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**EFFECT OF POST PURCHASE ACTIONS TOWARDS CUSTOMER  
EXPERIENCE IN A MULTICHANNEL SAAS ENVIRONMENT**

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## **ABSTRACT**

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The goal of this Master's thesis is to study the development of customer experience and the experiential effect of post purchase actions during a SaaS customer's journey. Customer journey is typically used to illustrate what purchase phases the customer goes thru, and what factors affect the overall customer experience during the journey. Previous researches regarding customer experience are often limited to B2C environment, leaving a research gap on how the customer experience of a SaaS customer operating in B2B environment is formed. Research regarding B2B purchase behavior and decision making is often limited to process-oriented point of view, neglecting experiential perspective.

The thesis is carried out using mixed methods by researching eight qualitative customer interviews, and by quantitatively analyzing the change in customer behavior in 349 cases. The goal of the qualitative analysis is to increase understanding regarding the factors affecting customer experience during the customer journey, and the goal of the quantitative analysis is to address the significance of how customer experience affects customer behavior in post purchase stages. Based on the findings of this thesis, proactively influencing customer experience and the development of customer relationship have a connection

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Tämän Pro Gradu -tutkielman tavoitteena on tutkia asiakaskokemuksen muodostumista ja siihen vaikuttamista SaaS asiakkaan asiakaspolulla. Asiakaspolkua käytetään tyypillisesti asiakkaan ostovaiheiden, sekä ostokokemukseen vaikuttavien tekijöiden tunnistamiseen kokonaisvaltaista asiakaskokemusta tutkittaessa. Varhaisemmat tutkimukset asiakaskokemuksesta rajoittuvat laajalti B2C ympäristöön jättäen tutkimusaukon B2B ympäristössä toimivan SaaS asiakkaan asiakaskokemuksen tutkimiselle. B2B ympäristössä asiakkaan hankintaa ja päätöksentekoa on tutkittu pitkälti prosessinäkökulmasta sivuuttaen kokemuksellisen näkökulman.

Tutkielma toteutettiin monimenetelmällisenä tutkien kahdeksan asiakasyrityksen laadullista haastattelua, sekä analysoimalla 349 määrällistä asiakasyritystä. Laadullisen tutkimuksen tavoitteena on lisätä ymmärrystä asiakaskokemukseen vaikuttavista tekijöistä asiakaspolun aikana ja määrällisen tutkimuksen tarkoituksena on tunnistaa asiakaskokemuksen merkitys asiakkaan käyttäytymiseen ostopäätöksen jälkeisessä vaiheessa. Tutkielman löydösten perusteella asiakaskokemukseen aktiivisesti vaikuttamisen ja asiakassuhteen kehittymisen välillä on havaittavissa yhteyttä.

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# 1. INTRODUCTION

Cloud services and Software-as-a-Service (later on SaaS) have been growing during the 21<sup>st</sup> century due to increasing IT needs, and factors that separate SaaS from on-premise solutions. In comparison to license based on-premise software acquisition, cloud-based software is more agile, offers flexible payment options, accessibility, scalability, security, consistent updates and increased collaboration. The swift nature of SaaS and cloud services create healthy competition between cloud service vendors, offering businesses number of options to choose from, and alternatives to change to if the initial need changes. (Alves Phil 2020, Kidd Chrissy 2020). Research and advisory company Gartner Inc forecasted in 2018 that the overall spend in cloud application services (SaaS) was going to grow to 113.1 billion dollars by 2021. Based on the most current forecast the total spend will be 117.8 billion dollars by 2021 and 138.3 billion dollars by 2022 indicating that the market has grown faster than initially forecasted in 2018.

Cloud based solutions have undisputed advantages in regard to traditional software licensing such as several immediate and ongoing financial benefits, speed of implementing new updates and innovations, and low rate of commitment, but there are also some drawbacks. The inevitable role of software provider means that also the cloud-based data is hosted by the vendor. This raises concern regarding information security and data loss. (Kraft 2018) Research center FinancesOnline lists 10 security risks and concerns every SaaS user has. From these 10 risks, eight relate to data handling and security (Jay 2019). Whether the used software is licensed, or cloud based, there are concerns and risks regarding the use and data handling. Cloud based solutions usually store data over several backups in several locations, whereas on-premise software usually runs in single physical location.

SaaS companies have different pricing strategies. Usually, the end customer is charged based on usage, user(s), or by value-based price settings. (Alves Phil 2020) The software is charged periodically, which is typical for cloud-based solutions. The customer lifetime value doesn't only depend on the periodically generated revenue of a customer, but also on the ability to retain current customers. As an example of the significance of churn rate to the cumulative profit, Clarks (1997) research on a major UK bank showed that a

decrease of 1 percent point in the churn rate increased the total earnings from 392.2 million euros to 419.7 million euros over a time period of 25 years and by a discount rate of 6 percent. Coussement (2014, 479) states that the loss of customer includes customer acquisition costs, the loss of potential cross- or up-selling, and increased costs of attracting new customers. The typical costs of a SaaS customer are customer acquisition costs, and the continuous costs of managing the customer relationship. Based on the degree of managerial accounting, SaaS company can allocate a variety of costs as customer acquisition costs or customer maintenance costs. Depending on how accurately SaaS company is able to calculate different costs related to customer acquisition or maintenance, the SaaS company is able to calculate a realistic break-even point. Maintaining and improving the customer relationship generates net profit for the SaaS company, which makes it essential to identify the key touch points affecting customer experience.

In SaaS business, it is crucial to understand the elements influencing customer decision making, whether it is regarding the initial acquisition of the service or continuing the 'subscription' of the software. In order to comprehend how customer journey mapping can be used to study customer behavior, recognize touch points, and to improve overall customer experience, it is necessary to understand the deep roots of these theories. The studies of customer journey and customer experience root back to 1960s when Philip Kotler (1967), John Howard and Jagdish Sheth (1969) and Robert Lavidge and Gary Steiner (1961) introduced first theories from a marketing perspective. Customer journey mapping is a tool where each interaction between customer and the company can be mapped, and the quality of customer experience can be studied (Lemon, Katherine, Verhoef 2016). The overall customer experience can be perceived as the collection of experiences formed by each touch point during the customers decision making or purchase journey (Verhoef, Peter et al. 2009, Puccinelli et al. 2009). Rosenbaum (2017) states that by understanding the customers touch points the company can improve the customer journey, by improving the customer experience within each touch point.

The Marketing Science Institute (2020) raises prioritizing customer value at all touch points during the omnichannel customer journey as one of the most significant research areas during the upcoming years, as the complexity of customer journeys grows due to

growing number of different touch points and the sense that by creating positive experiences in customer journey will lead to improved customer experiences down the line. One of the key questions MSI focuses on regarding customer journey is how can the firm most effectively create customer relationships with lasting customer engagement and loyalty? The improvement in customer experience during the customer journey leads to better conversion rates of new customers, but also to better retention rates. (Lemon, Verhoef 2016, 69-70). However due to immense digitalization the customer journeys have become more complex, as customers have more touch points to interact with the companies. In modern business it is increasingly hard for companies to control the touch points, and overall customer experience. (Edelman, Singer 2015, Rawson, Duncan & Jones 2013)

The challenge regarding customer experience management of 21<sup>st</sup> century is related to the growing amount of touch points in multiple channels customers can interact with companies creating more complex and less manageable customer journeys (Brynjolfsson, Hu & Rahman 2013, Verhoef, Peter C., Kannan & Inman 2015). The growing number of possible interactions with the company, service, brand or product has created a need for firms to integrate several unrelated internal functions (e.g., Marketing, human resources, sales, logistics) and business partners together in attempt to create positive customer experiences. These integrations make it harder for companies to have overall control on the customer experience management or the customer journey for each customer. (e.g., Edelman, Singer 2015, Rawson, Duncan & Jones 2013)

This thesis focuses on a SaaS company's clients using a cloud based financial management software. The research addresses how a SaaS company is able to affect the customer experience of its clients by post-purchase actions in a multichannel environment. In contrast to on-premise software, SaaS offers businesses a less commitment demanding alternative for their IT needs. Effortlessness of purchase decision, relatively short term of notice, and quickness of software deployment make it easier for the end customer to acquire a SaaS solution, and also make it easier to change the SaaS vendor if the overall solution doesn't meet the expectations. After the initial purchase decision, the customer makes an apparent, new purchase decision after each billing period by continuing to purchase the SaaS solution or by terminating it. Opposed

to large investments in advance, SaaS customers pay as they go, making their customer lifetime value higher the longer they remain customers. This makes it crucial for SaaS vendors to recognize what tools they have not to only acquire more customers but increase the customer retention of the current ones.

### **1.1. Research problem and goals of the research**

Creating superior customer experience through customer journey mapping has been recognized as a top priority for multiple years. Based on the research by Accenture (2015) creating a strong customer experience was the top priority in 2015, and the research by North Highland (2020) shows that in order to sustainably differentiate from competitors, the key is still in prioritizing customer experience. In traditional software industry the software provider needed to focus in creating customer experiences which met or exceeded the customer expectations during pre-purchase and purchase stages of customer decision making in order to create sales, as the license was usually purchased for 'indefinite' time period. Indefinite time period could range anywhere from 5-20 years. Traditionally the software was upheld, updated, and potentially developed by the customer, and there were little to no maintenance costs. This meant that most of the total customer lifetime value was generated during pre-purchase and purchase phases, while there were just minor re- or upselling potential left. The limited potential in current customers means that in order for the company to maximize their revenue and profit stream they should focus on customer decision making leading to the initial purchase, not so much into how post-purchase experiences affect customer behavior.

Due to cloud services, software can be delivered to customers over the internet without the need for purchasing the license or any maintenance of the software within the customer's own servers. The change in how the software is made available for customer's has changed the way customers use the software, the cost structure of the software, and the roles of software companies and customers. The increased availability of cloud services has made it possible for most consumers and business customers with IT use cloud services such as SaaS. The cost structure has changed from significant investment decision with notable costs in advance into subscription-based model where the actual usage of the software determines the overall cost of the software. Also, the role of

companies and customers has changed – both parties interact increasingly post-purchase (eg. Onboarding, Deployment of the software, introduction training, customer service, re- or upselling and various problem solving). The customers are less attached and committed into SaaS than traditional software as SaaS doesn't require large investments in advance and changing SaaS is made easier than changing traditional software. Subscription-based billing has also changed the total customer lifetime value from emphasizing the initial purchase decision into emphasizing continuous repurchases and long-lasting customer relationships.

Customer experience and customer journey mapping research are often limited to retail and online stores, with only very few research papers focusing solely on B2B customer experiences (Payne, Frow 2004, Lemke, Clark & Wilson 2011). The limited empiric evidence regarding business-to-business relationships is surprising, nonetheless that B2B interaction have hardly been one and done transactions but rather longer-term relationships (Meyer, Shwager 2007, Palmer 2010). Research surrounding customer experience management is increasingly focused on the long-term development of experiential customer journeys over multiple service cycles (Bolton et al. 2014, Homburg et al. 2017, Lemon, Verhoef 2016), rather than on a singular linear customer journey. While customer journey mapping and experiential management hasn't been comprehensively researched from B2B perspective, neither is there inclusive evidence focusing on how to manage overall customer journey of a recurring service consisting of numerous purchase cycles in B2B environment. With the cloud service market continuously growing, it has already become critical to understand the events and factors influencing customers post purchase decision making, rather than just the initial purchase.

The goal of this thesis is to study how post purchase actions may improve the overall customer experience measured through customer satisfaction and financial metrics. This thesis aims to increase the understanding of experiential factors regarding B2B decision making, specifically related to SaaS. While this thesis refers to the value of the customer and the factors affecting the value of the customer to the SaaS company, the scope of this thesis is strictly focused on the development of customer experience and the ways of improving the customer experience during the customer journey. The financial perspective of the client base is used to emphasize the point of view of SaaS company,

significance of this thesis, and the reasons why managing customer experience has emerged as the buzzword of 21'st century. The research question is supported by three sub-questions. Customer journey mapping will be used to understand the customer relationship, recognize what touch points are interacted with, and how the customer experience is formed. The research is supported by theoretical literature and studies regarding customer journey mapping, customer experience, SaaS, multi and omnichannel environment, and directly relating literature. Several scientific databases (e.g., Emerald, Science Direct, Google Scholar, Research Gate) are used to seek and analyze conceptual and empirical articles. The subjects of the research are the business customers using financial management software of SaaS company X. The research question of the thesis is:

*How can a SaaS company improve the customer experience with post purchase actions in a multichannel environment?*

The sub-questions are answered based on theoretical literature and previous studies, and empirical research conducted on x business customers.

*How is the customer journey formed in a SaaS environment?*

The purpose of the first sub-question is to comprehend what factors affect the customer journey of a business customer in SaaS industry. The customer journey will be mapped, and compared to the customer acquisition and customer care -steps of the company X. The customer journey is formed based on theoretical representation of customer journey and empirical research on specifically SaaS field. A focus point of the first sub-question is the difference between the repeat cycle of the customer journey and the initial customer journey.

*How do different touch points influence the customer experience in a multichannel environment?*

Second sub-question complements the first sub-question. The customer experience is the total of experiences formed in each touch point during the customer journey. The purpose of the second sub-question is to recognize the touch points and channels which the

customer interacts with to further reinforce the perceived customer journey, and to create an understanding on how these touch points affect the experiences of customers.

*What influence does post purchase actions have on the customer experience?*

Third sub-question builds up on the results of first and second sub-questions. The customer journey will be phased according to decision making steps, from which the post purchase step will be focused on. The effect of various different post purchase actions will be studied through customer satisfaction metrics, and financial metrics relevant to SaaS field. The effect of making post purchase actions in comparison to not making post purchase actions is studied by creating separate groups of customers. One group will be subject to post purchase actions and the other will not be.

By understanding how the customer journey is formed, what touch points does it include, and the influence of post purchase proactivity on customer satisfaction and experience, the research question can be answered from several complementary perspectives. Through this thesis the company X will gain valuable knowledge regarding their customer base and will be able to develop the methods used to interact with their customers. The research is scientifically significant, as the total spend of cloud services continues to grow SaaS companies will be able to withhold more continuously recurring revenue by improving their customer retention. Post purchase customer experience is a considerable factor when deciding whether to continue or terminate the relationship with a SaaS company.

## **1.2. Key concepts**

The thesis contains several concepts, which have central role in the research. These concepts may have several definitions depending on the author or source. These concepts and the definitions used in this thesis are introduced in this chapter in table 1.

Table 1. Key Concepts

<p><b>Software-as-a-Service (SaaS):</b></p>	<p>SaaS is one of the cloud service based software delivery models to provide consumers software to suit their IT needs without the need to acquire the software itself. SaaS is a hypernym, which includes a range of software from various industries. The SaaS covered in this thesis is a financial management software.</p>
<p><b>Electronic financial management:</b></p>	<p>Financial management consists of sales and purchases invoicing, invoice approval circulation, invoice payment, bookkeeping, sending notices to authorities and stakeholders, payroll, and reporting. Lahti and Salminen (2014, 16) define financial management as a “system with which the company follows financial events so that it can report its activities to stakeholders”. The electronic financial management software described in this thesis is an automated financial management SaaS.</p>
<p><b>Customer experience:</b></p>	<p>Lemon and Verhoef (2016, 74-76) conceptualize customer experience as the journey of the customer through different stages of purchase decision making across various touch points. Schmitt (1999) perceives customer experience as a multidimensional whole, consisting of several unattached experiences: Sense, feel, think, act and relate. This thesis defines customer experience similar to De Keyser et al. (2015,14) “Customer experience is comprised of the cognitive, emotional, physical, sensorial and social elements that mark the customer’s direct or indirect interaction with a (set of) market actor(s)”. This definition is reinforced by conceptualizing that the total customer experience is a continuous, dynamic process where previous experience in time <math>t - 1</math> affect customer experience in time <math>t</math>.</p>
<p><b>Customer journey:</b></p>	<p>Customer journey is commonly used as a tool to illustrate a comprehensive chronological story of the customer interacting with a retailer or service provider. Følstad and Kvale (2018) define customer journey as the ongoing customer experience across the phases of a service cycle. Homburg et al (2017) define these phases as “prepurchase, purchase and post-purchase”. Court et al. (2009) extends the representation of customer journey to portray the repeating customer journey cycles, where the customer “loops” between purchase and post-purchase stages. This thesis conceptualizes customer journey in five distinct phases grouped under three main stages regarding customer decision making: Pre-purchase, purchase and post-purchase. The customer journey is portrayed as linear customer decision making path consisting of several touch points followed by continuous iterative cycle of repeated purchase decisions during each billing period defined as a loyalty loop.</p>
<p><b>Touch point:</b></p>	<p>The customer interactions with the product, service, brand or organization are commonly included within a customer journey. These interactions are formed through several different touch points, in which the outcome of the interaction depends on several independent factors (e.g., Previous experiences, motives, expectations). These interactions are the basis of the formed customer experience. (Stein, Ramaseshan 2016)</p>

<b>Multichannel management:</b>	This thesis uses the definition by Neslin, Grewal, Leghorn, Shankar, Teerling, Thomas, Verhoef (2006) of 'channel' as "customer contact point, or a medium through which the firm and the customer interact", and multichannel as the environment where the multiple different channels exist.
<b>Net promoter score (NPS):</b>	Net Promoter Score (further on NPS) describes the customer's will to promote the company or its services. The NPS Score is calculated by asking the customer: "how likely would you be to recommend [a product or service] in a grade from 0-10?". Values 0-6 represent the detractors, 7-8 the passives and 9-10 the promoters. The final value can be calculated by subtracting the relative number of detractors of the total amount of respondents, from the relative number of promoters of the total amount of respondents. The value varies between -100 to 100. (Reichheld 2003)

### 1.3. Theoretical framework

The theoretical framework is based on researches and theories of customer experience and how it is formed during the customer journey. Verhoef, Lemon, Parasuraman, Roggeveen, Tsiros and Schlesinger (2009) theorize that customer journey can be divided into three distinct phases which describe the customer decision making: pre-purchase, purchase and post-purchase. Researches by Brynjolfsson, Hu and Rahman (2013) and Neslin and Vroomen (2007) found that there are several channels the customer may use within the decision-making journey, indicating that the customer may use only one channel throughout the customer journey, or research shop in attempt to maximize the potential outcome of the complete journey or a certain stage of the journey. The customer journey continues from post purchase to termination of the SaaS or a new purchase decision, which is described as "loyalty loop" (Court, Dave, Susan, Ole Jørgen 2009). Court et al. (2009) propose that post purchase experience is an ongoing exposure where "the consumer builds expectations based on experience to inform the next decision journey". If the post purchase experiences meet the expectations of the consumer, the consumer stays within the loyalty loop as a continuous customer, if the experience doesn't meet the expectations the consumer usually starts to consider alternative options. Financial management SaaS is usually not replaced without notable factors, and even then, the replacement decision and implementation takes usually several months. This makes it crucial to identify factors breaking the loyalty loop before the customer is lost. The theoretical framework of this thesis is portrayed in figure 1.

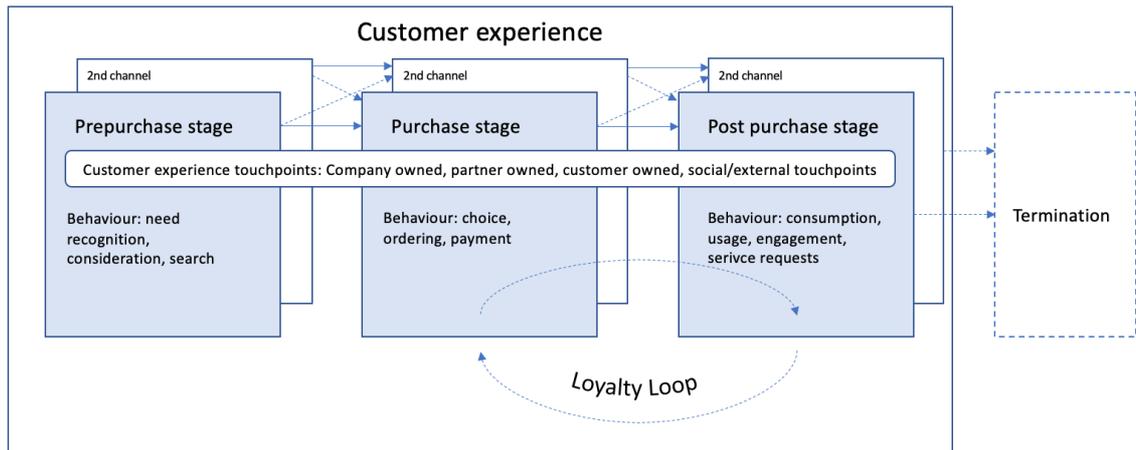


Figure 1. Theoretical Framework

The customer journey describing customer decision making is simplified in the theoretical framework into three phases, where each phase contains touch points the customer interacts with, and customer actions. Company X may influence customer experience and customer decision making through company-controlled touch points by responding to the needs and expectations of its customers. The customer journey holds  $n$  parallel channels within each stage of customer decision-making. The customer may choose to interact solely in a single channel, or through multiple channels. The channel decision may be conscious or unconscious. Each channel manages their own touchpoints, meaning that as the customer journey may vary from customer to customer, also the customer experience within each stage and overall depend on which channel(s) the customer interacts through. Customer journey and its phases including loyalty loop are covered in chapter 2.3, touch points in 2.4, and multichannel perspective in 2.5.3. Figure 1 represents simplified, general depiction of the customer decision making journey, including repurchasing and termination of the service.

