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THE CHALLENGES OF TOUCHPOINT MANAGEMENT OF TELECOMMUNICATIONS COMPANIES WITH EMPIRICAL ANALYSIS FOR THE REPUBLIC OF NORTH MACEDONIA

Abstract: The goal of touchpoint management is to create the best possible customer experience in a company, determined by customers' satisfaction and the development of innovative opportunities to improve service quality in all functional areas in the company's organizational structure. Nowadays, the development of information communication technologies has enabled innovative ways to get in touch with customers, so successful telecommunications companies pay great attention to customer experience and touchpoint management, as critical factors for customer retention.

The goal of the research in this paper is to explore the various touchpoints and the challenges of managing them in creating a positive customer experience for customers. In order to examine the influence of successful touchpoint management on positive customer experience and the increase of customer satisfaction, an empirical survey of the customers of the two largest telecommunications companies in the Republic of North Macedonia was carried out.

Key words: Customer experience, Touchpoints, Telecommunications companies, Customers, Customer satisfaction

JEL Classification: M31, O32

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Introduction

Touchpoint management enables efficient and effective communication with customers, while building long term relationships with them. The literature identifies six aspects of the communication process: message, communicator(s), dyad (relationship), interaction, context, and smart/technological device. For the communication process to be of a high quality and to enable a positive customer experience, there are a number of factors that companies should take into account when managing touchpoints, among which the most important are accessibility (preference and skills) and effectiveness (achieving the goal of communication)¹.

The possibility of managing the touchpoints appears when the customer has available several touchpoints for interaction with the company, as well as the possibility of their various combinations. The combination of touchpoints can be managed in different ways, depending on the specified parameters and barriers between the participants in the communication process.

Touchpoints can provide a lot of information, even more than the required amount. The communicator, in this case the telecommunication operator, is the one who decides how much data from a given touchpoint he needs and the customer will receive. If there is a need for the involvement of a human resource/employee in the touchpoint, then his abilities and skills can support the process of managing the touchpoints, in order to provide the customer with a positive customer experience.

The touchpoint mapping is an intuitive and easy way to understand customer experience based on touchpoints, from the management side of companies². By applying quantitative methods for data collection in the mapping process, a real insight into the customer experience of the customers in a given company is obtained.

The main goal of this paper is to identify the touchpoints that are crucial for a positive customer experience and the touchpoints that customers do not use at all or are dissatisfied with them and may be the reason for ending the cooperation with the company.

¹ Jensen, M.: Touchpoints, Time and Dyads: A case of Internal Organizational Communication, *International Journal of Multidisciplinary Academic Research*, 4(2), 2016, 21–33

² Halvorsrud, R., Kvale, K. & Følstad, A.: Improving Service Quality through Customer Journey Analysis, *Journal of Service Theory and Practice*, 26(6), 2016, pp. 840-867

1. CUSTOMER EXPERIENCE DEFINITION AND MAPPING

The concept of customer experience was established in the 90s of the last century. The customer experience can be viewed from two points of view: customer's side and company's side. Creating the best customer experience is a critical success factor for companies, because there is a high correlation between customer satisfaction and company revenues. Ensuring a positive customer experience requires a cross-functional approach throughout the organizational structure and its functions.³

In recent years, customer experiences are co-created by customers and the company, with customers being co-creators of the customer experience, not just passive recipients of what companies provide to them. Nowadays the customers have the power to influence the consumption decisions of others, to shape the internal processes of companies, and make suggestions for service innovation, design and delivered experience. Customer experience is one of the fastest growing areas today, managing the way customers visit and behave in-store. The key to success is the company to rely on touch, taste and hearing, to create experiences, manage expectations, emotional restraint and activate customers' memories.⁴

Several studies have raised awareness of considering the customer experience as input into the design and management processes.⁵ This input can be in different forms, such as mapping the customer experience, redesigning the customer experience in the internal organization of the company, co-designing the customer experience directly with the customers and satisfaction measurement of key customer experiences.⁶

There are five steps defined in the customer experience mapping process⁷:

1. Integrating customer history data available to companies, as well as customer feedback and past experiences.

³ Gulati, R.: Silo busting. Harvard business review, 85(5), 2007, 98-108

⁴ Hong, T.: *Customer Experience as a Competitive Differentiator in Subscription Services – Thinking Beyond the Paywall*. Helsinki Metropolia University of Applied Sciences, 2016

⁵ Halvorsrud, R., Kvale, K. & Følstad, A.: Improving Service Quality through Customer Journey Analysis, Journal of Service Theory and Practice, 26(6), 2016, pp. 840-867.

