

# Customer Journey and Experience Canvas

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## Abstract

A need to respond to changing legislative requirements, rising expectations from customers and shortages of suitably experienced staff are forcing non-profit organisations in the aged care sector to change. As new customer segments emerge and the existing aged care offering becomes less relevant, organisations must rethink the value they present to market, and adopt innovative strategies and approaches to care delivery in order to have a sustainable future. This paper presents a framework for unpacking a customer journey and experience, developed during a longitudinal study of a non-profit organisation redefining their core purpose and attempting to design a customer-centric business model.

**Keywords:** *Competitive advantage, social value, deep customer insights, customer-centric.*

## 1 Introduction

Organisations in the aged care sector have been driven to review and redefine the services they offer, and the way in which they are delivered due to an increasingly discerning customer base, major regulatory changes and a rapidly ageing population [1–3]. For organisations to be sustainable beyond this phase of industry reform they can no longer simply present the same offer to a changing market [1]. Innovation has therefore become a key emerging capability to address the gap between current models and customer expectations [3]. Under these pressures understanding where an organisation is required to focus its innovative efforts is typically the first challenge to address.

The research problem relates to aged care providers' attitudes towards the ageing population, an increasingly diverse customer base, legislative demands, and the inherent challenges of responding to these issues. Traditionally change of this magnitude has been seen as a risky endeavour [4] and often treated as a challenge when it could be seen as an opportunity. Forward-thinking organisations now have the opportunity to innovate their value offering and define customer experiences that are distinct from the traditional care offering.

This research presents a customer-centric innovation approach developed by a non-profit aged care provider responding to the change drivers in the aged care sector. Specifically, this paper will outline the development of a tool utilised by the researchers to unpack the experience of a customer on a conceptual journey through an aged care offering.

## **2 Literature Review**

### **2.1 Industry Background**

In addition to growing demands from government to drive down the cost of care and strengthen health outcomes, the industry must also respond to the increasingly diverse range of needs exhibited by a progressively informed and discerning customer base [2,5]. The relative homogeneity of the traditional aged care offering presents opportunities for new entrants and forward-thinking organisations to disrupt the market and innovate in order to establish a competitive advantage. Successful defence or growth of market share will require redefining the organisation's value offering from a base of deep customer insights [6]. Beyond this commercial impetus for change, there are opportunities for aged care providers to meaningfully impact the experience of ageing, and to address social challenges related to an ageing population [7].

Typically, non-profit organisations employ unique operational models that depend on numerous stakeholders for the resources needed to deliver services to their customers [8]. As organisations operating in the aged care sector are often heavily reliant on government funding, this relationship often creates a tension between responding to the needs of government as a primary stakeholder (that is, being government-centric) and responding to those of the customer (that is, being customer-centric); resulting in an unclear view of who the primary customer is and how their needs can most effectively be addressed [9].

As the issue of ageing is highly personal and unique to the individual it is expected that the techniques employed by a design-led approach to innovation will be particularly effective [10]. Utilising a design-led and co-designed approach to identifying and solving for a human and social problem is predicted to be more effective than the traditional approach of determining value based on internal insights alone.

Remaining relevant in a dynamic market is no simple task; to do so an organisation requires a robust and differentiated strategy and a culture which is aligned to it [11]. This is especially true when multiple change agendas must be addressed by organisations in order to do more than simply survive. It is important that a strategy developed for this purpose not only address the need for competitive advantage but do so by addressing unmet customer needs, and in this scenario, an existing relevant social or economic issue [12].

### **2.2 Design in Business**

By employing research techniques that allow for an empathic, deeper understanding of customers, and employing divergent thinking and creative techniques, practitioners are able to think about strategy in ways they usually do not [4]. In contemporary business settings characterised by extensive competition and technological change, organisations can gain competitive advantage if they maintain high levels of innovation [11,13]. However, applying innovative strategies is often seen to be beyond the reach of traditional non-profit organisations. Often in this context only incremental improvements are made, which is rarely effective in creating a sustainable competitive advantage [4,9].

Design thinking is a common term used to define how designers approach a problem and arrive at a solution [14–17]. This process typically begins with a holistic understanding of the problem that unpacks the customer’s needs, the end-user’s environment, social factors, market adjacencies, and emerging trends, etc. Design thinking looks beyond the immediate boundaries of the problem to ensure the right question is being addressed [4,16]. Indeed, utilising design has been proven as a valid method to help shape a company’s vision and strategy [17–19], and can be particularly valuable for organisations that are struggling to understand their market and to define or articulate a vision for their company.

