The use of digital technologies to improve the post-purchase phase of a traditional company in the white goods sector: Case study on Electrolux

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ABSTRACT

Digital transformation effects the way companies engage with their customers, which is reflected in the post-purchase offerings. This change and added utilization of digital technologies allow companies to capture more data about their customer through different sources and by having the digital capabilities to transform this data into knowledge, companies can offer better products and personalized experiences.

The purpose of this thesis is to investigate how a traditional company in the white goods sector can improve its post-purchase phase offerings to engage with its customers, through the use of digital technologies, by conducting a case study on Electrolux. To do so, an extensive literature review was conducted and key learnings used to investigate the post-purchase offerings from Electrolux, compared with three traditional and eight born digital companies. Empirical data is collected through direct observation, desk research and interviews.

Overall, the analysis revealed Electrolux offers about the same to its customers as the other companies in the post-purchase phase. However, the differences are in the process behind the creation of each offering. This lead to the creation of a substantive model that presents the process by which a company in the white goods sector can deliver personalized and data-driven experiences to their customers. The model additionally outlines the need for a quick-learning environment, developed through testing and experimentation within the companies. Concluding, the conclusions and recommendations suggested identifies what focuses need to be implemented by traditional companies in the white goods sector in order to succeed in a digital environment.

Key-words: Customer engagement, customer experience, digital marketing, digital transformation, experience economy and post-purchase phase.
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<td>Business-to-Business</td>
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<td>B2C</td>
<td>Business-to-Customer</td>
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<td>CJM</td>
<td>Customer Journey Map</td>
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<td>CRM</td>
<td>Customer Relationship Management</td>
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<td>DM</td>
<td>Digital Marketing</td>
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<td>DT</td>
<td>Digital Transformation</td>
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<tr>
<td>EMEA</td>
<td>Europe Middle East and Africa</td>
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<tr>
<td>ERP</td>
<td>Enterprise Resource Planning</td>
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<td>EWOM</td>
<td>E-word-of-mouth</td>
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<td>F2F</td>
<td>Face-to-Face</td>
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<td>HR</td>
<td>Human Resources</td>
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<td>ICT</td>
<td>Information and Communications Technologies</td>
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<td>NPS</td>
<td>Net Promoter Score</td>
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<td>WOM</td>
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1. INTRODUCTION

This master thesis investigates what are the best practices in terms of post-purchase offerings companies are providing to their customers and what could be applicable for an incumbent in the white goods sector. Therefore, this investigation is a case study on Electrolux as the traditional company and analyses their post-purchase offerings based on the view from desk research conducted about Miele, BMW and Nespresso, and interviews with born digital companies. This thesis is the final project within the Entrepreneurship and Innovation Management Program at the Royal Institute of Technology (KTH) in Stockholm, Sweden.

1.1 BACKGROUND

The rise in the use of information and communications technologies (ICT) tools, often called digital technologies, are changing the way people communicate, work and consume, by breaking down the barriers of time and space (McDonalds and M. Russel-Jones, 2012). These changes have been challenging the way entire industries carry out their daily operations, increasing the pressure to change in order to meet customer demands and competition. This rising volatility has created a fast-paced environment moulded by digital transformation. This brings new opportunities for companies such as new business models, improvement in customer engagement and optimization of the operational process (Westerman et al., 2011).

The white goods sector is not excluded. It deals in large machines and home appliances which are used for tasks such as cooking, washing, laundry and more. It is a long-standing traditional sector which was accustomed to selling products only (Capgemini Consulting, 2012). With a rising use of ICT for customer interaction, the sector is undergoing an industrial change by introducing services as an offering to customers. As an increasing amount of companies implement the use of digital technologies, the sector is adding a focus on customers and, as a result, are adopting a direct business-to-customer (B2C) approach to business. This move towards a customer focus is a trend in the sector and has put the customer experience as the focal point of the businesses. Companies are now providing information to customers directly, being transparent in the relationship and adding elements which aim to add value to the customer.

The state the white goods sector finds itself in can be identified as an innovation system, where actors within an economic space engage in the creation, diffusion and utilization of new innovations (Blomkvist and Johansson, 2016). Within this innovation system, each company plays a different role and contributes to the system's equilibrium in terms of performance. As viewed by Schumpeter, innovations destroy the equilibrium within an industry (Schumpeter, 2000). With the rise of digital transformation and fast-paced innovation, the difficulty for companies has been in adapting and maintaining a high level of customer engagement. This is due to the fact that the equilibrium is continuously being destroyed by various actors within the industry (Schumpeter, 2000).

As is widely recognized by many researchers, competitors are able to copy innovations quickly and the lifecycles of products are becoming shorter and, at the same time, ICT is offering new opportunities to rearrange value creation activities in new ways. Therefore, the introduction of
digital technology within businesses has created greater productivity due to more efficient working patterns, instant communication between brands/businesses and the customer, and lastly exponential technology advances (Ernst & Young LLP, 2015). These changes provide customers with even greater buyer power and increased competition means all industries face the threat of commoditization (Ernst & Young LLP, 2015). Customers in this digital age have the ability to spread information about personal experiences in different ways.

Furthermore, competition has shifted away from the product and traditional price comparison. Now it is focused on experiences delivered (Pine and Gilmore, 1998). The white goods sector has seen a rise in customer experience management, however, an area often neglected is the post-purchase phase (Dahl and Keitsch, 2016). This phase encompasses what companies offer to their customers after the purchase has taken place. Due to the rise of digital technologies, the homogeneous products in the white goods sector are continuously engaging in a struggle to create variety, which Schumpeter (2000) suggests would attract more customers. Furthermore, Pine and Gilmore (1998) assert global markets have entered an “experience economy” which forces companies to differentiate and compete based on offering the best experience to customers.

1.2 RESEARCH PROBLEM

1.2.1 ACADEMIC PROBLEM
This research aims to contribute to the field of industrial management, focusing on innovation management and industrial marketing. A gap in the literature was identified in regards to a comprehensive list of post-purchase offerings to engage with customers. Additionally, a process by which traditional companies can leverage the usage of digital technologies to enhance its customer experience is missing.

1.2.2 ELECTROLUX PROBLEM
Electrolux, which has primarily been a business-to-business (B2B) company, has recently added a focus into the B2C area. This shift highlighted the need for additional capabilities to engage with their customers. As a result, Electrolux strives to have a closer relationship with customers by adding value not only through the products they offer, but also through additional experiences and services. Electrolux believes this approach will enhance brand loyalty and drive repurchase sales.

1.3 RESEARCH QUESTION
This study will investigate how an incumbent organization (Electrolux) can improve its post-purchase phase for customers through the use of digital technologies. The aim is to analyse what theory identifies about digital transformation, the post-purchase phase, customer experience and digital marketing, as well as their importance for a company.

The purpose of this research is to identify what traditional and born digital companies are doing in their post-purchase phase, focusing on solutions which will add value for customers of incumbents in the white goods sector.
This research complements prior studies in the innovation management and industrial marketing fields by investigating the following research question:

What best practices among traditional and born digital companies can lead to improvements of the post-purchase phase offerings of a traditional company in the white goods sector?

1.4 Delimitations & Scope

The delimitations of this work are noted in three areas: literature review, case study and population. Firstly, within the literature review, the focus has been to understand the concept of digital transformation, establish the pillars which identify how companies can digitally transform themselves and focus on the customer experience pillar. Additionally, regarding the marketing field, there is a focus on customer behaviour literature and digital touch points in the post-purchase phase, which excludes store environments. The research does not include a literature review about feedback, data analysis and organisational culture.

Secondly, within the case study conducted on Electrolux, the focus has been on the post-purchase offerings from the Digital CRM (Customer Relationship Management) unit which falls under the Digital Marketing department in the Europe Middle East and Africa (EMEA) region. This has excluded the data collection from other businesses areas and geographic regions. Since the commissioner was in the EMEA level, data and specifics about each country was not accessed.

Lastly, the population studied through desk research was selected to showcase an indication of what incumbents are offering in the post-purchase phase. There were three companies selected because the researchers believed that born digital companies can provide innovative offerings in the post-purchase phase. Furthermore, interviews did not include representatives from all industries. The company interviews were prioritized if they are located within Stockholm and selected only if have a presence on social media and have a product which is currently in use by customers. Additionally, the aim with the interviews was to explore what are the offerings these companies have in the post-purchase phase to engage with their customers.
2. LITERATURE REVIEW

The following chapter investigates the field of industrial management, with a focus on digital transformation and marketing, specifically focusing on digital marketing, customer experience and the post-purchase phase. Firstly, the findings from the research around the concept of digital transformation and its influence on businesses, are presented. Next, a view of the marketing field is established.

2.1 DIGITAL TRANSFORMATION

It has been identified that there exists some academic research that mentions digital transformation, but very few that encompass the concept of digital transformation. However, digital transformation has been well explored by practitioners and some IT consultancy studies, who defined and conceptualized the term.

What is digital transformation?

Stolterman and Fors (2006, p. 689) specify that “digital transformation can be understood as the changes the digital technology causes or influences in all aspects of human life”, and argue that our existence becomes increasingly intertwined with the usage of information technologies. MIT Center for Digital Business in collaboration with Capgemini Consulting firstly defined DT as “the use of technology to radically improve performance or reach of enterprises” (Westerman et al., 2011, p. 5). After two years, an updated definition was put forward by MIT Center for Digital Business and Capgemini Consulting which is, “the use of new digital technologies (social media, mobile, analytics or embedded devices) to enable major business improvements, such as enhancing customer experience, streamlining operations or creating new business models” (Fitzgerald et al., 2013, p. 2).

Solis and Szymanski (2016, p. 4) add to the field another definition, which states that DT is “the realignment of, or investment in new technology, business models, and processes to drive value for customers and employees and more effectively compete in an ever-changing digital economy.” Ultimately, DT is specified as “the continuous process by which enterprises adapt to or drive disruptive changes in their customers and markets by leveraging digital competencies to innovate new business models, products, and services that seamlessly blend digital and physical and business and customer experiences while improving operational efficiencies and organizational performance” (Shirer, 2016, p. 1).

The first definition is very broad and argues the impact of digital technologies in every aspect of our lives, including our personal and professional life for instance, while the others are focused on the business context. Even though each study has its own peculiarities when defining digital transformation, all of the authors argue that the usage of digital technologies is an important element of change in a company to improve operational performance and processes, leverage customer experience and identify new business models opportunities.

The three pillars of digital transformation

Westerman et al. (2011) identified three principal areas in a firm that are impacted by DT: customer experience, operational process and business model, which can only be delivered if a
The company has digital capabilities, as shown in Figure 1. These pillars cover the overall business and provide the foundation for companies that want to undergo digital transformation. Since this research aims to understand the impact of digital transformation in the post-purchase phase of a company, the Customer Experience pillar will be explained more thoroughly than the others.

Figure 1: Three pillars of digital transformation (Adapted by the Researchers from Westerman et al., 2011, p. 17).

**Pillar 1: Customer Experience**

The first pillar is focused on the transformation in Customer Experience, which can be divided in three elements: (1) customer understanding, (2) top line growth and (3) customer touch points. (1) Customer understanding is related to the importance for companies to gain in-depth knowledge about who their clients are, their needs and expectations, also about the differences between their customer types, geographical and market segments. The change that digital transformation brings is about providing new means of gaining this in-depth understanding through digital technologies, for instance, through social media and other online communities, also by building analytics capabilities to capture and analyse the data available in each platform.

(2) Top line growth, which is an increase in the company’s revenues, is related to the use of digital technologies to enhance marketing and sales activities with streamlining processes. The idea behind this pillar is that through the better understanding of the customer, the sales and marketing teams can streamline and personalize their customer engagement activities, simplify the processes for the customer and acquire new customers. Digital technologies are transforming the traditional sales experience, for example Customer Relationship Management (CRM) software is being continually improved (Rettig, 2007), which allows companies to personalize its sales and customer service approaches.

Finally, the Customer Experience pillar also includes (3) customer touch points, which are related to the indirect and direct interactions between the customer and the company (Verhoef,
Kannan and Inman, 2015; Court et al., 2009). Nowadays customers are using different channels, and the companies should be able to follow this movement. As a result, companies are using multiple channels to interact with customers (Westerman et al., 2011). For instance, Westerman et al. interviewed a bank that is adopting social media (i.e., Twitter) to interact directly with the customer regarding complaints, in order to make the process faster, transparent and easier for the user, who can solve his/her problems using the smartphone instead of going physically to bank’s branch (Westerman et al., 2011). Another finding is the challenge firms are facing because of the usage of different channels: there is a challenge to manage these specific touch points and keep consistency across them and provide an integrated experience for the customer (Westerman et al., 2011). Companies are also transforming the way they offer customer services by providing self-services through digital tools. Another example from the banking industry is mobile apps, which allow customers to access different services related to their account instead of going to the bank. These offerings improve customer touch points (Westerman et al., 2011) and empower the customers.

**Pillar 2: Operational Process**

Operational Process is about enhancing and automating the business’ internal performance. As discussed by Westerman et al. (2011), this block is broken down in three segments: process digitization, worker enablement and performance management. The first one is not new for companies, since companies have implemented already different software for process optimization in different areas in a company (e.g., ERP (Enterprise Resource Planning) and CRM systems) (Rettig, 2007). However, some companies are going beyond this approach and automating processes in new areas, for example in human resources (HR) (Westerman et al., 2011). Through automation of the processes, companies can monitor and manage their performance more accurately, improving transparency across the business and increase the overall performance of the business. Westerman et al. (2011) highlight the case of an apparel company which moved to digital process together with the manufacturing partners. One of the main results was the reduction in the product development lifecycle by 30%. New technologies are allowing companies to become more agile by responding quickly to market changes, and are also providing new ways for companies to improve employees’ work processes by virtualizing them.

**Pillar 3: Business Model**

A business model describes how an organization creates, delivers and captures value in economic, social and cultural contexts (Osterwalder and Pigneur, 2013). The Business Model pillar is about exploring new ways for companies to do business, for instance by using new technologies to modify the business digitally by augmenting the product/service offering. According to Fitzgerald et al. study (2013), 60 out of 1559 executives have affirmed that due digital technologies, their companies have expanded to new markets. Another opportunity for firms is the rise of new digital products or services that complement traditional products. For example, an airport authority aims to offer an integrated multichannel experience for the travellers and owns the end-to-end process, by providing information about the flights, offering benefits related to reservations, duty-free and others (Westerman et al., 2011). In addition, the
transformation in business model allows firms to “gain global synergies while remaining locally responsive” (Westerman et al., 2011, p. 23). Companies are using global shared services in different areas such as finance, manufacturing and HR, and by doing this they increase efficiency, reduce risks and become more flexible (Westerman et al., 2011).

**Digital Capabilities: the base for the three pillars**

For an organization to be able to execute customer experience, operational, process and/or business model transformation, it must have a foundation of Digital Capabilities (Westerman et al., 2011). This is related to the integration of IT and businesses through a digital platform that incorporates all data and processes of a company. Commonly, companies work in silos, and each department/subsidiary has its own system, data definitions and business processes. Additionally, companies engage in multi-channels with their customers and usually don’t have an overview about the different channels. In this sense, the challenge for traditional companies is to have a common view considering different departments/subsidiaries. For this reason, the authors argue that “the most fundamental technology need for digital transformation is a digital platform of integrated data and processes” (Westerman et al., 2011). By having extensive data available and tools to analyse it, the firm can have a common view of the company and customers, can work on advanced methods to leverage customer engagement or process optimization and can potentially gain competitive advantage over competitors (Westerman et al., 2011).

