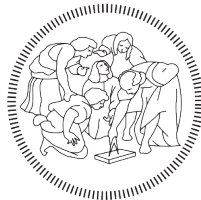POLITECNICO DI MILANO
School of Industrial and Information Engineering
Master of science in Management Engineering

POLITECNICO
MILANO 1863

# Leveraging institutions to envision new meanings: an empirical investigation in the Italian retail sector

**Advisor**: Prof. Emilio Bellini
**Co-advisors**: Federico Artusi, Alessandro Biffi

**Author**: Giulia Boffi 945319

Academic Year 2020/2021

*Alla mia famiglia,*
*alle persone che amo*

# Ringraziamenti

# Abstract

In an ever-changing marketplace, it is critical for companies to remain competitive by innovating. Over time, numerous innovation models have been proposed, each with different goals and guidelines. Innovation of Meaning is one of the most promising, since it allows to enter uncontaminated markets and to anticipate the evolution of consumer preferences.

However, such innovation lacks the necessary tools and useful guidelines to put it into practice. To date, the literature presents only a few key pillars at the strategic level. Among these, the importance of interpreting socio-cultural changes, which is essential in order to undertake a process of Innovation of Meaning.

Parallel to it, there is a model of innovation proposed in the literature that also suggests making innovation from socio-cultural changes and indicates how to respond to them by leveraging institutions. This model has shown promise and has been chosen as support for conducting an analysis of real case studies that have made Innovation of Meaning their strength. The aforementioned analysis was approached with the aim of creating new knowledge around Innovation of Meaning.

The retail sector was identified as the target market for the thesis and eight case studies were selected. Using as support the framework of innovation proposed in the literature, it was possible to map the selected case studies in a structured way and this led to the creation of a toolkit of best practices inherent to how it is possible to make Innovation of Meaning effectively.

In addition to being a potential source of inspiration for future Innovation of Meaning processes, this toolkit clarifies how socio-cultural changes have been interpreted and how retailers have been able to create value from these changes.

**Key-words:** best practices, socio-cultural change, customer experience, innovation, Innovation of Meaning, institutions, retail, store, innovation strategy

# Estratto

In un mercato in continua evoluzione è fondamentale per le aziende rimanere competitive facendo innovazione. Nel tempo sono stati proposti numerosi modelli di innovazione, ciascuno con obiettivi e linee guida differenti.

L'Innovazione di Significato è una delle più promettenti, poiché permette di approdare in mercati incontaminati e di anticipare l'evoluzione delle preferenze dei consumatori.

Tale innovazione manca però degli strumenti necessari e delle linee guida utili per poterla mettere in pratica. Ad oggi, la letteratura presenta solo alcuni key pillars a livello strategico. Tra questi, l'importanza di interpretare i cambiamenti socio-culturali, imprescindibile per poter intraprendere un processo di innovazione del significato.

Parallelamente ad essa, vi è un modello di innovazione proposto in letteratura che suggerisce anch'esso di fare innovazione partendo dai cambiamenti socio-culturali e indica come rispondere ad essi facendo leva sulle istituzioni. Tale modello si è dimostrato promettente ed è stato scelto come supporto per condurre un'analisi su casi di studio reali che hanno fatto dell'Innovazione di Significato la propria forza. La suddetta analisi è stata affrontata con l'obiettivo di creare nuova conoscenza attorno all' Innovazione di Significato.

Il settore retail è stato individuato come mercato di riferimento per la tesi e sono stati selezionati otto casi di studio. Utilizzando come supporto il framework di innovazione proposto in letteratura, è stato possibile mappare i casi di studio selezionati in maniera strutturata e questo ha portato alla creazione di un toolkit di best practices inerenti a come sia possibile fare Innovazione di Significato in maniera efficace.

Oltre ad essere una potenziale fonte di ispirazione per futuri processi di Innovazione di Significato, tale toolkit chiarisce come siano stati interpretati i cambiamenti socio-culturali e come i retail siano stati in grado di creare valore a partire da tali cambiamenti.

**Parole chiave**: best practice, cambiamenti socio-culturali, customer experience, innovazione, Innovazione di Significato, istituzioni, retail, store, strategia di innovazione

# Contents

1

# Executive Summary

## Introduction

The current business scenario is the result of a continuous social, economic and political evolution that characterizes and outlines a market of increasing competition. In this landscape, companies compete every day to remain attractive and are forced to continuously challenge themselves, evolve and innovate their offerings (Urbancová, 2013). Researchers have been challenged to develop new approaches, frameworks and guidelines that could support an innovation process.

Market Pull is one of them and identifies the user as the source of innovation and envisages starting an innovation process from the users themselves, asking them directly what their needs are and also observing them to understand how they interact with a product and/or service (Dell'Era & Landoni , 2014). Understanding the customer, their needs and habits is key to being able to achieve innovation under this approach.

Another innovation approach, widely mentioned in the literature is the Technology push, which suggests as the origin of an innovation process, an emerging technology or a new combination of existing technologies (Herstatt & Lettl, 2000).
Both innovative approaches, are not exclusive but can be adopted jointly. In fact, science and technology are indispensable in providing the trajectories of innovation, while demand is a crucial component in directing the trajectory to the right economic places (2012) .
In more recent times, a new way of doing innovation has emerged, the Design driven innovation or Innovation of Meaning (Verganti, 2008). Innovation is perceived at a higher level and aims at creating new reasons why people should use a product or service.
If on the one hand, the Market-pull approach aims at providing new solutions to problems existing in the market, this approach instead wants to create new meanings and therefore new reasons why a person should use a product or a service. Innovation of meaning is a great opportunity for companies, because it allows them to land in blue oceans market, where competition does not yet exist.

# Literature review

To date we lack an understanding of how it is possible to envision new meaning. Guidelines and framework are missing and just some key principles are described. These key principles can be summarised as follows: an orientation toward critical questioning, the interpretation of socio-cultural changes, and an inside-out approach where new meaning comes from the internal imagination of executives and designers (Verganti, Overcrowded, 2018).The source of innovation is therefore rooted in the interpretation of sociocultural changes. This Innovation in fact enables a change in the emotional and symbolic content of products through a deep understanding of the **broader changes in society, culture and technology** (Verganti, 2008).

Only by understanding socio-cultural changes thoroughly will allow to understand how people's habits, values and beliefs will evolve, and consequently allow us to question current meanings in order to propose new ones.

Although today the Innovation of Meaning is poorly described and lacks concrete frameworks and guidelines that can provide support, there is a framework of innovation developed in the literature by Koskela-Huotari and colleagues (2016), which indicate how a process of innovation can originate from the interpretation of socio-cultural changes.

The authors refer to the concept of institutions that represent the backbone of society, as they lead to define the social, economic and political context in which we live. So, when they refer to a socio-cultural change, they refer to a change of institutions and of institutional arrangements.

The authors suggest initiating a process of innovation by **interpreting the institutional changes of the external environment** and **responding to them by breaking, making and maintaining institutionalized rules of resource integration that characterize the internal environment** of a company.

The innovation framework therefore aims at leveraging socio-cultural changes to develop an innovation process. Such socio-cultural changes can also be labeled as megatrends (Kleinaltenkamp, Corsaro, & Sebastiani, 2018). The latter may challenge

the mode of action of the existing institutional arrangements and hence the ways that resource integration and value cocreation is performed within the specific service ecosystems. As a result of such tensions, megatrends tend to initiate the change of service ecosystems (Kleinaltenkamp, Corsaro, & Sebastiani, 2018, p. 610).

As can be noted, this model of innovation proposed in the literature, has a point in common with the Innovation of Meaning. Both originate from the interpretation of socio-cultural changes, but, while the framework proposed by Koskela-Huotari and colleagues (2016) is defined in a solid and structured way, the Innovation of meaning lacks guidelines that can lead its implementation.

The aim of this study will be to try to understand if it is possible to merge these two fields of research, adapting and shaping the framework of *Breaking, Making and Maintaining* to process of Innovation of Meaning, in order to build a support or a reference that can guide future Innovation of Meaning processes.

In particular, we will try to focus the analysis on the retail market and on the Innovation of meaning that can be realized within the retail offering.

In fact, the nature of this innovation makes it particularly suitable for the retail world, precisely because the latter is closely linked to the socio-cultural changes that determine the interactions between firms and their customers (Bellini, Dell'Era, Frattini, & Verganti , 2017).

Thus, the Research Question that will guide this analysis will be: *How to leverage institutional changes to envision new meanings in retailing?*

The objective will be to structure a process of Innovation of Meaning trying to adapt the framework of *Breaking, Making and Maintaining* to case studies of retailers that successfully implemented Innovation of Meaning.

In this way, it will be possible to shape and adapt the framework based on the evidence that will emerge from the analysis.

The intent is not to provide rigid guidelines and rules to follow, since Innovation of Meaning cannot be envisioned by following a strict path. Indeed, the intent is to provide a tool of support for the creative process.

# Research setting

For the purposes of the analysis, have been selected eight case studies of retailers who have made Innovation of Meaning.
As we will show in the following, each of them revolutionized the traditional meaning associated with the core offering.

Volvo Studio Milano revises the traditional meaning of a car showroom, offering customers a place to spend their free time, attending exhibitions and art shows or drinking a cocktail in a Scandinavian atmosphere.
Starbucks Reserve Roastery, revises the traditional reason that leads customers to go to a coffee bar and become a place where customers can live an exclusive experience, in a unique location, tasting coffee, as they would do with wine.
Apple store innovates the concept of electronics stores and recreates a place that, in addition to being a tribute to the brand, is also a place to learn and receive targeted and effective support.
Erbert challenges the role of traditional supermarkets and recreates a place where customers can shop consciously, buying healthy solutions, created ad hoc by expert nutritionists and produced in total respect of the environment.
Ikea changes the meaning associated with furniture stores and recreates a space where customers spend their free time, benefiting from the services offered by the store such as restaurant and relaxing areas. The layout of the store reflects this meaning and is built as a path that guides the customer through the different zones of the house and where the customer can play the role of an architect for a day.
Lush turns the meaning associated with beauty stores upside down, creating a totally new, fun atmosphere with appealing scents and colors. The products have original and fun shapes and the layout is evoking a bazaar.
Nespresso Boutique creates a space that is a tribute to the world of coffee and recreate a space that can be defined as a "Coffee Sommelier Boutique", where the consumer can taste and try new and exclusive coffee flavors.
RED Feltrinelli is a fusion of the literary and culinary worlds and customers can stop there for lunch, to buy a book, but also to relax or work. The two experiences are fully integrated with each other.
All these retailers have made Innovation of meaning their strength.

The aim of the analysis will be to acquire accurate and precise information on all the elements that characterize these stores. Subsequently an attempt will be made to elaborate what emerged in the light of the framework of *Breaking, Making and Maintaining.*

The reference to case studies that have successfully implemented Innovation of Meaning strategies will highlight the great potential behind it.

It will also shed light on new insights and some key design elements.

The meaning changes undertaken by each case study are shown in Figure A.

| Case study | Innovation of Meaning | |
| --- | --- | --- |
| | *From* | *To* |
| *Volvo studio Milano* | I go to a traditional car showroom because I want to **buy** a car, receiving **information** about the characteristics of the vehicles and their **costs**. | I go to the Volvo Studio Milano because I want to have a **good time**, having a coffee or a drink or seeing an **exhibition** or attending an **event** and **discovering** at the same time the Volvo culture. |
| *Starbucks reserve roastery* | I go to a traditional coffee bar because I want a **relaxing and informal** coffee service, to live a sense of community, when I am out and about for business or pleasure. | I go to Starbucks Reserve Roastery because I want to live an **exclusive experience**, in a **unique location**, **learning** about coffee, its characteristics and its different tastes. |
| *Apple Store* | I go to a traditional electronics store to **purchase** an electronic device, **compare offerings** from different brands, get **assistance** with repairs, or purchase **phone contracts** | I go to the Apple store to get into the **heart of the Brand**, to see the **latest releases**, to attend a **workshop** or to get targeted and **effective support**. |
| *Erbert* | I go to a traditional supermarket to do my grocery shopping and if I want to buy healthy and/or eco-friendly products, **I have to worry** about comparing different offers to see which is the most convenient. | I shop at Erbert's because I want to shop healthy and responsible and **I know that all the products are healthy and environmentally friendly**. I don't have to be careful about what I pick up because I know that every product is part of a food plan designed and studied by expert nutritionists. |
| *IKEA* | I go to a traditional furniture shop to buy furniture products that I **need** for my home, to evaluate different options and compare prices and quality with the support of personnel. | I go to Ikea to be **inspired** by the furniture and home environments created by architects and designers and to be able to step into the role of architect in total autonomy. |
| *LUSH* | I go to a traditional beauty store to **purchase** products that I **need** or that are **recommended** to me by the staff based on my needs. | I go to Lush because I am fascinated by the unconventional **atmosphere** of the store, the **colors** and the **scents** that the store exudes. I go to Lush because the store "aims at offering people, **playful awareness**, where the sustainability of products is expressed through the playfulness of the service" (Artusi and Bellini, 2020 pp. 9-10). |
| *Nespresso Boutique* | I go to a traditional coffee retailer to **buy** pods, machines or devices I need, looking for **value for money.** | I go to the Nespresso because I want to be **taken by the hand** and guided "through a journey in which the boundaries of the **different experiences** (buying selected coffee blends, relaxing in a lounge, drinking an espresso that can only be enjoyed in a bar) are separated by a blurred imaginary line" (Pinto et al. 2016 p.202). I go to Nespresso because it is a "**Coffee Sommelier Boutique**." |
| *RED Feltrinelli* | I go to a traditional bookstore to **purchase** books I've been looking for, **find inspiration** on the spot, or get **advice** from the staff. | I go to RED Feltrinelli because I want to read a book while drinking coffee, or because I want to take advantage of my lunch break to peek at the new releases...simply I go to RED because I want to "**Leave behind the chaos** of daily life and taking time to **enjoy books, food, and drink**" (Bellini et al. 2020 p.28). |

*Table* A: *Innovation of Meaning - From...To*

# Methodology

The *Breaking Making and Maintaining* framework, suggests developing an innovation process starting from the comprehension of the market institutions, and therefore of the socio-cultural changes, and to subsequently respond to them with three possible strategic actions of breaking making and maintaining of the internal institutions that govern the corporate- retail environment.

For this reason, the analysis that will be conducted, will be composed of two main phases.

In a first phase the main market institutions that have emerged in recent years will be defined.

In a second phase, we will enter into the merits of the single case studies, to understand how each retail has responded to these changes and therefore with what mix of breaking making and maintaining.

This second phase will be the most delicate one. An inductive analysis will be developed from the study of sensory experiences.

In order to develop this second phase and draw conclusions about the new institutional scenario that characterizes each retail, it will be necessary to make use of two main research techniques: **ethnographic research** and **interviews**.

The objective of the ethnographic research is to acquire as much information as possible about the interactions between store and customer and the design elements (i.e. layout, resources , services…) that characterize the store.

Interviews will allow for confirmation and enrichment of what has been observed through ethnographic research.

Due to the complexity of organizing meetings with the managers of each retail, it will be possible to benefit from the interviews only for the Volvo Studio Milano and Starbucks Reserve Roastery cases.

However, even if not all case studies will be supported by this type of analysis, this practice will be considered significant as it will help give even more value to the data collected through ethnographic research.

On these sensory experiences (i.e. ethnographic research and interviews), we will then attempt to model general definitions and concepts (Tani, 2021).

Overall, the analysis will not be based on numbers, axioms or theorems, but it will be a strictly qualitative analysis, so it is essential to be able to explain the research method adopted to give solidity to the analysis carried out.

To develop a robust and reliable analysis, reference will be made to an inductive approach developed by authors Gioia and Chittipeddi (1991). The approach proposed by the authors aims to support creative analysis, originality, and the development of new concepts ( Gioia, Corley, & Hamilton, Seeking Qualitative Rigor in Inductive Research, 2012).

Very often qualitative research has been criticized for being interesting and incisive, but questionable.

Therefore, the approach suggested by the authors, involves analyzing the data and organizing them into 1st- and 2nd-order categories to facilitate their subsequent convergence into a more structured form.

The collection of 1st-order data presupposes adhering faithfully to what is perceived from the outside and thus to the words of informants, in the case of interviews, or to identified store-user interactions, in the case of ethnographic researches. At this early stage there is no intention to group the data or simplify it, the only intention is to gather as much information as possible from the outside and identify as many categories of items as possible.

Later in the research it is necessary to begin to observe if there are similarities and differences between the data collected, to begin to reduce the number of categories observed and merge them together to reduce the quantity creating the so-called 2nd-order categories.

The categories identified must be given a name, a label, that in some way faithfully recalls what is perceived externally.

At this point, we look to see if further consideration can be given to the identified clusters to further group the categories into "Aggregate dimensions" ( Gioia, Corley, & Hamilton, 2012).

The Aggregate dimensions correspond to the macro-strategic actions.

The 2nd-order categories and Aggregate dimensions will be as generic as possible and free of any association with the retailer in question. The 1st order terms, on the other hand, will be subjective and specific.

Once the 1st order terms, 2nd order themes, and Aggregate dimensions have been created, then the basis for a data structure is in place.

In this way, through this "mapping", it will be possible to easily and intuitively represent the entire process that led from raw data to clustering at a higher and more abstract level.

Only once the data mapping is done, it will be possible to start making more general analysis and considerations on the collected data to understand if there are new concepts that have emerged.

In fact, at this point of the analysis it will be possible to establish a link between the strategic action implemented by the retailers, corresponding to the Aggregate dimension level, and the Breaking, Making and Maintaining dimensions. It will be possible to associate each aggregate dimension with the strategic lever that best suits it.

This final clustering will allow to have for each retail a general picture of which mix of Breaking, Making and Maintaining has been applied and which strategic actions have been implemented to concretize the mix.

# Findings

The first phase of the empirical research was dedicated to identifying the main market institutions. This shed light on the identification of a narrow cluster of the most significant socio-cultural changes (see Figure B). This cluster, will then be linked with the strategic actions implemented by retailers to understand how those retailers have responded to external changes.

The second phase of the research allowed us to get into the merits of each case study. Through the ethnographic research and interviews, it was possible to gather a significant amount of information regarding how the retailer responded to these market institutions and how they declined the dimensions of Breaking, Making and Maintaining in their offerings.

Moreover, thanks to the inductive approach previously illustrated (2012), it was possible to elaborate all this information in a structured and robust set of data.

| Mega-trend | Market institutions |
|---|---|
| Environmental and social sustainability | Increased purchasing awareness |
| | Transparent relationship among actors |
| | Green philosophy |
| Instant information access | Wiser consumer |
| | Rising customer expectations |
| | Deeper relationship among actors |
| Materialism hangover' | Authenticity |
| The Customer Era' | Space Valorization |
| | Profound Experiences |
| | Interaction |
| Digitalization | Assistance 2.0 |
| | Resource digitalization |
| | Rising customer expectations |

*Table* B: *Market Institutions*

In line with the methodology adopted for the research thesis, the findings will be presented below indicating for each retailer the macro-strategies adopted (Aggregate dimension) and the relative second-order strategies used to put them into practice.

The macro-strategies will be presented in the findings with specific labels (e.g. Store as a place to be, Integration of The offering...etc), while the second-order strategies will be introduced in a discursive manner and will serve to clarify the relative macro-strategies.

Starting with The Volvo Studio case study, it revealed as a Breaking action a Change in the role of the store, made possible by the elimination of the sales process. The role of the store is no longer to be a catalyst for purchases, but more of a place of exchange with the customer, where it is possible to encourage communication and mutual knowledge, so as to narrate the Volvo world. In this sense, the traditional role of the car showroom is totally revisited.

Among the Maintenance actions, the use of Transparent branding techniques emerged, through the sharing of brand values by organizing events and the use of interactive tools, such as virtual reality systems. This strategic action was identified as a maintainer action because it is an already established strategy in the retailer market.

Among the Making dimensions, several strategic actions emerged, including the Extension of the experience, made possible by the elimination of intermediaries in the customer-store relationship. The aim of this strategic action is to get to know the customer directly and be able to focus on the initial stages of the sale, devoting much effort and resources to the informational, cognitive and initial engagement stages.

Next to this strategy has also emerged a strategy of Integration of the offering, enabled by the offer of complementary digital activities and of additional services, like the restaurant.

Empowerment of personnel in another strategy emerged, facilitated by the introduction of new skills and by the adoption of a different approach by the personnel. The Volvo studio personnel are highly qualified and are called Wizards. They are true product engineers, able to describe all the details of Volvo's products to the customer.

The last strategy that has emerged, is the creation of a Store as a place to be. This strategy refers to the fact that the store loses part of its functional nature, to become instead a place to stay as long as possible just like in a museum. The main actions taken to implement such a strategy are to leverage the design of the store, as in the case of Volvo, where the store is modern, attractive and totally Swedish-inspired.

The mapping of Starbucks Reserve Roastery, made it possible to identify several Making levers, including Empowering flexible experiences, made possible by the creation of a space at the total disposal of the customer, where the latter is free to shape its own experience, without constraints and without rigid patterns to follow.

Integration the Offering is another strategy that has emerged, made possible by the reinforcement of the core offerings, through the offer of services connected to the world of coffee such as the possibility to taste and enjoy different types of coffee, and by the offer of additional services, such as the lounge bar, always inspired by the world of coffee, the bakery and the area where it is possible to choose and buy coffee beans to take home.

Finally also here has emerged the strategy of Store as a place to be, made possible by three main levers. The integration of the production process with the store layout that makes the store a place to be admired, the creation of a multi-sensory experience and the homage to Italian culture. Among Maintaining strategies, Product enhancement

emerged, made possible by the great focus placed on the core product and by making the customer more familiar with the world of coffee. Coffee is the main subject of any activity and offer inside the store.

The Apple Store case brought out two Making actions: the Empowerment of the personnel, made possible by the introduction of the Genius staff, equipped with new skills and a confidential and friendly approach, and the creation of a Store as a place to be, made possible thanks to the attractive design inspired by the product and the creation of a place that is a reference point for enthusiasts. Then also the Integration of the offering is present in the Apple case, made possible thanks to the introduction of the Genius Bar platform, that allows to offer a 2.0 assistance targeted on each customer, and the complementary activities offered to the customer, such as training and learning courses.

Finally, the Empowerment of flexible experiences was identified, made possible thanks to the freedom given to the customer when visiting the store.

Among the Maintaining actions, the Facilitation of the customer experience emerged, made possible by the support and assistance activities offered to the customer.

Erbert's analysis identified as a strategic lever of Breaking a Change in the role of actors involved, particularly in consumers, who are given the resources and information needed to become "Nutritionists for a Day".

Among the strategic levers of Making, two of the actions previously emerged are confirmed: the Integration of the offer, through the integration of a bar, and the Empowering of personnel, that is no longer composed only of salespeople, but also of expert nutritionists.

Also in the Erbert case, strategic levers of Maintaining emerged. Among these is the adoption of Transparent branding techniques, made possible by sharing brand values with the customer either directly, through interaction with staff, or indirectly, through the use of resources that reflect those values, such as fully compostable package labels. Maintaining levers also include Facilitation of the customer experience, through support and assistance provided to the customer and Product enhancement, whereby the product reassumes a leading role in the customer experience, either through direct sharing of information about it with the customer or through a product focus that is

conveyed in the design of the packaging and in the minimal and essential store layout to give visibility to the product itself.

From the mapping of Ikea, strategic actions have emerged belonging to all three levers of Breaking, Making and Maintaining.

As far as Breaking actions are concerned, there is a Change in the role of the actors involved, made possible by the change in the role of the customer, who goes from passive to active and by the identification of the latter in the role of Architect for a day. When the customer enters the store he is given a pencil, a tape measure and a sheet of paper so that he is free to take measurements and become an architect for a day.
Among the levers of Breaking there is also the Change in the role of the store, which allows an interaction with the customer through digital tools and devices and which is realized as a path that accompanies the customer between the various areas of the house.
Among the levers of Making emerges an Integration of the offer, through the introduction of complementary activities, as events and workshop, and through the offer of additional services, like bar and the market. Then a Store as a place to be strategy has emerged, made possible by the creation of a comfortable atmosphere, inviting the customer to stay as long as possible, and through the homage to the Swedish culture that is reflected in the food and design chosen. The last action of Making that emerged is the Empowerment of the personnel through the introduction of new actors such as architects and designer.
The Maintaining strategic action is given by the Facilitation of the customer experience through the omnichannel strategy adopted, the possibility to test the products and the support given by the staff during the customer experience.

Lush's analysis revealed strategic actions belonging to the Making and Maintaining levers. Among the levers of Making there is only one action that emerged which is the creation of the Store as a place to be, which takes shape in the offer through the creation of a multisensory experience, the creation of a different atmosphere, fun and playful, and through a totally revolutionized design that makes Lush a beauty mart with a green grocers- bazaar feeling.

Maintaining actions include adopting Transparent branding techniques and Facilitating customer experience. The former takes shape thanks to the concretization of brand values in the offer, for example with the use of eco-sustainable packaging and envelopes, and thanks to the direct sharing of these with customers. The second, takes shape thanks to the assistance service offered to the client and thanks to the possibility of testing products in total autonomy.

Research on Nespresso Boutique made it possible to identify strategic actions belonging to both the Making and Maintaining dimensions.

Among the Making actions, the Integration of the offer emerged, which takes shape thanks to the offer of complementary activities to the product, such as the possibility to test new coffee aromas and flavors at the Coffee bar. Parallel to the integration of the offer, a strategy of Reinforcing flexible experiences has also emerged, thanks to the presence of Coffee specialists who try to get to know the customer and understand him, in order to suggest the most suitable services and/or products. In fact, the type of customer experience is not rigidly defined, but can be created and chosen by the customer according to his needs and the personnel act as a facilitator.

The last strategic lever that emerged in the Making dimension is the creation of a Store as a place to be, according to which the store loses part of its functional nature to become a place to admire and photograph, made of unique colors, shapes and aromas. Among the strategic levers of Maintaining instead, a strategy has emerged, aimed at Facilitating the customer experience, through the support provided to the customer and through the omnichannel strategy adopted.

Finally, the RED Feltrinelli case also brought to light strategies belonging to both the Making and Maintaining dimensions. Among the strategies belonging to the Making dimension, we highlight an Empowerment of the role of the personnel in the store, which totally changes its approach towards the customer, trying to be less invasive to leave the customer free to live his customer experience. In fact, the second strategic lever that has emerged is precisely the tendency to enhance the Flexible experiences lived by the customer, leaving him free to create his own customer experience as he sees fit.

Among the Making actions, there is a strong Integration of the offer, which is not only given by the coexistence of a bookstore with a restaurant, but also by the perfect fusion,

both physical and experiential, of these two realities. It is not possible to define where one begins and the other ends.

Also the strategy of Store as a place to be, is typical of RED Feltrinelli. The functionality of the store fades and leaves room instead for a place to stay and experience.

Among Maintaining actions is confirmed the Facilitation of customer experience, made possible by the support provided by the staff that, although maintaining a more detached attitude to leave the customer free to explore, is always available for advice and guidance.

Ethnographic research and interviews yielded a dense and significant amount of data.

At the end of the analysis conducted, a cross analysis was carried out between the different findings that emerged from the case studies and this made it possible to obtain a toolkit that enclosed all the strategies implemented by retailers.

This toolkit was structured as follows. Firstly, it has been divided on the basis of the three strategic dimensions of Breaking, Making and Maintaining. Then, for each dimension, the macro-strategies adopted by the various retailers (*Aggregate Dimension*), were reported. Many of these high-level strategies have proven to be shared among many retailers.

In a second instance, to increase the level of detail within the toolkit, each macro-level strategy has been associated with the second-order strategies applied by retailers. These strategies are more specific, but do not contain direct references to the case study.

An additional level of detail was added to increase the level of accuracy and understanding. Each second-order strategy has been associated with a direct and specific reference to retailers. This is to allow the reader to get into how, concretely and in detail, these strategies were implemented.

Overall, the toolkit proves to be a set of best practices that provides ample visibility of potential strategic actions that can be implemented in retail, covering an increasing level of detail.

Each macro-level strategy has been explored down to the highest level of detail, specific to the target context, to facilitate the reader's understanding.

