

IMPROVING AND DEVELOPING CUSTOMER KNOWLEDGE IN B2B CO- OPERATION PLAN

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Kim Kärkkäinen

Lahti University of Applied Sciences
Degree Programme in International Business Management

KÄRKKÄINEN, KIM:

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ABSTRACT

The aim of this study was to explore what has to be taken into account when building a new business-to-business co-operation plan with the customers in Sonera. The goal of the co-operation plan is to add more transparency between the company and its clients. It revealed what has to be generated to build a powerful co-operation plan for both parties. This study focused in ways that are essential when building a collaboration tool.

This study was conducted in autumn 2016. The study focused on factors that are relevant when Sonera wants to renew its customer relationship management with a new way and get the best out of it. New ways were combined mix of service design and co-creation, engaged with customers' contribution.

The theoretical part of this study defined customer relationship management, outside-in thinking, co-creation and service design and their importance when developing organizations and collaboration with the customers.

The data for the empirical section of this study was obtained by conducting interviews with total of seven customers in different industries. The study revealed actions that are needed to make a successful B2B co-operation plan innovation to work between Sonera and the clients. The method of the interviews was individual theme interview.

This study finds that co-creation and service design are in a key role when establishing a new innovation for collaboration with the customers. It is seen in the study, that without a good and clear customer relationship management it is hard to build long-lasting relationships. List of suggestions was compiled on the basis of the results and provided to a case company to build a new co-operation plan with the clients.

Key words: outside-in thinking, customer relationship management, co-creation, service design, self-service portal, key account management

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ABBREVIATIONS

ARPU	Average Revenue Per User Per Year
B2B	Business-to-Business
B2C	Business-to-Consumer
CL	Customer Lead
CLV	Customer Lifetime Value
COP	Customer Operational Plan
CRM	Customer Relationship Management
ICT	Information and Communication Technology
NGT	New Generation Telco
OTA	Over the Air
POC	Proof of Concept
SME	Small and Medium size Enterprises
TCE	Total Customer Experience
TCO	Total Cost of Ownership
VAS	Value Added Services
YoY	Year over Year

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1 INTRODUCTION

1.1 Background

Customer satisfaction and knowing the customer is vital for every company nowadays. Companies and their employees has to come out from their silos and matrix organizations to listen to their customers. Telecom industry is developing rapidly every year and digitalization is an overwhelming topic at the moment. Every company wants to reduce their TCO's and get efficiency with new methods of digitalization.

Sonera has been focusing on customer satisfaction lately very closely and to get their reputation back because of their mobile network problems. The writer of the thesis has seen that old way of thinking inside-out isn't any longer productive. Sonera will have to step out and cooperate more closely with their clients and change their way of thinking to outside-in.

Basis for this thesis is to have more transparency between Sonera and the customer and to know them better. Sonera wants that the collaboration would be strategic, rather than to be a basic supplier that doesn't show a big role in client's business. Sonera wants to take a next step building a NGT (New Generation Telco) for their customers. It means that Sonera will have to develop new solutions and customer based thinking. This thesis will provide a vision of how do Sonera manage their cooperation plans with their customers and how to get their voice better heard inside Sonera. Sonera have had a customer operational plans for years but it isn't any longer updated to this day as it is only for Sonera's view only. Sonera will need to develop a solution that is available for their customers too and the customers can feel that Sonera is willing to collaborate.

The thesis writer has been working for Sonera five years. He started in SME segment in 2012 January and worked there for two and half years. Now he has been working in Large Enterprise segment as a Customer Lead for more than two and half years. His duties involve to handle a few

global customers and to develop the collaboration between Sonera and the customers with Sonera's products. Sonera is in a big change at the moment and they will need to focus to change their attitude from old to represent this day. Sonera needs a solution that needs to be implemented between Sonera and a customer so that Sonera can intensify its partnerships. This also interests the thesis writer personally to see what kind of role this new solution will give to Sonera in rapidly changing industry and how their customers will feel about it.

The research is unique and totally new as the competitors doesn't have this kind of tool in use within their customer space. So this research will give Sonera an edge against their competitors and therefore they can gain customer knowledge and use it more efficiently than ever before. Digitalization and new technology can provide new possibilities that this incoming solution will give to Sonera and to their customers. These facts affected when the thesis writer was thinking about thesis topic.

1.2 Case Company

Sonera is part of Telia Company which was founded back in 1853. Telia Company is on a way to build a NGT. The company has a clear view to venture into areas that are close to company's core business. The world is changing rapidly and so does Telia Company. Telia Company has a mission to build a connected world that will reach further with people involved in it. Bringing the world closer to a customer with customer's terms through technology is on agenda.

Telia Company employs over 21 000 employees mostly in the Nordics and Baltics. Headquarters is located in Stockholm. The share is listed at Nasdaq Stockholm and Nasdaq Helsinki. The company has approximately 515 000 shareholders. Telia Company has 27 million subscriptions worldwide. Net sales is 86.569 million SEK. (Telia Company 2017) Sonera is the most prized brand in Finland evaluated by BrandWorxx in 2015. Brand is worth of 7.14 billion euros. (Markkinointi & Mainonta 2015)

1.3 Research objectives and questions

The aim of the study is to explore ways to build a new cooperation plan between customers and case company and to add value for the cooperation. It is important to find significant matters that are important for the customers in the upcoming cooperation plan. The study itself will provide suggestions how to build a working scheme together with the customers and what is needed so it could be fruitful for both parties.

The main objective is to find ways to improve case company's current cooperation between the company and the customers. Then the method is going to be implemented and piloted with selected customers so it can be developed deeply in the future and be published for a broad use with the customers.

The research questions to be responded are:

1. What has to be taken into account when building a customer-centric co-operation plan?
2. How to involve customer in co-creation of the new cooperation plan?

The scope of the research is to find a way to build a cooperation plan that will provide new opportunities to a case company and get to know its customers better. With this research it is intended to replace the old model of customer cooperation with the new model. It is also at sight to ease superfluous communication between parties so that the cooperation plan could bring more possibilities in engaging a strategic partnership.

1.4 Structure of the thesis

Theory section of the thesis is referred from articles and many different electronical sources. Thesis has three main pillars as theoretical framework. In the second chapter CRM is analyzed deeply how important it is and what does it include and how it is handled in a good organization. Third chapter includes outside-in thinking and how it should be dealt to get

the most out of it. Fourth chapter is based on service design and co-creation. In rapidly changing world it is important to have your clients near your organization and develop solutions together. In this part the role of these mentioned topics are opened. After theoretical framework there are three pillars that includes research approach and methods, research results & analysis and conclusions. Thesis research result & analysis and conclusions will be dismissed in published version.

2 CUSTOMER RELATIONSHIP MANAGEMENT

2.1 Description of the CRM

CRM is defined as all aspects of the interactions that a company has with its customers. Sales and service-related matters are all involved in CRM. CRM systems has information tracked in it and it includes contacts, clients, contract wins, sales leads and more. (Webopedia 2017) According to Brutu and Mihai (2015) CRM has evolved as a major element of business strategy for many enterprises. The companies can increase the profitability of their customers with CRM as it is based on creation and development of personalized relationships with the clients.



FIGURE 1. CRM in a nutshell (Webopedia 2017)

The ideal situation with CRM systems is that the data is collected in one central location, ideally in the cloud so the information can be accessed in real time no matter of the location. (Burnham, 2013) CRM's purpose is to enable companies to better serve their customers with reliable processes and procedures. Clear processes and procedures helps company to interact with their customers. (Really Simple Systems 2017) It is common that companies still store information of their customers to old fashioned way for example in note cards. Therefore CRM role is growing in the future if the company wants to scale for a fast growth. Also it is a sign of modern way of doing business to get a CRM to ease daily business within the scope of the customers. (Burnham, 2013)

Why to choose a CRM system? A company can manage its customer data in old fashioned way in the beginning but when the company grows so does the complexity of managing data. When a company grows there will be a need for scalable way to track its customers and transactions to be stay competitive. Tell-tale signs are experienced by the business that are ready for the shift. A Company has to be able to read these signals early so they can avoid chaos and inefficiencies that would come without good built processes beforehand.