The building blocks of digital transformation framework shows a high-level picture from an organizational perspective, not going into detail about the practicalities in each pillar. According to its authors, companies should recognize that all these pillars are intertwined. However, when developing a digital transformation strategy, firms can use this model to plan their efforts (Westerman et al., 2011). For example, start the DT in the company by optimizing internal process, then focusing in the customer experience sphere, to finally explore new business models. There are no rules about how to use the model; each company should define its priorities based on its own strategy (Nieminen, 2014).

**2.2 Marketing**

The marketing literature takes a view of digital marketing, exploring the evolution of newer techniques in customer engagement due to the rise of ICT. Moreover, the post-purchase phase is reviewed to analysed the ending or reengagement of a customer’s journey with an organisation. Lastly, customer experience is explored to recognize the idea that companies today are no longer competing on physical offerings, but rather on experiences.

**2.2.1 Digital Marketing**

As presented in section 2.1, a shift to DT within organizations is taking place. New technologies are changing the way organizations interact and engage with their customers. In a study focused on the use of social networking sites by B2B firms, Michaelidou, Siamagka and Christodoulides (2011) identified a lack of academic research available on digital marketing. Additionally, Day (2011) notes a need for expert knowledge in the field of digital marketing. Furthermore, research into social media has identified a need for academic analysis focusing on the marketing
uses of social media (Akar and Topcu, 2011). Therefore, with this premise, the researchers attempted to use academic literature to highlight the significance of the rise in digital marketing and supplement this with more practical information from industry.

**What is digital marketing?**

Digital marketing is a subdivision of the marketing field. This specific division focuses on the interaction between conventional marketing techniques and the rise of digital technology communication. According to Wymbs (2011, p. 94), the Digital Marketing Institute (DMI) defines digital marketing as “the use of digital technologies to create integrated, targeted and measurable communication which helps to acquire and retain customers while building deeper relationships with them”. Furthermore, Royle and Laing (2014) state digital marketing is the use of modern digital channels for the placement of products (e.g., downloadable music), and primarily for communicating with stakeholders (e.g., customers and investors about brand, products and business progress). The aforementioned definitions will be utilized, as they encompass the vital elements of digital marketing and is in line with the overall investigation.

The definition of the term “digital marketing” has changed over time from a specific definition of marketing products and services through digital channels to now, where it is used as an umbrella term to describe the process of using digital technology to acquire customers and build customer preferences (Kannan and Hongshuang, 2016).

Mangold and Faulds (2009), assert that what sets digital marketing apart from traditional forms of marketing is the use of online communication tools, which allow customers to communicate back to companies. Prior to social networks, mass media communication channels such as TV and radio allowed only for brand managers to ‘speak to’ customers (Hoffman and Novak, 1996). Kannan and Hongshuang (2016) believe digital marketing is a process by which firms can collaborate with customers to jointly create, communicate and deliver value.

This encompasses the facilitation of customer interactions and relationship building while integrating the firm’s overarching marketing communication strategy. Which aligns with the work of Phillips (2015), who states that corporations are pursuing a “digital relationship” with their customers in order to promote the brand, retain the customer and increase sales. Through the establishment of a digital relationship, Bughin (2015, p. 23) claims that the number of touch points between company and customer has increased by over 20 % annually: this is due to the fact that offline customers have moved online and “younger, digitally oriented customers enter the ranks of buyers”.

Kannan and Hongshuang (2016) proclaim digital technologies are reducing information asymmetries (between customer and company), augmenting the core product with digital services, releasing the dormant value inherent in the products and morphing products into digital services.

**How has digital marketing changed customer engagement**

Solis, Li and Szymanski (2014) argue that in the current digital era, where technology, society, and business models evolve, the customer is the king. Thus, in order to engage with the customer, social media has been identified by O’Brien (2014) as one of the most powerful
platforms that can be used to increase customer engagement.

Social media has played a major role in the proliferation of digital marketing: “you have an advertising medium that allows the customer and brand to have a dialogue, like buying a car. We tell a salesperson our problems, wants, needs, and pain points, and they try to come up with a solution. The same thing is true with social” (Glen Caruso, Rocket Fuel), cited in Killian and McManus (2015, p. 540). The customer can independently voice their concerns and needs and get instantaneous feedback from a company. Mangold and Faulds (2009) state that the rise of social media has instigated a revolution in communication, which has resulted in customers expecting the brand to interact with them in a medium where the customer controls every aspect of the conversation: the timing, the channel, and the content. This highlights how social media has transformed and challenged the traditional thinking behind customer engagement (Malthouse et al., 2013). Conventionally, customer engagement was used to gain customers, market insights and profits. However, it is now focused more on retaining customers with engagement and relationship creation (Goldenberg, 2015). In order to do this, Ahmad, Salman and Ashiq (2015) claim that social media has provided vast opportunities for marketers to create brand awareness and aided in creating good relationships: they continue to state that social media has brought people closer to the markets, this is because on there not all users are customers, but they still receive marketing messages.

Ang (2011) states social media has added complexity to customer interaction and engagement, as managers must use the same channels to engage with customers and connect to potential customers. Therefore, traditional notions of customer engagement are challenged by the rise of social media (Malthouse et al., 2013). This transition has taken time to get used to. According to Bernoff and Schadler (2010), companies are not accustomed to customers having a platform to share their views on a mass medium. This platform brings a rise to e-word-of-mouth (EWOM), which is the same concept as word-of-mouth, however, communication occurs digitally. Fulgoni and Lipsman (2015) believe EWOM is a powerful driver of customer behaviour as customers obtain information about products/services from a number of social media platforms. So, not only are customers being influenced by opinion leaders, friends, and family, but now this includes interactive media platforms such as social media, e-mails, web forums, YouTube, and blogs (Levy and Gvili, 2015).

Not only are the missteps of customer service shared on the news but more frequently are being shared on social media (Calderon, 2013). This displays the power of social media, which has driven brand managers to question how they can protect a brand’s reputation when single poor experiences can become overnight viral sensations (Calderon, 2013).

Killian and McManus (2015) state that brand managers have to uphold a cohesive digital presence while balancing between protecting the brand’s image, creating new customer touch points, and encouraging deeper relationship connections between the customer and the brand.

The rapid growth of online platforms facilitating online social behaviour has significantly modified the nature of human activities, habitats, and interactions, according to Tiago and Verissimo (2014). The shift allows for individuals to share knowledge, promote dialogue and entertain one another (Budden, Anthony and Jones, 2011). If a company is looking to set up a
mutually beneficial long-term relationship, it needs to create a digital relationship strategy which promotes strategies that emphasize the co-creation of content.

**How digital marketing is practiced**

Reibstein, Day and Wind (2009) highlight that some of the best work in this field has emerged from a collaboration between scholars and industry managers. They assert that “theories-in-use” were developed which are backed by academia but also succeed in having practical applications. This sub-section focuses on how the digital marketing is applied in an organization.

Bayo-Moriones and Lera-López (2007), claim that, from the perspective of a customer, ICT offers a multitude of benefits such as efficiency, convenience, richer and participative information, broad selection of products, competitive pricing, cost reduction and product diversity. To generate these benefits for customers, companies employ the use of different social media, such as Facebook, Twitter, Instagram, Skype, Snapchat, blogs, articles and more, in the hopes of engaging with their customers.

A transition is highlighted here: Tiago and Veríssimo (2014) note that in the past, marketers used e-mail blasts, direct marketing, telemarketing, informational websites, television, radio and other mechanisms to distribute information related to the firm and its product offerings. When the internet and digital technologies were introduced, they were used to present marketing messages through page views and advertising to reach larger numbers of people in a shorter period of time. Berthon, Pitt and Watson (1996) assert that the internet served as an advertising tool which would shape the behaviour of the users instead of facilitating an interaction between buyers and sellers. This principle of interaction between buyers and sellers is what they believe makes digital marketing unique in its approach to engagement.

For a successful marketing strategy, it is vital to incorporate an omni-channel approach to customer interaction (Ternstrand, 2015). This approach provides a seamless experience in which customers can interact with companies through different channels in order to make decisions on products and services (Verhoef, Kannan and Inman, 2015). As customers are taking increasing control of their information search, firms are unable to identify the best place to contact and motivate them into purchasing a given product; therefore, an omni-channel approach must be taken to reach all segments and achieve higher customer engagement (Kannan and Hongshuang, 2016). The focus of this approach is the interaction and the mass communication ability of channels (Verhoef, Kannan and Inman, 2015). Channels involved are physical stores, online websites, mobile channels (e.g., apps), social media, TV, radio and more (Verhoef, Kannan and Inman, 2015). Ultimately, in response to globalization and digital transformation, companies need to incorporate an omni-channel approach in order to create a successful marketing strategy (Ternstrand, 2015).

**2.2.2 Post-Purchase Phase**

Today, customers are less loyal to brands than in previous generations (Mosala, 2007). This is due to the fact that buyers are more inclined to look for the best deals, especially when it comes to the case of poor after-sale follow-up (Mosala, 2007). More and more buyers favour building
a relationship with sellers; consequently, this clarifies the importance of the literature on the post-purchase phase.

**Customer Journey Map**

The “customer journey map” (CJM), is a visual representation of the events through which customers interact with an organization during the entire purchase process (Rosenbaum, Otalora and Ramírez, 2017). The CJM lists all possible touch points customers have during an exchange with a company, in the hopes that it leads to an understanding by management of how to improve customer experience in association with each touch point (Rosenbaum, Otalora and Ramírez, 2017). Figure 2 shows the stages of the CJM.

![Customer Journey Map](image)

Figure 2: Stages of Customer Journey (Adapted by the Researchers from Cunningham et al. 2005).

As outlined in Figure 2, Cunningham et al. (2005) state the CJM consists of five stages: need recognition, information search, alternatives evaluation, purchase decision and post-purchase behaviour. The CJM is referred to as a combination of the physical offering and the evoked emotional response, measured against customer set expectations during the moment of interaction.

As a response to the CJM, Beauregard et al. (2007) note that customer experience has a consistent feedback loop which is recurrent in the following stages: purchase, out-of-box, usage, maintenance, upgrades and disposal. Tsiotsou and Wirtz (2015) propose a three-stage model of customer behaviour: pre-purchase, encounter and post-encounter stage. As claimed by this model of service consumption, these are the major phases the customers pass through as they consume a service/product (Tsiotsou and Wirtz, 2015). The theories outline a progression in the customer journey and a feedback system in line with the post-purchase phase.

The CJM and supporting theories aid in understanding how to manage customer touch points. Although many of the studies on the post-purchase phase and its outcomes are focused on psychological factors such as satisfaction and behaviour. For the purpose of this research, the focus will be on the post-purchase phase from an industrial perspective, which occurs at the end of the CJM with the aim of avoiding cognitive dissonance (see Appendix A) and reengaging customers for repurchase and brand loyalty.

**The post-purchase phase**

The post-purchase phase begins following the customer's purchase of a good or service from a company. According to La Barbera and Marzuski (1983), the customer’s satisfaction is based on the closeness between the perceived performance of the good and the expectation the buyer had for the good. For instance, if the product's performance is beneath the buyer's expectations, the customer won't be satisfied with it and there will be negative consequences related with this mismatch, for example the word-of-mouth effect (WOM). Stokes and Lomax (2002) state that
WOM communication acts as a messenger and receiver about brands, products or services, in place of verbal face-to-face communication.

Additionally, studies show it is not guaranteed that customers who are satisfied with the product or service quality will rebuy (Raval and Grönroos, 1996). As a result, companies need to focus not only on the core and actual product offered, but also on the augmented product. Kotler and Armstrong (2010) describe a product on a three-level model: the core product is the main driving function and benefit the customer is buying. The actual product is how the company turns the core benefit into a marketable product; this level includes branding, quality and style. Lastly, the augmented product is the outer level of the model and where the post-purchase phase falls. Included in this product phase are offerings such as service, warranty and customer support (Kotler and Armstrong, 2004). The augmented product is offered to customers in the post-purchase phase, as overall customer satisfaction has proven to be a better forecaster of intentions to rebuy (Raval and Grönroos, 1996). In line with Raval and Grönroos, Hasty and Reardon (1997) assert that when people recognize inconsistency between their expectations and the reality, they begin to feel tension and anxiety, identified as cognitive dissonance or post-purchase doubt.

**The stages in the post-purchase phase**

Singh (2003) and Newbery and Farnham (2013) created frameworks which zoom into the post-purchase phase and provide a glimpse into its key activities. Figure 3 outlines the post-purchase phase. It showcases the relationships within the post-purchase process and notes the potential for customer doubts to arise about the purchase made. The use or non-use of a product has the potential to lead to cognitive dissonance (Singh, 2003). During and after product use, the customer will be evaluating the purchase process and forming conclusions about the overall experience (Mosala, 2007).

![Figure 3: Key activities in post-purchase behaviour (Adapted by the Researchers from Singh, 2003).](image_url)

Figure 3 begins with delivery of and preparation for the use of a given product and further shows the consumption of the product over time. During this time, the customer might face issues with maintenance, repair and usage costs. At some point, when replacement is necessary, the disposition of it will be done. The support system is comprised of activities that support each stage of the model; such as repair and maintenance. Singh (2003) asserts that customers
evaluate the purchase process and product during the post-purchase phase and either accept the wisdom of the purchase or doubt it.

Moreover, Newbery and Farnham (2013) aid in further breaking down the post-purchase phase by dividing it into four stages: first use (out-of-the box experience), continued use, discontinue use, renew/recycle. See Figure 4.

![Figure 4: Customer interaction touch points during the post-purchase phase](Adapted by the Researchers from Newbery and Farnham, 2013).

To aid in the establishment of a post-purchase framework, Figure 5 showcases the actions taken in the post-purchase phase. These actions determine how the customer will feed back to the company whether that be via a loyalty loop and repurchase or a drop off where cognitive dissonance plays a major role.

![Figure 5: Loyalty loop](Adapted by the Researchers from Elzinga, Mulder and Vetvik., 2009).

All the aforementioned figures give great insights into the inner workings of the post-purchase phase. However, the researchers identified that Figure 3 failed to mention a feedback loop following the post-purchase experience. Figure 4 fails to mention the disposition of the product, and Figure 5 showcases a broad view of the post-purchase phase and misses stages such as use, repair, and recycle. Thus, Figure 6 highlights the framework that will be used in this paper, which is a combination of the above three figures into a detailed and comprehensive diagram and it is focused on the consumption of a product.

![Figure 6: Compiled customer interaction cycle](Source: Researchers, 2017).

Figure 6 begins with the purchase stage, which happens when the customer first buys the product, followed by delivery, which is when the customer receives the product from the
company. The preparation phase is the setting up and installation of the product (e.g., installation of the washing machine). After this, the customer engages in first use, which evokes emotions as it fills the initial needs of the customer, followed by continued use. During the life cycle of the product, maintenance and repair might be required until the moment of discontinued use. At this point, the customer will either dispose of or recycle the product, driving them to continued engagement with the company (loyalty loop) or disengagement (cognitive dissonance).

2.2.3 CUSTOMER EXPERIENCE

Today, companies are providing extra services to improve the customer experience, and the most value added has been through the use of ICT and the rise of digitalization, creating another layer of interaction between the company and customers. General marketing theory asserts the traditional product/service offerings are no longer adequate for establishing customer relationships and creating market differentiation (Tsai, 2005). Pine and Gilmore (1999) claim customers desire more than the delivery and consumption of goods; they have moved to now seek unique consumption encounters which accompany the product, in the hopes to create a memorable experience. This claim means companies must adapt their focus away from “delivery-focused” to “staged” experience created by the companies that offer the customers what they are looking for (Pine and Gilmore, 1999).