The resulting toolkit is shared in Figure C.

| Strategic levers | Aggregate Dimensions | 2nd Order Themes | Detail | Case study |
|---|---|---|---|---|
| Breaking | Changing the role of the actors involved | Client becomes from passive to active | Customer becomes autonomous and independent | Ikea |
| | | Client plays the role of architect-for-a-day | The customer takes on a new role | |
| | | Giving the customer the resources to become active | *Ready-made solutions, so that the client can compose the meal plan as he/she wishes* | Erbert |
| | | Giving the customer the knowhow to become Nutritionist for a day | *Stickers and labels to provide new knowledge to the customer* | |
| | Changing the role of the store | Direct interaction with the store | Tools, digital devices and signs enable interaction between store and customer | Ikea |
| | | Creation of a route to guide the customer throughout the store | The layout of the store is designed to guide the customer and foster immersion. | |
| | | Elimination of the sales process | Bringing the customer closer to the product so as not to 'scare' him | Volvo Studio |
| | | The store becomes an "opportunity" to get closer to the customer | A place designed to listen rather than tell | |
| Making | Extension of the experience | Focus on the early stages of the shopping experience | Providing information, increasing the involvement, testing the product... | Volvo Studio |
| | | Disintermediation | Getting to know the customer directly | |
| | Empowering personnel | Personnel with new skills | Knowledge of the product, planning skills, management skills - The genius | Apple |
| | | Different approach and behaviour | Confidential and friendly | |
| | | Introducing new actors | The nutritionists | Erbert |
| | | Introducing new actors | The architects | Ikea |
| | | Personnel with new skills | Excellent technical knowledge of the product, excellent storytelling skills - The Wizards | Volvo Studio |
| | | Different approach and behaviour | Warm and non-invasive | |
| | | Different approach and behaviour | Non-invasive | RED Feltrinelli |
| | | Different approach and behaviour | Motivated staff with excellent storytelling skills - The partners | Starbucks Reserve roastery |
| | Integrating the offering | Offering complementary activities to the product | Events, training and learning courses... | Apple |
| | | Creation of a dedicated platform | Genius bar | |
| | | Offering additional services complementary to the core one | The bar | Erbert |
| | | Offering complementary activities to the product | Events and workshop | Ikea |
| | | Offering additional services | Bar, canteen, food market | |
| | | Offering additional services | Restaurant | Volvo Studio |
| | | Offering complementary Digital activities | Augmented reality systems, interactive screens, virtual reality | |
| | | Offering complementary activities to the product | Events | |
| | | Creation of a dedicated platform | Volvo Welcome center | |
| | | Offerig complementary activitities to the product | Testing coffee and coffee bar | Nespresso |
| | | Offering additional services | Inegrated restaurant | RED Feltrinelli |
| | | Integrating the spaces | Perceiving the store as a unique place, a continuum in which the offerings intermix | |
| | | Offering complementary activities to the product | Book clubs,literary meetings, interactive events... | |
| | | Offering additional services | Lounge bar,Affogato station, Bakery, coffee pods shop | Starbucks Reserve roastery |
| | | Reinforcing the core offering | Wide range of coffees. Coffee tasting with different aromas and flavours | |
| | Store as a Place-to-be | Store design inspired by product design | Minimal and modern architecture and design | Apple |
| | | Store as a reference point for enthusiasts | See and admire the latest releases and top products | |
| | | Creating a Multisensory experience | Very strong sensory experience | LUSH |
| | | Creating a different atmosphere | Fun and playful | |
| | | Revolutionising the design and setting | A beauty mart with a green grocers - bazar feeling | |
| | | Homage to the culture through design and food | Swedish culture in design, colours and food. | Ikea |
| | | Creating a different atmosphere | Comfortable environment | |
| | | Design inspired by the external context | Colours and design inspired by the Milan skyline | Volvo Studio |
| | | Creating a Multisensory experience | Aromas, flavors, shapes and colors | Nespresso |
| | | Creating a different atmosphere | Relaxing and home-like atmosphere | RED Feltrinelli |
| | | Inspiration factor | Inspiration from "Willy Wonka and the Chocolate Factory" | Starbucks Reserve roastery |
| | | Attention to detail | Attention to detail in service, cleanliness, product... | |
| | | Paying homage to the culture through design | Architecture and design pay homage to Italy and craftsmanship | |
| | | Museum like feeling | Immersion in a different world | |
| | | Integration of the production process into the store layout | Complete visibility of the entire coffee preparation facility | |
| | | Creating a Multisensory experience | Tasting, smelling, touching different types of coffee and coffee beans | |
| | Empowering flexible experiences | Getting to know the customer in order to personalise the offer | Coffee specialists try to get to know the customer and his tastes | Nespresso |
| | | Flexible Customer journey | Possibility to carry out the shopping experience in different ways | |
| | | Flexible Customer journey | Possibility to carry out the shopping experience in different ways | RED Feltrinelli |
| | | Space at the customer's disposal | Possibility for the customer to enjoy the RED store as he/she wishes | |
| | | Allowing the customer to easily explore the store | Store layout and product arrangement designed to simplify CX | |
| | | Getting to know the customer in order to personalise the offer | Trying to satisfy the customer according to the type of experience they want to have | Starbucks Reserve roastery |
| | | Flexible Customer journey | There are no more standard choices | |
| | | Space at the customer's disposal | Possibility for the customer to enjoy the store as he/she wishes | |
| | | Leaving the customer free to interact with the store and the product | Switched-on devices, QR codes, gaming to interact | Apple |
| Maintaining | Facilitating the Customer Experience | Supporting and assisting the customer during the CX, when required | Giving advise, support and suggestions to the customer | Apple |
| | | Supporting and assisting the customer during the CX, when required | Giving advise, support and suggestions to the customer | Erbert |
| | | Supporting and assisting the customer during the CX | Giving advise, support and suggestions to the customer | LUSH |
| | | Testing products | Experience products hands-on, using the sinks and spaces available | |
| | | Omnichannel strategy | Fully integrating online and offline services | Ikea |
| | | Testing products | People can lie on beds and sofas, touching products... | |
| | | Supporting and assisting the customer during the CX, when required | Giving advise, support and suggestions to the customer | |
| | | Supporting and assisting the customer during the CX | Giving advise, support and suggestions to the customer | Nespresso |
| | | Omnichannel strategy | Fully integrating online and offline services | |
| | | Supporting and assisting the customer during the CX, when required | Giving advise, support and suggestions to the customer | RED Feltrinelli |
| | | Supporting and assisting the customer during the CX, when required | Giving advise, support and suggestions to the customer | Starbucks Reserve roastery |
| | Transparent branding techniques | Concretization of the brand values in the offering | Sharing brand values through resources (products,packagings, settings, furniture...) | Erbert |
| | | Directly sharing brand values | Sharing brand values in the interactions with staff and through posters and signs | |
| | | Concretization of the brand values in the offering | Sharing brand values through resources (products,packagings, settings, furniture...) | LUSH |
| | | Directly sharing brand values | Sharing brand values in the interactions with staff and through posters and signs | |
| | | Sharing brand values through events | Organization of musical, artistic, theatrical events | Volvo Studio |
| | | Sharing brand values through interactive tools | The virtual reality system and other interactive tools to teach and share values | |
| | | Directly sharing brand values | Main values written everywhere: on cups, on receipts, on walls | Starbucks Reserve roastery |
| | Product enhancement | Product focus | The design, packaging and furnishings are essential to emphasise the product itself | Erbert |
| | | Bring the customer closer to the pure product | Selling the product in its most natural form | |
| | | Increasing customer knowhow through communication | let the customer know about the product, the production process and its origins | Starbucks Reserve roastery |

*Table C: The Toolkit*

# Discussion

The research carried out allowed to merge two distinct fields of research by adapting a framework of innovation proposed in the literature (Koskela-Huotari, Edvardsson, M. Jonas, Sörhammar, & Witell, 2016) with Innovation of Meaning.

This framework was then further extended to be adapted to the retail sector, which has been hard hit in recent years not only by the strong presence of eCommerce and increasing competition, but also by the Covid-19 pandemic that has forced many retailers to increase their competitiveness.

Developing the model on the eight case studies first allowed us to observe which strategic mix was put into practice most frequently. The combined strategic action of Making and Maintaining proved to be the most recurrent. This has also allowed to confirm what already has been observed by Koskela-Huotari and colleagues (2016).They believed that the Maintaining dimension should always be present to allow consumers to remain familiar with the offering, since "to successfully innovate, it is not enough just to break old rules of resource integration and make new ones. For the new rules to become institutionalized, paradoxically, often many of the old rules need to be maintained to make the new rules more recognizable" (2016).

All of the mixes that emerged from the analysis contain maintaining strategies within them.

The research then made it possible to identify, for each of the three levers of Breaking, Making and Maintaining, a wide range of strategic actions. Thanks to the cross-case study, it was possible to outline a toolkit of best practices, in which all the strategies were included, categorized by Breaking, Making or Maintaining dimension.

The creation of the toolkit provided complete visibility into all of the retailers' strategic actions. This made it possible to make considerations on what emerged overall.

Among the most recurrent ones, the tendency to Integrate the offer was identified, supporting the core activity of the business with additional services such as restaurants and bars, as in the case of RED Feltrinelli and Volvo Studio Milano, or

courses and lessons as in the case of Apple store. This strategy aims to enrich the offer, giving the customer a valuable reason to stay in the store for more time. Another recurring strategy is the creation of a Store as a place to be, whereby the store loses part of its functional nature to become more like a museum, and therefore a place to spend time. This is the case of Starbucks Reserve Roastery, Volvo Studio Milano and RED Feltrinelli, where the customer is invited to stay in the store as long as possible.

Another strategy strongly present in many of the cases analyzed is Personnel empowerment, which emerged in the Apple store and Volvo Studio Milano with the presence of highly competent and specialized staff, with new skills and capabilities, but also in Erbert and Ikea where new players are introduced, respectively nutritionists and architects, to enrich the offer and increase its value.

Another recurring strategy is the Empowerment of flexible experiences, whereby the customer is not forced in any way to follow predefined rules but behaves as he/she believes and creates a personal customer experience. This strategy is reflected in numerous cases including RED Feltrinelli, Volvo Studio Milano and Nespresso Boutique and is reflected in the fact that different are the reasons that can push the customer to visit the store and therefore different are the customer experiences that each customer can live inside.

All of these strategies emerged within the Making dimension, the richest and most dense, but several are also those within the Maintaining dimension, which, as seen, is recurrent in all the case studies. One out of all is certainly the adoption of Transparent branding techniques, adopted by Erbert, Lush, Volvo Studio and Starbucks Reserve Roastery. According to the findings, many retailers seek to share their brand values with the customer, to make themselves known, to get closer to the customer and to establish a sense of trust. Often in a direct way, with the power of words, and often indirectly with the organization of events aimed at raising awareness of certain issues.

Then also some Breaking actions emerged.

They involve the disruption of institutions traditionally present in the store ecosystem. Changing the role of the customer is a strategy that changes the way the customer approaches the store and transforms their role. For example, from being a passive

spectator, the customer becomes an active participant in the experience and a protagonist as in the case of Erbert and Ikea. In the Erbert store the customer acquires culinary skills, while in the case of Ikea the customer plays the role of an architect for a day. In the same way, also a Change in the role of the store may occur. Some of the traditional store-customer interactions, such as sales, may disappear as in the case of Volvo Studio Milano, where the store becomes a container of ideas and a place of exchange.

The research question aimed to understand how socio-cultural changes and market institutions can be leveraged to envision new meaning.
In the following we will try to merge together what emerged from the findings. We will associate the market institutions to the strategies adopted to understand what is the connection between them and if indeed there is an action-reaction relationship.

All the strategies appear to be a clear response to what have been the main and most significant market institutions of recent years.

Purchasing awareness and people's need for transparency has increased. In line with this, customer experience created by retailers is not only focused on the product, but also and above all on the values that the company embraces and the social causes to which it is dedicated.

Consumer wisdom has also increased. People have instant access to a wealth of information and no longer expect to go to the store to be informed about something they already know, they expect more. That translates into retailers trying to offer that something up, reinventing the role of personnel, the role of the store and reducing the functional nature of the store. Many of the strategies that have emerged are a response to this market institution. The customer has changed and consequently expects a change in the market offering as well. In the past, the role of stores was to inform customers about the quality, use and features of products. Today this role must necessarily change, because the consumer is able to acquire this information autonomously.

Digitization has also led to an increase in customer expectations. Today's consumer is used to shopping online quickly and conveniently and expects to find similar benefits

in the physical store. So what many retailers have started to offer their customers is a 2.0 assistance made of omnichannel strategies, digital devices, store-customer interaction and a targeted  knowledge of their customers.

Finally, the growing offer of the last few years and the great variety of products offered have triggered a 'Materialism Hangover', whereby, today, customers are more inclined to make fewer but more thoughtful purchases and pay more attention to the product itself. This focus on the product is, in fact, present in many of the cases analyzed, such as Starbucks Reserve Roastery and Nespresso Boutique, where the core product, coffee, is the protagonist and the customer has the opportunity to get to know and appreciate it in all its facets. It is also the case of Erbert, where eye-catching designs give way to a minimal design and layout, to give space and visibility to the vibrant colors of the products, such as fruits and vegetables that are the real protagonists of the store.


# Conclusion

This research has led to the creation of a toolkit of best practices, in which all the strategies found in the retailers that have made innovation of meaning were collected. Thanks to the crossed analysis conducted to create the toolkit, it was possible to observe how many strategies were common among the different retailers, but declined by each of them in the offer with different nuances and modalities. All of these strategies were collected using the *Breaking, Making and Maintaining* innovation framework as support and were then clustered in the toolkit according to the three dimensions.

By also highlighting the main market institutions that have emerged in recent years, it is possible to provide evidence of how these retailers have applied the Innovation framework (Koskela-Huotari, Edvardsson, M. Jonas, Sörhammar, & Witell, 2016) responding to external socio-cultural changes with strategies of Breaking, Making and Maintaining the rules that govern internal institutions. Thus, this evidence provides visibility into how socio-cultural changes have been interpreted and how the process of Innovation of Meaning has been conducted.

Therefore, the present study makes an important contribution to the field of Innovation of Meaning by showing on the one hand how to interpret market institutions to offer new meanings to people, and on the other hand by creating an inspiring toolkit.

By focusing on the retail market, this study is also an important step in the effort toward building a comprehensive framework for envisioning a new meaning in the retail customer experience.

## Implications

Retail managers can benefit significantly from the toolkit, as they can draw inspiration from the best practices to begin a process of Innovation of Meaning.

For retailers in particular, the value of such a toolkit lies in two main aspects. On the one hand, they can draw inspiration from strategies implemented by industries similar to their own, thus taking inspiration from a familiar context. On the other hand, they can take advantage of the variety of industries analyzed in the toolkit to draw inspiration from industries that are not related to their own, thus taking inspiration from new contexts and gaining added value.

Of course, Innovation of Meaning happens through the interpretation of market institutions, which is why strategic actions that were successful in the past may no longer be successful over time.

Because they are context dependent, these actions cannot be considered fixed and stable over time, but must be continually challenged. The toolkit, therefore, is not a set of winning strategies that can be "copied and pasted". It is a potential source of inspiration and a tool that shows how to interpret socio-cultural changes through Breaking, Making and Maintaining strategies.

# Limitations and future research

One limitation present in this research is related to the amount of data collected. Although it was possible to conduct a considerable amount of ethnographic researches, the amount of interviews conducted was more limited due to the difficulty in contacting retailer managers. However, it was still possible to outline a structured framework for innovation of meaning and undoubtedly, if future research were to dedicate to collecting a more robust set of data, it could only enrich the model even more.

This could be possible either by focusing on the eight case studies analyzed here, conducting interviews and new ethnographic research, or by expanding the set of retailers considered, extending the analysis to new retailers belonging to industries that were not considered in this research, such as apparel.

In addition, to further generalize the results, it may prove useful to extend the analysis not only to other sectors, but also to other contexts, cultures and countries.

Another interesting point for future research concerns the possibility of adapting the innovation framework to a wider cluster of market institutions, also considering those that emerged as a consequence of the global pandemic of covid-19. The pandemic has changed and overturned the habits, ways of thinking and rules of society. It will be necessary to understand what the evolution of the institutional arrangement will be and what could be the response of the market, and in particular of retailers, to this new scenario.

It would be worthwhile to keep the toolkit updated, extending the set of strategies identified, but also identifying new ways in which the same strategy can be concretized in the offering.

Finally, it would be interesting to consider new variables within this analysis. Future research could also investigate the impact of strategic actions on profitability, customer satisfaction, brand image, or other variables of interest.

# 1. Introduction

One of the most recent theories of innovation refers to the meaning that is given to products and services and how this can be transformed to create new value. Meaning, understood as the 'why' people use a certain product and/or service, is closely linked to life experiences and consequently to the social and cultural aspects involving our world. Consequently, knowing how to interpret the socio-cultural changes leads to envisioning new meanings, new reasons why a product and/or service is used.

Many cases over the years have shown how the simple change of meaning can overturn an entire business, opening up to new customers and new opportunities, creating new value and gaining a significant competitive advantage as a result.
This is possible because, while with more traditional innovations, called Innovation of solutions, the aim is to come up with new and better ideas to solve a known problem, with Innovation of Meaning the aim changes. It is no longer about offering new solutions, but new meanings. This allows to take a step backwards, as it allows to redefine why a person uses a certain product or service and therefore allows to compete in new ways and above all in uncontaminated markets.
With innovation of solutions, all companies compete in the same market, because they all try to provide solutions to respond to the same meaning. In Innovation of Meaning, on the other hand, those who are able to define a new meaning are also able to propose a solution that is unique and are therefore able to operate in a Blue ocean, where the rules have not yet been defined and where there is no competition.

Obviously, a market does not remain untouched for very long and that is why it is necessary to reinvent oneself continuously, observing changes in society and trying to predict how trends will evolve.
However, it remains unknown how a change in meaning can be achieved. The literature provides some advice, such as adopting a critique process to challenge new ideas, but there are few models to support this innovation process.
Certainly, the starting point is the interpretation of the social context and its changes and therefore of the institutions that represent the "rules of the game", determine the way we behave, the norms and values we rely on in everyday life.

These institutions, which are often taken for granted, do not remain unchanged, but change over time as a result of external events, so-called mega-trends, which create tension in society and therefore in existing institutions, triggering these socio-cultural changes.

So, the changes in these institutions, capable of governing the interactions between actors and the way they behave, represent the starting point for envisioning a new meaning in the offer and thus determine an Innovation of Meaning.

While the starting point for a process of Innovation of Meaning is known, there is a lack of guidelines and frameworks to support the development of this innovation process and to define how it is possible to envision new meanings.

In light of this, the goal of this thesis will be precisely to understand *how to leverage institutional change to imagine new meanings.*

To answer this question, we will focus on one market in particular, namely the retail market.

First of all, this choice is dictated by the criticalities that this sector has had to face in recent years.

The advent of eCommerce, which has challenged the traditional purchasing process by proposing a more agile and convenient one, has certainly put this sector in crisis. With it, the pandemic that has hit our society in 2019 has undoubtedly brought this sector to its knees, leading many retails to close forever and instead leading many others to challenge themselves in an attempt to react.

However, it is not only the critical issues that the retail sector has faced that have led to its selection as the focus of this thesis.

In fact, this sector proves to be particularly suitable for the analysis in question precisely because it is strongly subject to socio-cultural changes, as what characterises it most are the interactions between people and brands and therefore it is strongly correlated with the institutions that define the way people behave and interact.

Since the Innovation of Meaning is a process that originates from socio-cultural changes and therefore from market institutions, the choice of the retail market turns out to be the most appropriate and significant one.

# 2. Innovation processes

## 2.1 Different ways to innovate

The world as we know it today is the result of a continuous evolution, involving everything around us and above all involving ourselves. The way we interpret and see things has changed and continues to change. Our mentality, our beliefs, our habits, our attitude are constantly changing in response to social, economic, political and environmental macro-trends that are advancing and making their way into our lives. This socio-cultural change inevitably makes the world a set of dynamic variables, in which every day, hundreds of thousands of companies are juggling, trying to survive the change with winning strategies and especially trying to gain unique and lasting competitive advantages over their competitors.

In this dynamic environment, what all companies are going to do, or should be trying to do, to remain competitive, is evolve, change, innovate. Innovation, however, is not easy or obvious, since there is no well-defined path to acquire it, very often it is a matter of being in the right place, at the right time, with the right idea. What mainly characterizes an innovation is the way in which it can be achieved.

Very often innovation is mistakenly associated with ideation and creativity, but "Creativity is not the miracle road to business growth and wealth that is so abundantly claimed these days" (Levitt, 2002, p. 2). The point is that there is a tendency to put more emphasis on creativity and therefore the development of new ideas, while underestimating the practical side and therefore the development of these ideas and their application in reality. Seemingly brilliant and winning ideas in the abstract can turn out to be failures once they are put into practice. In fact, as Levitt points out: "Having a new idea can be "creative" in the abstract but destructive in the actual operation, and often instead of helping a company, it will even hinder it. What is often missing is not creativity in the sense of idea creation, but innovation in the sense of action production, i.e. putting ideas to work. All in all, ideation is relatively plentiful. It is its implementation that is more scarce. Too often, there is the peculiar underlying

assumption that creativity automatically leads to actual innovation." (Levitt, 2002, p. 4).

It is therefore essential to distinguish between these two concepts and not just generate endless ideas that may be brilliant in theory, but have no future in practice. As Alan Williams (1999, p. 14) argued, "While creativity is finding, thinking, and doing new things, innovation is making and using new things."

For an innovation to be considered as such, it must be characterized by two important features: a certain degree of novelty and value. Novelty alone is not enough for innovation to exist, in fact it is necessary that products or services have a value for users, what matters is what users recognize as a benefit for themselves, this is one of the main pillars at the base of innovation and this is one of the reasons why many companies that have focused only on the novelty aspect have failed (Bellini E. , 2019).

Innovation can be pursued in different ways and, although there are no specific paths to follow, there are approaches and schools of thought that approach innovation in different ways and, more importantly, suggest different paths and perspectives.

Among the main approaches, one of the most traditional is the "Market Pull" approach, which starts from an analysis of the market and then from an analysis of the external environment and users, in order to understand what are the main threats and opportunities and to be able to build its strategy on the basis of them.

The main feature of this type of approach is the centrality of the user, who represents a starting point for the analysis, in order to identify what are the main needs of the market and design solutions to satisfy them. As Dell'Era and Landoni (Dell'Era & Landoni, 2014, p. 3) note: "users can be considered to be sources of innovation, and firms can identify unique insights by asking users about their needs or, even more effectively, observing them during the use of existing products and tracking their behaviour during consumption processes. So understanding the customer, their needs and habits is key to being able to achieve innovation under this approach".

In this way, by performing in-depth analyses on consumers, it is possible to know which are the explicit needs of customers and, above all, which are the latent needs, i.e. those needs that consumers do not know they have yet. However, trying to

understand and interpret these needs is not an easy job, it is necessary to observe and listen to potential users carefully and, in the light of this, to identify what the problem is and therefore what the best solution might be. Indeed, as Stefano Marzano, CEO of Philips Design, (1999) said: "Our market is people. We therefore need to know what they want. But asking them directly rarely works, because they often have no idea what they want until they see and experience it. That means we need to get information about them indirectly, particularly information about what they value. Rather than focus on products as such, we need to look at the wider context in which people use them". In relation to this, interviewing clients directly is not enough and it is necessary to use more sophisticated techniques to investigate in depth what the clients' needs are and to capture even those needs of which the client is not aware but which represent a great source of value. Common techniques include questionnaires and focus groups, to learn *what people say*, ethnographic research which is a study through direct user observation to understand *what people do* and then there are more sophisticated methods like lead user analysis, beta testing and open source which are used to understand *what people make*. The latter allow to understand the tacit and latent needs, which are precisely the most hidden ones (Bellini E. , 2019).

Overall, this approach is an important source of new product ideas, which has the capabilities to redirect a company's efforts towards completely revolutionary innovation (Chayutsahakij & Poggenpohl, 2002) and it is possible to classify this method as problem-solving and is what Verganti calls a "solution innovation." In fact, the objective of this approach is to identify a problem in the market, or rather an unsatisfied market need and propose the best possible solution.

Another widely adopted strategy for embracing innovation is technology-push. This approach involves developing new technologies that can then be offered on the market and therefore involves the centrality of research and development functions. Indeed, this approach recognizes a key role for science and technology, as they enable technological innovations and allow for adaptation to the changing characteristics of industry structure (Di Stefano, Gambardella, & Verona, 2012).

We are therefore mainly talking about a product or process innovation that sees its materialisation in new physical attributes. In particular, as Herstatt and Lettl (2000, p. 2) note: "a technology push describes a situation where an emerging technology or a

new combination of existing technologies provide the driving force for an innovative product and problem solution in the market place. In certain cases it is even possible that the new technology, when it is transformed into radical product or process innovations, achieves its own market position".

Furthermore, Herstatt and Lettl (2000) argue that the two types of innovation mentioned above involve two different degrees of innovation: "Technology push" strategies aim for "breakthrough" innovation through their massive R&D investments. In contrast, a "Market pull" approach leads to more incremental innovations based on the range of existing products.

However, the two approaches mentioned above are not necessarily exclusive and as Di Stefano and colleagues (2012, p. 9) note "the classical works on the sources of innovation converge on the mutual importance of the two sources. While science and technology provide the trajectories of innovation, demand is a crucial component in directing the trajectory to the right economic places."

## 2.2 Innovation of meaning

However, innovation is not only about satisfying customer needs or developing a new technology, but also about doing something which is meaningful. And it is in the light of this that another possible approach to embrace innovation takes hold.

This third approach is called 'Design-push', but not only that, as it is very often referred to as 'Design-driven Innovation' or, as it will be called from here on, 'Innovation of Meaning'.

Indeed, Verganti (2018) discusses this innovation as meaning innovation, as opposed to solution innovation, to which the Market pull approach belongs.

In particular, with this definition, the author wants to refer to the fact that the innovation in this case is at a higher level and is related to new reasons why people should use a certain product/service.

In fact, whenever people use a certain product or service, they do so with a specific purpose. This purpose is the reason why people use a product or service. For example, a navigator is used by a person because he wants to reach an unknown destination, or when a person goes to hotel, he does so in order to be offered a safe and quality accommodation. The reason why a person uses a certain product or service is the meaning behind the product or service, the reason why it is used.

To better clarify, when we refer to product-meaning or service-meaning "we relate to the purpose of a product or service as perceived by the user. It is about the purpose for why a product is used, not how it is used (the user interface), nor what the product consists of (its features)" (Verganti & Öberg, 2013, p. 87).

In order to fully understand what is meant by the 'meaning of things', and then to understand the process of innovation of this meaning, other sources of literature must be involved.

The meaning of things around us is not something trivial and easy to interpret. It is not something quantitative or absolute, but multifaceted. As Ylrich Neisser (1976) says "people do not perceive pure forms, unrelated objects, or things as such but as meanings distinction between what an object is and what that object means to somebody may not be demonstrable as far as a perceptual data are concerned".

The meaning associated with an object is not a written truth; in fact, objects are always seen within a context of other objects, situations and users. For example, "seeing something in a shop as a chair requires imagining its use at home or in an office, a context which may or may not be realized in practice" (Krippendorff, 1989). If the context in which such an object is found changes, its meaning may also change.

"A knife has all kinds of uses; cutting is merely the most prominent one. Prying open a box, tightening a screw, scraping paint from a surface are as imaginable as picking a pickle from a pickle jar. In the context of manufacturing, a knife is a cost. In the context of sales, a knife has an exchange value. In the context of a hold-up, a knife may constitute a significant threat. All possible contexts define what a knife is to people capable of using their imagination" (Krippendorff, 1989).

It is therefore clear that meaning is something complex and difficult to define clearly, especially because it cannot be defined unambiguously.

In light of this, many experts have begun to identify a potential behind the 'meaning of things'. Indeed, if innovation is made by changing the physical and tangible characteristics of objects and/or services, why not make it by changing their meaning instead.

Of course, in the light of what has been said, this could be complex and above all unclear precisely because reference is made to something intangible and not very concrete.

However, this practice of innovation has started to make its way in recent years and numerous scholars have started to take an interest in the matter.

One of the pioneers of what will henceforth be identified as Innovation of Meaning is Roberto Verganti, who refers to this type of innovation as a change of course, of direction.

The main objective of this type of approach is to try to change the meaning of things, the reason why a person uses a certain product or service.

If on the one hand, with a 'Market-pull' approach the aim is to respond differently to a well-defined problem, on the other hand, with a 'Design-push' approach, one does not try to solve a problem, but rather to reconfigure and reformulate it.

Nowadays there are several companies that have established themselves in the market with a proposal that has aimed to change the meaning of a product or a service. Among these we can identify Yankee candle, an American company born in 1969 and producer of candles. What this company has done is to establish itself on the market by completely changing the role of candles for people. Previously, candles were purchased to illuminate the home in case the lights went out, but after the advent of Yankee candle this meaning has totally changed. Nowadays, candles are purchased to create cozy environments, for decoration and to express personality.

This is one of the most famous and illustrative examples of the phenomenon of Innovation of Meaning, but there are several. Referring to the above examples of the navigator and hotels, we can also identify two major Innovations of Meaning in these two areas: Waze and Airbnb.

Waze navigator has totally revolutionised the meaning associated with the navigator. If a traditional navigator is used to reach an unknown destination, Waze instead is used for a different reason, to reach a known destination in the shortest possible time. To do this, the navigator relies on GPS that provides real-time updated information and interaction with other drivers.

Airbnb, on the other hand, is a peer-to-peer application that allows people to search for and rent accommodation. It is offered to people to allow them to immerse themselves in the authentic socio-cultural life of a place and not simply to offer comfortable, quality accommodation as in traditional hotels.

All these innovations are linked by a common thread: Yankee candles, Waze and Airbnb did not bring a new product or service to the market, they did not come up with new ideas to answer known problems, but they suggested new reasons why people should use their products and/or services.

Yankee Candles are apparently simple candles with distinctive aromas and it seems difficult to understand how they could have made their way into the market and gained such a positive response. The reason lies in the fact that they are sold to solve new needs, new whys. And so people love them, because they have discovered a new meaning behind such products and are willing to pay a relatively high price for them.

Innovation of meaning thus hides immense potential, precisely because it is based on rethinking the meanings of objects and/or services currently in use.

Moreover , "Design-driven innovations are instead proposals, which however, are not dreams without a foundation. They end up being what people were waiting for, once they see them. They often love them much more than products that companies have developed by scrutinizing users' needs" (Kembaren, M. Simatupang, Larso, & Wiyancoko, 2014, p. 92).

Many of the Innovation of Meaning that have sprung up in recent times have enabled many companies to significantly increase their competitive advantage and market share. Nevertheless, how to innovate the "reason why" people use a product or service still remains an unanswered question.

There are no well-defined guidelines or standard procedures to pursue to create a new direction.

While with other approaches such as Market-pull and Technology-push there are more or less clear guidelines and points of reference to follow in order to try to innovate the offer, Innovation of Meaning refers to something intangible and not very concrete, and above all to something closely linked to people's feelings and mentality. Innovating in this way is certainly more complex and more vague, but if you can find a *new direction*, you can achieve great rewards.

The great potential behind this innovation has led many scholars to question the tools and techniques that could be used to pursue it. To do so, some of the most famous cases have been analysed, such as those mentioned above, but also Uber, Eataly, IKEA and many others. Indeed, to understand how Innovation of Meaning can be pursued, it is necessary to start from those who have made Innovation of Meaning their strength.

Although to date there are no indications and tools that can be used to envision a new meaning, the literature has identified some key principles that can be at least supportive: an orientation toward critical questioning, the interpretation of socio-cultural transformation, and an inside-out approach where new meaning comes from the internal imagination of executives and designers (Verganti, Overcrowded, 2018).

Criticism is the central operating principle for developing an Innovation of Meaning. It is what allows you to question ideas, institutions, and concepts to " break the mental highways that have guided you in making sense of the world and determining what is meaningful and what is not" (Altuna, 2016, p. 83). This activity of criticism requires going deeper into the interpretation of things and it is not necessarily negative criticism, quite the contrary. The goal is to use criticism constructively, seeking to understand what lies behind the surface of things and with the intent to enrich and strengthen an interpretation (Verganti, Overcrowded, 2018).

In particular, the work of critique becomes important and necessary if we consider that Innovation of Meaning uses an inside-out approach. This approach provides that the starting point for the innovation process is right inside ourselves and is related to our

life experience. As Verganti (2018, p. 82) reports in his book, "A necessary condition for customers to love what we make is that we ourselves are in love with it" (Verganti, Overcrowded, 2018).

In light of the above, if the process originates from ourselves and our experiences, it is natural that, in order to avoid getting trapped in our point of view, a critique is necessary, which can test our idea, question it, and toughen it up (Verganti, Overcrowded, 2018).

The third principle that characterizes Innovation of Meaning refers to its source, which lies in the interpretation of the evolution of sociocultural models, so to propose new visions and meanings.

This is undoubtedly the most important principle, precisely because it defines what is an indispensable feature of Innovation of Meaning and its starting point.  According to this principle, Innovation of Meaning is "a strategy that aims at radically changing the emotional and symbolic content of products, i.e. their meanings and languages, through a profound understanding of broader changes in society, culture and technology" (Verganti, 2008).