According to Burnham (2012) there are some signs that indicates when it is time to purchase a CRM system for a company to be more efficient. The team doesn't have a single source for customer data. There is lack of invisibility in sales team's activities. Reporting and analysis will take time and is painful for the company. Data of the customers is lost to an unknown place. Sales representatives are confused and can't update their latest information of the customer while they are on the road. Every customer is treated same way. There is no plan how to scale fast business growth in the company.

A CRM system will provide visibility for sales team's activity and it allows sales representatives to report their progress internally and it gives an opportunity for transparent collaboration across the whole organization. It means exactly what the company needs to take to be a successful business. (Burnham, 2012)

2.1.1 Channels of the CRM

What comes to channels of the CRM, The key of having successful customer relationship management is communication. Customer satisfaction and business growth lays as a foundation of a good communication. CRM systems has a wide range of communication channels that organizations effectively use for communicating with their clients to provide them their products and services. (Gnanasambandam, 2011)

The channels for CRM have evolved fast over time with the evolution of communication technology. New communication channels has been adapted very quickly by organizations, while utilizing old channels as well. Prospective customers have been reached well by these channels.

(Gnanasambandam, 2011)

There are different types of communication channels in handling CRM.

(Gnanasambandam, 2011)



FIGURE 2. Multichannel for the customers (Aspect 2017)

The figure points out different kinds of customer channels and these are based in social, web, in person, contact center and mobile that have sub-branches. (Aspect 2017) Cost efficiencies can be created when a fully implemented omni-channel solution is ready. It can also reduce customer frustration and help customers to solve issues quickly when they can choose their own kind of self-service channel that suits best for them. It will ease the load of basic customer service agents and they can focus on more complex customer queries. (Aspect 2017)

According to Gnanasambandam (2011) there are channels or modes in CRM communication. These include face to face meetings in a person. Event/road shows where the company advertises their brand. Marketing through postal service to bring out latest offers of the products. Outbound calls to current or cold customers to get their attention and increase customer satisfaction. If the customer isn't reached out via calling then it is

possible to send email notifications to the customers. If the email advertising fails then it is possible to send SMS/MMS to the customer as it is more efficient than emailing. Video conferencing calls are becoming more common as mobile phone technology allows video calls nowadays. Chat can be efficient if the client is busy and can't for example call to the customer service. It provides instant dialogue between the client and the supplier and can be more efficient than calling as the client can browse the computer while chatting. Blogs can be efficient if the company is able to get widely known persons to tell about the company's products there. It has a powerful way to influence on customers. Nowadays the most important channel is social networks because of its publicity. Customers are eager to get instant feedback and the way the company handles its social networks is crucial for them.

With these channels it is possible to increase the efficiency of the call centers and streamline sales. Marketing can be aided and costs can be reduced with proper handling of the channels. (Sharma, 2016) These channels provides efficient way of handling customer properly and flawlessly. If these mentioned channels are built carefully it will give the company competitive edge within its competitors. (Gnanasambandam, 2011)

2.1.2 Self-service portals

Self-service portals were seen as a cost-cutting tool for a long time but new possibilities from developed technologies are turning them into key productivity tools. Self-service portals can even be seen as a revenue generator. Definition of a self-service portal is quite simple. It is a website that enables users to do high-value transactions, from simple updates for account to pay bills, manage to support tickets and more. Self-service portal is typically permitted for customers in first hand but employees, suppliers or partners are often offered a chance to use it. (Ruppel, 2013) Self-service portals are usable no matter of the place and time. Customers can be in touch with their information instantly and allow them personalize

the service for them. In the other hand it saves time and organizational resources for both, supplier and the client. It helps the supplier to improve its overall brand image and customer service. (Salesforce 2017)

Self-service trends are driving them to a mode where customer can handle the portal with any mobile device they have. It includes PC, tablets, mobile phones. People are moving and business life is really hectic. Mobile phones are so efficient nowadays so they are like PC's now. Self-service portal has to be working on every platform where client wants to use it. Personalization is essential so that the customers can only see the content that is relevant to them. The view of self-service portal has to be scalable for different platforms. It has to be simple and easy in every device where the client is using it. New generation of technology will provide a possibility to a client to do essential changes themselves which speeds up business transformation while IT costs are driven down. Social aspect of new generation self-service portals is also clear nowadays. Wikis and other user-generated content is allowing and transforming self-service sites more refined for customers to use. It enables better collaboration between the supplier and the customer. (Ruppel, 2013) Developing self-service portals will need the help of the clients to be a successful tool for them. (Moshe, 2014)

What are the benefits for the supplier and especially for customer service and IT operations? It will reduce significantly call volumes. An effective self-service portal will relocate incidents, queries and service tickets away from the customer service's responsibility. Instead those issues are resolved by the end user or automatically forwarded to the right place in 2nd or 3rd line support. It depends to which support it will be routed by the information that is based on end user's submission. Professionally built self-service portal is able to prevent repeated calls to a customer service when they want to check status. The reason for this is online tracking capability for incidents and service requests to be followed by the end user. (Moshe, 2014)

Self-service portals can efficiently reach out new customers, boost customer-to-customer relationships and improve company-customer relationships. (Salesforce 2017)

According to Salesforce (2017) there are plenty of benefits of self-service portals but there are few essential ones. Self-service portals will reduce costs of a customer service. The productivity of the customer service agent's will improve. Self-service portals can be learning channel for new skill to the customer. Portals will increase the site traffic as the customers will visit company's site frequently. Personalized information can be leveraged through self-service portals. Customer recommendations can have a positive increase via good working self-service portal. Social engagement of the customers can be enriched through self-service portals. These essential benefits will form a tangible benefits to the customer service, end users and to the whole business. (Salesforce 2017)

What are the benefits for the end users? An easy and helpful self-service portal can make self-logging, self-resolution and other self-service actions efficient for the end users. The end users don't have to wait in customer service's phone queue. It means that frustration and time is saved and they can focus on their actual duties. Self-service portal is available 24/7. End users must use self-service portal to get these benefits. If the end users feel that the self-service portal is clumsy then they will revert into an old way of calling to the customer service. It can help to increase the satisfaction of the end users if they feel that they can do updates themselves through one clear portal. (Moshe, 2014)

2.1.3 Social media in CRM

Biggest source of communication is social media and it is reinventing how the customers consume. If a company lacks in this area, it is normal that they will lose their overall view of their customers. (Thute, 2014) Therefore social media is growing its popularity among companies. It is everywhere and word of mouth advertising is a very powerful tool. It is a known fact that users of Twitter are tweeting half billion messages every day. Tweets

are not just for fun and making people laugh but also include interactions between companies and their clients. It is really common that people don't want to stay in a queue, instead, they demand an instant answer into their questions. It is not common anymore to stay in a queue of a customer service because we are living on-demanding world. An important question for companies is how they can develop their relationships deeper with social media rather than how can they resolve issues through it. (Coen, 2016) Time of passive clients is gone as traditional model of CRM assumed customers to be passive. In the past clients have made purchases directly and there were no need for CRM to interact with them. Social media is changing that part concretely. (Haenlein & Malthouse & Skiera & Wege & Zhang, 2013)

