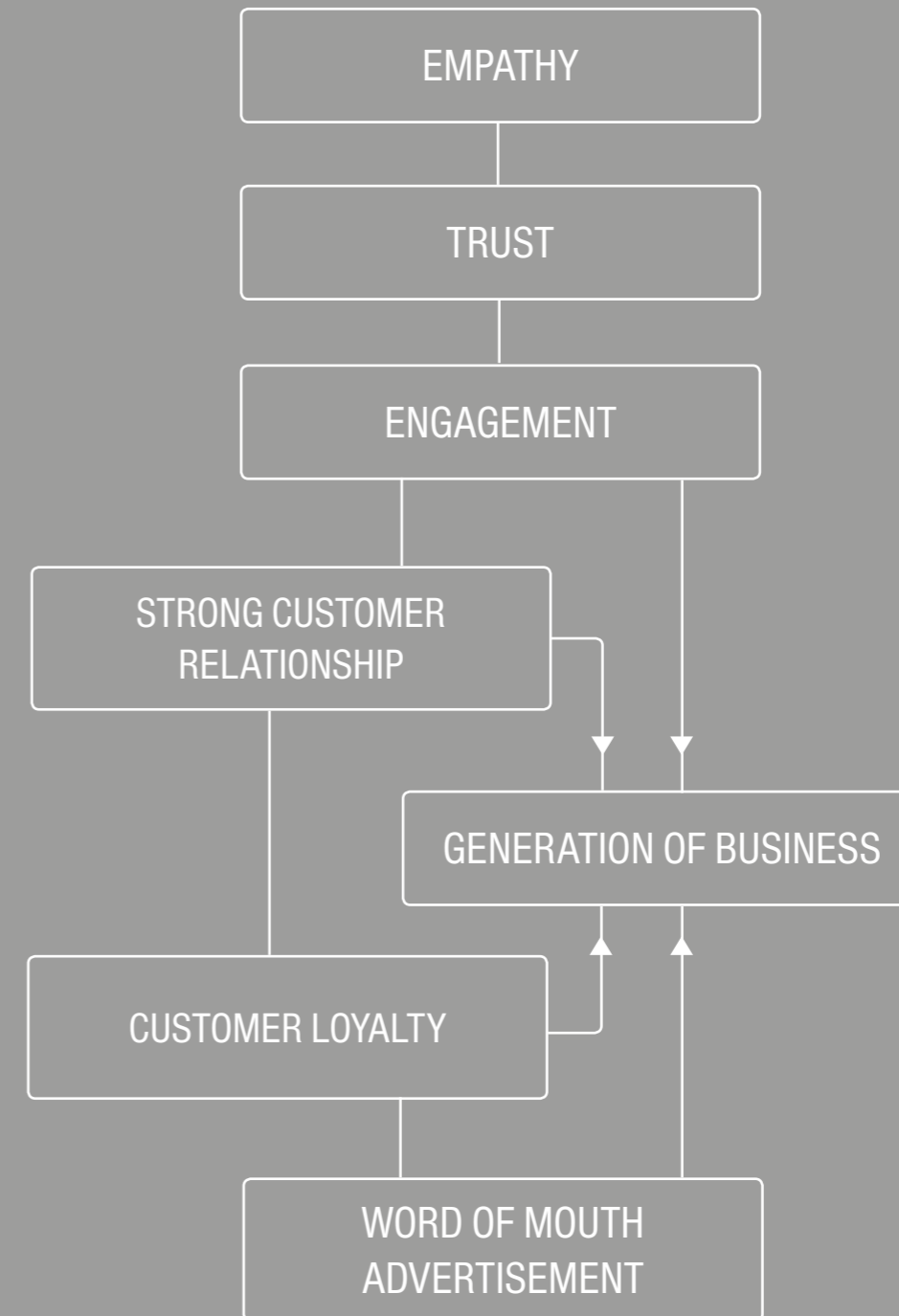
One of the leading perspectives that rises from the analysis of this research is the user centric approach. In order to create a smooth service experience for the customer one must first know who the customer is, what they expect and finally what they actually need from the service. Leimeister et al. (2014) emphasizes that “the customer-centric role is the most important strategy to serve and create value for customers effectively.

*“Successful businesses are very good at understanding which value they are able to provide for whom.”*

*(Leimeister et al., 2014)*

According to Bebko (2000) “the service provider must determine the level of quality expectations, which consumers have for their service industry - and attempt to meet them.” She also defines that meeting the customer expectations in the first place gives the service provider reliability. In addition to reliability, customers evaluate tangibles (e.g. physical surroundings, objects, service personnel and communication material), responsiveness, assurance and empathy. Empathy plays a key role in learning the customer needs and in creating a valuable service experience for the customer in the moment of service encounter (picture 3).

The aspect of learning about the customers once they start to use the service in order to provide them better addressed services and even predictive services gets support from the research of Leimeister et al. (2014). Based on their research a successful digital service is personalized, context adaptive, real-time, available anywhere, connected and fun to use. Giving the customer a chance to choose the best channel that answers to their needs enhances the level of personalization of the service.