⁶ Rawson, A., Duncan, E. & Jones, C. (2013). The truth about customer experience. Harvard Business Review, 91, 90-98

⁷ Temkin, D. B., McInnes, A. & Zinsor, R.: Mapping the Customer Journey. Forrester Research Inc., 2010, 1-20

2. Development of initial assumptions about ways to improve customer experience, through analysis of interactions between customers and companies.
3. Researching the needs, perceptions and preferences of customers as a basis for improving business processes that include interactive points.
4. Analysis of the data obtained from the previous steps at an individual level, of each customer or each interaction, with special reference to how the interactions affect the perception of the brand.
5. Mapping the customer experience, i.e. translating the previously mentioned analysis into a simple map, thus obtaining final conclusions about the analyzed business processes, about the needs and perceptions of the customers.

As a result of customer experience mapping, the company should eliminate the reasons of the inappropriate and ineffective experience of customers who regularly interact with the company, that is, to redesign the customer experience. The implementation of the redesigned customer experience is an extremely essential and challenging step, which involves two changes at a high organizational level⁸:

- Modifying the organization and its processes to deliver excellent customer experiences; and
- Aligning metrics and incentives to support customer experience, not just touchpoints.

Embracing the new customer experience enables company transformation with cross-functional business processes and enabling bottom-up innovation.

2. THE CHALLENGES OF TOUCHPOINT MANAGEMENT

Nowadays, the globalization of the market and the development of information communication technologies have opened up many ways to get in touch with customers, so companies pay more attention to the management of touchpoints, especially the quality of the communication process and the relationship with customers.

⁸ Rawson, A., Duncan, E. & Jones, C. (2013). The truth about customer experience. Harvard Business Review, 91, 90-98

The term touchpoint originally comes from the field of business and marketing communications. In marketing, customer touchpoints are defined as points of contact with brand customers and many studies in the field of marketing communications have attempted to identify and study them.⁹ Touchpoints include verbal and non-verbal communication as a way of human expression of thoughts and feelings.

A touchpoint is defined as anything (area, point/set of points or surface/set of surfaces) in time and space in order to temporarily enable information sharing and connection of customers.¹⁰ Nowadays, people stay in touch using smartphones, social media, SMS, email, video calls, or multimedia messaging service (MMS). So, this means that touchpoints can rely on several media, but also on one or more channels.

Behavior with a certain level of communication is basically intentional. In the process of achieving specific goals, people tend to use specific actions that are highly complementary to their goals.¹¹ This combination is called the goal-action relationship and is the simplest way to recognize other people's intentions. People try to guess what other individuals intend because every person is goal-oriented in the process of communicating with others and always plans to reach personal goals with the help of communication techniques.

The touchpoint is also defined as the occurrence of direct contact between the customer and the actual product or service.¹² Touchpoints work in both directions, they can be recognized from the customer's perspective, as well as from the company's perspective. Therefore, it is crucial for the company to recognize the touchpoints from its own point of view, but also to get familiar the recognized touchpoints from the customers.

The touchpoint management allows gaining a comprehensive view of the customer experience, focusing on all touchpoints, because focusing on a few of them may not give the expected results. The complete customer experience designed today is typically a mixture of many touchpoints, live and

⁹ Lee, K., Chung, K. W., & Nam, K. Y.: Orchestrating designable touchpoints for service businesses. *Design management review*, 24 (3), 2013, pp.14–21

¹⁰ Jensen, M.: Touchpoints, Time and Dyads: A case of Internal Organizational Communication, *International Journal of Multidisciplinary Academic Research*, 4(2), 2016, 21–33

¹¹ Wilson, S. R.: Communication theory and the concept of „goal“. In: Whaley, B. B. & Samter, W. (eds.). *Explaining communication. Contemporary theories and exemplars*. London: Routledge, 2010

¹² Roto, V., Joutsela, M. & Nuutinen, M.: Brand Experience Goals Guiding the Design of Multiple Touchpoints. Presentation. Experience design for multi-ple customer touchpoints. Conference NordiCHI'16 on October 23-27. Gothenburg, 2016

digital channels, which imposes the need for a comprehensive view of the full orchestra of touchpoints. In other words, the goal of the touchpoint management is the creation of the best possible customer experience in a company, determined by customer satisfaction and the development of innovative methods to improve service in all functional units in the company's organizational structure (sales, marketing, customer care etc.).¹³

Touchpoints can be categorized in several ways, and for the purposes of this paper special emphasis is given to the categorization of touchpoints in relation to the purchase process. Knowing the touchpoints in the pre-purchase, during purchase and post-purchase stages is vital. To increase overall customer satisfaction, an excellent customer experience needs to be delivered across all touchpoints to meet customer expectations throughout their interactions with the company. This categorization is also used in the empirical research conducted in this paper.