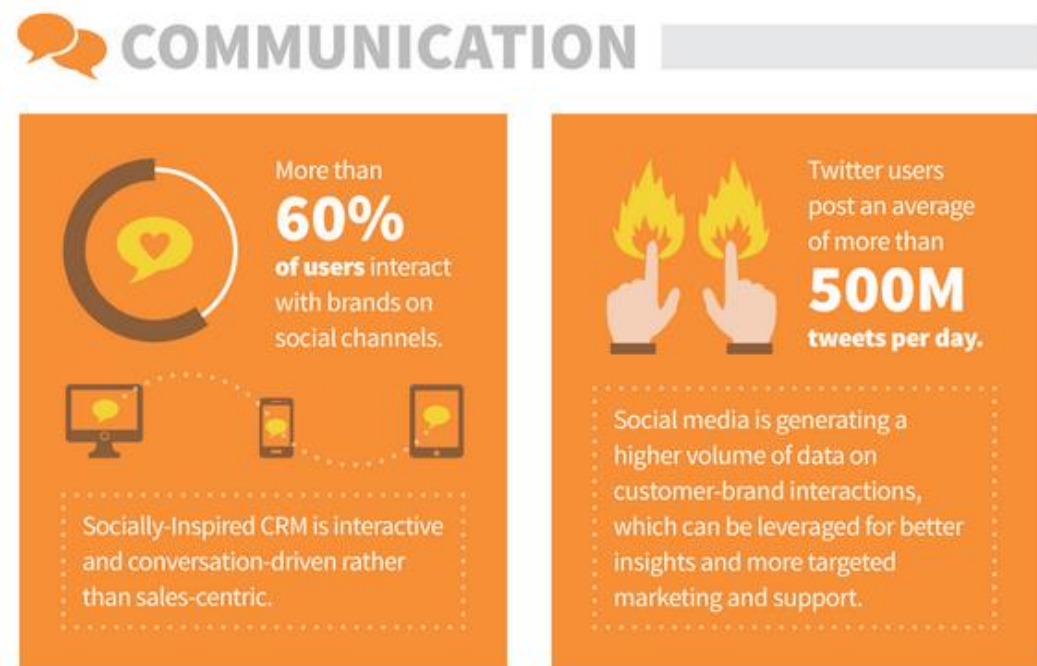


FIGURE 3. Communication in social media (Bennett, 2014)

The figure points out the role of communication in social media and how popular it is in daily use within its users. Old way of handling CRM has been one-sided. Today, it has to be two-sided. Customer relationships aren't built on information, they're really built on trusting each other. Traditional CRM turns people into data and relationships are turned into rules of engagement. It means that the technology can't have empathy,

because database can't be as responsive as a human being. (McKee, 2012)

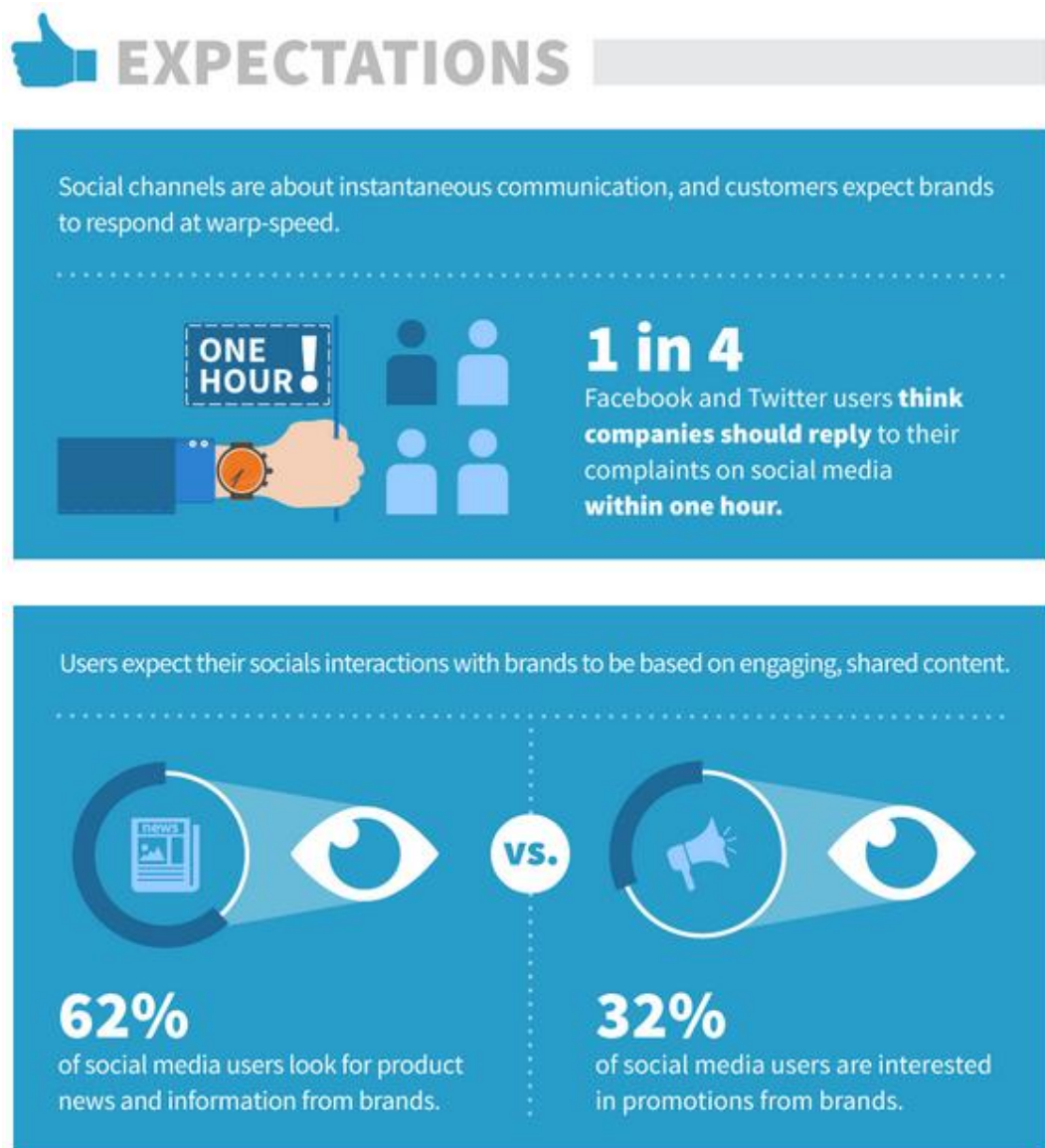


FIGURE 5. Expectations for social media (Bennett, 2014)

When a company decides to use social media to reach out its customers, it is best to play by the rules of its customers. The social community loves fast communication. It is a known fact that one out of four users wants that the brand should reply to their issues online in an hour. A company can go wrong in this if it doesn't have required tools to act in social media. Preparation is in key role in this. Reputation can be easily damaged and it is essential to remember that mistakes lives forever on the internet.

Customers expect companies to produce quality content that interests them. News and information about new products and solutions interests more than promotions of the brand. It is important to construct a strategy that keeps these two balanced at all times. However, it is important to keep the voice of the company very genuine and the whole content engaging. This will help the customers to understand that they are interacting with real people with faces rather than faceless companies. (Coen, 2016)

How to use social media for CRM in practice? There are three typical ways of using it. First is to manage complaints through it. The reason for this is simple. It is easier to deal with written complaints than manage to handle them through over a phone. A company has to follow two-step method in this. First they will have to answer to a public message that is posted by the customer. It is really crucial as others will see how the company interacts on the message. Secondly it is vital to move the conversation into a private discussion. The issues should be resolved through a social media platform via direct messaging in it. The conversation should never move away from the social media. (Coen, 2016)

Complaints should not be the only way of handling social media in CRM. It should also be used positively to reward loyal customers. Customers that can boost the brand of the company through social media are really valuable. Those customers should be rewarded and incentives that they keep on appreciating the brand. (Coen, 2016)

Finally it is good to create more value to products and solutions that the company has and will publish in the future. The company can upsell and cross-sell their products online. It is about the right opportunities at the right time. The customers are already online so it is important to keep up what they are discussing about. After time the company will notice these opportunities and they will begin to come at them organically. (Coen, 2016) Using social media in CRM is all about building deeper relationships that will benefit the company and the customers. (Salesforce, 2017)

2.1.4 Pitfalls of the CRM

CRM is a corner stone for every successful business. If it is well managed it can provide numerous possibilities for the company. It can also be harmful for the company if it chooses wrong CRM platform to use. There are common pitfalls that should be avoided. (Lonoff Schiff, 2012)

There are some common mistakes when a company chooses CRM solution and one is that end users are not thought quite enough. End users should be involved actively when seeking out for a new CRM system. End users should be explained how it will benefit them as well as the company as a whole. The whole discussion should lay on CRM as a tool for improving the company and how to achieve important organizational targets like increasing revenue, reduction of costs, process automation and saving time. (Lonoff Schiff, 2012)