Therefore the development of new product meanings requires knowledge about changes in socio-cultural contexts. "This concerns changes to social and cultural values that are inherent to a context. It includes for example the importance of gender equality, or the role of clothing to convey social norms" (Johansson Sköldberg & Jahnke, 2014).

In order to study and understand these socio-cultural changes, it is necessary to take a broader view and to detach oneself from the consumer's point of view. Indeed,  the affirmation of new meanings in the marketplace hardly stems from consumers, since the interpretations they give to their surroundings are closely tied to the sociocultural context in which they are currently immersed. Instead, changes in meaning require radical shifts in sociocultural patterns, and this is something that can only be understood by looking at long-term phenomena with a broader perspective (Verganti, 2008).

So it is critical for a company to try to understand what socio-cultural transformation are changing or will change the market.

It is necessary to understand what developments are currently taking place and what will take place in the future. You have to question yourself in depth and analyse market trends, new emerging technologies, social issues, in order to have an overall understanding.

Only then will it be possible to understand how people's habits, interests, and concerns will evolve.

However, analyzing and understanding socio-cultural changes is not enough to envision a new meaning. What is necessary to do is *to interpret* these changes, to try to understand their peculiarities and their potential. Only in this way is it possible to offer people new meanings.

Nevertheless, as specified before, to do this there are no scientific methods or tools and therefore how is it possible to interpret socio-cultural changes to envision a new meaning remains an unanswered question.

We know what we have to do, where to start, but we don't know how to do it.

The key principles suggest us to start from ourselves to propose new ideas, according to an inside-out approach, and then to submit our ideas to criticism since, being our ideas, they could have a meaning only for ourselves and it is therefore appropriate to question them through a process of constructive criticism. Finally, the principles suggest that it is necessary to interpret changes in the market in order to offer new meanings to people. These principles are extremely valuable because beyond them nothing is known about how it is possible to envision a new meaning.

The creation of new meanings, of new reasons why people should use a certain product or service, is an abstract and much more vague process when compared to Market-pull and Technology-push approaches.

In fact, with the Market-pull and Technology-push approach, while it can be just as difficult to pursue innovation, you know what directions to take, how to behave and what tools to use.

For design-driven innovation everything still remains vague and unclear.

Hence, as Verganti says "We therefore need new lenses to activate a stream of studies on this relevant and unsolved matter and to improve our capability of understanding how breakthrough innovation led by design occurs".

# 3. Institutional work

## 3.1 Institutions

Rules, laws, norms and social conventions are the roots of our coexistence. Without them we would be in the dark, we would not know how to behave and we would not know how to distinguish what is right from what is wrong. What allows us to live and above all what allows us to do it with sense and civility are the institutions. But what do we mean by institutions? The literature mentions them in different contexts and with different nuances, but in summary it could be stated that "Institutions come in many forms; they can be formal codified laws, informal social norms, conventions, such as conceptual and symbolic meanings, or any other routinized rubric that provides a shortcut to cognition, communication, and judgment. In practice, they typically exist as part of more comprehensive, interrelated institute" (L. Vargo & F. Lusch, 2015, p. 11).

As Poma (1997) argue, an institution can also be represented by a handshake and can be understood in two ways: "Institution understood as tangible structure and codified norms and instead institution understood as habits, customs and moral codes that we can consider intangible i.e. unwritten norms. This set of informal norms regulates and governs the conduct of subjects belonging to a given collectivity and regulates their mutual interactions." In particular, the author refer to institutions as the *rules of the game* that order all actions and choices. Therefore, an institution as well as being represented by a handshake, can also be represented by the way of preparing food, the appropriate times to eat, interpersonal relationships such as those between a medium and his patient or between a customer and a shopkeeper. As the author say "social interaction would be impossible without this enormous mass of informal norms and customs that actually allow the mutual coexistence of subjects".

The importance of institutions is recognized and analyzed by many streams of research, one in particular being the service dominant logic (Vargo & Lusch, 2004).

According to this school of thought, institutions play a fundamental role in the interactions between actors and they represent the backbone and basis of the interactions between them.

In particular, there is no distinction between the roles of individuals, but everyone is recognized as an actor, regardless of whether they are clients, firms or markets.

These actors operate within a service ecosystem, understood as "relatively self-contained self-adjusting system of resource integrating actors connected by shared institutional logics and mutual value creation through service exchange" (Lusch & Nambisan, Service Innovation: A service-Dominant Logic Perspective, 2015, p. 161).

The S-D logic (Vargo & Lusch, 2004) thus provides a network-oriented view, whereby actors exchange services and thus create value by operating within the guidelines provided by institutions.

The authors refer to service and no longer of goods, because goods "are a special case, or at least a special method, of service provision. Service, then, represents the general case, the common denominator, of exchange process; service is what is always exchanged". (L. Vargo & Lusch, 2006, p. 43).

In particular, the nature of services is based on the centrality of resources. What the actors exchange are not goods and services as such, but resources from which a service can be obtained.

These resources are understood both in a *tangible* sense as money and objects of exchange, and in an *intangible* sense and therefore understood as skills and abilities.

In summary, therefore, the service is the use of a resource that belongs to someone for the benefit of someone else.

According to the Service-Dominant logic, institutions represent the backbone of our society, as they lead to define the social, economic and political context in which we live. So, when we refer to a socio-cultural change, we refer to a change of institutions and institutional arrangements, understood as " interdependent assemblages of institutions" (L. Vargo & F. Lusch, 2016, p. 6).

Socio-cultural change is what we previously identified as the starting point for being able to envision a new meaning to "offer" to people. Is what we previously identified as the starting point for an Innovation of meaning . Consequently, in light of what has

been said, it can therefore be deduced that the starting point for envisioning new meaning is given by a change in institutions and institutional arrangements. This "translation" allows us to reformulate the concept of Innovation of Meaning, as a function of the institutions themselves. If socio-cultural change triggers or can trigger the emergence of new meaning, then the same can be said of institutions.

In the light of this, the question of how to envision new meaning by interpreting socio-cultural changes can be reviewed and put in other terms: in the light of new emerging market institutions, how can a company respond to innovate the meaning of its offer? How will it have to change its internal institutions in order to respond to emerging market institutions?

In order to answer such a question it is necessary to first take a step back and ask how it is possible for such socio-cultural changes to take place.

The question to be addressed now then relates to how such socio-cultural change occurs and thus the change in institutions and institutional arrangements.

According to Giddens (1984) institutions not only guide, but are also guided by the interaction between actors and therefore there is a paradox, renamed by Seo and Creed (2002, p. 223) as "Paradox of embedded agency": "How can actors change institutions if their actions, intentions, and rationality are all conditioned by the very institution they wish to change?" (Holm, 1995, p. 398).

In fact, if people and institutions are closely linked and are a function in of each other, how does that trigger change? If people think, act, and decide following guidelines given by institutions and thus possess certain mental models embedded in their being, also given by institutions, how is it possible to abandon these mental models? How can actors break out of the institutional structure that defines mental models and act to propose a new one?

## 3.2 Mega-trend

Several authors have questioned how it is possible to break the paradox of embedded agency and among them, Kleinaltenkamp and colleagues (2018), argue that one possible trigger that can bring about change in institutions is the advent of mega trends, i.e., macro events such as changes in welfare, changes in the global economy, and changes in the physical environment.

As the authors report "these megatrends may challenge the mode of action of the existing institutional arrangements and hence the ways that resource integration and value cocreation is performed within the specific service ecosystems. As a result of such tensions, megatrends tend to initiate the change of service ecosystems" (Kleinaltenkamp, Corsaro, & Sebastiani, 2018, p. 610).

According to this view, external change needs to occur that is able to challenge the current ecosystem of services, challenging it and creating tension.

In particular, with ecosystem of services we refer to "a relatively self-contained, self-adjusting system of resource-integrating actors connected by shared institutional arrangements and mutual value creation through service exchange" (L. Vargo & F. Lusch, 2015, p. 10f). Therefore, institutions are identified as the building blocks of the service ecosystem and therefore a change in institutions directly implies a change in the service ecosystem. Indeed, as Kleinaltenkamp and colleagues (Kleinaltenkamp, Corsaro, & Sebastiani, 2018, p. 609) stated, "as service ecosystems are governed by shared institutional arrangements each progression of service ecosystems is shaped by changes in the specific institutional arrangements at the same time".

Thus, as Kleinaltenkamp and colleagues (2018) argue, megatrends, perceived as profound external developments, trigger a change in institutions that results in a change in the service ecosystem. This change occurs because of the tensions created in society, as external change leads people to question certain beliefs that are taken for granted and triggers a feeling of dissatisfaction, which is one of the main levers that initiates change.

Understanding how dissatisfaction and therefore tension can arise within society can be complex to comprehend on a theoretical level, and it is therefore appropriate to share a practical example illustrated by the authors in order to truly appreciate the meaning of what has been argued. The example the authors refer to concerns mobility and highlights how the growing awareness of the scarcity of natural resources, the increase of pollution and its environmental consequences have triggered a strong concern among individuals and consequently led individuals to rethink their habits and the concept of mobility. The tension and dissatisfaction triggered in society have led to the establishment of new institutions and in a short period of time we have been able to witness a paradigm shift towards models based on the use of the car instead of the actual purchase.

In particular, "consumers are increasingly oriented towards new values and more sustainable choices that contradict the typical established norms of car ownership and the perception of the car as a status symbol, thus influencing the normative institutional arrangements governing mobility" (Kleinaltenkamp, Corsaro, & Sebastiani, 2018, p. 621).

In conclusion, mega-trends represent the root cause of any change. They are able to trigger change in institutions and this result in the emergence of new ones. These new institutions are what Kleinaltenkamp and colleagues (2018) name as proto-institutions, which are the result of dissatisfaction that has emerged in society and are therefore able to replace some of the existing institutions. Such proto-institutions are able to take root in society and persist because they are recognized and applied by a generality of people, regardless of their individual identities (Poma, 1997).

Therefore, as Poma (1997) argues, while there are institutions that persist for centuries, many others are unsuited to new social changes and must transform or disappear.

Now that the origin of these socio-cultural changes is clear, it is possible to go a step further and ask how innovation can be derived from these socio-cultural changes.

We have previously pointed out several times how vague and uncertain the process of Innovation of Meaning is.

Some of the most important key principles to be taken into account during a design-driven innovation process have been identified, and among these, the interpretation of socio-cultural changes has emerged as the leading principle.

The interpretation and therefore the understanding of these changes could allow to envision a new meaning to be proposed on the market, but, how to interpret the changes in order to envision a new meaning is, however, a question that has not yet been answered.

It therefore remains vague how it is possible to pursue Innovation of Meaning from socio-cultural changes.

However, in the literature there are some models that suggest how it is possible to pursue an innovation, in its broadest sense, starting from socio-cultural changes.

Although these models do not refer specifically to new meanings and thus to Innovation of Meaning, it is significant for the purposes of this analysis to mention and analyse them in detail as they could prove to be extremely useful and significant for the purposes of the study.

Understanding how it is possible to derive innovation from socio-cultural changes, allows us to get closer to understanding how Innovation of Meaning can be pursued from socio-cultural changes.

# 4. Leveraging institutions to make Innovation

## 4.1 The service dominant logic

Socio-cultural changes are constantly transforming the scenario in which we live, the way we interact and the way we interface with reality. For this reason, the reality in which we live is dynamic and constantly evolving and therefore companies operating in this reality must be able to keep pace with it to survive, but above all to gain a competitive advantage.

Social, cultural, political and environmental changes represent for companies a challenge but also and above all an opportunity. An external change can be for a company a trigger to start an internal change, to change its business model, its product and/or service and more generally to innovate.

Innovation has allowed many companies to enter the market and establish themselves and others to increase their market share and grow exponentially. So, a common strategy for many companies is and has been to respond to socio-cultural changes by innovating.

The innovation process we are referring to is not only linked to an innovation of the product offered, but has a broader scope. In fact, innovation can be understood as an innovation in the way the product is distributed to the client, in the service that is offered in complement to the product, or it can even take place in the back office of a company and therefore not be visible to the end client.

In general "an innovation is the implementation of a new or significantly improved product (good or service), or process, a new marketing method, or a new organisational method in business practices, workplace organisation or external relations" (Oslo Manual , 2005).

In line with this, there are numerous frameworks in the literature that act as support in the innovation process.

In particular, as previously mentioned, there are different schools of thought that argue that the innovation process must have certain starting points, such as the Market-pull approach that assumes that the innovation process must begin with the market, or different ending points, such as the Technology push approach that aims instead to pursue and create new competencies through research and development to get to the point of creating and offering new technologies to the customer.

These are two of the biggest schools of thought, but they are not the only ones. There are many authors in the literature who propose different interpretations of the innovation process, different models and guidelines to follow.

Among the various frameworks proposed there is one in particular proposed by Koskela-Huotari and colleagues (2016). The model proposed by the authors argues that one possible approach to pursuing innovation is through an *institutional work* of breaking, making, and maintaining *institutionalized rules of resource integration.*

*Institutional work* is a concept addressed and studied by several scholars and is understood as "the purposive action of individuals and organizations aimed at creating, maintaining and disrupting institutions" (Lawrence & Suddaby, 2006).

In particular, the concept of creating, maintaining and disrupting institutions "highlights intentional actions taken in relation to institutions, some of them highly visible and dramatic, [...] but many of them almost invisible and often trivial, as in the day-to-day adjustments, adaptations and compromises of actors seeking to maintain institutional arrangements" (Lawrence & Suddaby, 2009).

This view of institutional work is based on the idea that institutions are enduring elements in people's lives and therefore have significant effects on the feelings, thoughts and behaviour of individuals and the community (Lawrence & Suddaby, 2006).

This concept of modification of institutions and change in the social order is taken up by many authors as a reference model to explain some major phenomena of social change. In particular, the authors Koskela-Huotari and colleagues (2016) have created a framework based on the concept of institutional work and all the principles that characterize it.

Specifically, the authors used the concept of institutional work as a basis for outlining a framework for innovation.

The literature that has studied the concept of institutional work and its underlying principles has focused on understanding how it is a work of social change, and therefore how it can bring about changes in institutions and therefore in the community. The authors we are referring to, on the other hand, have identified institutional work as a model on which to build a framework for innovation.

They focused on understanding how this process of institutional work is not only the trigger for change, but for real innovation.

In outlining the innovation model, Koskela-Huotari and colleagues (2016), do not refer to goods and/or services separately, but advocate a more unified view on innovation (L.Vargo, Wieland, & ArchpruAkaka, January 2015).

They align with the basic concepts of service-dominant logic that zooms out of the dyadic, output-centric view on exchange and proposes that service - the application of specialised resources for the benefit of other actors - is the basis of all exchange (Lusch & L. Vargo, 2004).

The distinction between "products" and "services" no longer exists, but not only that, because the distinction between "producers" and "consumers" of value is also gone.

All actors are resource integrators who have both roles of service provider and service recipient in the service-to-service exchange (L. Vargo & F. Lusch, 2011).

In light of this, from now on we will always refer to "services", understood as exchange goods, and "actors", understood as all individuals involved in the interactions.

## 4.2 The Breaking, Making and Maintaining framework

The innovation model outlined by the authors aims to define strategies to understand how to respond to socio-cultural changes, also referred to as market institutions. In fact, this model is applied when there is a social, economic or political change, which therefore acts as a trigger to start an innovation process.

The innovation process suggested by the authors, and thus the re-planning of resources, takes place through a simultaneous process of breaking, making and maintaining the institutionalized rules of resource integration.

This threefold action was analysed and investigated by the authors in various case studies, in order to appreciate at an empirical level how it could be put into practice. The case studies included in the research by the authors were in line with the triple action of breaking making and maintaining the rules of the game and allowed for a concrete understanding of how this strategy could be put into practice.

However, although the authors refer to processes of innovation triggered by the **simultaneous** action of breaking, making and maintaining, for the purposes of analysis, we want to broaden the vision and consider that these three actions do not necessarily have to occur all together. Therefore, the aim is to extend this innovation framework, making it broader and more flexible, thus considering the possibility of creating a real strategic mix of the three actions of breaking, making and maintaining.

Therefore, according to this vision, the replanning action can occur according to different strategies and in particular according to different strategic mixes related to the concept of institutional work. In fact, the three macro strategies of breaking, making and maintaining are not proposed as alternatives but as potential mixes that can be created to pursue an innovation.

Therefore, it is possible to combine the three strategies in different ways in order to identify different possible approaches.

However, the authors argue that it is not possible to exclude the maintaining strategy and therefore limiting oneself to breaking and making is not feasible because "breaking and making 'new' rules is not possible without simultaneously maintaining (often most) parts of the existing institutional arrangements" (Koskela-Huotari, Edvardsson, M. Jonas, Sörhammar, & Witell, 2016, p. 3).

The strategic mix selected to pursue an innovation, would then enable to co-create value in new ways.
In fact, according to the framework proposed by the authors, once that the strategy is identified, it is then necessary to define which are the actions that must be carried out. If a company decided to direct its strategic choice towards a *breaking and maintaining* mix, it would then be necessary to understand how to make this mix a reality, how to

'translate' this strategic choice into practice and therefore which actions to carry out at a practical level.

According to this, the authors propose some possible practical actions that can be developed in order to translate the strategic action into reality. Among these, the authors suggest the possibility of including new actors within the service ecosystem, or redefining the role of those currently involved or reformulating the resources used, proposing new ones or changing the role of those currently in use.

However, the practices suggested by the authors are not the only ones that can be used to put the *breaking, making and maintaining* framework into practice. There can be many others, for example the redefinition of the layout of a store could bring with it a sense of breaking the *rules of the game*.

In order to understand the meaning of what has been said, it is good to cite an example, which is also mentioned by the authors themselves (2016) concerning the Airbnb case.

Airbnb, when compared to the traditional hotel offer, has undoubtedly put a lot of emphasis on the *Making* strategy. This strategy is embodied in different ways within the offer. First and foremost, without a doubt, the reconfiguration of resources: the offer for travelers is no longer a hotel room, but a private home that allows the customer to feel closer to the culture of the place and really feel at home-away-from-home. This strategic action is not the only one reflecting the brand's *Making* strategy, the role of the actors involved has also changed. The actors are more active, more involved and new actors have emerged, namely the hosts who make their home/room available to the client and establish a more "intimate" relationship with the latter than in a hotel. In fact, the host welcomes the traveler into his own home and gives him advice and tips on the destination to visit.

These are just some of the actions implemented, but they allow us to understand how the *Making* strategy can be implemented in different ways and through different actions.

Therefore, by analysing a case of innovation, it will be possible to identify how the strategic choices of *breaking, making and/or maintaining* have been realised and put into practice.

The above mentioned are only some of the possible actions that can be implemented to communicate a sense of *breaking, making and/or maintaining* the institutionalized rules of resource integration.

# 5. Closing the gap

## 5.1 Merging the two fields of research

In the light of what has emerged from the literature, it is clear that the two research fields of Innovation of Meaning (Verganti, Overcrowded, 2018) and Innovation by Breaking, making, and maintaining, proposed by Koskela-Huotari and colleagues (Koskela-Huotari, Edvardsson, M. Jonas, Sörhammar, & Witell, 2016), have a common origin.

This common origin, related to socio-cultural changes and therefore to institutions, suggests to merge the two research fields and to try to use the *Breaking, Making, and Maintaining* framework as a support to a process of Innovation of Meaning.
In doing so, an attempt will be made to understand whether there is the possibility to leverage institutional changes to envision new meanings.

What is known to date about Innovation of Meaning are some main pillars, among which we have identified the need to adopt an inside-out approach, the need to acquire a critical attitude in order to validate the proposed ideas and finally, the main pillar, concerns the origin of an innovation process. As already pointed out several times, an Innovation of Meaning originates from socio-cultural changes that must necessarily be understood and interpreted in order to envision new meanings.
This last characteristic of Innovation of Meaning is what allows to create a common thread with the *Breaking, Making, and Maintaining* framework.
Therefore, in order to find an answer to the research question, we will try to use the innovation framework Breaking, Making and Maintaining which suggests guidelines to support an innovation process and which considers socio-cultural changes as the starting point of this innovation.

This model, through multiple case studies, shows how a generic innovation process can be structured by leveraging three possible dimensions of breaking, making and maintaining institutionalized rules of resource integration. Specifically, the authors suggest responding to external changes by implementing strategies to break, make,

and/or maintain the rules of the game, choosing among the three dimensions the most appropriate mix, and then choosing the best strategies to implement the chosen mix in the offering.

The socio-cultural origin of the Innovation of Meaning and the *Breaking, Making and Maintaining* framework, is therefore the key to allow the two fields of research to be linked together and to extend the innovation framework to a process of Innovation of Meaning.

The goal will therefore be to structure a process of Innovation of Meaning and, to do this, we will try to adapt the framework found in the literature to selected case studies that have made Innovation of Meaning in their offerings.

In this way, it will be possible to shape and adapt this framework based on what emerges from actual case studies. In particular, the attempt is that of applying this framework to the retail market, that, in addition to being a sector in crisis, it is also a sector that fits very well with this theme, being particularly linked to the socio-cultural changes that determine the interactions between companies and their customers.

In the light of this, the research question that will guide the entire research will be:

RQ: *How to leverage institutional changes to envision new meanings in retailing?*

Of course, the intent is not to provide rigid guidelines and rules to follow, since Innovation of Meaning cannot be envisioned by following a strict path. Indeed, the intent is to provide a tool of support for the creative process.

| | | The innovation process | The achievemnt |
|---|---|---|---|
| *Research field #1: IoM* | Interpretation of socio-cultural changes | ? | Innovation as the creation of a new meaning. |
| *Research field #2: BMM* | Interpretation of socio-cultural changes, intended and classified as market institutions. | Institutional work: Breaking, making and mantaining the institutionalized rules of resource integration as a response to a change in the market institutions. | Innovation as an institutional re-configuration process |

*Table 1: Comparison between the two fields of research*

## 5.2 Extension of the Breaking, Making and Maintaining Framework

Koskela-Huotari and colleagues, examine innovation as a process that unfolds through changes in the institutional arrangements that govern the practices of integrating resources into service ecosystems.

The model defines the guidelines for defining an innovation process in its broadest sense. In particular, as mentioned above, when referring to an innovation it is possible to refer to a wide typology of innovations, related to different business contexts and different procedures. For example, it is possible to refer to innovation in relation to the product, the production process, the distribution method, the back-office organisation and so on.

In particular, the authors in this paper examine four different cases of innovation, belonging to four different companies. These innovations concern: changing the business logic, changing the innovation procedures, changing the core competences and changing the market structure.

The nature of innovation is therefore different in each case, which is why the intent of this research is that of extending the framework also to an Innovation of meaning.
Such a framework could be a support for innovation of meaning, as already pointed out, but above all, since the model is based on the identification and application of strategic mixes of Breaking, Making and Maintaining, it could turn out that certain strategic mixes are more suitable or more accurate than others to envisage a new meaning and thus propose a real Innovation of Meaning.
Indeed, the three dimensions represent three macro levers from which it is possible to choose in order to apply the most suitable mix and, depending on the strategic mix chosen, and therefore on the combination of the three actions, it will then be possible to define how to put this mix into practice, how to make it concrete within the offer.
Actions suggested by the authors, to put into practice the mix, include: introducing new actors, reconfiguring existing resources and changing the role of actors. These are only some of the possible actions that can be carried out to realise the strategic mix of Breaking, Making and Maintaining.

If the choice of the strategic mix is something more abstract and generic, the actions selected to put the chosen strategic mix into practice are instead concrete and well defined.

Therefore, applying the Innovation framework *Breaking, Making and Maintaining* to retailers that have done Innovation of Meaning, will allow not only to structure a method for conducting Innovation of Meaning processes, but also to draw meaningful conclusions regarding the strategic mixes most frequently used and the related actions implemented to realize the chosen mix.

## 5.3 The research setting

Before going on to outline the selected case studies, it is good to narrow down the field of research since, as often pointed out, an innovation, of whatever kind, can apply to many areas and many contexts. In particular, among the various contexts in which an innovation can be applied, in this particular case we want to investigate the case of innovations applied within retail sector.

Very often, and for a long time, people talked about innovation mainly by referring to product innovation.
Today, however, many scholars and managers have widened the range of areas in which innovation can be achieved. Everything that surrounds and supports the product from production to sale can be subject to innovation. Accordingly, service innovation is one of the main areas where innovation is possible.
In particular, as Sawhney and colleagues (Sawhney , Balasubramanian, & Krishnan, 2004) report, service innovation and retail service innovation have received greater attention in the last decade. And the latter, retail service, is exactly the area of interest for this analysis.
In fact, retail service can be defined as "a process of co-creation in which a set of physical, digital and human resources interact to support the customer's shopping experience in order to generate value" (Pinto, Dell'Era, Verganti, & Bellini, Innovation strategies in retail services: solutions, experiences and meanings, 2017). It represents

just that: how a company decides to sell its product on the market, how it wants to show itself to the customer and how it wants to interface with the latter.

Therefore, the retail sector is a shop window, not only in a concrete sense but also in a figurative sense, because it is the mirror of the company, what allows the customer to have direct contact with the brand and therefore to know its values and principles.

This great value attributed to the retail sector makes it extremely interesting and it will therefore be the main subject of the analysis.

In addition to the importance and value that retail has for a brand, there is another motivation that was previously pointed out and that make the retail sector as an interesting and relevant context for this research.

This second important reason for selecting retail as the focus of the analysis is linked to the fact that in recent years the retail market has been severely damaged by numerous factors, such as the advent of eCommerce and the Covid-19 pandemic, which have led it to experience years of deep crisis.

While the proliferation of eCommerce and online sales had begun to threaten retail shops in recent years, with the advent of Covid-19, the situation for the latter has become much worse. The pandemic has been disruptive to many retail shops, and today they need to adapt to a new future in order to remain in the market (KPMG, 2021).

The pandemic has helped accelerate many existing trends and has led to major changes in the retail market, including changes in shopping behavior, in the business models and in the increasingly integrated relationship between online and offline (KPMG, 2021)

The retail sector must therefore respond to these changes. Indeed, while the retail business model has remained unchanged for decades, innovation in this direction is now proving necessary to survive.

The precariousness of this market makes it extremely suitable for the purpose of this analysis, which aims precisely to create useful ad valuable tools that can be used to implement a process of Innovation of Meaning in the retailing.

The objective will therefore be to apply the innovation framework to those companies that have innovated the meaning of their retail.

# 6. The retail sector

For more than half a century, retail has been undergoing a profound transformation, mainly due to new lifestyles of consumers, new products categories, new services and the emergence of eCommerce that have disrupted the traditional retail trade (Osservatori.net, 2021). Online shopping continues to increase, putting pressure on physical retailers to compete by improving the customer experience in their stores (Silicon Labs, 2017).

There are retailer belonging to many different sectors and overall, the retail market is a highly competitive and fast-paced industry, which is vital to the economy (Assosia, 2018).

Despite the great challenges faced, offline sales still have a lot to offer. Many customers still prefer to shop in traditional offline shops, where they can touch products to feel their texture, try them on and compare them.

## 6.1 Challenges

It is necessary to understand the major challenges and critical issues faced by retailers during the last years.

For several years, retailers have been facing numerous challenges and threats.

Many of these challenges had been ongoing for several years, while others have strengthened and emerged with the advent of Covid-19. In fact, the pandemic has played the role of an accelerator of what until a few years ago were only minor threats. The retail sector has undergone an abrupt change and is therefore inclined to respond quickly to remain viable.

In recent years, "many well-established global players have closed many locations, are planning to close more or have closed shop completely following major sales declines" (Helmore, 2018).

Among the main challenges that must be faced by retailers is the emergence of online-only retailers and marketplaces, like Amazon or Alibaba, offering enhanced and more consumer-friendly fulfilment options (Sides & Furman, 2019).

The presence of these new threats has made the retailer landscape even more competitive. Because of that, retailers have to compete in a number of ways, especially because expectations of customer have increased in the latest years. They want first-rate customer service and a seamless customer experience (Assosia , s.d.).

Therefore, one of the main challenges for retailers, is to **deliver an exceptional customer experience** and, to do that, they have to **build strong relationship with consumer** (Kustomer ).

In this regard, according to surveys conducted by the Kustomer team, 90% of consumers would stop shopping at a retailer if the retailer provided bad customer service, while 83% of consumers think they would have to be treated better by a retailer to be a **loyal customer**.

Retailers should therefore be aware of this data and focus on these two aspects: firstly, they should offer excellent customer service and secondly, they should be able to build customer loyalty so that they can then create a transparent and engaged relationship with loyal customers.

To recreate this excellent customer service, retailers needs to leverage on the **creation of omnichannel experiences**, which is a strategy that is now widely adopted by many brands and has become an evolving trend that we will address in more detail below. The aim should be that of continuously trying to improve this kind of strategy, making the switch from one channel to another increasingly smooth.

In this way, it is possible to switch the role of the online sale from pure threat to great opportunity and consumer will be able to combine the benefits of traditional shopping with the convenience of using modern technology (Assosia , s.d.).

## 6.2 Trend

Retailers need to reinvent themselves in order to coexist in a world where online sales are increasingly widespread and powerful.

A number of trends have emerged in recent years that have involved many brands changing and improving the customer experience in their physical stores.

Of course, the advent of Covid-19 has changed the existing scenario, hurting even more the physical shops that have been forced to close. As a result of the pandemic, many new trends have emerged and many others have been accelerated. However, for the purposes of this analysis, we will not consider these pandemic trends but refer to a pre-pandemic scenario.

This is due to the fact that the aim of the thesis is to analyse existing and established retail, which therefore formed in response to pre-pandemic trends.

Many trends have emerged in the retail sector in recent years. These trends have been shared and widely used by major retailers around the world as they seek to survive in a highly risky market and try to offer something more than the online sales market.

Among the main trends that emerged in the pre-pandemic years, which were then naturally reinforced and extended with the advent of the pandemic, we will report the main ones.

By cross-analysing various reports on the major retail trends that have emerged in recent years, some recurring and significant ones have emerged.

In the next section, they will be analysed and explored in more detail in order to understand the scenario in which retailers have to operate.

## From we to me

One of the first trends emerged is defined as *From we to me* (KPMG, 2019). This trend indicates the ability of retailers to get to know their customers, their habits and their tastes thanks to the huge amount of data available and thus be able to create ultra-personalised experiences.

There has never been so much data available to retailers, but what is important is how this data is collected and categorized.

The set of data collected online and offline represents a huge value, because if used in a 'productive' way, it can become a support for sales assistants. Such data could help them to get to know their customers better, to know how to help and support them in the buying experience.

This kind of trend will also allow companies to be more consumer-centric rather than product-centric (Sitel Group, 2018).

Indeed, knowing the customer segment is an extremely powerful tool for creating a tailored customer experience.

As argued by Jared Blank (2021), customers want personalized shopping experiences. They are 2.4 times more likely to remain loyal to brands that offer a great experience. Therefore, in relation to this phenomenon, it proves necessary for brands and retailers to rethink what it means to provide that level of service and convenience now that expectations have changed. To achieve this goal, retailers need to understand how to collect this data and how to extract value from them.