Table 1. Categorization of touchpoints in relation to the purchase process

Before purchase	During purchase	After purchase
Social Media	Store/Office	Billing
Ratings & Reviews	Website	Transactional Email
Recommendations (WOM)	Catalog	E-mail Marketing
Advertising	Contact center	After sales support
Marketing/PR	Sales Staff	Online Help Center

Source: Survey Monkey (2022). *Identify Customer Touchpoints*. Available at : <https://www.surveymonkey.com/mp/identify-customer-touchpoints/>

2.1. Touchpoint management in telecommunications companies

For the purposes of this paper, we can define touchpoints as different points in the experience of contacts between a telecommunications company and its customers, including cognitive, emotional, behavioral, sensory and social components.¹⁴

From a company's business perspective, customer experience encompasses every aspect of a company's offering – the quality of customer care, but

¹³ Lotz, S., Raabe, J. & Roggenhofer, S.: The role of customer care in a customer experience transformation. *McKinsey on Customer Care: Excellence in the Digital Age*, 1, 2019, 1-7

¹⁴ Lemon, K. N. & Verhoef, P. C.: Understanding Customer Experience Throughout the Customer Journey. *Journal of Marketing*, 80 (November), 2016, 69–96

also advertising, product packaging and service features, ease of use and reliability. It is an internal and subjective response that customers have with any direct or indirect contact with the telecommunication company.

Customers and telecommunication companies today communicate through multiple channels and media, making the customer experience even more complex.¹⁵ For example, a customer may initially contact a telecommunication company through its website, then send an email, call the company, meet with a consultant at the point of sale, and after a week ask a question on the company's Facebook page. Telecommunication companies that manage to improve these interactions at all touchpoints throughout the customer experience, have a competitive advantage and are able to improve customer relationships.

The ease of interaction, as well as the quality of the interaction can be a determinant for implementing a successful touchpoint management strategy. In fact, touchpoint management generally requires close interaction between the telecommunication company and the customer. Successful telecommunication companies establish systems that facilitate this interaction, obtaining specific information needed to translate individual customer needs into specific product specifications. This results in a close company-customer base interaction, adding value to both the telecommunications company and the customer.

Several studies show that the two main drivers of customer satisfaction are product/service quality and interaction quality. To achieve a high degree of customer satisfaction, it is necessary, but not sufficient, to deliver high-quality telecommunication products or services. Telecommunication companies are also committed to creating and managing customer interaction points in a way that meets customer expectations.

We can conclude that touchpoint management is a relatively new marketing tool that aims to find, evaluate and control customer touchpoints by collecting customer feedback.

3. EMPIRICAL RESEARCH

The subject of research of this paper is the touchpoint management as a basis for a successful customer experience of the telecommunication operators present in the Republic of North Macedonia.

¹⁵ Rawson, A., Duncan, E. & Jones, C. (2013). The truth about customer experience. *Harvard Business Review*, 91, 90-98

The purpose of the research is to show the value of a successful customer experience and to explore the different touchpoints and the way of their management – which help in its realization. Good products and services are not enough for a business to be successful. To stand out, companies need to provide a heterogeneous (unlike the competition) yet successful customer experience for their customers. For the realization of the purpose of the research, a survey was conducted of the customers of the two largest telecommunication operators in the Republic of North Macedonia - A1 Macedonia and Makedonski Telekom.

The research question analyzed in this paper refers to the quality of the customer experience created by telecommunication operators in the Republic of North Macedonia, and how it affects the retention of their customers. Furthermore, the effects of appropriate combinations of multiple touchpoints that are expected to add value to business operations and increase customer satisfaction are analyzed. This leads to the following four research questions that are the subject of analysis in this paper:

1. What are the customer touchpoints in telecommunications companies?
2. Is the mass customization of telecommunications companies relevant to optimize customer experience?
3. Which touchpoints have a high probability of mass customization for the telecommunication companies and are most relevant to a positive customer experience?
4. What are the main touchpoints for which customers would recommend the telecommunications company through word of mouth (WOM)?

The empirical research consists of a quantitative analysis that was conducted on a random sample of 120 respondents - customers of the telecommunication operators.

The survey was conducted through an online questionnaire consisting of 19 questions and sent to respondents electronically. The collected results of the research were further processed accordingly in order to perceive the level of satisfaction of the respondents with the touchpoints of the telecommunication companies.

The survey questionnaire consists of two parts. Through the questions from the first part, the demographic data for the respondents were collected, namely gender, age, education and how long the respondent has been using the company's telecommunication services. In the second part, respondents on a Likert scale from 1 to 5 declared the influence of the touchpoints grouped in re-

lation to the purchase process, that is, whether they refer to before the purchase process, during the purchase process or after the purchase process. Respondents declare themselves with a grade from 1 - the lowest level of satisfaction, to 5 - the highest level of satisfaction with the touchpoint used by the company.