Pine and Gilmore (1999) were formally the shapers and theorists of the arrival of what they termed the “experience economy” era. They described this era as one characterized by prioritising the customer experience, stating the 21st century marketplace shifts from selling products/services to selling customer experiences.

More recently, Prahalad and Ramaswamy (2004) challenged marketing researchers to consider a new paradigm for value creation. The basic idea suggests a shift from managing resources and capabilities to managing the customer experience as the primary source of value creation. The premise is based on the convergence of industries, technology and active customers. They further assert the role of the customer in today's system has changed. Thus, the future of competition rests on a new approach to value creation, which encompasses a holistic approach to augmenting customer experience. Specifically, they assert that in order to be successful, there must be a focus on a new set of building blocks which consist of in-depth dialog to customers, transparency to facilitate interaction, new types of access to information and freedom to exchange information with other customers (Prahalad and Ramaswamy, 2004). By utilizing these building blocks, the authors assert marketers will be able to excel in creating brand value, which is created through the enhancement of customer experience.

What is customer experience?

The historical origins of customer experience as a marketing concept can be traced back to the work of Pine and Gilmore (1999). However, earlier work has shown the concept has its roots in several specialized fields of behavioural science. For instance, Edgall, Hetherington and Warde (1997) outline four consumption experiences: community experiences, household experiences, state or citizen experiences, and market or customer experiences. For the purpose of this research, customer experience will not encompass psychological or behavioural
literature (i.e., community, household and citizen experience) but will focus on employing an economic and marketing perspective which includes market and customer experiences (Verhoef et al., 2009). Customer experience as a marketing concept encompasses the complete and holistic experience of the customer journey which includes the search, purchase, and post-purchase phases.

Holbrook and Hirschmann (1982) theorized that the act of consumption has experiential aspects to it, this was later echoed by Babin, Darden and Griffin (1994). Taking this view further, Pine and Gilmore (1998, 1999) assert customer experience is a distinct economic offering that differs from services. A successful experience would therefore imply the customer identifies it as unique, memorable and sustainable over time, would want to repeat and build upon, and enthusiastically promotes via word-of-mouth. This is the definition that will be used in this research however, following concepts will also be highlighted and discussed as shown below.

Schmitt (1999) identifies customer experiences as a private happening that is not self-generated but rather is a response to a staged situation. In his work, Schmitt (1999) explored what he called experiential marketing, a way to engage a customer’s senses, feelings, actions and relate them to the company or brand. In terms of customer experience, Schmitt (1999) maintained that experiences are provided through communications, visuals, verbal identity, product presence and more. The goal of this communication was to create a holistic experience for the customer and establish a long-lasting relationship between the individual and the brand (Schmitt, 1999).

McLellan (2000, p. 59) states the goal of experience design is the “orchestration of experiences that are functional, purposeful, engaging, compelling and memorable.” Furthermore, Mossberg (2007) stated that customer experience consists of a blend of many elements involving the customer emotionally, physically, intellectually and spiritually.

Moreover, Gentile, Spiller and Noci (2007) described the customer experience as a set of interactions between the customer and a given product, a specific company or a certain part of an organization, provoking a reaction from the customer. It is specified that these experiences are strictly personal and implies the customer's involvement at different levels, whether that be emotional, sensorial, physical or spiritual (Gentile, Spiller and Noci, 2007; Verhoef et al., 2009; Schmitt, 1999).

Lewis and Chambers (2000, p. 46) summarize the various definitions, by defining customer experience as “the total outcome to the customer from the combination of environmental, goods and services purchased”.

**The development of customer experience design**

In order to highlight how customer experience design work has changed over the years, a brief look at the work of Carbone is conducted. His work is particularly of interest as it shows the progression in thinking that has occurred in the customer experience literature. In 1994, Carbone and Haeckel (1994) divided experience design into four phases: (1) acquisition of service experience design skills; (2) data collection and analysis; (3) service clue design; and (4) implementation and verification.
Nearly ten years later, Carbone (2004) suggested five phases, changing the entire focus and core of the paradigm to be customer and experience centric: (1) build a diverse design team, (2) drill down to the experience core, (3) focus on clues, (4) develop the experience narrative or story line, (5) prioritise implementation opportunities. It is evident from the change that, in the ten years since the first phases, the focus has shifted to building blocks which directly impact the experience customers have.

In 2007, Berry and Carbone proposed another five-phase approach which encompasses more emotions and identification of gaps in customer journeys: (1) identify the emotions that evoke customer commitment, (2) establish an experience pattern, (3) inventory and evaluate experience clues, (4) determine the experience gap, (5) close the experience gap and monitor execution. Carbone and Berry (2007), added an element of emotion and commitment into the desired effects the experience should create for the customer, which is not far from where customer experience literature is currently.

Furthermore, Berry and Carbone (2007) argued that organisations need to focus on vision and strategy (clear experience statements), leadership such as a Chief Experience Officer, and a focus on transfer of skills by directing employees to think in terms of experience clues. These steps will help an organization become an experience-based one. Carbone (1998) cautions companies against the narrow-minded view that they are exclusively product and service providers rather than taking a broader view which recognizes the value created as a total customer experience.

McCole (2004) identifies of the core of the experiential marketing paradigm, which he believes lies in extending the concern of marketers beyond customer satisfaction into that of customer experientially to the product/service. Thus, traditional marketing concepts that place emphasis solely on customer satisfaction are no longer valid in the new “experience economy”. Marketers are consequently challenged with finding new ways of enhancing experiences.

**Why customer experience is important**

The literature sheds light on the challenge organisations are facing in systematically engineering customer experiences to achieve higher returns (Carbone and Haecckel, 1994). This means the experience should not only improve things for the customer but also better for the organization (i.e., cheaper and more efficient) (Bate and Robert, 2007). Many authors (see: Prahalad and Ramaswamy, 2004; Pine and Gilmore, 1998, 1999; Meyer and Schwager, 2007) postulate that customer experience could create a new means of competition. This is fitting as Liljander and Strandvik (1997) claim delivering a good experience affects customer satisfaction, creates customer loyalty (Yu and Dean, 2001), influences on individual customer’s expectations (Flanagan, Johnston and Talbot, 2005), supports the brand (Berry and Carbone, 2007) and creates emotion-based relationships with customers (Pullman and Gross, 2004).

The perceived value of customer experience determines their overall satisfaction or dissatisfaction (Carbone, 2004). These experiences, whether good, bad or indifferent, result in corresponding intentions, such as the intention to repurchase, the intention to recommend, or the intention to complain. These intentions may or may not result in action but their significance is most heavily felt in the post-purchase phase of the customer journey.
3. METHODOLOGY

This chapter describes the research design and the process applied to answer the research question. The data collection and analysis is described, followed by the ethical and sustainability issues which could potentially arise.

3.1 RESEARCH PARADIGM

The philosophical framework that orientates the process of conducting academic research is the research paradigm, and it reflects the researcher's philosophical beliefs and assumptions about the world and knowledge in general (Collis and Hussey, 2014). Based on this, two main paradigms are defined in the literature, the positivist and interpretivist; most research paradigms however, are a mix of both. The positivist paradigm is associated with quantitative measurements and "rests on the assumption that social reality is singular and objective, and is not affected by the act of investigating it" (Collis and Hussey, 2014, p. 43). Conversely, the interpretivist paradigm is related to subjective and qualitative measurements, and "it rests on the assumption that social reality is in our minds, and is subjective and mutual" (Collis and Hussey, 2014, p. 44). Therefore, due to the absence of quantitative analysis and the focus of this research was on exploring the best practices in the post-purchase phase, the interpretivist paradigm is used in this thesis, as the qualitative results are subjective to the various data collection approaches and to the researchers’ beliefs and influences.

3.2 RESEARCH APPROACH

In a research project it is important to define the methodology required to solve the research problem. According to Collis and Hussey (2014, p. 2), "research is a systematic and methodical process of inquiry and investigation with a view of increasing knowledge" and it can be classified in relation to the purpose, process, logic and outcome of the research. It focuses on understanding the research problem in order to develop a rigorous investigation in the future (Collis and Hussey, 2014). The purpose of this applied research is to explore and understand what traditional and born digital companies are offering in the post-purchase phase, with a focus on digital technologies, to engage with their customers.

Two primary processes are used when conducting research: quantitative and qualitative. Quantitative approaches involve gathering numerical data and analysing it through statistical methods, whilst the qualitative perspective provides findings by collecting non-numerical data and analysing it using interpretive methods (Strauss and Corbin, 1990; Collis and Hussey, 2014). The choice of which approach should be implemented is based on how the researchers want to answer the proposed research question. In this research, the qualitative process has been selected considering the researchers aim to investigate the post-purchase offerings of companies in order to engage with customers and understand the reasons behind such offerings.

The technique selected to support the qualitative research is case study, which is a focused analysis of an organization, group or person, over a period of time, and it is led by the questions of how and why (Yin, 2001). It is used to explore a specific phenomenon in a natural context by applying different methods in order to obtain in-depth knowledge (Collis and Hussey, 2014).
This explanatory case study aims to investigate the unit of analysis, which is Electrolux, to examine which best practices are currently used in the post-purchase phase and what could be added to leverage the customer experience based on the findings of this research.

To do this, the researchers gained in-depth knowledge about Electrolux’s strategy and the current offerings for its customers in the post-purchase phase: internal documents, direct observation and interview were utilized. Furthermore, the researchers aimed to compare Electrolux against traditional companies to understand its level of post-purchase phase offerings. Desk research on three companies has been conducted and they were purposefully selected by the researchers based on their suitability and alignment with the objectives of this research, which is: a competitor (Miele), a traditional company in another industry which competes on a premium segment (BMW), and a company focused on a niche within the white goods sector which is known for its innovative business model (Nespresso).

In addition, interviews have been undertaken with born digital companies that have a digital customer care plan in the post-purchase phase. The researchers aimed to analyze what newer players are doing in their after-sales stage since they are customer-centric digital companies. These interviews provided practical insights on what may have been tried/tested in the market and the customer responses.

### 3.3 Data Collection and Analysis

This thesis uses triangulation of sources, which is the usage of different sources to collect data when investigating a specific phenomenon (Collis and Hussey, 2014). It aims to decrease the bias involved in this process. It also allows the researcher to have a greater view of the phenomenon, to gain a deep understanding of it and to answer the research question effectively (Collis and Hussey, 2014).

**Literature Review**

To have an in-depth understanding of the state of the art in the field, a literature review was conducted using four different databases: DiVA Portal, Google Scholar, KTHB Primo and Science Direct. Due to the multifaceted nature of the phenomenon investigated, the literature review contains two sections: (1) innovation management with focus on digital transformation, and (2) marketing, focusing on digital marketing, post-purchase phase and customer experience.

The keywords used to identify the relevant sources related to innovation management were "digital transformation", "digitalization" and "rise of ICT". For the marketing section, the keywords utilized were “digital marketing”, “social media marketing”, "post-purchase", "post-purchase phase", “after-sales”, “after purchase” and "customer experience". The findings from the literature review informed the desk research, interview questions and were incorporated in the analysis and recommendation sections.

**Direct Observation**

There are two techniques to collect data in a case study through observation: direct and participant observation. Direct observation occurs when the researcher visits the event to gather
information about it, and the participant type is a mode of observation within which the investigator is part of the phenomenon being studied (Tellis, 1997). In this case, the technique utilized is direct observation. Working with a commissioner company was a benefit for the researchers and, as result, a greater understanding of the company’s internal workings was obtained. This also allowed the researchers to request specific information in regards to the study when needed. The observation occurred through meetings and phone calls with pre-defined agendas with the thesis supervisor from the company, correspondence and documents. The citation used to reference this information along this thesis will be: Electrolux Internal Sources, 2017. As a result, the ability for this research to be replicated is lower due to the unique access to the company that might be difficult for other researchers to access.

The contact person at Electrolux is the Digital CRM Manager EMEA under the Digital Marketing EMEA department. In this case, the reliability might be questioned since the researchers are relying on the information provided from a single point of contact. According to Collis and Hussey (2014), reliability is the ability to get the same results from this research if replicated by another researcher. To prevent the potential bias, this technique is used mainly to understand the context of the phenomenon, to gather internal data and to get into contact with other employees.

Seven meetings were scheduled: five were face-to-face and two through phone call. A pre-defined agenda to guide the conversation was prepared for every meeting, however discussions had a free flow. The meetings were not recorded and during them, one researcher was responsible for taking notes and the other guided the conversation. The information gathered during the meetings was utilized to define the problem statement and to guide the desk research and interview process.

In order to validate the findings and outcomes from direct observation, an interview with the Ownership Solutions Journey Director EMEA was conducted. This was one face-to-face interview with pre-determined questions, and the outcome was a strategic level understanding of the current post-purchase offerings and future plans for post-purchase progress. This interview was recorded and transcribed upon completion. Due to sensitive information, the interview set is not disclosed in this research.

**Documents**

Another type of evidence used in this research is documents. Besides some documents that are available on the company website, the commissioner disclosed internal materials that were important for the researchers to understand the context and strategy of Electrolux’s post-purchase phase.

The documents that were analysed were the Electrolux Annual Report 2016 and six other internal documents that cannot be disclosed because they contain sensitive company information. These documents were used to understand Electrolux as an organization (e.g., organizational structure, financial status, target customers, market operations and product portfolio) and delved deeper into the strategic and tactical post-purchase offerings of the company. Lastly, the investigators are aware of the potential bias from these documents since
they were created and provided by the company, therefore the researchers prioritize the direct observation and interview information.

**Desk Research**

Desk research was performed to gather secondary data about the companies that were selected to form the point of departure. Secondary data is evidence collected from an existing source such as books, reports and different sources of information available on the internet (Collis and Hussey, 2014). Data from academic literature were prioritized and the databases from KTHB Primo, Google Scholar and Science Direct were utilized. The keywords used to find the resources were: “[Company]”, “[Company] customer service” “[Company] aftersales”, “[Company] post-purchase” and “[Company] after care”. The data was also gathered from press releases and reports from the companies. The data collected by the last two sources might include bias due to being published by the companies themselves, therefore the researchers prioritize the academic literature ahead of the company-generated information.

**Interviews with born digital companies**

To collect primary data, interviews were conducted. These were semi-structured and utilized open-ended questions and probes to gather as much information as possible. The question instrument is available in Appendix B.

Interviews were conducted face-to-face with eight born digital companies, as the researchers found it preferable to meet the interviewees and to have a personal interaction with them. For this reason, companies in Stockholm were prioritized.

The face-to-face interviews lasted on average thirty-five minutes. In this process, one researcher took the lead by asking the questions and the second took notes and asked clarification questions when needed. Permission was also granted to record the interviews which were later transcribed. Furthermore, to analyse the outcomes from the interviews, the researches read the transcriptions multiple times to gain a full grasp of the information provided by the interviewees. Following this, the answers were coded to easily identify various touch points, which were further divided into three categories: communication, feedback and data analysis, and culture.

The companies selected were a collection of born digital companies who were known to the researchers or identified through word-of-mouth. These companies are maximum eleven years old and are recognized as having a high use of digital technologies in their business which help them to pursue customer-centric initiatives. Twenty-five companies were reached through LinkedIn and e-mail, and eight answered positively to the interview request. Interview questions were sent in advance to identify the right person to interview and to allow the interviewee to prepare if desired.