## Consumers get price savvy

Another trend that has emerged in recent years and is reported in the article in question is that the *Consumers get price savvy* (KPMG, 2019).

On the basis of the product and/or service purchased, on the basis of the value that the product has for them and on the basis of the experience offered, consumers expect a certain price. Among other things, the online availability of many products and/or services has made customers much more aware and capable in their shopping experience. Just by searching online for a certain product, they can see it offered in different sales channels, with different prices and with numerous reviews attached.

This phenomenon, now widely spread and used in many shopping experiences, is called Webrooming and is defined as "the practice of doing research to compare prices, read/watch reviews, check social media and online communities, look at product specs, etc - and then, go to a store to do a final evaluation or consideration, and ultimately make a purchase" (JRNI Team, 2019).

In view of this, it is natural that it has become easier for customers to make assessments of the price and value of a product.

## Product Personalization

Nowadays, customers are more and more interested in personalizing their product and their services, therefore the *Product Personalization* ( Coppolone, 2019) in another widely diffused trend.

Nowadays there are several different ways to get personal with the clients. Among the most common personalization tactics, there are in-app product recommendations, personalized service ideas from experts, technologies, and even recipe suggestions. New devises and AI services will become extremely powerful in this sense, as they will provide added value to the customer experiences. They are expected to be used within retail stores this year in order to provide customers with a more seamless and personalized experience ( Coppolone, 2019).

## Transparency

Nowadays, it is very common and easy to make misinformation, therefore it is becoming increasingly important for brands to be as clear and honest with their consumers as possible. In line with this, *Transparency* (Sitel Group, 2018) represent another major trend.

Brands have to be careful and stick to the values and principles they share as it is very easy nowadays for users to verify their truthfulness.
This transparency can be manifested in different ways and with different strategies. For example, as reported in the Sitel Group article (2018), brands such as American Apparel "are taking the initiative in terms of online communication. The brand offers its garments in two forms - made in Asia or made in the USA together with different prices and information on the manufacturing process. With all the information at their fingertips, consumers can buy with confidence and security".
This need for transparency towards customers is expected to intensify and become normality (Sitel Group, 2018).

## The rise and rise of voice

Another trend that emerged is called *The rise and rise of voice* (KPMG, 2019) and refers to the fact that "humans are becoming more comfortable communicating with robots and robots are becoming more sophisticated, or human-like, in these interactions" (KPMG, 2019). So, leveraging increasingly technological and integrated solutions is becoming easier and more functional for retailers, especially because people are becoming more confident in interacting with them.

## Everything Omnichannel

Still in the sphere of technology, it is necessary to mention a trend that has been established for several years now, namely *Omnichannel retailing* (Sitel Group, 2018). This strategy is now widely used and well established among retailers, and it refers to the fusion of physical and digital world.

In particular, the aim of this strategy is to "ensure a truly seamless customer journey anytime, anywhere and across any permutation of channels" (Sitel Group, 2018).

Omnichannel solutions are becoming more and more common in shops and using digital tools to switch from online to offline channels is becoming a common practice, but above all intuitive and convenient for many users.

An omnichannel strategy can increase customer loyalty and retention by providing a seamless in-store customer experience. Such a strategy would also allow the implementation of a number of extremely useful solutions to approach and engage the customer. These include offering customers consistent pricing, promotional offers, personalised communications, all-channel inventory access, and other customized services (Silicon Labs, 2017).

In addition, omnichannel strategies allow them to create new forms of interaction with customers and strengthen the links between their online and offline offerings (Sitel Group, 2018).

Omnichannel is therefore a strategy widely used by many retailers to improve the customer's shopping experience. In fact, the creation of a seamless customer experience across all channels is perceived as the most critical goal of their omnichannel strategy (JRNI Team, 2019).

However, the goal is not only to create two channels, online and offline, capable of co-existing in the same environment. It is about creating synergies so that the use of the two channels together creates an enhanced customer experience.

The focus should therefore be to "design a consumer-centric shopping experience for the digital channel and complement it with services the existing retail infrastructure already supplies" (Silicon Labs, 2017). Switching from one channel to the other should therefore be something simple and intuitive for the customer, to ensure that the customer's shopping experience is not only improved, but also simplified.

## Experiential retail

Proceeding with the main trends that have emerged in recent years is *Experiential retail*: "Retailers are actively experimenting with experience as their most powerful tool to win and retain customers" (KPMG, 2019).

The experiential nature of the shopping experience is one of the trends that has been gaining momentum in recent years. The shopping experience cannot be based solely on functionality, because if it were, online shopping would always be the customer's preferred route, guaranteeing convenience, choice and visibility. Experientiality is therefore extremely important to enhance the physical shopping experience. It is based on engaging the customer, triggering the five senses and creating a personal and lasting bond between brand and consumer.

The experiential nature of the shopping experience can take shape in a number of ways, among which we see immersion in a world where one can breathe in 100% of the essence of the brand, the possibility of testing and trying out products, the possibility of personalizing and creating products, thus moving from being passive players to being active players (Gondola, 2020).

The role of the customer therefore changes and so does his involvement with the brand.

## Sustainability

*Sustainability* is another key trend that defines the current market and has been established for several years now.

More than a trend it could be defined a Mega trend and it is based on the protection and respect of our planet and its resources. In recent years, it has become part of a global commitment to protect the environment, providing a future for generations to come.

On this trend, the KPMG (KPMG, 2019) report states that "consumers are shopping with emotion and values as much as their wallets" and this is because a new awareness has arisen among consumers, stirred by threats of potential climate risks.

Consumers have learnt to understand the direct link between the environment and personal well-being, and the consequences of poor and irresponsible choices that have been widely spread for years.

Forrester, in an article in Forbes (2021), shares three recent phenomena that have emerged in relation to this new awareness: consumers are hyperaware of the condition of the environment, More consumers are motivated to take action on environmental sustainability and Highly empowered consumers seek and champion brands that commit to sustainability.

Thus, among the main trends that have emerged in recent years, sustainability is one of the main ones, to which the maximum respect and attention should be paid.


## Social currency will be more transactional

Another trend that emerged concerns the social sphere and in particular the fact that *social currency will be more transactional* (KPMG, 2019) in the coming years. Social currency is defined as "a measure of how much people share a brand name (or related information) during their daily lives at home, at work and - most importantly – online" (Wired, 2018).

In a nutshell, social currency can be defined as the "quantifiable impact of word of mouth" (Klein, 2018).

Social media have become an integral part of many customers' purchase paths and the value they represent for brands is extremely high and growing. Indeed, consumers are adopting social tools as their primary point of interaction with brands and companies. As such, retailers must actively engage with these tools to keep up with this emerging trend (KPMG, 2019).

### From transaction to service provider

The latest trend observed and reported in the report (KPMG, 2019) is defined as: *From transaction to service provider*.

This trend refers to the platform as a new business model that has been established in the market for several years. Understanding the power and value of platforms is fundamental and "what a company owns matters less than what it can connect" (KPMG, 2019). However, as stated in the report, not all brands have the capabilities and resources to build platforms, so collaboration will be key.

## 6.3 Innovation in the retail sector

In order to follow emerging trends and to respond to major challenges, retailers have had to evolve and this has led many of them to develop innovation processes.
In fact, increasingly, "retailers are using innovation in response to the changing landscape" (Artusi , Bellini, Dell'Era, & Verganti, 2020). In particular, innovation in the retail sector can take shape in different ways and it is possible to consider different kind of retail innovations: product, process, marketing, organizational, and technology innovation (European Union (EU), 2015).
As highlighted above, improving and refining the customer experience is extremely important and it is with this goal in mind that retailers should innovate.
In particular, among the main objectives of innovation processes, is the creation of experiences to differentiate themselves from online players. This goal is extremely

important for retailers because it is the key to survival (Artusi , Bellini, Dell'Era, & Verganti, 2020).

In fact, "creating a superior customer experience is considered key to achieving satisfied and loyal customers" (Grewal, Levy, & Kumar, 2009).

In light of this, many of the innovation processes pursued in retail have been aimed at improving the customer experience.

To do this, six dimensions of the customer experience have been identified that can be acted upon.

These dimensions, identified by Gentile and co-authors  (Gentile , Spiller, & Noci, 2007), are:

- Sensory: stimulation of the senses through involvement
- Emotional: acting on states of mind and emotions to foster an emotional relationship with the company.
- Cognitive: a conscious engagement, which implies reaction and creativity for problem-solving.
- Pragmatic: practicality linked to the concept of service usability.
- Lifestyle: expression of values and beliefs in the adoption of certain behaviours.

By leveraging on some of these six dimensions and by integrating them within the offering, the authors (Gentile , Spiller, & Noci, 2007) identify some possible type of experiences that can be created by retailers.

According to the mix chosen, the three possible experiences that can be created are:

- o Hedonic experience: Sensorial and Emotional Experiences
- o Omni experience: Lifestyle and Relational Experiences
- o Omnichannel: Cognitive and Pragmatic Experiences

This field of research is extremely significant as it has enabled a concise clustering of the main approaches that can be put into practice to innovate the customer experience and in particular has highlighted the main trends that can be followed by the various retailers.

The three types of experience that emerged are in fact those most commonly found within the main retailers and for each of the three experiences proposed by the authors,

there are several possible actions and strategies that at a practical level can be put into practice to create a certain type of experience. For example, in order to promote an omnichannel solution, many retailers are proposing the introduction of digital tools to facilitate a seamless experience between online and offline, and there is an increasing variety of proposals, from the introduction of tablets in stores to the transformation of the store itself into an interactive reality.

These three types of experiences that can be recreated in a retail environment and the related actions/strategies put in place to achieve them are aimed at pursuing innovation.

The innovation referred to is most often understood in its most generic sense. However, it is extremely interesting to investigate a certain type of innovation in particular: design driven innovation applied to retail.

This type of innovation is particularly suitable for the retail world, precisely because the latter is closely linked to the socio-cultural changes that determine the interactions between firms and their customers (Bellini, Dell'Era, Frattini, & Verganti , 2017) .

Socio-cultural changes are the origin of Innovation of Meaning and therefore it is extremely interesting to study such innovation applied to the retail world.

To date, there are not many cases of retailers that have innovated the meaning of their offering, but those that do exist are extremely significant and interesting to understand the nature of the transformation.

Among the main cases of Innovation of Meaning applied in the retail sector in a business-to-consumer reality, there is the Eataly case.

Eataly is a food shop that sells high quality Italian products. The retail in this case is a real experience of total immersion in the world of Italian food. If the old meaning associated with this kind of experience was "I go to a grocery shop because I want to buy the food I know", the new meaning introduced by Eataly has become "I go to a grocery shop because I want to discover and taste new foods" (Verganti, 2018).

The transformation behind this change in meaning has been extremely successful for Eataly, which has given the brand great fame and notoriety and has now become a reference point for Italian cuisine.

## 6.4 Selected case studies

For the purposes of the analysis, eight case studies were selected of retailers who have entered the marketplace by innovating the traditional meaning associated with their offerings.

In the following we will introduce them one by one, to understand the transition that has taken place and therefore why they have been included in the analysis.

### Volvo studio Milano

The idea behind the Volvo Studio is an Italian one, born in 2014, which led to the opening and inauguration of the store in 2017, right in the heart of the city of Milan.

The Studio was created in response to the unprecedented transactions that were and still are taking place in the automotive world. From the use of electric motors to issues of driving safety and autonomous driving.

The studio was created to be a container of ideas, as it is described by Michele Crisci (2021), president and CEO of Volvo car Italia. In fact, the aim of this store was not to create a traditional car showroom where cars could be sold, but to welcome customers to tell and listen. Indeed, the cars on display at the show are very few and are usually the most exclusive and expensive models in the range. Downstairs, in the car parks, you can see a wider range of models, but the aim of the Studio is not to display the car to show it to the customer.

The desire was to create a place where the sales process was put on the back burner, to give space to sharing, communication and knowledge instead.

So the Studio is more like a meeting place where numerous events are organised to celebrate the culture and values of the brand. The events organised in the Studio are of various types, from concerts to exhibitions and art shows, and all of them are linked by a thread that is the values and pillars of the brand.

Another particularity of the store is that it is not possible to talk about prices or negotiations, because the sales process is not present within the store.

This is because it is believed that the sales process can in some way scare the customer and therefore, telling the customer about the product in a disinterested way is certainly more valuable.

If, however, the customer is interested in making a purchase, he is personally accompanied to a Volvo dealership and is supported throughout the negotiation process.

## Starbucks Reserve Roastery

Starbucks reserve roastery is the brainchild of Howard Schultz who, in 2009, summoned the best designers, architects and engineers to his home to show them the film "Charlie and the Chocolate Factory" so that it would inspire them to create something new.

In fact, according to Giampaolo Grossi (2021), manager of Starbucks Italia, Schultz wanted the film to inspire the creation of something unique, something that would celebrate coffee, its origins and its peculiarities.

From this idea the first Roastery was born in 2014, in Seattle, and later opened a total of 6 around the world, one of which is in Piazza Cordusio in Milan.

Each Roastery is a real experience for customers, where they can not only drink coffee but also learn about its origins, flavours and aromas, and above all admire and learn about the entire production process. The latter is in fact entirely installed inside the Roastery and allows the customer to have a complete view of the entire process, right up to the final packaging.

In addition to offering an immersive experience, the Roastery in Milan also offers customers numerous complementary experiences and services, such as a cocktail service in a separate and exclusive location, a completely Italian bakery service and numerous other experiences and services that enrich the customer journey.

The Roastery is also not only a tribute to coffee, but also a tribute to the culture of the country that hosts it.

In Milan, for example, the floors, chandeliers and furniture are all made by local craftsmen.

Thanks to the Roastery, the world of coffee has been enlarged, giving customers the chance to get to know and appreciate the different aromas and flavours that different types of coffee can offer.

## Apple Store

The apple-store is a chain of shops selling Apple brand electronics and devices.

There are now numerous Apple stores worldwide, but of particular interest are the stand-alone stores, which are located in high-profile locations in various cities, such as the Apple store in Piazza Liberty in Milan, which is the subject of this analysis.

The store in Piazza Liberty has a unique and eye-catching design, which is similar to the minimalist and clean design of the brand's products.

Inside the store it is possible to buy Apple products, but that is not all: the store organises events and workshops for customers in order to bring customers even closer to the product and allow them to exploit the full potential of Apple devices.

These events are organised very frequently, are aimed at different targets and are always very varied and engaging.

In addition to these activities, the store also offers the famous Genius bar service. This service represents 2.0 assistance for customers, who can book an appointment with a Genius staff member from home and then go to the shop to receive targeted assistance. Geniuses are extremely competent, able to recognise possible problems, analyse the product and advise the customer in the best possible way. In addition, the Genius staff have an extremely friendly and helpful approach to customers.

Over the years, the store has also become a place of worship for fans of the brand, who come to the store to see the new releases in person, but also to admire the store's unique and eye-catching design.

## Erbert

Erbert is a supermarket for fresh and quality products, opening in Milan in 2020. The store's main objectives are environmental sustainability and consumer health.

Environmental sustainability is present throughout the Erbert world. The products arrive fresh every morning, the meat is from controlled supply chains and the fish is caught with respect for the environment and seasonality. All the products used, such as shopping bags and packaging, are environmentally friendly.

In terms of the second objective, consumer health, Erbert has brought in experienced nutritionists who work every day to create ready meals that are balanced and healthy. Among the various solutions offered are boxes of ready meals that can be combined

or put together according to the customer's taste. It is also possible to get support from in-store Food Mentors, from whom it is possible to ask for advice on healthy and balanced eating.

All products have descriptions of the nutrients and dosage of each food, helping customers to shop responsibly and independently.

There is also a bistro, where it is possible to enjoy healthy dishes.

## IKEA

Ikea is a Swedish company specialising in the sale of furniture and other household items.

The company was founded in 1943 and today has retail stores in 42 countries.

Ikea stores are famous for offering experiences that go beyond just buying furniture. Over the years, Ikea has become a symbol of a place to go on Sundays to spend some time, because it offers its customers many experiences that involve both adults and children. At Ikea there is a cafeteria, a canteen and a market that allows customers to eat or take home typical Swedish dishes, some of which have become very popular with customers over the years.

The main feature of Ikea is undoubtedly the layout of the store, designed to take the customer on a journey through the different areas of the home. Along the way, each area of the home is presented in a different style, allowing the customer to identify and find the style that feels right to them.

Throughout the entire Ikea experience, the customer is free to touch the products, take measurements and become an 'architect for a day'.

The work of the designers and architects, who recreate areas of the house in different styles, allows the customer to totally immerse themselves and take inspiration for their own home, enabling them to choose how to furnish their own home in total autonomy. Should support be needed, there are numerous people throughout the store who are willing to accompany and advise the customer during the shopping experience

## LUSH

Lush sells fresh, handmade cosmetics, founded in 1995, now has almost 1000 stores worldwide.

One of the main and most significant characteristics of Lush is that its values are based on "transparency, sustainability (both social and environmental), freshness and naturalness" (Artusi & Bellini, 2020). In fact, the products are all vegetarian and 85% of them are also vegan. The packaging and boxes used are fully compostable.

All Lush stores offer customers full multi-sensory experiences. This is made possible by the presence of aromas and fragrances throughout the store, but also by the possibility of touching the products and trying them at the washbasins.

The layout of the store, as well as the shapes and colors of the products, are colorful, unique and fun. In particular, the design of the store is very reminiscent of a bazaar, in the way the products are arranged and in the materials used for the structure.

The reference to a context unrelated to that of the beauty world makes the experience at Lush even more immersive and above all fun.

The names of the products, which are completely unconventional and unique, underline this fun aspect.

Although Lush is a beauty shop, it is totally different from its competitors, focusing on sustainability and creating an immersive and unconventional experience.


## Nespresso Boutique

Nespresso is a company belonging to the Nestlé group. It was founded as an independent unit in 1986 with headquarters in Lausanne, Switzerland and the first Nespresso Boutique, was opened in 2000.

Nespresso Boutique's objective is to offer a "premium" service to its customers, thus turning a simple and "raw" product into an exclusive one.

The variety of coffee pods offered is very wide and allows the customer to choose between different aromas, flavours and even colours. The pods feature attractive designs and colours and there are also limited edition coffee pods.

The machines on sale are also of the latest generation and also boast attractive designs, just like the coffee pods.

Overall, the furniture, coffee capsules and machines reinforce the sense of exclusivity that Nespresso Boutique seeks to maintain and are designed to "convey a specific sensation of walking through a sophisticated gallery" (Pinto, Dell'Era, Verganti, & Bellini, 2016).

The service offered by Nespresso Boutique to its customers is an all-round service, boasting a Nespresso Club and the possibility of personalising the offer to the customer on the basis of their tastes and desires.

The boutiques also offer a coffee drinking experience. Customers are offered the chance to enjoy a coffee at the store counter, where an expert advises on the basis of the customer's tastes.

## RED Feltrinelli

LaFeltrinelli has 124 retail stores in 58 towns through owned and franchised locations. The types of retail proposed by Feltrinelli were initially four: megastores, local megastores, mall libraries, and local libraries.

In 2012, LaFeltrinelli proposed a new concept to the market, called RED Feltrinelli. The name is an acronym that stands for: "Read, Eat, Dream"; these three words sum up what is the experience offered inside these stores.

In fact, these are no longer simple bookshops, but places where it is possible to spend time and relax. In the RED Feltrinelli stores there is a restaurant that is merged inside the store. You can enter the store to buy a book, to have lunch or to do both.

This allows the customer to choose how they want to live their customer journey and also, the personnel don't go and urge the customer to buy something or ask them if they need help, it is the customer who goes to the personnel if they need something. Otherwise, the customer is free to live their experience undisturbed.

As well as offering restaurant service, RED bookshops allow customers to use the space as they wish, as a place to work, study or simply read.

In addition to this, RED bookshops organise numerous reading and food events and workshops, which become one in the RED world.

| Case study | Innovation of Meaning | |
|---|---|---|
| | *From* | *To* |
| *Volvo studio Milano* | I go to a traditional car showroom because I want to **buy** a car, receiving **information** about the characteristics of the vehicles and their **costs**. | I go to the Volvo Studio Milano because I want to have a **good time**, having a coffee or a drink or seeing an **exhibition** or attending an **event** and **discovering** at the same time the Volvo culture. |
| *Starbucks reserve roastery* | I go to a traditional coffee bar because I want a **relaxing and informal** coffee service, to live a sense of community, when I am out and about for business or pleasure. | I go to Starbucks Reserve Roastery because I want to live an **exclusive experience**, in a **unique location**, **learning** about coffee, its characteristics and its different tastes. |
| *Apple Store* | I go to a traditional electronics store to **purchase** an electronic device, **compare offerings** from different brands, get **assistance** with repairs, or purchase **phone contracts** | I go to the Apple store to get into the **heart of the Brand**, to see the **latest releases**, to attend a **workshop** or to get targeted and **effective support**. |
| *Erbert* | I go to a traditional supermarket to do my grocery shopping and if I want to buy healthy and/or eco-friendly products, **I have to worry** about comparing different offers to see which is the most convenient. | I shop at Erbert's because I want to shop healthy and responsible and **I know that all the products are healthy and environmentally friendly**. I don't have to be careful about what I pick up because I know that every product is part of a food plan designed and studied by expert nutritionists. |
| *IKEA* | I go to a traditional furniture shop to buy furniture products that I **need** for my home, to evaluate different options and compare prices and quality with the support of personnel. | I go to Ikea to be **inspired** by the furniture and home environments created by architects and designers and to be able to step into the role of architect in total autonomy. |
| *LUSH* | I go to a traditional beauty store to **purchase** products that I **need** or that are **recommended** to me by the staff based on my needs. | I go to Lush because I am fascinated by the unconventional **atmosphere** of the store, the **colors** and the **scents** that the store exudes. I go to Lush because the store "aims at offering people, **playful awareness**, where the sustainability of products is expressed through the playfulness of the service" (Artusi and Bellini, 2020 pp. 9-10). |
| *Nespresso Boutique* | I go to a traditional coffee retailer to **buy** pods, machines or devices I need, looking for **value for money.** | I go to the Nespresso because I want to be **taken by the hand** and guided " through a journey in which the boundaries of the **different experiences** (buying selected coffee blends, relaxing in a lounge, drinking an espresso that can only be enjoyed in a bar) are separated by a blurred imaginary line" (Pinto et al. 2016 p.202). I go to Nespresso because it is a "**Coffee Sommelier Boutique**." |
| *RED Feltrinelli* | I go to a traditional bookstore to **purchase** books I've been looking for, **find inspiration** on the spot, or get **advice** from the staff. | I go to RED Feltrinelli because I want to read a book while drinking coffee, or because I want to take advantage of my lunch break to peek at the new releases...simply I go to RED because I want to "**Leave behind the chaos** of daily life and taking time to **enjoy books, food, and drink**" (Bellini et al. 2020 p.28). |

*Table 2: Innovation of Meaning - From...To*

# 7. Methodology

Before going into the details of the methodology adopted to develop the thesis, it is necessary to refocus on what the objective of the thesis is and the motivations that led to its development.

For years, companies have been competing against each other in an increasingly competitive market and have therefore tried day after day to survive, but not only that, to remain competitive in the market.

To do that, it is necessary to reinvent oneself and question one's business continuously, in order to face external challenges and threats and to be able to evolve.

This process of evolution, more often than not, leads to real innovation processes, which can reframe the product, the production process, the distribution etc...

As innovation is extremely important for a company and above all varied, numerous frameworks and models have been proposed in the literature to support such innovation processes.

Among them, we have mentioned the most common and widespread ones, and then we have focused our attention on the most recent models and theories, in particular on the innovation of product and/or service meaning.

This Innovation of Meaning is extremely "delicate" as it is subjective and therefore subject to interpretation. It implies an innovation in why a product and/or service is used and therefore has its roots in society, in people's minds, in interactions...

The world around us changes, habits, norms, values change... and so the meanings offered by companies can also change.

The most delicate question, however, is to understand how companies can "meet" these changes and envisage new meanings in response to them. It could be observed that some pillars about the process of Innovation of Meaning already exist, such as the ability to interpret socio-cultural changes, but the models and tools to support this innovation process are limited.

Thanks to the socio-cultural origin of the Innovation of Meaning, it was possible to combine it with another stream of research. In particular, it was possible to refer to a framework of innovation proposed in the literature and defined on the basis of market institutions, i.e. socio-cultural changes.

The affinity between the innovation framework and the Innovation of Meaning, has led to the union of the two fields of researches, to try to adapt this framework to real cases of Innovation of Meaning. In this way, having a reference model and adapting it to retail that have actually made Innovation of Meaning, it will be possible to refine and shape it so as to define a specific tool for a process of Innovation of Meaning.

The common origin of the innovation framework and Innovation of Meaning,
led to the selection of this framework as the most promising one and, in order to be able to carry out as solid an analysis as possible, this framework was shaped and strengthened for use during the analysis.
This framework identifies three possible strategic levers that can be used in different possible mixes. These levers are the actions of breaking, making and maintaining the institutionalised rules of resource integration.
These strategic levers are not always present all three in an innovation process, but precisely what is present is a mix of them.
This strategic mix belongs to a higher level of decision making and it is therefore necessary to analyse in more detail what actions have been carried out at a practical level to realise this strategic mix.
In the light of this, cases of companies that have made signficant innovations will be analysed through the lens of the model just described.

The objective of the thesis will therefore be twofold.
On the one hand, it will try to understand whether there are some particular mixes that occur more than others in cases of Innovation of Meaning.
On the other hand, it will investigate and group together all those actions that have been put into practice at a practical level to give life to the strategic mix and will try to outline a "toolkit" of actions that can be of support in envisioning new meanings.
As already pointed out, the field of analysis will concern the retail market and therefore reference will be made to an Innovation of Meaning linked to services and even more specifically linked to the customer experience.

## 7.1 Development of the reference model

In order to pursue the analysis in question, it is worth going into the methodology used.

As can be deduced from the objectives of the analysis and the themes addressed, the analysis that will be carried out will be inductive, and therefore from the study of sensitive experiences we will try to arrive at more general definitions and concepts (Tani, 2021).

This analysis is not based on numbers, axioms or theorems, but is a strictly qualitative analysis, which is why it is crucial to be able to explain the research method and the soundness of the analysis carried out.

The robustness of a qualitative analysis is often questioned and therefore many scholars in the literature have tried to ask the following question: "How can inductive researchers apply systematic conceptual and analytical discipline that leads to credible interpretations of data and also helps to convince readers that the conclusions are plausible and defensible?" ( Gioia, Corley, & Hamilton, Seeking Qualitative Rigor in Inductive Research, 2012) .

In order to answer this dilemma, Gioia and Chittipeddi (1991) originated an approach that is widely used today, which allows the acquisition of qualitative resources during an inductive analysis process.

The approach proposed by the authors is a holistic approach that seeks to balance the conflicting need to develop new concepts inductively while meeting the high standards for rigor ( Gioia, Corley, & Hamilton, Seeking Qualitative Rigor in Inductive Research, 2012).

In particular, this approach aims to support creative analysis. This is possible because while traditional approaches define the guidelines for advancing knowledge by remaining too strongly rooted in what is already known and thus delimiting what can be known, a systematic inductive approach instead favors originality and the development of new concepts ( Gioia, Corley, & Hamilton, Seeking Qualitative Rigor in Inductive Research, 2012).

The approach in question assumes that people are "knowledgeable agents" and therefore as such know who they are and know how to express their thoughts,

intentions, and actions. This assumption is important, if one intends to conduct an analysis on the basis of confrontation with people and interpretation of the social context in which they operate ( Gioia, Corley, & Hamilton, Seeking Qualitative Rigor in Inductive Research, 2012).

Qualitative research, as already mentioned, has to prove its validity and soundness as it has been criticised for many years, "especially in terms of its ability to be revelatory" (Lincoln & Guba, 1985).

Very often qualitative research has been criticised for being interesting and incisive, but questionable.

The approach suggested and proposed for the first time by Gioia and Chittipeddi (1991) involves analysing the data and organising them into 1st- and 2nd-order categories to facilitate their subsequent convergence into a more structured form.

The collection of 1st-order data presupposes to adhere faithfully to what is perceived from outside and therefore to the words of the informants or to the interactions and actions that emerge from ethnographic analyses. At this stage there is no intention to cluster the data or to simplify it; the only intention is to collect as much information as possible from the outside.

As the author of this approach reports: ''You gotta get lost before you can get found'' (Gioia, 2004) and precisely for this reason, it is important not to limit research and information gathering in any way at this early stage.

Later on in the research it is necessary to start observing if there are similarities and differences between the collected data in order to start reducing the number of categories observed and to merge them together in order to reduce the quantity.

The categories identified need to be given a name, a label, which in some way faithfully recalls what is perceived externally.

At this point, after an initial clustering, one starts to act as "knowledgeable agents" (Gioia, 2004) to try to think on several levels simultaneously.

We try to understand if it is possible to make further considerations on the identified clusters in order to further cluster in 2nd order "aggregate dimensions" ( Gioia, Corley, & Hamilton, 2012).

Once the 1st-order terms, 2nd-order themes and aggregate dimensions have been created, then the basis for a data structure is in place.

Thanks to this "mapping", it is possible to represent in a simple and intuitive way the whole process that has led from raw data to clustering at a higher and more abstract level.

In the light of the mapping created, it is possible to start making more general analyses and considerations to understand if there are new concepts and meanings that have emerged.

The approach mentioned here is the one that will be used in the course of the analysis. Since this is an inductive analysis it was necessary to refer to an established approach that could stand on its own. This approach will seek to transform raw data into new theory and knowledge in a way that is credible and defensible ( Gioia, Corley, & Hamilton, 2012).

Through this approach it will also be possible to maintain a creative imagination and the systematic rigor that provides credibility to qualitative research.

## 7.2 Case studies: ethnographic research and interviews

The inductive approach previously introduced will be used in the course of the analysis in support of two different and complementary data gathering activities.

In fact, in order to collect the most significant and varied data, two main activities will be carried out: ethnographic research and interviews.

The objective of the ethnographic research is to visit the stores selected as case studies, in order to acquire as much information as possible about the interactions between store and customer, the behaviour of the actors involved, the layout of the store and in general to acquire as much information as possible on the customer experience.

In order to collect realistic and meaningful information, the ethnographic research will be carried out on different days and at different times of the day. This will allow to have data that is as realistic as possible. If one were to limit oneself to collecting data always at the same time of day, one would risk losing information and relevance in the data.

With ethnographic research, maps will be obtained for each case study. At first we will try to observe every element within the store, and then we will put it down on paper without missing anything. It is at this moment that the basis for the actual mapping is created. In this first phase of the 1st order, every interaction observed will become part of the analysis, without exclusion and without limitation.