Often the CRM system is not sales representative (i.e., mobile) friendly. It seems to be hard for sales reps to use CRM systems. Desktop CRM systems are now history as they were designed and optimized for use in office environment. Sales reps are on the go so it is urgent for them to update CRM real time OTA (Over the Air). It saves time to update it instantly and not to wait to get back to the office desktop. (Lonoff Schiff, 2012) Also without a good CRM system it is impossible to treat the customers differently as there are more important customers than others. It is clear that there are benefits to treat some customers differently. (Nguyen, 2012)

Companies can also choose a non-scalable CRM system by mistake. It is common that companies choose a CRM system that works for their current state of business. It might be good choice for couple of years but what happens when the business expands? When the company has more customers and more orders? Companies has to assess their data wisely when choosing a CRM system and look for the future. For example no social media integration to a CRM system is a mistake. Today when the world is led by social media it is essential for the companies to have a

CRM system that integrates social media in it. It is important for the company to actively engage its customers with over Facebook, Twitter and other social platforms. Benefits are obvious; building long-term relationships and it will improve the whole customer experience. On the other hand, if other key systems aren't integrated with the CRM system neither, then it is a crucial mistake too. For example email is an essential part of the CRM. Companies who has done this has YoY (Year-over-Year) revenue gains of 22.7 percent vs 13.4 percent against companies that hasn't. (Lonoff Schiff, 2012)

Business processes might not be defined properly in the company. A CRM system should not only be seen as a glorified address book. True value comes from how to group the customer information and how that information can be related to each other. Companies should draft out a workflow diagram that will describe the whole customer life cycle. This tool will not only help the companies customize their CRM but to take full advantage of its functionality. (Lonoff Schiff, 2012)

Often CRM systems include inconsequent nomenclature. Many clients can have redundant entries for their names so it will be hard to prioritize and gather information. Sales reps can abandon using CRM, instead they will use spreadsheets nullifying the large investments that are made for the CRM. Solution for this is to have each account entered once in the system so all the information can be found easily. CRM systems tend to have too many fields and it is very important that sales teams can fill out the information fast. Only the most important details about each contact or opportunity is required. When the opportunity comes available then it is easier for the salesperson to fill out more detailed information. (Lonoff Schiff, 2012)

The company should start small when they are going to implement a CRM system. When the company is too excited about the possibilities that CRM system gives them – it is a common mistake that they will set too ambitious goals and deploy features that might confuse users that unfamiliar with the system. Companies have to build a multi-step plan that

will deliver value iteratively. Quick wins are essential as they will deliver high value in a short amount of time. If the company wants to succeed in implementing a CRM system then it is important to measure right metrics. If the company doesn't have a clear goal in their mind when implementing a CRM, it is a dumb idea. Every business area should have metrics that are measured on a regular basis. By following these rules and avoiding pitfalls a company can turn its CRM into a moneymaker in a long run. (Lonoff Schiff 2012)

2.2 Customer satisfaction

Customer satisfaction is an essential indicator of the company's value. Usually it has a positive effects like good word of mouth behavior and increasing the value of the company. (Chen & Lai & Peng & Wei, 2015) Customer satisfaction is a concept that tells how well Customer satisfaction will provide metrics that marketers and business owners can use to improve their products and solutions better. Therefore it is important to have a good customer satisfaction. (Beard, 2014)

According to Beard (2014) there are few top reasons why customer satisfaction is so vital. Customers can repurchase more vulnerable and be more loyal that way. If the customers are satisfied then it means that the company can differentiate from its competitors. It also means that the customer churn will be reduced. It is possible to increase customer lifetime value with a good customer satisfaction. While the customers are satisfied then it is clear that they won't spread negative word of mouth about the company, instead they will boost the brand. With a good customer satisfaction it is easier to retain current customers than acquire new ones.

If the bond between supplier and the customer is solid, the better are the chances that the customer will repurchase products and solutions that they need in their own businesses. (Management Study Guide 2017) It is also good to frequently ask customers a scale of 1-10 rating if they are going to become repeat customers or even advocates. Any customer that gives a company rating seven or above can be judged as satisfied but if the

customer gives a rating of 9 or 10 then they considered as customer advocates that can become evangelists for the company. Scores 6 and above points out that the customer is unhappy and might leave. (Beard, 2014)

In every business area there are plenty of companies that compete against each other. Customer satisfaction is playing a key role in this part. The companies that can make customer satisfaction a key element of their business strategies will be the winners. It is significantly important to offer an amazing customer experience to achieve high customer satisfaction and it provides plenty of customer advocates. (Management Study Guide 2017)

Customer churn reduction is important for every company. They will have to keep a good care of their current customers to increase their market shares. According to Beard (2014) it is clear that the price isn't the main reason for customer churn; the main reason is due to overall poor quality of customer service. To have a good customer service it is essential to exceed expectations of the customer every time and every place where customer service is happening. It will increase the customer satisfaction to a whole new level.

It is an investigated fact that satisfied customer contributes 14 times more revenue than a disappointed customer. Satisfaction has a key role in how much revenue the customer will generate to the supplier. Customer lifetime value is understood very well by successful businesses. Increasing CLV, the company will increase the returns of the market share. (Beard, 2014)

Unhappy customers will tell about 9-15 people about their experience. If the customers are unhappy, 13% of them will in a fact tell over 20 people about their bad experiences. Losing one client isn't harmful for the company but if the company loses 20 clients because of a bad experience shared by word of mouth, then it is serious. Therefore it is good to track

customer satisfaction on an ongoing basis. (Management Study Guide 2017)

Customer satisfaction helps to retain current customers as it is six to seven times expensive to acquire new clients than retain current ones. Companies splurge thousands of euros getting attention of a new potential customers fostering them into leads and closing them into sales. If the companies would use one sixth of their marketing budgets towards customer retention, it would really help them to improve customer satisfaction and retain their customers. (Beard, 2014)

With high level customer satisfaction it is clear that the supplier can build a strong and lasting bond with its customers. This bond helps the company to keep their customers and it will be harder for the clients to break that bond and switch to a competitor. (Management Study Guide 2017)

2.3 Measuring customer satisfaction and NPS as a method

According to Beard (2013) customer satisfaction is a combo of customer loyalty and customer retention. If the company wants to improve its customer loyalty then they will find out how satisfied the customers are, and how do they see to continue doing business with the supplier. (Beard, 2013)

According to Beard (2013) there are three steps how to measure customer satisfaction. The company has to survey its customers to get the feedback from them. Feedback must be analyzed to measure loyalty and advocacy. It is important to follow up with customers for further insight

A good and efficient customer surveys are easy and fast to fill. They don't drown into other emails and they are optimized across all devices. Typically an efficient survey has under ten questions and they are often personalized surveys. Response rate is much higher than in surveys which tend to have more than ten questions. By improving customer survey length it is proven that the response rate will get higher and the voice of the customer is heard better. (Beard, 2014)

Of course any survey can collect feedback, but if data can't be interpreted and analyzed then it will offer limited value for the company. Context has a vital role when the company measures customer satisfaction. (Beard, 2014) If the company will get scores above 8.4 then they are doing pretty well. Why 8.4 rating? It is found out that 8.4 rating is the average rating for customer advocacy, which tells that it's a strong signal of customer loyalty. The companies which had score above that are considered to have strong customer loyalty. However it is clear that the customer loyalty depends on the industry where the company is doing its business. (Beard, 2013)

Last part is to follow up with customers for insight. It means that the company has to focus on two particular groups of customers that they will need to contact. Loyal customers has to be fostered and they will have to be noticed at all times to keep them satisfied. Being in touch with them will help the company to keep its advocates happy. Nevertheless loyal customers, there is a group of unhappy customers. These customers typically don't recommend the company and it is important to understand why. Feedback that the unhappy customers provide is important as the company needs to focus on those areas in the future that the customer won't leave. Therefore it is possible to upgrade customer service and to get unhappy customers loyal again. By applying these three steps to measure customer satisfaction then it won't be hard for the company to get the best out of its customers and develop its customer service. (Beard, 2013)

Net Promoter Score is an effective way of measuring customer satisfaction and it will predict business growth of the company. Its common question is; how likely would you recommend our company to a friend or colleague? The scale of the answer is 0-10. (Net Promoter Network 2017) According to Net Promoter Network (2017) Respondents are grouped in three groups. Promoters are the ones who will give score 9-10 and are loyal towards the company and they will fuel the growth. Passives are the ones who will provide score 7-8 and it means that they are satisfied but not loyal which makes them vulnerable to switch to competitor. Third group is detractors, who will give score 0-6 and they are unhappy clients who can

damage the brand of the company and disseminate bad word of mouth to other.