**Pilot Interview**

Based on the literature review and the aim of this study, the researchers drafted the first interview questions. These questions were reviewed by the thesis supervisor. To further ensure the mitigation of bias, clarity of questions and approximated duration of interviews, a pilot interview was conducted. The pilot interview was run face-to-face with the founder and CEO.
of GymFuse. The selection was made due to the professional network of the researchers and his availability. This interview lasted twenty-one minutes and identified which questions within the set were not clear. The interviewee further provided the researchers with overall feedback which entailed the need to change the final quote, which was confusing. In addition to that, changes were made also based on the ongoing learnings from the literature review.

**Interview participants**

The interviewees selected were all born digital companies. They were not limited by market segment, industry, size and location. The goal with the selection of participants was to gain as many different insights as possible into the post-purchase offerings and to identify what methods of after-sale engagement are in use by born digital and how they engage with their customers. Additionally, an interview with Electrolux’s Ownership Solutions Journey Director EMEA was conducted to collect additional information and insights about the case study. A list of interviewees and interview data is presented in Table 1.

<table>
<thead>
<tr>
<th>Interview #</th>
<th>Company</th>
<th>Founded in</th>
<th>Interviewee Title</th>
<th>Channel</th>
<th>Date</th>
<th>Length</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interview 1</td>
<td>Detectify</td>
<td>2013</td>
<td>Customer Success Manager</td>
<td>F2F</td>
<td>18/04/17</td>
<td>29min45</td>
</tr>
<tr>
<td>Interview 2</td>
<td>Electrolux</td>
<td>1919</td>
<td>Ownership Solutions Journey Director- EMEA</td>
<td>F2F</td>
<td>21/04/17</td>
<td>43min55</td>
</tr>
<tr>
<td>Interview 3</td>
<td>LifeSum</td>
<td>2014</td>
<td>Customer Service</td>
<td>F2F</td>
<td>26/04/17</td>
<td>32min50</td>
</tr>
<tr>
<td>Interview 4</td>
<td>Spotify</td>
<td>2006</td>
<td>Manager of Premium Retention</td>
<td>F2F</td>
<td>28/04/17</td>
<td>58min45</td>
</tr>
<tr>
<td>Interview 5</td>
<td>Swedish Stockings</td>
<td>2013</td>
<td>Client Director</td>
<td>F2F</td>
<td>28/04/17</td>
<td>36min40</td>
</tr>
<tr>
<td>Interview 6</td>
<td>Sqore</td>
<td>2010</td>
<td>Customer Success Manager</td>
<td>F2F</td>
<td>03/05/17</td>
<td>30min05</td>
</tr>
<tr>
<td>Interview 7</td>
<td>Virtusize</td>
<td>2011</td>
<td>CEO</td>
<td>F2F</td>
<td>03/05/17</td>
<td>28min06</td>
</tr>
<tr>
<td>Interview 8</td>
<td>Starstables</td>
<td>2011</td>
<td>Customer Support and Community Leader English</td>
<td>F2F</td>
<td>03/05/17</td>
<td>25min10</td>
</tr>
<tr>
<td>Interview 9</td>
<td>Natural Cycles</td>
<td>2013</td>
<td>Head of Community</td>
<td>F2F</td>
<td>10/05/17</td>
<td>39min29</td>
</tr>
</tbody>
</table>

Table 1: Interview information (Source: Researchers, 2017). See Appendix C for a description about the born digital companies.

### 3.4 Ethics and Sustainability

The research carried out takes into consideration sustainability and ethical guidelines. In terms of sustainability, Electrolux has key drivers that supports their strategy which focuses on their customers, employees, shareholders and the planet. Electrolux takes the approach “For the Better” when dealing with sustainability and the key drivers are better solutions, better operations and better society.

The ethical aspects that arise are within the empirical data collection from direct observation and interviews. The ethical principles followed include avoiding the following harm to participants, lack of informed consent, invasion of privacy and deception. To ensure ethical guidelines were followed, the entire research process was conducted by the researchers, furthermore interviewees were not compelled into accepting interviews but rather willingly complied.

**Interviews**

For the interviews conducted, participants were asked permission to record and transcribe the
interviews. The names of interviewees were purposefully excluded, and in place permission to use titles and the company name was requested. Furthermore, the interview data and transcription were treated as confidential, therefore only relevant parts for this study were disclosed and no information has been used within the research without permission from the interviewees and their respective companies.

When conducting the interviews, an explanation about the purpose of the research was expressed and information was provided about the research as part of this master program in Entrepreneurship and Innovation Management. No harm was brought to participants, consent has been provided, and no invasion of privacy, and no deception were involved.

**Electrolux**

When gathering internal data about Electrolux, any content that was deemed confidential was excluded in the research presented. An analysis of the results was undertaken while ensuring the protection of the confidential information. Moreover, the data gathering was handled solely by the researchers. Nothing has been published without express permission by the commissioner of the research.
4. CASE STUDY

This chapter aims to showcase the learnings and insights about Electrolux from direct observation, analysis of internal and public documents, desk research with traditional companies and interviews with born digital companies.

4.1 ELECTROLUX

Electrolux is an appliance company operating within the white goods sector since 1919. The company operates various business areas: kitchen, laundry, small appliances, major appliances, home care and services, and professional products (Electrolux, 2016). The vision for the company is to be the “best appliance company in the world, as measured by customers, employees, shareholders and planet” (Electrolux, 2016). In 2016, they reported 60 million products sold annually, a presence in 150 countries, and 55,400 employees globally (Electrolux, 2016). The global business of Electrolux is broken down into various regional operating locations with the headquarters located in Stockholm, Sweden (Electrolux Internal Sources, 2017). This research will investigate the Digital CRM unit which is within the Digital Marketing EMEA department, with a direct focus on the post-purchase offerings. The EMEA department is responsible for the overall strategy of the region, while each subsidiary is responsible for acting on these strategies locally. The Digital Marketing EMEA department consists of twenty-six people divided in six units, one of which is the Digital CRM unit, which consists of four people.

The stages in Electrolux’s post-purchase phase

Electrolux divides its post-purchase phase in four stages: onboarding, ongoing use, repair and services, and repurchase (Interview 2), which mimic the phases of the customer journey. The strategy for the repurchase phase was under development when this research was conducted, therefore only the other stages will be explored below.

Onboarding stage

In the onboarding stage, customers are unwrapping and setting up their new appliances. In this stage, “there are a lot of stickers that [Electrolux] put on [the products], to make customers aware of” different features and specifics of the appliance (Interview 2). Furthermore, at this moment, customers have the option to register their products to an online platform which allows them to get access to information about the length of their guarantee and warranty and have an easier experience after purchase (Electrolux Internal Sources, 2017). Moreover, the online registration allows customers to register faults and request customer service attention. The portal aims to make the post-purchase phase as easy as possible to manoeuvre in the event of a problem with the products and additionally gives customers access to an online step-by-step manual designed to make setting up products increasingly simple. If customers decide to register their product, they will receive e-mails from Electrolux. The company sends promotions to show deals on items their customers may be potentially interested in, and also newsletters [information regarding the specifics of the newsletter cannot be disclosed in this research] (Electrolux Internal Sources, 2017).
Moreover, as Electrolux spans across the entire globe, there are different initiatives that run in different parts of the world. For example, Sweden and other Nordic countries offer customers free return for 100 days, where customers can return a product if they do not like it. It does not depend on whether the product is functioning properly (Electrolux Internal Sources, 2017). Additionally, Electrolux offers customers discounts on accessories, additional warranties on the motor part of the washing machine and sometimes a free gift (such as a cook book) with a purchase (Electrolux Internal Sources, 2017). There are various offerings that arise through partnerships as well, for example a partnership with P&G allows customers the chance to get one year’s worth of free washing liquid (Electrolux Internal Sources, 2017). The ownership department likes these initiatives, as they are “tools that help [them] give the customer more reassurance and peace of mind” (Interview 2). This is part of the onboarding stage, as it drives customers to trust the brand and allows them to test out the product with no long-term commitment.

**Ongoing use stage**

The next stage is the ongoing use stage, in which customers have set up their product and are using it. In this stage, the touch points are fewer, and customers have access to a user manual, telephone assistance, and also access to field service technicians. In this stage, these are the touch points which solve the problems the customers may have (Interview 2). During the ongoing use stage, the customer additionally has access to the Electrolux App, which is another touch point the customer can engage with in this stage. It delivers content about laundry, food, wellbeing and appliances (AB Electrolux, 2014). The laundry section focuses on providing washing guides which entail stain removal, label guide, detergent care and more (Electrolux Internal Sources, 2017). Furthermore, the food section provides access to a variety of recipes while wellbeing provides general house care content. For customers who purchase cooking items, “the app has a lot of content in it, and its specifically useful for customers who have bought for example steam ovens,” as it provides guides and how to for using the various products (Interview 2). Additionally, the app allows customers to register their products, download user manuals, access online troubleshooting, support services, browse accessories and consumables from the Electrolux web shop and access information about Electrolux cooking classes (available only in certain countries) (AB Electrolux, 2014). Currently, Electrolux does not engage in the promotion of their apps but, as a group, the Electrolux apps are downloaded roughly 2,000 times per month (Electrolux Internal Sources, 2017).

**Repair and services stage**

The next stage is the repair and service stage, during which items in use may be in need of servicing or fixing due to wear and tear. This stage encompasses the touch points available to customers after purchase or when something goes wrong with an Electrolux appliance. The company has 1,900 service centres in over 70 countries (Electrolux, 2014). These centres are filled with over 10,000 expert technicians who have access to over 98,000 spare parts (Electrolux, 2014). These service centres serve customers who have issues or need help with installation after the purchase.
In Egypt, Electrolux has been testing out an “Express Service”, where customers can pay a bit extra and the company aims to have service personnel at location within 24 hours of the issue report, since Electrolux believes this timing is exceptionally appreciated and enjoyed by Electrolux customers (Electrolux Internal Sources, 2017). This service is being tested in Egypt to get feedback from customers. So far, the learnings have shown that not all problems can be fixed within the 24-hour window: sometimes, for example, extra parts need to be ordered (Interview 2). Therefore, the company included a clause which states customers only need to pay for the service if their product is fixed within the time frame. After the testing phase, this pilot will be shared internally with other Electrolux subsidiaries that can implement the service (Interview 2). These learnings are currently shared throughout the business through e-mails and meetings, which has been inefficient as learnings are not easily accessible (Interview 2).

**Customer touch points**

During the entire post-purchase phase, there are different customer touch points offered which are provided throughout the companies’ interaction with the customers. These range from the physical to the online, and are not aligned in one specific stage.

At Electrolux, the touch points are divided in two ways: physical and online. Online encompasses open communication on the brand website, and the physical is face-to-face or person-to-person, through the contact centre and field service technicians, for example (Interview 2). The online touch points are offered across the four stages, and their interaction is not limited only to the physical services, online registration and mobile app; they also entail further touch points.

Firstly, Electrolux has several social media accounts, such as Facebook, LinkedIn, Instagram, Twitter, Pinterest and a blog. These are used to send content and information to customers; for example, the researchers argue Instagram is used to entice customers’ love of cooking with multiples recipes and food pictures. Facebook and the blog have videos and written content for users to engage with. These interaction points allow users to be inspired and try new things with their appliances. LinkedIn is used to promote jobs, articles written about the business from the various Electrolux regions, articles written by their own employees, videos, events and partnerships. Pinterest is used to share images and push content aligned to the business and make own pins to highlight which products are offered. Based on the literature review, the researchers argue that these channels have a reassuring effect on customers who need to validate a buying decision. Additionally, Electrolux identified that customers are using the chat options on social media to get into contact regarding customer service requests. Based on that, in the Netherlands, there is a pilot project where the customer care employees work with the social media team to answer questions and concerns from customers straightaway (Electrolux Internal Sources, 2017).

Another offering from Electrolux is their own e-commerce platform, where they do not offer finished goods but offer access to accessories and consumables (e.g., replacement bags for vacuum cleaners); additionally, this web shop also offers spare parts for appliances (Electrolux Internal Sources, 2017). This platform makes it easier for customers to find replacement parts and small consumables, and it creates a relationship between the company and the customers.
An offering from the company in the online space is the establishment of Internet of Things (IoT). Electrolux has made moves to showcase their intention of offering increased amounts of IoT products to their customers. Firstly, in 2016, the company created a partnership with Google revolving around the use of Google’s operating system for IoT, called brillo (Thompson, 2016). Additionally, in 2015, the company began to offer a connected oven with camera: ProCombi Plus Smart Oven. This oven allows users to check on how their food is cooking inside the oven in real time and allows them to make adjustments through an app on their mobile devices (Thompson, 2015). More recently, the company has acquired the US based startup Anova (Electrolux, 2017). They are the creators of the Anova Precision Cooker, which is a connected device which allows customers to create high quality meals at home. The customers use a mobile app to regulate the cooking temperature of their food (Electrolux, 2017). Therefore, this acquisition showcases Electrolux’s drive to provide easy connected solutions for their customers in the post-purchase phase.

Moreover, Electrolux also offers special events for customers in some regions. These events could be for customers who bought specific premium products with specific technologies such as ovens with steam (Interview 2). In this case, they offer culinary cooking events, where customers can get to know more about their product from professionals. The only drawback with such an offering is that it is not rolled out across the entire Electrolux geographical span. Still, most European countries do offer this service. In each local market the offer varies. For example, in Belgium the cooking classes are focused on the use of steam ovens, and Germany takes an advanced cooking approach, holding classes with professional chefs (Electrolux Internal Sources, 2017). These events are held within their brand stores or partner venues; for example, the company has partnerships with some cooking schools and holds events there (Electrolux Internal Sources, 2017).

**Feedback and data analysis**

In order to gain insights from customers and make appropriate changes to their post-purchase phase, Electrolux sends surveys via e-mail and collects data from user reviews, comments and focus groups (Electrolux Internal Sources, 2017). Although this is the structured form of gaining feedback, the data analytics part of the Ownership Solutions Journey department watches how customers behave and try to learn from those actions taken (Interview 2). Additionally, the various initiatives tested throughout the regions are analysed using the net promoter score (NPS), which is used to measure the loyalty that exists between a company and a consumer (Reichheld, 2003). It can also indicate whether customers value a particular service or not. Besides that, the company asks for the reason behind the score to understand what are the biggest areas of disappointment and delight (Interview 2).

To gain insights into their onboarding phase. Electrolux ran external research “to understand the fear and excitement” that follows a large purchase (Interview 2). Additionally, Electrolux runs surveys for existing customers. For example, the customers who register the products will receive a survey after 60 days of ownership, where they are asked NPS questions and questions about the experience in general (Interview 2). Such data collection gives detailed insights into what the customers actually want in the post-purchase phase.
Going forward, Electrolux aims to make the ownership experience low effort, delightful and inspiring, having determined that their biggest opportunity lies within making engagement between the company and the customer as easy as possible (Interview 2).

4.2 Desk Research

This section showcases the results from the desk research on traditional companies, which are Miele, BMW and Nespresso. The aim is to provide a comprehensive picture of what these companies offer to their customers in the post-purchase phase to engage with their customers, with a focus on the use of digital technologies. A description about what each company does is presented in Appendix D.

4.2.1 Miele

Miele strives to be an industrial leader regarding quality and technology. Its vision is to become the most favoured brand in its market (Miele, 2017a). To achieve this, the company not only invests in product development but also in engagement with its users through an ongoing dialogue. The company has a market research unit that frequently is in contact with customers to know their satisfaction with the brand and if they have any further need that has not been offered yet [information regarding how the company collect this feedback was not available].