The interactions observed in this first phase will have a high level of detail and will strictly refer to the store in question.

In a second step of the analysis, these first-order interactions will be clustered and grouped according to similarities and differences.

This second-order clustering will be more abstract, as the labelling that will be attributed in this phase will tend to be as general as possible and detached from the store.

At this stage, the objective is to start looking for similarities and correlations between the various elements identified.

Finally, the mapping will be concluded by creating the aggregate dimensions in order to further reduce the number of identified clusters and thus abstract the identified interactions even further.

The segments of interactions identified at this level will no longer refer to the store and will therefore be even more general than the second-order clustering.

The labelling identified at this level can therefore be applicable and comparable with any other store.

This work, which will have to be carried out on all eight selected case studies, will make it possible to create solid mappings that will be a basis for the subsequent analysis.

In parallel to the ethnographic research, we will also try to acquire information through interviews with managers of the different selected stores.

This activity will not be possible for all stores, because its success will depend on the availability of the managers/ responsible.

However, even if not all case studies will be supported by this kind of analysis, this practice will be considered significant as it will contribute to give even more value to the data collected with the ethnographic research.

# 8. Findings

## 8.1 Introduction

Having carried out the research activities following the approach elucidated in the previous chapter, it will be possible in this chapter to report on what was discovered. First, it is worth mentioning that each of the selected retail stores was carefully analyzed using ethnographic research and, in some cases, interviews.

Both practices aimed to map perceived store-customer interactions and store characteristics.

In this way, for each store, n interactions/features were identified, which were then grouped according to perceived similarities.

The elements that emerged from the retails were clustered according to the methods described in the Methodology chapter. In this way, it was possible to identify higher-level clusters that could be traced back to strategic actions put into practice by the retailers. These strategic actions were then associated with the dimensions of Breaking, Making and Maintaining.

For each case study, therefore, a precise strategic mix will emerge, associated in turn with precise strategic actions.

Since the objective of this thesis is to understand how the mix is chosen and then implemented in order to respond to socio-cultural changes, before proceeding with the actual findings, we will report those that in recent years have been revealed as the main and most significant changes that have led to a change of mentality and priorities in the mind of society.

## 8.2 Market institutions

Many changes have occurred in society over the years. For the purposes of analysis, only those that have been considered to be the most significant will be dealt with, namely, those that in some way could be revealed as opportunities for retailers.

One of the major trend emerged is related to the scarcity of natural resources, increased pollution, and its environmental consequences which are now widely known issues that have begun to spread increasing awareness among people. This new awareness on the part of the customer has brought with it a number of new aspects that have become ingrained in society. First of all, attention to the environment and therefore to the issues of recycling, sustainable consumption and human well-being. Consumers are therefore becoming more aware of their purchasing choices and of the impacts they may have on the environment and society (ANGUS & WESTBROOK , 2019). This also translates into what is known as conscious shopping, according to which customers seek to make purchases of products that, although more expensive than average, can last longer in time, thus preventing waste.

In terms of becoming more conscious, customers now expect certain types of green measures and strategies from the market, and therefore from brands. These include creating products with less packaging, offering more eco-friendly products and being more transparent about their sustainable practices/policies (Morris , 2021).
With regard to this issue, there is a strong need for transparency on the part of clients, who want to rely on companies with which they share values and beliefs and which they can trust.

The increasing availability of mobile devices that allow immediate access to an infinite amount of information has led to the emergence of the webrooming phenomenon. According to this phenomenon, thanks to online reviews, forums, websites...etc, the customer has access to a huge amount of information that he can draw on before making a purchase. So the knowledge that the customer possesses has increased compared to the past.
Customers are becoming wiser and wiser, and while some time ago they could rely on a limited number of resources to inform themselves, today the situation is reversing.

Social networks, forums, tutorials are all extremely powerful tools in the hands of consumers who are becoming wiser and more capable. Many can become experts on products and/or services and can therefore do without the assistance of intermediary people. The connection between consumers therefore allows a strong exchange of information, experiences and advice that destabilizes the dynamics between consumers and the market. Nowadays, when the customer goes to the store, it is very likely that they know what they want and are very familiar with the product.

Increased customer knowledge has also changed customer expectations. The customer, when he enters in a store, knowing already a lot of the product and its characteristics, does not need the assistance of the customer and prefers to be free to move and to choose without any intrusion of the staff. Therefore an increasing desire of the customer is that one to be left more free to choose, without feeling in difficulty or forced in any way (Open Symbol, s.d.).

Overall, instant access to a huge amount of information has also led people to expect more from stores. Stores need to change their role, offering experiences that go beyond the common retail experience.

Instead, going into the core of the shopping experience, there are two main trends that are growing more and more: 'Materialism hangover' (2019) and 'The Customer Era' (KPMG, 2017).

The Materialism hangover phenomenon, refers to the fact that nowadays there are thousands of offers on the market, all varied and elaborate and many customer have begun to develop this 'Materialism hangover' (van Elven, 2019) which has therefore led them to seek simpler lifestyles and therefore also more "pure" and essential products.

Therefore, nowadays, consumers want authenticity and many of them believe that life used to be simpler and better in the past. Due to this, one major need of the customer nowadays is to buy simple, essential products, precisely in order to recover authenticity (ANGUS & WESTBROOK , 2019).

On the other hand, however, customers increasingly appreciate a strong experiential component, in life and therefore also inside a store.

This consideration is strictly linked with the 'Customer Era', that is the socio-economic context we are living in, as defined by analysts, according to which consumers are not simply satisfied with buying products and/or services, but would like more. In particular, they would like to live deep experiences of interaction with brands (KPMG, 2017).

Moreover, despite the strong interaction, they expect something more, they expect to live profound experiences, made of learning new things, getting passionate about new topics and living real life experiences.

Overall, this concept ties into the pursuit of quality time at the expense of quantity and the fact that people are learning to value their time and want to spend it on meaningful activities and experiences.

Another very strong mega-trend that has made its way and is now well established in our society is the advent of digitalization.

First of all, in terms of socially sharing everything we live in our everyday life. This practice has become widely adopted by many users. Taking photos and then sharing a lived experience is now very common as a practice and more and more people live experiences for the sheer desire to share them on social networks

Digital technologies are a key sharing tool with growing expectations of "life - like interactions" (ANGUS & WESTBROOK , 2019).

The digitalization is also strictly linked with the advent of E-commerce, that has made the customer discover certain benefits that were unthinkable before, such as the possibility of making purchases in an immediate manner, without queuing up, the possibility of registering one's own payment system to speed up purchases or even the possibility of having greater visibility on all products and being able to compare them. This has led the customer to increase his expectations and too often privilege the online buying experience over the offline one.

Despite this, however, people still want to touch, try and feel the products they intend to buy (N. Danziger, 2019). Moreover, the new digital resources, make it possible to improve even more the interaction among actors and give the possibility to improve the assistance provided to the consumer.

Linked to the concepts of transparency and authenticity, there is another widespread phenomenon that is that consumers are learning to take care of themselves ("I Can Look After Myself") (ANGUS & WESTBROOK , 2019) more and more independently. Particularly in recent years, healthy consumer habits have increased. If years ago people did less physical activity, there were many more smokers, there was the tendency to eat products without caring about their composition, nowadays, thanks to the knowledge learned on the subject, people are much more careful. To live longer and to live better, nowadays, especially in Italy, there are many fewer people who smoke (ISTAT, 2016),many people are careful about the foods they consume and above all they do a lot of physical activity.

To date, more and more people want to lead a healthy lifestyle, we talk about +54% compared to ten years ago (The International Food Information Council, 2021).

In addition, consumers are increasingly careful about what they eat since they see food as preventive medicine and are aware that diet is a key component in one's health (N. Danziger, 2019).

| Mega-trend | Market institutions |
|---|---|
| Environmental and social sustainability | Increased purchasing awareness |
| | Transparent relationship among actors |
| | Green philosophy |
| Instant information access | Wiser consumer |
| | Rising customer expectations |
| | Deeper relationship among actors |
| Materialism hangover' | Authenticity |
| The Customer Era' | Space Valorization |
| | Profound Experiences |
| | Interaction |
| Digitalization | Assistance 2.0 |
| | Resource digitalization |
| | Rising customer expectations |

*Table 3: Market institutions*

# 8.3 Case studies

## Case study – Volvo Studio Milano

The Volvo Studio case was one of the few for which it was possible to combine ethnographic research with an interview. In particular, the interview was with Michele Crisci, president and CEO of Volvo Car Italia.

The combined action of the ethnographic research and the interview made it possible to enrich and confirm all the data collected.

The Volvo Studio Milano case is one of the few in which it was possible to identify the strategic mix *Breaking, making and Maintaining* applied in its entirety, i.e. leveraging all three actions simultaneously.

Each of these strategic levers was implemented in a different way and with targeted actions.

First of all, the *Breaking* action has been concretized in the customer experience through the action of changing the role of the store. This action, in terms of institutions, means precisely the breaking of a resource, the store, in order to totally review its role and function.

The store is in fact understood as a resource and the actors, customers and staff, interact through this resource.

"Changing the role of the store," however, is an aggregate dimension that incorporates two far more specific second-order strategic actions. These actions concern respectively the elimination of the sale process and the transformation of the store in a place of encounter with the customer.

The "Elimination of the sales process" is one of the main strategic actions carried out by the Volvo Studio and is about eliminating the in-store sales process. This choice therefore makes the store a showcase rather than a point of sale. Michele Crisci in the interview confirms and insists on this point, precisely because one of the main objectives of the store was to bring the customer closer, while talking about money and quotes, there is a tendency to drive the customer away (Crisci, 2021).

This action emerged clearly both during the ethnographic research and during the interview with Michele Crisci, who was very keen to clarify this point by emphasizing

the need to bring the client as close as possible. In this regard, during the interview, another strategic action carried out by the store and belonging to the aggregate dimension "Changing the role of the store" emerged. This strategic action has been labelled as "The store becomes an opportunity to get closer to the costumer".

In particular, Michele Crisci wants to emphasize that Volvo Studio was designed to be "a place to listen rather than tell" and that communication and direct relationship with the customer is essential to know and be known and therefore to create a relationship not only with the store, but with the brand and therefore with the product.

In conclusion, these two second-order actions combined together combine to determine a change in the role of the store and to confirm a sense of breaking the institutionalized rules of resource integration.

The *making* action, strongly present in the mix, was made possible by the combined leverage of several macro strategies. Among these is the "Extension of the experience", understood as the extension of the store-customer relationship and the level of interactions sustained between them. This aggregate dimension was put into practice by following two main 2$^{nd}$ order strategies: "Focus on the early stages of the shopping experience" and "Disintermediation".

The first action is aimed at concentrating more resources and efforts in the early stages of the sales process and therefore in the phases of information, learning, product and brand knowledge. This part of the experience is in fact extended and expanded with a view to giving the store a sense of showcase, allowing the customer to get to know the product in depth before making a purchase. The second strategic action of "Disintermediation" is aimed at getting to know the customer directly, without any kind of intermediary. The brand-customer relationship is strengthened and in this way, by getting to know the customer and making themselves known, the experience between brand and customer is extended even further.

To give a sense of *Making* of the institutionalized rules of resource integration there is another strategic lever, also identified at the level of aggregate dimension, labelled as "Integrating the offering" (Artusi , Bellini, Dell'Era, & Verganti, 2020).

This action, refers to the extension of the range of services, activities and experiences offered by the store. It emerged from both the ethnographic research and the

interview, and was made possible by the combined action of several 2nd order strategic actions.

Firstly, "Offering complementary Digital activities" is a strategic action that is carried out by offering the customer the resources to carry out new activities in the store. In particular, interactive screens, augmented reality systems, virtual test drives...etc, are made available to the customer, allowing him to carry out new activities while deepening his knowledge of the product.

Another 2nd order strategy is "Offering additional services", where, by services, we mean the provision of paid services that are additional to the store's core business.

In particular, in the case of Volvo Studio Milan, this additional service is the presence of a bar-restaurant open from morning to night. This restaurant increases the customer's stay in the store and gives a greater sense of welcome (Crisci, 2021).

In addition to offering an additional service, another 2nd order strategic action identified is "Offering complementary activities to the product". In this case we refer to activities and not to services because we are not talking about additional earnings for the brand, but about free activities whose only purpose is to make the brand, the store and the values better known. In particular, in the case of the Volvo Studio, this action takes shape through the organization of numerous events, concerts, music competitions and interviews that are frequently organized in the store. All these events pay homage to art, culture, design and promote the brand's core values, such as safety and sustainability.

A final strategic action that has led to the integration of the offer is the "Creation of a dedicated platform". In particular, the platform referred to is called *Volvo Welcome Center* and is a support service that is offered to the customer by phone and starts when the customer leaves his contact details with the staff in the store. The objective of this platform is not to sell the cars to the customer, but to make itself available to the customer should they require clarification or additional information. Also in this case, the approach of the Volvo staff is completely disinterested and aims exclusively at enriching the customer's knowledge.

Another strategic lever identified was labelled as: "Empowering personnel" (Artusi , Bellini, Dell'Era, & Verganti, 2020).

Within this macro-category, a series of actions and strategic choices have been identified to strengthen, modify and/or improve the role of staff within the store.

This trait is strongly present in Volvo and what highlights this characteristic is the fact that a suitable name has been created for Volvo personnel: The Wizards.

According to Michele Crisci, the idea came from Apple's Genius, because the desire was and is to have people in the store who are not just sales assistants, but real product experts.

This strategic action takes place in a number of ways, most notably by providing staff with new skills and requiring them to take a different approach to the customer. As far as the first strategic action is concerned, Volvo wanted to focus a lot on the skills of the Wizards, hiring people who had excellent technical knowledge of the product, but not only that, who had the ability to tell the customer about the characteristics and peculiarities of each product in the Volvo range, from the engine to customisation. The Wizards, as well as being very technical and knowledgeable, also have a great passion for the Volvo product that they pass on to the customers.

The second strategic action identified is aimed at changing the approach used by the staff and has been labelled: "Different approach and behaviour". The approach of the Wizards is considered totally innovative, they are not salesmen, they do not intend to sell the product to the customer and this is reflected in the approach they have. "As soon as the customer starts talking about money and quotations, the Wizard interrupts him and suggests that they go to a dealership to talk about it" (Crisci, 2021). Here another very significant feature of the customer experience within Volvo emerges. If the customer wishes to receive a quotation and thus evaluate the purchase in a concrete way, the Wizards accompany him to a dealership and support him throughout the negotiation phase. The sales process, as highlighted above, does not exist in the store and is 'moved' to another location, precisely to preserve that image of a shop-window.

During the Volvo experience, therefore, the Wizard is not at all invasive with the customer, but welcomes him into the Volvo world, from the beginning of the experience, where the Wizard offers a coffee to the customer, until the end, which can be in a dislocated dealership to conclude a sales negotiation.

The last macro category identified within the *Making* action set was labelled as "Store as a place to be".

This trait is mainly embodied in the fact that the design is inspired by the external context. The store is located in an extremely attractive location and the furnishings and design of the store are also attractive and reflect the surroundings. Large windows that allow visibility of the Milan skyline, lots of light in the store, clean lines and the use of granite make the store a place to admire and visit, rather than a place to go shopping.

Among the actions communicating a sense of *Maintaining* of the old rules, a macro-category was identified: "Transparent branding technique", concerning the sharing of corporate values in a sincere and transparent way with the client. This macro-category was considered a maintenance action as it does not represent a novelty or a break with the old rules but a continuity. In particular, like all maintaining strategies, this action provides a sense of security to the customer and, as Koskela-Huotari and colleagues (2016) note "In order to successfully innovate, it is not enough just to break old rules of resource integration and make new ones. For the new rules to become institutionalized, paradoxically, often many of the old rules need to be maintained to make the new rules more recognizable and therefore easier to integrate as a part of the institutional structure guiding actors in the service ecosystem. In other words, it is important for actors influenced by the reconfigurations (e.g. employees and customers) to simultaneously feel at home while being challenged and invited to a new experience".

This home-feeling in this area is extended and broadened, understanding it also as a sense of mutual trust that is created.

This macro-category was then broken down into two sub-groups of strategic actions: "Sharing brand values through events" and "Sharing brand values through interactive tools".

The decision to share values through events is extremely significant for Volvo, as it combines its work and commitment to noble causes with the rich calendar of events that is offered from month to month. Volvo frequently organizes events ranging from concerts to exhibitions and all of these events are linked by a common thread - the values and pillars of the Volvo brand.

Among them, safety on the road and respect for the environment are at the top of the list. The aim is to show that there is a commitment to the environment that is not simply about using recycled materials or producing electric cars, but is a general commitment to life.

Parallel to this strategy is another that refers to sharing brand values through interactive tools. This includes the use of digital systems such as virtual reality systems, which allow for interactive games or activities aimed at raising awareness of certain issues. For example, a particular balance, the Elephant Balance, was displayed in the store to allow customers to weigh themselves and know what their weight was at high speeds, so they could really understand what the risks of driving at high speeds can be.

| Strategic lever | *Breaking* | *Mantaining* | |
|---|---|---|---|
| **Aggregate Dimensions** | **Changing the role of the store** | **Transparent brand techniques** | |
| **2nd Order Themes** | **Elimination** of the **sales process** | Sharing brand values through **events** | Sharing brand values through **interactive tools** |
| **Detail** | *Bringing the customer closer to the product so as not to 'scare' him* | *Organization of musical, artistic, theatrical events* | *The virtual reality system and other interactive tools to teach and share values* |
| **1st Order Concepts** | No in-store sales | Organization of musical, artistic, theatrical events | Try a virtual reality system to learn about the security system and understand how an accident works |
| | No attempt by the Wizards to sell the product | Direct sharing of values with people | Know, via a special scale, what your weight is at a certain speed to know the potential severity of an accident |
| | No prices on display | Exhibitions and displays organized to raise awareness of brand values | Reproduction of the aurora borealis on the ceilings to bring the customer closer to the roots and values of the brand |
| | Exclusive interest in the early stages of the buying process | Selected guests in line with the brand values | Interaction with special tools and devices created to raise awareness of brand values |
| | Display of few selected cars | Rich calendar of events - art, culture, music and design | |
| | *Volvo welcome center* : telephone contact between store and customer, to give availability and information to the customer, only if requested | Concerts organized by inviting musicians to compose songs about the environment and respect for the world we live in | |
| | | Initiatives and projects outside the store to highlight the importance of Volvo's values | |

*Table 4: Volvo Studio Milano - Ethnographic Research - Breaking and Maintaining actions*

Table 5 — Volvo Studio Milano, Ethnographic Research – Making Actions

| Strategic lever | Aggregate Dimensions | 2nd Order Themes | Detail | 1st Order Concepts |
|---|---|---|---|---|
| *Making* | Extension of the experience | Focus on the early stages of the shopping experience | *Providing information, increasing the involvement, testing the product...* | Ask about a product |
| | | | | Ask for information about the product on display |
| | | | | Touch the product |
| | | | | Look at the product |
| | | | | Road test drive - free car trial |
| | | | | Customer tests the configuration of his car |
| | | | | Car display in the salon |
| | Disintermediation | | *Getting to know the customer directly* | Wizards: product experts, available to advise, assist and inform. |
| | | | | Direct contact with customers without intermediation |
| | | | | Highly knowledgeable staff on the product online |
| | | | | Wizards provide support and give accurate information |
| | | | | Describing the car in detail |
| | | | | Wizards accompany the interested customer to the dealer to assist in the sales process |
| | | | | Wizard stays with the customer at the dealership during the negotiation process |
| | | | | Wizard assists the customer inside the store |
| | Integrating the offering | Offering complementary Digital activities | *Augmented reality systems, interactive screens, virtual reality* | Virtual test drive |
| | | | | Virtual in-store car configuration with touch monitor |
| | | | | Possibility to sit with Wizards and buy online |
| | | | | Interactive screens and iPads to learn more about the product and its features |
| | | | | Augmented reality systems to see the body and the engine of the car |
| | | | | Virtual reality island available in store |
| | | Offering additional services | *Restaurant* | Presence of a coffe bar at the restaurant |
| | | | | Possibility for the customer to have a coffee at the bar, lunch, dinner or even an aperitif |
| | | | | Wizard offers coffee to customer who enters |
| | | | | Possibility to use the space for other activities |
| | | | | The store is open from breakfast to dinner |
| | | | | Indoor and outdoor tables |
| | | | | Plants and decorative furniture in the outdoor area |
| | Empowering personnel | Personnel with new skills | *Excellent technical knowledge of the product, excellent storytelling skills - The Wizards* | Wizard are very product expert |
| | | | | Wizard explain and clarify doubts regarding the product |
| | | | | Wizard is product engineer |
| | | | | The wizards know and study the product in detail |
| | | Different approach and behaviour | *Warm and non-invasive* | Wizards welcome the customer inside the store |
| | | | | Wizars offer coffee to customer |
| | | | | Wizard shows his passion for the product |
| | | | | Wizard is very kind and helpful |
| | | | | Wizard expresses his desire to inform the customer so that the customer learns new things about the product, but not so that he covers it up. |
| | Store as a place to be | Design inspired by the external context | *Colours and design inspired by the Milan skyline* | Store located in the city center |
| | | | | Store reflect the surroundings |
| | | | | The store becomes a place to be admired |
| | | | | Attractive design invites the customer to enter |
| | | | | Glass walls with view on the Milan skyline |
| | | | | Granite |
| | | | | Minimalist design |

*Table 5: Volvo Studio Milano - Ethnographic Research - Making Actions*

| Strategic lever | Breaking | | Mantaining |
|---|---|---|---|
| Aggregate Dimensions | Changing the role of the store | | Transparent branding technique |
| 2nd Order Themes | The store becomes an "opportunity" to **get closer to the customer** | **Elimination** of the **sales process** | Sharing brand values through **events** |
| Detail | *A place designed to listen rather than tell* | *Bringing the customer closer to the product so as not to 'scare' him* | *Organization of musical, artistic, theatrical events* |
| 1st Order Concepts | A place designed to listen rather than tell | Above all, we wanted to have a contact that was different from the sales process, because the sales process influences the consumer a lot and above all raises defensive barriers. | All the events are related to Volvo's core concepts |
| | This place was born out of the need to have a space that acts as a container, where it is possible to listen to customers, but not necessarily only customers, to the public. those who move around and who may have doubts and perplexities | If the customer does not want to buy something, we want him to feel free to look at the products on display without an employee trying to sell him something | Volvo is a brand that has invested a lot in safety over the years, so we've created a lot of events where we explain the concept of safety in a very simple way (e.g. fun installations such as The Tower of Chairs and The Elephant Scale). |
| | The aim was to have customers here so that we could tell them our stories but also listen to them and have a meeting point, without intermediaries | We want to avoid intimidating the customer | We want to tell people about these values, not because we have to sell the car but just to raise awareness of what our values are. |
| | We wanted direct contact with our customers | We really wanted to have a place where it was clear from the beginning that even though there were cars there, even though there was the possibility to test drive cars, there was no intention to sell. | Environmental protection is another very important concept for Volvo, which has been emphasized through the organization of events and exhibitions. |
| | The store become an opportunity to get to know better the customer and his needs and doubts | We made it clear from the start that we would never sell. | Through the various events we've organised, we've wanted to show that there's a commitment to the environment that isn't just about making cars from recyclable materials or producing electric cars, but it has to be a general commitment to life. |
| | The communication becomes very important | We don't give quotes here, we don't sell cars. | All events must necessarily have a common thread, which is what is linked to our values. |
| | A place to make oneself known and to get to know, aimed at exchange and dialogue. | The rest of the sales process is maintained. | Many of the people chosen to represent Volvo share and reflect Volvo's values. |

*Table 6: Volvo Studio Milano - Interview - Breaking and Maintaining actions*

| | Making | | | | | |
|---|---|---|---|---|---|---|
| **Aggregate Dimensions** | *Integrating the offering* | | | *Empowering personnel* | | |
| **2nd Order Themes** | Offering **additional services** | Offering **complementary activities** to the product | Offering **complementary Digital activities** | Creation of a **dedicated platform** | Personnel with **new skills** | **Different approach and behaviour** |
| **Detail** | *Restaurant* | *Events* | *Augmented reality systems, interactive screens, virtual reality* | *Volvo Welcome center* | *Excellent technical knowledge of the product, excellent storytelling skills - The Wizards* | *Warm and non-invasive* |
| **1st Order Concepts** | We wanted a container that could also be used by different players, as a place to organise events, meetings | We have a very important calendar of events | We have an island at the entrance where there is a whole virtual reality that allows people to identify themselves and see how the internal safety systems of a car work or how the car behaves on the road | Customers often leave their names when they come in | Our staff are called Wizards, not employees | Wizard's approach is totally innovative approach to the customer |
| | Our restaurant bar is open from morning til evening | We do a lot of things, for example here we collaborate with important music producers and play concerts. | We are able to make the customer experience things, such as the simulation of an accident, that otherwise could never be perceived | The Volvo Welcome Centre is about contacting customers | For the role of Wizard, people are selected who have a great passion for the product, who are technical and competent. | Wizards are not salesmen. |
| | The customer, thanks to the presence of the bar-restaurant feels welcomed in the store | In fact this is a place where everything happens, musical, theatrical and artistic events all take place here. | There is a lot of activity in the store every day. | The purpose of the welcome centre is not sales, it is not a traditional call centre | Wizards are real product engineers | Wizards have no intention of selling the product and this is reflected in the way they present themselves. |
| | The bar is a way to offer something to the customer as soon as he enters | Customers, people come here for various reasons, usually to get to know the car, but also for events. | There is the possibility to configure the car. | The objective of the welcome centre is to introduce yourself to the customer and to make yourself available | Wizards answer all customer questions about the product. | As soon as the customer starts talking about money and quotations, the Wizard interrupts him and suggest that they go to a dealership to talk about it. |
| | The bar-restaurant allows to prolong the customer's visit in the store. | | You can take a virtual test drive. | There is no demand, no insistence. | Wizards are really great product experts. | The Wizard accompanies the customer into the dealership and supports him in the sales process. |
| | | | | The only thing that makes a difference is making yourself available and then withdrawing, not insisting. | The Wizard's knowledge covers the whole range of products offered by the brand, from engines to customisation. | The Wizard follows you and stays with you throughout the customer experience. |
| | | | | | | The Wizard offers coffee to the customer who enters. |
| | | | | | | For those customers who are not able to make online configurations, there is the possibility to go to the store to receive support from the Wizards. |

*Table 7: Volvo Studio Milano - Interview - Making actions*

*Figure 1: Volvo Studio Milano - Strategic lever: 'Offering additional services'*



*Figure 2: Volvo Studio Milano - Strategic lever: 'Offering complementary digital activities'*

*Figure 3: Volvo Studio Milano - 'Offering complementary activites to the product'*
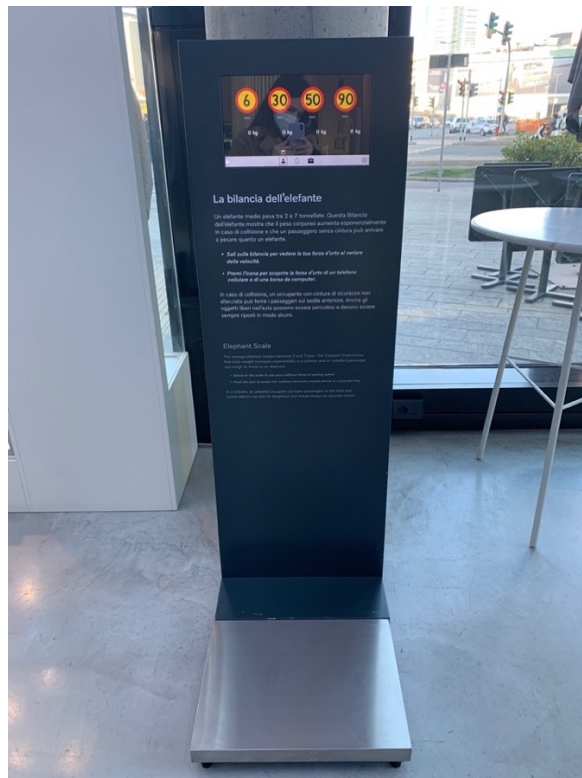


*Figure 4: Volvo Studio Milano - Strategic lever: 'Offering complementary digital activities'*

## Case study – Starbucks Reserve Roastery

The Starbucks Reserve Roastery case is the second one where a richer and more structured analysis could be carried out with the combined support of ethnographic research and interview.

In this case, the interview was held with Giampaolo Grossi, general manager of Starbucks Reserve Roastery.

Also in this case, thanks to the interview it was possible to enrich the data base and above all to obtain confirmations on the customer experience and on the interactions observed during the ethnographic research.

This analysis revealed the combined action of *Making and Maintaining* as the strategic mix used.

The two levers were implemented in the offer according to different practices and strategies which, as in the previous analysis, were structured and divided into clusters and macro-clusters.

One of the first macro-strategies identified is: "Empowering flexible experiences". This strategic action suggests giving the customer ample freedom, leaving them free to create and shape their customer experience as they see fit. This macro-strategy is put into practice through the combined action of three second-order strategic actions.

One of these is: "Space at the customer's disposal". The objective is to create a space that is not designed for a specific purpose, but in which the customer can feel at ease and free to behave as he/she sees fit. With regard to this, Starbucks Reserve Roastery has created different areas inside its store, both outside and inside, with tables, chairs and sofas, which make it clear to the customer that he is free to sit where he prefers to drink a coffee, to work, to read a book or even to meet a colleague. The customer therefore does with the space as he or she sees fit, and when he or she enters, he or she is not invited to buy anything, but to look around and be inspired.

It is not only the space that gives this sense of flexibility to the experience. There are in fact other two strategic actions identified during the interview that empower flexible experiences. These are: "Getting to know the customer in order to personalise the offer" and "Flexible customer journey".

The first one refers to the fact that coffee specialists try to suggest the customer by showing him the range of choices they have available in the Roastery. Depending on the mood of the customer, the Coffee Specialist will try to propose the best solution, which can be a drink at the Mezzanine or a coffee with a unique aroma enjoyed at the central bar counter. The aim in this respect is to support the customer as they try to create their own personal experience.

The second strategic action mentioned above refers to the possibility of having a flexible customer journey and this refers to the fact that there are no standard choices. It is not simply a matter of having different services available, such as Bakery, Bar or Lounge bar, but it is mainly a matter of the fact that even in the choice of coffee, a range of different varieties are offered to the customer. The flagship product, coffee, is no longer standard, but it is possible to choose between different flavours, aromas and tastes. This accentuates even more the flexible character of the experience at the Roastery, and thanks to these actions each customer is able to enjoy a different and in some way tailor-made experience, according to his or her mood and wishes.

The second macro-strategy identified is: "Integrating the offering" (Artusi , Bellini, Dell'Era, & Verganti, 2020), also identified in the previous case study.