Design has the capacity to form a framework that can facilitate change in a company by capturing relevant insights with consumers and leveraging them into drivers for change [20]. Being ‘design-led’ implies utilising a set of tools and approaches which enable a business to embed design thinking in the form of a cultural transformation [19]. From a business perspective this requires an internal vision for top line growth. For this vision to be realised it must be founded in a base of deep customer insights and expanded through all customer and stakeholder engagements, with each outcome being mapped across all aspects of the business [19].

### **3 Research Approach**

While embedded in a non-profit aged care organisation the primary researcher employed an action research approach to design and develop a tool for unpacking the customer experience surrounding engagement with aged care, and utilised this tool to capture deep customer insights. Action research was selected as the research approach for this study due to its ability to address complex real-life problems with which practitioners are immediately concerned [21]. As it is the purpose of action research to produce practical knowledge, and its wider purpose is to contribute through this practical knowledge to the increased wellbeing of individuals [22], it is particularly relevant in the context of this research. With these objectives in mind, this paper aims to contribute new knowledge and approaches for identifying, capturing and conceptualising opportunities for business model innovation based on deep customer insights.

#### **3.1 Research Project Context**

The initial phase of the research saw the organisation featured in this paper conduct an extensive study to unpack the current and future aged care landscape, as understanding the market space is integral in responding to change. This scope of work fell into two separate streams, customer segmentation and competitor analysis. The segmentation study captured qualitative and quantitative data relating to the needs, preferences, attitudes, behaviours and decision-making approaches of ageing Australians and their families. This resulted in rich qualitative and quantitative insights relating to the experience of ageing, as well as a segmentation model that clearly identified and described five unique customer segments and four unique ‘influencer’ segments. Initial stages of the competitor analysis saw the researchers utilise Osterwalder & Pigneur’s [23] business model canvas to evaluate the operating models of 30 aged care organisations, with the goal of understanding the value proposition of each organisation, identifying whether the organisation’s business models were aligned to their value propositions or whether it existed for marketing purposes, articulating unique operational elements, and categorising organisations with similar operating structures into clusters of similar approaches to capturing and creating value.

Following the customer segmentation and competitor analysis the researchers set out to design and facilitate a set of three focus group typologies, with the overarching purpose of

conceptualising alternative innovative value offerings for the aged care organisation. The three focus group typologies were Customer Journey Mapping (1 session), Customer Immersion and Ideation (5 sessions) and Customer Co-Design (5 sessions). Primarily, this paper focuses on the Customer Journey Mapping focus group, which was attended by 20 internal and external stakeholders to the organisation, including staff members and subject matter experts. Through a series of activities and interactive sessions, participants created a large-scale mapping of a person's experience of ageing, focusing on dimensions of the experience that were reported as being significant in the segmentation study findings.

### **3.2 Customer Journey Mapping Focus Group Approach**

The focus group was launched with the introduction of the three horizons model [24], where the first horizon was described as strengthening and defending the organisations current core business model, the second as growing through logical adjacencies surrounding the current core business model, and the third as redefining the core business by disrupting one's own model through customer-led innovation. It was then explained that while all horizons are relevant to the organisation, the outputs from the focus group should be oriented towards the third horizon.

Following this briefing the facilitator grounded the focus group in the findings from the customer segmentation study, and the current (and projected) challenges being faced by the aged care sector. A detailed description of the dimensions of life that were being impacted by the experience of ageing was provided and linked back to each of the customer and 'influencer' segments. Each team in the focus group (consisting of 4-5 members) was then given 10 minutes to select one customer segment and one influencer segment and respond to three questions which were extracted from dimensions of Osterwalder and Pigneur's business model canvas [23], these questions were:

- Value Proposition - List three value propositions (or service offerings) that might serve the needs of the segments.
- Customer Relationships- What types of relationships would these customers expect an organisation to have with them?
- Customer Segments - List the attitudes and needs of the segment (e.g. strong desire to learn new things) and which organisations are currently serving these needs?

The groups were then collectively allotted 5 minutes to present and discuss their responses with the other focus group participants. Following this activity participants were told that organisations in any given industry typically compete along four dimensions; cost advantage, customer intimacy, product/service leadership, and strategic assets. These dimensions were then represented on a diamond, with each corner of the diamond representing a separate dimension. Focus group participants were then given a demonstration of how organisations should be mapped across the four dimensions onto the diamond. As an example, five organisations from the automotive industry were then deconstructed and mapped onto the diamond in terms of their capabilities in each of the dimensions. In the same groups and structure as the previous activity participants were then given 10 minutes to map eight predefined aged care organisations (who were also competitors) on the diamond diagram. These were then presented by each group and the key differences discussed with all participants. Generally, it was found that most groups had very similar thinking in terms of the operational capabilities of each of the competitors. What stood out in this activity is that most aged care providers competed on an assets model rather than focusing on customer intimacy, which represented significant white space in the industry.