Miele's Customer Service department also conducts interviews in the post-purchase phase, helps the users with their doubts about purchase and provides advice. These initiatives provide valuable input for Miele to develop its products and services. The company also provides an open dialogue between Miele specialists and customers who have enquiries related to sustainability issues via phone and/or online support (Miele, 2017b).

The offerings in the post-purchase journey at Miele start with Miele Concierge, which is related to delivery and installation of the appliance purchased. Every technician who performs this service is trained by Miele's factory personnel, in order to avoid potential flaws in the delivery and installation process. As an additional offer, the installer also explains to the customer how the new appliance works (e.g., showcasing the different features) and gives tips on how to optimize its performance (Miele, 2017c).

The company invests in rigorous training for the professionals who work with customer service. Miele credits its post-purchase phase success to this training program (Miele, 2017d) [information related to the specifics of the training was not available]. Besides ordering the repair service by phone, customers can also book it in the 24-hour online booking system. In addition, the company has a wide network of well-trained Miele service technicians who can visit the customer and repair appliances (Miele, 2017e). Company research shows that 73% of Miele's users are completely satisfied with Miele's service (Miele, 2017d) [information regarding the unsatisfied customers were not available].

As part of the post-purchase experience, the company provides a digital solution to its customer in its website: "Miele à la carte". A wide variety of information is offered, from food to troubleshooting guide, where customers can find causes and resolutions to their appliance malfunctions. (Miele, 2017f). Another digital technology used in the post-purchase phase is
Miele@mobile App, which gives the freedom to the customer to control all their Miele's documents for their appliances using a smartphone or tablet (Miele, 2017g). As an example, the customer can track the status or select functions of his/her appliances. The app also provides recipes and tips to make the most of the appliance (e.g., it recommends most suitable wash programme based on the customer needs) and also tips on how to remove stains or textile care. Another service provided in the app is the possibility to order appliance accessories (e.g., the customer can order dish washer tablets) (iTunes Preview, 2017a).

Regarding IoT devices, Miele offers Network Enabled or Con@ctivity 2.0 services (Miele, 2017h). These services mean that customers can, for example, be away from their cooker as the cooker will regulate the heat itself (Miele, 2017h). Furthermore, the company offers InfoService which is a “remote diagnosis of error messages issued by domestic appliance” (Miele, 2017h). Customers register their machines with Miele and then receive advice on how they can best solve any faults with their appliance (Miele, 2017h).

Beyond this, in 2015, they began offering smart connected washing machines with a connected detergent dosing system in collaboration with Deutsche Telekom: if the cartridges get low, the mobile app sends messages to the customer via Wi-Fi with a note to refill (Daniels, 2015). Miele identified that the IoT realm allows them to add greater value to their customers in the after-sale, thus they have been pushing to connect their devices (Daniels, 2015).

Besides that, the brand also offers different options of Appliance Master Class for its customers guided by Miele's chefs. By doing this, the users get inspired with different recipes and techniques, and also learn the best way to use their Miele appliances (Miele, 2017i). These trainings are offered in Miele Experience Centre, which is a showcase of the company's high-end domestic appliances displayed in an innovative and contemporary design.

The company also provides a personalized service by a Miele professional called Miele Home Program, who visits the customer's home for 3-4 hours and gives advice and guidance on how to get the most out of the product, including new features and programmable functions and on how to clean and maintain the appliance.

Lastly, the company states the importance of brand loyalty and believes the best ambassador for them are their customers. In order to provide the best experience in the post-purchase phase and to reward the customer for the investment that he/she has made, the company created Connoisseur Club: an exclusive club that provides rewarding collection of benefits (Miele Connoisseur Club, 2017). The members have personalized support and enhanced service. To become a member, the customer should have spent more than £15,000 on Miele appliances or have purchased eight or more appliances. Some of the benefits of this memberships are a personal demonstration of the appliance by a Miele expert; exclusive discounts on accessories, artisan ingredients as a gift from the company when you sign up and a free Appliance Master Class for the member and a friend (Miele Connoisseur Club, 2017) [information regarding how many people are members of Miele Connoisseur Club was not disclosed by the company].

**Key Findings**

The researchers identified the key learnings from Miele’s desk research, as shown in Figure 7.
Miele: Key Findings

Training

Club

Cooking classes
Dialogue with Specialists

Online Troubleshooting Guide

Figure 7: Key findings from Miele’s desk research (Source: Researchers, 2017).

The key findings revolve around the investment in training employees that have interaction with customers; the club, called Connoiseur Club, provided for a segment of clients; the cooking classes; the possibility for customers to have a dialogue with specialists regarding other matters, such as sustainability; and the offering of an online troubleshooting guide.

4.2.2 BMW

The BMW Group has been customer oriented for many years, and the processes in the post-purchase phase are a continuation of the physical store strategy employed, thus customers enjoy a continuous experience which blends together two forms of engagement (online and physical). The transition BMW undertook showcases an adoption of new ICT and digital processes early on. This was evidenced by the winning of the 2016 Digital Initiative Award, where judges described BMW’s Retail Online as “phenomenal” for customers (BMW News, 2016).

To bridge the gap and focus on digital transformation, BMW introduced a new campaign which served to mould together the physical and online worlds by letting customers buy cars from their mobile phones (Vizard, 2015). This offering is in line with the customer experience pillar (customer touch points) in literature review about digital transformation. This move was made as a catalyst to the launch of the first full-service online car buying site (Vizard, 2015). BMW’s Head of Sales and Marketing says: “we are the first car manufacturer to offer a digital sales solution for the entire product range and the full end-to-end buying or leasing process online. Now, the customer can do it all from the comfort of their home” (Vizard, 2015, p. 1). By doing this, BMW is making purchasing easier for their customers, and in the long run. By employing these digital mechanisms, they set themselves up to enable lengthened engagement in the post-purchase phase. For example, if customers are purchasing using mobiles, then following the purchase, the customers can continue to engage using the mobile app, which offers handbooks, quick references such as unlocking and locking issues, animations, hazard and warning information and more (iTunes Preview, 2017b). This digital move sets BMW’s customers up for long-term brand engagement and thus brand loyalty; this is done through the creation of relationships with their customers.

Beyond this, BMW has created a dedicated after-sales product and services division; within this unit the focus is to provide “unique support elements [which] enhance the ownership experience” (The BMW I: Aftersales, 2017). If any new features are added to the car after purchase, they will recall the car to add the said features to the purchased vehicle. By having
this department, BMW has created a personal touch to their service and built trust between the brand and the customers which will they expect to be long lasting.

Additionally, BMW after-sales division personalizes experiences for their customers by collecting feedback during each interaction. The company utilises personal phone calls and e-mails for collecting information from customers, this is done when customers book services or interact in any way with the company in the post-purchase phase. Furthermore, the customers are provided with a survey which encompasses not only questions about the sales process, but also about the strategic direction of BMW and its future car functions. For example, “what kind of tires would you prefer with your new BMW 1 series?” thus including the new car owner in the shaping of the future BMW developments. This information is invaluable for BMW, as this helps them to keep customers engaged and happy.

Furthermore, BMW has added a ConnectedDrive elements into their vehicles, which connects car technologies and services (BMW, 2016). This addition essentially turns it into a smartphone on wheels delving into the IoT sphere, allowing customers to make and take calls, connect to the internet and it also makes the BMW experience increasingly unique and special. Some of the features delivered through ConnectedDrive are real-time traffic information and intelligent emergency call, which automatically calls assistance in the case of an accident and provides information on what part of the driver was most likely injured (BMW, 2016). The ConnectedDrive feature is also enhanced by the use of a mobile app which allows the customer to manage the system. By connecting this offering to the mobile, it allows customers to compare current and typical travel times, lock or ventilate the BMW remotely and lastly, view and operate various features of the vehicle (iTunes Preview, 2017b). BMW is further investing in IoT devices for their customers in partnership with IBM and Microsoft [further information regarding the partnerships was not disclosed by the company].

Another offering in the post-purchase phase is the Concierge Service, which is intended to aid the driver throughout their product use (BMW, 2016). The system becomes the driver’s personal assistant: first, the driver has to call the service and ask for what they need. For example, helping to search gas stations or places, then the information is sent to the car through the navigation system. Another example is if a restaurant is searched for and selected by the driver, the Concierge Service can call ahead and make a reservation (Yeo, 2017). This service is an add on after vehicle purchase but serves as an effective tool to engage customers with the BMW brand.

Additionally, BMW has established Owners Circles, which are local or regional groups of BMW owners which offer customers the chance to track their vehicles after order. Customers who have purchased a BMW and have Owners Circles in their region, must register through an online portal. Specific to the post-purchase phase, the customers gain access to exclusive BMW publications, priority e-mail communication with BMW and online owner’s manuals (Irvinebmw, 2015). Moreover, customers can view their maintenance schedules, find insurance information and see various tips that involve the owning of a BMW (Irvinebmw, 2015). In the Owners Circle in Pretoria, South Africa, they offer defensive driving, collision avoidance, skid
control education for their members’. Other circles may offer different unique experiences for their members (BMW Africa, 2017).

In a recent statement, BMW’s Head of Sales and Marketing noted “we have 20 million active customer contacts from service to used cars to financial services products, which are held on a variety of different databases. We’re now amalgamating those databases so we can use that connected information to approach customers in a more tailored way. It is not just about selling customers a car, but looking at various aspects during someone’s driving lifetime and building a two-way customer relationship which is direct and purposeful” (Hetzner, 2016, p. 1). By engaging customers through multichannel and creating a two-way relationship, BMW hope to beat out competition through non-physical offerings personalized through the use of data (Hetzner, 2016) [information regarding data collection, analysis and strategic management of customer’s base was not disclosed by the company].

The outcome of the above mentioned initiatives is showcased by BMW ranking top in the Chinese market for a third consecutive year in an international customer satisfaction survey (Yan, 2015). Also, a study in South Africa examined customer satisfaction with servicing, and satisfaction with BMW was at 80.4 % (Brink and Berndt, 2004) [further information regarding how customers view system was not disclosed by the company]. Overall, BMW has developed a new relationship-driven approach to the post-purchase experience. Their primary goal of building long-term satisfaction and engagement with the brand, was measured by creating soft and hard key performance indicators for customer satisfaction (Landor, 2015) [specific information regarding concrete KPIs and other measurements was not disclosed by the company]. By doing so they hoped to improve customer relationship management and enable a smooth and personalized service to all of their customers (Landor, 2015).

**Key Findings**

The researchers identified the key learnings from BMW’s desk research, as shown in Figure 8.

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<tr>
<th>BMW: Key Findings</th>
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<tbody>
<tr>
<td>KPIs</td>
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<td>Data used to tailor customer experience</td>
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Figure 8: Key findings from BMW’s desk research (Source: Researchers, 2017).

The key findings revolve around the existence of KPIs that measure customer experience, the Concierge Service that delivers on-demand customer experience, and the usage of data to tailor customer experience.

**4.2.3 NESPRESSO**
Nespresso offers to its customers the Nespresso Club: The Ultimate Coffee Experience. When a customer has bought a Nespresso machine and placed their first coffee order, the customer can fill in his/her personal information and register online to be part of this club (Nespresso, 2017a). This club has become a global community of people who share the same passion: coffee. More than choosing a technological coffee machine and having the high-quality espresso with minimum effort, they provide an experience for customers in different ways, through their personalized services from delivery, repair, customer care and recycling system (Nespresso, 2017b; Khamis, 2012).

Nespresso Club has around ten million members (Brem, Maier and Wimschneider, 2016). The addition of an online space, the Nespresso Club, for customers to interact utilizes ICT to create an additional engagement platform for all Nespresso customers. A further use for the online platform is customer’s data collection. By utilizing data from customers, the company can provide personalized marketing messages to clients based upon their past activity and personal preferences (Brem, Maier and Wimschneider, 2016).

With over 50% of Nespresso employees in direct contact with its users, the company has built a personalized relationship with them, capitalizing on the global trend of digitalization and online interaction (Nespresso, 2017c). The Nespresso Academy was established to offer intensive training programs for employees with customer contact in how to represent the brand in the Nespresso approach. In addition to training, the Academy allows mutual idea exchange and communication between employees to ensure continuous business improvement (Markides and Oyon, 2000) [further information regarding the training specifics is not disclosed by the company].

Furthermore, the company offers to its members 24-hour customer service where customers can order coffee capsules, ask questions about their machines and get advice and guidance by consulting the Coffee Specialists to learn more about coffee. Customers can place their orders through different channels, such as the mobile app, telephone or website. Nespresso also offers assistance videos that provide information about how to maintain the best performance of the machines. Another "privilege" the users receive is news about the new types of coffee, new products, special offers and invitations to different events, such as tasting events (Nespresso, 2017a).

As an additional online offering, Nespresso has been delivering connected devices to their customers. Through Bluetooth Smart Technology, Nespresso allows customers to personalize coffees and begin the brewing process digitally (Nespresso, 2017f). More recently, they have offered their customers the new Nespresso Prodigio Espresso machine, a device within the IoT sphere (Nespresso, 2017). This machine allows customers to connect their mobile phones through app to their coffee machine. By doing so, they are alerted when the machines water levels, capsule stock and other accessories need adjustments. By making such an offering, the company makes the post-purchase experience increasingly pleasurable for the customer as they can maintain their machines easier.

Nespresso machines and capsules can be physically purchased in both third-party retail stores and self-named “boutiques”. Nespresso boutiques are described as brand embassies by the
company, and are staffed with expertly trained coffee specialists. When a member goes to one of these stores, he/she gets personalized service due to the data the company keeps which compiles all the purchases made by each client. They provide club members with coffee tasting and educational events such as coffee workshops (Nespresso, 2017c) [information regarding how many people are members of Nespresso Club was not disclosed by the company].

The above tactics allow Nespresso to establish long-lasting customer relationships that extend far beyond a simple product purchase and create a highly personalized customer journey in the post-purchase phase. As a result, over 50% of new club members are introduced to the service by an existing member (Nespresso, 2017d), highlighting the importance of after-sales service to not only improve customer retention and brand loyalty but also to new customer acquisition.

**Key Findings**

The researchers identified the key learnings from Nespresso’s desk research, as shown in Figure 9.

![Nespresso: Key Findings](source: Researchers, 2017)

The key findings revolve around Nespresso’s boutiques around the world that offer different services for its customers, Nespresso Club, the training for employees that have customer interaction through Nespresso Academy, the use of data to tailor services and the open dialogue with coffee specialists.

**4.2.4 Desk Research Analysis**

According to information gathered about post-purchase offerings by Miele, BMW, and Nespresso, key learnings will be highlighted and presented in three different categories: communication, training, and feedback and data analysis. A table compiling all the post-purchase offerings was created based on the touch points identified in the literature review and the desk research. This table can be found in Appendix E.

**4.2.4.1 Communication**

**Online**

The online interactions identified from the desk research are plentiful, however this analysis will focus on the most relevant offerings for the case study. The literature review highlighted
that through online mediums, customers are able to independently voice concerns and gain instantaneous feedback from the company, thus eliminating information asymmetries.

Regarding online interactions in the post-purchase phase, the use of videos by Miele, BMW and Nespresso has been identified. These videos present tips and tricks on how to use the product and get the most utility out of it.