ANSWERING TO CUSTOMER EXPECTATIONS AND  
CREATING CONCRETE VALUE FOR THE CUSTOMER

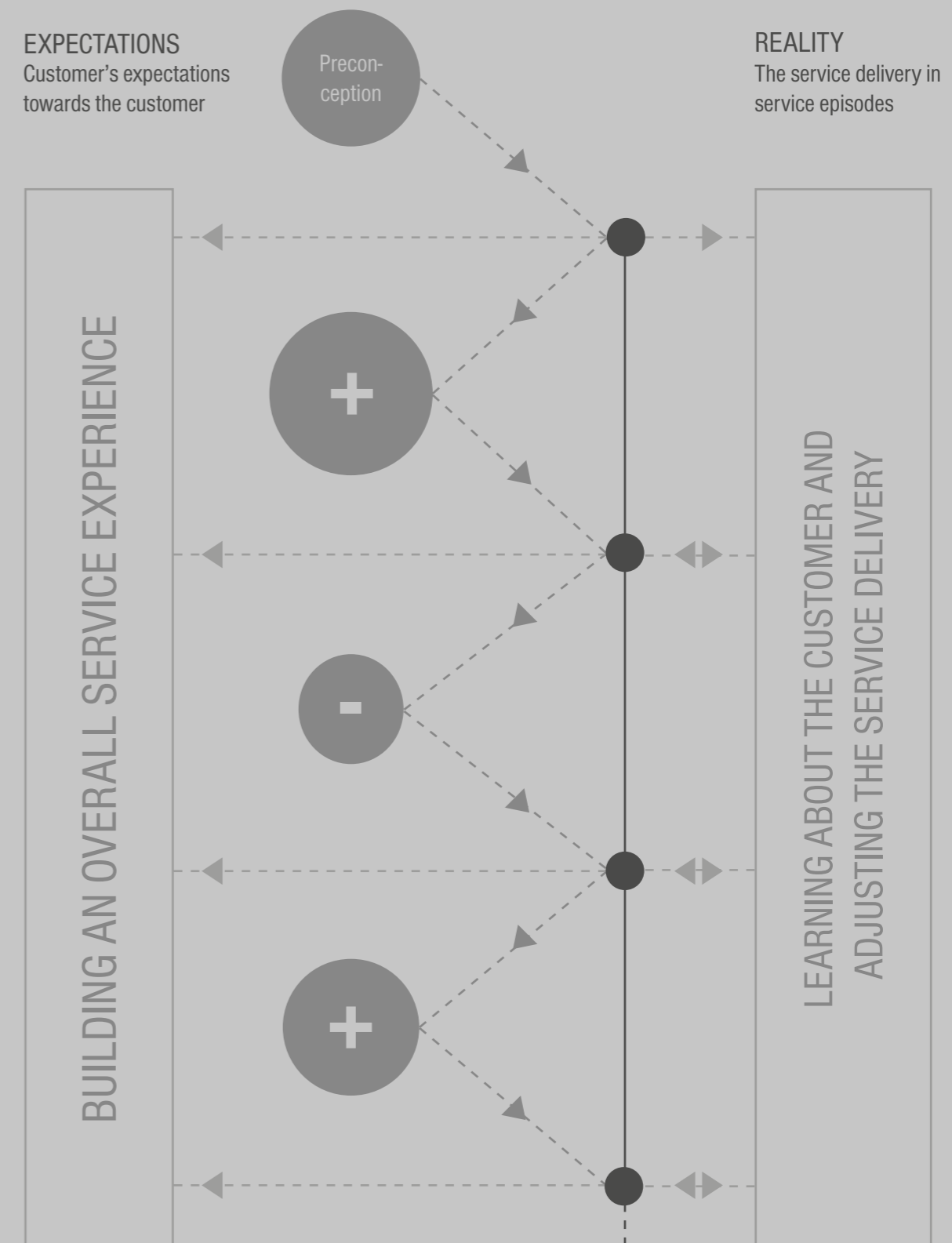
Basing on the findings from the interviews and analysis, the human interaction plays an important role in the personalization of the service and that way also in creating the valuable service. According to Rowley (2006) a well-designed multichannel service requires definition of the roles for different channels of the service according to the tasks to be fulfilled and the nature of the interaction. As I would see, the human interaction has a relevant role in each service even when it would be mainly digital. Human interaction gives concreteness to the service and works as a secure touch base for the customer. Moreover, well managed human interaction enhances the relationship between the customer and service provider (Giebelhausen et al., 2014). Therefore the service personnel need to be trained to reflect the values of the service and to be the “faces” of the service.

In the analysis the aspect of continuous and consistent service path was one of the main findings. According to Liljander et al. (1995) and also the findings from the interviews, the customer might give different weight on different steps of the service. Therefore the service episodes are not equally important, but as separate transactions they create together an overall experience about the service (Mohr et al., 1995).

Also Cook et al. (2002) come to the same result in their research: the service encounters may have a different importance compared to others, but when put together they create a flow of experience that evolves through time. From this one can make a conclusion that a service experience is built by the sequence of actions that are part of the service (picture 4). Therefore the quality of the service experience can be analysed based on the overall service path. And this finding leads us to the conclusion that when a service path with all its elements, online and offline, is smooth and therefore creates the customer concrete benefit and provides additional value, then also the service experience the customer gets from the service is smooth.

In order to create a smooth service experience one must create first a smooth service path that combines together the online and offline elements. The following chapter introduces a guideline that helps to fulfil this task.

Picture 4: Expectations vs. reality - how the service history affects to the building of service experience



## How to connect online and offline service as a smooth service experience by service design methods?

In order to connect online and offline service as a smooth service experience one must start from the user perspective and define what the customer actually needs and what are their expectations towards the service. As it is discussed in this research, designing a service experience as such is almost an impossible task to do due to the subjective nature of the experiences. On the other hand designing a service path that supports the building of a smooth service experience is a goal that can be achieved by service design methods.

One aspect in designing a smooth service path is to define what are the touchpoints that lead to the desired goal of the service and what are the channels that best communicate the service delivery during the service path. Leaving out all unnecessary elements will strengthen the service experience by highlighting the most important and meaningful features for the customer.

Another aspect is to connect all the touchpoints together by making sure that all of them communicate the same values of the service. The key point is to train the service personnel so that they are aware of their own role in the overall service path and their affects on the customer experience. Having the right kind of people with right attitude and knowledge is a crucial point in achieving the kind of face-to-face service encounter that fits in with the overall service path.