#### 1.4. Methodology

The research is supported by theoretical literature and researches of customer journey mapping, customer experience, multi and omnichannel environment, SaaS and directly related literature. The research is complemented by a qualitative research conducted by interviewing two customer experience specialists, a customer experience team leader, analyzing records of post purchases interactions with customers, and through eight

qualitative interviews with customers of company X. The research material consists of records of interacting with customers during 2020 and 2021.

The effect of post purchase actions on customer experience in a multichannel environment in SaaS industry is researched by a qualitative approach. The research material is gathered by interviewing two customer experience specialists interacting with current customers on day-to-day basis, customer experience leader generating KPI's regarding customer experience, analyzing the records generated from interactions with these customers, and by interviewing 8 customers of company X. The interview method used is non-standardized interview in order to gain answers and knowledge on the customer interactions and post purchase actions, which would otherwise not be addressed.

### **1.5. Limitations**

This thesis is limited to customers using a cloud service financial management SaaS. These customers are small to medium sized businesses in the Finnish market. The research does not analyze customers using other SaaS. The research is supported by theoretical literature of customer experience and related theories outside SaaS, as customer experience research within SaaS industry is scarce.

The customers have made an initial purchase decision by acquiring the software, and by continuing to use the software they make a new apparent purchase decision periodically. The focus of this thesis is on the customer experience of the repeated 'purchase' and 'post purchase' cycle of phases of the customer journey, while the initial customer journey is used as a framework. By focusing on the phases where the customer has already made the initial acquisition of the SaaS, the change in customer experience by post purchase actions can be collected and analyzed.

The customer journey mapping is used by companies to recreate or visualize how their customer actually become their customers and what events take place during that journey. The customer journey contains various touch points with which the customer may or may not interact with. The customer journey is presented in five phases in this thesis. The customer journey will include information regarding both continuing and recently terminated customer relationships. The goal of the research is to study how different touch

points after initial purchase decision affect the customer experience and customer decision making during the customer relationship.

## **1.6. Structure of the research**

The background, motivation, and introduction to this thesis is covered in chapter 1. Introduction also covers the key concepts and theoretical framework of this thesis. Following chapters 2 and 3 introduce literary review of the key theories of this thesis, covering customer experience, customer journey, SaaS industry, touch points, and multi environment. Chapter 2 focuses on the theoretical representation of this thesis from a general perspective. SaaS industry is considered from the perspective of Company X in chapter 3. Chapter 4 contains description of the research, research methods and gathering of the data. The reduction phase of this qualitative research is covered in chapter 5 alongside with empirical study. Chapter 5 consists of findings of the research. Finally, chapter 6 of this thesis contains the integration phase of the qualitative research. The observations and conclusions are formed based on the theoretical and empirical research of this thesis. The theoretical and managerial implications, and limitations and potential for further research is considered in the concluding chapter.

The thesis progresses through literature review to examination of SaaS industry. Together the theoretical framework, supporting literature, and industry knowledge create the basis for the empirical study. The customer journey is formed from the point of view of financial management SaaS customer of company X. Different phases of this customer journey are reflected to the strategic actions of company X. Semi structured individual interviews will provide knowledge regarding post purchase actions of company X, customer interactions, and the effect of proactivity towards current customers. Reports regarding customer interactions will be further analyzed in attempt to spot similarities in customer decision making, customer experience and customer journey. Based on the empirical research the conclusions of the research are formed, the research question will be assessed, theoretical and managerial implications are presented and potential for further research is discussed.

## **2. CUSTOMER EXPERIENCE OVER THE MULTICHANNEL CUSTOMER JOURNEY**

The nature of customer relationships has evolved, which can be seen from the progressing complexity of customer journeys and from the increased focus on customer experience management. Companies are increasingly interested in their current customers, and not only on the new potential customers. Customer experience has become a buzzword in this era, where all employees are declared as customer servants and exceptionally positive/negative customer – company interactions are shared on social media. Customer experience as a topic however isn't 'new' as it integrates multiple well-established concepts in marketing literature: customer satisfaction, service quality, relationship marketing and customer equity (Lemon, Verhoef 2016). Theories regarding customer experience root back to 1960s (e.g., Howard, Sheth 1969, Kotler 1967), and yet understanding overall customer experience during the customer journey still remains the top priority for marketers and business executives (Marketing Science Institute 2020).

The relationship of customer experience on future customer behavior has been the subject of several researches (see: Verhoef, Peter C., Neslin & Vroomen 2007, Bolton, Lemon 1999, Ruiping, Yujuan 2006). The customer experience has been illustrated in marketing literature through customer journey, which is a representation of the customers 'journey' during the purchase process (see e.g., Klaus, Maklan 2012, Brynjolfsson, Hu & Rahman 2013, Wolny, Charoensuksai 2014). The customer journey is typically divided into distinct phases depending on the customers buying behavior or actions, where each phase contains experience altering interactions with the brand or product described as 'touch points' (Lemon, Verhoef 2016).

In this chapter the theories regarding customer journey and related topics will be discussed in depth. This chapter will create the base on how the customer journey and customer decision making will be represented from the standpoint of SaaS Company X in chapter 3, and the base on which the empirical research in chapter 4 will be conducted. The chapter is divided into four subchapters: chapters 2.1 and 2.2 discuss customer experience as a multidimensional concept, and as a part of the customer journey, 2.3

discusses the different stages of customer journey, and 2.4 how the customer journey can be analyzed.

## **2.1. Customer experience and customer journey**

Research regarding customer purchase behavior roots back to 1960s, when it was considered, what factors make the customer move from recognizing the need, to making a purchase decision, and eventually to the evaluation of the product (Lemon, Verhoef 2016). While Schmitt (2003) theorizes that the primary goal of measuring the customer experience in each touch point is to gain information on how to improve the customer experience throughout the customer journey, theories regarding purchase behavior and customer decision making focus in a holistic view where the customer experience is formed over the course of the customer journey, where the customer makes conscious and subconscious decisions regarding purchase decisions, rather than in individual points of the journey (Lemon, Verhoef 2016).

Customer journey is typical way to illustrate the customer's interactions with the company, and log different events taking place during this purchase making path. The factor determining the purchase decision is however the overall customer experience built up during the customer journey. As mentioned earlier, the overall customer experience consists of multiple interactions with the company, product, brand, or associated party. Each of these interactions either creating the initial experience or strengthening and altering the previous experiences. The increased amount of information via different media platforms and channels has led to increased amount of touch points, and after all to even more complex customer journeys. (Brynjolfsson, Hu & Rahman 2013). Increased complexity in customer journeys, increased amount of touch points, and progression in customer-to-customer communication (e.g., social media, experience sharing platforms) has led to circumstances where managing overall customer experience is ever more challenging and has all the more meaning. Experience sharing, public communication with customers, and extensive parallel channels create vast amounts of possibilities for modern businesses, but also create significant risks. (Leeflang et al. 2013)

Product based thinking, where the company focuses in the features of the product rather than in the customer, has grown old in this fast-paced and continuously accelerating

business world. Customer centricity has become the prevalent trend of modern businesses, and the concept of long-lasting, manageable customer experience journeys have become the focus of theoretical marketing literature. Systematic management of holistic customer experience is seen as the more lucrative option, in comparison to short-sighted, sporadic customer interactions. (Carbone 1998). By focusing on the independent needs of the customers and managing the individual experiences within multiple dimensions, the company is able to create lasting customer experiences, leading to lasting customer relationships and long-term profits. (Nunes, Cespedes 2003, Schmitt 1999).

Rather than focusing on analyzing the competition, the company should focus on what the interest groups are discussing and how this can be used to the advantage of the company's services. The company should be able to meet with the customers regardless of the channel or touch point and be able to create smooth customer experiences by the terms of the customer, e.g., quick response times and proactive customer care. Nunes & Cespedes (2003) find that purchase behavior has changed, as the customer might use one channel to gain information and take the purchase elsewhere posing a significant risk not only on traditional retail industry, but also on service industries. This advancement in buyer behavior highlights the importance of customer experience management and engagement, which can be improved by focusing on individual points of customer journey. Meyer and Schwager (2007) find that the quality and nature of customer service has become more homogenous in the traditional retail industry, which has made the customers pursue experiences where they can themselves participate in the value cocreation, rather than receiving generalized, nondifferent customer service. However, it is challenging to create sufficient financial meters to emphasize the significance of systematic improvement of customer experiences. (Batra 2017, Korhonen, Gerdt 2016).

As mentioned earlier, customer experience is traditionally conceptualized as a multidimensional whole. Building on this notion, the concept of customer experience journey is typically defined as the ongoing customer experience over the course of phases during the service cycle (Følstad, Kvale 2018). For a further understanding of customer experience, it is useful to differentiate customer experience from customer focused constructs such as customer satisfaction and service quality. It can be argued that for

example customer satisfaction may explain a part of the whole customer experience by creating cognitive responses in the customers purchasing journey. (Lemon, Verhoef 2016).

Parasuraman, Zeithaml, and Berry (1988) proposes a difference between perceived quality and objective quality. Whereas perceived quality is the consumers personal opinion regarding an entity's overall excellence or superiority (Zeithaml 1987) it differs from objective quality. Personal quality roots from personal expectations and is a comparison between these expectations and perception of performance. Bitner (1990) highlights the importance of controlling every individual service encounter to enhance the overall perception of service quality and Rust and Chung (2006) build up on this implication by stating the financial impact of the perceived service quality, customer satisfaction and relationships. The positive correlation between customer satisfaction and financial impact has been consistently researched (e.g., Johnson, Gustafsson 2000, Anderson, Fornell & Lehmann 1994).

Customer satisfaction is theorized to influence post purchase buyer behavior such as repurchase and customer complaints (see Tronvoll 2012 for review). Howard and Sheth (1969, p. 147) have early on recognized this link and suggested a notation linking revised post purchase attitude, to the relationship of immediate post purchase satisfaction and prepurchase attitude. Oliver (1980, p. 465) finds "both postexposure attitude and satisfaction affect future purchase probabilities" stressing the importance of being able to create positive post purchase attitudes and experience. However, it is noteworthy that customer satisfaction is based on individual expectations and individual perceptions of service quality over the course of the customer journey. Bolton and Drew (1991) suggest that instead of focusing in improving the average customer ratings and minimizing extra costs, the company should focus on meeting customer expectations in each segment.

Customer journey analysis focuses on how the customer interacts with various touch points, while moving through prepurchase, purchase and post purchase, including consumption, future engagement or repurchase (Lemon, Verhoef 2016). Customer engagement is the most recent marketing theoretical approach in attempt to understand and proactively influence customer experience. Companies are increasingly seeking ways

to engage and create methods of engaging with their customers. Multiple definitions apply to customer engagement, which focus on customer attitudes, behavioral models, and value extraction. Ultimately, customer engagement literature attempts to recognize attitudes and behaviors in post purchase and focuses specifically on customer engagement behaviors (CEB's). (van Doorn et al. 2010). Vivek, Beatty, and Morgan (2012, 133) define customer engagement as “the intensity of an individual’s participation in and connection with an organization’s offerings or organizational activities, which either the customer or the organization initiates.”, which stresses the customer-initiated nature of this business – customer relationship.

Whilst customer engagement is a separate theoretical construct from customer experience, they share several key elements in studying consumer behavior over the course of customer journey. As customer journey analysis studies consumer actions and reactions affecting customer experience during prepurchase, purchase and post purchase through touch points, customer engagement studies the ways customers initiate contact attitudinally or behaviorally, during customer journey reacting in multidimensional experiences. (Lemon, Verhoef 2016). As previously mentioned, customer engagement theory has focused in CEB's, such as word-of-mouth (e.g., van Doorn et al. 2010) and repurchases (e.g., Bolton 1998). In an attempt to explain consumer behavior in post purchase phase, research has extended to “loyalty loop” (e.g., Court et al. 2009) which aims to depict the repurchase or continuation of initially purchase product or service through looping post purchase to purchase phases by standalone iterations of purchase journey. Even though these iterations are separate and individual purchase journeys, they are influenced by previous experiences, expectations, and touch points in the same manner as the initial customer journey.

## **2.2. Multidimensional customer experience**

One of the earliest concepts surrounding experiential and behavioral customer theories was that “What people really desire are not products but satisfying experiences” (Abbot 1955, 40). If customers purchase products or services in order to enjoy different phases of the customer journey, then the customers would also spend more if companies would focus on selling satisfying experiences over products or services. (Pine, Gilmore 1999).

Research by Ruiping and Yujuan (2006) also shows that by focusing on the service quality and service flow the company may improve the customer experience leading to increased spending by the satisfied customer. A well-established customer experience explains the development of customer relationship more than product and the service quality on their own (Lemke, Clark & Wilson 2011). Every interaction between the customer and the company has the ability to alter the customer experience, but Schmitt, Brakus, and Zarantonello (2015) suggest a broader, holistic view on customer experience, where each service exchange regardless of its nature and form leads to customer experience.

Customer experience is generally recognized as the customers multidimensional responses to the company (Schmitt 1999, Verhoef et al. 2009, Schmitt 2003) consisting of individual, distinct interaction points between the customer and the company called touch points (Homburg et al. 2017, Schmitt 2003). The experiences from touch points build up during the customer journey, effecting the customer decision making or purchase journey (Verhoef et al. 2009, Puccinelli et al. 2009). Verhoef et al. (2009) also recognize how past experiences create individual expectations affecting how the customer experience is formed.

“The degree to which a company is able to deliver a desirable customer experience – and to use information technology, brands, and integrated communications to do so – will largely determine its success in the global marketplace of the new millennium” (Schmitt 1999, 57). Modern marketing theories are based on holistic experiential theories where the customer experience incorporates from the customers cognitive, emotional, sensory, social and spiritual responses with the firm (e.g., Schmitt, Joško Brakus & Zarantonello 2015, Schmitt 1999, Lemke, Clark & Wilson 2011, Verhoef et al. 2009). Schmitts (1999) strategic framework for managing experiences is based on these responses defined as strategic experiential modules (SEMs).

Schmitt (1999, 60) presents five distinct experiential modules: sensory experiences (Sense), affective experiences (Feel), creative cognitive experiences (Think), physical experiences, behaviors and lifestyles (Act), and social-identity experiences that result from relating to a reference group or culture (Relate). The experiential module approach

is recognized in customer experience literature (See: Schmitt, Joško Brakus & Zarantonello 2015, Verhoef et al. 2009, De Keyser et al. 2015), while the module titles may vary. In figure 2 is represented Schmitts (1999) multidimensional approach towards holistic customer experience (Schmitt 1999, Verhoef et al. 2009).

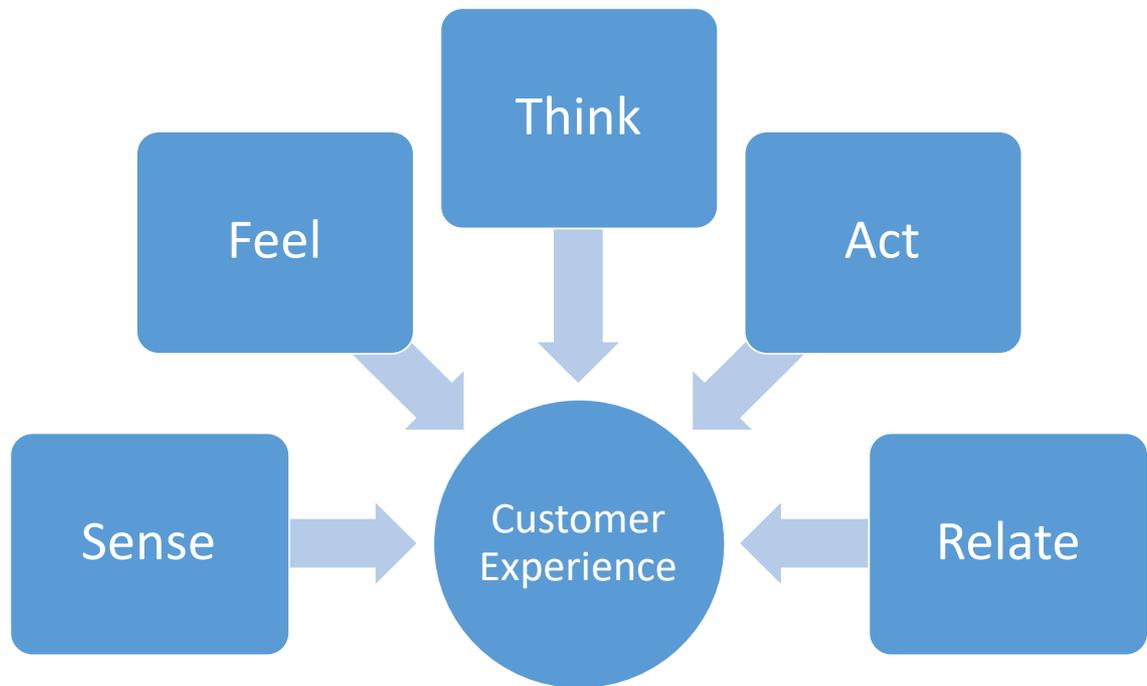


Figure 2. Multidimensional customer experience (Schmitt 1999)

Based on the experiential theory by Schmitt (1999), Sense module is affected through sensory experiences, such as sight, sound, touch, taste and smell. Feel module on the other hand is affected through customers inner feelings and emotions, where the aim is to create emotions ranging from mildly positive to strong emotions of joy and pride which the customer links to the product or brand. Affecting feel module is challenging, as the factors which create these positive feelings in a customer are usually not known and vary from customer to customer. Think module is targeted through creating cognitive problem-solving experiences that engage the customer to think and challenge themselves: What challenges do I face in my daily work regarding financial management? The act marketing is used to create experiences regarding the customers physical responses, showing alternative options of doing different actions. The final module is Relate, which

has aspects of each previously mentioned modules. The Relate module targets the customers will for self-improvement, and relate marketing pursues to create an experience where the customer strives for self-actualization through acquiring the product/service (e.g., Harley Davidson, where the customers form strong bonds within the brand community). (Schmitt 1999, 60–62)

### **2.3. Purchase phases during customer journey**

The earliest forms of customer experience research in marketing literature focused on consumer buying behavior models, specifically customer decision making as a process (see e.g., Lavidge, Steiner 1961, Howard, Sheth 1969) which have created foundation to modern representations of the consumers purchasing journey. Several independent researches divide the customers purchase process into three distinct phases, as this easier to manage: Prepurchase, purchase and post purchase (see e.g., Neslin et al. 2006, Lemon, Verhoef 2016, Puccinelli et al. 2009), where loyalty loop is used to define possible revised customer purchase journeys (Court et al. 2009). Researches regarding customer journey are usually approached from a holistic perspective where every individual customer experience together create the overall customer experience. The customer journey is typically portrayed chronologically, as it makes it easier to follow, measure, and create a general view of elements affecting customer experience in each point of customer journey (fe. Through pinpointing points during the journey where customer experience systematically changes) (Verhoef et al. 2009, Rosenbaum 2017). Potential points of interaction are gathered to the customer journey as touch points, as it is necessary for the company to recognize potential interaction points with the consumer for effective customer experience management (Rosenbaum 2017).

As discussed in chapter 2.2, customer experience is composed through individual experience dimensions when customer interacts with organization related touch points. Through customer experience and actions by the organization, the customers develop an understanding of the company, brand, product, or service. (Schmitt 1999) The holistic view of customer experience development is distinctive in marketing literature and is also used as the basis of customer experience development in this thesis. Customers have individual expectations regarding their purchase journey and interaction with a new

company, product or service, which are created by previous experiences. These individual expectations make it more challenging for companies to systematically influence the development of customer experience. (Oliver 1980, Hoch, Deighton 1989) Based on the research by Verhoef and Lemon (2009) current customer experiences in time  $t$  are affected by previous customer experiences at time  $t - 1$ . Similar results have been achieved from various researches regarding customer experience, where negative experiences lead to negative expectations and positive experiences to positive expectations (see e.g., Chandler, Lusch 2015, Wirtz et al. 2003). This continuous development of customer experience is portrayed in figure 3.