This macro-strategy refers to the fact that the traditional offer is extended and expanded. In particular, in this case, the strategic actions that emerged related to this action plan are: "Reinforcing the core offering" and "Offering additional services".

The reinforcement of the core offering refers to the fact that the experience closely linked to the core product is intensified and enhanced. Coffee becomes the heart of the experience in the Roastery and therefore the experience is extended around it, giving the customer the opportunity to taste different types of coffee, proposing different types of extraction, telling the customer about the origins and preparation methods of different coffees or proposing coffee in new and original variants, such as freshly brewed coffee combined with artisanal ice cream.

The second strategic action, "Offering additional services", is in some way linked to the previous one and refers to the fact that new activities and new services are integrated into the offer, understood as complementary services to the core activity of the business. These include the creation of a lounge bar on the upper floor, which has an exclusive and minimal design, the presence of an Italian Bakery, the counter where

you can buy loose beans under the advice of the coffee specialist, and the central island, where you can buy handmade products or magazines to read while you drink your coffee.

Another identified macro-cluster communicating a sense of Making is the creation of the "Store as a Place-to-be".

This macro-category includes all those actions aimed at creating a unique atmosphere within the store, emphasizing the experiential side of the offer. The idea is to reduce or at least partially obscure the functional character of traditional retails, in order to make the engaging aspect prevail instead. In this way, when entering the shop, one no longer has the feeling of entering a traditional shop, but rather of entering a museum. Where you can admire your surroundings, learn and above all stay as long as possible. With regard to this, on a practical level there are several actions that contribute to giving this *Place to Be* status to the store. Firstly, "Paying homage to the culture through design", which is a very strong aspect of the store. Inside, it is possible to percieve a strong reference to Italian culture and craftsmanship, which contributes to increasing the sense of beauty and wonder that the Roastery possesses. Inside the store there is great respect for the tradition of culture: "the marble of the counters is Carrara marble, the wood was produced in Italy, the Palladian was made in an Italian company" (Grossi, 2021). Also "The partnership with Princi stems from the desire to maintain that Italian profile and that vein of purely Italian craftsmanship that Rocco Princi has" (Grossi, 2021).

All this leads to a strong cultural immersion within the store.

Another strategic action that has emerged that contributes to the sense of *Place to be* in the store is Creating a Multisensory experience.

This action takes shape by giving the customer the opportunity to touch the product they are going to consume, i.e. the coffee bean, to smell it in order to perceive its aroma and then to taste it once it has been prepared. The multi-sensory character of the experience is then reinforced by the visual experience that the customer has when observing the design, colours and furnishings that make the Roastery a true place to be admired.

The 'Inspiration factor' is another strategic action that emerged during the interview with Giampaolo Grossi. This action refers to the fact that the creation of the store was largely inspired by the film: "Willy Wonka and the Chocolate Factory". The idea was therefore to take inspiration from the film, reproducing a similar immersive atmosphere. To do this, a coffee production plant was created within the store, allowing the customer to feel immersed in the world of coffee, just as they do with chocolate in the film.

Overall, many strategic actions belonging to this case study are closely linked to this inspirational factor, from which everything originated.

Three other second-order actions helped make the Roastery a *place to be*. These are "Attention to detail", "Museum like feeling" and "Integration of the production process into the store layout".

The first refers to the care and dedication with which the staff approaches the customer and with which they manage the store. Everything, every aspect is taken care of in detail to satisfy the customer as best as possible.

The second action, on the other hand, refers to the core of this macro-cluster and therefore to the creation of a museum-like atmosphere and therefore a place to visit, rather than a place to shop. The idea is therefore to immerse the customer in a different world, and when a customer enters the Roastery, he or she is able to get away from the chaos and stress of everyday life. As Giampaolo Grossi (2021) said in the interview: "You come in from the square, which is full of noises and sounds, and when you enter the front door these sounds start to fade away and you start to smell the aroma of coffee, you start to hear the sound of the beans being ground and the roaster".

This is related to the fact that within the store, it is possible for the customer to have a complete overview over the entire production process. This is made possible thanks to the presence in the store of the Scolari's personalized roasting and of the pipes on the ceiling that show the passage of the beans. In this way, just like the film "Willy Wonka and the Chocolate Factory", the customer is completely immersed within the production process and can follow the path of the coffee from the beginning, to the final packing.

The last component of this macro-cluster is a strategic lever that already emerged in the previous case study. It is "Empowering personnel" (Artusi , Bellini, Dell'Era, & Verganti, 2020) and it is translated in a "Different approach and behavior" of the personnel.

Again, as in the previous case study, this action is emphasized by the fact that the Roastery employees are all called Partners. This is so that they really feel part of the Starbucks world and so that they are then able to transmit this sense of belonging to customers as well.

In fact, Partners are extremely passionate and competent people, who passionately tell customers about the history of coffee, the different types present and how the production process works. Partners have excellent storytelling skills and try in every way to make customers feel at home.

The second strategic lever adopted by the Roastery is the *Maintaining* strategy. Both the interview and the ethnographic research made it possible to comprehend how this strategy takes place within the offering.

Strategies identified in this case include: "Product Enhancement", "Transparent branding techniques" and "Facilitating the Customer Experience".

"Product enhancement" refers to "increasing customer knowledge through communication." In particular, what emerges is that the store tries to communicate with the customer, giving new light to what is the core product, namely coffee. In fact, the strong experientiality that is breathed does not subordinate the core product, but highlights it and gives it a new, stronger value. The ability to see the production process, to know the product, its origins and its flavors, gives the customer the opportunity to learn new things, but especially to see the coffee in a new light.

"Transparent branding techniques" refers to the fact of "Directly sharing brand values" with the customer. This strategy, which has already emerged in the previous case study, refers to the fact of speaking transparently with the client. It is a maintaining strategy because it is not a symptom of the creation of something new, but rather a practice that is confirmed and, if anything, expanded, precisely to maintain a bond of trust and loyalty with the client.

Finally, "Facilitating the customer experience" refers to "Supporting and assisting the customer during the CX , when required ". The practice of guiding and supporting the customer is always present, precisely because the customer enters a new context and in order to appreciate it in its entirety it is necessary that he/she be guided and/ or advised by the Partners. However, the support referred to is given if requested by the client, so that he can feel totally free to act as he sees fit and, if necessary, ask the staff for help.

| Strategic lever | Aggregate Dimensions | 2nd Order Themes | Detail | 1st Order Concepts |
|---|---|---|---|---|
| Making | Empowering flexible experiences | Space at the customer's disposal | *Possibility for the customer to enjoy the store as he/she wishes* | Ability to stay in the store to work/study; Wifi available; Outdoor and indoor seating; Numerous indoor seating areas; Large indoor bar; Possibility to stay within the store to read a book or newspaper |
| Making | Integrating the offering | Reinforcing the core offering | *Wide range of coffees. Coffee tasting with different aromas and flavours* | The bar has 7 different coffee extractions; Different types of coffee from different parts of the world; Possibility to taste different types of coffee; Coffee master recommends the type of coffee according to taste; Brew experience: show how different brewing methods can have surprising effects on the flavor of the coffee; Affogato station where icecream is handcrafted |
| Making | Integrating the offering | Offering additional services | *Lounge bar, Affogato station, Bakery, coffee pods shop* | Presence of a sophisticated lounge bar; Coffee-based cocktail bar; Possibility to buy the beans, under the advice of sommeliers; Coffee pods shop to buy coffee to take home; Possibility to try different coffee based cocktails; Preparation of signature cocktails; Specialized coffee service |
| Making | Store as a Place-to-be | Paying homage to the culture through design | *Architecture and design pay homage to Italy and craftsmanship* | Homage to craftsmanship; Strong link between the store and the city; Venetian curtains, Murano glass, Precious Palladian flooring; Store located in an old historical building of Milan, Palazzo Broggi; Offering traditional Italian drinks like Aperol and Campari spritz; Princi Bakery inside the store; Alberto Marchetti's ice cream |
| Making | Store as a Place-to-be | Integration of the production process into the store layout | *Complete visibility of the entire coffee preparation facility* | Scolari's personalized roasting inside the store; Pipes on the ceiling show the passage of the beans; Possibility to assist in the coffee production process from start to finish; Complete visibility of the entire coffee preparation facility; The entire production process is in plain view for the customer; Ability to witness the final coffee packing process; Possibility of touching the coffee beans with your own hands; Massive cask where all Starbucks Reserve™ coffee beans go to rest after roasting; Roasting of Starbucks Reserve coffees for shipment; Customer watches master roasters at work; Espresso is the main coffee preparation beverage |
| Mantaining | Product Enhancement | Increasing customer knowhow through communication | *Tasting, smelling, touching different types of coffee and coffee product; the production process and its origins / let the customer know about the coffee beans origin* | Experts explain the process of coffee grinding and preparation; Customer asks questions while master roasters are at work; Share information with the customer about the coffee's production and origin; Personnel tell the story of starbucks and the roastery; While observing the production process the customer asks questions and seeks clarification; Staff talk about the different types of coffee available; A door-opener that welcomes the customer inside the store; Staff try to get to know the customer's tastes and what they like best in order to recommend the best possible CX; Take a tour of the store; Stop to observe the structure of the store and its design; Customer admire the structure, authenticity and uniqueness of the store; Customers take pictures of the store in admiration; Refined design; Great care for details; Taking a tour, not with the intention of making a purchase; Tasting and smelling different types of coffee; Touching the coffee beans before they go through the production process |

*Table 8: Starbucks Reserve Roastery - Ethnographic Research - Making and Maintaining actions*

| Strategic lever | Aggregate Dimensions | 2nd Order Themes | Detail | 1st Order Concepts |
|---|---|---|---|---|
| Making | Empowering personnel | Different approach and behaviour | *Motivated staff with excellent storytelling skills - The partners* | Our guys are called Partners, we don't call them employees |
| | | | | With our partners we share with passion what we like to do, which is not only inherent to coffee, but also to personal life. |
| | | | | In telling the origins of Brazilian coffee, for example, the partner may feel inspired to share a memory of a trip, an experience |
| | | | | The skill of Starbucks is to be able to perceive through our guys what is the best satisfaction for our customer |
| | | | | The main focus is to be able to satisfy our guys, our team so that then they can satisfy our customers too. |
| | | | | We try to meet the needs of our customers in every way possible. |
| | | | | You hear a good morning from the partners, who welcome you into the world of the Roastery |
| | | | | Welcoming and protection by the partners are fundamental to immerse the customer in a different really |
| | | | | Protection and tranquility factor. |
| | | | | There are several contacts with the staff. |
| | | | | At the door there is a person who opens the door to welcome. |
| | | | | Many partners with good storytelling skills. |
| | | | | Competent staff. |
| | | | | Friendly and helpful staff. |
| | | | | The desire is to make people feel at home. |
| | | Inspiration factor | *Inspiration from "Willy Wonka and the Chocolate Factory"* | Willy Wonka and the Chocolate Factory', to inspire the creation of a new coffee-related project. |
| | | | | take inspiration from the film to create something new |
| | | | | reproduction of the atmosphere present in the film |
| | | | | reproduction of a similar design |
| | | | | total immersion in the world of coffee |
| | | | | direct contact with the process from the initial stages through to packaging |
| | | | | direct contact with the product |
| | | Attention to detail | *Attention to detail in service, cleanliness, product...* | Reserve coffee, which is among the best in the world |
| | | | | Care and attention to detail in everything we do |
| | | | | cleanliness and order ensure that the CX is improved from the very beginning |
| | | | | There are many roles involved in making sure everything is kept clean, tidy. |
| | | | | we want to offer the customer an experience that is accurate in every detail |
| | | | | we don't want to leave anything to chance |
| | | | | Every aspect, even the smallest, of the customer experience is impeccably thought out and organised |
| | | | | Even simply ensuring a clean and tidy environment reflects our attention to detail. |
| | Store as a Place-to-be | Paying homage to the culture through design | *Architecture and design pay homage to Italy and craftsmanship* | The beautiful thing is that the architectural features respect the country's culture |
| | | | | In Milan in, for example, the Palladian floor has been recreated, which is very reminiscent of Milanese houses |
| | | | | There is a great respect for the tradition of culture. |
| | | | | There is a lot of Italy in the roastery. |
| | | | | Architecturally, everything was done entirely in Italy. |
| | | | | The marble of the counters is Carrara marble, the wood was produced in Italy, the Palladian was made in an Italian company. |
| | | | | The partnership with Princi stems from the desire to maintain that Italian profile and that vein of purely Italian craftsmanship that Rocco Princi has |
| | | | | It is a combination of respect that the company has decided to bring to Italy. |
| | | | | Starbucks always tries to respect cultural aspects, needs, habits. |
| | | Museum like feeling | *Immersion in a different world* | The beauty of the Roastery lies in its experiential nature, which is the cornerstone of the customer experience |
| | | | | focus on the experience has grown. |
| | | | | there is a doorstep that prepares your senses to immerse you in a different world. |
| | | | | You come in from the square, which is full of noises and sounds, and when you enter the front door these sounds start to fade away and you start to smell the aroma of coffee, you start to hear the sound of the beans being ground. |
| | | | | The customer is immersed in a reality that makes him fly with his mind. |
| | | | | So in this sense, the customer's wish is to go to a different reality, exactly in the centre of Milan. |
| | | | | The Roastery is the so-called third place, which makes you feel welcome and allows you to work, read a book, meet with a friend without being disturbed by anyone. |
| | | | | A lot of experientiality. |
| | | | | The Roastery is a place to go / place to be |
| | | | | Defined as a museum |
| | Empowering flexible experiences | Getting to know the customer in order to personalise the offer | *Trying to satisfy the customer according to the type of experience they want to have* | Different types of experiences depending on the mood of the customer. |
| | | | | Trying to satisfy the customer according to the type of experience they want to have. |
| | | | | There are concierges inside to help you understand where you are, what you want to do, what you are looking for. |
| | | | | Partners try to understand what kind of experience the customer wants to have. |
| | | | | Coffee is offered differently to the customer, depending on how he or she likes it best. |
| | | Flexible Customer Journey | *There are no more standard choices* | Customer can choose between different flavours and aromas |
| | | | | No longer a simple espresso, but a Brazilian or Colombian price for example. |
| | | | | Possibility to choose between a to go order or to stay order |
| | | | | There are no more standard choices |
| | Integrating the offering | Offering additional services | *Lounge bar, Bakery, coffee pods shop* | Mezzanine with table service of alcoholic cocktails |
| | | | | Large open space in which there are, however, different areas with different services |
| | | | | Possibility to buy newspapers and magazines |
| | | | | Possibility to buy original and artisanal products |
| | | | | Coffee or aperitif in the outdoor area |
| | | | | Area where you can buy coffee in a bag to take home with you |
| | | | | Presence of a bakery area |
| | | | | Ice cream preparation station |
| | | | | Coffee bar |

*Table 9: Starbucks Reserve Roastery - Interview - Making actions*

| Strategic lever | Mantaining | | |
|---|---|---|---|
| **Aggregate Dimensions** | **Transparent branding techniques** | **Facilitating the Customer Experience** | **Product Enhancement** |
| **2nd Order Themes** | Directly sharing brand values | Supporting and assisting the customer during the CX , when required | Increasing customer knowhow through communication |
| **Detail** | *Main values written everywhere: on cups, on receipts, on walls* | *Giving advise, support and suggestions to the customer* | *let the customer know about the product, the production process and its origins* |
| **1st Order Concepts** | Starbucks values are always the most important factor | The customer asks the staff for clarification of the services offered | show and raise awareness of the product and the production process |
| | The main values are written everywhere, on cups, on receipts, on walls | In-store purchasing assistance if required | Inside the Roastery is the roasting plant and the coffee packing plant |
| | human factor is crucial | Staff are ready at all times to support the customer throughout the entire CX | The customer knows the coffee, what its aromas are, its floral notes.... |
| | Desire to create more community, employ more people, increase the coffee market, help those in need. | | giving customers the opportunity to know what they are drinking |
| | Starbucks helps a lot of undervalued countries, moves concepts like black history, fight against racism... | | There is a roasting plant in the middle of the store. |
| | Everything is made in a very transparent way in very direct and fair without hiding anything. | | The Roastery let people understand and know the process well. This is the innovative part: being able to see everything. |

*Table 10: Starbucks Reserve Roastery - Interview - Maintaining actions*

*Figure 5: Starbucks Reserve Roastery - Strategy Lever: 'Store as a place to be'*



*Figure 6: Starbucks Reserve Roastery - Strategy Lever: 'Store as a place to be'*

*Figure 7: Starbucks Reserve Roastery - Strategy Lever: 'Store as a place to be'*



*Figure 8: Starbucks Reserve Roastery - Strategy Lever: 'Offering additional services'*

## Case study – Apple Store

The Apple case was analyzed using only ethnographic research, as it was not possible to contact referents who could give additional information about the store and the interactions present.

Analyzing the case of Apple, it was possible to identify the main levers, related to the interactions in the store, as those of *Making* and *Maintaining*.

The strategic lever of *Making* has seen its concretization in four macro-clusters: "Empowering personnel" (Artusi , Bellini, Dell'Era, & Verganti, 2020), "Store as a Place to be", "Integrating the offering" (Artusi , Bellini, Dell'Era, & Verganti, 2020) and "Empowering flexible experiences".
All these aggregate dimensions are recurrent, having already emerged from the analyses of previous case studies.
Obviously, these aggregate dimensions generalize what are instead concrete actions that make each store and each experience unique.
In this regard, below we will report on the second-order actions, related to the four macro-clusters mentioned above, so to better understand the peculiarities behind each strategy.

"Empowering personnel" is achieved through two very specific actions: giving staff new skills and changing their approach and behavior.
The new skills expected to be found in Apple's staff are many, and the first bell that suggests that the staff's skills and role are no longer comparable to the traditional ones is the fact that they are called Genius. In fact, the latter is not only the well-known technical support system that Apple freely provides to its customers, but it is also the appellation used to call the Apple staff, who are no longer simple salesmen, but competent experts of Apple products.
The Genius must possess a variety of skills and expertise. First of all, they must be very knowledgeable about the product and therefore about possible damages and problems that may occur.
Secondly, the Genius staff must have excellent planning and management skills, since they are asked to manage a daily agenda full of appointments with Apple customers.

Complementary to this, the approach has also totally changed. There is no longer a detached relationship between staff and customer, but on the contrary, the Geniuses try to establish a friendly relationship. To confirm this, there is the fact that the Geniuses, as soon as they interact with a client on the appointment list, greet him by name and immediately introduce themselves, giving then their complete availability. All of this is done in extremely friendly and polite tones, which often lead to conversations living on different topics. When the meeting with the Genius ends, if the problem could not be solved, the Genius shares his displeasure with the client and makes himself available for any other kind of problem.

Another macro-cluster that emerged as a result of the analysis is the creation and transformation of the store into a Place to Be. In particular, this aggregate dimension, already emerged in the Starbucks Reserve Roastery case, indicates the store not so much as a place to go and buy, but more as a place to spend time.

This aspect takes shape thanks to the combined action of two strategic actions of second order: "Store design inspired by product design" and "Store as a reference point for enthusiasts".

The first action mainly refers to the design and structure of the store, largely inspired by product design. The lines and colors are minimal and clean, as well as the lines of all product ranges, leaving space only for the famous bitten apple. In fact, it stands at the entrance of the store, in full view of the majestic glass structure that houses the store.

But it is not only the attractive design that reminds us of the brand's style, but also the way in which the products are displayed inside the store. The models of the various products are arranged on large wooden tables, and there is no box or labeling with lengthy descriptions. Everything remains absolutely minimal, making the store a pleasant place to admire and experience.

It is not only this that makes the store a Place-to-be, but also the fact that it has become a reference point for fans of the brand.

In fact, the new releases are immediately displayed in full view on the store's large wooden tables, and every new product launch is followed by a rush to the store to see, touch and test the new product, without necessarily buying it.

"Integrating the offering" is another dimension that emerged from the analysis and is now recurring in the cases already mentioned.

In this particular case, this dimension refers to the creation of a dedicated platform, that of the Genius Bar, and to the offer of complementary activities to the product.

The Genius Bar is a free service made available by Apple to its customers. It simplifies all those activities of maintenance or repair, allowing the customer to book his visit online and then go to the store on the prearranged day.

Once in the store, the customer can wait sitting at the large wooden tables or in the dedicated area at the bottom of the store, where he will be met by a Genius staff at the time of the appointment. The Genius staff will do their best to give the customer the best assistance and advice.

The offer of complementary activities to the product instead refers to all those events and workshops that the Apple store organizes with great frequency.

The main objective of these events is to help customers to familiarize with the devices and to make the most of their potential, often unused by most users.

These events are free and anyone can participate.

The events are held in the store, particularly in the area at the back, where a big screen is set up and where there are plenty of chairs to accommodate and welcome participants. The goal is to create an area of for learning, sharing and knowing and going beyond just the shopping experience.

The last dimension of Making that emerged related to enhancing flexible experiences. This dimension, which has emerged before, refers to giving freedom to the customer so that they can create and have, in a flexible way, a unique experience.

In fact, this dimension sees its realization in the fact of leaving the customer free to interact with the store and the product. In particular, many customers who visit the store spend time trying out the products on display, surfing the web, taking photos or trying out the apps. All in a totally free way since nobody will try to direct the customer in any way. Only if the customer explicitly requests assistance from a Genius, then he will be guided and helped, but if not, he will be left free to interact with the products and the store. In fact, not only the customer can interact with the products on sale, but also with the applications and interactive screens inside the store. The non-

invasive staff approach is what most of all makes it possible for the customer to create his own ad hoc experience.

Finally, with regard to the strategic lever of *Maintaining*, there is a macro action that is present within the store and is the Facilitation of the customer experience.
As highlighted above, if the customer needs advice, support or assistance in general, he will always be able to count on the presence of Genius personnel willing to help him. Even though the Genius staff is heavily involved in the activity related to the Genius Bar, it will always be possible for the customer to have direct contact with one of them before proceeding with the purchase.

**Making**

| Aggregate Dimensions | 2nd Order Themes | Detail | 1st Order Concepts |
|---|---|---|---|
| Empowering personnel | Personnel with new skills | *Knowledge of the product, planning skills, management skills - The genius* | Competent and trained Genius |
| | | | Problem solving and planning skills |
| | | | Highly experienced staff with strong knowhow |
| | | | Staff able to advise on the basis of the problems encountered by the customer solving technical problems |
| | Different approach and behaviour | *Confidential and friendly* | Human relationship very present |
| | | | Friendly and convivial atmosphere |
| | | | Genius with strong interpersonal skills |
| | | | Ability to maintain composure and focus on the customer when |
| | | | The genius staff can make the customer understand the problem in a very simple way |
| | | | Staff put together the information collected to provide a diagnosis and propose a solution to the customer |
| | | | The genius does not try to sell you products |
| Store as a Place to be | Store design inspired by product design | *Minimal and modern architecture and design* | Ultra-high definition video wall |
| | | | Clean lines and minimal design |
| | | | Products neatly arranged on wooden tables |
| | | | Order and attention to detail |
| | | | Few products on each table |
| | | | Small high-definition screens |
| | | | Impressive structure |
| | | | Large staircase to access the store |
| | | | Staircase with water jets |
| | | | Glass cube at entrance |
| | | | Large open space |
| | Store as a reference point for enthusiasts | *See and admire the latest releases and top products* | People come in for a tour |
| | | | People come in to see the latest releases |
| | | | Customers do not only come to the store to buy or have a device repaired, but also out of curiosity |
| | | | Many young people experience the store as a meeting place |
| | | | Many people come to the store to be updated on the latest news |
| | | | Opportunity to interact and spend time |
| Integrating the offering | Creation of a **dedicated platform** | *Genius bar* | Free service offered by Apple |
| | | | Possibility of booking technical assistance from the online platform |
| | | | Possibility of making an appointment at a specific time of day |
| | | | Customers bring their Apple device for support |
| | | | Dedicated area to wait for Genius support |
| | Offering complementary activities to the product | *Events, training and learning courses...* | QR code to register for organised events |
| | | | Wooden seating for attending events |
| | | | Training and learning courses that complement the sale of devices |
| | | | Place of events |
| | | | Forum, an area for learning, sharing and knowing |
| | | | Daily training courses (Today at Apple programme) |
| | | | Tables for working and/or studying outside |

**Maintaining**

| Aggregate Dimensions | 2nd Order Themes | Detail | 1st Order Concepts |
|---|---|---|---|
| Empowering flexible experiences | Leaving the customer free to interact with the store and the product | *Switched-on devices, QR codes, gaming to interact* | Products displayed for use by the customer |
| | | | Apple Arcade - gaming service for customers |
| | | | TV for gaming |
| | | | QR code to connect to your mobile phone and play games |
| | | | Products on display with description |
| | | | Customer uses the displayed devices, taking pictures, surfing the web and testing applications |
| | | | The customer is free to experience the store in total autonomy |
| | | | Non-invasive staff approach |
| | | | Cult place for i-tech enthusiasts |
| | | | The customer relaxes sitting at the tables in the store |
| Facilitating the customer experience | Supporting and assisting the customer during the CX, when required | *Giving advise, support and suggestions to the customer* | Customer asks Genius for advice |
| | | | Great support from the Genius |
| | | | In-store purchasing assistance if required |
| | | | Clarifying doubts about prices and/or product characteristics |
| | | | Indicate the availability of a certain product |
| | | | Support the customer in the customer experience |
| | | | Customers sit at the tables to test the product at their leisure |

*Table 11: Apple store - Ethnographic Research - Making and Maintaining actions*

*Figure 9: Apple store - Strategic lever: 'Empowering flexible experiences'*



*Figure 10: Apple store - Strategic lever: 'Empowering flexible experiences'*

*Figure 11: Apple store - Strategic lever: 'Offering complementary activities to the product'*



*Figure 12: Apple store - Strategic lever: 'Store as a place to be'*

## Case study – Erbert

The Erbert case was analyzed by conducting a variety of ethnographic research. The latter identified a combined triple action of Breaking, Making and Maintaining.

In the *Breaking* dimension a macro-action has been identified, labelled as: "Changing the role of the actors involved".

This strategic macro-action refers to the fact that the role of the customer is modified, inside the store, in fact, the customer is able to act as if he or she possessed the skills of a nutritionist and is therefore able to identify himself or herself in the shoes of a nutritionist while shopping.

In particular, there is a dual action of two second-order strategic levers that would allow this to come to life.  First of all, the client is given the resources to move from being passive to active and thus in some way empower themselves and become more autonomous.

Giving customers the resources and tools to create their own personalized customer experience refers to the fact that customers are offered complete solutions, designed and studied by nutritional experts. If in a normal supermarket, in fact, the customer wants to do a healthy shopping, he should take care to study the products, to know the ingredients, perhaps informing himself beforehand on the internet. Typically, a normal supermarket offers a wide choice, including various types of solutions.

The products on sale at Erbert, from bakery products to packaged products, are all studied and selected with the needs of customers who pay attention to nutrition and well-being in mind.

The products contain little sugar, little salt, are minimally processed... In addition to this, every day Erbert prepares ready-to-eat foods for its customers, both single-portions and complete dishes. These are then displayed on shelves and divided according to the time of day when it is best to consume them. All this is made possible thanks to the work of nutritional experts who propose recipes that are not only healthy and balanced, but also tasty and original.

In this way, all customers who go to Erbert's to do healthy, balanced shopping, aware of the brand's philosophy, know that all the resources provided to them, from packaged products to ready-to-eat foods to the risto-bar proposals, are thought out

and studied. They don't have to worry in any way about inquiring beforehand or asking about the composition of the products because everything is thought out and studied to perfection. When they enter Erbert's, therefore, clients act in total autonomy, precisely because they are given the resources to do so and are therefore able to acquire an active role, precisely because of the resources they are provided with.

In addition to this, there is the second action, which refers instead to the fact of giving the customer the knowhow to become a nutritionist for a day.
In fact, to give the customer even more autonomy there is the fact that, in addition to providing him with resources, he is also provided with a great deal of knowledge. In particular, a 'Mangia bene' sticker is applied on the packaged products and colored according to the ingredients of which the dish is composed (vegetables, grains, proteins and fruits) and the attached instructions explain to the customer what he should consume every day in terms of vegetables, grains, fruits... in this way, thanks to the stickers and instructions, the customer can compose the proposed solutions in a personal way, thus creating a healthy, balanced and personalized meal plan.
There is also a 'Calorie stamp' applied to packaged products to indicate the calorie content of the dish, to further support the customer in his choice. Even the packaged ingredients have clear and precise indications, as do the bakery ingredients, which contain little salt and whole wheat flours.
In addition to this, large signs and tags explain to the customer how to compose their shopping.
Therefore, these two joint actions allow the customer to combine the traditional practice of shopping with the skills and abilities of nutritional experts, thus being able to act as a nutritional expert who can make a healthy and balanced shopping in total autonomy. This is made possible precisely because the client is provided not only with resources, but also with knowledge.

In the Making dimension, two main macro-actions have been identified. These are: "Integrating the offering" (Artusi , Bellini, Dell'Era, & Verganti, 2020) and "Empowering personnel" (Artusi , Bellini, Dell'Era, & Verganti, 2020).
"Integrating the offering" refers to the fact that the store offers additional services complementary to the core one and, in the case of Erbert, this additional service is the risto-bar in the store.

The latter is an extension of the supermarket, in fact it uses the same kitchen that the supermarket uses to prepare fresh dishes for customers. In this way, by sharing the same kitchen, they also share the same philosophy of cooking well, using healthy products and preparing balanced recipes. In this sense, the bar service is an integral part of the experience, because it extends it further by allowing customers to taste dishes that they can then replicate at home, buying products in the store.

"Empowering personnel" refers to bringing new players into the ecosystem. These new players are the nutritionists, who prepare ready-made meals on a daily basis, who carry out continuous research to propose varied and healthy solutions and who provide personalized assistance if required.

The *Maintaining* dimension is supported by three macro-actions already identified in the previous cases, but that however deserve to be analyzed because each macro-action strategy sees its realization in the store in a unique and original way from case to case.

The first macro-action refers to the use of "Transparent branding techniques" and sees its implementation in two second-order actions: "Concretization of the brand values in the offering" and "Directly sharing brand values". These two actions have the same objective, but achieve it in different ways.
The first refers to the fact of transferring the company's values into the offer, without, however, declaring them directly to the client. In this case, reference is made to the use of sustainable and plastic free packaging, to trolleys with canvas baskets, to the fact that only seasonal fruit and vegetables are sold and that entirely compostable labels are used.
All these actions are therefore directly present in the offer, while others are explicitly shared and told to the customer.
In this case, we refer to the second strategy mentioned, whereby the values of the brand are shared directly with the customer through the use of posters hung on the walls or flyers and phrases shown around the store that share phrases and incitements relating precisely to recycling, respect for the environment, and buying products that are made in full respect of the planet. In addition to this, even the staff is ready to tell and share with the customer what are the values and pillars of the brand.