Lastly, knowing the customers well and learning more about them during the service enables the personalization of the service. A customized service process supports the smooth service experience when the service provider can already predictively offer solutions, which the customer is more likely to choose instead of asking all the effort from the customer. Adjusting the service accordingly during the service while learning more about the customer keeps the service up-to-date and consistent.

## How to balance technology and human interaction in a service path?

Each service is different from each other and therefore there are no ready answers for how much technology one should use in the service and what is the right amount of human interaction. Although it is noticed that even if the service was mainly digital, customers would need a kind of touch base to the ground by having the possibility for real human interaction when it is needed.

When trying to find the right balance between technology and human interaction, one must start with the purpose of the service: what is it that you want to deliver? Once the purpose is clear, the next task is to choose the channel that supports the purpose best and leads to the desired goal. Technology and human interaction have different roles in the service and Table 1 shows some examples of those. An important aspect to remember when choosing the right channel is to consider, what is the way that creates real value and benefit to the customer and therefore enhances their service experience. By emphasizing those elements, it is possible to better find the right balance between different service channels.

	BEFORE	DURING	AFTER
<b>ONLINE CHANNELS</b> E.g. Website and mobile application	Introducing the service and service provider A teaser Engaging the customer Giving information Link towards the service provider Learning about the customer	Communicating the service offer Giving information Providing service content Delivering the service Link between customer and service provider Learning about the customer Ice breaker	Reminder towards the customer Connection between customer and service provider Advertisement and after sales channel Learning about the customer
<b>OFFLINE CHANNELS</b> Human interaction Physical service environment	Giving information Communicating the values and image of the service provider Giving the service offer	Service delivery Straight contact with the customer Engagement Guidance Learning about the customer	Keeping customer up-to-date Having a contact with the customer

Table 1: The roles of online and offline service delivery channels in different steps of the service path

## 7. A TOOLKIT FOR DESIGNING A SMOOTH SERVICE EXPERIENCE

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The goal of this toolkit is to work as a tool for those who are involved in creating a service with online and offline elements. This toolkit aims to clarify the aspects that affect to the creation of such a service by asking questions that would help in the process of service development. The toolkit is not exhaustive and therefore doesn't give final answers for the service development. On the contrary it thrives to show the perspective of service design and therefore help to understand the relations of different service elements when creating a smooth service path.

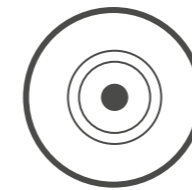
The approach of service design is always user centric. Therefore also this toolkit starts from the customer understanding and uses that as a basis for the service development. The steps which the toolkit takes through are:

1. Know your customer
2. Clarify the purpose of the service
3. Draw the storyline of the service
4. Touchpoints and service channels
5. Consistency map
6. Training the service personnel
7. Personalization of the service



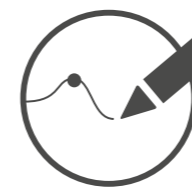
CUSTOMER

The first template aims to define who the actual customers are, not as a user group or user segment, but as individuals. The template basis on Persona tool that is commonly used in service design processes, and the Value Proposition Canvas, which helps to define the goals and needs of the customer. If you use the template in the beginning of the service design process when you don't know yet for sure who your customers are, you will get the most out of the template when basing it on ethnographic research about the customers of the service. If you already know who your customers are, you can use the template as a checking tool. To cover the whole variety of your customers, use several templates to illustrate all the possible descriptions of your customers. The aim is to find out what the actual needs and expectations from the customers are, and if your service is answering to them.



PURPOSE

Once you know what the expectations and needs from the customer are you can reflect them to the business goals of the service. Define also what are the benefits that you want to get from the service; is it only financial benefit or do you aim for something else as well? And what is the benefit that the customer expects to get from the service? When having the perspectives of both customer and service provider defined, you can from the purpose of the service and the service proposal so that they are beneficial for both sides; achieves the business goals, but also answers to the needs of the customer.

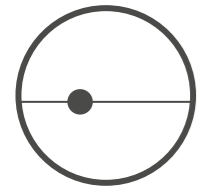


STORYLINE

By drawing a storyline of the service before defining the single touchpoints, you will have a more broad view about what are the desirable service process and the outcome. With the template of "draw the service storyline" you will tell in general level what happens in the service and what are the highlights of it. By emphasizing the highlights of the service and by thriving to guide the customer towards those moments, it is easier to communicate the values of the service and to foresee and control the service deli-

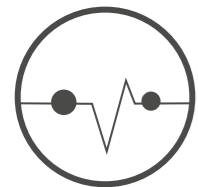


very process. The template takes into account the emotions and expectations of the customer during the service path so that when designing the service you would be more aware of the possibilities to affect to these subjective experience of the customer during the service.



TOUCHPOINTS &  
DELIVERY  
CHANNELS

After sketching the storyline of the service it is easier to define what the actual touchpoints could be so that the service path remains consistent and always goes to the direction of desired outcome and goal. With the template you can define what happens in each part of the service (before, during and after the core service) and how the service path is divided in the touchpoints. In each touchpoint you can also define which service delivery channel, you are using: online or/and offline channels. When defining the most meaningful delivery channels for each touchpoint you can use the table below. Table 1 gives examples of what the purpose of each service channel could be in different steps of the service path.



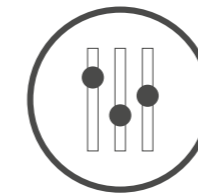
CONSISTENCY

The basis for designing a smooth service experience is to have a smooth service path that allows the customer to go through the service journey without interruptions. The consistency map helps you to see the continuity between the touchpoints and to recognize if there is something missing and on the other hand if there is something unnecessary in the service path. By thinking about what happens in between the touchpoints and what is the additional aspects that the next touchpoint adds to your service experience, it is possible to see how the consistency works in the service journey, and how the goal is finally achieved.