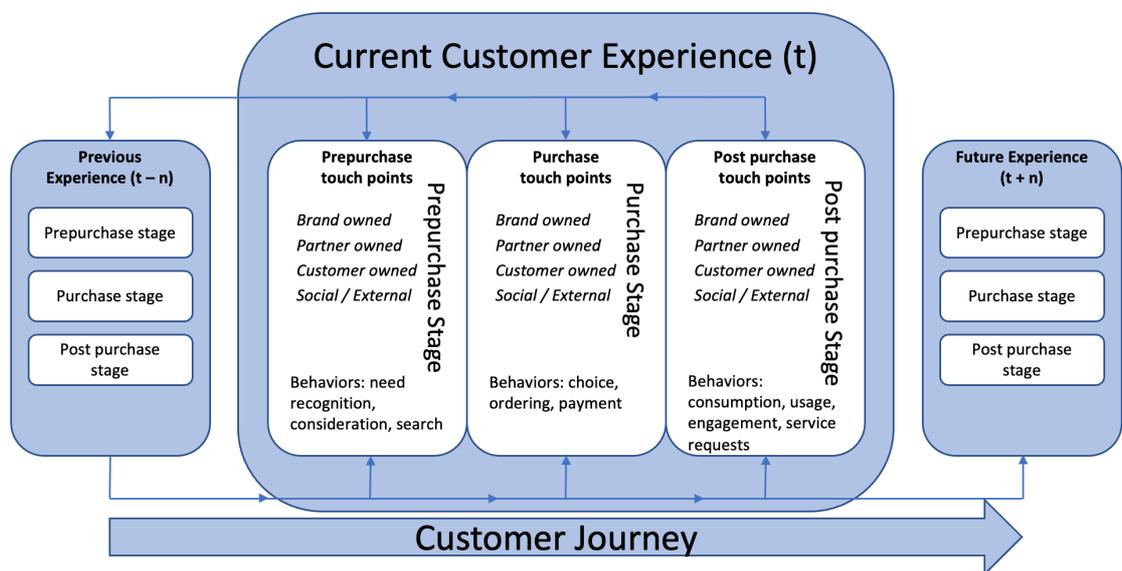


Figure 3. Customer experience development over customer journey (Lemon, Verhoef 2016, 76-77)

Figure 3 is a portrayal of an individual customer's journey when interacting with organization, product, or service. The current customer experience includes the customer decision making divided into three distinct stages: Prepurchase, purchase and post purchase. Each of these stages may include brand owned, partner owned, customer owned or social / external touch points, with which the customer can interact with and which affect the development of overall customer experience. Touch points are further discussed in chapter 2.4. As the previous customer experience in  $t - n$  affects the current customer experience in  $t$ , also the current customer experience in  $t$  affects the future experiences in  $t + n$  (fe. Positive or negative expectations). As previously conceptualized, customer

experience is a dynamic, ongoing process which constantly adapts and evolves based on independent, individual experience formed when interacting with the organization and its touch points.

### **Prepurchase stage**

Prepurchase stage consists of all interactions between business and customer prior to actual purchase stage. These interaction points are presented as touch points. From customer perspective this stage includes several behavioral actions: Need recognition, consideration and search. Theoretically also previous experiences could be included in prepurchase stage, but practically separating past experience from actions directly related to current customer journey makes the journey more manageable and simpler to analyze. (Lemon, Verhoef 2016) The prepurchase stage begins with need recognition, which can be either self-initiated, or externally initiated (fe. Sales call). After the need is recognized, the consumer proceeds to consider the known alternatives, and potentially search for information regarding the need. Pieters, Baumgartner and Allen (1995) approached consumer behavior from a means-end chain perspective, signifying that the consumer creates an imaginary map or a plan to help them advance from prepurchase stage to actual purchase stage, or fulfilment of the need/goal/impulse.

### **Purchase stage**

The second stage – purchase stage – comprises of all interactions between the organization and the customer within the actual purchase event itself. In this stage the customer: chooses, orders, and pays for the product/service. Typically, the actual purchase stage is rather brief in comparison to pre- and post-purchase stages. Purchase stage has however been extensively researched: from a hypothetical marketing activity-based perspective (e.g., the marketing mix [Kotler, Keller 2015]), shopping experience focused retail perspective (e.g., Puccinelli et al. 2009, Brynjolfsson, Hu & Rahman 2013), where the focus is on how purchase decision is formed. As the consumers have a growing amount of touch points and channels to interact with and find information from, predicting the customer decision making has become increasingly challenging. Melis, Campo, Breugelmans and Lamey (2015) assume that the primary driver for consumer in online shopping is the overall utility maximization, where most of studies regarding

online purchasing start from cost-benefit framework (e.g., Bell, Ho & Tang 1998, Gijsbrechts, Campo & Nisol 2008).

Purchase behavior is usually studied in business-to-customer retail environment, where there may be multiple substitutes for the needed products/services (e.g., kitchen appliances, TVs, mobile phones), or in several cases the exact same product may be sold by competing ecommerce businesses. However, business-to-business buying behavior differs significantly: in most cases the professional buyers go through over half of the purchase decision-making journey (e.g., prepurchase) before initiating contact with the supplier's sales representative directly (CEB Global 2018). B-to-B buying behavior is also going through rapid changes due to technological advancements, macro-economic development, and demographic changes (Wiersema 2013). However, B-to-B buying researches rarely focus on the experiential aspect of customer purchase behavior, but rather in factors and theories regarding the actual purchase as a process (see e.g., Grewal et al. 2015, Verville, Halington 2003) leaving a gap in experiential decision-making regarding SaaS acquisition. As previously mentioned, SaaS is making software increasingly available, easier to purchase, easier to maintain and also easier swap, meaning B-to-B buyers are no longer exclusively professional buyers, but are also impulsive and experience driven.

### **Post purchase stage**

The third stage – post purchase stage – consists of all interactions with the product/service/brand following the initial purchase decision. In this stage the customer: consumes and uses [the product/service], engages [with the brand], and requests service. As in the prepurchase stage, this stage theoretically includes everything from purchase to the end of the customers life, but practically only interactions related to the product/service/brand are included in post purchase stage. Research regarding post purchase stage is focused on consumption experience (e.g., Holbrook, Hirschman 1982), service recovery (e.g., Kelley, Davis 1994), product returning decisions (e.g., Wood 2001), repurchase and satisfaction (e.g., Bolton 1998), and also in recommendation behavior such as word-of-mouth (e.g., van Doorn et al. 2010). However, focusing exclusively in this relatively short service cycle is too myopic if the goal is to understand

why the customer returns for future services, or simply continues their relationship with their current supplier (Nakata et al. 2019, Zomerdijk, Voss 2010, Bolton et al. 2014). Consequently, recent CXM literature has expanded the scope of customer journey from a relatively short single service cycle to relatively long multiple service cycle, where each cycle iteration constitutes from individual purchase and post purchase stages, touch points, interactions, each building up to the overall customer experience. (Kranzbühler et al. 2018, Siebert et al. 2020, Court et al. 2009) Recent researches regarding post purchase buyer behavior have also extended this stage to include the “loyalty loop” as a continuum to the customer decision making journey (e.g., Court et al. 2009, Siebert et al. 2020).

Loyalty loop theory suggests that customer experiences differ between the initial and repeated service cycles (Court et al. 2009) making it necessary to differentiate the first service cycle from the following service cycles in regard to managerial actions and customer analysis. De Keyser (2015) finds customer experience to build on the experience and expectations from prior cycles, meaning that each new customer service cycle is not repetitive but iterative (Lemon, Verhoef 2016). As the customer journey nears the end, the customer behavior pattern may also be different from prior service cycles (Court et al. 2017), necessitating managerial understanding of customer behavior not only during the initial purchase cycle, but also during following cycles. By gaining additional understanding of the organization’s customer behavior, the company could foretell the termination intentions of the customer before losing the customer to a competitor.

#### **2.4. Touch points during the customer journey**

As mentioned in previous chapters, customer experience develops over customer journey in distinct touch points. These touch points may be company owned and controlled, but a growing number of touch points are uncontrollable by the company or organization (e.g., public reviews, social media, partners etc.) (Leeflang et al. 2013). The customer may interact with product/service/brand through touch points in any stage of the purchase: prepurchase, purchase or post purchase. Lemon and Verhoef (2016) categorize these touch points into four distinct groups: Brand owned, Partner owned, customer owned and Social/external touch points. There are also other distinctions on categorizing touch

points: paid, owned and earned media (e.g., Kotler, Keller 2015), firm-initiated and customer-initiated touch points (e.g., Anderl, Schumann & Kunz 2016, de Haan, Wiesel & Pauwels 2016). Categorizing touch points in these latter mentioned groups would place brand and partner owned touch points to paid and owned media, customer owned and social/external touch points to earned media. Brand and partner owned touch points would also be categorized as firm-initiated touch points, and customer owned and social/external touch points as customer-initiated touch points.

#### 2.4.1. Brand owned touch points

Touch points between the company and the customer, which are completely designed and controlled by the brand, are defined as brand owned touch points. Examples of these kind of touch points are company created product features, customer loyalty programs, and service encounters (Lemon, Verhoef 2016). Shostack's (1985, 243) definition of "service encounter" is "a period of time during which a consumer directly interacts with a service." Even before the initial service encounter the customer has expectations regarding the service quality, which have developed from prior interactions with the company or similar service provider. When these expectations are met or exceeded, the customer feels satisfied, whereas when the expectations exceed the actual service the overall customer experience is unsatisfactory. (Bitner 1990)

Baker, Parasuraman, Grewal and Voss (2002) found that in retail environment customers are motivated by the perception of service quality, ease of doing business, lack of stressfulness, and the price of service effect the desire of shopping in the store. The customer's desire to continue the relationship with a service or brand is strongly affected by the satisfaction of shopping, as well as the customer's experience of fairness of the transaction (Verhoef, Peter 2003)

#### 2.4.2. Partner owned touch points

Partner owned touch points are jointly designed together with single or multiple partners. A "Partner" may be a marketing agency, resellers, franchising positions, or companies affiliated with customer loyalty programs. The influence of partner owned touch points on customer experience is unclear. A research by Lemon and Wangheim (2009)

suggested that by using the company's loyalty partners, the customers spend more in the initial company's products and services in the future. A functional partner network has several advantages: increased amount of touch points for customer to find information regarding the company's products and services, increased amount of purchase channels, and increased amount of support regarding consumption. However, when the brand doesn't completely design or operate a touch point, there is risk of mixed messages, misinformation, and inadequate quality assurance (e.g., brand app on 3<sup>rd</sup> party platform and reseller with insufficient product/service knowledge) and the line between brand and partner owned touch points may blur.

#### 2.4.3. Customer owned touch points

Touch points, where the customers shape the products or services user experience without any influence or control by the brand or partner, are categorized as customer owned touch points. Customer owned touch points aren't necessarily completely shapeable by the customer, but the customer's desires, and needs have significant role in these touch points. The customer might for example decide the payment method, but the company might restrict the choice to certain alternatives. Customer owned touch points have the most significant role in post purchase phase during the customer journey, as in this phase the customer actually consumes the product/service. Unforeseen consumption methods may alter the customer experience in unpredictable ways, making it crucial for the company to understand potential customer owned touch points in order to successfully manage the overall customer journey. (Lemon, Verhoef 2016) Customers might use different social media platforms to post or share alternative methods of using everyday products, but it is not uncommon for consumers to post problems and solutions to company owned websites and community platforms regarding SaaS products as well.

#### 2.4.4. Social/external touch points

Touch points, which cannot be categorized in previous three categories are classified as social/external touch points. Social/external touch points are present during the whole customer journey from pre purchase stage to post purchase stage (such as other customer, independent information sources, or environment). External touch points may affect customer experience and behavior during the customer journey either by the customers

appropriate decision or through random influence. Other customers presence and behavior may impact the customer experience and behavior during the customer journey in unpredictable ways. (Lemon, Verhoef 2016) A research by Baxendale, Macdonald and Wilson (2015) found that the external touch points, such as seeing another customer using the product/service or hearing another customer praise or criticize the product/service, has a bigger influence on the purchase decision and brand image, than paid advertising. Third party information sources, such as reviewing platforms and social media affect the customers. Even though the impact of social media towards purchase behavior has been researched, its impact towards customer experience is unclear. (Lemon, Verhoef 2016)

## **2.5. Analyzing and managing the customer experience**

When studying the customer experience, it is crucial for the company to create an understanding of the customer's journey. By creating an understanding, the company may discover touch points with significant impact on overall customer experience and be able to manage the customer experience systematically. Fluckinger (2020) defines the practice of CX management as "the collection of processes a company uses to track, oversee and organize every interaction between a customer and the organization throughout the customer lifecycle." Where customer relationship management focuses on the recorded history of the customer, customer experience management focuses on the current experience of the customer in a way that creates value to both firm and the customer (Verhoef et al. 2009).

Pine and Gilmore (1999) suggest that competing through price or service differentiation is no longer sufficient, but firms should rather focus on customer experience and CX management. This is also supported by marketing researches of the positive correlation between customer centricity and the firm's revenue development. Rust, Moorman, and Dickson (2002) find that firms emphasizing revenue growth but focus on customer satisfaction and customer loyalty outperform firms focusing on other managerial aspects. Similarly, a research by Mittal, Anderson, Sayrak and Tadikamalla (2005) shows that efficient firms with satisfied customer have a better performance than other companies. The emphasis being in the company efficiency. Creating superior customer experience

might be very expensive, and in some cases, it might be unnecessary as a “normal” experience would suffice. For example, if the company has efficient customer relationship management (CRM) platforms, where they can record and track back the complete history of its customers, the company may efficiently provide relevant targeted actions, services or information. As previously mentioned, the customer might indicate termination during the last iterations of its customer journey through identifiable actions, by efficient customer journey mapping/CX management, the company could proactively improve the customer experience before the actual termination.

Customer experience management research is increasingly focusing on the long-term development of customer experiences and customer journeys over the course of multiple purchase cycles (Bolton et al. 2014, Lemon, Verhoef 2016, Siebert et al. 2020). As previously mentioned, in addition to delivering superior customer experience the company must be efficient. Shostack (1985) introduced Service blueprinting (e.g., Bitner, Mary Jo, Ostrom & Morgan 2008) as a tool for companies to map their processes, to create an understanding on what actions are made within the company. Other popular CX management tools include but are not limited to customer journey mapping (e.g., Lemon, Verhoef 2016, Voorhees et al. 2017, Rosenbaum 2017), touch point management (e.g., Schögel 2010, Stein, Ramaseshan 2016, Baxendale, Macdonald & Wilson 2015) and multichannel customer management (e.g., Neslin et al. 2006, Verhoef, Neslin & Vroomen 2007, Wolny, Charoensuksai 2014)

### 2.5.1. Service blueprinting

Service blueprinting was initially created as a framework to map out the processes in creating or managing a service in a nonsubjective and quantifiable way. The framework included: identifying processes, isolating fail points, establishing timeframe and analyzing profitability. (Shostack 1984) Bitner et al. (2008) present that when a company is able to create a service design with an understanding of the customer outcome and customer processes, the company is able to positively influence customer experience in many different touch points evidently leading to more favorable outcomes regarding brand image evaluation and customer loyalty. As previously mentioned, differentiation through pricing and product variables are no longer sufficient methods if the firm wants

to create competitive advantages in comparison to other companies (see e.g., Pine, Gilmore 1999, Bombeck, Ray 2020)

Bitner et al. (2008) lists five typical components of service blueprinting: Customer actions, onstage/visible contact employee actions, backstage/invisible contact employee actions, support processes, and physical evidence. These components are presented in table 2 below.

Table 2. Components of Service Blueprinting (Bitner, Ostrom et al. 2008)

Customer actions	Customer actions include a chronological representation of all the actions the customer initiates or is a part of regarding the service delivery.
Onstage/visible contact employee actions	Onstage and visible contact actions are separated from the customer through a line of interaction. This means that whenever customer interacts with a frontline contact employee or a self-service technology, a link is formed between the customer and a visible part of the company.
Backstage/invisible contact employee actions	Backstage and invisible contact employee actions are different from the onstage and visible contact employee actions in the sense of visibility. These actions are also initiated by the customer, but the process itself happens “backstage” and is not visible to the customer, for example the internal process of moving the customer from purchase decision to deployment of the software and training.
Support processes	Support processes are the internal interactions between employees. These supporting activities are carried out by individuals and units in order for the service to happen. These activities happen vertically through the organization.
Physical evidence	Physical evidences are present for all the customer interactions with the company. For every interaction event the customer receives “physical evidence” which exposes the customer to quality perceptions of the service.

While customer journey mapping focuses on the customers experiential journey, and usually varies from customer to customer, there is only one of your business. The delivered service is also only as coherent the employees who deliver it. In order for the company to react and improve their experiential customer journey, the company must first gain deep understanding of their internal processes delivering the service. “Blueprinting is not about documenting the customer experience. It uses the customer experience as starting point, and unpacks it to expose how the organization supports that journey.” (Miller 2016)

### 2.5.2. Customer journey mapping

While service blueprinting may provide a solid starting point for customer journey analysis, a common concern is that it isn't customer centric enough (Bitner, Ostrom & Morgan 2008, Lemon, Verhoef 2016). When analyzing the customer journey, it is necessary to map out the different points of interaction during each stage of the decision-making. Traditionally the customer journey is represented in distinct phases, most commonly in some sort of variation of three stage journey (e.g., prepurchase, purchase and post purchase), but these stages can also be further divided to better fit the specific business field or service. (Verhoef, Peter C., Kooge & Walk 2016) In addition to the initial customer journey, CX literature has advanced to present the post purchase behavior through independent service cycle iterations conceptualized as "loyalty loops" (e.g., Court et al. 2009). By mapping the customer journey as the total of service cycle iterations the customer has during their whole relationship with a brand/service/company, the company is able to analyze points affecting customer experience in more depth, and even be able to predict possible termination trajectories during the final service cycles (Siebert et al. 2020).

The fundamental idea behind customer journey mapping is rather simple. After separating the customer journey into prepurchase, purchase and post purchase phases, the company is supposed to list all possible touch points that the customer can interact with. Rosenbaum (2017) presents a blueprint of creating a customer journey map as an innovating tool for management, by placing the key touch points in the horizontal axis of customer journey map, and strategic actions needed to make to actively influence the customer experience within these touch points to vertical axis. The most important touch points are identified by interviewing the customers, and the strategic actions necessary to improve customer experience within each touch point, are generated with the departments responsible for the strategic management of each touch point (fe. Brand recognition and visibility would be primarily developed through marketing department). Especially as the customer journeys become more complex (Edelman, Singer 2015) it is necessary for companies to gain understanding on which touch points have the most significant impact on the overall customer experience, as the customer journey map may quickly become unmanageable when trying to manage all touch points at once. Whereas a company may

blueprint their processes of delivering a service through internal inspection and input, the focus of customer journey analysis is to understand and map the decision-making journey of a customer from the customer's perspective, making the customer's input essential for the customer journey mapping.

### 2.5.3. Multichannel customer management

With the growing number of channels and digitalization of purchase behavior, it is imperative for the company to recognize their most important channels, the factors driving the customer to interact through these channels, and to be able to meet the customer in the channels of the customer's choice. In most businesses, multiple channels are present in each stage of customer journey, and the importance of channels may vary from stage to stage. Customers might also use one channel to find information, and another channel to make the purchase (e.g., Brynjolfsson, Hu & Rahman 2013), which raises the managerial question on how to credit the correct channel? A research by Verhoef, Neslin and Vroomen (2007) presented that customers research shop, suggesting the importance of cross channel functionality and that channels "feed" of each other. While the issue of crediting correct sales channels and mapping customer behavior during the initial purchase doesn't fit the scope of this thesis, it is necessary to understand and manage the impact of multiple channels regarding repurchase or continuation of subscription in order to understand the factors influencing customer loyalty and post purchase behavior.

The multichannel perspective is an advancement regarding CX literature, as initially studies have focused on the customer behavior within a specific channel (e.g., Leeflang et al. 2013, Bilgicer et al. 2015, Melis et al. 2015). As the number of channels have naturally increased (fe. Ecommerce and mobile), the need for multichannel customer management has grown. Neslin et al. (2006) define multichannel customer management as: "the design, deployment, coordination, and evaluation of channels through which firms and customers interact, with the goal of enhancing customer value through effective customer acquisition, retention, and development." While multichannel literature mainly focuses on the channel choice behavior, multichannel management presents various advantages regarding customer journey analysis and customer experience management

(Lemon, Verhoef 2016) by for example potentially improving customer loyalty (e.g., Neslin et al. 2006) and by improving overall customer spend (e.g., Myers, Pickersgill & Van Metre 2004).