With the customer segments and operational models now comprehensively defined, the concept of experience co-creation was presented using several case studies. The facilitator explained that the customers of today are typically well-informed, connected, and empowered. They challenge the value of the products and services offered to them, along with the methods by which this value is delivered. Customers now expect to have unique experiences when interacting with organisations. One method for achieving this is experience co-creation, which challenges and transforms the paradigm in which customers and stakeholder communities engage with organisations. Focus Group participants were then given 20 minutes to apply the experience co-creation method to the operational model of a car dealership. Each group was tasked with considering the roles of the buyer and the dealer and designing a new value offering that would be more appealing than that of the current model. Finally, once each group presented their ideas it was explained that using experience co-creation without a focus and particular direction is a fruitless exercise; practitioners need to know where they wish to apply the methodology.

Each group was asked to consider eight predefined dimensions associated with an individual's wellbeing in later life. One of these dimensions was 'Plan my Retirement' (as seen in the tool illustrated by Fig. 1). The tool used in the last activity consisted of a set of larger circles (wagon wheels) which captured the range of life events and areas for exploration and smaller circles (lollipops) that aimed to unpack specific experiences under these broader themes. This was achieved by analysing the relevant (i) actors, (ii) segments' needs, (iii) platforms and interactions, (iv) DART, (v) distinctive capability, and (vi) economics surrounding each experience. The purpose of each slice of the smaller circles was to (i) identify the primary customer, secondary customer and relevant stakeholders, (ii) understand the needs and desires of the customer throughout each specific experience, (iii) articulate the channels in which the customer could be reached in terms of both potential interactions and platforms, (iv) unpack the experience through Prahalad & Ramaswamy's [25] DART model of value co-creation, looking at dialogue, access, risk and transparency, (v) identify the distinctive capabilities an organisation would require to operate in the space, and (vi) validate potential sources of revenue generation.

The groups were given 15 minutes per dimension to explore and unpack the unique experiences that could occur within each theme. The bottom frame of Fig. 1 depicts a scenario, within the focus group, where relevant dimensions were mapped out to enable the researchers to gain a clear understanding of existing offerings in the sector and identify 'white space', that is, where customers' needs were not being met. To conclude the focus group participants were asked to consider (i) what they have learnt about co-creation, and how they could apply it to their work; (ii) and what "white spaces" were revealed during the session, and whether any of these spaces and associated opportunities surprised them.



Figure 1 Wagon Wheels and Lollipops Tool

## 4 Data Collection

Four modes of data collection were utilised by the researcher; these consisted of participant observation, semi-structured interviews, focus groups and reflective journal entries.

### 4.1 Participant Observation

The methodology of participant observation is highly effective for studying processes, relationships among people and events, the organisation of people and events, and sociocultural contexts in which human behaviour unfolds [26]. Through participant observation it is possible to describe what goes on, who and what is involved, when and where things take place, how they occur, and why (from the standpoint of participants) things happen as they do in context specific situations [26]. Furthermore, participant observation can be utilised as a means to ascertain differences between what people say (for example, within the context of the semi-structured interviews collected), and what they do [27]. Taking the role of a participant also provides the researcher with a means of conducting fairly unobtrusive observations [26]. Typically, participant observation takes place during fieldwork, where a researcher observes events as they take place in real time.

Participant observation was employed in two scenarios; during the general day-to-day activities undertaken by the researcher as part of the embedded period of his study, and during interaction with stakeholders during the focus groups, in particular during Customer Journey Mapping.

#### **4.2 Semi-Structured Interviews**

Semi-structured interviews are a qualitative data collection strategy in which the researcher asks participants a series of predetermined but open-ended questions. The researcher has more control over the topics of the interview than in unstructured interviews, but in contrast to structured interviews or questionnaires that use closed questions, there is no fixed range of responses to each question [28]. The same questions were administered to all respondents. This allowed the researcher to link the interviews without restricting the subject of discussion, allowing participants have their particular line of thought pursued. As with Mark and Yardley's [29] method, the order of questions varied between interviews, and the probes were tailored in response to what each particular respondent said.