TRAINING

As the analysis of this research has shown, people are an important link in the overall service path. Therefore it is important also that the service personnel know their own importance in the whole picture; how does their actions affect to the rest of the service and more importantly, how can they affect to customer's service experience. The template of service personnel training will visualize and demonstrate the role of one person / group of staff in the service path to work as a part of the training for the service personnel.



PERSONALIZATION

In order to get a smooth service experience the customers often expect to get personalized service offers and solutions. Especially online service channels give a lot of opportunities for learning about the customer and based on the data adjusting the service offer accordingly. The template of personalization gives a first step to recognize what are the possibilities to learn about the customer in each step of the service path. What is the information you can get, and how can you use it to give the customer a better service offer and therefore to develop your own business.

*The templates are introduced in detail in following pages and you can also find them from the appendix in the end of the thesis.*

1.



## KNOW YOUR CUSTOMER

The first template is to understand who the actual customers are. Instead of customer groups, the purpose is to find out who the individual users might be. The tools basis on Persona tool and the Value Proposition Canvas.

Customer segment: \_\_\_\_\_  
If you have defined customer segments or groups, in which of them does this customer belong?

Name: \_\_\_\_\_

Age: \_\_\_\_\_

Characteristics: \_\_\_\_\_

Field of profession: \_\_\_\_\_

Interests: \_\_\_\_\_  
What are the interests towards the service?

Pain points: \_\_\_\_\_  
What are the painpoints that affect to the usage of the service?

**GOAL**  
What are the jobs that the customer needs to get done by using the service?

**SUPPORT**  
What kind of support the customer needs during the service journey to achieve the goal?

**BENEFIT**  
What is the concrete benefit and value the customer gets by using the service?

2.



## CLARIFY THE PURPOSE OF THE SERVICE

This template aims to put together the goals of the customer and the goals of the service provider in order to find the service purpose and proposal that fulfil the needs of both sides. Start from the customer side basing on template 1, then continue with "service provider" and finish in the middle with the "service".



CUSTOMER



SERVICE



SERVICE PROVIDER

**GOAL**  
Pick here the goals of the customer from template 1.

**PURPOSE**  
What is the purpose of the service that fulfils the goals of both customer and business?

**BUSINESS GOAL**  
What do you want to achieve by the service?

**BENEFIT**  
Pick here the benefits of the service for the customer from template 1.

**PROPOSAL**  
What is the concrete service proposal for the customer?

**BENEFIT**  
What is the concrete benefit for the business by providing the service?

Picture 5: Know your customer.

Picture 6: The purpose of the service





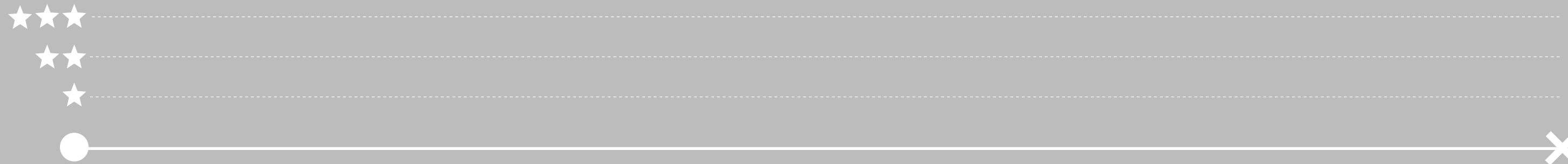
### DRAW THE SERVICE STORYLINE

This template makes it easier to recognize the whole service journey and to find out the highlights in the service path. With the storyline tool the goal is also to recognize the emotions and expectations of the customer within the service path and therefore to learn which direction to guide the customer expectations.

- 1. What happens during the service path? Where does it start and end, what happens in between?  
Mark the service episodes on the line.
- 2. What is the HIGHLIGHT of the service? Mark the highlight on the storyline.  
If there are several important episodes in the service that you want to highlight, mark them all.
- 3. How can you evolve the expectations of the customer towards the highlight of the service?  
Mark below the storyline, how you would like to evolve the customer expectations and emotions during the service.

### EXPECTATION LEVELS

What are the expectations of the customer and how do they evolve during the service? The customer expectations can be affected by the actions in the touchpoints of the service. After finding the highlights of the service, try to guide the expectations towards them.



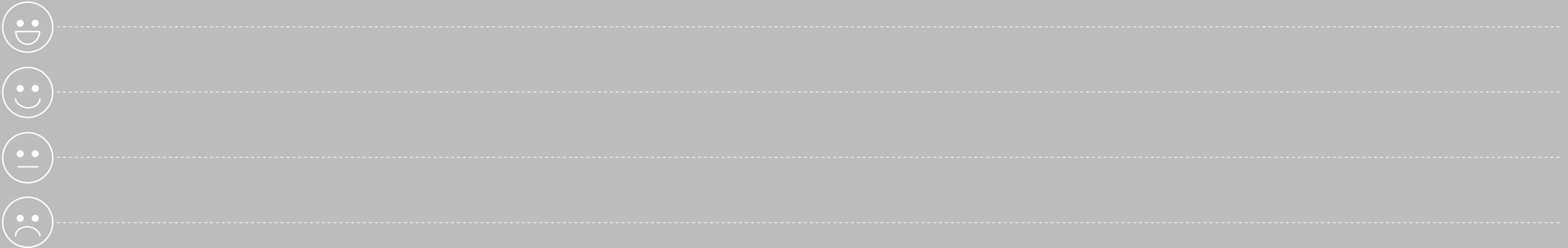
### START

What is the starting point of the service?  
What happens after that?  
What is the highlight of the service?



### GOAL

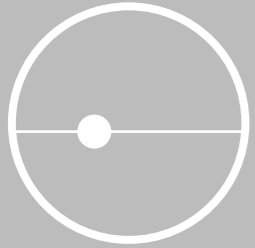
When is the goal of the service achieved?  
Where does the service end?