Neslin and Shankar (2009) list channel use in managing the customer lifecycle, as one of the key issues regarding current knowledge of multichannel customer management. While service blueprinting provides foundation for customer journey mapping, multichannel perspective provides in depth knowledge regarding each step of the purchase journey. While the customer might value various non interactive internet pages as primary sources for prepurchase stage, remote meetings with sales representative as primary channel for purchase stage, they might value another channel (or a number of cross functional channels) at the post purchase stage.

Service blueprinting, customer experience management, customer journey mapping, and its related theories have been researched for decades. As the market has advanced to continuously create more opportunities for competition, and increasing number of channels to interact with, also the CX theory has advanced to answer that eras specific topics. A summary of theoretical contributions and known research gaps regarding customer experience is presented in table 3.

Table 3. Theoretical contributions towards customer experience

<b>Topic Area</b>	<b>Representative articles</b>	<b>Contribution towards customer experience</b>
<b>Customer purchase behavior</b>	Lavidge and Steiner (1961); Kotler (1967); Howard and Sheth (1969); Schmitt (2003); Klaus and Maklan (2012); Brynjolfsson, Hu and Rahman (2013); Wolny and Charoensuksai (2014); Lemon and Verhoef (2016); Følstad and Kvale (2018)	<ul style="list-style-type: none"> <li>- Customer purchase behavior seen as a process</li> <li>- Earliest models of consumer buying behavior</li> <li>- Experiential view on customer decision making</li> </ul>
<b>Multidimensional customer experience</b>	Abbot (1955); Schmitt (1999); Schmitt (2003); Schmitt, Brakus and Zarantonello (2015)	<ul style="list-style-type: none"> <li>- Customer experience seen holistically consisting of the customers multidimensional responses</li> <li>- Each dimension may be present in each touch point during customer journey</li> </ul>
<b>Service Quality</b>	Zeithaml (1987); Bitner (1990); Parasuraman, Zeithaml and Berry (1998); Rust and Chung (2006); Ruiping and Yujuan (2006); Bitner, Ostrom and Morgan (2008); Meyer and Schwager (2007); Følstad and Kvale (2018); Lemon and Verhoef (2016)	<ul style="list-style-type: none"> <li>- Service Quality oriented view on decision-making.</li> <li>- Focus in managing each individual service encounter to enhance the overall perception of service quality</li> <li>- Service blueprinting models created to manage service quality</li> <li>- Early models of customer journey mapping through service blueprinting</li> </ul>
<b>Customer Satisfaction</b>	Howard and Sheth (1969); Oliver (1980); Bolton and Drew (1991);	<ul style="list-style-type: none"> <li>- Cognitive viewpoint towards customer experience</li> <li>- Subjective approach towards customers expectations and perceptions</li> </ul>
<b>Customer relationship and engagement</b>	Bolton 1998); Verhoef (2003); Bolton, Lemon and Verhoef (2004); Court, Dave, Susan and Ole (2009); Puccinelli, Goodstein, Grewal, Price, Raghubir and Stewart (2009); van Doorn, Lemon, Mittal, Nass, Pick, Pirner and Verhoef (2010); Lemke, Clark and Wilson (2011); Vivek, Beatty and Morgan (2012); Homburg, Jozic and Kuehnl (2017)	<ul style="list-style-type: none"> <li>- Interaction between the company and customer is seen as a relationship rather than one-way purchase behavior</li> <li>- Focus rather in creating long lasting relationships, than single service transactions</li> <li>- Focus in creating expectation exceeding experiences especially post-purchase</li> <li>- Customer journey seen as an ongoing relationship consisting of multiple service cycle iterations</li> <li>- Attempt to not only create satisfied, but engaged customers</li> </ul>
<b>Multichannel customer management</b>	Carbone (1998); Schmitt (1999); Nunes and Cespedes (2003); Neslin, Grewal, Leghorn, Shankar, Teerling, Thomas, Verhoef (2006); Neslin and Vroomen (2007); Neslin and Shankar (2009); Leeftang, Spring, van Doorn and Wansbeek (2013); Bilgicer, Jedidi, Lehmann and Neslin (2015); Korkiakoski and Gerdt (2016); Batra (2017)	<ul style="list-style-type: none"> <li>- Customer journey consists of multiple parallel channels</li> <li>- Customer may interact through single channel throughout the journey, or through multiple channels</li> <li>- Focus in creating coherent customer journey with manageable customer experience regardless of the channel</li> </ul>

As presented in table 3, customer experience has been researched from various perspectives, each contributing towards the overall view on how customer experience is formed and managed. While CX literature is broad, it is not conclusive. Research focus regarding customer experience has advanced over decades in attempt to answer

experiential factors of customer behavior during that specific time period. As the products and services that customers purchase evolve, and new touch points and channels through which the consumers may interact emerge, also the experience creation advances. While traditional B2C retail market or online shopping has been consistently and thoroughly researched, experiential research regarding B2B markets and especially SaaS is scarce, leaving a research gap on how experience formation affects decision making in B2B market, and specifically regarding SaaS. To date, existing literature regarding software acquisition in B2B market focuses on the buying process and buyer profiles, neglecting experiential factors affecting the initial purchase decision, and the recurring purchase decision cycles following.

### **3. BLUEPRINTING THE CUSTOMER JOURNEY FROM THE POINT-OF-VIEW OF COMPANY X**

The goal of this thesis is to improve the understanding of the customer journey of business customers of Company X. Company X has several SaaS products in their product portfolio. While some customers might use several different SaaS products from the same or different provider, each SaaS product aims to fulfill a specific need. As each SaaS product has their own properties and uses, it is relevant to assume that each end user focuses on each SaaS product individually, rather than in SaaS products in general. Hence, this thesis focuses on the customer journey of cloud based financial management SaaS. The purpose of this chapter is to explain the theoretical literature discussed in previous chapters in the research context, and to blueprint the operational environment of Company X. The underlying theories regarding customer experience and customer journey were discussed in chapter 2, which serve to create an understanding of the touchpoints of Company X and create a basis of customer journey in SaaS industry.

Kraft (2018) defines cloud services as software offered over the internet. There are distinct differences regarding the nature of the software which are categorized as “cloud services”. The market recognizes six different cloud services: Cloud Business Process Services (BPaaS), Cloud Application Infrastructure Services (PaaS), Cloud Application Services (SaaS), Cloud Management and Security Services, Cloud System Infrastructure Services (IaaS), Desktop as a Service (DaaS). Mäkilä, Järvi, Rönkkö and Nissilä (2020, 117-118) studied SaaS definitions in Finland and were able to list five distinct characteristics associated with SaaS definitions.

1. Product is used through a web browser.
2. Product is not tailor made for each customer.
3. The product does not include software that needs to be installed at the customer’s location.
4. The product does not require special integration or installation to work.
5. The pricing of the product is based on actual usage of the software.

Company X operates in a competitive field. The field consists of several financial management software, some are traditional license based, some are modern, cloud-based, and automated, some are designed for a specific field of business and some are extensive enterprise resource planning software including financial management properties. The advantages of modern cloud-based software are unquestionable, for example: the software automates manual tasks, creates a cloud-based platform including all the company's financial information available regardless of time and place, and decreases the possibility of error. The business user doesn't need to store receipts or paper documents but can remotely scan them to cloud. This advancement on otherwise manual, and mandatory practice of accounting has also shifted the role of the accountant into more consultative in nature, creating more opportunities in business intelligence, financial reporting, and overall business development. Modern software is usually more expensive than a traditional software, and to gain to full benefit the end user has have the needed knowledge of using the software.

Company X sells cloud based financial management software directly to businesses (direct sale) and to accounting offices, which sell the software as a part of their accounting services (channel sale). In both channels the goal is increase the number of businesses using the software. In channel sales the improvement is through improving the partnership of the accounting offices, as this encourages the accounting offices to favor this specific cloud based financial management software over competing software. Usually the entrepreneur, business owner, or controller values the recommendation or opinion of their accounting office, making the channel crucial in regard to the initial purchase decision. In direct sale the improvements are more 'direct': either improve the number of leads, or the probability of the sale.

As previously discussed, the goals of doing business have evolved from creating short sighted single sales, into creating long lasting relationships with the customers, where the software provider needs to consistently meet or exceed the customers' expectations. SaaS based software offers the customer flexibility; the customer may increase or decrease the overall software use based on need directly influencing the cost, but the flexibility also gives the customer the opportunity to swiftly change software to a competing software. This flexibility virtually means, that the customer *chooses to* use the software over and

over again, making the goal of creating long lasting customer relationships an endless game of creating expectation exceeding customer experiences.

### 3.1. Blueprint of the Service

Blueprinting how the software is provided to the customer may increase the understanding of the experiential customer journey, as the service is only as coherent as the process of delivering it. This chapter presents the service process of how Company X provides the financial management SaaS for customers in an objective manner. This blueprint is used to compare the procedures of Company X to the customer journey stages of a direct customer. Similar to the five-stage representation of service blueprinting provided in chapter 2.5.1, the Company X's service delivering is presented in five stages in figure 4: Physical evidence, Customer actions, Onstage/Visible contact employee actions, Backstage/invisible contact employee actions and support processes.

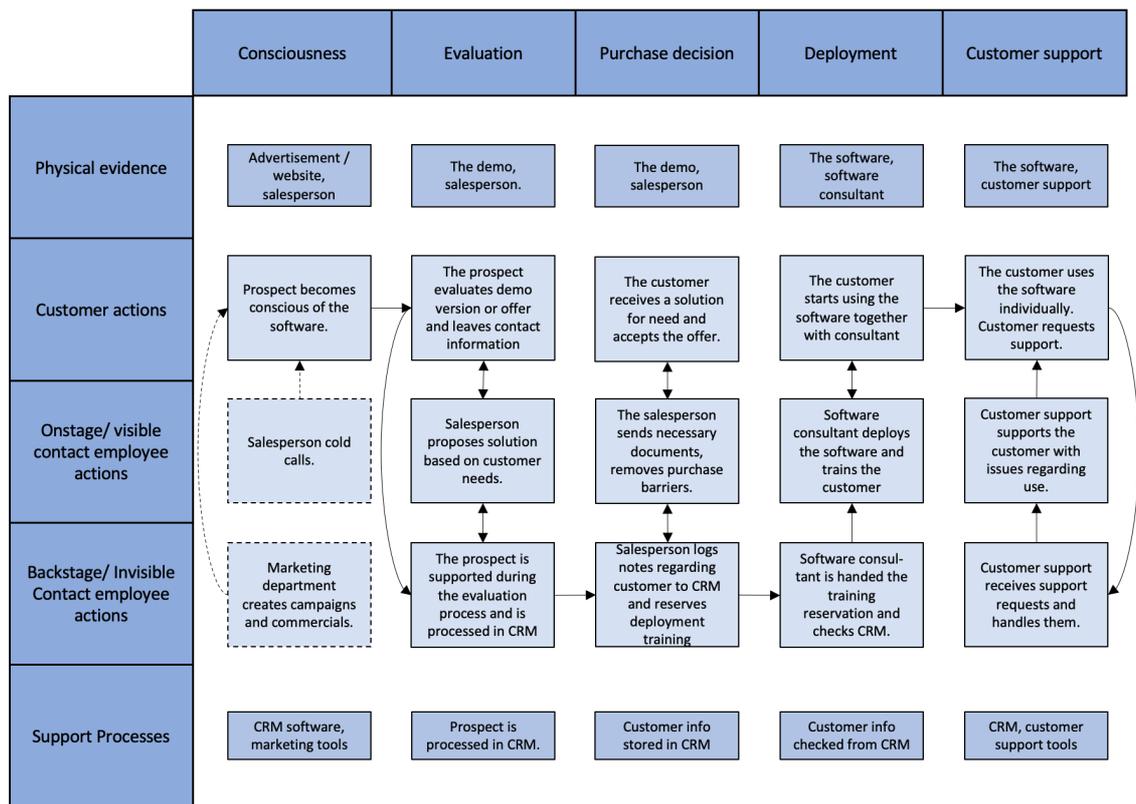


Figure 4. Blueprint of delivering financial management SaaS of Company X

The blueprint of delivering financial management SaaS is a process involves several internal departments, where department specific functions could be blueprinted as their own. As this thesis focuses on the customer perspective and specifically in how the post purchase actions affect the customer experience, the delivering of financial management software is portrayed from high-level, giving an outline of the process as whole. The vertical axis consists of the components of blueprinting a service and the horizontal axis contains the different phases of customer journey from the Company X perspective. Physical evidence represents variables which are supposed to be present for the customer in each phase.

Consciousness stage may commence originating from the customer: The customer becomes conscious of the offering on its own, or through touch points/channels which are not controlled by the company. Consciousness stage may also commence by marketing actions, where contact employee actions are invisible (backstage), or by cold calling or otherwise contacting a possible customer, where the contact employee action is visible (onstage). Consciousness phase is supported by CRM software and marketing tools. The prospect may leave the process in any of the purchase phases presented in figure 4. This means that the prospect may become conscious of the offering through previously mentioned ways but may not advance to the next phase for any reason.

When the prospect advances to evaluation of the software, the prospect may evaluate the offering through trying out the demo version of the software, by creating an offer from an online offer calculator, or by individual means of evaluation. When the prospect shows interest by leaving contact information, they are contacted by salesperson. Simultaneously the customer information and notes regarding customer needs are logged to CRM. When the prospect is in the evaluation phase, the salesperson pursues to actively support the prospect towards purchase decision, by creating and offering a solution to the individual needs of the customer. The physical evidence present in evaluation phase are the demo version of the software and the salesperson.

After evaluation the customer advances to purchase decision to purchase the software. In this phase the salesperson pursues to actively remove obstacles in front of making the purchase decision. When the obstacles are removed and the customer is ready to make

the purchase, salesperson sends the required legal documents for the customer to accept and creates a reservation for deployment training. Simultaneously the salesperson checks and updates the CRM. Physical evidence for the present in purchase phase are the demo version of the software and the salesperson.

Then a software consultant receives a deployment training reservation, and representation on what subjects are the most critical for the customer for example the customer has a certain 3<sup>rd</sup> party software which they need help integrating. The software consultant then creates a schedule of the trainings and plans in which order the software should be deployed, and in what time frame. This is critical, as the customer might have individual obligations that they prioritize over the deployment (for example Ongoing auditing, high season etc.). As the deployment training begins, the customer familiarizes with the software together with the software consultant. The trainings are completely remote due to Covid-19. As the trainings are remote, it is more effortless to train multiple people at once, and the customer receives the recording of each meeting after the training session for support and future reference. The amount of deployment training is suggested by the salesperson based on individual needs of the customer, and the extent of chosen features of the financial management software. The deployment period is usually 2-3 months for the average customer, but it may vary to either direction. The physical evidence present within deployment phase are the software consultant and the software.

After the deployment period the customer starts using the software without active consultation. The customer still has the recordings of each trainings if they need to check how a certain procedure went. Company X also provides customers with user manuals in written and video (how-to) form. When the customer has questions regarding the use of the software, they may either try to solve the problem by themselves, search for solution from the training material or the user manuals, and if the solution is not found, contact the customer support. The customer may also directly contact the customer support. If the customer or customer support recognizes the support question to be too extensive to be walked through via phone or email, the customer may request additional training. In the blueprinted procedure, the customer uses the software individually, in case of problem requests support, the customer support handles the support requests accordingly within customer support software and supports the customer regarding the issue. The physical

evidence present in the customer support phase are the actual software and customer support.

This blueprint presents a general view of how the delivering process of financial management software of Company X requires coherent processing of both customer and in-house initiated actions. The information regarding the customer moves from 1<sup>st</sup> contact (salesperson) to 2<sup>nd</sup> contact (software consultant) and eventually to 3<sup>rd</sup> contact (customer support). If there is information loss from 1<sup>st</sup> to 2<sup>nd</sup> contact, it may affect the deployment training in unpredictable ways, if there is information loss from 2<sup>nd</sup> to 3<sup>rd</sup> contact, it may affect how the customer is supported in unpredictable ways. The unpredictability may appear as a slight inconvenience for the customer and the contact person, or in worst case significantly alter the user experience and the overall customer experience. This blueprint is used to reflect the in-house processes of Company X to the customer journey of its customers, and as a map to be able to narrow down where to direct individual customer experiences.

### **3.2. The Customer Journey**

In this chapter a representation of the customer journey is created based on the customer journey mapping theory introduced in chapter 2.3. The customer's progression during customer journey is presented in five distinct phases. These five phases are presented in table 4 by grouping the phases to three main stages: Prepurchase stage, purchase stage and post purchase stage. This representation of customer journey is used as the empirical framework in order to categorize customer actions and experiences accordingly during the empirical research. Each of these stages are affected by various touch points and channels, but the importance of a touch point or channel may alter during progression of the customer journey. The main channels to consider are: Company X and various accounting offices licensed to sell the financial management software. These are the only channels where the customer may purchase the software. The customer might initiate the customer journey by interacting with their accountant and continue through most of the journey within this single channel without directly interacting with Company X a single time, or the customer might move from channel to channel, even multiple times during the customer journey. The customer might interact with factors uncontrollable by either

the accounting office or company X, these interactions are considered as touch points. The touch points are discussed in depth in chapter 3.3. The customer journey stages are reflected on the blueprinted actions that Company X takes to deliver the financial management software to the customer in figure 5.

Table 4. Direct customer’s customer journey stages

<p><b>Pre-purchase stage</b></p>	<p>The first experiences and expectations are created during the prepurchase stage, through various touch points. The prepurchase stage is divided further divided into “need recognition” and “search”. The division is made to create a deeper understanding of customer actions and important touch points during prepurchase stage. Prepurchase stage is especially valuable in regard to expectations, and perceptions of the product and brand. Company X aims to improve the brand and product image through general and directed marketing, cold calling, partnerships and overall supporting of information search (e.g., Free demo version). Accounting office’s use also these same sales actions but might offer any financial management software from their software portfolio. While the question of what makes an accounting office recommend a certain financial management software over another is relevant, it is beyond the scope of this thesis. Based on research regarding the development of the customer journey of an Accounting Office in SaaS-industry, the partnering accounting office’s recommend financial management software based on their know-hows, personal and 3<sup>rd</sup> party referrals, and based on the effect the software has on their sales margin. (Engelvuori 2019)</p>
<p><b>Purchase stage</b></p>	<p>Progression during the customer journey leads to the purchase stage, which is considered through “choice and ordering” phases. When company X sells their financial management software, it usually requires active sales work from a sales representative. While the sales representative usually supports the customer mostly during prepurchase stage by ‘removing purchasing obstacles’, the sales process is culminated to the purchase stage. The sales representative is supposed to guide the customer from the prepurchase stage to making the initial purchase by answering the individual needs of the customer. This might include software integration consultation, software presentation, or referring supplementary software or accounting office. As well pre- or post-purchase stages, multiple channels are present also in purchase stage. Most notably, the customer may decide from which channel to make the initial purchase: from the company X or from any of the partnering accounting offices. The customer might also use one channel to obtain information regarding the software but make the initial purchase in another channel based on their personal preference. The choice of purchase channel determines the primary channel of customer support; if the customer purchases the software from Company X, the customer support is primarily delivered from Company X and vice versa. The channels might also cooperate, in attempt to create a more holistic offering, making the purchase decision more effortless as the customer receives all necessary information in joint meetings.</p>
<p><b>Post purchase stage</b></p>	<p>In post purchase stage the customer has already made the initial purchase decision and has the software in use. The post purchase stage is usually the longest stage, as it theoretically lasts from the initial purchase decision to the termination of the agreement (or the rest of the customers life). It usually begins with extensive introductory training suited to the individual needs of the customer. The introductory training includes everything concerning the successful deployment of the software, e.g.: transferring history data from old software to new software, introductory training based on the needs of the customer, and consultation regarding software-to-software integrations. After the software has been deployed and the customer has been trained, the rest of the customer journey revolves around the software.</p>

After the initial purchase decision, the customer continuously makes the decision to keep using the software by choosing not to terminate the relationship. While this stage theoretically and also in practice is included in post purchase stage, it is necessary to separate the ‘unsupervised and individual’ consumption of the software from the supervised stage where the software consultant trains and shows the correct methods of using the software. The separation is relevant, because the likelihood of a customer purchasing and deploying a software that has already fallen below of the individual expectations of the customer, is very low. In other words, the individual and unsupervised day-to-day use of the software may either lead to “loyalty loop”, where the customer indefinitely continues the relationship with Company X, or to the termination of the relationship. From an experiential perspective, the difference between loyalty loop and termination, is the relationship between individual expectations and individual experience. While the customer may continue in the “loyalty loop”, their behavior during the loop might change and indicate their intentions of termination of the relationship before actual termination. Obtaining information regarding the intention of relationship termination *prior* to actual termination may provide the software provider opportunity of keeping the customer before it is too late. Post purchase stage is divided in to “deployment”, which is perceived as the final stage of the initial customer journey (1<sup>st</sup> iteration) and “loyalty loop”, which includes everything from post-deployment to possible termination of relationship (*n* iterations of repurchasing). Some iterations may be unconscious decisions (the iteration doesn’t include anything experience altering) and some iterations may be conscious decisions (the iteration includes something experience altering).