The semi-structured interviews used many kinds of open-ended questions. Some questions asked for relatively concrete information, while some asked for more narrative information. In addition to questions directly related to the concepts under investigation, the semi-structured interviews also used a variety of probes that elicited further information or build rapport through the researcher's use of active listening skills [28]. Twelve semi-structured interviews with staff members ranging between 40-70 minutes were conducted for this study. The questions were structured to explore: (i) in general, the participants' engagement and understanding of design in business context; and (ii) in a narrower setting, their understanding of the activities undertaken by the researcher, and more specifically the tools and frameworks utilised in the study.

#### **4.3 Focus Groups**

A focus group is a method of qualitative research in which a facilitator conducts a collective interview of participants from either similar backgrounds, demographic characteristics, or both. This approach created open lines of communication between individuals and relied on dynamic communication between participants to yield data. Focus groups offered the potential to uncover deep insights into participant's feelings and thoughts, in turn, offering more detailed and richer understanding of their perspectives on ideas or other tangible entities [30]. Focus groups are extremely versatile and diverse in terms of operation [31], and as such can be applied in a multitude of ways. While in total 11 focus groups were conducted, this research is primarily focused on the findings surrounding the Customer Journey Mapping focus group.

#### **4.4 Reflective Journal**

A reflective journal was kept by the first author as the final method of collecting data. Writing down ideas and reflections is not simply a means of capturing them; the act in itself stimulates further thought and is a means for keeping a study on a researcher's mind [32]. Through the use of a reflective journal, researchers are able to engage in ongoing dialogue with themselves in order to better determine what they know and more specifically how they believe they came to know it [32]. Through the use of a reflective journal, researchers are able to engage in ongoing dialogue with themselves in order to better determine what they know and more specifically how they believe they came to know it [32].

## 5 Findings and Discussion

The findings presented in this paper address the value of being customer-centric when designing new value propositions and corresponding business models, and the effectiveness of the Customer Journey Mapping focus group in a human services context. It was hypothesised that the nature of responses typically elicited by this methodology would allow practitioners to capture particularly deep customer insights.

The researchers found that while general conversation in the workspace was centred around issues in keeping people physically and mentally healthy, the issues raised by participants of the focus groups were focused on the social wellbeing of individuals, and their ability to remain active and productive participants in communities. One participant of a focus group stated that merely being in *“the live environment of that engagement was stimulating and probably brings more out of people than form filling or survey questionnaire filling”*, reflecting on the value of engaging with customers in a physical environment. Another participant, in reference to the initiative undertaken by the aged care organisation to design an innovative business model, shared that *“there have been many times in the project that there’s customer touch points but then there’s actually understanding the customer experience which is what ... using the lollipops and the wagon wheels ... was able to do”*.

In a semi-structured interview, in reference to the broader project encompassing the Customer Journey Mapping focus group, this was reaffirmed by an individual who said *“I think healthcare is an interesting one and I’ve only been in health care for six months so to see the project come to life so quickly, I was quite surprised, that we could get that deeper insight in such a short period of time”*. The same individual later built on this saying that *“in terms of one of the values of doing customer-led innovation is that it drew out deeper insights much quicker than traditional methods, based on my experience”*. Another individual offered that it was due to the social nature and implications of the issue discussed that the method was so effective, *“because it is a social problem and I think maybe that’s it, it is a social problem it’s not just, the drivers aren’t just financial or triple bottom line; it’s creating social value”*.

While interview participants unanimously agreed that a customer-centric approach is necessary in designing new innovative business models that allow the customer to become the locus of value creation, some challenges remained around ideation. It was observed that during the stages of conceptualising new opportunities participants of the Customer Journey Mapping focus group were often constrained by the current state of the operating model. Even when designing for an unmet customer need, it was seen that participants would restrict their thinking and dismiss ideas due to constraining regulation and a need to address government mandates. This could potentially be circumvented by better priming focus group participants, or through methods such as role-play which encourage creativity and more diverse styles of thinking. Regardless, focus group participants found the dimensions explored by the framework to be extremely valuable, particularly in identifying the ‘white space’ (where the unmet customer needs reside) in the aged care sector.

## 6 Conclusion

This paper offers a focus group approach for organisations to better understand their sector, customer segments, and emerging white space opportunities. Because of its highly sensitive and personal nature, and a certain reservation about openly discussing these types of issues, structured or formal discussions with customers surrounding the experience of ageing and aged care can often fail to go beyond descriptions of physical health, mobility and security. However, the researchers found utilising a customer-centric approach to be a particularly



effective method for capturing deep customer insights surrounding the higher order needs of individuals. It was also found that this approach and associated tools enabled the organisation to deconstruct the customers' journey and to identify white space for conceptualising new value offerings.

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