NPS can be set as key measure of company's clients' overall perception of the company's brand. NPS provides much more than just score. It includes the reasons for different ratings and it provides the information throughout organization so it is easier to focus on weak spots and develop them. (Net Promoter Network 2017)

2.4 Role of key account management

In the past two decades, KAM (Key Account Management) is one of the biggest changes in selling history that has happened. It is used by B2B (Business-to-Business) suppliers to manage their partnerships with strategically important clients and therefore it is radically different organizational process. It will produce measurable business benefits for the supplier. Many KAM implementations may fail and are abandoned, but smart suppliers manage to implement KAM. Some suppliers find it too big to get KAM programs function because of the changes that are needed for it. (Ryals, 2012) KAM means special treatment in targeting company's important customers in the areas of marketing, service and administration. (Gounaris & Tzempelikos, 2017)

For a company that wants to have a great KAM it is clear that traditional account management isn't appropriate for them. Traditional account managers acquiesces too quickly for the demands of the customer and they tend to be too patient. If a company seeks out for beneficial and strategically viable partnership it is clear that this can't be achieved mutually with the customer with traditional account management. (Davis, 2014)

According to Davis (2014), there are six attributes that makes the role of KAM evident. A KAM should have visions and be a leader. They are motivators that will produce understanding of the customers for the organization and they provide information what is possible. A great KAM

has a respect within his/her customers' and stakeholders space. A KAM can challenge the customer respectfully and see what is best for them. It is vital to have a degree of comfort with tension internally and with the customers. Communication is the biggest part of the role of KAM. Important issues are informed to stakeholders at all time by KAMs. KAMs should be convincing as they will often lead the presentations of projects or account reviews. Clear and concise communication is a must and it needs to be nuanced.

KAMs are business acumen. KAMs have to see bigger business issues for the customer and help them to develop their businesses. Also KAMs have to make profitable business deals to ensure that they are beneficial for the supplier and the customer. Too often salespeople are far too focused on closing deals instantly and they don't see the bigger vision of the relationship. KAMs must have an ability to work with variety of personalities and read people so they will have to have a relationship savvy. Relationships are the key for a successful business. KAMs recognizes when they must lead in relationship development and when it is time to give the lead to some other person. It is vital for KAMs to build an intricate web between the customer's and suppliers' people. The bigger the web, the greater the relationship and higher threshold to switch to a competitor.

KAMs are results oriented. KAMs are oriented for getting results for the customer. They will have to be proactive and not just wait for the customer to contact. KAMs don't have a mindset "no excuses" as they perform their duties. They can take the blame and failures and give credit to the team for successes. KAMs are driven by outcomes and not by their ego. KAMs are always open for training and development. They don't stay at still but are eager for constant learning and widening their perspectives and abilities. Important areas that are identified by the KAMs are on constant look for improving them.

Role of the KAMs is essential when building a strong and lasting relationships. KAMs are the difference maker in building relationships in B2B. (Davis, 2014)

2.5 Customer knowledge and developing partnerships

Every company needs to understand its customers, their needs, wants and goals. To build real customer relationships it is essential that the business aligns its processes, products and services within its customers. Intimate and tacit knowledge from key account managers are included in it. Also web-behavior or other analytical piece of data is included in it. It is clear that companies do know about their customers but the information is so fragmented that it is impossible to get it visible throughout the company. To be effective it is vital to have a visibility throughout the company so that the voice of the customer is really heard. (Dobney.com 2017) Companies will have to be customer-centric and therefore it is important for them to use effectively information and information technologies to interact with their clients to achieve a leading position in the markets and even advance the position. Companies can't only provide valuable products or services any longer but they will have to use their gained information of their customers carefully. (Afsar & Hafeez & Hong & Saeed, 2017)

It is obvious that the customers expect a seamless and personalized experience from the suppliers they are buying from. If the company wants to fulfill this goal it will have to consider three types of questions which will help them better identify its target audience. Therefore the company can fine-tune their customer experience to serve the customers better. (Archer, 2016)

First thing to understand for the company is to ask who the clients are. It is important who has the need for the products what the company produces and also who are the customers most likely to be. It is vital to understand and turn the question how could the company help the customers than how could the customer help the company. If the customer feels that they

are unappreciated it is clear that more than half of all customers will switch to a competitor. (Archer, 2016)

Second thing to keep in mind is what the customers need. Some companies hesitate to ask for a feedback and ideas. The reason for this is that they could open a way for a criticism. It is important to know what the customer like or dislike, need or don't need. Harvard Business Review has made a survey which indicates that 56% of customers are likely to switch to a competitor if they have to re-explain their issue while talking to a customer service representative. (Archer, 2016)

Third thing is to understand how well the company delivers its products and services to its customers. To get more knowledge of the customer it is important that multi-channel experience is working flawlessly. If the service is lagging across multiple channels then it is clear that the customer feel that they are not getting the service they demand. Also it means that the knowledge base of the customer is poor. (Archer, 2016)

Eventually when the company wants to build a strong body of customer knowledge it's important to develop and manage client relationships now and in the future. The knowledge base should determine what to offer, when to offer it and how much for. Also monitoring and affecting customer behavior in the way that the company market and promotes their products is crucial. To compete in new markets, the company has to develop its products and solutions in the long term. But also in short term if the company loses its top salesman. It might be hard to know enough of top salesman's customers so the customer knowledge has a key role when there are changes in sales organization. (Dobney.com 2017)

Companies that are successful and knows their clients do have a great customer knowledge base. It is clear and transparent within the organization and it will help the customer to be reassured that they are not being manipulated and the data is used correctly in the customer's best interest. (Dobney.com 2017)

2.5.1 Benefits for the organization and for the customer

What are the benefits for the company and for the customer by a good customer knowledge? It will provide customer loyalty as customer-centric organization knows what their customers want and expect because the company will ask from them. According to Archer (2015), understanding customer's sentiments and aligning its practices with those expectations gives the possibility to increase company's success. Customers buy from people they like and people who will listen to them and understands them. (Archer, 2015)

Customer-centric companies can grow better than non-customer-centric. If the company focuses on customers and will shape its operations which will place their customers at the heart of every decision, it will provide growth opportunities. It is important to do smart surveys that are very effective when building a relationship with the customer. Smart surveys can provide a knowledge about how the customers behave when they are buying, what are their interests and engagement. It will also help businesses to initiate and locate opportunities for new products and services. After all customers want companies to provide the best possible service at all times so they can meet their needs and wants. Customer-centric organization needs just to listen and observe what customers have in their minds. (Archer, 2015)

By knowing the customer it is easier to be able to do constant improvement with the customers. According to Power (2011) it is still pretty common that improving customer value continuously is difficult in various organizations. Customer value can be developed if the employees share a clear sense of who they are and why they are trying to impact to the world they are in. Those can overcome internal barriers when a company wants to improve customer value. It is important to have a dialogue with the customer so it can be seen what is working and what is not. From this point a business can start solving problems and improving existing strengths. Both will provide an immediate benefit for the customer. (Archer, 2015)

3 OUTSIDE-IN THINKING

3.1 Description of outside-in thinking

A term outside-in can be defined as a way how the company focuses on doing one thing, achieving the goal and doing it properly. If the company focuses on this one goal it is easier to eliminate all the unnecessary complexity that doesn't contribute on this one goal. Companies that can be outside-inners knows that customers are the key to achieve this goal. Some companies avoid using the term outside-in and use other terms such as customer centricity or customer alignment. (Towers, 2010)

Companies who are equipped with outside-in mindset will put themselves in the position of their customers and see themselves from their perspective. It is a vision that drives the company forward; there is no room for looking back. Customer value is the starting and end point in outside in strategy. (Brandmatters 2010)