### EMOTION LEVELS

What are the customer's emotions during the service? The emotions can be guided by affecting to the touchpoints so that they better meet the expectations of the customer.

Picture 7: The service storyline



# TOUCHPOINTS AND SERVICE CHANNELS

Basing on the service storyline, define the touchpoints in the service path. What happens during each touchpoint? What is the benefit for the customer and how is the delivery done? The service path is divided in three parts: the touchpoint before the core service, the touchpoints during the core service, and the touchpoints after the core service.

1. Describe what happens on the touchpoint.
2. Define what is the benefit that the customer gets from the touchpoint.
3. Mark on the boxes if the touchpoint uses online or offline channels (or both). Define more in detail what kind of channel is used (e.g. face-to-face, prints, application, phone, website...).
4. Clarify why exactly that channel: does it deliver the service best on that point of the service? What is the benefit for using that channel?

	BEFORE	DURING	AFTER
What happens?			
What is the benefit for the customer?			
START	—————		END
ONLINE CHANNELS	-----		
What is the form of the online channel?			
Why? What is the benefit the channel gives compared to others?			
OFFLINE CHANNELS	-----		
What is the form of the online channel?			
Why? What is the benefit the channel gives compared to others?			

Picture 8: The touchpoints and delivery channels of the service



## CONSISTENCY MAP

This template bases on the previous templates by having a closer look to the defined touchpoints. By reflecting the touchpoints to the service purpose, service proposal and service values, the service path is checked for possible gaps and overlappings so that the journey for the customer would be as smooth as possible.

1. Write down again the service purpose, service proposal and the benefit of the service (from template 2). These will work as the requirements and all the touchpoints should fulfil them.
2. Go through all the touchpoints and reflect them to the requirements. There is only a limited amount of touchpoints here, but you can use as many as you need for your service path.
3. Fill the gaps between the touchpoints: Is there something missing? Or do you perhaps have some overlappings?
4. Did you get to your service goal with these touchpoints? Are the requirements fulfilled or is there something to be changed?

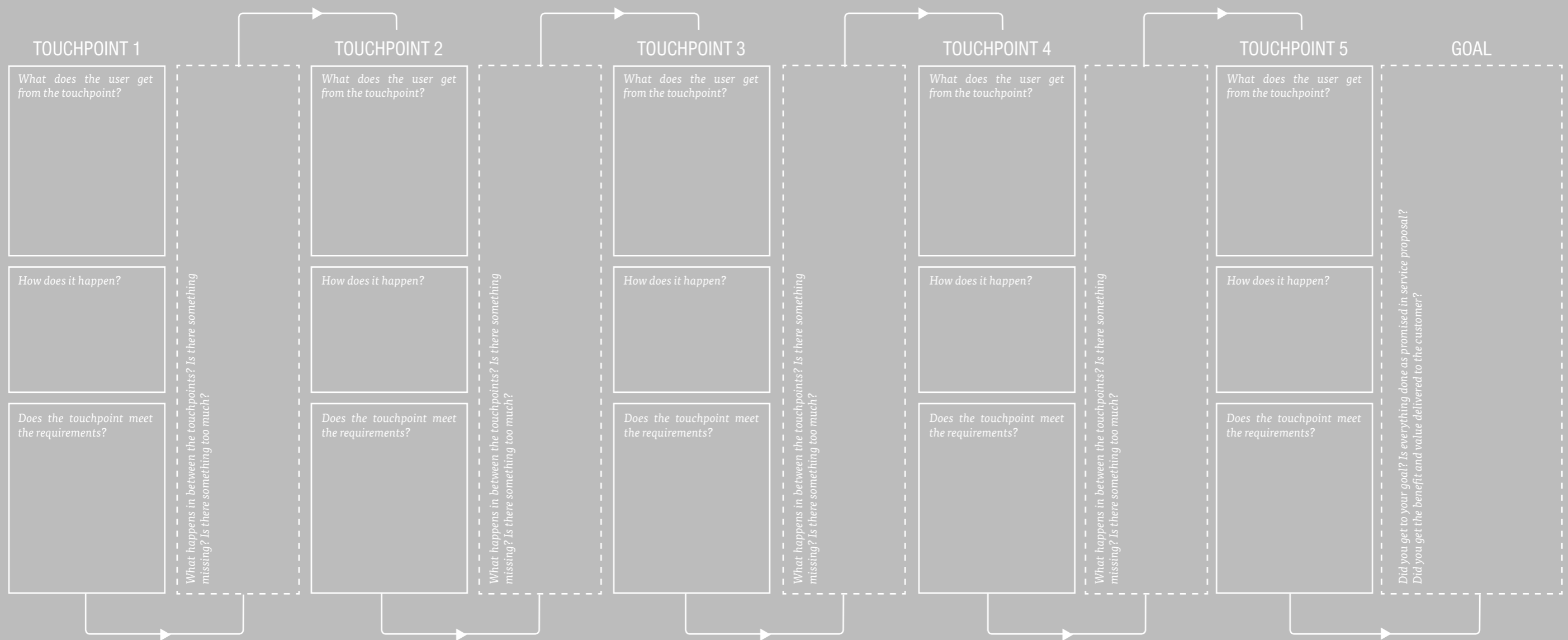
Fill with one sentence from the customer point of view:

5.

PURPOSE OF THE SERVICE

SERVICE PROPOSAL

THE BENEFIT OF THE SERVICE



Picture 8: The consistency map



### TRAINING THE SERVICE PERSONNEL

Service personnel is an important part of a service path. The aim of this template is to clarify for the staff members what their role is in the overall service journey so that they would understand the interactions between the touchpoints and the importance of every link in it. The template can be filled either from the perspective of one person or from the perspective of one employee group that has same tasks in the service.