The second aggregate dimension identified in the Maintaining dimension is the facilitation of the customer experience. This action indicates the desire to always want to guarantee support to the customer should the latter need it. These are traditional, well-established practices, which imply advising and guiding the customer in order to facilitate the purchasing experience.

Finally, to support the *Maintaining* dimension, there is a macro-category labelled as "Product enhancement", which refers to giving new light to the core product, bearing in mind that, despite the focus on service and experience, the product itself, in its simplicity, must also be enhanced.

In order to do this, the aim is that of trying to "Bring the customer closer to the pure product", selling unprocessed products, offering fresh products, making the product known to the customer, explaining its origins and the form of production/preparation.

In parallel to this, a concrete attempt is made to focus the customer's attention on the product, by displaying it in the store in a way that makes it stand out. To do this, simple, minimalist furnishings and shelving are used, so that it is not the design that stands out, but rather the product itself. Also in line with this idea, a very large open space has been created, where all the products are clearly visible when the customer enters the store.

The quality of the products, which can be seen in the vibrant, bright colors of the fruit and vegetables, does the rest.

| Strategic lever | Breaking | Breaking | Making | Making |
|---|---|---|---|---|
| **Aggregate Dimensions** | Changing the role of the actors involved | | Integrating the offering | |
| **2nd Order Themes** | Giving the customer the **resources** to **become active** | Giving the customer the **knowhow** to **become Nutritionist for a day** | Integrating **additional services** complementary to the core one | **Empowering personnel** — Introducing **new actors** |
| **Detail** | *Ready-made solutions, so that the client can compose the meal plan as he/she wishes* | *Stickers and labels to provide new knowledge to the customer* | *The bar* | *The nutritionists* |
| **1st Order Concepts** | Numerous easy-to-cook and healthy solutions | Product ingredients stated clearly and prominently (both on the product and on hanging flyers) | Presence of a bar adjacent to the supermarket | Ready-made meals prepared with advice from experienced nutritionists |
| | Ready-made products | A '*Mangia bene*' sticker | Supermarket and restaurants merged together | Creation of ready-meals ad hoc for a healthy diet |
| | Single-portion products to allow customers to compose their own meal as they wish | *Bollino calorie*' | Outdoor tables for the bar | Continuous research by nutritionists to propose varied and healthy solutions |
| | Complete ready meals so that you don't have to worry about composing your own dish | Possibility for the customer to compose his own meal in a balanced way | Possibility to choose your box in the store, have it warmed up and eat it at the bar | Creation of ready-meals in which the quantities and micronutrients are balanced |
| | *La settimana di Erbert'* | Help the customer to reach the daily caloric needs, trying to promote variety in the choice of products. | Same products for the supermarket and the bar | Food mentors available to consumers |
| | When customers enter the store they are looking for something healthy and easy to cook | Staff advises customers to consciously compose their daily meal | Having a snack at the bar | Possibility of receiving personalized advice on the menu from experts in the store |
| | Buy food to be consumed immediately (take-away) | | Having lunch at the bar | |

*Table 12: Erbert - Ethnographic Research - Breaking and Making actions*

Table 13 — Erbert - Ethnographic Research - Maintaining actions

| | Transaparent branding techniques | | Facilitating the customer experience | Product enhancement | |
|---|---|---|---|---|---|
| **Strategic lever** | Mantaining | | | | |
| **2nd Order Themes** | **Concretization** of the brand **values** in the offering | **Directly sharing** brand **values** | **Supporting and assisting** the customer during the CX, **when required** | Bring the customer **closer** to the **pure product** | **Product focus** |
| **Detail** | *Sharing brand values through resources (products, packagings, settings, furniture...)* | *Sharing brand values in the interactions with staff and through posters and signs* | *Giving advise, support and suggestions to the customer* | *Selling the product in its most natural form* | *The design, packaging and furnishings are essential to emphasise the product itself* |
| **1st Order Concepts** | Sustainable and plastic free packaging | Posters hanging on the walls highlight some of the store's core values and initiatives | Shop assistants help customers with research | Exclusive sale of natural and minimally processed foods | Minimal shelves and furniture, to highlight the products themselves |
| | Fully compostable film and package labels | Slogans present throughout the store to highlight the organic nature of the products offered | In the butcher, bakery and fishmonger departments, staff help and advise | Ready-made foods made in the store's kitchens | Large open space that allows you to see all products from every position in the store |
| | Plastic free bags for taking fruit | Signs and blackboards to describe each product and indicate its characteristics in terms of organic production and / or sustainable agriculture ...etc | Customers ask for information if they can't find something | Reduced and almost absent industrial production | Islands and central shelves for fruits and vegetables |
| | Trolleys with canvas baskets | Personnel explains to the customer the values of the brand | The customer asks if there are alternative products | Products of internal production totally natural and produced in the laboratory located in the store. | Essential design |
| | Fruit and vegetables in season only | Incentive phrases invite the customer to purchase a sustainable reality and become part of it. | The customer asks about prices and promotions | Fresh products, cooked daily | Fruits and vegetables in bright, vibrant colors |
| | Availability of canvas shopping bags | | | Storytelling about the products | Simple and essential packaging |

*Table 13: Erbert - Ethnographic Research - Maintaining actions*

*Figure 13: Erbert - Strategic lever: 'Changing the role of the actors involved'*



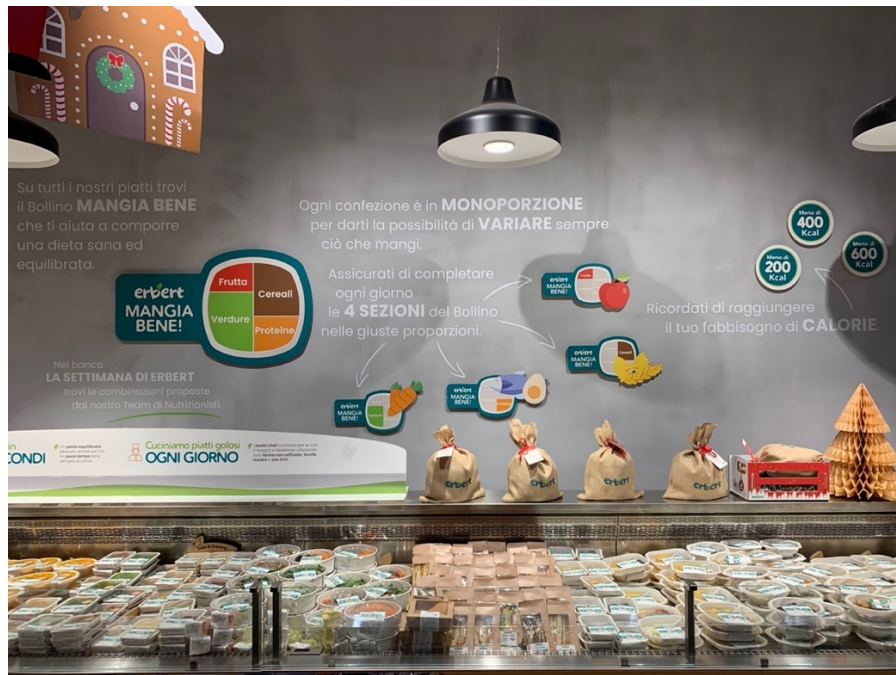*Figure 14: Erbert - Strategic lever: 'Empowering personnel'*

*Figure 15: Erbert - Strategic lever: 'Changing the role of the actors involved'*



*Figure 16: Erbert - Strategic lever: 'Product enhancement'*

## Case study – IKEA

The IKEA case study was analyzed through ethnographic research conducted on site. This research allowed to draw out the combined presence of the *Breaking, Making and Maintaining* dimensions within the customer experience.

Among the actions identified that communicate a sense of break with the past there are two main ones: "Changing the role of the actors involved" and "Changing the role of the store".

Changing the role of the actors involved was detected and mapped in the analysis as the customer during the customer experience at Ikea changes role and becomes from passive to active. In particular it is referred to the fact that the customer, entering the store, is totally free and autonomous. Traditionally, the purchase of furniture for the home, is not experienced as an experience to be conducted independently, but with the support of staff, who guide, advise and direct. The purchase of furniture, if compared with the purchase of clothing or food for example, is more expensive, requires more attention and is also more complex, because it requires concrete evaluations, such as taking measurements and selecting possible options.
However, in spite of this, at Ikea the customer is free to live his or her experience autonomously, and this is confirmed by the fact that at the entrance he or she is given the possibility to take a tape measure, a pencil and a sheet of paper, so that he or she can then take measurements autonomously.

In addition to the fact that they can act in total freedom and autonomy, there is also the fact that the customer steps into the shoes of an architect when they are inside Ikea. In the store there are in fact furnishings inspired by different styles, allowing the customer to feel inspired and be able to make assessments as if he were an architect-designer.
The customer, thanks to the strong identification with the store, does not feel the need to ask for the assistance of architects or designers for the choices, but feels free and above all able to do it in total autonomy.

The second macro-strategy that communicates a sense of rupture is the changing role of the store. In fact, the store becomes interactive and talks to the customer, thanks to the continuous interaction tools used such as totems or screens around the store. Above all, however, what gives this sense of change is the fact that a real path has been created to guide the customer throughout the store. In fact, the purchasing experience follows a path that accompanies the customer through the different areas of the house, thus allowing him to identify himself. In this sense, the store loses its meaning of pure showcase and exhibition space, and becomes a path that, in addition to identifying with the customer, entertains and involves him.

Within the *Making* dimension, there are three macro-strategies now recurring in analyses.

In the first place, an integration of the offer has been noted, given by the fact that complementary activities to the product are offered. In particular, reference is made to events and workshops organized to involve clients and inspire them in the design of their own homes. Often, the objective of these events is to teach the client about the world of design, so that they can be able to personalize their own home.

In addition, complementary services are also offered within the store. These include a bar, which serves Swedish specialties, a canteen and a market. The latter in particular is a tribute to the culture of the store, since it sells typical Swedish products.

Another macro-strategy identified and now recurring in analyses is the creation of a space that is a place-to-be.

In the case of Ikea, reference is made to the fact that often, going to the store is not necessarily linked to the need to buy, but rather to the simple desire to spend an afternoon there. The organization of the store in fact invites the customer to spend as much time as possible, so much so that the average customer often stays for an entire afternoon.

This effect is emphasised not only by the refreshment areas, but also by the play areas for children, by the possibility of sitting on the sofas along the route to take a break and in the meantime look around, or even by the fact that there are dog-friendly areas with water available, inviting customers to stay for a long time.

Finally, the last strategy noted, is personnel empowerment. This strategy refers to the fact that new players have been introduced into the ecosystem, the architects and designers. They work to furnish the spaces inside Ikea, so that the customer can identify with them. With great frequency they propose new styles and furnishings for the various areas of the house that are displayed and try to meet the tastes of all customers, creating modern, minimal or country chic solutions for example. Their presence is fundamental inside Ikea and every setting is thought out and taken care of in detail. To further emphasize customer identification, items that are not for sale, such as jewelry or clothing inside the closets, are also included in the various settings, as if it were a real home.

Finally, among the strategies that communicate a sense of Maintenance, three macro-actions were identified.
First, the strong omnichannel character present in the store, which allows the customer to move from offline to online in a very fluid way, thanks to the presence of totems around the store, which allow them to connect to their personal online area with extreme speed. Moreover, by downloading the app, you can scan the products to get more information or to put them in your virtual shopping cart. This dimension also includes the possibility for the customer to have a lot of flexibility in the choice of the purchase and delivery/home delivery system, since there are various possibilities such as click and collect.

The ability to test products is another dimension that lends a sense of retention with the past. Being able to interact with the product you want to buy, testing comfort and composition, allows the customer to learn more about the product and become familiar with it.

Finally there is the presence of support that is given to the customer when and if required. In fact, along the route it is possible to find desks and spaces where there are employees ready to listen to customers and sit at the desk with them in front of the PC to customize the requested offer.
However, the staff is not invasive and in fact gives support to the customer only if requested.

**Strategic lever: Breaking**

**Aggregate Dimension: Changing the role of the actors involved**

| 2nd Order Themes | 1st Order Concepts | Detail |
|---|---|---|
| **Client becomes from passive to active** / *Customer becomes autonomous and independent* | | |
| | pencil at the entrance | Take the tape measure, so that you can take measurements and make assessments. |
| | Take the shopping cart at the entrance | Compare the floor plan of my house with the furniture for sale |
| | Customer identification at home | Observe available fabrics, materials and colours to compose and create personalised furniture. |
| | Evaluation and price comparison | compose your own furniture |
| | Opening wardrobes and drawers | chooses the fabrics and patterns that he likes most independently and then cuts the necessary square footage |
| | Lifting furniture, opening it, stretching it, putting it together … | Get inspired by the creative and original arrangements designed to reproduce the environments of the house |
| | self-service activities in the warehouse to take the furniture | leave children free to play and interact in the areas where beds and furniture are for sale, so they can choose what they like best. |
| | Pick up one of the flyers available in the shop designed to take note of the selected items | Open furniture and drawers by following the directions in the interactive captions. |
| **Client plays the role of architect-for-a-day** / *The customer takes on a new role* | use of the totem to facilitate the search of products independently | QR code to foster interaction |

**Aggregate Dimension: Changing the role of the store**

| 2nd Order Themes | Direct interaction with the store | Creation of a route to guide |
|---|---|---|
| **Direct interaction with the store** / *Tools, digital devices and signs enable interaction between store and customer* | | |
| | rate the in-store experience using the totem pole | Store as a path |
| | sit on couches to watch interactive advertisements being shown on TV, to interact with furniture and their surroundings. | Different areas of the house follow one another along the way |
| | I follow the arrows placed on the ground to follow the path inside the store | Well defined path |
| | interaction with furniture and products through the use of QR codes | Rigid route (once you enter, you must complete the loop before exiting) |
| | Experiential videos in the store that show products in real-life contexts. | Warehouse at the very end to pick the products chosen |
| **Creation of a route to guide** the customer throughout the store / *The layout of the store is designed to guide the customer and foster immersion.* | | Different areas throught the path dedicated to the different area of the house |

*Table 14: IKEA - Ethnographic Research - Breaking actions*

**Strategic lever:** Making

| Aggregate Dimensions | 2nd Order Themes | Detail | 1st Order Concepts |
|---|---|---|---|
| Integrating the offering | Offering **complementary activities** to the product | *Events and workshop* | Attend workshops and exclusive events "to discover new collections and find lots of ideas and inspiration to live your home even better, every day." |
| | | | Decoration and customization of t-shirts and fabrics |
| | | | Activities organized provide customer with tips, ideas and to inspire him to bring his ideas to life |
| | | | Offer of extra activities useful to learn more about the product and acquire architect/designer skills |
| | | | Calendar of planned activities available on the website |
| | Offering **additional services** | *Bar, canteen, food market* | Presence of a bar inside the store |
| | | | Presence of a canteen inside the store |
| | | | Possibility to go to the bar for lunch or snack (before, after or during the tour) |
| | | | Food market outside the checkout to take home culinary products not available elsewhere and typical of Swedish cuisine |
| Store as a place to be | Homage to the culture through design and food | *Swedish culture in design, colours and food* | yellow and blue as predominant colors |
| | | | Swedish names for products |
| | | | typical Swedish dishes at the bar and restaurant |
| | | | Sale of typical Swedish cuisine at the market |
| | Creating a **different atmosphere** | *Comfortable environment* | make the dog drink in the designated areas. |
| | | | Let children play in dedicated areas |
| | | | interactive games for children |
| | | | free wifi connection |
| | | | Music in the background |
| | Introducing **new actors** | *The architects* | Furniture arranged to recreate the home environment |
| | | | Exposure of products not for sale such as clothes, shoes, sheets, detergents to give authenticity to the settings |
| | | | Plants as part of the settings |
| | | | Apartments with different designs (elegant, informal, colorful..etc). |
| | | | Posters hanging on the walls to simulate the presence of a window/background (to create more immersion in the setting) |

*Table 15: IKEA - Ethnographic Research - Making actions*

126

| Strategic lever | Aggregate Dimensions | 2nd Order Themes | Detail | 1st Order Concepts |
|---|---|---|---|---|
| *Mantaining* | Facilitating the customer experience | **Omnichannel** strategy | *Fully integrating online and offline services* | IKEA family subscription using totem present in the shop |
| | | | | Use of the App to scan products using barcode so to get more information |
| | | | | use of totem available in the store to get information about options and colours of furniture and to customize. |
| | | | | Creation of your prototype at home and then opening of the prototype on the totem present in the shop using a reference code |
| | | | | online order and pick up in store or order in store and receive it at home (online-online not considered as it doesn't involve the store). Buy and pick up offline. FLEXIBILITY |
| | | **Testing products** | *People can lie on beds and sofas, touching products...* | Sitting on chairs, sofas, beds...to test their comfort. Try sitting in different positions to give a better evaluation. |
| | | | | Touch furniture and textiles to assess their quality and texture. |
| | | | | Arrangement of furniture such that people are invited to try them out |
| | | | | interaction with the furniture, simulations of actions as if the customer were at home. |
| | | **Supporting and assisting** the customer during the CX, when required | *Giving advise, support and suggestions to the customer* | take ticket with number to receive assistance from salesmen |
| | | | | consultation catalog displayed along the way |
| | | | | Creation of your own home solution with consultation with Ikea staff present in different areas of the store |
| | | | | use of yellow duffle bags that make it easier to buy and are then often purchased |
| | | | | customer service present near the exit |
| | | | | app Ufirst for queue |
| | | | | assistance with the assembly of purchased furniture |

*Table 16: IKEA - Ethnographic Research - Maintaining actions*

*Figure 17: Ikea - Strategic lever: 'Facilitating the customer experience'*



*Figure 18: Ikea - Strategic lever: 'Store as a place to be'*

*Figure 19: Ikea - Strategic lever: 'Chaging the role of the actors involved'*



*Figure 20: Ikea - Strategic lever: 'Chaging the role of the actors involved'*

## Case study – LUSH

The lush case was analyzed by making exclusive use of ethnographic research. Thanks to it, it was possible to map two main branches of change: *Making and Maintaining*.

The macro-strategy identified that led to the identification of a Making dimension is the creation of a place-to-be. Inside the store, in fact, the multisensory character of the experience is very strong, denoted by the presence of fragrances and aromas, which can be felt from the street, while approaching the store. Infact, what everyone who enters a Lush store remembers is the smell (Artusi & Bellini, 2020). The multisensory factor is also enforced by the possibility of touching the protrusions and admiring their bright and vibrant colors. Overall, entering the Lush store is a very strong multisensory experience and very characteristic of the store. This is accompanied by the creation of a fun and playful atmosphere, completely unique and original. This is evident from how sales employee and customer joke with each other, from the fact that sales assistants receive customers by either playing with products, as in a circus and also from the presentation of the products, in colorful and funny boxes. The very names of the products are a source of amusement as are their original and atypical shapes. Finally, to give a sense of place-to-be, there is the revolutionizing of the design and setting of the store. The store is organized to look like a bazaar, dark wood dominates the shelves, walls are often black and heavy lighting illuminates the space (Artusi & Bellini, 2020).

In addition to the sensations, therefore, even the design is designed to remove the customer from reality, to transport him into another dimension. Overall, it is possible to assess that "the overload of stimuli makes them feel that the place is different from others, providing a form of entertainment. Not only a place for buying sustainable and responsible products but also to have fun" (Artusi & Bellini, 2020).

Two macro-strategies, already identified in previous analyses, brought out the dimension of Maintaining, and we will see the details of these in the following pages. The first is the adoption of transparent branding techniques by the store.

This strategy takes shape through the embodiment of brand values in the offering. In particular, the products themselves communicate the brand values to the customer. Product composition, packaging and recycling initiatives make it immediately clear to the customer what the brand pillars are. Many of the products sold are also "naked," without packaging. In addition, the sticker applied to all products indicates: when the product was packaged, by which employee, indicating its name, and when it expires. This humanizes the production process by highlighting that it is not machines that are involved in production, but people.

In parallel to this, brand values are also shared directly with the customer. Brand values are hand-written on the walls, on product packaging and are shared directly with the sales staff. In this way the brand seeks to foster an education and creating connections between the consumer, the environment, the community and the company's products. Everything in the store is shared and displayed in a transparent and honest way.

Customer experience facilitation is the last second-order strategy highlighted and belonging to the Maintaining dimension. In particular, it was possible to observe how customer support is strongly present. Staff advise customers, tell them about products and benefits. To facilitate the experience there is also the presence of resources made available to the customer, such as soaps, sinks and tissues that indicate to the customer the possibility to freely try the products before buying them.

| Strategic lever | Aggregate Dimensions | 2nd Order Themes | Detail | 1st Order Concepts |
|---|---|---|---|---|
| *Making* | **Store as a Place-to-be** | Creating a **Multisensory** experience | *Very strong sensory experience* | Smelling products |
| | | | | Products with unique shapes and colors |
| | | | | Touching products |
| | | | | Strong aroma |
| | | | | smelling the freshness of the ingredients from the moment you walk through the doors |
| | | | | Colourful and glittery products |
| | | Creating a **different atmosphere** | *Fun and playful* | Sales employee and customer joke with each other |
| | | | | Fun and colorful gift boxes |
| | | | | Fun and original product label |
| | | | | Sales assistants receive customers by either playing with products, as in a circus |
| | | | | Original and funny product names |
| | | | | Playing with products |
| | | | | Original and colorful collections made for the holidays (Christmas collections, Valentine's Day ... etc) |
| | | | | Fun and engaging signs around the store |
| | | | | During the selection of bath bombs the customer can use colorful and fun boxes to store the selected bombs |
| | | **Revolutionising** the **design** and setting | *A beauty mart with a green grocers - bazar feeling* | The sales employee assists the customer in the selection of Bath Bombs |
| | | | | The sales employee places the Bath Bombs chosen by the customer in special paper bags (similar to a greengrocer). |
| | | | | Bazaar/market-like atmosphere |
| | | | | Using baskets to store selected products |
| | | | | Placing the chosen products in the basket |
| | | | | Face masks are displayed in bowls on ice like a deli counter for customers to try. |
| | | | | Wooden baskets, crates and display cases |

*Table 17: LUSH - Ethonraphic Research - Making actions*

132

**Table 18: LUSH - Ethnographic Research - Maintaining actions**

| Strategic lever | Aggregate Dimensions | 2nd Order Themes | 1st Order Concepts | Detail |
|---|---|---|---|---|
| Maintaining | Transparent branding techniques | Concretization of the brand values in the offering *(Sharing brand values through resources (products, packagings, settings, furniture...))* | | Products with very similar packaging. What changes is the label. |
| | | | | The label is always all black with white text that looks like it was written in paint. |
| | | | | Black color packaging |
| | | | | More than a third of Lush cosmetics have been 'naked', i.e. without packaging, to minimise environmental impact and pollution. |
| | | | | Packaging is 100% recycled |
| | | | | Products processed into solid form (such as shampoo) to reduce packaging usage |
| | | | | Sticker applied on all products indicates: when the product was packaged, by whom and when it expires. This humanises the production process by making it clear that a person, not a machine was involved in the making |
| | | Directly sharing brand values *(Sharing brand values in the interactions with staff and through posters and signs)* | Sales employees inform about the ethical and sustainable nature of products | |
| | | | posters hanging on the walls explaining the sustainable nature of products | |
| | | | product labels indicate that they are all vegan | |
| | | | Asking for the product composition | |
| | | | See some of the raw ingredients first-hand: live plants fill the space to illustrate the actual ingredients going into their products | |
| | | | Charity pot product," which donates proceeds to local charities | |
| | | | Recycling incentive: giving back jars gets free face mask | |
| | | | While touching a product the sales employee makes sure the customer knows the ethical and sustainable nature of the product. | |
| | Facilitating the customer experience | Supporting and assisting the customer during the CX *(Giving advise, support and suggestions to the customer)* | | Asking for assistance from sales staff |
| | | | | sales employees ask if you need assistance |
| | | | | Sales employee listens to customer' inquiry/problem and proposes the most suitable product(s). |
| | | | | Sales clerks tell customers about products |
| | | | | learning about the products, their history and composition |
| | | | | Learning from the product labels |
| | | | | sales employees explain labels and clarify their meaning |
| | | | | sales employees address customer concerns about product composition |
| | | | | signs in the store explain how to use the products |
| | | | | Sales employee explains how the products will look once used (especially the Bath Bombs, the brand's flagship product, which change color once immersed in water). |
| | | Testing products *(Experience products hands-on, using the sinks and spaces available)* | | Testing products |
| | | | | Putting the Bath Bombs in water to see the effect |
| | | | | Application of creams on the skin |
| | | | | Use the designated sink to rinse off |
| | | | | Soaps and tissues |
| | | | | Mirrors |

*Figure 21: Lush - Strategic Lever: 'Store as a place to be'*



*Figure 22: Lush – Strategic lever: ' Store as a place to be'*

*Figure 23: Lush - Strategic lever: 'Facilitating the customer experience'*



*Figure 24: Lush - Strategic lever: 'Store as a place to be'*

## Case study – Nespresso Boutique

The analysis on the Nespresso Boutique case study was performed solely through ethnographic research, as it was not possible to contact reference persons. The mix that emerged is that of *Making and Maintaining*.

The Making dimension was detected due to the integration of the offerings present in the store. In particular, inside the Nespresso Boutiques, customers are offered activities that are complementary to the product. These include the coffee bar, present in every Nespresso Boutique, and the testing area.

Customers are given the opportunity to enjoy a free Nespresso coffee inside the store, choosing from all the traditional and limited edition capsules displayed on the counter. The staff advises the customer, explaining the various aromas and flavors of the different capsules and proposing the one most suited to the customer's taste. This aspect is extremely significant within the store, infact "the customer journey strictly revolves around the coffee drinking experience, as coffee is the main product sold" (Pinto, Dell'Era, Verganti, & Bellini, 2017).

In addition to integrating the offer, there is a strong lever that leads to empowering flexible experiences.

In fact, the customer is able to build a personalized customer experience because the store has different areas dedicated to different types of services.

There is a bar, where you can taste and enjoy coffee as in a traditional bar. There is the display area, where pods and coffee machines are on display and where it is possible to guide the customer in the choice. There are also totems, which guarantee the customer autonomy in the purchasing experience, but above all there is an area, extremely original, where the coffee capsules are displayed in long columns on the walls, to create an optical effect of very artistic design, and where the customer can refill in total autonomy as if he were at the self-service checkout of the supermarket. Once the customer has picked up the pods he or she wants, he or she can always proceed with payment in total autonomy, thanks to the presence of automatic checkouts installed in the store.

The possibility to create and customize your own customer experience, is strengthened by the fact that the staff takes care to know the tastes of the customer, making him try different coffees and making him feel different aromas in the testing area, so that he learns to know what are the most suitable coffee pods.

Finally, within the *Making* dimension, the strategic component "Store a as a place-to-be" was noted. This strategy was detected because of the multisensory character present within the experience. In this particular case, this character is not only linked to the taste, smells and flavors of coffee, but above all to the visual aspect. This is due to the fact that the furniture, coffee capsules and machines have a design that was thought to convey a sensation of walking through a sophisticated gallery (Pinto, Dell'Era, Verganti, & Bellini, 2017).

In terms of the *Maintaining* dimension, a macro category was identified. This is the facilitation of the customer experience which, within the Nespresso Boutique, takes shape through two second-order strategic actions. First, through the fact that during the customer experience the customer is supported and assisted. In fact, the staff and coffee specialists guide the customer, trying to understand what kind of experience he/she wants to undertake. Second, in support of the customer experience, there is also a strong omnichannel component. Customer can create an account online and have access to it inside the store thanks to the presence of the totems. In addition, flexible click and collect services are offered rather than online retail coffee sales.

| Strategic lever | Aggregate Dimensions | 2nd Order Themes | Detail | 1st Order Concepts |
|---|---|---|---|---|
| Making | Integrating the offering | Offering **complementary activities** to the product | *Testing coffee and coffee bar* | Nespresso Coffee bar inside the store |
| | | | | Customer enjoys coffee at the counter before leaving the store |
| | | | | Staff invites the customer to taste a coffee before they leave |
| | | | | At the counter all types of coffee pods are displayed in a glass case |
| | | | | The customer chooses his coffee by looking at the pods on display, and at the indications about the intensity and flavours of each one |
| | Empowering flexible experiences | Getting to **know the customer** in order to personalise the offer | *Coffee specialists try to get to know the customer and his tastes* | Targeted assistance |
| | | | | Staff ask for the customer's taste in order to advise them |
| | | | | Staff invite the customer to try out different types of coffee to choose the most suitable one |
| | | | | At the bar counter, staff tell customers about their tastes and new products |
| | | | | Coffee specialist available to give advice |
| | | | | Choice of a personalised coffee plan |
| | | **Flexible** Customer journey | *Possibility to carry out the shopping experience in different ways* | Store on two floors |
| | | | | Dedicated area for autonomous purchase |
| | | | | Possibility of picking up the desired pods autonomously |
| | | | | Customers pick up an envelope to fill with their purchases |
| | | | | Tills with fully automatic payment system |
| | | | | Area dedicated to tasting - testing area |
| | | | | The customer chooses what kind of experience to have |
| | | | | Staff direct the customer through the store according to the type of CX the customer wants to experience |
| | Store as a place-to-be | Creating a **Multisensory** experience | *Aromas, flavors, shapes and colors* | Aromas of coffee become a very strong component |
| | | | | Possibility for the client to smell different kinf of coffee |
| | | | | Colorful coffee pods |
| | | | | Very strong visual factor |
| | | | | Very attractive pod design and shape |
| | | | | Pods sold in boxes with an original and luxurious shape |

*Table 19: Nespresso Boutique - Ethnographic Research - Making actions*

| Strategic lever | Mantaining | |
|---|---|---|
| **Aggregate Dimensions** | **Facilitating the Customer Experience** | |
| **2nd Order Themes** | **Supporting and assisting** the customer during the CX | **Omnichannel** strategy |
| **Detail** | *Giving advise, support and suggestions to the customer* | *Fully integrating online and offline services* |
| **1st Order Concepts** | Staff available to support and clarify doubts<br><br>Staff provide customer with information regardin products availability and price<br><br>The staff informs the customer about the latest news in the store and promotions.<br><br>If the customer has difficulty in searching, they turn to the staff for support.<br><br>Staff help the customer to use the digital tools available | Integrating online and offline services<br><br>customer can create an account online and have access to it inside the store<br><br>totem inside the store facilitate this kinf of experience<br><br>click & collect services<br><br>beverage delivery<br><br>online retail coffee sales |

*Table 20: Nespresso Boutique - Ethnographic Research - Maintaining actions*

*Figure 25: Nespresso Boutique - Strategic lever: ' Store as a place to be'*



*Figure 26:  Nespresso Boutique - Strategic lever: ' Store as a place to be'*

*Figure 27: Nespresso Boutique - Strategic lever: ' Integrating the offering'*

## Case study – RED Feltrinelli

The RED Feltrinelli case was analyzed by making exclusive use of ethnographic research and it was possible to identify the strategic mix of Making and Maintaining.