3.2 Importance of outside-in thinking in Telecom industry

Every company who wants to be have a successful business should think the importance of viewing their company from a customer perspective. Telecom operators face different challenges and threats in different countries and markets. Companies face problems to earn good benefit ARPU (Average Revenue Per User Per Year) from their high-value customers to higher ARPU from their low-value customers. Still they are trying to drive up VAS (Value Added Services) revenue and margins. ARPU is going down no matter how much money telecommunication companies spend on their winning strategies. (Lee, 2009)

Telecom operators may have a good combination of innovative loyalty, retention programs, competitive prices, structures and plans and get good loyalty scores but the churn rate is still going up. They might have big brands but their brands are empty as the customers can't see the difference between them and competitors. New products are published all

the time and it's hard to manage a dynamic and complex mix of channels which are spreading the word of new products, especially social media. Customer experience across channels is variable. (Lee, 2009)

It is important to build a good TCE (Total Customer Experience) in customer's terms. There is no use for a company to copy its competitor's strategies and priorities. Telecom operators tend to talk about building branded and consistent experience to their target customers at many touch-points and channels. It is vital to listen to the feedback of the customers to build a seamless customer experience throughout customer's lifecycle. (Lee, 2009)

It is vital to move from touchpoints to journeys when a company wants to improve its customer experience. Customer journeys can be reinvented by using digital technologies. It means outside-in mindset. To be agile digital company, it has to embrace new ways of working. Those companies are ahead of their time and can provide high-impact processes and journeys in the field. They can continuously refine and rerelease them after input from customers. This means that they can outperform their competitors. (McKinsey&Company 2016)

3.3 The differences between outside-in and inside-out thinking

Outside-in thinking is the new inside-out. As companies were focused more how to sell in the past, it is now common to think everything from customer's perspective. (Norris, 2016)

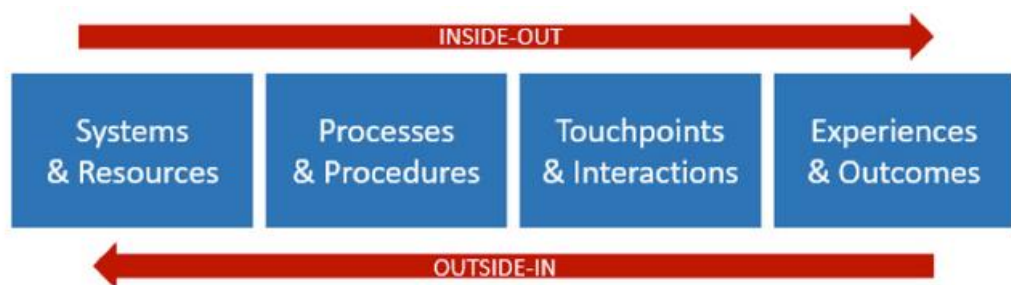


FIGURE 5. Outside-in vs Inside-out thinking (Norris, 2016)

Inside-out thinking means that the company will focus adequately on systems, processes, tools and products that are important for internal thinking and intuition for the company. There is no place for customer's needs and perspectives in this kind of thinking so their opinions are not taken into account. Decisions are made to exploit the company's business and not the perspective of the customers. In other words the company can only think what is best for them and for the customers. (Franz, 2015)

Outside-in thinking is more developed way of thinking. Systems, processes, tools and products are developed and designed for the customer based on what is best for them and what are the needs that the customers have. The company makes decisions that are best for their clients. Why it is so? Because the company listens for its customers and the company understands them. (Franz, 2015)

Inside-out thinking can be harmful for the company. According to Franz (2015) there are few top reasons when to acknowledge that the company isn't in a right path; Customer experience isn't improved same time as internal matters are. Shareholder returns are about to be maximized and not the benefits of the customer. They can damage customer interactions due to improving internal efficiencies. Cost-cutting measures are done such as get rid of employees which will impact on the customer experience. The company might focus on wrong process, policy, people or changing systems.

On the other hand, outside-in thinking flips each of those points vice versa. Customer experience is improved at the same time. Customer benefits are maximized to the top. Internal efficiencies are improved that are causing troubles when the company executes interactions with the customer. Cost-cutting measures do significantly improve the customer experience. The company is focusing on right processes as they've listened to the customer feedback and know how they are affected. (Franz, 2015)

Above mentioned things clears out that it is obvious that outside-in thinking is the way to do business. It will lead to a number of things that

can't be achieved without placing the customer first. According to Franz (2015) these include less complaints, higher loyalty, increased referrals, increased repurchases, it is easier to do business with customers and fewer lost customers.

These things will lead to reduced costs and increased revenue for the company. What can company do to ensure that they are operating in an outside-manner? According to Franz (2015) there are some things to do when the company is going to turn their mindset outside-in. They will have to understand their customers and what they are trying to do. A supplier can develop products for the customer that will solve their problems and help their business by understanding them. Customers' voice at all touchpoints must be listened by the company. Companies will have to close the mesh with customers on their feedback. Companies must act on what they hear. Feedback must be shared throughout the organization to make decisions and to design the best experience for its customers. The company has to do what is right for the customer. Customer effort must be reduced by not making the customer experience twisted and confusing. Customer journeys must be mapped and it is vital that every employee knows how their actions will impact on customer's experience. Internal discussion of customer's voice is crucial so that the company can be outside-in mindset focused.

Outside-in thinking is becoming more important in every business as the fusion between social CRM and design oriented thinking is generating a new pattern. Therefore innovations can be easily incorporated into interaction patterns between customers and businesses. When customer understanding deepens through outside-in thinking, companies can create more personalized services to its customers. (Tanaka, 2010)

3.4 Customer service embraced as outside-in thinking attitude

If the company is resilient or rigid, then it should think for changing its processes. Companies that are inflexible have to evolve through four levels when their aim is to become more customer-centric. Internal silos

must be tackled and bridged but not necessarily busted. If a company wants to be customer-centric, then the move towards it is a journey. It doesn't happen overnight.

According to Gilbert (2010) there are four levels which to step when taking a leap towards customer-centric mindset. In first level companies are very product focused and they don't have a mindset that is needed to think outside-in. Companies will focus on technological excellence and they don't understand their customers. In second level companies have some understanding of their customers that they have gained from research and segmentation studies. Many companies get lulled into complacency at this level. They can start talking about their customers and distinct segments and believe that this has turned them into outside-in mindset. Actually these firms will still remain basically pushing their products, albeit in more processed and addressed way. Product development and other upstream activities don't have an impact nevertheless their sales efforts starts to permeate. Transition from level two to three will be a major shift in both mindset and actions. In this phase the focus will be moved from selling products towards solving problems that the customer have. By doing so the firms can set themselves in customer's position and realize what their deep-rooted issues are. These companies try to make their internal silos more penetrative while they build bridges across them wherever necessary. Company culture is going be shifted so that some of these ideas will begin to penetrate behaviors and actions of their employees. In fourth level firms will focus on producing solutions to customer's problems rather than focusing on products and services it offers. This mental, constitutional and sentimental transition means that the company can now have an outside-in mindset and bring value to its customers.

Companies that wish to improve their customer focus in their processes, needs to concentrate on designing processes that will deliver a deliberate journey with specific emotional targets at each point in the processes. To achieve this improvement, the companies are required for a defined goal for the emotional journey for the customer. After that current processes are required to have an extensive look with the goal in company's mind.

Finally, day-to-day operations can be changed if a design that creates it is involved. (Shaw, 2014)

4 SERVICE DESIGN & CO-CREATION

4.1 Description of a service design

In today's competitive world customers are more aware than ever before, and they are having a dialogue between each other which will make customer satisfaction more special than it has ever been. Multi-channel ecosystems are merged with services and products that includes relationship between the customer and a supplier. It is crucial for an authentic brand experience. Offerings that will provide meaningful value for the customer can only be achieved by in-depth and holistic understanding of the customers and their environments.

