Service Design, Customer Experience and Branding
- An integrative approach

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ABSTRACT

This article takes a look at the service experience (SE) and reviews and discusses it from both the organization and customer perspective. SE is an increasingly important topic in design research as well as for practising designers. A recent update in the discussion was e.g. presented at the “Service experience camp” held September 2013, Berlin. Here the focus was: what it takes to create successful service experiences – from big and small companies, young consultancies and established brands, practitioners and researchers. Elements such as the service experience concept illustrate that there is an increasing need and interest to combine the areas of Service Design, Experience and Branding.

Balancing the experience both from a brand and a customer perspective with the help of service design is the focus of this article. It takes a look at how service design, experience and brand are connected to each other, and how a better connection could help improve the customer experience.

In the introduction I will present the development of services and the focus on SE. The second and third sections describe the methodology and some important definitions. Section four and five discuss services and introduce service design as an emerging design practice. The customer and organization perspectives on service experience are examined in section six, before I present in section seven how to balance the brand perspective and the customer perspective in order to deliver meaningful experiences.

KEYWORDS: Services, Service design, Service Experience, Customer Experience, service Organizations, Service Brand, Brand experience

1. INTRODUCTION

Service design as a concept and design practice is a relatively new field, first mentioned in the early 1980s (Shostack, 1982). Services are not tangible, they are closely related to experiences and it is through these experiences that customers perceive value.

Today there is a trend that companies selling products add services to differentiate themselves from their competitors (Morelli, 2007). This is now referred to as a product-service experience. A well-known example is Nike’s collaboration with Apple iPod (See e.g.: http://www.apple.com/ipod/nike/).

Throughout history, several authors have mentioned a shift from an industrial economy towards a service economy. Pine & Gilmore also
include e.g. a shift from offering services towards an experience economy. In their article “Welcome to the Experience Economy” Pine and Gilmore claim that “...as goods and services become commoditized, the customer experiences that companies create will matter most” (Pine and Gilmore, 1998, 97). The experience economy emphasizes that what customers buy are not only the benefits from the service offering but also the experience around what is being sold.

In his book “Service Design: Practical access to an evolving field” Moritz points to four drivers that lead the service revolution. (Moritz, 2005)

1. The service economy is booming
   It’s been a growth in the service sector over the last couple of decades and in many developed countries, service economy is now the dominant part of the economy.

2. The product market is satisfied
   In the western economy it is now many different products available in the same product category fulfilling the same needs, and as a result we get hybrid products that ads service as a differentiator.

3. Technology enables services.
   With internet and devices like laptops and smart phones it rises a big opportunity to add value. A lot of new services are now available like having the bus ticket on your phone. The internet is an enabler of services.

4. Humans have individual needs.
   Every person has individual needs depending on context and situation.
   For instance, the need for guidance from an insurance company will be different for a person who already has insurance than someone who just bought an apartment. Services are more adaptable than products and can be an opportunity to meet different customer needs.

Many authors also agree that service experience is personal, complex and that more extensive research on how to design for the right experience is needed (Zomerdijk & Voss, 2010, Gloppen 2009, Sandström et al, 2008, Berry et al, 2006, Clathworthy, 2012, Filho, 2012).

In relation to companies, this means that customer experience management, experience marketing and experience design are concepts that have emerged as a consequence to the idea of creating great customer experiences (Skard, Nysveen and Pedersen, 2011).

Many customers experience poor service, even though many companies state that they focus on delivering great customer experience, and are customer centric. Customer experience is understood and put on the agenda by many companies (E.g. Boston Consultant Group, 2006) but they do not know how to proceed on to improve the service experience. It is also difficulty around understanding exactly what it is. Especially after the introduction of social media there is a lot of stories available out there complaining about poor customer experience. Examples could be seen at company pages on Facebook or blogs that rate the worst customer service stories (Forbes, 2013).

An experience gap is visible when businesses are claiming that their services are superior while customers do not agree. A recent study done by Bain & Company shows that 80% of company managers believe that they provide a superior customer experience to their customers, while only 8% of their customers agree (The Bain 80/8 phenomenon, 2005).