Newsletters are another point of interaction which all companies provide, what is not disclosed by the companies is what content is delivered within these newsletters and how the customers react to it. As a learning, the researchers believe it is important that companies understand how much interaction the customer wants in order to optimize communication while delivering relevant content.

Companies are also investing in online platforms which enable customers to manage their interactions with the company. Nespresso has created online product registration pages where customers can book services, keep track of warranties, and purchase consumables. These offerings have also been extended into a mobile app, which all the companies have. A learning is that all companies need to ensure the apps provided meet the customers’ needs and provide a pleasing experience. Additionally, Miele does not sell their own products online; it offers consumables and replacement parts. This is interesting as you can order a car online but not an appliance for your home directly, which the researchers argue makes repurchasing a hassle for customers who prefer to buy products online.

The online communication findings are in-line with the work of Prahalad and Ramaswamy (2004) who state that in order for companies to be successful, they must create in-depth dialog with customers, transparency to facilitate interaction and new ways for customers to access and exchange information. The use of videos, newsletters and online platforms enables companies to deliver communication and allows customers to engage.

**Physical touch points**

All the companies have their own stores across the world. These stores are utilized in the post-purchase phase by Nespresso and Miele. Nespresso has coffee experts who sell their capsules within its stores. This interaction within the store allows customers to learn about coffee and different products they may like. Additionally, Miele and Nespresso offer educational classes on cooking and coffee respectively. This highlights that customers not only want a simple and quick digital method of interaction but also enjoy interacting and meeting with the brands and fellow customers.

Moreover, the Miele Home Program ensures that customers are interacting with the brand after purchase. In this way, Miele can ensure that they are validating the purchase decision for the customer by personalizing the interaction and ensure the customer gets the information needed to achieve an optimal level of utilization of the product.

**Club**

Customers further engage with the companies using online communities, which have been utilized by Nespresso and Miele. The companies set up a space where they can make their customers feel special, because they are part of this club. A learning from Nespresso and Miele
is that the companies see the clubs as something very valuable. By engaging through the clubs, the companies can evoke emotions from their customers, which makes them loyal and positive promoters of the brand, through sharing their experience with their family and friends.

Training

It was identified that Miele and Nespresso have training programs for every employee who interacts directly with the customer. The researchers believe that these programs assure that the employees know about the product offerings, have the ability to enlighten customers with tips and tricks on the use of various products, and how to interact with the customer to enhance their experience with the brand.

The physical touch points are established to create an experience for the customers when they interact with the different brands. The stores, clubs and training programs culminate in a distinct consumer experience which Pine and Gilmore (1998, 1999) state must be unique, memorable and sustainable over time for create enthusiasm and positive word-of-mouth from customers. Miele, BMW and Nespresso work towards creating a differentiated experience for their customers, and to do so, they utilize various physical touch points to ensure the customers recognize the differences in their brand offering.

4.2.4.2 Feedback and Data Analysis

Feedback

In terms of feedback, the only information accessible by the researchers was about BMW. The company calls customers after interactions in the post-purchase phase such as service or meeting bookings, in order to gather feedback. Furthermore, they utilize feedback polls to get customer insights on the direction of the business as a whole. The researchers argue that this information collected is used to build their KPIs.

Data Analysis

Nowadays, digital capabilities allow companies to collect data regarding which parts of the services are used, what customers are doing within these platforms and what are their interests. The literature suggests that by tracking the data available from an omni-channel approach, companies will gain a common view of the company and customers. Different software exists to collect this data, analyse it and provide strategic information to the company about their customers, which should be utilized to offer the best experience to the customers. The importance of tracking and analysing data is that it provides companies with insights to what the customers want, what they think and potential improvements in the offerings.

BMW utilises feedback collection and KPIs to measure customer satisfaction, which allows them to improve customer relationship management. Data analysis is also utilized by all the three companies to provide an in-depth understanding of their customers, which enables them to provide personalized experience through their different touch points.

4.2.4.3 Key Learning from Desk Research

Based on the desk research findings and analysis, the researchers argue that the main learning revolves around personalization, as shown in Figure 10.
As presented in Figure 10, the researchers concluded that Miele, BMW and Nespresso personalize their offerings in different ways to satisfy their customers. This personalization is created through training and data analysis. Training ensures the companies can safeguard the quality of the interaction between their brand representatives and the customer. The figure highlights examples from Miele and Nespresso who carryout trainings in order to maintain a high quality interaction with their customer. Additionally, data analysis is used to personalize the experience by gaining an in-depth understanding of their customers. The figure emphases BMW and Nespresso data analysis, which is used to identify customer preferences in products and communication type. Finally, the researchers argue that training and data analysis leads to the personalization of goods and services for customers. As the companies have knowledge about different customer segments and about individual preferences, they can offer the customer tailored services which are perceived as benefits in the customer perspective.

The benefits of doing so are presented in the figure as an increased meaningful interaction with customers, better all-around experiences for the customer when interacting with the company, no longer wasting resources in offering customer’s things they do not want and lastly the opportunity to find new business areas. Miele, BMW and Nespresso know how their customers want to be communicated and interacted with and because of that, they can personalize the experience and exceed customers’ expectations.

4.3 Interviews Analysis

Interviews were conducted to get insights about what are the best practices born digital companies offer to their customers in the post-purchase phase. This section is the compilation of the findings from eight face-to-face interviews with the following companies: Detectify, Lifesum, Natural Cycles, Spotify, Sqore, Star Stables, Swedish Stockings and Virtusize. In order to gain in-depth learnings from the interview process, the researchers focused on the most relevant offerings for the case study. A description about what each company does is presented in Appendix C.
4.3.1 Communications

E-mails

The first point of analysis is e-mails. The key learnings identified are the importance of reassuring the customer of their buying decision and personalization by providing relevant content according to customer interest.

Based on the interviews, the researchers conclude that this reassurance takes place through e-mails. All the companies send content through e-mail at various moments in the post-purchase phase, to remind the customer of the brand. Virtusize noticed the “need to keep a fairly close dialogue with the clients because otherwise they might forget about us or they don’t understand the value we create” (Interview 7). This is relevant for traditional companies as it addresses the need to remind customers of their experience with the brand.

However, there is a line where e-mail content, such as newsletters, becomes spam and it is relevant for companies to find a balance of how many e-mails their customers are willing to receive. For instance, Star Stable “is still in the process of finding a good balance, because we don’t want to make it too spammy” (Interview 8). It is vital to “identify how do the customers want to interact with us, do they want to do everything in the tool?, do they want to have separate e-mails?, do they want a community?” (Interview 4). At Natural Cycles there is a schedule of e-mails that are sent to their customers though the post-purchase phase. It was created by mapping out all the different events in this phase and understanding what their customers need to know in each stage (Interview 9). Understanding how customers want to be interacted with aids companies in building a closer relationship with their customers.

Another key finding concerns personalization, which is something all the companies do in some form. B2B companies, such as Virtusize and Sqore, focus on sending personalized content related to the performance of the service (based on data gathered from the usage of their services); in this way, their customers receive monthly reports. Sqore argues that “information is power. The more information [customers] have, the better they feel” (Interview 6). With the rise in digital capabilities, not only information about companies is easily accessible to customers online, but companies are able to tailor the content for each customer, which is greatly appreciated by them.

With companies who work with both B2B and B2C, the researchers identified an element of language and content personalization. At Swedish Stockings, they “need to edit the language a bit, for its customer, retailer or distributor” (Interview 5). This same distinction is made at Sqore, where communication flows to students, universities and clients. Additionally, the interviewed companies gather data from their customers and, in doing, so they are able to communicate with a specific segment with relevant information for them. Sqore incorporates an element of personalization which is attained from the data collected about their users. They target their communication by customer types, geographical and market segments and send out relevant information to each customer. In this sense, it was identified that personalized communication is vital for traditional companies undergoing digital transformation.
Furthermore, Detectify and Swedish Stockings send updates and information about the company and the shared purpose of cyber security and sustainability respectively. In this way, they engage with their customers on a shared purpose. Although newsletters play an important role for aforementioned companies, it is important to note that others, such as Spotify and Virtusize, have decided to opt out of sending them. Spotify states, “if you want to create a really personal experience, you have to personalize to every market and beyond that you have to personalize to every customer. Customers are very different within each market, so it’s tough to create something that you know can be distributed to everyone” (Interview 4). The decision to opt out of newsletters highlights these companies’ drive to deliver a highly personalized experience, and if it is not part of their strategy to allocate resources to provide that, they prefer not to send a general newsletter. It was identified in the literature review that traditional companies are focusing on creating different touch points in order to engage with their customers, which was also identified at Electrolux. From the interviews, the researchers identified that an effective way of communicating with customers is through the establishment of an augmented product: which in this case is about the personalization of communication channels which increases overall customer satisfaction.

**Videos**

A trend identified regarding digital communication tools was the use of videos to engage customers. Sqore states that they “want to engage all types of people, because you have people who like to read, also people who like to click and people who want to have a video. So, you want to have offerings for all those different kinds of people” (interview 6). Westerman et al., (2011) suggest digital transformation brings with it new opportunities for companies and based on that, the researchers believe this claim is relevant as companies have been investing more and more in the creation of videos. For instance, some of the companies interviewed are hiring video specialists to focus on delivering content in this form. In the post-purchase phase, it was identified that the content varies across the companies, from explanatory videos to “how to use” and “how to maintain products” videos.

**Physical touch points**

Another trend identified is the usage of physical touch points. Bughin (2015) suggests that offline customers have moved online, increasing the digital technology use. However, the researchers identified that although the companies interviewed were born digital and don’t have a physical store, they all still see relevance in meeting their customers face-to-face. For Swedish Stockings, “you can never replace face-to-face [contact], it’s so valuable, you learn so much. I get so much from [this], I answer questions then we get into new topics of how we can improve…you cannot do that through e-mail” (Interview 5). Alternatively, physical touch point happens through events companies organize for their customers, such as breakfast seminars, and mingle. Natural Cycles, for example, had “invited customers to come [to our office] and ask us anything: we sit and chat. I think it is great and we should do more of this” (Interview 9). At these events, companies get to interact with customers however, Virtusize and Natural Cycles highlight the drawbacks with this initiative. Which are that events do not pay off
immediately, “the return is more long term” (Interview 7) and as the companies grow, it becomes more difficult to maintain (Interview 9).

**Community**

A trend recognised through this research was the creation of communities in which customers can interact with the company and other users. The literature on digital marketing suggests that a communication revolution has resulted in customers expecting brands to interact with them in spaces where the consumer controls the timing and content. Furthermore, the literature suggests that companies need to create spaces for communication B2C (business-to-customers) and freedom to exchange information (C2C) customers-to-customers.

Four out of the eight interviewed companies (Spotify, Star Stable, Natural Cycles and Sqore) have a community and three out of the four remaining (Detectify, Lifesum, and Swedish Stockings) are discussing creating one. The reason companies are tending towards creating communities is because it is a space where customers can provide the company with ideas for new features or products, referencing the work of Westerman et al. (2011) in terms of new business opportunities. It also allows companies to track any issues with the service or product, and it creates an additional channel of communication with the customers. “From a business model stand point, it saves a lot of money when you can outsource customer service to your own users, that’s a huge plus, but I think it also creates this sense of community which is a benefit, people feel like they are part of this bigger thing and that is Spotify” (Interview 4).

The Spotify Community was created so users would have a common space to interact with each other in a website operated by the respective companies. On the other hand, Star Stable’s community was customer-driven, with people posting videos and blogs which were shared by the company. However, the users can interact with each other through the online chat in the game.

A relevant element of the Spotify and Star Stable communities is the fact that customers can create and deliver content to the wider community. Customers are sometimes selected as Rockstars (Spotify) or Ambassadors (Star Stable) who get rewards for their high level of activity within the community.

### 4.3.2 Feedback and Data Analysis

**Feedback**

As highlighted in literature review, feedback plays an important role for companies as a method to assess their performance as relayed by their customers. Westerman et al. (2011) argue that web-based companies are able to gain an advantage through the use of data analytics, as they are able to personalize quicker than traditional firms. Digital capabilities are the foundation needed for companies to achieve an in-depth knowledge about their customers and provide a personalized experience.

Through the interviews, there were various methods of feedback collection identified: phone calls, face-to-face, Skype, platform, surveys and questionnaires. Using these communication channels, companies can track the feedback from the customers, identify issues and
improvements, and act on these: “at the end of the day, if it’s not good for [the customers] then it’s not good for us” (Interview 4). Customers of Spotify, Star Stable and Lifesum are able to suggest ideas which could improve the services. For Spotify, it happens through the community, for Star Stable it is through the various channels, and for Lifesum it’s through their app.

The collection of feedback allows companies to gain instantaneous knowledge on potential issues in real time and act on it. “If something might be broken, we get immediate response through [customers’ requests], then we can act and fix it immediately” (Interview 8). For this reason, the companies interviewed that offer their service through platforms integrate a feedback system into them. The researchers identified that companies collect feedback throughout the product or service lifecycle. This “gives us some sense for how users perceive us and how they perceive the experience and service so that we can constantly improve” (Interview 4). Also, “if throughout the [service] we see something isn’t working, then we change it and we try to optimize it as soon as possible” (Interview 6). This highlights the importance of collecting customer feedback throughout the product/service lifecycle, which also includes when the customers cancel the service (i.e., at Spotify). At Natural Cycles, they “got feedback [from the customers] that forget to measure in the morning. Before, we used to suggest to them to set up an alarm to measure [in the morning], so when they would open their phones they would see it” (Interview 9). From this feedback and thinking about solutions for this issue, a new feature in the app was developed, which is the reminder with the app, thus improving the product.

Moreover, a learning is that some companies don’t only rely on customer feedback but also collect feedback about the product/service internally. At Spotify, employees are users and at Swedish Stockings, they have made use of their friends and family to try out the product and give feedback. The researchers argue that this brings genuine feedback at a faster pace than through other channels which are used to collect feedback from users.

**Data Analysis**

One of the most vital learning points from the interviews was data analysis. At Spotify “we capture a ridiculous amount of data…we have data scientist, we have machine learning experts, we have data analysts, we have a lot of people who focus on analysing the data, we have product analysts, we have business analysts. All the analysts focus on crunching numbers. We have people focusing on how to predict lifetime value, we have people focusing on how to predict churn, we have people focusing on how to create algorithms that look at past behaviour and recommend new music. So, data is really crucial for this company” (Interview 4).

The data comes from various sources: through newsletters, tools, platforms, and websites. For newsletters, companies “see how many people opened it, how many clicked it and what do they click” and with this information they can “always improve” (Interview 1). Detectify and Virtusize offer a tool to their customers where they can “track all types of data, we track everything they do within the tool, what kind of features [are utilized most]” (Interview 1). “We try to track as much as possible… and one thing that we are now looking into is how we can sort of make much more personalized offerings” (Interview 7). The usage of data to personalize services is also identified at Spotify.
Through the platforms and websites, the researchers identified that data collection and analysis is integrated into the systems, therefore making it easier for companies to consistently track how users are behaving within the platform. For example, “if customers are not aware of certain things you can educate them by understanding [their] awareness, and simplifying the experience so it’s not so complex” (Interview 4).

Another use of data analysis is related to customer engagement. Data analysis allows companies to see when customers are no longer actively engaged. At Spotify, they are currently testing new ways of reengaging users. At Sqore, if they see low engagement in their system, for example, “this client hasn’t logged in the platform in a long time, it is time to talk to him again…then we contact them or our sales [team] can reconnect with them” (Interview 6). All the data collected allows them to track the behaviour of the customers and make improvements based on this information. For example, Sqore and Virtusize track the behaviour of their users in their platform/tool, find patterns and learn where the users have potential to fall off and make improvements.