(thisisservicedesigndoing.com 2017)

Service design means designing of the services. For a user it is simple. It is something that will help them to do something. It means working with the users and the service design is moving inside companies. (Downe, 2016)

In Köln International School of Design, the service design was introduced in 1991 as a design discipline. It is important to have a good interaction between service provider and customers. Therefore service design's role is to improve the quality of the connection between these two. It includes planning and organizing people, infrastructure, communication and material components to achieve this goal. (Lazier, 2017)

According to Lazier (2017) there are some principles to keep in mind when re-thinking a service: The user is at the center. People will be at the center of the service design. It is co-creative and people outside the system or a service should be involved in service design. It is sequenced and therefore customers should have key moments in their customer journey and services should be visualized. It is going to be demonstrating. Elements of the service needs to be clear for the customers. For a customer to understand the entire service experience it is vital that it's evidencing

which creates loyalty. It has to be holistic. Context really matters and holistic design will take into account the entire experience of the service.

Service design's importance is in visualizing, formulating and choreographing solutions to a problems that might not occur today. With service design it is possible to observe and interpret requirements and behavioral patterns to transform them into future services. To develop new innovative services it is clear that restructuring of existing services is a challenge in service design. To summarize service design, it is ensuring that service interfaces are useful, usable and wanted from customer's point of view and effective, efficient and evident from the supplier's point of view. (Koivisto & Miettinen 2009, 15)

4.2 Focus on service design for customer-driven innovation

Service providers are facing new challenges in today's digitalized world. Service design will introduce new processes and methods to them. In the early 1990s there were a misbelief of design within wider public and many media and industry. Idea of styling and product cosmetics were linked into design. It was common that designing things were about to be made them beautiful and more expensive so that they could perhaps be put in museums. Service design was thought really odd that time. Past designers were highly specialized professionals that made a huge contribution of value to different aspects of economic and social challenges. As the society changed with increased social problems and economic complexity, so did the demands for new approaches and competencies. Service design has proven its value in many projects in the public and private sectors as well in the industry. (Koivisto & Miettinen 2009, 32-33)

Customers are in center of service design because it is a holistic, human-centered discipline. The perspective of the clients is addressed through the functionality, form and interfaces of services. Design thinking as a discipline is embedded in service design. What comes to design thinking, it is about understanding the customer's reality first. To create real value it has to be reshaped from a holistic and human-driven perspective. With

this way it is possible to intertwine the intended and purposed design of services with company's business, people, processes, operations, ICT (Information and Communication Technology) and other assets.

Company's strategy and tactics can be influenced by service design which is a tool for producing understanding and insights. Product-service offering adaptation is possible when the company will understand its customer's expectations and can start changing the machine. (Peeters, 2015)

It is clear that service design differs from basic meetings. It is really about doing and making than just thinking and meeting. Service designers can help companies and organizations to deliver a great customer experience by improving their product offering and services. To apply design thinking techniques and methods, it requires a multidisciplinary team in service design. The team should involve design researchers and user analysts, business analysts, visual and design thinkers, technology experts and sales and marketing experts.

According to Peeters (2015) service design is a mindset which the company adopts throughout the entire company. Service design is more than a project with continuous improvement as projects are meant to end at some point. Without developing natural motivation to the team, projects can only achieve mediocre results and therefore service design goes beyond applying techniques or toolkits. Companies will have to think differently as people with the same thinking can't solve the problem who created it. Service design requires open will, open mind, open heart, empathy, compassion, curiosity, collaboration and awareness, permission to fail, testing, iteration, eager to learn and to apply different thinking processes. It also requires deep skills in understanding, inquiring, generative listening and debating to create fertile incubator and openings to new possibilities to emerge.

4.3 Description of a co-creation

Co-creation can be defined as a two-way open dialogue process of interaction, collaboration and knowledge which is shared between a

company and its stakeholders. It is a distributive environment where parties engage a dialogue to jointly solve and define problems. It needs new kind of leadership to achieve a common goal which is set from parties who are involved in it and who are making collaboration together. (IGI Global 2017)

Co-creation influences business strategies so that the company focus on delivering better customer experience and interactive relationships with its customers. To create value to the customers, co-creation requires active involvement of the customers in the process of making services customer-centric and therefore making the experience better. (Business Dictionary 2017) Co-creation can be perceived as a collaborative generation of ideas that are effective and original. Typically those ideas are used through ICT tools. In co-creation companies can encourage their employees and most importantly their customers to use their creative energy of developing services and products. (IGI Global 2017)

As the world is changing rapidly and companies compete against each other, it is vital for them to co-create. Competition is putting pressure to every company on how to develop their processes, solutions or even ways of working. In some cases co-creation is changing from giving a competitive edge to a basic prerequisite of succeeding. It is not indifferent how to co-create. (Aaltonen & Hytti & Lepistö & Mäkitalo-Keinonen, 2016)

According to Aaltonen & Hytti & Lepistö & Mäkitalo Keinonen (2016) there are some themes on how to succeed in co-creation. Co-creation requires equal participation. Different stakeholders are widely involved from the beginning. It is important to listen for the participants and the benefits of the involvement are made clear and their valuable efforts are shown. Equal participation eschew futile hierarchy but it accepts diversity and diversity of opinions. Different goals by the participants are identified in working process. The parties will have to find a primary common goal and shared interesting topic. The aim is to bring out different competencies and views together. Primary goal is to do and not to discuss. The idea is that after small experiments it is possible to achieve big goals. Communication

and transparency, clear vision of responsibilities can further experiments and proceeding by doing when there is a liberation of rigidifying bureaucracy. Co-creation demands correct spaces and control. Environment will direct ways of doing and the atmosphere. It is important to plan a schedule which will guide doing. Different kinds of working methods will foster co-creation. Co-creation can create many kinds of feelings. Mixed feelings are relevant in all development. Every participant has to be sensitive and to be able to feel the atmosphere and recognize their feelings. Therefore participants can learn how to manage their feelings. In co-creation the participants will learn how to accept and be open to new ideas and how to channel emotions into action. It is also important how to manage negative feelings respectfully, encouraging and without judging. If the participant wants to feel himself/herself equal, it will demand active participation from all of the participants.

4.3.1 A Co-creative company

Companies have used internet to solicit ideas from outsiders to enhance their services and to develop their products and it is seen that the promise of co-creation and its measurable impact has overshadowed. The impact of co-creation is really affecting on new product innovation development when a supplier brings external parties into to the development phase. It is significantly important. When a company wants to require agile processes, quick test-and-learn cycles and deep understanding of its customers then it's vital to have great co-creation skills. With mastering the co-creation the company can gain value rapidly when they can deliver high-quality products and service innovation but also sustain that will impact over time. (Bughin, 2014) To perform effectively in co-creation, the companies must be cognizant of the activities that the clients are responsible for and be supportive to provide help for the customers. (Andreassen & Kristensson & Lervik-Olsen & Parasuraman & McColl-Kennedy, 2016)

Companies that are succeeding in co-creation do three principles adequately. According to Bughin (2014) those companies will target their

co-creators. Executives are really eager getting customers involved in co-creation but a small number of executives will really get them into the process. It is important to explain to the customers on how to use co-creation platform that the company is using. The best companies can parse their customer data to actively targeted co-creators. Companies have a motivation for co-creation. To get critical mass of users to do more than just drop by an online co-creation platform, it will need a clear navigation and communication. Therefore the potential co-creators can know what kind of help the company is looking for. Co-creation consciousness companies can list their needs and categorize them. Compensation is one way to motivate the customers to get them involved in the co-creation but it isn't the most important. Curiosity and desire to learn is well driven factor in co-creation. Companies are focusing on a sustainable payoff to get everything out of co-creation over time. The companies must have focus to have sustainable competitive edge against their competitors by focusing on activities that delivers it.