The purpose of this article is to explore the concept of service in relation to customer experience and brands. The core question for such an exploration is then: How to create meaningful experiences?

2. METHOD

In order to discuss this question and to establish an understanding of the service design field, customer experience, brand experience, service
organizations and service brand, various articles and books have been reviewed. Most literature sources come from service design, management and marketing literature. To convey the literature and opinions, the article has been structured like a funnel, as shown in Figure 1. It starts wide before going into details. This to build an understanding of what it is all about as a basis for discussion. After presenting services the article looks into the design of Services as a design discipline, before the customer perspective and organization perspective on service experiences are presented and discussed.

3. DEFINITIONS

Before presenting and discussing these topics further, some underlying definitions that will be used in the article are presented.

3.1 Service Design

Service design is a relatively new field of design practice and is still developing. Since service design consider complex services and requires multidisciplinary design teams it is hard to find common definitions. One definition that explains it quite concise is: “Design for experiences that reach people through many different touchpoints and that happen over time” (Løvlie et al, 2008, 174).

3.2 Service brand

Through the article, terms like service provider, organization and company will represent the company offering a service. 3.3 The experience centric organization

The experience centric organization represents a goal that companies should strive for. It is designing and delivering services with focus on delivering meaningful customer experience.

3.4 Experience

At a generic level, experience is defined as the process of doing and seeing things and of having things happen to you (Merriam-Webster dictionary). The Oxford dictionary also includes aspects as an event or occurrence, which leaves an impression on someone, encounter or undergo (an event or occurrence) and feel an emotion or sensation (Oxford dictionaries, 2013). The definitions above help explain what this article mean by experiences. In short, experiences are takeaways from our service encounters and emotions are the elements that are triggered in our experiences, or recounted in our recall of the experience.

3.5 User, consumer and customer.

A customer is the one paying for a service. Consumer, on the other hand, is the one using the service. In some situations this could be the same person, but sometimes not. In service design it is more suitable to talk about users than consumers because one designs for every stakeholder and user involved in the service offering. Whether it is an employee working in customer service or an end user either using or paying for the service (Small Business, 2013)

4. SERVICES

We are surrounded by services every day. We use the internet, we watch television, we go to the dentist, we travel with public transportation, we pay with our credit cards and we use government services. To provide services is a natural part of business in each society. But now the service sector is the dominant part of many western economies and it is still growing (Gloppen, 2009).
A stronger competition between organisations providing services result in a need for differentiation. More and more services are becoming commodities. They are all providing the same service and it is hard for the customer to choose between the different providers. An example can be seen in the insurance sector, which is now shifting towards focusing on delivering great customer experience (See i.e. Gjensidigeopplevelsen, 2012).

From the “International classification of goods and services” eleven different classes of services are defined. These vary from insurance, telecommunications and education to medical services (World intellectual property organization, 2001). Another classification of services is presented by Lovelock (Lovelock & Wirtz, 2010) who divides services based on the degree of customer involvement. Listed below are some of the most common services available.

- **People processing** – aimed at physical care: healthcare, fitness studios, restaurants and hospitals.
- **Mental stimulus processing** – aimed at the mind of customers: education, entertainment and information.
- **Possession processing** – aimed at physical possessions and tangible assets: Repair and maintenance and cleaning.
- **Information processing** – aimed at intangible assets: Banking, financial services and legal consulting.

A problem mentioned in literature is that many organisations still think of their services as products, and try to manage and market them like that (Poline et al, 2013). As an opposite to products services are not tangible, are not separable from consumption, cannot be stored, cannot be owned, are complex experiences and the quality is difficult to measure (Mager, 2004). It can help defining what a service is by describing what its not. This uniqueness also influence the experience which customers have with the service.

Another central view in the literature is that service-dominant logic refers to value-in-use, not value-in-exchange as with the good-dominant logic. Value is co-created between the service provider and customers. (Sandstöm et al, 2008).

A concept to explain how service experience can be analysed is the notion of touchpoints. These are the contact points between the service provider and the customer and they include everything from customer service to websites. Recent developments are moving this to include indirect touchpoints as word of mouth and social media (Clatworthy, 2013). A common way of thinking about services is also to include the time aspect; that the service happens over time and across different touchpoints. This is referred to as the service journey concept, also known as customer journey. A common way to treat the journey is to divide it into before, during and after using the service. It is important to place the people at the heart of the service journey and see the journey through the customer’s eyes and through their actions, feelings and motivations. The journey framework considers both the emotional and the physical journey (Zomerdijk & Voss, 2010).