Additionally, the learnings from data provide a potential opportunity for new business ideas, which is the case of Virtusize [information cannot be disclosed due to confidentiality].

A trend identified is that companies that do not have a team and/or software focused on analysing all the data are making investments to create or purchase them. The aim of this is to “analyse the data and identify what makes the customer, a happy customer. What makes them at a level to be comfortable to recommend us to a friend” (Interview 1).

4.3.3 Quick Learning Culture

An unexpected learning is the fact that the interviewed companies were built customer-oriented from the start, meaning that they built their products putting their customers in the centre. At Spotify, the mind-set of the employees revolves around the customer: “it’s not just my team that focused on the customer. It’s product, its marketing, it’s business, it’s everyone…we are all focused on how do we improve the user experience, how do we make users more active” (Interview 4). Such a customer-driven mind-set also creates space for product/service innovation. For example, Spotify runs Hack Weeks where developers are encouraged to focus on whatever they want; this space breeds ideas and innovations such as the Discover Weekly playlist. The researchers identified this mind-set exists in all the companies interviewed and it drives the process of testing and learning as well.

Another finding is how the internal culture enables companies to learn fast. “Since [Detectify is] a startup, we are a lot about learning by doing, so in case we see something that we think is cool, so, okay let’s try this! For example, automated e-mail. We go ahead and do it. We go ahead and see how much do [the customers] interact; do they open e-mails if I send at this point? Then we try to improve, maybe change” (Interview 1). One way to test is through A/B testing, which determines the best option among two alternatives: individual users only see one version of a possible of two, and the goal of this testing is to find out which version is preferred by their customers (Kaufmann, Cappé and Garivier, 2014). Lifesum uses A/B testing to compare which version of their app is the most effective in terms of increased sales.
Spotify utilizes beta testing programs in the community, where a sample of users tries the different features in the product. In both cases, the companies gather the learnings by observing how the customers interact through data analysis. At Natural Cycles, for example, they had an idea to have live Q&A on Facebook and Instagram and answer questions of users and potential customers, “it was a test to see how we could do it” (Interview 9). Similarly, Swedish Stockings uses different methods of engagement in different stores to know, for example, “why one event was more successful than another, we keep testing everything. Being a startup is just testing” (Interview 5).

Moreover, the researchers identified that a shared purpose between the company and its customers makes it easier for the companies to engage with the customers. One reason for the success of Spotify’s community is arguably the shared love of music. “I think it’s just because people really love music and they want others to share in that joy of music…music lovers are really unique and they want to spread this joy of music…It just creates a really positive vibe, or this experience where people want to help each other” (Interview 4). This close connection and shared purpose is also evident in Swedish Stockings “because when [customers] understand the whole thinking, the whole business idea behind it, and that we actually have a story, they go for it because they understand this is a better choice for the environment, for my kids and for the whole society” (Interview 5). Creating a shared purpose with customers has allowed Spotify to build a highly engaging community that other interviewees look to as a good customer engagement example, and for Swedish Stockings the understanding their customers have about the brand has allowed them to keep engaged with their customers through their recycle program.

**4.3.4 Key learnings from interviews**

Based on the interviews analysis, the researchers have identified four key learning areas: personalization, community, data analysis and culture, seen in Figure 11.

![Figure 11: Key learnings from interviews with born digital companies (Source: Researchers, 2017).](image)

Personalization in terms of communication includes what content and language is used when communicating with the customer and how much interaction customers are willing to have with the company. In terms of community, it has been identified that by creating a space for customers to interact with each other, and in some cases with the company, the customers bring new ideas/suggestions, also generate content to help other users.

Data analysis is about gathering feedback throughout the product/service lifecycle and gaining insights in real time about how the services or products are performing. Finally, the learnings about culture revolve around the need to learn quickly and be customer-oriented, which is seen
in the lean startup method. According to Eric Ries, the lean startup method relies on validated learning, scientific experimentation and iterative product releases to gain valuable customer feedback and measure progress (Ries, 2011). The companies interviewed predominantly tested new engagement techniques in a rapid manner which allowed them to gain a lot of insights in a short period of time.

Additionally, another key learning from the interviews is related to new trends in terms of customer engagement activities. The first one is the use of videos, all of the interviewed companies use videos to engage with customers to some extent and it was identified that some companies are investing in hiring video specialist for their team. Another trend identified is the increase of face-to-face interaction with customers – companies are investing in different types of events to have an opportunity to have a physical touch point with them and learn more about their needs and desires that can be used to improve their offerings and product/service. Finally, another trend is related to data analysis: most of the interviewed companies that don’t have enough capabilities to analyse data received through their products and communication channels are hiring data specialists and acquiring software to boost this area within the companies. It is seen as a key factor to gain in-depth knowledge about the customer behaviour.
5. **Findings**

The aim of this chapter is to discuss the collective findings from the desk research and interviews, and analyse them in comparison to the case study: Electrolux.

The researchers identified a gap in the literature review regarding a list of offerings a company can provide to their customers in the post-purchase phase. Thus, based on the findings from the literature review and desk research, a list of post-purchase offerings was created, see Table 2 (Appendix E presents explanations of each offering showcased).

Table 2 is a compilation of the post-purchase offerings from all the companies investigated during this research. In the customer journey, the post-purchase phase starts when the customer has purchased a product/service from a company. After the moment of sale, there are multiple touch points between the customer and the brand. These offerings vary from product/service care and telephone assistance, to other touch points that are used to provide another experience for the customer, such as brand community and events.

Although significant differences were expected between the post-purchase offerings of traditional and born digital companies, the findings showed, surprisingly, more similarities than differences in regards to their offerings. What has become evident through the analysis of Table 2 is that Electrolux provides about the same number of offerings in the post-purchase phase as the other incumbents and offers more than the born digital companies interviewed. Since the offerings are relatively similar, the researchers don’t have additional touch points to introduce.
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<th>Detectify</th>
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</tr>
</tbody>
</table>

Table 2: Compilation of post-purchase offerings from the companies (Source: Researchers, 2017).
On the other hand, what was identified was a difference in the quality and characteristic of the touch points offered. In the case of Swedish Stockings, Virtusize and Spotify, it was identified that if the companies feel they are unable to deliver a certain level of quality, they would rather forego offering a touch point. This speaks to the depth and value companies are injecting into their interactions with their customers. Through feedback and data analysis, companies work to tailor post-purchase offerings for customers which has not been identified within Electrolux. This signifies the importance of data intelligence to tailor services for the customers. By having the digital capabilities, companies can engage in a better way with their customers. This finding is aligned with Westerman et al. (2001) study, which emphasizes that traditional companies should invest in consolidating the data collection and analysis throughout the business. In this case, it is therefore believed there is ample room for improvement at Electrolux in regards to investing in data analysis and in delivering tailored offerings based on customer feedback and data analysis.

Additionally, the researchers believe it is important for Electrolux to have a quick learning culture, which allows the company to continuously enhance its post-purchase offerings and to continually search for new ways to interact with the customer in a personal manner which engages customers.

According to Pine and Gilmore (1998), in the “experience economy”, companies should not only focus on offering quality product/service, but also differentiate themselves based on the experience they provide to customers. As an output, the researchers have developed a substantive model (Figure 12) for traditional companies in the white goods sector (i.e., Electrolux). The model showcases on a high-level the process of how the company can deliver personalized and data driven experiences to their customers.

![Figure 12: Process of post-purchase offerings (Source: Researchers, 2017).](image)

The model begins with the assumption that companies should provide personalized post-purchase experiences to their customers and operate within a quick learning culture to deliver this. The model has four distinct stages data analysis, learning, testing and feedback.
Data analysis is a central component needed to provide in-depth knowledge about who customers are, what they like/dislike and how they want to be communicated to, etc. Data can be gathered from feedback and from the product/services itself, which would be a connected device (e.g., a mobile app connected to an appliance, which tracks its performance). It can also be provided from the touch points through digital technologies: the company can track data from the customers through the engagement on the community, newsletters, social media and more. From the analysis of the data, in-depth knowledge is learnt about the customers.

The lessons learned from the data about the customer, along with best practices from industry and internal innovative ideas from a company will then lead to a testing and experimentation stage. At this stage, companies should collate all the knowledge from the data to develop new products/services and offerings to test in the market.

Next in line is the feedback stage, which loops right back into data analysis. Feedback is gathered from face-to-face interaction, feedback polls, questionnaires, spontaneous feedback, connected appliances, and other customer relationship and social media tools.

The data analysis from customers can be used to enhance the existing KPIs by providing additional data to make them more reliable. Moreover, data analysis is also used to create new KPIs related to customer engagement offerings and to make improvements on existing offerings in the post-purchase phase. KPIs are utilized by the company to keep tracking the performance of the post-purchase offerings based on the customer perspective and systematic monitoring and evaluation systems. Another outcome is that companies can personalize touch points to the specific preferences of their customers segments and enhance their experience.

The model places data analysis at the centre of the process to improve post-purchase offerings. The findings from the research into traditional and born digital companies highlighted that data analysis from products/services and offerings is emerging as a trend globally. It also seems that the use of data and IoT devices is in line with other trends, such as big data and machine learning that leads to predictive maintenance. This research also showed that born digital companies have built the use of data into their operations and that traditional companies are using more connected devices and big data to provide the customers a tailored and enhanced experience.

The researchers believe that in order for the entire process to optimally function, companies need to have a learn fast and customer-oriented culture, which is called as quick learning culture in the model. Quick learning is related to the agility in testing new ideas, getting feedback from customers and making a decision on whether to scrap or keep it. The customer-oriented mindset demands that employees in different divisions of the company focus their attention on what the customer needs. This finding is in line with the lean startup model from Eric Ries, in which companies are encouraged to learn by doing and accelerate their learning process by gathering feedback throughout the process (Ries, 2011).

As the model in Figure 12 was developed from the research conducted, it is significant to indicate where these learnings originated. In terms of data analysis, it was significantly highlighted by Spotify (e.g., Discover Weekly playlist, which provides a personalized playlist for its users based on the data analysis from the platform), Detectify (e.g., based on KPIs collected from previous newsletters, the company improves the content sent to its customers),
Virtusize (e.g., identifying new business opportunities based on data analysis from how users behaves while shopping online), Sqore (e.g., tracking when clients have used its platform to know when to reengage with them), BMW (e.g., to identify the best way to communicate with customers based on their previous behaviour with the company) and Nespresso (e.g., to identify which capsules customers prefer based on their previous purchases). As exemplified, data analysis leads to in-depth learning and possible testing and experiments which companies conduct to test the viability of their offerings.

Testing and experimentation was identified in all the born digital companies, for example Lifesum, experiments with different software versions utilizing A/B testing (Interview 3) and Spotify utilizes beta testing in its platform (Interview 4). Regarding gathering feedback from testing and experimentation, the companies are able to identify whether customers like the new changes, such as with Discover Weekly at Spotify or Facebook live Q&A session offered by Natural Cycles. As a result of the testing and experimentation process, companies can improve their offerings to the customers, measure their success through KPIs and tailor experiences to engage with their customers.
6. CONCLUSION

This chapter draws the conclusion of this research, suggests recommendations for the case study company, followed by the limitations and potential future research in this field.

6.1 CONCLUSION

The purpose of this research is to answer the research question, “what best practices among traditional and born digital companies can lead to improvements of the post-purchase phase offerings of a traditional company in the white goods sector?” This was done through a literature review to understand the state of the art in the industrial management field with focus on innovation management and marketing, an investigation into the case study on Electrolux, a desk research with three traditional companies and interviews with eight born digital companies. The findings were compiled and learnings extracted for the case study.

With a focus on improving customer engagement, digital transformation brings opportunities for companies by providing new means of gaining in-depth knowledge about the customer, enhancing marketing and sales activities with streamlining processes and interacting with customers through different channels. To achieve this, digital capabilities must be used to allow extensive data analysis and provide an overview for the company with a customer perspective.

In terms of marketing, it was identified that due to digital transformation, companies are broadening their omni-channel approach by offering new online communication tools. For example, the use of social media leads to a digital relationship which gives customers the ability to communicate back to companies and share their own experiences in regards to the company to other (potential) customers. This access to information makes it even more vital for companies to ensure they deliver a good experience to promote positive word-of-mouth.

Electrolux is undergoing digital transformation in regards to customer engagement. The company strives to have a closer relationship with its customers in the post-purchase phase. To do that, the company highlighted the need for additional capabilities, which were explored in this research. The findings identified that Electrolux has a similar level of post-purchase offerings to traditional and born digital companies. Although the number of offerings was lower for born digital companies, it was identified that born digital companies have good engagement with their customers. The reasons behind this engagement through fewer channels was identified and as an outcome, the researchers developed a substantive model for traditional companies in the white goods sector (i.e., Electrolux) that presents on a high-level the process of how a company can deliver personalized and data driven experiences to their customers.

Considering Electrolux continues to deliver high quality products and develop a quick learning culture, the researchers believe the substantive model developed will allow the company to gain in-depth knowledge about their customers, which will let them identify the various customer profiles, their likes, dislikes and needs, for example. The focus on the customers will enable Electrolux to provide personalized offerings and experiences to them, which will lead to greater customer satisfaction and engagement. The expected result is an increase in repurchases and in brand loyalty.
Overall, the key learnings from this research is that, due to digital transformation, companies are now able to capture more data about their customer from different sources. By having the digital capabilities to transform this data into knowledge, companies can offer better products and personalized experiences which could lead to higher profits or customer retention. To achieve this, companies must have a culture that encourages employees to try new things in an agile environment.

6.2 Recommendations

Based on the findings from the case study and the substantive model created by the researchers, the following recommendations are provided for Electrolux to improve its post-purchase offerings:

Data Analysis

Through the case study investigation, it was identified that Electrolux should invest heavily in digital capabilities, which will allow the company to conduct rich data analysis to gain in-depth knowledge about their customers. Electrolux should evaluate whether it has the tools to gather and analyse data from the omni-channels used to interact with customers and from its products. Additionally, it is recommended that the company invests in a team of data specialists who would analyse the data by developing algorithms that provides knowledge about the customer. Furthermore, the definition of KPIs related to customer engagement is highly suggested since it will give an overall view about Electrolux’s post-purchase offerings based on the customer perspective. The information gathered can be used for different departments at Electrolux to improve its products, services and offerings.

Personalization

As a result, from the information gathered through data analysis, Electrolux would have the ability to tailor experiences for its customers. It is recommended that the company uses this knowledge to understand the difference between their customer types, geographical and market segments. The existence of different customer segments is highly suggested for the company. It would allow Electrolux to identify their customer’s differences in needs and expectations, also the ways they want to interact with the company. For example, when BMW engages with its customers, the company utilizes different methods until it finds the one that is most suited to the individual customer. Specifically, if a customer is called and never answer, but always reply to e-mails, the company recognizes this and communicates solely through e-mails within this customer.

This example showcases the possible understanding a company can have about their customers. Having said that, Electrolux should know who their customers are and their preferences. Then review the strategy behind each offering and personalize the content and language when necessary.

Training

As identified in the desk research, companies invest heavily in training their employees that are in contact with the customers. The reason for this is that the employees who interact with the
customers represent the brand, and the companies want to ensure that they are providing the best service and taking the opportunity to educate the customers.