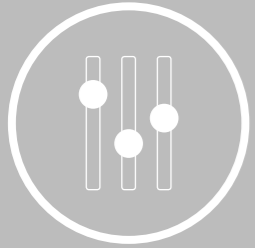
Name of the person / group: .....

Responsibilities and tasks in the service: .....

What are the touchpoints which you affect in the service?  
Mark them on the service path.

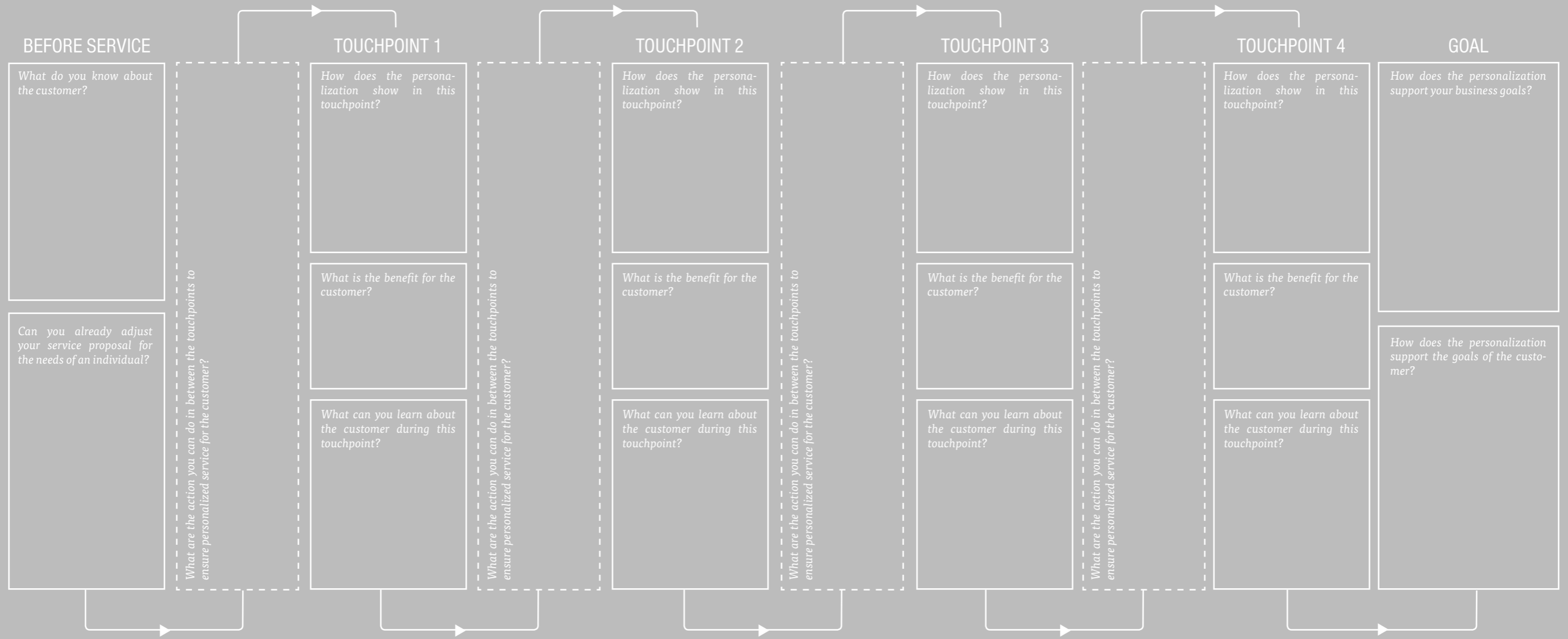
	BEFORE	DURING	AFTER
<p>●</p> <p>START</p>			<p>✕</p> <p>END</p>
<p>What are the concrete actions you do on those touchpoints?</p>			
<p>How do your actions affect to the rest of the service?</p>			
<p>How do your actions affect to customer's service experience?</p>			

Picture 8: Training the service personnel



# PERSONALIZATION OF THE SERVICE

The aim of this template is to find the possibilities for customization and personalization of the service. In order to give the customer a smooth service experience the service provider has to know who the customer is and what do they need and expect from the service. By planning how to systematically learn about the customer during the service, one can better adjust the service proposal for an individual customer.



Picture 10: Personalization of the service

## 8. DISCUSSION

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Combining online and offline service delivery channels is and will be an important topic when talking about service design and creating smooth service paths and experiences. This research has been a small peek to the topic giving some answers but also giving new questions at the same time.

As I realized during the research process the topic hasn't been researched much. There are a lot of studies about the elements that I also used as a resource for this research: service encounters, face-to-face service moments, the impact of service environment in relation to the customer behaviour, online service in different contexts, human interaction in the service, the usage of technological devices in the service and so on. But these elements are rarely put together to study the throughout service rather than just parts of it. Therefore the research topic couldn't be answered only by using one field of design, and the challenge in clarifying the theory was to find the right references and to combine them together: service design, marketing, ambient design, retails, service and marketing management, business research, communications and IT development.

Basing on this notice I hope the research gave some new insights even though the scope was small. The problematic aspect with the research is that the research data is rather small and even though it is qualitative data there should be a next step of research to verify the findings of this research. The small data makes limitations for the generalization of the research results and therefore the further research would be necessary. On the second round of the research I would recommend both theoretical and practical approach. With the theoretical approach the purpose is to collect more qualitative data in which to reflect the results of this research. The purpose of the practical approach would be to test the usability of the guideline in action. Taking the guideline as a part of a new service design process would give a lot of valuable insights for the development of the tool: Does it actually work? What are the things I missed in this research?

Another aspect that was still left quite small is the possibilities the online and offline service channels can provide in the service process. This research gave a small insight towards that topic but further research would be needed to give deeper understanding about the topic. Also the topic of designing the human interaction as a part of smooth service path would be an interesting topic to research more: Is it possible to affect more on the interaction between the customer and the service personnel? What are the methods that can be used to affect to the quality of the human interaction as a part of the service process?