Another way to look at service experiences is to include them in a bigger system. The ecosystem approach sees things in a bigger context, including not only the service itself, but how it is used in a customers context (Morelli, 2007). It focuses on the interplay between people, actions and objects. The ecosystem is a systematic approach and three major implications of ecosystem thinking are: users as participants, interfaces as mediating proxies and relationships as agents of change. These three implications are crucial starting points of the approach where users are active components in service consumptions, the interfaces mediate communication between participants and things change all the time (Jones, 2012, Morelli, 2007).

In a way the ecosystem and touchpoint concept complement each other. While the touchpoint
journey has a strong focus on the customer, the ecosystem puts the customer in a bigger context looking at the domain in which the service exists. The negative about touchpoints is that they are presented through one specific journey. This might lead to not seeing all connections or ways to use the service. The ecosystem tends to have a strong systematic approach, which can lead to alienation of the customer, but it represents the service provider and stakeholders involved better (Morelli, 2007, Karjalainen, 2012)

5. SERVICE DESIGN

5.1 Design of services

Service design is a relatively new design field and is still emerging as a design practice. There exists no common concept on service design. Service design considers complex services and requires an interdisciplinary approach that combines different methods and tools from various disciplines.

There is no common definition for service design, and it is stated in the book “This is Service design thinking” that “if you would ask ten people what service design is, you would end up with eleven different answers – at least” (Stickdorn & Schneider, 2010, 29). One definition that is quite precise is from the founders of the design company “Livework”. They define service design as “design for experiences that reach people through many different touchpoints and that happen over time.” (Lovlie, et al, 2008, 174). Another definition is that service design is “a multidisciplinary and systematic approach, which can cope with the functionality and complexity of services by visualizing their systems and processes as well as by placing the client at the heart of the service” (Stickdorn & Frischhhut, 2012, 7).

A common criterion for most service design concepts include the following driver: A wish to make better services for the end-users and for the organisation as a whole including all stakeholders. This can imply co-creative activities by involving people in the design process through creating, providing and consuming the service. Here the focus is on delivering experiences and the entire domain of a service offering should be considered.

Service design deals with everything from small details in different touchpoints to business strategy and work in between how it is today and how it is tomorrow. It operates at the fuzzy front end of projects and the focus is usually about finding the real problem – through designing the right service rather than designing the service right.

6. SERVICE EXPERIENCE

6.1 The customer perspective – Services as experiences

When using a service we all experience something. It is through the experience that we perceive the value of a service offering. Value is the evaluation of the experiences. However, two people could purchase the same service offering, but the experience could be very different. The perceived value of the service is then different. An example could be one person entering a bus late for his flight and another one relaxed on his way home from work. The two people have two very different travelling experiences. An important point is that the experience is not something that could be ‘sold’ separately from the offering but is connected to “how” the service is delivered. Offering alone is on the other side about “what” the service offering is.

Experiences are one of several factors to consider in service design. They are crucial elements to understand and consider. The customer experience is the total sum of customer’s interactions with a service (Poline et al, 2013). What makes the experience part of a service somewhat hard to work with is that experiences are personal and emotional (Pullman and Gross, 2004). They include factors that are beyond the control of management – personal interpretation of a situation based on cultural background, prior experience, mood and many more.
Several authors define a successful service experience for customers. Pullman & Gross define an optimal experience: “Successful experiences are those that the customer finds unique, memorable and sustainable over time, would like to repeat and build upon, and enthusiastically promotes via word of mouth” (Pullman & Gross, 2004, 553). Pullman & Gross also use the term “Flow” in optimal service experiences. With “Flow” they mean that great experiences occur when consistency is achieved across different touchpoints in the service journey (Pullman & Gross, 2004).