The results of the research on the touchpoints in the pre-purchase period show that respondents believe that the marketing/PR touchpoint has the greatest impact on their satisfaction, with an average score of 4.06 for all respondents, or 4.17 or 3.95 for the telecommunication operators Telecom Macedonia or A1. The next touchpoint that contributed the most to customer satisfaction was advertising, with an average score of 4.045, or 4.14 and 3.95 for the two telecommunication operators, Telecom and A1. The touchpoint ratings and reviews had the least impact on customer satisfaction, with an average score on the Likert scale of 3.825, or 3.94 and 3.71 for the two telecommunication operators Telecom and A1 respectively.

The respondents declared the following touchpoints characteristics of the stage during the purchase: store/office, website, catalog, contact center and sales staff. The analyzed data showed that the level of satisfaction of the respondents is the highest for the touchpoint of the store/office with an average score on the Likert scale of 4.155 and for the touchpoint of sale staff with an average score of 4.145. The height of the ratings for the individual telecommunication operators, Telecom and A1 were 4.37 and 3.94 respectively for the touchpoint store and 4.48 and 3.81 for the touchpoint website. The lowest level of satisfaction among the respondents was observed for the touchpoints catalog (3.63 in total, and 3.65 and 3.61 respectively for the two telecommunication operators Telecom and A1) and contact center (3.65 in total on the Likert scale and 3.9 and 3.4 on the same scale for operators Telecom and A1 respectively).

The analysis of customer satisfaction with touchpoints for the post-purchase period shows that the level of satisfaction was the lowest for the touchpoint e-mail marketing, with an overall average score on the Likert scale of 3.69, or 3.77 and 3.61 for telecommunication operators Telecom and A1 respectively. The remaining touchpoints received higher customer satisfaction scores from respondents, with the highest scores for billing with a total score of 4.035 and transactional email with 4.00. The specific scores for telecommunication operators Telecom and A1 are 4.22 and 3.85 respectively for the billing touchpoint, and 4.12 and 3.88 respectively for the transactional email touchpoint.

Conclusion

Customer experiences can be understood from a number of different approaches. If we sublimate them, we could define them as an approach that is widely used in all phases of design research and the management of services and products. Customer experience is a type of business innovation that cannot simply be copied, it is derived from the needs and desires of each company's customers and expresses its uniqueness.

Touchpoints include verbal and non-verbal communication as a way of human expression of thoughts and feelings. It is important to note that a touchpoint is not synonymous with a medium because it can rely on several media. Also, the touchpoint is not a technological device, because it can often be contacted without using devices, or by using more than one device at the same time.

A touchpoint is defined as anything in time and space that temporarily enables the sharing of information and the connection of entities. Each touchpoint has a certain availability, being transmitted from one communicator to another through one or several media. There are multiple categorizations of touchpoints, while this research paper considered touchpoints categorized by purchase, namely pre-purchase touchpoints: social media, ratings and reviews, recommendations (WOM), advertising and marketing/PR; touchpoints during purchase: store/office, website, catalog, contact center and sales staff; and touchpoints after purchase: billing, transactional email, email marketing, after-sales support and online help center. This categorization of touchpoints was implemented in the empirical research, and for them respondents declared their level of customer satisfaction.

From the results of the empirical research conducted on telecommunication services in the Republic of North Macedonia, it can be concluded that telecommunication operators use a combined mix of touchpoints from all three analyzed phases, before purchase, during purchase and after purchase of products and services.

From each group of touchpoints, it is noted that there are one to two points that have a significantly higher level of customer satisfaction, as well as that there are touchpoints that have a lower level of influence on customer satisfaction. It provides a good basis for improving the quality of part of the touchpoints by the companies, with the aim of further increasing their customer satisfaction and reducing the risk of leaving the company by the customers.

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ANNEX

Questionnaire

The questionnaire consists of 19 questions, of which the first 4 are for rounding, and the remaining 15 are for evaluation from 1 to 5 (1 - do not agree to 5 - completely agree).

First part: General data about the respondent

1. Gender

- A) Male
- B) Female

2. Age

- A) From 18 to 24 years
- B) From 25 to 35 years
- C) From 35 to 45 years
- D) More than 45 years

3. Education

- A) Secondary education
- B) Higher education
- C) Master's degree
- D) Doctorate

4. How long have you been a customer of the services of the telecommunications operator A1 Macedonia?

- A) From 1 to 2 years
- B) From 2 to 5 years
- C) More than 5 years

Part Two: Interactive Points

5. Please rate your satisfaction with the listed interactive points which are divided into three groups: before purchase, during purchase and after purchase.

	1	2	3	4	5
Before purchase					
Social Media					
Ratings & Reviews					
Recommendations (WOM)					
Advertising					
Marketing/PR					
During purchase					
Store/Office					
Website					
Catalog					
Contact center					
Sales Staff					
After purchase					
Billing					
Transactional Email					
Email Marketing					
After sales support					
Online Help Center					