Writing this research has been a big effort but also a revealing process about the personal abilities and the development of professional knowledge about the research topic. Even though there is still a lot to find out, by this research I achieved the goal that I gave to myself; to develop my skills as a service designer and researcher. After this research my understanding about the services with online and offline elements and the possibilities to combine those as a smooth service path is a lot bigger, but so is also the understanding of a qualitative research process, with its lows and highs.

As I mentioned before, the most challenging part was to find the right references for the theory of the topic and basing on that to define the topic into a meaningful research challenge and research questions. The most rewarding part on the other hand was the actual analysis of the data and the point when the data started to form the final results. The point that helped in the analysis was that the coding method felt very natural way of working for me. Finding new perspectives and even some surprising notices from the data gave a lot of motivation for aiming for the final result of the service.

The goal of the thesis was to create something useful for myself when working as service designer, but also to fellow designers who might struggle with the same challenges in creating services with online and offline aspects. From my perspective the goal was achieved and I hope that other will find some useful aspects from this research as well.

In the end I want to thank Value through Emotion -research project for being as an inspiration for finding the research topic. I also thank Santa Park and Norrhydro for letting me use their service design cases as a part of my research, and all the interviewees for sharing their knowledge and experiences and therefore giving valuable insights for the research.



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# APPENDIX

1.



## KNOW YOUR CUSTOMER

*The first template is to understand who the actual customers are. Instead of customer groups, the purpose is to find out who the individual users might be. The tools basis on Persona tool and the Value Proposition Canvas.*

Customer segment: \_\_\_\_\_  
*If you have defined customer segments or groups, in which of them does this customer belong?*

Name: \_\_\_\_\_

Age: \_\_\_\_\_

Characteristics: \_\_\_\_\_

Field of profession: \_\_\_\_\_

Interests: \_\_\_\_\_  
*What are the interests towards the service?*

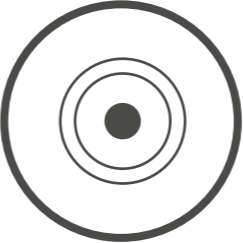
Pain points: \_\_\_\_\_  
*What are the painpoints that affect to the usage of the service?*

**GOAL**  
*What are the jobs that the customer needs to get done by using the service?*

**SUPPORT**  
*What kind of support the customer needs during the service journey to achieve the goal?*


**BENEFIT**  
*What is the concrete benefit and value the customer gets by using the service?*

2.




## CLARIFY THE PURPOSE OF THE SERVICE


*This template aims to put together the goals of the customer and the goals of the service provider in order to find the service purpose and proposal that fulfil the needs of both parties. Start from the customer side basing on template 1, then continue with "service provider" and finish in the middle with the "service".*



CUSTOMER



SERVICE



SERVICE PROVIDER

**GOAL**  
*Pick here the goals of the customer from template 1.*

**PURPOSE**  
*What is the purpose of the service that fulfils the goals of both customer and business?*

**BUSINESS GOAL**  
*What do you want to achieve by the service?*

**BENEFIT**  
*Pick here the benefits of the service for the customer from template 1.*

**PROPOSAL**  
*What is the concrete service proposal for the customer?*

**BENEFIT**  
*What is the concrete benefit for the business by providing the service?*

Appendix 1: Template 1 - Know your customer.

Appendix 2: Template 2 - The purpose of the service



### DRAW THE SERVICE STORYLINE

This template makes it easier to recognize the whole service journey and to find out the highlights in the service path. With the storyline tool the goal is also to recognize the emotions and expectations of the customer within the service path and therefore to learn which direction to guide the customer expectations.

1. What happens during the service path? Where does it start and end, what happens in between?  
Mark the service episodes on the line.
2. What is the HIGHLIGHT of the service? Mark the highlight on the storyline.  
If there are several important episodes in the service that you want to highlight, mark them all.
3. How can you evolve the expectations of the customer towards the highlight of the service?  
Mark below the storyline, how you would like to evolve the customer expectations and emotions during the service.

### EXPECTATION LEVELS

What are the expectations of the customer and how do they evolve during the service?  
The customer expectations can be affected by the actions in the touchpoints of the service. After finding the highlights of the service, try to guide the expectations towards them.

★ ★ ★

★ ★

★

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✕

### START

What is the starting point of the service?  
What happens after that?  
What is the highlight of the service?

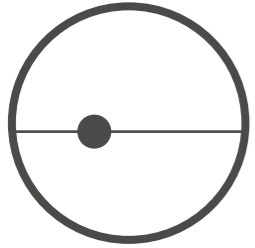
### GOAL

When is the goal of the service achieved?  
Where does the service end?



### EMOTION LEVELS

What are the customer's emotions during the service? The emotions can be guided by affecting to the touchpoints so that they better meet the expectations of the customer.

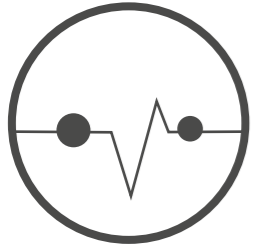


## TOUCHPOINTS AND SERVICE CHANNELS

Basing on the service storyline, define the touchpoints in the service path. What happens during each touchpoint? What is the benefit for the customer and how is the delivery done? The service path is divided in three parts: the touchpoint before the core service, the touchpoints during the core service, and the touchpoints after the core service.

1. Describe what happens on the touchpoint.
2. Define what is the benefit that the customer gets from the touchpoint.
3. Mark on the lines if the touchpoint uses online or offline channels (or both). Define more in detail what kind of channel is used (e.g. face-to-face, prints, application, phone, website...).
4. Clarify why exactly that channel: does it deliver the service best on that point of the service? What is the benefit for using that channel?