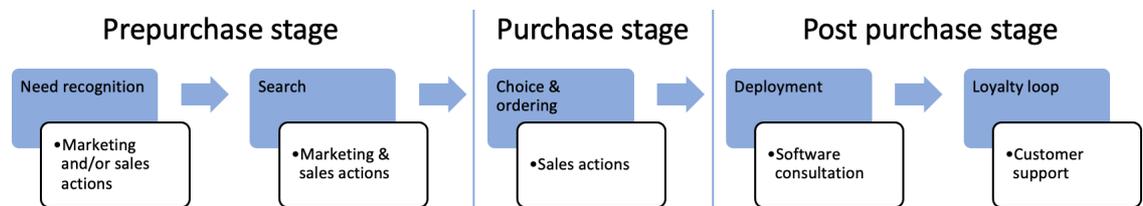


Figure 5. The customer journey stages compared to the blueprint of delivering the service of Company X

In figure 5 the stages of the customer journey are reflected on the actions of delivering the financial management service of Company X. The customer journey phases, and company actions are grouped to the three main customer journey stages: Prepurchase, purchase and post purchase stages. In prepurchase stage, primarily marketing attempts to influence the consciousness of customers through variety of marketing actions and create a “recognition of need”. Sales department actively cold calls customers, and depending on the individual customers current purchase stage, the customer might be anywhere in between need recognition, search, or choice & ordering, or outside of the customer journey. If the customer has no previous knowledge regarding the financial management SaaS, the salesperson may be the first touch point regarding the software and the brand, creating consciousness and even recognition of need. After the consumer advances to “search”, both marketing and sales actions are directed towards the customer. Depending on the customers individual preferences, they primarily search information from the

internet or from the salesperson, or from both. Customer might also lean on searching information from independent 3<sup>rd</sup> party sources, but this is beyond company actions.

After the salesperson has supported the customer during search, the customer advances to purchase stage and specifically to “choice & ordering” of the financial management SaaS. The purchase stage includes everything related to making the initial purchase decision, visible actions include presenting the final solution, offer and contract negotiation. There are also several invisible actions regarding planning the deployment, which are stored in CRM for the software consultant and for future knowledge regarding customer specific needs and actions. The ordering of the software is managed directly between the customer and the salesperson, but the deployment training is planned and managed by the software consultant.

After the customer has purchased the SaaS, the customer advances to post purchase stage, which begins with deploying the software, where the primary actions of Company X are initiated by the software consultant managing the deployment. The main goal in deployment is, that the transition to the purchased software runs smoothly, and that the customer becomes familiar enough with the system that they can use the software individually and ‘correctly’, as this increases the predictability of user actions and experience. After deployment, the customer uses the software for financial management individually without supervised guidance by the software consultant. The use is supported by various self-learning materials, and customer support. If the customer needs assistance, they may contact the customer support, and the support request is handled in customer support accordingly. The interaction is primarily ‘active’ but not ‘proactive’, meaning that the customer is provided with information on how to receive assistance in case of need, but the customer chooses on how to resolve possible issues with use. The phase post deployment is categorized as “loyalty loop” as in this phase the customer continues to use and therefore ‘purchase’ the software over and over, each loop being its own iteration of purchase and post purchase stages. Each iteration impact towards overall customer experience may vary, as the decision period on whether to continue is rather short; the customer may terminate the agreement any given month resulting in term of notice. While the individual impact of a certain iteration of loyalty loop may have low direct impact towards the customer experience, the individual experiences during

customer journey build up on the overall customer experience. This implies, that if systematic, even minor customer experience decreasing/increasing events lead to significant changes in overall customer experience, making the customer more/less prone to change the provider.

### **3.3. Touch points encountered by the customer**

This chapter presents the touch points the customer might face during their customer journey within SaaS industry. The touch points are categorized in four distinct groups: Company X owned touch points, Partner owned touch points, Customer owned touch points and social/external touch points. The importance and impact of each touch point category cannot be determined prior to customer interviews. As previously mentioned, the customer has two main channels regarding the customer journey and purchase behavior. The choice of initial channel, and the cross-channel behavior may impact which touch points are encountered during the customer journey, and also on how important and relevant these touch points are regarding the overall customer experience.

#### **3.3.1. Company X owned touch points**

The touch points directly owned and managed by Company X are described as “Company X owned touch points”. From the perspective of the company, the more touch points it can directly and completely manage, the more comprehensively it can affect the customer journey, customer expectations, and the overall customer experience. Touch points included in prepurchase stage relate to supporting the customers prepurchase actions: need recognition, consideration and search. These phases are supported through marketing and active sales development actions from Company X. Company X provides direct and indirect marketing through various channels: Traditional media, social media, company website, demo version of the software, blogs, podcasts, references. In addition, Company X does active cold calling in attempt to either create the ‘recognition of need’ or to discover the customers already in search for a financial management software.

As the customer progresses to the purchase stage of the customer journey, the sales representative pursues to actively influence the purchase decision through various supporting sales actions. While the difference between prepurchase and purchase stage

touch points are indeterminate, the sales representative interacts with the customer in both stages ‘guiding’ the customer from one stage to another. The impact of the sales representative may vary, as the customer might advance during the prepurchase stage alone, and initiate contact just to make the actual purchase. As previously mentioned, the customer may also neglect sales representative of Company X altogether and deal through another channel completely.

In post purchase stage the Company X provides training, offers information regarding software development and updates through different means of communication, customer support, offers different ways of improving software use (online training, instructions, consultation) and also proactively contacts customers directly. Depending on the channel of purchase and the customers preference, the customer interacts either directly with Company X or accounting office in case of support. Company X offers several ways of initiating contact: chat within user interface, phone support, or email support. Customer may also contact the sales representative or software consultant directly.

### 3.3.2. Partner owned touch points

Company X has several partners, which manage their own touch points. These touch points are also influenced by Company X, but cannot be completely controlled by Company X. These partners are mainly software, which are integrated with the financial management software, and accounting offices. As the customers software portfolio may include only the financial management software, or also 3<sup>rd</sup> party software to complement the business need of the customer, it is in the interest of each software party that the software portfolio actually complements each other as it improves the using experience of each software within the portfolio. This said, the software partners may either refer the financial management software of Company X, or a competitors financial management software. The software partner may also focus solely on their own software, if the financial management software is seen as nondifferent from their perspective. The same applies for accounting offices; the accounting office may offer the financial management software of Company X as a part of their offering, offer the competitors financial management software, or simply pursue to sell their own service without taking a stand on the software altogether.

Partner owned touch points are included in each stage of the customer journey. In prepurchase stage the customer might own a software suited to the specific field of the customer, where the customer might ask for a reference from their current software provider or search for information on which financial management software best complements their current software. The customer might also recognize a need to upgrade their current financial management software and initiate contact with their current accountant or accounting office. Both partners might also publicly refer financial management software of Company X through reference stories, blogs, or through their web sites. It is usual, that software partners market which software are integrated with their software, and that accounting office's market which financial management software are used in their office.

Software partners are not licensed to sell financial management software themselves, but they might lead a customer to make the initial purchase by either giving their reference to the customer, or contacting a sales representative of Company X. They could also refer a certain accounting office, but this is atypical. Accounting offices may support the customer journey from prepurchase to purchase stage by themselves, or by contacting Company X to support them during the sales process. This is typical when there is a requirement for in depth knowledge regarding the software, or if the accounting office simply prefers to be supported in the sales process by a professional sales representative.

During post purchase stage the software partners may influence the customer experience through functionality across software, and by supporting the customer regarding their software use. As the optimal software portfolio consists of complementing software, which are integrated together, the user experience with any of the integrated software may influence the customer experience of other software within the portfolio. Accounting office may offer assistance within the post purchase stage regarding the customer's needs. The expertise of the accounting office may influence the customer experience in unpredictable ways, and while this experience may be mainly directed to the accounting office, can also alter the experience regarding the software.

Company X may partially manage and influence the partner owned touch points in each stage of the customer journey. By influencing how partners view the financial

management software, Company X can improve the possibility of positive word-of-mouth, the willingness of 3<sup>rd</sup> party software to create integrations to the software, and the amount of accounting offices which primarily offer the financial management software of Company X. During purchase stage Company X may offer sales support for accounting office's either directly by interacting with the customer, or indirectly by back-stage support for the accounting office. In post purchase stage Company X offers free of charge integration support in order to decrease confusion regarding integration and offers partner support to accounting offices. There are also named Partner managers who aid partnering accounting offices in day-to-day problems.

### 3.3.3. Customer owned touch points

There are some touch points which are completely controlled by the customer and cannot be influenced by Company X or its partners. These touch points have the most significant role in post purchase stage of the customer journey and usually focus on the way of using the software. These touch points aren't necessarily shapeable by the customer, but the customer's desires, and needs have a big role in these touch points. The customer may influence their customer experience by the way they use the software. The customer may have different habits or expectations on how a certain task is managed within the software, based on previous experience with other software. The customer might use the software either as it should be used, making the customer experience and behavior predictable, but the customer might also use the software in a way that is unpredictable. When the customer uses the software in a way that is unpredictable, also the outcome is unpredictable; the experience might exceed expectations if the customer is able to use the software in a way that improves their user experience, but most commonly if the software is used in an unpredictable way, or 'wrong', the result is negative user experience.

### 3.3.4. Social/external touch points

Social/external touch points consist of all touch points which cannot be categorized in the previous three categories. Social/external touch points are uncontrollable by any of the three categories. Completely external touch points are present during the whole customer journey: other customers, independent sources of information, or environment. The customer may interact with these touch points by a conscious decision, or by a

coincidence. The current customer or independent source of information might refer or criticize the software of Company X resulting in actions and experience during the customer journey which are unpredicted. It is known that independent references have higher impact on customer purchase actions than traditional marketing, namely because these sources are independent and have no stake in the decision another customer makes. By creating experiences which exceed customer expectations, also the number of potential referrers may be increased.

## **4. METHODOLOGY**

This chapter focuses on the methodology of the research, consisting of description and execution of the research, collection and analysis of the data, as well as the overall reliability. Based on Flicks (2009) theory regarding subjectivity, the interviewees possess complex personal information regarding the researched topic. This means that the interviewees have opinions and assumptions of different topics, which they may spontaneously present through open research questions. Questions from different topics are supposed to activate the interviewee to answer based on their subjective view. (Flick 2009) In order to create a holistic view of the customer relationship it is assumed, that the interviewees have personal opinions and experiences of the customer journey, which cannot be studied extensively without open research questions. Open research questions, such as “What influenced your perception of software X and Company X most prior to purchase decision” or “How did the onboarding go” give the interviewee the possibility to redirect the interview to a certain direction and give the interviewer the opportunity to ask specifying questions regarding the topic.

The research studies how different touch points are encountered and what effect they have on the total customer experience. Grönfors (1982) states that “the researcher should strive to find a balance between not taking a stand but showing interest by proactive participation.” The interviews were conducted by conversational manner without commenting on the opinions and answers of the interviewees. The customer journey is reflected upon different functions of company X, which are marketing, sales, deployment & training, and customer care.

### **4.1. Description and execution of the research**

Customer experience and customer journey are usually researched by qualitative methods, as customer experience is highly dependent on individual preferences and perceptions, previous experiences, and various unique factors unable to be expressed through numbers. Examples of qualitative researches on customer experience and customer journey mapping can be found from (Wolny, Charoensuksai 2014, Åkesson, Edvardsson & Tronvoll 2014, Puccinelli et al. 2009). The qualitative research is defined

in four distinct phases: Exploration, Specification, Reduction and Integration phase, from which former two relate to preparation of the research. Reduction and integration phases are presented in chapters 4 and 5. The purpose of reduction is to test whether the core concept of the thesis actually fits and orders the research data and results. The reduction phase can be concluded if the core concept or theoretical framework and its relationship with research data is made clear. In the integration phase it is reflected what is the significance with the results and findings, what kind of new information does it present, and what kind of managerial or theoretical implications can be made by it. (Wester, Peters 2001, Alasuutari 2011). Quantitative analysis could measure the customer experience but would fail to explain what leads to these experiences within customer journey. Unlike in qualitative research, quantitative research aims to eliminate subjective views from both interviewer and interviewee (Flick 2009).

This thesis uses concurrent mixed methods research design in order to gain a richer understanding on the qualitative factors on how customer experiences are formed over the customer journey, and on the quantitative factors on what is the influence of proactively influencing the customer experience. (Saunders, Lewis and Thornhill 2016) The research question is qualitative by nature and was approached through qualitative semi-structured interviews. In order to create a holistic understanding on how the customer journey is formed, three internal interviews were conducted to create a blueprint of offering the SaaS to customers and eight external interviews were conducted to improve the understanding from the point of view of the customer. The three internal interviewees are a part of the Customer Retention team of Company X. The team was formed during fall of 2020. The customers of company X are interacted with by the customer experience specialists, these interactions and results of the interactions are recorded and analyzed by the researcher. The internal interviews were used to create an empirical framework of what a customer journeys blueprint of the Company X could look like based on the Company X's actions. Direct interviews were also conducted with 8 customers of company X in order to create a broader understanding of elements affecting customer experience.

The qualitative research was complemented by analyzing quantitative data on how proactive customer care affects the use of the software, and the churn of current

customers, which also answers the third sub-question of the research by indicating the influence of post purchase actions. The effect of the post purchase actions is analyzed by comparing group of customers subject to strategic post purchase actions in comparison to comparable group of customers left without post purchase actions. The customers within and between the groups are comparable based on the usage of the SaaS, as well as by financial metrics.

The research was executed from fall 2020 to spring of 2021. The research process is portrayed in figure 6, which started by preparing the research. The primary goal of preparing the research, was to create an understanding on how the research may provide additional value regarding customer experience and increase retention, and what is a realistic time frame to execute the research. As customer experience as a concept is subjective, qualitative research methods were chosen to map the customer journey. The customer journey map was created based on the three internal interviews of personnel of Company X, and a blueprint of offering the financial management SaaS was created. After choosing the research method, an empirical framework was created to reflect customer journey stages to fit the customer journey stages and processes of Company X. The interview questions were created based on the processes of Company X and were categorized to fit each decision-making stage of Company X’s customers. In addition to the qualitative research, Company X provided customer data regarding contacting of the current customers, which is further discussed in chapter 4.2. The preparation stage also included internal interviews of Company X, analyzation of data regarding current customers, and preparing the necessary material used in contacting current customers.



Figure 6. Research process

In the second stage the customer base of Company X was analyzed in order to create a list of potential interviewees. The customers chosen to the list of potential interviewees were chosen based on the length of the customer relationship, based on the size of the

company, and based on the channel of purchase. Ideally the interviewed customer has been using the software long enough to have created a personal opinion regarding the software and the service of Company X, but short enough to have a recollection of the initial customer journey consisting of five stages portrayed in chapter 3.2 figure 5. This was perceived optimal, as the customer would have a relevantly clear view of which factors influenced their initial customer journey, but also would have enough experience during post purchase stage to have created opinions on the actual use and service. The company size was examined based on the revenue of the company; the lower limit was 1m€. The revenue-based limit was used, as higher revenue companies usually have higher number of financial events, creating a higher need for automation and other properties of automated financial management SaaS. Even though the channel of purchase doesn't rule out the possibility of interactions in other channels it usually indicates that customer has interacted with that specific channel in prepurchase stage, and in the post purchase stage. By comparing customers with the same channel of purchase, it would be possible to improve the understanding of what factors and events occur in the pre- and post-purchase stages, and how they influence the overall customer experience. After creating a list of potential interviewees, the contact list was filled out with the contact information of the main user of the financial management SaaS. There were 8 interviews, where the length of the customer relationship varied between 9-72 months.

In the third stage the customers were approached by emails, explaining the nature of the upcoming phone call (Appendix 1.). The customers were contacted within the next 3 business days, and they were explained the purpose and nature of the customer experience interview. During the conversation, the potential interviewees were told the subject of the interview, but the questions weren't discussed prior to the actual interview. As the interviewees didn't have the access to the questions prior to the interview, they had to rely on their subjective recollection of events during the customer journey. Overall, 14 customers were contacted, and 8 interviews were arranged.

In the fourth stage the interviews were executed. All interviews were arranged via remote conference tools and also recorded for transcribing purposes. Transcribing the interviews made it possible to analyze the interviews, without losing any details. The interviews were executed as one-on-one interviews focusing on the point of view of the main user

of the financial management SaaS. As an exception, one of the interviews was conducted by interviewing two persons from the customer, as the other played a significant role in prepurchase stage and the other in post purchase stage. The interviews were conducted in Finnish, as all the main users of the software were native Finnish speakers. Grönfors (1982) states that “the researcher should strive to find a balance between not taking a stand but showing interest by proactive participation.” This balance was pursued by actively following up the answers of the interviewee when necessary, without bringing up the subjective opinion of the interviewer.

The final stage constituted of transcribing the recorded interviews. The interviews were transcribed in intelligent verbatim transcription method, excluding irrelevant fillers to make the transcription more readable. The transcriptions were then edited to make them comparable, and finally translated from Finnish to English. After editing the transcripts, they were analyzed and compared extensively by focusing on the factors and events which repeated over the interviews, and on the factors and events which influenced the customer experience significantly. The individual responses were placed within same document and color-coded to separate from each other.

## **4.2. Collection of the data**

The primary data was gathered through qualitative interviews and complemented by secondary data collection of quantitative data. Saunders, Lewis and Thornhill (2016) state that “many businesses and management research designs are likely to combine quantitative and qualitative elements” as choosing either or would make the research significantly narrower initially leading to the use of mixed methods in this thesis. The quantitative data consisted of comparing customers which have received proactive customer care provided by two customer experience specialists of Company X, and customers which have only received reactive customer care. The quantitative data consists of a customer group, which is divided into a test group and its comparison group. The customer experience specialists started contacting the group in November 2020. The influence of proactive customer care is measured by comparing customer groups consisting of comparable customers. The criteria influencing comparability relate to the used properties of the financial management SaaS. The effect of proactive customer care

is measured by the churn rate of both groups, indicating how proactive measures affect customer retention, and also by the change in using the software. The focus in analyzing the quantitative data is to see *how much* proactive customer care influences the customer retention, while the focus in analyzing the qualitative data is to see *how* proactive customer care influences the customer experience and in long run the customer retention. The group and its properties are portrayed in table 5. The quantitative data is analyzed in chapter 4.3.

Table 5. Group 1 characteristics and starting point

Group Division	Group 1	1.9.2020
Grand total	Number of records	349
	Customers with purchase invoices	
	Customers with purchase invoices %	
	ARPC (MRR + TREV)	x
	Purchase invoices #	
	Purchase invoices per customer	
0	Number of records	169
	Customers with purchase invoices	
	Customers with purchase invoices %	
	ARPC (MRR + TREV)	x
	Purchase invoices #	
	Purchase invoices per customer	
1	Number of records	180
	Customers with purchase invoices	
	Customers with purchase invoices %	
	ARPC (MRR + TREV)	x
	Purchase invoices #	
	Purchase invoices per customer	

The groups grand total of customers is 349. The criteria presented in the tables is explained in Appendix 3. The group and its advancement are monitored from the beginning of contacting up to March 2021. The Group consisted of customers using a smallest available software package, and not using sales or purchase invoices through the software. The customer might for example send their sales invoices through personal email and receive purchase invoice by paper. The customers were divided into respective groups of 0 and 1 by random. The groups were created in September 2020.

The qualitative data was collected by interviewing 8 main users of the financial management SaaS of customers of Company X by semi-structured interviews. Qualitative analysis was used as the primary research method as the research problem was qualitative in nature, and quantitative research couldn't have been used to create a holistic view of customer journey and experiential factors. The interview questions (Appendix 2) were created as "open end" giving the possibility for the interviewee to redirect the interview towards certain direction. A structured interview would have limited the customer answers, creating more narrow view of customer journey and factors influencing the customer experience. The interview questions were categorized based on customer decision-making stages into prepurchase, purchase and post purchase stages.