Co-creation is creating a new paradigm for enterprises and it gives an enormous opportunity for them to figure out how they can harness it. Many employees are far ahead in their thinking of co-creation in organizations. It is important for the company to respond to it. For managers it means that they are facing new challenges of designing new multiparty interactions and building new engagement platforms which will generate totally new experiences for all stakeholders. Usually managers are accustomed to focus on process efficiency in their value chain. Deeply rooted attitudes and behaviors are putting pressure on getting the managers on board in co-creation. For example, HR people may feel themselves threatened when employees participate in designing new ways of recruitment or performance measurement process. It is often hard to confess that people at receiving end of traditional process might have preferable ideas than the experts that have designed those processes for a long time of period. Therefore a new humility is required. (Gouillart & Ramaswamy, 2010)

If the company wants to be a co-creative then it is important to start small. They will have to have a platform that is going to focus on the experiences

of two or three key stakeholders in the beginning. That platform should also include special purpose to gather customers' requirements for a new product or solution, how to improve order fulfillment and what kind of sales pitch would be best for a new offering. After that the company can include a wider range of experiences for those stakeholders when the perimeter of co-creation naturally expands over time. New stakeholders can be included when the co-creation naturally expands. When the co-creation perimeter expands it is obvious that the company will realize new economic benefits and it will provide the motivation to proceed the journey and explore more and more strategic applications of co-creation. (Gouillart & Ramaswamy, 2010)

Co-creation is all-important for every company and it shapes the business world all the time. If the company can figure out how to do it well, it will reward them greater than a more effective and efficient R&D organization. (Bughin, 2014) It is all about putting the human experience at the center of the company's design. Co-creation is a democratic approach which includes managers and employees influencing together to the future of the company. (Gouillart & Ramaswamy, 2010)

4.3.2 Role of the customers in co-creation

While communication technologies and information systems evolves all the time, it is easier for companies to interact among its customers. Internet has greatly enhanced collaborative innovation, which is a new paradigm in the field of value creation. It includes engagement, co-creation of the value and experience. Collaborative innovation will create new value for all stakeholders including customers, in a process where new ideas are applied from various sources. This all means that customers are no longer passive audience but active co-producers. Customers want to participate in actions that will strengthen their relationship with the product, brand or company such as co-creating value through innovation. (Fernandes & Remelhe, 2016)

Companies are urged to take the role of facilitators of the value co-creation process when the customers are no longer passive. Co-production of a service has a big impact when a customer participation reflects the related efforts in it. That kind of participation enables companies to derive more profitable and closer partnerships with their clients. Context of self-service technologies and increasing its value is critical of having customers involved in the co-creation process. Customers who perceive more value through their co-production of a service seems to be more satisfied because co-creation delivers value to both, customers and companies. (Chen & Wang, 2016)

Companies who want to be successful in their customer relationships, it is important for them to engage their customers in ongoing dialogue which is active and explicit. (Korhonen, 2012) A company has to involve its customers into co-creation. Usually most-prized customers are eager and creative enough to collaborate with companies. When a company seeks out for customers that are suitable for co-creation what kind of customers it should recruit for this kind of process? Two options are essentially available for companies. The first option includes end-users who have ideas but aren't formally trained in co-creation process and collaborate with them. In the second option the company can collaborate with professionals and specialists, people who are familiar with the co-creation. (Bhalla, 2016)

According to Bhalla (2016) those two options includes five types of people who to collaborate with. Customers that has the passion towards the brand. It is important for a customer have a passion towards brand because it makes it easier for them to put great energy into co-creation. That kind of customers are typically self-selecting. For a company that wants participants in its collaborative innovation projects, it is important to target audience demographics of attractive or untapped market segments. In B2B it's common to choose collaborators based on their market segment affiliation. A company should involve such participants in its innovation projects that are far ahead of the rest of the population in their early adoption of innovations and their willingness create and develop

solutions that aren't available yet. With these kind of customers the company can improve the overall productivity and effectiveness of its collaborative innovation activities. Customers that are innovators and early adopters will influence on an innovation's subsequent acceptance by the rest of the market. These customers' inputs are trusted because it is clear that they will create value as they can promote the innovations that are made with them. Lead users are also ahead of the majority like innovators and early adopters but there is a twist. The main difference between early adopters and lead users is that lead users have a vested interest in finding a solution to their need because there isn't one. These users decreases the probability of market failure as their information of the needs and behavior is invaluable for the companies. Collaborating with professionals is an alternative for collaborating with end-users or customers. Professionals are typically formally trained and qualified to contribute for the co-creation exercise. They may or may not be the end-users or customers of the innovation.

Co-creation can benefit the company with several ways. Employees' and suppliers' inputs are less needed as the customers contributes ideas without rewards and it leads to a cost reduction. Effectiveness of the services or products will increase because they are developed together with the customers so the quality and usability of the products or services are better. Close relationships can turn into long-term benefits as the customers are intensively involved in co-creation. (Constantinides & Lorenzo-Romero & Wittenberg, 2014)

As a whole, companies have to interact throughout the value-generating process to create joint value with the customers. Customers can be involved in company's design, manufacturing, development, deliveries and front-office processes. In this way the customers can feel themselves as co-developers, co-producers and co-designers in the company's processes. Customer's value creating process can be enabled this way as the company engages itself in the value co-creation. Customer and the supplier must have interactions between them to create joint value together. (Korhonen, 2012)

5 RESEARCH APPROACH AND METHODS

5.1 Research process and method

The research is based on developing a new cooperation plan between Sonera and its' customers in Large Enterprise segment. Interview questions are based on the theoretical framework. The research was conducted in qualitative research, because this research method is the best to investigate the possibilities of this new model more deeply.

The subjects of the qualitative research can be, for instance, people, development and social situations. The amount of research objects are limited. Every item has to be considered as an individual, whose every feature must be considered as a whole. A basis for qualitative research is real life description and the subject of the research is intended to be investigated comprehensively. Collection of the material is happening via natural or real life situations. (Hirsjärvi & Remes & Sajavaara 2009, 160-165)

The emergence of errors are to be avoided and the reliability of the research to be assessed when making a research. The quality of interviews should be observed during different phases of the research. The quality of the research can be verified with a good frame of the interview. In advance, it is important to be able to think how themes can be possibly deepen and at the same time ponder alternative add-on questions. Transcribing the material very quickly effects in the quality of the interview. (Hirsjärvi & Hurme 2001, 184-185)

5.2 Developing interview themes

The research was conducted as a theme interview. Theme interview is an intermediate between blank and open interview form. It is typical for theme interviews that the themes are selected in advance. The exact shape and the order of the questions are though missing. (Hirsjärvi & Remes & Sajavaara 2009, 195)

It was somehow clear what would be asked from the customers. The questions were developed together with the interviewer's superior and one of business development managers who is responsible of developing Sonera's customer experience. Themes of the questions were based mainly on co-creation, customer relationship management and service design. There were seven open questions to the customers and those questions were;

1. What thoughts are on your mind when we are talking about our cooperation plan?
2. Where would you see the benefits of this cooperation plan in your daily business?
3. How do you see your own personnel's role of developing this cooperation plan in the future?
4. Do you already have a cooperation plan with some other supplier?
If you have, what kind of plan?
5. What kind of visual view of the cooperation plan would you like to have personally in use?
6. How do you see the role of this cooperation plan in the future?
7. Do you want to add something that has risen on your mind regarding this discussion that hasn't been said yet?

The reason why there was only seven questions was simple; all those questions included important knowledge what Sonera needs from their customers to build a new cooperation plan in co-creation with them that will benefit both. In the thesis author part of the project, in the empirical research, the current state of customer's development needs of the cooperation plan is going to be analyzed, and do the actions that are guided through the answers, in the case company.

5.3 Interviews and data collection

There are two tasks throughout the interview process and the tasks are guided conversation and following the line of inquiry. (Korhonen, 2012)

In focused interview a person is interviewed for a short period of time, an hour, for instance. These interviews follow the same method and progress with a certain set of questions. A conversational manner is assumed and the interviews may still remain open-ended. (Korhonen, 2012) Interviews were made this way in this research.

Seven customers were interviewed and total of ten people who are working in those companies. Each interview lasted for an hour and induced great discussions. The interviews were mainly taken place at customers' offices. Two of them were done at Sonera's premises. The respondents were from CXO level to operating level staff, so a wide vision of answers were achieved. All the clients are having over a thousand of employees in their companies and they are categorized as large key customers in our company. All the clients are global companies. All the customers in the interviews are from different industries. No names of the companies neither of the respondents are mentioned in this research. The interview data was collected between November 2016 and December 2016. The interviews were transcribed into OneNote. The questionnaire was done in Finnish by origin, so questions and answers were translated into English in this thesis.

6 RESEARCH RESULTS, ANALYSIS AND CONCLUSIONS

Research results, analysis and conclusions are presented in appendices.

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APPENDICES