Customers do not remember every moment of a service experience. Instead, they remember the overall impression of the service. This includes the pain and pleasure, the high and low points and the end of the experience (Chase & Dasu, Cook et al. in Zomerdijk & Voss, 2009). The end of the experience is said to have a greater impact than the beginning. One example could be a long queue before paying in a store. If the payment and packing of groceries goes smoothly the customer might forget the queue.

Experience could be defined into two different categories. The psychologist Daniel Kahneman explains that we have the experiencing self, which relates to what is happening in the present – the here and now aspect. The other experience is the remembering self, which relates to the experience retrospectively – how you remember the experience afterwards. Kahneman also concludes that all we get to keep from an experience are the memories. Therefore the remembering self plays a strong role for further experiences and expectations. The memories are what create expectations for the future (Kahneman in Watkinson, 2013).

People are not just rational human beings. When interacting with organisations customers filter experiences consciously and unconsciously and organize them into a set of impressions (Berry et al, 2006). This is done both rational but also emotional. Emotions play a strong role in the decision making process of choosing services – and choosing in general (Pullman & Gross, 2004). We use our mood as a source of information asking questions like: “how do I feel about this?”.

An important aspect that affects the service experience is the context. Pullman and Gross name this the “servicescape”. The context can be divided into physical - dealing with the tangible and relational - concerning the interaction between the service provider and customer (Pullman & Gross, 2004). Experiences occur through interacting with touchpoints. In the literature touchpoints are also referred to as clues and represent anything in the experience, its presence or absence (Berry et al, 2006). It can be small things that influence the overall perception of an experience. Small details, like forgetting a ‘thank you’ when the customer pays for a product in a shop, can break down the service offering.

For customers, a service is something that is being experienced. For the company that delivers the service offering and enables the experience, the service is seen as a set of processes and delivery.

6.2 The company perspective – Brand experience

As discussed in the section above any service experience has at least two sides, the customer’s and the company’s. In the following section the organization side of the experience will be reviewed. Services should be perceived as useful - while creating great experiences - in a brand context.

As previously mentioned, to achieve competitive advantage means focusing on design and management of customers’ experiences. A service offering is delivered from an organization and is enabled to customers through touchpoints. The offering in it self is trying to deliver benefits through an experience, and it is going to be experienced whether the company design for it or not.
The customers are often not interested in the service provider. They are interested in their own lives and experiences. It is up to the company to offer something relevant and valuable. Through these valuable service experiences, the service provider can become a part of their customer’s lives. An important aspect to consider is that you cannot design or manage the experience itself, but only the prerequisites. In a way the service provider is the facilitator and enabler of experiences. They make it possible to experience something (Pullman & Gross, 2004).

A brand’s role is to be distinctive and differentiate the service it sells from competitors. What’s special in the service sector is that brand is more connected to the organization and the service offering than with products. An example is a train company. The company is a brand, the travelling service and the service provider and the travelling experience all at the same time. From a marketing perspective, some authors see the concept of brand experience as something you add to your main service to add value - a value-added service (Collins, 1986). The services available are only there to promote the core service. The value-added services provide advantages for both the customer and the company. Customers have the chance to achieve something beyond their basic needs. An example is the shopping experience at IKEA. Some will argue that the brand experience is all about the extra services like free childcare, dinner halfway through the store and an ice cream before your leave their store. This argument was presented at the “Service Experience Camp” in Berlin, 14-25 September 2013 (Making Waves blog, 2013). Other examples of value-added services are personal shopper at Topshop, coffee membership at the gas station or loyalty cards.

For service brands, successful experiences are when they result in: a relationship between the company and customer, that customers recommend the service to others and choose their company against others (Morrison & Crane, 2007). Getting the experience right means gaining customer loyalty so that people are less likely to switch to another company (Poline et al, 2013). Other outcomes that are mentioned in the literature in connection to great customer experience for companies are unique, memorable and favourable.

An important aspect of experiences is as mentioned earlier emotions, i.e. how people feel about the service. When offering a service it is important that the basic functional needs are being covered. When covered, you can move on to the emotional aspect of the service. Which is how you deliver it, how the service is being experienced. Firms compete best when they combine functional and emotional benefits (Berry et al, 2002). Moving into emotions opens up a whole new field of literature and in this article it is mentioned because it is important, but not reviewed further.