The research questions were asked in a chronological order, beginning with questions regarding prepurchase stage and experiences related to need recognition and search. The first interview questions were rather general and simple and became progressively more demanding. The focus in the questions was on the purchase and post-purchase stages, as these stages have the most impact regarding the customer relationships continuation or termination. The openness of the questions however made it possible for the interviewee to bring forward experiences or events specifically also in prepurchase stage. The interviews were non-standardized and conversational. The interviewees were explained the nature of the interview over the phone, and again before beginning the interview. The explanation covered the purpose and the course of the interview. The interviewer's role in the interview was to ask the questions, and ask for specifications if necessary, without intervening with the natural course of the interview with personal actions. The interview questions made it possible to naturally ask for specifications regarding a customer's answer, as the questions themselves didn't direct the attention towards a specific function, but rather a theme. The questions stayed unchanged over the course of the research, but the specifying questions were asked based on the interviewee's responses. The research questions also contained an "open" question, where the interviewee could raise anything, they found relevant towards their relationship, if it wasn't already asked.

The interview sample consists of 8 direct customers of Company X. Table 6 contains background information of these companies, such as: Company form, length of decision-

making, length of customer relationship, amount of software related to financial management, and Net Promoting Score from a 0 – 10 range.

Table 6. Background information of interviewed companies

Customer	Company form	Length of decisionmaking (month)	Length of relationship (month)	Number of software	NPS
A	Oy	3,5	9	3	10
B	Oy	2	9	2	8
C	Oy	6	15	4	8,5
D	Oy	6	18	2	8
E	Oy	-	21	3	10
F	Oy	6	22	5	7,5
G	Oy	3	72	4	9
H	Ry	6	15	6	8
Average	-	4,6	22,6	3,6	8,6

Table 6 consists of the background information regarding the interviewed customers. 8 customers were interviewed, and from the customer companies the main users were conducted the interview with. All but one of the company forms were limited liability companies (Oy) and one was a registered association (Ry). All but one of the interviewees recollected the length of decision making regarding the financial management SaaS, and the average was 4,6 months. Most of the customers had used the financial management SaaS for under 2 years, but one had used it already for 6 years. The interviews were mainly conducted with customers with a shorter relationship, as they would have the most recent memories of the deployment of the software together with independent use of the software. All of the customers had multiple software in use, which were directly related to the financial management SaaS. The average Net Promoting Score was 8,6.

### 4.3. Analysis of the data

Before analyzing the data, it is important to understand the nature of qualitative and quantitative analysis. In qualitative analysis there are two aspects to consider: the researcher’s personal opinions and starting point, and the interactive nature of the qualitative research. In quantitative analysis the main point to consider is how to present the quantitative data in an understandable form, as the raw data can be interpreted in multiple ways. (Saunders, Lewis & Thornhill 2016) When using mixed methods, it is

important to factor in clear methods of analyzing both qualitative and quantitative data in a way that they complement each other, creating a richer, fuller picture. When analyzing qualitative data, it is necessary to make a distinction between deductive and inductive research approach. This thesis uses deductive approach, as existing theory regarding customer experience, customer journey and customer engagement is used to create theoretical frameworks and the basis for research questions. (Saunders, Lewis & Thornhill 2016)

The method chosen to analyze the qualitative data of this thesis was thematic analysis. Saunders et al (2016, 579) describe thematic analysis as “the essential purpose of this approach is to search for themes, or patterns, that occur across a data set”. Thematic analysis offers a lot of flexibility in regard to collecting and analyzing the data, as the researcher is able to focus on the nature of research questions, philosophical approach and research strategy, rather than investing an excessive amount of time and effort in checking that the correct particularized approaches of stricter research methods are applied. (Saunders, Lewis & Thornhill 2016)

Saunders et al. (2016) recommend transcribing the interviews verbatim, coding and grouping the interview responses, and analyzing the emerging themes. The interviews were transcribed shortly after the interviews took place. The interviews were first listened to once, and the researcher made notes regarding the recording. On the second round the recordings were transcribed, the answers categorized and saved on individual documents. As previously stated, the interviewer is supposed show interest towards the interviewee without affecting the interviewees responses or the theme of an open question (Grönfors 1982)

The interviewees were told the purpose and theme of the research, but the questions were only presented verbally in the research setting to obtain the most cognitive and primary thoughts regarding the issue, rather than rehearsed answers by possibly multiple separate persons of the interviewed company. The interviewer focused on the interviews throughout, as the interviews were recorded and there was no necessity for writing down the responses during the interview. The categories and themes of the responses were

created over the course of interviewing customers and grouped together. The quantitative data was analyzed simultaneously to analyzing the qualitative data.

#### **4.4. Reliability and Validity**

Qualitative research is problematic, as the results may not be as generalizable due to small sample size (Patton 2002, Koskinen, Peltonen & Alasuutari 2005). Kirk and Miller (1986) present reliability and validity as components of the overall objectivity of the research. Reliability refers to what extent the data collection methods and analysis procedures yield consistent results and are independent of accidental circumstances. Validity refers to what extent correct answers are received through the research methods and interpreted in the correct way. Social sciences mainly focus on measuring the reliability of the research, as perfect validity isn't even theoretically attainable. Saunders, Lewis & Thornhill (2007, 149) address reliability through three questions:

1. Will the measures yield the same results on other occasions?
2. Will similar observations be reached by other observers?
3. Is there transparency in how sense was made from the raw data?

The research interviews were conducted in one month period from 11<sup>th</sup> of March to 9<sup>th</sup> of April, when most of the interviewees had similar financial activities regarding their fiscal year going on. The research questions were also conducted in a manner, that another interviewer could have conducted the interview and achieve similar responses. The interviews were carefully transcribed, and the filler words were edited off in a similar manner. The interview responses were analyzed question by question, in order to recognize similarities and trends between respondents. The reliability of the quantitative analysis was ensured by addressing the effect of post purchase actions strictly based on the retention and change of software use with a comfortable amount of data. The purpose of the quantitative data was to simply answer *how much* do post purchase actions relate to retention and software use. If the results were analyzed by another researcher, it would yield similar results, and the data analyzation is transparent, as it is a comparison of time periods between the group and comparison group.

The researcher works for Company X, which may influence the responses of the interviewees to be more “polite” rather than frank, direct responses to the questions. Giving critique made some of the interviewees uneasy, creating a need for them to reinforce their satisfaction towards the software. The researcher also has years of experience of Company X and its financial management software, creating a risk of being biased. The interviewees were the main users of the financial management SaaS, but not necessarily executive level employees, creating an employee bias where there is a risk that the interviewee states what he/she thinks is the company’s position regarding the subject. The reliability risk regarding the quantitative data is the randomness of the results, as the customer might have decided to terminate the agreement prior to the research period, which could lead to slight differences of the results in short-term depending on when the research is started.

The validity of the research may be addressed based on the internal and external validity of the research. The internal validity refers to the logic and coherence of the researcher’s analysis, whereas the external validity refers to the overall generalizability of the results in comparison to other researches or research settings. (Koskinen, Peltonen & Alasuutari 2005) Considering the internal validity of the research, the researcher has researched customer experience previously in a similar setting from a different perspective (See: Engeltuori 2019). The external validity of the research has to be evaluated from several angles: the research is set to Finland based B2B industry, specifically SaaS field. From the SaaS field the research focuses on financial management SaaS. The results of this thesis are only partially generalizable over the whole B2B industry, as the product/service most possibly alters the criteria on what, when and how something is acquired. The results are more generalizable within B2B based SaaS industry, as SaaS is usually sold, purchased and billed in similar manners. However, the nature of SaaS varies based on the purpose of the SaaS, some being critical for the operation of the company, and some being more expendable, decreasing the overall generalizability of the whole SaaS field. The generalizability of the results fit well the Finland based B2B SaaS field of financial management software, as the customers actively compare the SaaS of the same field together.

## **5. FINDINGS OF THE EMPIRICAL RESEARCH**

The findings of the empirical research display how the customer experience is formed in each stage of the customer journey, and how they affect the overall customer experience. The findings also present the effect of proactive customer care towards customer retention and software use. The prepurchase and purchase stages of customer journey consisted mainly of generating expectations towards the actual use of the software and comparing previous experiences towards the new software. The generated expectations created grounds for the future use of the software, initially affecting the overall experience of the software and the related services, such as the deployment and customer support. Shortcomings of the software weren't directly related to the experience of the software; if the customer was previously aware of how the financial management software is able to improve current financial management tasks, and which functions do not serve the customer in the best possible way, the negative impact towards customer experience was not significant, which is in line with the findings of Stein and Ramashan (2016) and Court et al. (2009). The findings of this thesis are covered in subsections 5.1 Pre purchase stage, 5.2 Purchase stage, 5.3 Post purchase stage, and 5.4 Effect of post purchase actions. The first three subsections cover the findings of qualitative research regarding the interviews of this thesis, and the final subsection covers the quantitative research focusing on the visible effects of proactive customer care.

Based on the findings of the qualitative research, experiences and expectations formed in each stage of the customer journey build up towards the end of the customer journey, eventually creating a positive/negative loop of experiences; if the customer relationship suffers a significant negative experience in a previous stage of customer journey, the negative experience affects the future experiences during the customer journey (see e.g., Bitner 1990; Lemon and Verhoef 2016; Oliver 1980; Court et al. 2009). Satisfaction towards the software and the service didn't automatically mean that the customer was certain regarding the reselection of the software, showcasing the ease of changing the software if necessary. The customer experience consisted of multidimensional experiences (see Schmitt 1999), the forming of customer experience was distinctive, but there were similarities over the customer journeys. The similarities were present in each

stage of the customer journey, which was expected as the customers have similar needs regarding financial management.

Based on the findings of the quantitative research, the short-term effect of proactive customer care is noticeable. The effect of proactive customer support can be seen by comparing the retention and change of using the software of contacted and uncontacted customers by relative and absolute numbers. The effect will be discussed in depth in subsection 5.4.

## 5.1. Prepurchase stage

### Need recognition

The prepurchase stage consists of two separate steps during the customer journey: Need recognition and search. Most of the interviewees had become aware of the financial management SaaS through **previously using another software belonging to a sister company of Company X, internal recommendations, external recommendations**, or through **marketing** actions. The events leading to need recognition varied between the interviewees: Unhappiness with the previous software, outdated software and no visible development, or search for a 3<sup>rd</sup> party software which raised the question regarding updating of also the financial management software. The recognition of need as a stage was quite short, and mostly self-initiated and not for example through cold calling. Need recognition had no obvious effect towards customer experience but had a significant role towards the formation of expectations. Interviewee E stated that they had prior experience regarding another financial management software from a sister company of Company X, and they had previously changed to another software before becoming a customer of Company X:

*When we realized that this [software] doesn't sufficiently work for us, and it isn't developed, we started missing Group X. (Interviewee E)*

The interviewee had no prior experience regarding Company X per se, but had positive experience regarding a sister company, which formed positive expectations towards Company X. These expectations generated trust towards not only towards the software, but also towards the future development, and also towards the customer service. (see

Lemon and Verhoef 2016, 76-77). Factors influencing the recognition of need were also present through 3<sup>rd</sup> party software which related towards financial management, such as an Enterprise Resource Planning, reporting, worktime management or other software. Interviewee A stated that the need was recognized when a new business unit was acquired, and they were using a specific project management tool.

*The goal was to find a financial management tool which integrates with our project planning tool. We acquired a new business unit, which was using a certain project management tool, and through this tool we became familiar with [financial management SaaS]. (Interviewee A)*

Based on the interviews, the formation of customer experience during the search stage was not significant but was rather a stage where distinctive expectations towards the software and the post purchase service were created. Previous experience, internal and external recommendations and marketing actions affected the customer experience multidimensionally through feel and think -modules. From a marketing perspective the aim is to create a sense of up-to-date, modern software which activates the customer to cognitively reflect on where the financial management field is developing (think module), and how does the automation of manual tasks affect the free time or workload of an individual (feel module). Previous experiences and internal and external recommendations influenced the customer experience also through feel and think modules. Sensorial, act, or relate modules were not visibly present during the need recognition stage, and also the overall effect towards customer experience during need recognition was minor.

The need was recognized was assisted through various touch points: marketing (brand owned), previous experiences (customer owned), internal and external recommendations (social/external and partner owned touch points). The most emphasis was placed towards the prior experiences of using the software or another software from a sister company, but also on the word-of-mouth. The internal recommendations came from the employees of the customer companies, who had prior use of the software, and these recommendations were seen trustworthy. External recommendations came from 3<sup>rd</sup> party software companies, that the customer was already using, stating the possibility of

integrating their software and the financial management SaaS. There were no significant obstacles between need recognition, and search stages.

## Search

The line between need recognition and search -stages is flickering, as the customer usually initiates the search for a new financial management software shortly after recognizing the need. Based on the interviews, there was enough information available for personal research regarding the software. The search stage was supported by **previous experiences, recommendations, marketing, sales**, and the **software** itself. The search stage was distinctive and dependent on the customer, where length of decision making (or search), varied from 2 – 6 months with an average of 4,6 months. The main difference towards need recognition -stage was, that demo version of the software and the salesperson was always present in the search stage. Actions leading to interacting with the sales personnel varied:

*We form a project group, where we map different alternatives from multiple perspectives, interview the suppliers, ask the suppliers to come over, and make a choice based on the presentations. (Interviewee H)*

*We first got a strong recommendation of [financial management SaaS], and then started testing it out through the demo version. Quite swiftly afterwards, the [salesperson] contacted us, and from there the mapping began. (Interviewee B)*

Interviewees E and H initiated contact towards Company X to receive assistance regarding information search, while interviewees A, B, C, D, F, G were contacted by Company X after using online test version and filling in their contact information. The salesperson was present in the search stage without exception. While all of the interviewees stated that there was enough information available, they all needed external assistance to support their decision making and search for information. The support consisted mainly of presenting the software and how it functions towards the individual needs of the customer, and also of how it integrates with other software that the customer is using or will use.

During the search stage the interviewees expected to familiarize with the software and its functions, receive assistance towards integrations (if multiple software in use), receive an offer, and get answers to distinct questions. There were some similarities towards the search stages. The interviewees appreciated the expertise and in-depth knowledge of the sales personnel, the user interface of the software, the automation possibilities, the long-term development of the software and integration possibilities. The limited liability companies (interviewees A, B, C, D, E, F, G) report any challenges regarding search stage, whereas the registered association (interviewee H) found it challenging to find answers to the specific needs of a registered association. Over the course of search stage, the distinctive needs of registered association were initially covered, but it was initially found challenging to separate the needs of an LLC and an association, where a major factor regarding decision making was that the salesperson of Company X understood the needs of the customer better than other suppliers.

*The challenge was from the beginning that no supplier took into consideration that we are an association. (Interviewee H)*

Similar to need recognition, also search stage acted mainly as an expectation creator. Marketing, salesperson, previous experiences and recommendations affected the customer experience through feel and think -modules, marketing, salesperson, and the software affected the customer experience through sense and act -modules. The purpose of the search stage was to find answers to the criteria and questions generated in the need recognition stage, such as: “Does this software integrate with our ERP system?”. In comparison to the previous stage, the feel -based experiences didn’t affect the expectations or experiences as much, as the customers focused mainly on how the software answers to the criteria formed (think -module). The significance of the salesperson and the software were emphasized in the search stage. The salesperson assisted the customers with anything related to the search stage by presenting how the software functions from the point of view of the customer’s organization. This included showing alternative methods of financial management tasks (Act -module), generating solutions on integrating multiple software (think -module), and creating an offer for the customer (think -module). While the price of the software was obviously examined and

compared to competitors, none of the interviewees attempted to find the cheapest software.

*Financial management system must be considered, not only as an additional expense, but also by how much time it saves. (Interviewee A)*

The customers used several different sources and touchpoints to find information: by using the test version (company owned), interaction with the salesperson (company owned), internal and external recommendations (partner owned, social/external), independent sources of information (social and external) and previous experiences (customer owned). After the customers had gathered relevant information regarding the software, they were ready to move on to making the actual purchase. There were no visible challenges in moving from search stage, to purchase stage, as all of the interviewees reported close interaction with the salesperson responsible of the financial management SaaS, who assisted the customer from search, to purchase. Interviewee C searched for information regarding the financial management SaaS by using two channels simultaneously: an accounting office and Company X. Other interviewees didn't bring forth actively using more than one channels during the prepurchase stage, which was expected as the interviews were conducted on customer purchasing the software directly from Company X.

## **5.2. Purchase stage**

The notable difference between prepurchase stage and purchase stage is, that in purchase stage the customer makes the actual decision to purchase the SaaS. The stage is rather short, as when the customer has gathered all the relevant information the purchase is made, and the customer moves to the deployment of the software (post purchase stage). The salesperson guides the customer from the prepurchase stage to making the initial purchase by answering the individual needs of the customer. Factors which influenced the customer decision making were the **salesperson, software, recommendations, previous experiences** and **independent sources of information**, which is apparent as the interviewees focused on these factors during the search stage.

None of the interviewees emphasized the pricing model or the price of the software as a significant factor regarding decision making. Price was naturally taken into consideration, but the overall cost of the software was perceived to be fitting in comparison to competing software.

*As I recall, the pricing models were pretty similar and didn't have a significant difference, they were pretty easy to compare. (Interviewee E)*

*When we gave our estimates, we received an offer, and the costs [of the software] have stayed within the offer. Quite many [other supplier] sent offers where you had to estimate the overall cost yourself, which made it hard to compare. (Interviewee H)*

The statement by interviewee H is noteworthy, as cost of SaaS may depend on several factors there is a risk where the offer might vary to either direction if the estimated use of the software is off. Overall, the transparency of the pricing was seen as a positive aspect regarding decision making. As all of the interviewed customers have multiple financial management related software in use, the salesperson is expected to create a holistic solution where the other software “communicates” with the financial management. If an integration is possible between one or multiple essential software, the customer is able to save significant amount of time other whys lost in repetitive, manual tasks, and also decrease a risk of error.

*In a way, each [of the software] appeared equal before first contact [with the salesperson]. [Financial management SaaS] stood out through its integrations. Through the salesperson we got a perception, that we may integrate [ERP] and [Financial management SaaS] which is a huge step forward. (Interviewee D)*

Interviewees A, C, D, E, F, G, H emphasized the importance of integration possibilities. Interviewee B didn't separately indicate the importance of integration but deployed a complementary software simultaneously as financial management SaaS, which was also integrated. The importance of fully functional application programming interface is undeniable, as API is used to integrate 3<sup>rd</sup> party software to the financial management SaaS. 3<sup>rd</sup> party software makes it possible for customers to create a holistic software

group, which is suited to the specific need of the customer. As the potential integration possibilities or efficiency benefits the software offers are usually distinct and depend on the customers current solution and needs, a salesperson is required to create and present an overall solution in addition to only offering the software.

*Your salesperson was very convincing and made us believe that everything is possible with the software. We got a feeling afterwards that the other suppliers' salespersons weren't as convincing. (Interviewee D)*

Interviewees B, D and H emphasized the importance of the salesperson regarding the decision making and listed the salesperson as one of the most important factors regarding the decision making. The software itself has apparent role regarding decision making. All 8 interviewees brought forth separate characteristics and functionalities of the financial management SaaS, which played a major role regarding purchase decision. When asked about the most important factors regarding decision making interviewee F stated:

*That it [financial management SaaS] can answer our wishes and requirements. (Interviewee F)*

The requirements understandably varied based on the customer, but main functionalities which were listed in addition to integration capabilities were: Automation, AI functionality, mobile use, reporting tools, overall flexibility of using the software, and that the software didn't appear to be in the beginning or end of its life cycle. In addition, interviewees listed basic functionalities which are expected from any cloud based financial management software. While a comprehensive analysis on which financial management solution suits the distinctive needs of a customers may be challenging, the interviewees reported trusting internal and external recommendations not only when searching for information, but also regarding the initial purchase decision.

*We had several employees who had user experience with [financial management SaaS] from other workplaces. When they gave positive feedback regarding the SaaS, it was easy to trust it. (Interviewee A)*

Interviewees A, B, E and F emphasized the significance of a recommendation. The recommendations were mostly internal, where the recommender was seen as extremely

trustworthy. Interviewee E had previous experience regarding another software of Group X, and also received an external recommendation from a 3<sup>rd</sup> party software provider. While all the recommendations were given a lot of emphasis, internal recommendations were stressed more, especially considering the actual purchase decision.

During the purchase stage the customers had already formed experiences regarding both the software, and the service. While purchase stage is very much similar to prepurchase stage, as it emphasizes more on expectations of the future use of the software and corresponding service, based on the interviews the customers had already formed perceptions and notable experiences *before* the actual use of the software. The customers made the purchase decision based on their previous experiences and based on their expectations and experiences created in prepurchase stage. The purchase decision was affected by the experiences and expectations created by the same touch points and channels as presented in prepurchase stage, through similar multidimensional modules: Sense, feel, think, and act -modules. The purchase decision as a stage was rather short throughout the interviewees and was rather a compulsory step between searching information and deploying the software. Other than interviewee H, there wasn't any significant challenges reported regarding the purchase decision. Interviewee H found it challenging to form a conclusive image of how the financial management SaaS suits the needs of a registered association. The need of a salesperson to create an overall solution and present the functionalities of the software repeated through each interview, but it was seen as an opportunity to reinforce the experience and image of the software. It is also noteworthy, that if the customer had significant negative experiences during prepurchase or purchase stage, it could certainly influence the actual purchase decision in a way that the customer would choose another software, which could not be concluded through this qualitative interview. After making the purchase decision, the customers advanced to the post purchase deployment stage of the customer journey.