It is recommended for Electrolux to add to their service technicians training programs with elements on how to deal with people and how to handle complaints when they do home visits, for example. Also, the researchers argue that this is a good opportunity for Electrolux to educate their customers by explaining not only the basics of how the appliances work, but also tips to optimize their usage. This best practice is seen in Miele and Nespresso.

**Quick learning culture**

As Electrolux has recently added a B2C focus, it is recommended that they take a customer-oriented approach, putting their customer at the centre of all their business actions. Moreover, to optimize the level of learning in shorter periods of time, it is recommended that the company run tests with small customer segments to identify whether to keep or scrap new ideas. New ideas should come from data analysis, innovative ideas from the team and also from analysing what others are offering in the market.

It is understood that Electrolux, as a traditional company in the white goods sector, has had its culture ingrained for over 90 years. Therefore, there is a challenge to implement the culture identified in born digital companies. Ideally, the culture change should come from the C-level, however the researchers believe that if the Digital CRM unit adopts this change and gets positive results, it could begin to spill-over to the Digital Marketing and, hopefully, to other departments.

### 6.3 LIMITATIONS

The researchers carried out a holistic approach when conducting the research, however some characteristics have impacted or influenced the interpretation of the research findings. As the research follows the interpretivist paradigm there are limitations that arise. Namely, the subjective nature of the approach and the inherent bias from the researchers. For instance, the interactions with the interviewees could be unconsciously guided or biased by the researcher’s personal views and values.

Additionally, the research was bound by a limited timeframe. Meaning that although findings were extracted through the literature review, direct observation, desk research and interviews, the insights are based on a time constrained, limited access, knowledge from the traditional companies and a small sample of born digital companies.

Moreover, as this research selected the qualitative approach to carry it out, it is dependent on the researcher’s ability to decode information collected from various sources and interpret it. In the specific case of interviews, it must be noted that the interviewees provided information from existing beliefs on the topic and thus potential bias can be recognised. Additionally, Boyce and Neale (2006), claim the success of the interview method of gathering data hinges on how experienced the researchers are, thus the interview process itself may skew findings if this research was carried out again by different researchers. Concluding, the research findings may
be biased by the geographical limitation placed, binding the study to the born digital companies within Stockholm, Sweden.

6.4 Future research

Future research can focus on the post-purchase phase, as the researchers identified a lack in the literature review. Potential research focus could be on the quality of offerings in the post-purchase phase: focus on a specific channel strategy, explore how customers are communicated to, what type of content is provided, and how is the engagement with customers.

Furthermore, a research suggestion would be around KPIs and their ability to measure the customer engagement effectively in companies. Additionally, research on the definition of customer needs and the creation of customer persona is suggested for this case study, identifying how each customer segment wants to be interacted with in the post-purchase phase.

Lastly, two suggestions of future research can focus on the growth of born digital companies. Firstly, to specifically identify whether born digital companies can continue to personalize their offerings in the post-purchase phase and have a close relationship with their customers. Secondly, if these companies are able to maintain a quick learning culture as they grow.
REFERENCES


Miele. (2017f). Troubleshooting Guide. [online] Available at:


large Nordic retailer.


APPENDIX

APPENDIX A: LITERATURE REVIEW – COGNITIVE DISSONANCE

Cognitive dissonance (i.e., post-purchase doubt) is a theory exploring the post-purchase phase of consumption, where customers experience tension following their decision to purchase (Etzel et al., 2001). Theory suggests that there exists a greater risk for dissonance to arise following the purchase of a high commitment product (i.e., products that involve a high price) (Etzel et al., 2001). This dissonance is experienced in the form of post-purchase doubt or concern about the wisdom of the purchase (Strydom, Cant and Jooste, 2000). The concept of cognitive dissonance is significant as it highlights the fact that companies in the white goods sector need to monitor the post-purchase phase satisfaction and actions of their customers. The customer’s satisfaction or dissatisfaction will influence their future behaviour and provoke positive or negative responses in regards to the brand (Strydom, Cant and Jooste, 2000).

The effects of the post-purchase phase and the potential result of cognitive dissonance serves several functions; firstly, it aids to broaden customer's set of experiences stored in memory, provides a check for how well the customer is doing in their selection of products, the feedback received from these stages helps customers in making adjustments in future purchasing strategies. Thus the post-purchase phase serves as a tool to focus on customer engagement and prevent customers from feeling remorse or other negative feelings about the purchase. In doing so companies will create happy customers who have the potential to translate into loyal customers.
APPENDIX B: INTERVIEW SET

1. In own words, could you describe what your company does?
2. What is your title in the company?
3. Could you briefly describe what you do?
4. Who is your target customer?
   
   Probe: Is this the only customer profile you have?

5. (For Freemium business models): When does the moment of sale occur?
   
   Note: Is the sale when a user downloads the app for free OR only when they upgrade to the premium version?

6. How does your company add value to its customers?
7. How do you engage with your customer in the aftersales?
8. In the after-sale phase, what are the moments of interaction with your customers?
   
   Note: For example, e-mails, newsletters, social medias etc.

9. In our literature review we came across various moments of interactions. We will name a few, and please let us know if you offer them or not.

   Table available in Appendix E.

10. In your opinion which of these tools are the most effective for your startup?
11. Why do you think these are the most effective tools for your startup?
12. How do you capture data from the customers in the after-sales phase?
   
   Note: For example, do you use software? how many people click on the newsletters and how far do they go in the website? how is this data used?

13. How do you analyze data from the customers in the after-sales phase?
   
   If not mentioned ask: Do you collect feedback from your customers in the after-sales phase? (If yes: How do you act on this feedback to improve?).

14. How do you measure your customer experience? Do you have KPIs to measure that?
15. When you are evaluating your customer experience department, which company do you look at as a hero or model of how you can improve your customer experience?
16. From everything that we discussed so far, how do you work to improve your customer engagement in the after-sales phase?

   Note: For example, by looking to other companies, how do you define what is relevant for you? Is it based on your own judgement or customer data?

   Probe: How do you test these new offerings?
Note: For example, do you have a test group? Or do you roll it out to everyone?

17. How do you measure your Customer Experience?

  Probe: What KPIs do you use? Do you use NPS?

**Quote:** We are about to end, but before we would like to read two sentences based on our literature review and get your opinion about them:

“The global market has entered an experience economy, which means companies are no longer differentiating and competing based off the physical product elements but rather differentiate themselves based on offering the best experience to their customers” (Pine and Gilmore 1998).

18. What are your thoughts about this quote?

19. How is it applicable to your company?

Do you have any questions?

Thank you!
## APPENDIX C: INTERVIEW – WHAT DOES YOUR COMPANY DO?

<table>
<thead>
<tr>
<th>Company</th>
<th>What does your company do?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detectify</td>
<td>“We provide a software as a service solution, which means that everything is web based. We have this product, or the tool we call it, for conducting automated hacker attacks against websites to identify potential vulnerabilities in their system. By doing so, we can help our customers to identify and fix vulnerabilities in their system before someone ill willed does. So, practically we try to make an easy to use tool modern interface that people want to use and also to help them prioritize what they need to fix. Moreover, we also have a suggested solution, so we educate our users to become more aware of areas of improvement”.</td>
</tr>
<tr>
<td>Lifesum</td>
<td>“It’s a health company and we try to help people living a healthier and better life. In the beginning it was more of a calorie counter but we are going in the direction of getting people to live healthy, move more, eat better, sleep better, etc. The whole package, basically.”</td>
</tr>
<tr>
<td>Spotify</td>
<td>“I would say Spotify provides music to millions of users through its music platform and that’s a platform that is accessible via mobile device, also desktop and other home devices, so PlayStation, via your TV…there is some car functionality as well. So it is a service that provides music to the world”.</td>
</tr>
<tr>
<td>Swedish Stockings</td>
<td>“We are the first stocking or pantyhose company who offers stocking made of sustainable material and production process, and so on. It is just stocking, but it is an accessory that we would like to see as more than that. We try to put also stockings as the “it factor” in your outfit…stockings and socks. That’s basically what we offer to our customers”.</td>
</tr>
<tr>
<td>Sqore</td>
<td>“Basically, we have two sides at Sqore, we deal with university and corporates. For corporate, it is a recruiting tool and for university it is a marketing tool to find students that can apply, and via that we have an incentive like scholarship or grant that one of the lucky students can win through the opportunity. What we are trying to do is to engage and validate the candidate for both jobs, internships, scholarships and sometimes cash or travel prizes as well”.</td>
</tr>
<tr>
<td>Virtusize</td>
<td>“Virtusize is a virtual fitting tool, which helps you find the right size and fit when you shop for clothes online. And the way we do it is by letting the consumer compare a garment she is looking to buy with a similar garment she already owns. And the idea is that I typically know exactly how these pair of jeans fit me or this sweater I know exactly how it fits and then it becomes a pretty good reference point to illustrate how another pair of jeans or another sweater would fit me, so that is what we do. The way we do it is by making two dimensional silhouettes completely according to scale of the two garments so I get a pretty good understanding of how it fits”.</td>
</tr>
<tr>
<td>Starstables</td>
<td>“We are the biggest online MMO (massively multiplayer online) horse game. We are targeted at girls only...mainly at girls, which no other game does. We have an audience of females, it’s random (age), but we try to aim it for teenagers or tweens. Tweens is the main target but depending on the country, we have middle aged women as players as well”.</td>
</tr>
<tr>
<td>Natural Cycles</td>
<td>“In my own words, we are revolutionizing contraception market and the health care business, we are such a new product: we are an app but also contraception. But it is also new in a sense that before you would have to put something in your body...you would have to take a pill, and now, with Natural Cycles, you have to get to know about your body”.</td>
</tr>
</tbody>
</table>
APPENDIX D: DESK RESEARCH – WHAT DOES THE COMPANY DO?

Miele: Miele is a German manufacturer in the premium segment of domestic appliances for cooking, laundry, floor care and in the professional segment for medical facilities and commercial operations (e.g., washer-disinfectors, thermal disinfectors and industrial part cleaning) (Miele, 2017j). Founded in 1899 by Carl Miele and Reinhard Zinkann, the company has always been owned and run by the two families. When the founders made the first equipment the motto was "Immer Besser", which means "Always Better". Since then the company aimed to offer high-end products to its customers and this mind-set is still part of Miele's culture today (Miele, 2017k). The company has 18,370 employees distributed in 46 countries worldwide (Miele, 2017l), and during the business year 2015-2016, the firm achieved a sales volume of €3.71 billion (Miele, 2017m). The company's strategy is based on the core value of sustainability. This concept relies on the responsibility the company has with the environment, employees and quality awareness (Miele, 2017n). Miele's appliances are designed to fulfil customer needs and also to deliver high performance, by using as little chemicals, water and/or energy as possible in the usage phase (Miele, 2017n).

BMW: BMW Group is a German car manufacturer founded in 1916, with its headquarters in Munich. It was founded 100 years ago for the production of aero engines and now its products range from cars to motorcycles (BMW Group, 2016). The group consists of the brands BMW, MINI Cooper and Rolls-Royce (BMW Group, 2016) and in the year 2016 employed approximately 124,729 employees, with 43 sales subsidiary locations worldwide (Statista, 2016). The BMW brand sold 2,003,359 units in 2016 and reported a strong performance from all brands. In 1997, the group commissioned the first customer report which identified a need to diversify and compete in the market beyond physical offerings. Its memo to employees stated that “gaining a new customer is five times more expensive than retaining an existing customer” (Ötvös and Diederichs, 1997 p. 280). The value of this report for this investigation is that it highlights a critical shift in thinking that occurred within BMW: this realization that they had to adapt elements in the post-purchase phase in order to maintain a competitive position in the market.

Nespresso: Nespresso was founded in 1986 under the Nestlé Group and the company’s core concept is to allow every user to create the ideal cup of espresso coffee in their own home: the taste is designed to replicate a fresh barista coffee (Nespresso, 2017e). Over 30 years, Nespresso has shaped the global coffee culture with its strategy that is based on three key components: to conceive premium coffee capsules, to establish long-lasting relationship with its customers through Nespresso Club and to conduct their business in a sustainable way (Nespresso, 2017e). The company has a direct-to-customer approach, it is present in 64 countries, has over than 12,000 employees worldwide, over 5 million Facebook fans in their social media and daily visits of 340,000 customers in its e-commerce platform (Nespresso, 2016; Nespresso, 2017a) [information regarding the financial status of the company was not disclosed – in Nestlé Annual Report the only report presented is for the Nestlé’s activity in the beverage industry, not limited to the Nespresso brand].
### APPENDIX E: LIST OF POST-PURCHASE OFFERINGS

<table>
<thead>
<tr>
<th>Post-purchase offerings</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Warranty</td>
<td>Warranty for product that comes when customers purchase the products</td>
</tr>
<tr>
<td>Extended warranty</td>
<td>Additional warranty that customers can purchase from the company</td>
</tr>
<tr>
<td>Free telephone assistance</td>
<td>Free telephone number that customers can use to contact</td>
</tr>
<tr>
<td>Paid telephone assistance</td>
<td>Telephone number that customers can use to contact by paying local fees</td>
</tr>
<tr>
<td>Contact customers for improvements</td>
<td>Company contacts customers for feedback and potential improvements</td>
</tr>
<tr>
<td>Physical touchpoints</td>
<td>Any type of face-to-face interaction with customers (e.g., stores and company visiting customers or events)</td>
</tr>
<tr>
<td>Online chat</td>
<td>Company provide live chatting services through the website</td>
</tr>
<tr>
<td>Email: Newsletter</td>
<td>Newsletters or other content sent on a regular basis through emails</td>
</tr>
<tr>
<td>Emails: Anniversary/Milestone</td>
<td>Personalized content for customers, such as birthday or milestones related to the usage of the product/service</td>
</tr>
<tr>
<td>Social Media: Instagram</td>
<td>Company has Instagram account</td>
</tr>
<tr>
<td>Social Media: Facebook</td>
<td>Company has Facebook account</td>
</tr>
<tr>
<td>Social media: Twitter</td>
<td>Company has Twitter account</td>
</tr>
<tr>
<td>Social media: Snapchat</td>
<td>Company has Snapchat account</td>
</tr>
<tr>
<td>Social media: Blog</td>
<td>Company has a blog</td>
</tr>
<tr>
<td>Social media: Others?</td>
<td>LinkedIn, Youtube, Pinterest, etc.</td>
</tr>
<tr>
<td>Video: How to...</td>
<td>Explanation videos about using the product</td>
</tr>
<tr>
<td>Video for any other purpose</td>
<td>Videos used in other phases in the customer journey with different contents</td>
</tr>
<tr>
<td>Reward programs</td>
<td>Programs that give customers extra value for buying from the company or contributing with content</td>
</tr>
<tr>
<td>Community/Club</td>
<td>Platform where customers are interacting with the company and/or other customers</td>
</tr>
<tr>
<td>Referral system</td>
<td>Customers get a value from the company by bringing new customers</td>
</tr>
<tr>
<td>Discounts/Special offers</td>
<td>Discounts and special offers for customers</td>
</tr>
<tr>
<td>Online registration</td>
<td>Online platform that allows customers to register their products and get value from that</td>
</tr>
<tr>
<td>Online order</td>
<td>Company’s e-commerce platform where customers can buy the core product(s) of the company; or purchase through other website/webshop (e.g., App Store).</td>
</tr>
<tr>
<td>Suggestive selling</td>
<td>Company suggest a specific service/product based on the knowledge it has about the customer</td>
</tr>
<tr>
<td>Feedback polls</td>
<td>Surveys, e-mails, questionnaire, etc.</td>
</tr>
</tbody>
</table>