Whether a company likes it or not, the customer experience is a big part of defining what the brand is all about (Rockwell in Lockwood, 2009). Figure 2 shows how experience is related to the perception of brand. The end users are the ones that can determine if the experience is aligned with the brand, since the value is co-created with the customers. Therefore it is important that services are designed to communicate the brand proposition. Good experience design uses all physical elements to support the underlying vision, metaphor or theme of the organization (Berry et al, 2002, Pine & Gilmore 1998).

![Figure 2: How brand experiences affect the perception of the brand and influence future expectations (Rockwell in Lockwood, 2009).](image-url)
With regards to the arguments above one could then ask: Why is it so hard to deliver great customer experience? Bill Moggridge from IDEO once said, “You can’t experience the experience until you experience it” (Bill Moggridge in Mortiz, 2005, 46). This sentence gives an idea of how complicated it can be working with experiences. An experience is intangible, and abstract and varies from person to person. For companies it could be difficult to understand what customer experience is exactly, because there is no common language that is used to talk about customer experience (Sandström et al, 2008). Companies are also used to talk about economic value, but measuring experiences into economic value could be quite difficult because of its emotional aspect. In literature there exists a lack of definition on both what brings value to the customer, but also how it is created.

From my point of view it is important that you can’t design experiences. All you can do is design for the experiences. It is the customers who finally decide if the service and brand are meaningful.

More and more organizations are conscious of the importance of customer experience in services. The experience centric service comes from an experience centric organisation (Zomerdijk & Voss, 2010). To name the success, a company becoming the experience centric organization is the one that have the competitive advantage. They are delivering memorable, unique experiences that customers want to repeat and recommend to others. A lot of literature is available on the topic of customer experience, but the part about translating it from words to actions is missing. There needs to be a change to experience pull (Stickdorn & Schneider, 2010). This mean that companies start thinking about what experience they want to deliver, what the customer want to experience and then design the service so that it can deliver on that particular experience. The company must ensure that the entire service supply chain is focused on the customer experience (Zomerdijk & Voss, 2007).
There are different views on what creates the ideal service experience. Both value-added services and a consistent service experience are considered as concepts to deliver great customer experience. Although they are different, they emphasize the need for the service to be meaningful for both the customer and company providing the service.

As I see it the argument about the brand experience as adding something extra to your main offering is interesting because it implies that the core service is not enough to deliver great service experiences. There will always be a need to add something extra. But what if customers had enough of the additional services like with commercials? This challenge has not been widely discussed in literature yet, however from my point of view it is certainly a topic that has to be looked into more detailed.

What is good about value-added services is that they are easy to change when not relevant anymore. The brand and service could be in continuous change and adapt to people’s needs and expectations. Sometimes the value-added service could also be changed into a core offering. An example is from telecommunication with SMS and MMS. When launched it was only considered as value-added services making their main offering better, but in recent years this together with data access have become the core service offering.

On the other hand we have the concept of ideal brand experience as the result of consistent interaction with the company (Mosley, 2007). Communication is important, but a consistent experience with the brand is even more important. The brand role is to be distinctive and the way to do so is to go beyond the “add on” role and be better integrated within the service. There is no longer a need for marketing, only a need to deliver great service experience through the core offering.

Fundamental for both concepts it that the brand over time should be associated with positive experiences. An example could be travelling with the airport express train. If the train is on time and always clean, eventually one associates the positive travelling experience with the brand and service provider.

What we expect from a service affects how we experience it at and connect it to the brand. Does exceeding our expectations contribute to better customer experiences? This is a debatable question, which is not very much discussed in literature, so the following considerations represent my own thoughts. On one hand, the concept of providing a consistent brand experience might work against the concept of being memorable and exceeding expectations because for a service to be memorable is has to go beyond what we expect (Stuart & Tax, 2004). On the other hand services can exaggerate an experience and thereby decrease its quality. For example, customers are not impressed anymore if the package is delivered on time or if the hairdresser offers you coffee.

To sum up this point, when looking at the customer journey, the company may want to emphasize their brand during deliberately setting highlights in the journey. Think about the journey as a dramatic structure where one manages peaks and low points. There might be an opportunity to make a stronger connection to brand values in the most important stages or touchpoints. If considering the dramatic structure the company can prioritize where to go “all in”.