*The sales process continues until we have the software in use. (Interviewee H)*

While this thesis separates purchase and post purchase stages based on the customers decision making phase, interviewee H highlighted the necessity of active sales actions until the software is deployed, and the expectations and promises created in prepurchase

stage have been acquitted. As presented in the service blueprint of Company X in chapter 3.1., the software is deployed by a separate software consultant. Interviewees B and H highlighted the positive influence of interacting with the salesperson throughout the customer journey from prepurchase to post purchase.

### 5.3. Post purchase stage

#### Deployment

The post purchase stage consists of two separate steps during the customer journey: Deployment and Customer support. After making the purchase decision the customer is assisted to the actual deployment of the software. During the deployment stage the virtual environment is created, relevant data is moved from old software to the new system, relevant software are integrated with each other, and the users are trained as agreed in previous stages. The most important touch points during the deployment period were the **software consultant** running the project, the **software**, the **customer service** and also the **salesperson**. In comparison to prepurchase and purchase stages, post purchase stage functions mainly through either claiming or falling short of the already created expectations, rather than as an expectation creator itself.

*We didn't know how to ask specific enough questions considering the actual use, so that we would've understood that this doesn't work in the way that we expected. However, it is acceptable, as we learn along the way. (Interviewee C)*

*If I think back, maybe we could have asked a couple of essential questions. (Interviewee F)*

Interviewees C and F had created expectations regarding the actual use of the software based on prior experiences. As the financial management SaaS functioned in another way, it had a slight negative impact towards the customers experience. Neither of the expectations was crucially different from the actual functionality, but rather a different way of doing an action, showcasing the significance of previous experiences towards present customer journey. All 8 interviewees had mainly positive experiences regarding the software deployment.

*We felt that things went pretty smoothly. We got an impression that the whole training was a carefully planned process. Especially as the deployment stage is usually a stumbling block. (Interviewee A)*

*The deployment was well supervised, and help was quickly available from our [software consultant]. (Interviewee B)*

*We had people from [our accounting office], [our sister company] and from [Company X], and then we started deploying the software and as I recall, it went well. (Interviewee C)*

*The deployment went surprisingly well. Well before actually deploying the software we started transferring our data to the software. The actual deployment went well, as we had made good groundwork. (Interviewee D)*

*[Our software consultant] took care that we stick to our schedule. It was a well-rehearsed process from [Company X]. (Interviewee E)*

*The trainings went well, and [our software consultant] was very good. (Interviewee F)*

*It [deployment] went well, it took around 2 weeks, and I of course asked questions even afterwards if I had any. (Interviewee G)*

*It [deployment] went well, it was scheduled, and [our software consultant] was there to support us. [Our software consultant] visited our office prior to Covid-19, and in practice showed us how things are done, and then we repeated them individually. We had a lot of questions and received a lot of answers. (Interviewee H)*

The experiences of each interviewee were similar during the deployment stage. Interviewees A and D found the deployment process to be surprisingly successful, yet again expressing the significance of prior experiences towards current experiences. Interviewees B, D, E, F and H separately mentioned their contentment towards the software consultant, personifying the deployment process towards the software consultant. Being able to personify the software consultant during the deployment period

had notable influence towards the interviewee's perceptions, as interviewees A, E, and H separately mentioned their satisfaction for getting any needed support directly from the software consultant. These three interviewees also presented NPS's of 10,10, and 8 respectively, while the average was 8,6.

*Personification in a big company is a pretty exceptional thing, that you have one person to assist you, and little by little when you get familiar [with the software] and have handled any needed issues, you gladly move on to using the helpdesk for general questions. (Interviewee E)*

The deployment stage presented a couple of challenges. If in addition to purchasing financial management, the customer purchased the payroll functionality of the software, they had two simultaneous trainings with two individual software consultants. The experiences varied by the interview. Interviewee E noted that the introductory training regarding the payroll was challenging, and that they have had some issues which have been resolved later on. Interviewee E didn't however use the payroll functionalities but had heard it from a colleague. Interviewee D had very positive experiences regarding the deployment of payroll, which reflected towards the overall perception of the payroll functionalities afterwards. Even though interviewee D reported having issues with the payroll during the use of the software, the overall perception of the payroll functionalities was positive, as the issues were resolved through their software consultant regarding payroll.

*The financial management training went well, but the payroll was a bit challenging. (Interviewee G)*

While interviewee G praised the deployment altogether, they expressed dissatisfaction towards the payroll training. The negative impact of dissatisfaction towards the specific functionality within the software followed throughout the use of the software, as the functionality was found challenging, it was perceived as "bad". The relationship between successfully deploying the software, and satisfactory use of the software afterwards is apparent, but not conclusive. As all of the interviewees reported positive experiences towards deployment of the software, and are overall satisfied users of the software, a certain pattern can be recognized, even though correlation does not imply causation. As

experiences even prior to the current customer journey may influence the experience now, also experiences in previous stages of the customer journey may influence the experiences in the following stages.

The customer experiences started to vary in the deployment stage. The distinctive expectations created in previous customer journeys, or previous stages of current customer journey were consciously or subconsciously used as a measuring point on how the deployment of the software was executed. The main contact points during the deployment of the software were the software consultants and the salesperson, while the customer support/help desk was mainly used after the deployment had concluded. Personification had a positive influence regarding the overall customer experience, and also the deployment was perceived positively when the service was personified. The interviewees expressed the satisfaction of being able to have a clear view on who to contact regarding any issues and receiving an answer without delay.

Regarding the overall customer experience, there was a notable difference during the deployment stage in comparison to previous stages of the customer journey. During deployment stage the customer expectations were or weren't fulfilled. None of the interviewees presented major differences of expectation vs. reality, and therefore didn't have significant negative impact on the customer experience. The deployment process exceeded the given expectations of several of the interviewees, leading to a positive experiential impact. The appearance (sense -module) was secondary to the other experiential dimensions and factors, such as the actual use of the software, the successfulness of the introductory training, and the sense of being supported through the use (**feel**, **think** and **act** -modules). The degree of how challenging the deployment was perceived varied between the interviewees, mostly regarding the **payroll training**, as some perceived it challenging, and others as really conclusive. The overall impact of using customer support didn't affect the experience during deployment stage, as the interviewees reported to lean on the **software consultant** and alternatively on the **salesperson**. Personification factor had an impact towards the overall satisfaction of the deployment; if the interviewee experienced that everything related to the deployment and the commencement of using the software was supported through a certain person, the problems during the deployment were also solved within an acceptable timeframe,

initially leading to a positive experience of deployment. Based on the interviews, the deployment of the software had notable impact towards customer experience, as it was the first stage where the expectations previously generated could be redeemed.

### **Loyalty loop**

After deploying the software, the customer begins to use the software individually, while still being able to initiate contact with the software consultant or salesperson from earlier stage, or through customer support. The final stage of the customer journey lasts throughout the customer relationship, making it potentially the longest single stage of the customer's journey. The significance of customer care was emphasized during each interview, which was noted through the number of subjective observations, and the experiential range of single events during the loyalty loop. The degree of experiences also followed from previous stages; if the interviewee had negative (positive) experiences in previous stages, they also had negative (positive) experiences in the final stage. The interviewees underlined the significance of **overall customer support** during the loyalty loop. There were several synonyms regarding what was perceived as customer support: the actual **help desk** and its various channels, the **software consultant**, and also if the interviewee had outsourced their financial management to their accounting office, also the **accounting office** was perceived as a channel for customer support. The experiences regarding the help desk of Company X varied based on the interviews. As Company X offers several channels to contact customer support, also the experiences channel wise varied, even within the same customer. Other significant touchpoints during the final stage of the customer journey were **additional training material**, the **software**, and **communication**. Interviewees A, C, D and E had mainly positive experiences regarding customer service, and reported a higher average NPS of 9.1, than the whole interviewee group average of 8.6. Interviewees B, F, G, and H reported negative experiences with customer support, with a lower average NPS of 8.1, than the whole interviewee group.

*Usually when something doesn't work or you don't know how to use it, and you can't connect [with someone], then the experience is susceptible to becoming negative. However, this is not the case with us. (Interviewee A)*

It is noteworthy that each interviewee displayed positive experiences with customer support, but the latter group highlighted individual negative experiences they had had with the customer support. The negative experiences related to the response time of customer support and answering style of individual cases.

*There are also positive experiences, but lately I have felt that I have to do a lot of work to be understood, and even then, it isn't certain. Eventually I just give up and attempt to figure out the solution myself. (Interviewee F)*

Even when interviewees had positive interactions and experiences with customer support overall, negative experiences had significant impact not only on the perception of customer support, but the overall customer care.

*Well, this one case still irritates me as we didn't get assistance. Normally we have got pretty good responses. (Interviewee G)*

The significance of each interaction with the customer can be seen from the individual responses of the interviewees. While positive experiences occur when meeting or exceeding the expectations, negative experiences occur when falling short of the expectations (see Bitner 1990). The gravity of positive or negative experiences can be seen by the difference of expectation vs. reality; if the customer has created certain expectations towards the use of the software, or the level of customer support, but the software doesn't work as expected and assistance isn't received in time to revoke the negative user experience, the negative impact towards overall customer experience increases. Some customer support channels were also preferred over another:

*The chat gets a thumbs up from me! You can get quick assistance for minor issues, when you can't find the solution yourself. The other channel [email] doesn't get a thumbs up. (Interviewee H)*

Interviewees F, G and H preferred to use chat to contact customer support over email or phone and displayed satisfaction towards this specific channel, while also displaying negative service encounters altogether. The interview questions didn't contain questions considering the preferred channel, which made the underlining of these three interviewees interesting. The interview responses revolved around the aspect of customer service

during the final stage of the customer journey, presenting strong opinions in favor and against. The response time of phone support was seen as excessive, while written support requests presented the issue of not being understood. The chat was perceived as a good channel to contact customer support, as the customer was able to clarify the issue if needed by back and forth chatting with the customer support. The customer support chat wasn't without an issue, however, as also this channel presented the issue of lengthy conversations and the frustration of not being understood. Interviewee F presented an alternative method of supporting the customer, by screensharing.

*If only there could be remote access, so that I could show were the problem.  
(Interviewee F)*

While the customers don't actually have a dedicated contact person, several of the interviewees personified the software consultant who deployed and trained them to use the software as their personal contact. Interviewees D, E, F, G, and H referred multiple times during the interview to their "contact person". For interviewee G it was the salesperson, for others it was the software consultant. Interviewees A and B also separately wished for a personified contact person, who could assist them in larger issues. The contact person was brought up during the interviews regarding customer support, training, or assistance of any sort.

*It was great how you could get the answer through one person, and they didn't direct you to ask questions from different places. (Interviewee E)*

Generally, the contact person was used for larger issues, such as training new personnel, larger business activity-based issues, or if the customer support wasn't reached in an acceptable timeframe. Interviewee H mentioned to have used the contact person actively:

*As we have had a lot of questions, we have had a monthly check with [our software consultant], where we have had the opportunity to discuss different issues.  
(Interviewee H)*

The overall benefit of a personified contact person was argued to have an impact towards the feeling of caring, safety, and accessibility (for support). The interviewees found that having a contact person made it easier to know who to contact and when, directing most

of their support requests to the general help desk, and contacting the contact person if necessary.

All of the interviewees acknowledged the available training possibilities, from customized specialist training, to monthly group trainings, free training videos, and also the availability of a written training manual. Previous experiences regarding training manuals affected the expectation regarding the quality of written training manuals in an unexpected way, where the customer didn't rely on the training manual from the start as training manuals were considered to be low quality in general.

*It [training manual] was discussed during the deployment, but personal experiences from previous software such as [software] made us believe, that the benefit of training manual is short to nothing. So, there we some grounds to the expectations, we didn't believe, or know that the training manual could benefit us. (Interviewee A)*

The expectations from before the current customer journey didn't only generate high expectations towards functions or service, but also generated low expectations which made the interviewees unwilling to lean towards the training manuals provided. However, the training manuals of Company X were generally considered as positive. The additional training material overall was considered as a good complementary aspect towards further enhancing the user knowledge of the software, while the actual deployment and introductory training was central to the further user experience. To paraphrase, if the introductory training was perceived successful, the future user experience regarding the functionalities covered were also considered as easier to use and more beneficial, than the functionalities which were perceived challenging already during the introductory training, or which were not comprehensively covered during the deployment.

The communication from Company X was experienced in a varying fashion; none of the interviewees perceived the communication from Company X as poor, but neither did it raise the overall experience in any significant manner. Interviewees A and C didn't find any improvements necessary, but B and H wanted the communication to be more targeted based on the company form, and the user role. Interviewees D, E and G suggested that there should be more communication through the software and through email, and

interviewee F didn't prefer communicative actions through email at all. The emails from Company X were found to get lost in other emails, which made the interviewees prefer software-based communication when the message was urgent and/or would impact the use of the software. The interviewees used multiple channels to receive messages or communication: email, software-based and community web page. Interviewees A, B, E and G also didn't find two-way communication to be necessary and preferred to contact Company X when they deemed necessary, while interviewees C, D, F and H found proactiveness as a positive factor regarding their customer relationship.

*Multiple issues could be solved through short meetings, if the solution hasn't been figured out before. It could be nice to have joint meetings for example once a year, in order to share thoughts and possibly solve issues that have been lingered on. (Interviewee F)*

The responses towards the actual use of the software were mainly positive, but the interviewees also presented individual functionalities, which they hoped would be improved. There was no clear pattern regarding the functionalities of the software; all of the respondents believed it was an improvement compared to their previous software. Interviewee F had the largest issues as they were using a total of 5 financial management related software, but a software essential to their business was not integrated with the financial management SaaS.

*I'm slightly bitter that connection with [another software] and [financial management SaaS] hasn't advanced. All the information is moved from [another software] to [financial management SaaS] manually. Same information is inputted in both software. (Interviewee F)*

Interviewee F was expecting that the two software could be integrated, but as the other software didn't have the necessary connections available, it could not be integrated yet. Even though the financial management SaaS contains the necessary functionalities to connect with 3<sup>rd</sup> party software, the other software didn't include the same capabilities. While the issue was with another software, the negative impact towards customer experience was also directed towards financial management SaaS, which can be seen from the lowest NPS of the interview group: 7.5.

The overall response towards satisfaction of the financial management SaaS raised comments regarding both the use of the software and its individual functionalities, and the customer support. The customer support had a significant role regarding issue solving, communication, and the feeling of “being cared of”. If the customer support was able to solve the customers issues consistently in an acceptable time frame, the customer support was perceived as good. If the customer had to have lengthy conversations, or repeatedly follow up a support request, the negative impact was higher than the positive impact of a good service encounter. Interviewees A, C, E and G were considered as “promoters” based on their NPS, while the rest of the interviewees were considered as “passives”. All of the “promoters” conclusively responded to choose the financial management SaaS again, if they would have to. However, the “passives” discussed the possibility of examining what other software have to offer, even though there was no fundamental issue regarding the software use.

The experiences formed during the final stage of the customer journey had similarities towards the deployment stage: touch points affected the customer experience through multiple experience modules, and the emphasis was on the **feel**, **think** and **act** -modules. Especially significant factor regarding the customer experience were the service encounters regarding **customer support**, even if the contact person was the **software consultant**. The customer support was assimilated with caring, and overall sense of “security” (feel -module). If the customer was not supported in the expected way, the interviewees felt a sense of abandonment and the necessity of “figuring it out on their own”. The expectations towards customer support were that the answers are swift, and the quality is high, anything less was considered unsatisfactory (see Cloutier 2003). The customer service was considered successful, when it was able to repeatedly meet or exceed the expectations. The “contact person” was usually contacted when the matter was urgent, the response time of customer support was found to be intolerable, or when the customer needed further training.

The **training material** was considered as good complementary material for the customer to further enhance their user knowledge, and the customized trainings were generally improved the overall experience (think and act -modules). The matter of **communication** didn't raise any significant responses; the communication was generally found

satisfactory, while some of the interviewees presented subjective perceptions on how to improve it. While there was no clear pattern on whether communication should be decreased, increased, or kept the same, two of the interviewees hoped for a more targeted communication relating to the company form or the user role. Proactiveness was encouraged by half of the interviewees, while the other half were satisfied with the current state of the relationship.

While the appearance of feel, think and act -modules were visible during the final stage of the customer journey, none of the responses presented the impact of sense or relate -modules. As the interviewees discussed the satisfaction to the general use of the software, it is however presumable, that visual (sense -module) aspect of the software is also satisfactory, but the influence is neutral regarding the overall experience. The appearance can also be assimilated with the usability of the financial management SaaS, which affects the experience through act -module. Based on the interviews, no experiential factors regarding relate -module could be detected.

#### **5.4. Effect of post purchase actions**

The effect of post purchase actions was examined through analyzing the change in software use between contacted subgroups, and comparison subgroups. In total the Group contained 349 customers. The advancement of the group is presented in appendix 3 by examining the percentual changes compared to the starting point of September 2020. The Group was contacted primarily during November and December.

The initial size of subgroup 1.1 was 180 customers, from which 123 were reached. The change in software use within group 1 was visible. The retention of the contacted customers stayed higher throughout the analysis period, which can be seen by the number of records between subgroup 1.0 and 1.1. The difference between percentage points was as high as 6 points during the contact period, but the difference between the subgroups started decreasing after the active contact period from the start of 2021. Subgroup 1.1 had more customers using purchase invoices throughout the analysis period, and the difference between subgroups stayed similar also post-contact. The change in average revenue per customer (later ARPC) was surprisingly higher within subgroup 1.0 throughout the analysis period, even though subgroup 1.1 increased the used

functionalities more within the software, than group 1.0. The ARPC can be examined from multiple different views:

- a) As the ARPC is related to the degree of use within the software, changes in ARPC may take longer than user-initiated changes. This means, that even if a customer decides to start receiving invoices directly to the system, it also depends on the supplier that when and how many invoices they send.
- b) The absolute cost of the smallest package is low, making any fluctuations regarding ARPC *relatively* higher, than when the absolute cost of the package was higher.

Overall, using ARPC as a metric within this consideration does not yield appropriate results in the short run, but would be an excellent tool to analyze the financial relevance of the long-term change regarding the research group.

The overall amount of received purchase invoices was higher with the subgroup 1.1. throughout the analysis period. Also, the purchase invoices per customer was relatively higher throughout the analysis period, even though the difference wasn't as substantial as the overall amount of received purchase invoices. The overall development in Group 1 was positive, the group of contacted customers managed relatively better in comparison to not contacted customers in each category, except ARPC. By comparing the visual representations provided in the appendices, we can also see that the software use, and the used metrics fluctuate more within the subgroup 1.0 monthly, while the metrics of subgroup 1.1 stay rather stable.

Generally, Group 1 yielded interesting and noteworthy results. While retention of contacted customers was higher for the contacted customers, the overall churn of Group 1 was still 14% (100%-86%) which is from an annual perspective high. There may be multiple reasons for high churn, for example the measurement period is extremely short. If a customer has already decided to terminate the agreement, the "buy-back" is hard as the customer may have commenced another financial management system to be momentarily used simultaneously. This means, that the customer might still be visible in the reports as an active customer, while the customer is already using another software. Also, the difficult macroeconomic financial state caused by Covid-19 needs to be taken

into account, as the examined customers included minor companies with financial struggle and bankruptcies. The list also included holding companies with little to no financial activity. In order to yield reliable results regarding the effect of post-purchase actions towards retention and financial development, the analysis period should be longer, preferably a year at minimum. However, the actual use of the software was directly influenced in the contacted group, with relatively higher number of customers deploying the functionalities of the financial management SaaS.

## **6. OBSERVATIONS AND CONCLUSIONS**

The following chapter consists of the observations and conclusions based on the empirical research. The main research question is answered by addressing the empirical findings together with the theoretical implications of customer experience and forming of the customer journey. This chapter also discusses the overall theoretical and managerial implications of this thesis, following up with limitations and potential for further research.

### **6.1. Theoretical implications**

This thesis discussed the effect of post purchase actions towards customer experience in a multichannel SaaS environment. The research was conducted using mixed methods; the research consisted of three internal interviews, 8 external qualitative interviews, and a quantitative analysis focusing on the visible effects of post purchase actions directed upon existing customers. The research was founded on theories regarding customer experience and related subjects, and customer journey formation. The customer journey was formed by creating a blueprint of Company X's internal processes concerning the delivering of the service, and by interviewing customers. The customer journey consisted of multiple channels, multiple touch points and multiple stages of decision making. The customer experience was perceived holistically, consisting of five different dimensions, where each dimension is compounded towards overall customer experience.