	BEFORE	DURING	AFTER
What happens?			
What is the benefit for the customer?			
<b>START</b>	—————		<b>END</b>
<b>ONLINE CHANNELS</b>	-----		
What is the form of the online channel?			
Why? What is the benefit the channel gives compared to others?			
<b>OFFLINE CHANNELS</b>	-----		
What is the form of the online channel?			
Why? What is the benefit the channel gives compared to others?			



## CONSISTENCY MAP

This template bases on the previous templates by having a closer look to the defined touchpoints. By reflecting the touchpoints to the service purpose, service proposal and service values, the service path is checked for possible gaps and overlappings so that the journey for the customer would be as smooth as possible.

1. Write down again the service purpose, service proposal and the benefit of the service (from template 2). These will work as the requirements and all the touchpoints should fulfil them.
2. Go through all the touchpoints and reflect them to the requirements. There is only a limited amount of touchpoints here, but you can use as many as you need for your service path.
3. Fill the gaps between the touchpoints: Is there something missing? Or do you perhaps have some overlappings?
4. Did you get to your service goal with these touchpoints? Are the requirements fulfilled or is there something to be changed?

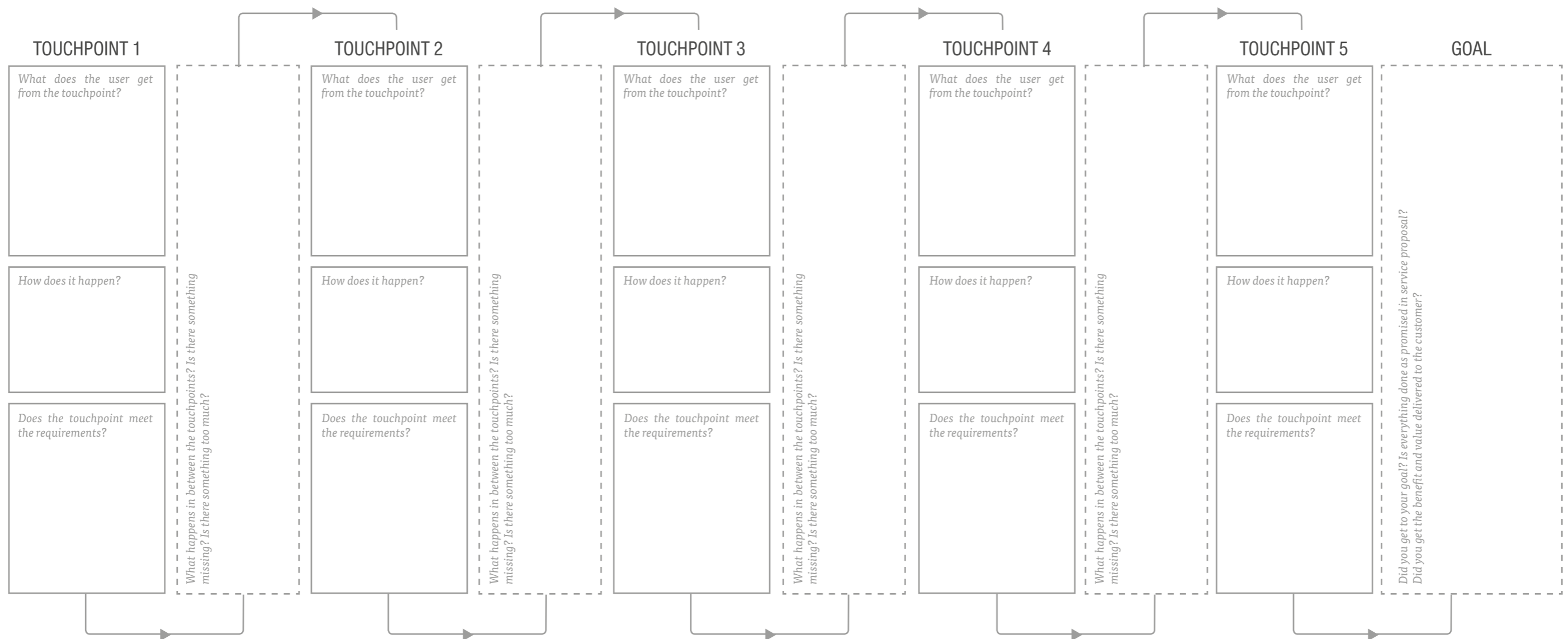
Fill with one sentence from the customer point of view:

5.

PURPOSE OF THE SERVICE

SERVICE PROPOSAL

THE BENEFIT OF THE SERVICE







### TRAINING THE SERVICE PERSONNEL

Service personnel is an important part of a service path. The aim of this template is to clarify for the staff members what their role is in the overall service journey so that they would understand the interactions between the touchpoints and the importance of every link in it. The template can be filled either from the perspective of one person or from the perspective of one employee group that has same tasks in the service.

Name of the person / group: .....

Responsibilities and tasks in the service: .....

*What are the touchpoints which you affect in the service?  
Mark them on the service path.*

BEFORE

DURING

AFTER



*What are the concrete actions you do on those touchpoints?*

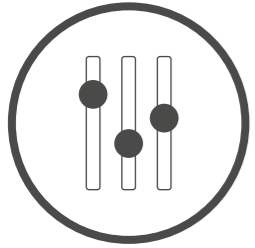
Dashed rectangular box for recording concrete actions.

*How do your actions affect to the rest of the service?*

Dashed rectangular box for recording effects on the rest of the service.

*How do your actions affect to customer's service experience?*

Dashed rectangular box for recording effects on customer's service experience.



### PERSONALIZATION OF THE SERVICE

The aim of this template is to find the possibilities for customization and personalization of the service. In order to give the customer a smooth service experience the service provider has to know who the customer is and what do they need and expect from the service. By planning how to systematically learn about the customer during the service, one can better adjust the service proposal for an individual customer.