One cannot style a service offering with experiences. The experiences must be embedded within the service. The company need to ask themselves if their service is what customers need? One recommendation derived from the literature study could be to suggest the company go back to the core of their service and make sure that the service experience is right and if not, redesign the service accordingly. The company needs to consider how their customers experience their services.

Both ecosystem thinking (Jones, 2012, Morelli, 2007) and the customer journey concept are
interesting regarding the service experience. Ecosystem thinking because all experiences exist within is system of experiences – networked experience. The journey concept because it can help see how customers use the service over time and manage how they meet different touchpoints so that they fit each other and deliver consistency. The service designer uses the concepts in order to zoom in on details in the touchpoints and zoom out, thinking about a coherent experience existing within a bigger context. (Poliné et al, 2013)

Service design is a relatively new design field, but is more and more included in service innovation projects. The designer helps create both the service and the experience. To create experiences and services that reflect the company, the service designer needs to understand the service delivering organizations from the inside-out, regardless of their service offering. On the other side, the designer needs to have the outside-in perspective to understand the customer and their needs.

Among others a skill that the designers have which could be useful in creating the service experience is visualisation. A designer usually communicates abstract and intangible concepts and is used to make abstract into something concise. What the organization needs is not something fuzzy that needs more decoding. Experience is already hard to manage and design for. An opportunity is to let the service designer build a bridge between an organization’s strategy and customer experience ensuring that everybody is heard. A visual representation is shown in Figure 3. This can be done through co-creation, meaning that if we co-create the prerequisites for the experience, it is more likely that the experience becomes right. Without including the company in the service development, there is a possibility to miss out on how the service and brand are in reality. The company owns the reality and are the ones that are going to deliver the service in the end. The service designer needs to think about both company and people. Value creation can only be based on a deep understanding of the organization’s culture and potential, as well as the desires and needs of the people using its services (Gobé, 2009). There needs to be a translation from brand manifestations to great customer experience. Usually the service designer takes the end-user perspective. Their perspectives are critical of course, but designing for end-users alone risks producing service models that are misaligned with the capabilities and incentives of service providers.

![Figur 3: This figure shows the position of the Service Designer as a translator between the organization and the customers needs.](image)

Relating to the findings above, I am inclined to ask a normative question, namely whether or not it is ethically right to stage experiences. A company cannot design the whole experience itself, but designing for the service and its context will influence how people experience the service. Trying to manipulate customers belongs to the past. When branding operated 25 years ago it was all about creating big promises that they could not keep. Today customers expect more transparency, that the companies are honest and that they fulfil promises (Abbing & van Gessel in Lockwood, 2009). Other disadvantages or challenges introducing the service experience concept in organizations are that it is both time and staff consuming. However, it is reasonable to assume that benefits can outweigh the drawbacks if one supports them with appropriate tools in the future.
8. SUMMARY/CONCLUSION

This article has presented service experience from both customer perspective and company/brand perspective. Today many services exist, and experience is said to be the differentiator. The literature is full of concepts claiming that focusing on experience is good. But practical tools and methods to show organizations how to do it are rather limited. In order to have a cradle-to-cradle experience the company needs to think beyond the immediate business and rather focus on ways to translate their brand story into real life customer experiences.

First there were services, and then there were designers designing them. But now there is an opportunity for designers to tell businesses how things could be done. Questions to be asked are e.g. how does an experience centric organisation look like? What must they do to get there? One way to meet these questions could be that the service designer and service provider co-create the prerequisites for the service experience. In this collaboration the designer needs to combine the customer and company perspective.

9. FURTHER RESEARCH

Considering the designer as a “translator” of customers’ needs, (Verganti, 2003), one has to figure out how to facilitate communication. One possible way to interpret organizations perceptions of brand, services and experiences is e.g. to develop a tool which enables the company and designer to discuss common solutions. The practical part of this project will explore a way of considering customer experience in an early phase in a service design project together with a service provider in order to find out what makes a good service experience for both the company and its customers.

1 A cradle-to-cradle service experience is in my opinion given

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