The research used marketing and theoretical literature regarding customer experience during customer journey to create a comprehensive picture regarding experiential factors during customer relationship. Previous research has however focused mainly on B2C retail and ecommerce settings, neglecting B2B and B2B cloud service settings. B2B setting as its own differs significantly from B2C setting, as the acquired services/products have a more underlining commercial significance, usually have higher costs, and the acquisition process may consist of several people and stages, while also being naturally more time consuming. This thesis researched the experiential customer journeys of a certain SaaS company's direct customers. The goal was to increase the understanding of the experiential influence of different touch points over the course of the customer journey, the overall image of how customer journey is formed in B2B SaaS setting, and

how customer experience is holistically formed through the five experience modules of Schmitt (1999).

This thesis increased the understanding of experience related decision making and customer journey mapping in SaaS related B2B setting by connecting previous theories and researches regarding the subject. The findings of the qualitative research improved the general view of which factors have highest influence towards customer experience, and how different stages of the customer journey work as expectation or experience creators. The customer experience was assessed holistically, consisting of various experience modules. The findings of the quantitative research improved the understanding of what the significance of proactive customer care is towards the development of the customer relationship. In a field where the significance of long-lasting customer relationship is emphasized and followed through various metrics (e.g., customer lifetime value, customer churn), proactively improving the customer experience and reminding the customer *why* they continue purchasing the SaaS is vital.

The main research question is addressed by answering the three sub-questions. The conclusions and observations regarding each question is formed through the empirical research and theoretical review.

#### *How is the customer journey formed in a SaaS environment?*

The purpose of this sub-question was to comprehensively improve understanding on what internal and external factors relate to the forming of the customer journey, in order to be able to create a representation of the decision-making stages and stage-specific characteristics during the customer journey. Bitner et al. (2008) suggest that a company is able to positively influence customer experience and loyalty through multiple touch points, when they have service design with an understanding of customer outcome and customer processes. Service blueprinting was used to recognize internal functions related to delivering of the service: marketing, sales, software consultation, and customer support. These functions were used to improve understanding on how these actions relate to the customer decision-making, which were evaluated through: consciousness, evaluation, purchase decision, deployment, and customer support. Verhoef et al. (2016) suggest customer journey mapping should focus in studying how customers interact with

the company through different touch points. Neslin et al. (2006) and Puccinelli et al. (2009) among others suggest that customer journey can be divided into three distinct phases regarding the customer decision making: prepurchase, purchase and post purchase stages, where each stage contains distinct characteristics and touch points. Court et al. (2009) have advanced the perception of post purchase stage, portraying it as a continuous “loop” where the purpose is creating loyal customers, sticking in the loop, rather than a linear path. Verhoef et al. (2009) and Rosenbaum (2017) also suggest that portraying customer journey as a chronological process through customer decision making makes it easier to understand and measure.

The forementioned customer journey stages were assimilated with the service blueprint of Company X, thus creating an overall representation consisting of internal and external perspective on how customer journey is formed. The representation of customer journey was used as a basis for empirical research. The stages of the customer journey were kept unchanged throughout the thesis, as the research findings naturally fit the customer journey and its stages. The findings of the research showed the significance of experiences prior to current customer journey, in the form of expectations. The experiences of the current customer journey were compared with individual expectations regarding the overall journey, and its distinct touch points, similar to the empirical researches of Oliver (1980), Hoch and Deighton (1989) and Verhoef et al. (2009). Even though the empirical research focused on direct customers of Company X, the effect of multiple channels during the customer journey could be recognized throughout the journey, as for example accounting offices were present in each individual stage.

*How do different touch points effect the customer experience in a multichannel environment?*

Theoretical literature recognizes multiple classifications of touch points during the customer journey. This thesis uses the classifications presented by Leeflang et al. (2013) and Lemon and Verhoef (2016), where touch points are categorized into four groups: brand owned, partner owned, customer owned, and social/external touch points. Based on the findings of the qualitative research, each touch point category was more or less present during the customer journey. Company X owned touch points could be

recognized from the service blueprint of delivering the SaaS to the customers and were also visible from the empirical findings. The company owned touch points related to marketing and sales actions, software consultation and deployment, and customer support. Such functions were for example: active sales work, commercials, introduction training, communication, contact persons and customer support. Baker et al. (2002) found, that in a retail setting the customers overall satisfaction of shopping and experience of fairness of the transaction strongly affects the customers desire to continue their relationship with a service or brand, underlining the significance of brand owned touch points.

Partner owned touch points were mostly present during pre- and/or post purchase, in the form of partnering accounting offices. Some of the interviewees interacted with multiple channels (company X & accounting office) during prepurchase, in order to receive assistance towards the acquisition of a new financial management software. Some of the interviewees purchased the financial management SaaS from Company X, but during later iterations of the post purchase stage relied mostly on the accounting office. The partner owned touch points were interacted with similarly to company X owned touch points; the customer searched and evaluated information through company X and/or accounting office, purchased the SaaS from one channel, and interacted in the post purchase stage with company X and/or accounting office. Experientially, parallel channel during the customer journey provided the customer with *another option*, where the customer didn't have to rely solely on either of the channels. As this thesis focused on the direct customers of company X, no conclusive comparison between channels could be made.

Customer owned touch points affected the expectations of the software, and the user experience of the software during post purchase. Expectations were created based on the previous experiences regarding financial management. These previous experiences created expectations on for example how certain tasks are run or how the SaaS should work. These expectations affected the post purchase experiences of the software either positively or negatively. Prepurchase and purchase stages also mainly created expectations, which directly affected the post purchase experiences. The actual touch points owned by customer related to the use of the software. When the software was used

‘correctly’, the experience was easier to predict. When the customer didn’t have necessary knowledge regarding a certain functionality of the software, or if the software was used ‘wrong’, the result was negative customer experience.

Social/external touch points had significant influence mostly in prepurchase and purchase stages in the form of recommendations. Several interviewees reported to have received a recommendation regarding the software from colleagues, current users of the SaaS or 3<sup>rd</sup> party software providers. As these touch points are not controllable by company X or any individual on their own, they are categorized as social/external touch points. Baxendale et al. (2015) found that relating to another customer has higher impact towards the purchase decision than paid advertising. The significance of independent recommendations was visible, as recommendations were present in multiple interviews.

*What influence does post purchase actions have on the customer experience?*

Experientially post purchase actions had positive influence towards customers; the customers felt that they could reflect on their past use of the software, and past experiences, and had a channel through which they could present their subjective opinions and their improvement proposals. 50% of the interviewed customers wished for proactive customer care to continue periodically, so that they would have an opportunity to sit down with the software supplier and discuss current experiences and needs. Through proactive discussion potential problems could be resolved before it would become an issue, and initially have a negative impact towards customer experience. There was no pattern between current NPS, length of relationship, or other characteristics regarding which customers preferred proactiveness. Customers A, B interacted mainly through accounting office, and didn’t wish for proactive customer care, but interviewees E and G didn’t interact through accounting office and didn’t claim to require proactive customer care. This indicates that most customers need proactiveness from at least the primary channel of communication, but the channel of choice is a personal preference and depends on the nature of relationship.

By examining the quantitative results of proactive customer care towards the analysis group, proactive customer care yielded positive results. The results were the strongest during the actual contact period in November and December of 2020 but remained higher

than the comparison group throughout the examination period. The ARPC of the contacted customers was surprisingly lower than the comparison groups. However, as previously mentioned regarding the factors on how SaaS companies price their software, the pricing is directly related to the use of the software. By affecting the use of the software even in a short period of time, the ARPC of the customers should improve in the long run. However, as this research examined the changes in the customers behavior regarding the use of the software during a 6-month period, the changes after the examination period cannot yet be conclusively stated. Most excitingly, the churn of the contacted customers was relatively lower than of the group which wasn't contacted. This finding indicates that proactive customer care influences the potential termination trajectories of the customer and lengthens the customer relationship. Theoretically switching the focus from active to *proactive* customer care may change the way that B2B relationships are nurtured, without forgetting the significance of high-quality service encounters of the *active* customer support.

*How could a SaaS company improve the customer experience with post purchase actions in a multichannel environment?*

By answering the sub-questions of this research, the main research question may be conclusively assessed. In order to understand what a SaaS company is able to do to improve the customer experience post purchase, it is relevant to account for the customers past history with the SaaS company, and even prior to the customer relationship. The framework of customer journey was the same with all of the customers: prepurchase stage included need recognition and information search, purchase stage included purchase decision, and post purchase stage included deployment and customer support stages and is portrayed in figure 7. The qualitative interviews indicated that while the customer relationships and journeys are the same, they have distinct properties differencing each customer from each other. Similar factors are valued over the course of the relationship and these factors relate to multiple different aspects depending on for example the software portfolio, company form, or simply expectations created by previous experiences of the customer. These distinct properties affected how the customer behaved during the customer journey, through which touch points the customer interacted, how

long they were in each stage of the customer journey, and which channels were present or regarded as most relevant during the journey.

Customer experience	Need recognition	Search	Purchase decision	Deployment	Customer support
Most significant company owned touch points	- Commercials - (Salesperson)	- Commercials - Salesperson - Software - Company X websites	- Salesperson - Software	- (Salesperson) - Software consultant - Training - Software - Customer support	- (Salesperson) - Contact person - Customer support - Training - Software - Communication
Most significant other touch points	- Previous experiences - 3rd party recommendations	- The demo of the software - Individual testing of the software - 3rd party information	- Individual testing of the software - 3rd party information - Accounting office	- Attending the training - Using the software - Accounting office - Other users	- Attending the training - Using the software - Accounting office - Other users
The customers most significant activities	- Recognizing the need for a new software	- Search for information - Comparing different alternatives - Conversing with salesperson - Displaying the software	- Conversing with salesperson - Making the purchase decision	- Deploying the software - Introductory training - Beginning the individual use of the software	- Individual use of the software - Communicating with Company X - Further training
The affect on holistic customer experience	Think module Feel module	Think module Feel module Act module	Sense module Feel module Act module Think module	Feel module Think module Act module	Sense module Feel module Act module Think module
What is the experiential effect?	+ Recommendations + Past experience + Conspicuousnes + Software features	+ Salesperson + Ease of information search - Not enough information regarding associations	+ Salesperson + Fluent salesprocess	+/- Deployment +/- Expectation & reality + Accounting office	+/- Customer support +/- Functionalities +/- Communication + Contact person + Accounting office
The effect on customer experience	Expectation creator, minor experiential effect	Expectation creator, minor experiential effect	Slight experiential effect	Significant experiential effect	Significant experiential effect

Figure 7. Customer journey in SaaS industry

Company owned, partner owned, customer owned, and social/external touch points were all present during the customer journeys. Social/external touch points were especially significant during the prepurchase and purchase in creating expectations regarding the software, and in creating trust towards the software and Company X. Customer owned touch points were mostly interacted with during the purchase and post purchase stages, when the customer used the actual software. The Company and partner owned touch points were interacted with throughout the customer journey, usually the customer had a preferred channel of choice, which affected which touch points the customer mainly interacted with. Even though the research focused on the direct customers of Company X, the significance of accounting office channel was emphasized by interviewees using external accounting services.

Based on the findings of the qualitative research, the customer experience formed holistically through four of the five dimensions: Sense, feel, act and think modules. In the first stage of the customer journey, the customer recognized the need for the software.

The need was recognized individually and based on the current state of the customer. The customer started the journey individually and became aware of the software through 3<sup>rd</sup> party recommendations, previous experiences, or through commercials. Company X attempts to create need and make customers aware of the software in the first stage. In the second stage the customer searched for information individually and through the salesperson of the Company X. The information search consisted of searching for recommendations, through discussions with the salesperson, and through displaying of the software. The main goal for the customer was to find out if the software is able to answer the needs of the customer, the main goal of Company X is to be able to create a solution for the customer, depending on the software portfolio and distinct business-based needs. Decision making stage was short and consisted mainly of the contract negotiations and scheduling of the deployment. The final two stages of the customer journey were the most significant experientially, as in these two stages the customer was able to compare their expectations versus reality. If the deployment and the software was as expected, the experience was also positive. If the expectations didn't meet, but the expectation wasn't crucial and could be resolved by customer support, the influence experientially wasn't significant. If the experienced customer support or care didn't meet the expected timeframe or answer quality, the negative impact on customer experience was significant. The interviewees indicated a sense of being left alone, if not receiving necessary answers. The continuity of experiences was visible; if the customer had a negative (positive) experience previously doing the customer journey, the negative (positive) experience typically followed to the next stages.

The quantitative research portrayed results of proactive approach towards customer care, by proactively nurturing the customer relationships the retention and degree of use was higher than by not proactively contacting. This indicates the significance of how proactive customer care influences the relationship with the customer. The effects are seen in the retention, and degree of use. By proactively contacting the customers, SaaS company is able to improve the length of customer relationships, the degree of use of the software, and the overall customer experience.

## 6.2. Managerial implications

The findings, observations and conclusions of this thesis can be used to further improve the understanding of what factors influence the expectations and experiences during the customer journey, and especially what actions the company may take in order to ensure the continuation of the customer relationship and improving the overall retention of its customer base. As presented in the research findings, the forming of customer experience is distinctive; the overall customer experience is formed based on individual expectations and on how these expectations are met. While the formation of customer experience is subjective and distinct, post purchase experiences had differences, and also similarities between interviewees. The similarities focused on the sense of customer care and support, whether the support was received through the accounting office or company X was nondifferent, as long as the support was received.

Using customer journey mapping as a managerial tool to analyze the customer relationship of direct customers is a significant, direct benefit of this thesis. Actively researching how the customer journey is formed and what factors influence the experience during the journey, presents the management with a qualitative approach towards quantitative metrics. The approach may provide answers to otherwise unknown factors, such as asking *why* something is happening, rather than *is* something happening. By recognizing crucial touch points and actively improving the interaction within each touch point, the overall customer experience management can also be improved. In order to showcase the significance of customer experience management, customer experience should be measured not only through qualitative measures, but also through financial metrics. In this thesis the effect of proactive customer care was measured through changes in software use and revenue per customer, as opposed to customers not receiving proactive customer care. While reporting new sales is straight forward, reporting how experiential improvement has resulted in retaining otherwise lost customers provides challenges. As Court et al (2017) presented, the final customer journey iterations tend to differ from previous repeated cycles indicating the possibility of termination of the relationship. If the company is able to manage their customer relationships in way that termination trajectories are noticed prior to termination, there could be a possibility of

winning back the customer before even losing them, and also reporting the financial significance of customer experience management.

### **6.3. Limitations and potential for further research**

The qualitative research of this thesis consisted of 8 interviewees of Company X's direct customers. The interview material was comprehensive and provided a general view on how the customer experience is formed during the customer journey, and how it can be influenced. The interviewees were the main users of the financial management SaaS acquired from Company X. As the acquisition process in B2B may include multiple decisionmakers, and as the financial management SaaS is used by multiple users within the customers' business, it is presumable that the interview findings were subjective experiences of the main user, rather than a complete representation of all the users within the customer's organization. As the financial management SaaS may be acquired directly from Company X, or through its partnering accounting offices, it is possible that the customer journey of an accounting office's customer may differ from the journey of a direct customer. However, the differences would probably relate to the actual experiences when interacting mainly through a partner, rather than the expectations towards the service or the software. It is also relevant to acknowledge that the interviews were conducted upon *current customers* of Company X, and the thesis doesn't contain information regarding experiential customer journeys where customer relationship has been terminated, and neither does it contain findings on customers who did not end up using the financial management SaaS but acquired another solution. The researcher's subjective perspective also influenced how the responses during the interviews were followed up, and what were considered as significant findings.

The future contributions regarding customer experience research in SaaS field could take into consideration the perspective of multiple users of the same organization. This could provide a more comprehensive image on how the financial management SaaS and the corresponding service is perceived organization wide. As there are usually multiple decisionmakers during the acquisition in B2B, there are usually also multiple decisionmakers regarding the continuation/termination of the customer relationship. Interviewing multiple persons from a certain organization could provide in-depth

knowledge regarding certain functionalities, and differences in customer owned touch points. Future research could also approach customer experience through the longest customer relationships; are there any significant factors that some customers retain as customers longer than an average customer? Similarly, it would be interesting to include customers who have recently terminated their relationship: what factors have lead towards the termination, and can this information be used to notice termination trajectories of other customers?

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## Appendices

### Appendix 1. Email (in English)

Hi,

We wish to develop our partnership and services for our important customers, and I would like to interview you about your experiences regarding working with us.

I hope I could sit down with you for 30-60 minutes, and hear what your partnership has been like, and how could we improve and develop it.

I will contact you by phone within a few days, so that we can agree on a suitable time for you. I will be contacting you from the provided number.

Sincerely,

Karl Engeltuori

### Appendix 2. Interview questions (in English)

#### **Prepurchase stage:**

How long have you used *financial management SaaS X*?

What other financial management software were you familiar with?

How did you hear about *financial management SaaS X*?

Was there enough information available regarding *financial management SaaS X*?

How did the first interaction happen?

How long did you use to evaluate different alternatives prior to making a decision?

What affected your view the most regarding *financial management SaaS X* and *Company X* prior to making a decision?

**Purchase stage:**

How did the pricing model affect your decision making regarding *financial management SaaS X*?

Did the salesperson ask the correct questions?

What business related software did you use prior to acquiring *financial management SaaS X*?

Did this affect your decision-making?

What software do you use currently?

How does our service compare to other SaaS's?

What affected your view the most regarding *financial management SaaS X* and *Company X* during decision-making?

**Post purchase stage:**

How did the deployment begin?

How did the deployment go?

Was the salesperson present during the deployment?

How did this affect the deployment?

What would you change regarding the deployment?

When have you noticed you need extra training?

How long did the deployment take?

Do you have a clear view on who to contact when necessary?

How has the use of *financial management SaaS X* been like?

Has the software and service matched your expectations?

What is best in *financial management SaaS X*?

What is the worst in *financial management SaaS X*?

What problems have you ran into when using *financial management SaaS X*?

How have the problems been solved?

Does our communication reach you?

Is our communication sufficient?

How is our communication received?

Do you wish for the communication to be reciprocal, or do you wish only to contact us when necessary?

How often do you contact us?

How have we succeeded in customer care?

How have we succeeded overall?

Where could we improve overall?

What would you change regarding our relationship?

If you could choose again, would you choose us or another software?

What affected your view the most regarding *financial management SaaS X* and *Company X* after decision-making?

If you could go back to the moment, you started searching for a new financial management software, what would perfect your customer journey prepurchase, during purchase and post purchase?

**NPS:**

Considering your complete experience with our company, how likely would you be to recommend us in a grade from 0-10?

How could we raise the value to ten?

Do you have any additional comments?

### Appendix 3. Advancement of Group 1

Group Division	Group 1	2020				2021		
		September	October	November	December	January	February	March
Grand total	Number of records	100 %	97 %	92 %	91 %	89 %	89 %	86 %
	Customers with purchase invoices	100 %	2600 %	2400 %	2700 %	2800 %	2000 %	2300 %
	Customers with purchase invoices %	100 %	770 %	800 %	900 %	900 %	600 %	760 %
	ARPC (MRR + TREV)	100 %	107 %	106 %	109 %	112 %	114 %	117 %
	Purchase invoices #	100 %	3700 %	4400 %	5000 %	7700 %	4100 %	4900 %
	Purchase invoices per customer	100 %	10 %	10 %	20 %	20 %	10 %	20 %
0	Number of records	100 %	97 %	89 %	88 %	87 %	88 %	85 %
	Customers with purchase invoices	100 %	1100 %	900 %	800 %	1100 %	500 %	900 %
	Customers with purchase invoices %	100 %	670 %	600 %	500 %	800 %	300 %	630 %
	ARPC (MRR + TREV)	100 %	109 %	109 %	114 %	118 %	118 %	124 %
	Purchase invoices #	100 %	1400 %	1400 %	1000 %	3500 %	1100 %	1700 %
	Purchase invoices per customer	100 %	10 %	10 %	10 %	20 %	10 %	10 %
1	Number of records	100 %	97 %	95 %	94 %	92 %	91 %	87 %
	Customers with purchase invoices	100 %	1500 %	1500 %	1900 %	1700 %	1500 %	1400 %
	Customers with purchase invoices %	100 %	860 %	900 %	1100 %	1000 %	900 %	890 %
	ARPC (MRR + TREV)	100 %	105 %	104 %	105 %	107 %	110 %	111 %
	Purchase invoices #	100 %	2300 %	3000 %	4000 %	4200 %	3000 %	3200 %
	Purchase invoices per customer	100 %	10 %	20 %	20 %	30 %	20 %	20 %