Among the actions of Making, the strategy of empowering the staff was detected, mainly identified in the approach and behavior that has become unobtrusive.
This new staff approach allows customers to shape their own customer experience without being pushed or directed toward specific products and/or services. Employees have shifted from being representatives of the company to facilitators of customer experiences. The intent, then, is to make people feel at ease, helping them only when they really need it and leaving them free to spend as much time as they want in the store (Artusi , Bellini, Dell'Era, & Verganti, 2020).

Empowering flexible experience is another identified strategic action that is implemented within the experience through three specific actions. First, allowing the customer to easily explore the store. This element is perceived by the layout and the arrangement of products: from the moment they enter the store, the customer has full visibility of everything and all products are on display on the shelves. In this way the customer knows where the bar is, where the books are and where the relax/study area is, he doesn't need to look for staff support and can autonomously choose where to go. As highlighted by Bellini and colleagues (2020) "If you go into a bookstore where you can find more than 50,000 books, you need someone to show you, someone taking care of your visit. In RED, it's easier for the customer. Products sell themselves by creating a unique and coherent store centered around them". In this way, when entering the store, the client has no doubts or hesitations and this reinforces its power as the creator of its own customer experience.

This is accompanied by the fact that the space is totally available to the client. In addition to having visibility of everything and therefore knowing how to move around, the customer is also free to use the space as he likes: to work, read a book or a newspaper. The customer can then benefit from the store as they see fit, without

necessarily completing a purchase. The customer is welcomed as if he were at home and therefore, just as if he were at home, he is free to use the space as he pleases.

Finally, the flexibility of the customer journey is also given by the fact that the customer is free to "build" their customer experience as they see fit, for example by coming in to drink a coffee, then reading a newspaper and perhaps buying a book. Given the great variety of possibilities for the customer, everyone is able to live a unique and different experience, precisely because it is personally "built" by the customer himself.

"Integrating the offering" (Artusi , Bellini, Dell'Era, & Verganti, 2020) is another identified macro strategic action that contributes to the Making sense of the offering.
In particular, the integration of the offer is given primarily by the introduction of a restaurant. The latter is perfectly integrated, in fact the restaurant has been designed to merge with the world of books, which is why the dishes and their names are tributes to literature and change frequently.
This is also accompanied by the fact that the spaces are strongly integrated (Artusi , Bellini, Dell'Era, & Verganti, 2020), leading to perceive the store as a unique place, a continuum in which the offers merge. This element is very significant precisely because there is no separation between the two services and, as Bellini and colleagues report (2020) it is not "a place that has a bookstore and a restaurant but a place that is a bookstore and a restaurant at the same time". This means that when the customer goes to RED, they do not have a clear idea of why they are there.
To give more strength to this character of integration, there is also the offer of complementary activities to the product. These include book clubs, literary meetings, and interactive events.

Finally, the last strategic macro-action noted is the creation of the store as a place-to-be. Here we refer to the fact that the experience and atmosphere inside the store is completely relaxing and home-like. The customer tends to spend a lot of time in the store, thanks to the intimate and cozy atmosphere that is created, inviting them to stay as long as possible.
Sofas, tables and various comforts such as free wi-fi are offered to the customer in order to welcome him and make him feel at home, so as to extend his stay as much as possible.

Within the Maintaining dimension, a strategic macro-action was noted, related to the support and assistance offered to the client when requested.

As made explicit earlier, staff are unobtrusive to the client, however, if requested, they are available to guide and advise the client.

| Strategic lever | Aggregate Dimensions | 2nd Order Themes | Detail | 1st Order Concepts |
|---|---|---|---|---|
| Making | Empowering personnel | Different approach and behaviour | *Non-invasive* | Staff do not approach customers as soon as they enter the store |
| | | | | Staff, during the customer experience, do not intervene of their own free will |
| | | | | If the customer needs information then it looks for the staff |
| | | | | Freedom to read a book without being interrupted |
| | | | | The staff is not intrusive and lets the customer read the books on sale for as long as he/she likes |
| | | | | No one worries about what customers do |
| | | | | Front line employees act as a facilitator of the customer experience |
| | | | | Customer-centric way of managing store visits |
| | | | | Allowing customers to shape their own experience |
| | | | | "Front-line employees switched from being company representatives responsible for customer satisfaction and maximizing pur-chases to facilitators of customer experiences. |
| | | | | "In RED stores, people are free to spend as much time as they like doing what they like" |
| | Empowering flexible experience | Flexible Customer journey | *Possibility to carry out the shopping experience in different ways* | Each customer is able to live a unique and different experience |
| | | | | Open space where the customer feels free to walk and roam among the books |
| | | | | Double entrance allowing customers to shape their own experience |
| | | | | The store must be flexible to allow customers to pick what they want |
| | | | | The customer builds the CX to his liking |
| | | | | The customer with flexibility moves among the different areas of the store choosing what he prefers to dedicate himself to |
| | | | | The customer sitting down to write/work when hungry or thirsty goes to the bar to get something |
| | | | | Customers enter the store driven by different needs |
| | | | | In-store customers can customise and change their CX |
| | | | | place that can be used and shaped based on specific personal needs and moods. |
| | | | | No predefined, dominant paths. |
| | | Space at the **customer's disposal** | *Possibility for the customer to enjoy the RED store as he/she wishes* | Co-working area — A few selected books |
| | | | | Free wifi — High visibility of titles |
| | | | | Possibility of working/studying/reading a book seated at the tables — Bookseller suggestions with label |
| | | | | No need to make a purchase to seat inside the store — Islands in the centre of the store to highlight books |
| | | | | Possibility to enjoy the RED store — Books allocated on the basis of genre |
| | | | | The customer can enjoy the store as he sees fit — "Products sell them-selves by creating a unique and coherent store centered around them". |
| | | Allowing the customer to **easily explore** the store | *Store layout and product arrangement designed to easily explore CX* | "If you go into a bookstore where you can find more than 50,000 books, you need someone to show you, someone taking care of your visit. In RED, it's easier for the customer" |

*Table 21: RED Feltrinelli - Ethnographic Research - Making actions*

Table 22

| Strategic lever | Making | | | | Maintaining |
|---|---|---|---|---|---|
| **Aggregate Dimensions** | Integrating the offering | | Store as a Place-to-be | | Facilitating the Customer Experience |
| **2nd Order Themes** | Offering **additional services** | **Integrating the spaces** | Offering **complementary activities** to the product | Creating a **different atmosphere** | Supporting and assisting the customer **when required** |
| **Detail** | *Integrated restaurant* | *Perceiving the store as a unique place, a continuum in which the offerings intermix* | *Book clubs, literary meetings, interactive events...* | *Relaxing and home-like atmosphere* | *Giving advise, support and suggestions to the customer during the CX, **when required*** |
| **1st Order Concepts** | Read a book while eating lunch or breakfast<br><br>The customer when he enters does not have only one purpose<br><br>Most meals offered in a RED restaurant are based on books<br><br>Book titles are used to name the dishes, and some recipes even come directly from the narratives<br><br>Sale of culinary products dedicated to some stories of famous novels | "Not a place that has a bookstore and a restaurant but a place that is a bookstore and a restaurant at the same time"<br><br>The customer when he enters to buy a book and then ends up having lunch at the bistro<br><br>"There is no clear division of spaces (tables) dedicated to reading and bar/restaurant consumption"<br><br>It may happen that the customer enters to buy a book and then ends up having lunch at the bistro<br><br>"Fusion of two spaces that communicate with each other and are not totally separated"<br><br>The customer when he enters does not always know what he wants and what to look for<br><br>It can happen that a customer enters the store for a lunch and then ends up buying a book<br><br>"When customers go to RED, they don't have a clear idea of whether they are entering a book-store or a restaurant. Everything is integrated" | Book clubs<br><br>Interactive events<br><br>live music<br><br>games and creative workshops for children<br><br>literary meetings<br><br>aperitifs in the language | People come into RED to relax and take a break<br><br>people at RED feel at home<br><br>Smaller space than traditional bookstores<br><br>Intimate and cosy atmosphere<br><br>The customer tends to spend a lot of time in the store | Staff are at the customer's disposal<br><br>If the customer cannot find a book, it is addressed to the customer<br><br>For doubts or support during the customer experience, the staff is available |

*Table 22: RED Feltrinelli - Ethnographic Research - Making and Maintaining actions*

*Figure 28: RED Feltrinelli - Strategic lever: 'Integrating the offering'*



*Figure 29: Figure 28: RED Feltrinelli - Strategic lever: 'Integrating the offering'*

# 8.4 Toolkit

As a result of the analyses and mappings carried out, it was possible to converge all the work done into a single overall mapping, thus creating a true toolkit. Within this toolkit, all the macro-strategies applied by the various retailers were collected and clustered within their Breaking, Making or Maintaining dimension.

These macro-strategies, in line with what was done in the analyses, were named "aggregate dimensions" and further subdivided into "2nd order themes".
In this way, it is possible to have an overall view of the main macro-strategies and macro-directions that can be undertaken when trying to innovate the customer experience, but also of those that are the 2nd order strategies, which, with a greater level of detail, make it possible to understand how the macro-strategies can actually take shape within the experience.

| Strategic levers | Aggregate Dimensions | 2nd Order Themes | Detail | Case study |
|---|---|---|---|---|
| Breaking | Changing the role of the actors involved | Client becomes from passive to **active** | Customer becomes autonomous and independent | Ikea |
| | | Client plays the **role of architect**-for-a-day | The customer takes on a new role | |
| | | Giving the customer the **resources** to **become active** | *Ready-made solutions, so that the client can compose the meal plan as he/she wishes* | Erbert |
| | | Giving the customer the **knowhow** to **become Nutritionist for a day** | *Stickers and labels to provide new knowledge to the customer* | |
| | Changing the role of the store | Direct **interaction** with the **store** | Tools, digital devices and signs enable interaction between store and customer | Ikea |
| | | Creation of a **route to guide** the customer throughout the store | The layout of the store is designed to guide the customer and foster immersion. | |
| | | **Elimination** of the **sales process** | Bringing the customer closer to the product so as not to 'scare' him | Volvo Studio |
| | | The store becomes an "opportunity" to **get closer to the customer** | A place designed to listen rather than tell | |

*Table 23: Toolkit - Breaking Levers*

| Strategic levers | Aggregate Dimensions | 2nd Order Themes | Detail | Case study |
|---|---|---|---|---|
| *Making* | **Extension of the experience** | **Focus** on the **early stages** of the shopping experience | Providing information, increasing the involvement, testing the product... | Volvo Studio |
| | | **Disintermediation** | Getting to know the customer directly | |
| | **Empowering personnel** | Personnel with **new skills** | Knowledge of the product, planning skills, management skills - The genius | Apple |
| | | **Different approach and behaviour** | Confidential and friendly | |
| | | Introducing **new actors** | The nutritionists | Erbert |
| | | Introducing **new actors** | The architects | Ikea |
| | | Personnel with **new skills** | Excellent technical knowledge of the product, excellent storytelling skills - The Wizards | Volvo Studio |
| | | **Different approach and behaviour** | Warm and non-invasive | |
| | | **Different approach and behaviour** | Non-invasive | RED Feltrinelli |
| | | **Different approach and behaviour** | Motivated staff with excellent storytelling skills - The partners | Starbucks Reserve roastery |
| | **Integrating the offering** | Offering **complementary activities** to the product | Events, training and learning courses... | Apple |
| | | Creation of a **dedicated platform** | Genius bar | |
| | | Offering **additional services** complementary to the core one | The bar | Erbert |
| | | Offering **complementary activities** to the product | Events and workshop | Ikea |
| | | Offering **additional services** | Bar, canteen, food market | |
| | | Offering **additional services** | Restaurant | Volvo Studio |
| | | Offering **complementary Digital activities** | Augmented reality systems, interactive screens, virtual reality | |
| | | Offering **complementary activities** to the product | Events | |
| | | Creation of a **dedicated platform** | Volvo Welcome center | |
| | | Offerig **complementary actitivities** to the product | Testing coffee and coffee bar | Nespresso |
| | | Offering **additional services** | Inegrated restaurant | RED Feltrinelli |
| | | **Integrating the spaces** | Perceiving the store as a unique place, a continuum in which the offerings intermix | |
| | | Offering **complementary activities** to the product | Book clubs,literary meetings, interactive events... | |
| | | Offering **additional services** | Lounge bar,Affogato station, Bakery, coffee pods shop | Starbucks Reserve roastery |
| | | **Reinforcing the core offering** | Wide range of coffees. Coffee tasting with different aromas and flavours | |

*Table 24: Toolkit - Making Levers*

| Strategic levers | Aggregate Dimensions | 2nd Order Themes | Detail | Case study |
|---|---|---|---|---|
| *Making* | Store as a Place-to-be | Store **design inspired** by product design | Minimal and modern architecture and design | Apple |
| | | Store as a **reference point** for enthusiasts | See and admire the latest releases and top products | |
| | | Creating a **Multisensory** experience | Very strong sensory experience | LUSH |
| | | Creating a **different atmosphere** | Fun and playful | |
| | | **Revolutionising** the **design** and setting | A beauty mart with a green grocers - bazar feeling | |
| | | Homage to the culture through design and food | Swedish culture in design, colours and food. | Ikea |
| | | Creating a **different atmosphere** | Comfortable environment | |
| | | **Design inspired** by the external context | Colours and design inspired by the Milan skyline | Volvo Studio |
| | | Creating a **Multisensory** experience | Aromas, flavors, shapes and colors | Nespresso |
| | | Creating a **different atmosphere** | Relaxing and home-like atmosphere | RED Feltrinelli |
| | | Inspiration factor | Inspiration from "Willy Wonka and the Chocolate Factory" | Starbucks Reserve roastery |
| | | Attention to detail | Attention to detail in service, cleanliness, product... | |
| | | Paying homage to the culture through design | Architecture and design pay homage to Italy and craftsmanship | |
| | | Museum like feeling | Immersion in a different world | |
| | | Integration of the **production process** into the **store layout** | Complete visibility of the entire coffee preparation facility | |
| | | Creating a **Multisensory** experience | Tasting, smelling, touching different types of coffee and coffee beans | |
| | Empowering flexible experiences | Getting to **know the customer** in order to personalise the offer | Coffee specialists try to get to know the customer and his tastes | Nespresso |
| | | **Flexible** Customer journey | Possibility to carry out the shopping experience in different ways | |
| | | **Flexible** Customer journey | Possibility to carry out the shopping experience in different ways | RED Feltrinelli |
| | | Space at the **customer's disposal** | Possibility for the customer to enjoy the RED store as he/she wishes | |
| | | Allowing the customer to **easily explore** the store | Store layout and product arrangement designed to simplify CX | |
| | | Getting to **know the customer** in order to personalise the offer | Trying to satisfy the customer according to the type of experience they want to have | Starbucks Reserve roastery |
| | | **Flexible** Customer journey | There are no more standard choices | |
| | | Space at the **customer's disposal** | Possibility for the customer to enjoy the store as he/she wishes | |
| | | Leaving the **customer free to interact** with the store and the product | Switched-on devices, QR codes, gaming to interact | Apple |

*Table 25: Toolkit - Making Levers*

| Strategic levers | Aggregate Dimensions | 2nd Order Themes | Detail | Case study |
|---|---|---|---|---|
| *Maintaining* | **Facilitating the Customer Experience** | **Supporting and assisting** the customer during the CX , **when required** | Giving advise, support and suggestions to the customer | Apple |
| | | **Supporting and assisting** the customer during the CX , **when required** | Giving advise, support and suggestions to the customer | Erbert |
| | | **Supporting and assisting** the customer during the CX | Giving advise, support and suggestions to the customer | LUSH |
| | | **Testing products** | Experience products hands-on, using the sinks and spaces available | |
| | | **Omnichannel** strategy | Fully integrating online and offline services | Ikea |
| | | **Testing products** | People can lie on beds and sofas, touching products... | |
| | | **Supporting and assisting** the customer during the CX , **when required** | Giving advise, support and suggestions to the customer | |
| | | **Supporting and assisting** the customer during the CX | Giving advise, support and suggestions to the customer | Nespresso |
| | | **Omnichannel** strategy | Fully integrating online and offline services | |
| | | **Supporting and assisting** the customer during the CX , **when required** | Giving advise, support and suggestions to the customer | RED Feltrinelli |
| | | **Supporting and assisting** the customer during the CX , **when required** | Giving advise, support and suggestions to the customer | Starbucks Reserve roastery |
| | **Transparent branding techniques** | **Concretization** of the brand **values** in the offering | Sharing brand values through resources (products,packagings, settings, furniture...) | Erbert |
| | | **Directly sharing** brand **values** | Sharing brand values in the interactions with staff and through posters and signs | |
| | | **Concretization** of the brand **values** in the offering | Sharing brand values through resources (products,packagings, settings, furniture...) | LUSH |
| | | **Directly sharing** brand **values** | Sharing brand values in the interactions with staff and through posters and signs | |
| | | Sharing brand values through **events** | Organization of musical, artistic, theatrical events | Volvo Studio |
| | | Sharing brand values through **interactive tools** | The virtual reality system and other interactive tools to teach and share values | |
| | | **Directly sharing** brand **values** | Main values written everywhere: on cups, on receipts, on walls | Starbucks Reserve roastery |
| | **Product enhancement** | **Product focus** | The design, packaging and furnishings are essential to emphasise the product itself | Erbert |
| | | Bring the customer **closer** to the **pure product** | Selling the product in its most natural form | |
| | | Increasing **customer knowhow** through communication | let the customer know about the product, the production process and its origins | Starbucks Reserve roastery |

*Table 26: Toolkit - Maintaining Levers*

151

# 9. Discussion

The research carried out, which included interviews and ethnographic research, made it possible to collect an extremely significant amount of data, which will be analysed and understood in the light of the existing literature.

Firstly, thanks to the work carried out, it was possible to integrate two fields of research, the Innovation of Meaning and the Innovation framework: 'Breaking, Making and Maintaining' (2016). Exploiting a common point among the two fields it was possible to adapt the framework proposed by the Huotari and colleagues (2016) which was created as a support for an innovation process, to a process of Innovation of Meaning, for which, to date, there is a lack of tools and guidelines capable of supporting it.

This integration was made possible by the fact that both the innovation framework and the Innovation of Meaning have their origin in socio-cultural changes.

In fact, the reference framework (Koskela-Huotari, Edvardsson, M. Jonas, Sörhammar, & Witell, 2016) is based on the "institutional work" understood as "the broad category of purposive action aimed at creating, maintaining and disrupting institutions" (Lawrence & Suddaby, 2006, p. 1) and it uses it as a reference to outline an innovation process. In particular, the authors point out that in order to innovate a company's offer, it is suggested to respond to socio-cultural changes, also called market-institutions, using as tools the three possible actions of Breaking, Making and Maintaining the institutionalized rules of resource integration.

In this regard, the authors have therefore highlighted how, behind the processes of innovation, there are these strategic actions that leverage precisely the logic of institutions, understood as "enduring elements of social life that have a profound effect on the thoughts, feelings, and behaviors of individual and collective actors" (Koskela-Huotari, Edvardsson, M. Jonas, Sörhammar, & Witell, 2016).

Similarly, the Innovation of Meaning also sees its origin in socio-cultural changes. In particular, innovating the "why" a person should use a certain product and/or service

is context-dependent. The context in which we live changes extremely rapidly and with it the problems, needs and requirements of people. Above all, what changes is the search for meanings that people give to things. For this reason, companies that work on innovative solutions sometimes find themselves proposing a new product and/or service that, however, solves problems that in the meantime have been overcome (Verganti, 2018).

The world changes, people change and with them also the meanings change. Therefore, in order to remain competitive, it is necessary to innovate the meaning (Verganti, 2018). To do that, it is necessary to codifying the multitude of weak signals emerging in society, implying the need for interpretation (Verganti, 2018).

A key factor is therefore the context, which must be understood and interpreted in order to propose new meanings and thus remain aligned with people.

Although more and more is being written about Innovation of Meaning in recent times, it remains unclear to date how it can be pursued. Interpretation of the socio-cultural context and the use of creative critique are the two main tools that are indicated to address a process of meaning change. However, there are no clearer models or references to guide in this process.

In light of this, the union of this field of research with another more structured one is an attempt to give the Innovation of Meaning a more concrete structure and guidelines.

The union of these two fields of research has led to the creation of an Innovation of Meaning support framework that has been used in the retail market.

Often the Innovation of Meaning has been mentioned with regard to product and/or service innovation, however we wanted to use this new support framework within the retail sector.

The literature teaches us how within the retail sector it is possible to apply Innovation of Meaning strategies to gain and nurture a competitive advantage, expanding the perspective and dimensions of that specific sector, revealing new and different ways to capture value from customers (Pinto, Dell'Era, Verganti, & Bellini, 2017)

In addition to the fact that it is a distressed sector, it is also well suited to this type of innovation since the retail industry is in direct contact with the socio-cultural

evolutions that determine the new interactions between companies and customers (Pinto, Dell'Era, Verganti, & Bellini, 2017).

This makes the sector extremely significant for the analyses carried out having this close correlation with the social context in which it is immersed.

Thus, reference was made to the "why-meaning" of the retail service innovation strategy, i.e., the "proposition of a new meaning of visiting a particular category of stores" (Pinto, Dell'Era, Verganti, & Bellini, 2017)

In particular, innovating the meaning of the offer in the retail context, can lead to the creation of value for the end user by impacting what are the emotional, affective and cognitive motivations that lead him to want to visit a certain store and also ensuring a greater personal involvement (Pinto, Dell'Era, Verganti, & Bellini, 2017).

In light of this, we wanted to apply the framework of Innovation of meaning to the retail sector, not only for its connection to the social context and the fact that it is currently a market in distress, but also to give greater value and prominence to a field of research still little investigated in the literature, the retail firm innovation, and also to try to enrich the existing literature in terms of industries investigated. If to date there has been little talk of the Innovation of Meaning, especially in a manner limited to a few industries, such as the Food&Beverage industry (2016), with this research we tried to broaden the generalizability of the Innovation of Meaning model to other industries.

In order to be able to verify and test the Innovation of Meaning framework, given by the union of the two fields of research mentioned above, it was necessary to select case studies to be submitted for analysis. Having taken the direction of the retail -sector, they have been selected retail of various industries with the scope to widen the generalizability of the model and to give it therefore greater value.

The case studies chosen for analysis fall within the automotive, food & beverage, electronics, furniture, beauty and books sectors.

While the literature focuses primarily on a few of these industries, such as food & beverages, beauty, and books, (Pinto, Dell'Era, Verganti, & Bellini, 2016) (Artusi , Bellini, Dell'Era, & Verganti, 2020) (Artusi & Bellini, 2020), in this research we wanted to simultaneously strengthen existing industries and broaden the scope of the study to include others.

| Industry | Case study |
|---|---|
| Auto | *Volvo studio Milano* |
| Food and Beverages | *Starbucks reserve roastery* |
| | *Erbert* |
| | *Nespresso Boutique* |
| Electronics | *Apple Store* |
| Furniture | *IKEA* |
| Beauty | *LUSH* |
| Books | *RED Feltrinelli* |

*Table 27: Cluster of industries analysed*

In light of this, the chosen case studies, belonging to these industries, have been analyzed using the proposed Innovation framework as a lens.

According to the original framework, a fundamental element in an innovation process are institutions, understood as "laws, norms, conventions, […] or any other routinized rubric that provides a shortcut to cognition" (L. Vargo & F. Lusch, 2015, p. 11). They represent the basis of society and common thought and for this, they contribute to define the so-called "rules of the game" (Koskela-Huotari, Edvardsson, M. Jonas, Sörhammar, & Witell, 2016). These rules of the game "order all the acts of our everyday life" (Poma, 1997) and therefore manifest themselves in different forms. From a handshake, to eating schedules, to the way we cook.... (Poma, 1997).

Therefore, the rules of the game, understood as the habits we have, are strictly dependent on the institutions and, if the latter were to change, then the rules themselves could undergo a process of change.

Just think about how the covid-19 pandemic has drastically changed the institutional landscape in which we live, and consequently this has led to a change in the "rules of the game". Just think about how the way of greeting each other when meeting with

friends, colleagues and/or relatives has changed. Kisses and/or handshakes are less common than in the past and new ways of greeting have been adopted.

In the light of this then the model shows how, in response to external changes, to a change within institutions, it is possible to change the rules of the game or rather it is possible to Break, Make and Maintain the institutionalized rules of resource integration (Koskela-Huotari, Edvardsson, M. Jonas, Sörhammar, & Witell, 2016). It is precisely this process of changing the rules of the game that represents the basis for a process of innovation.

Changing the rules of the game, however, is not immediate and, above all, there are a variety of ways to break, make and maintain the institutionlised rules of resource integration. Koskela-Huotari and colleagues (2016), analyzing four case studies, identify three ways that contribute to changing the rules of the game and to create value in novel ways. These three are: including new actors, redefining roles of involved actors and reframing resources within service ecosystems.

By analyzing a broader and more diverse cluster of case studies and performing mapping and analysis for each, it was possible to further expand this set of best-practices to be applied to communicate a sense of Breaking, Making and Maintaining and thus to help initiate a process of innovation and to create value in novel and useful ways.

These best-practices were mapped across multiple levels and grouped according to whether they were actions that communicated a sense of Making, Breaking, or Maintaining.

In addition, since these actions were supposedly implemented in response to external change, i.e., in response to emerging market institutions, it was deemed necessary to group those that were the most significant market institutions at the retail and customer experience level.

In particular, during the analysis, the main mega-trends that have emerged in recent years were analyzed and attributed to the different strategic levers implemented by retails. These mega-trends, in fact, would make it possible to challenge the current state of things, and therefore the current institutional arrangement, creating tensions and consequently triggering changes in the service ecosystem (Kleinaltenkamp, Corsaro, & Sebastiani, 2018). These tensions in fact trigger a reaction from the market and in this case from the retails, who can respond by breaking, making or maintaining the rules of the game.

Once the most relevant external macro-changes were identified, the entire mapping process could be finalized. In fact, not only was it possible to group actions on the basis of the strategic mix *Breaking, Making and Maintaining*, but also on the basis of the market institutions that triggered their implementation.

| Strategic levers | Strategic actions | Market institutions | Mega-trend |
|---|---|---|---|
| *Breaking* | Changing the role of the actors involved | Wiser consumer | Instant information access |
| | | Rising customer expectations | Instant information access & Digitalisation |
| | Changing the role of the store | Rising customer expectations | Instant information access & Digitalisation |
| | | Interaction | The Customer Era |
| *Making* | Extension of the experience | Rising customer expectations | Instant information access & Digitalisation |
| | Empowering personnel | Deeper relationship among actors | Instant information access |
| | | Rising customer expectations | Instant information access & Digitalisation |
| | | Profound Experiences | The Customer Era |
| | Integrating the offering | Resource Digitalisation | Digitalization |
| | | Profound Experiences | The Customer Era |
| | Store as a Place-to-be | Profound Experiences | The Customer Era |
| | | Space Valorization | The Customer Era |
| | Empowering flexible experiences | Wiser consumer | Instant information access |
| *Mantaining* | Facilitating the Customer Experience | Resource Digitalisation | Digitalization |
| | | Assistance 2.0 | Digitalization |
| | | Deeper relationship among actors | Instant information access |
| | Transparent branding techniques | Green philosophy | Environmental and social sustanability |
| | | Increased purchasing awareness | Environmental and social sustanability |
| | | Transparent relationship | Environmental and social sustanability |
| | Product enhancement | Authenticity | Materialism hangover |

*Table 28: The Toolkit - Merging the strategic actions with the market Institutions*

It is critically important for the purposes of analysis to understand what socio-cultural changes triggered the creation of certain strategies, and below we would go on to highlight this relationship.

*Breaking* actions included changing the role of the actors involved and changing the role of the store.

The change in the role of the actors involved mainly refers to the fact that the customer goes from being a passive actor to an active one, directly involved and participating in the experience, as in the case of Ikea, where the customer, in complete autonomy, takes measurements and tests the products.

This strategy also refers to putting the customer in the role of a different actor, as in the case of Erbert, where the customer acts as a nutritionist.

"Changing the role of the actors involved" is a strategy that supposedly emerged in response to the instant information access trend, according to which people would have instant access to countless amounts of information and data, which would therefore make them much more aware of the product and / or service they want to buy but not only that, because by increasing their knowledge and skills, customer expectations also increase. The customer therefore begins to have higher expectations of the customer experience offered by the store.

This strategy, however, can also be seen as a consequence of the phenomenon of digitalization and in particular of the spread of eCommerce. In fact, eCommerce offers customers convenience, variety and value for money and for this reason, when people go to stores, they no longer expect to find only these elements, but something more, which distinguishes the offline experience from the online one.

Breaking's second strategy is to change the role of the store. Again, this strategy has different facets depending on the store in which it is implemented.

It emerged for example in the case of Ikea, where the store in terms of architecture and design is totally rethought to accompany the customer along a path, through the different units of the house. But this strategy has also emerged in the case of Volvo, where the store becomes a true showcase, which aims to tell the customer about itself in a 360° way.

This strategy, has depended mainly on the fact that customer expectations have increased, partly because, as pointed out before, simply using a smartphone you have

a great visibility on the range of products offered on the market and you can acquire a huge amount of information even before going to the store. Partly because eCommerce has shown people how easy it is to make purchases online and therefore, if people choose to shop offline, they expect something more than in the past, something that goes beyond the functionality that an eCommerce is able to offer.

This strategy is also linked to another phenomenon called 'Customer Era', according to which the customer nowadays is at the center of every action and wants to live experiences made of interactions with the brand. So the interaction between store and customer is certainly a very significant component.

Among the *Making* strategies appears the extension of the experience, which can be understood on two dimensions. First of all, it can be understood as the desire to extend the experience horizontally, thus adding new steps in the customer-brand interaction. But it can also be understood as a vertical extension and therefore aimed at further deepening the resources and efforts dedicated to a specific step in the customer-brand interaction, which already exists traditionally. In the case of Volvo, for example, both of these extensions exist. On the one hand, the store is committed to including one more step in the customer experience, eliminating the presence of intermediaries in the customer-store relationship, so that it can get to know the customer directly. On the other hand, the store invests a lot in the initial phases of the sale, dedicating a lot of efforts and resources to the informative, cognitive and initial engagement steps.

The strategy outlined here responds to two trends that have emerged previously: instant customer access to information and digitalisation.
Both trends have significantly increased customer expectations about the in-store experience. For this reason, the horizontal and/or vertical extension of the experience, helps to respond to this market institution, offering the customer something more than in the past.

Another strategy within the *Making* dimension is the one aimed at empowering personnel.
This strategy has already emerged in the literature and has been addressed by Bellini and colleagues (Artusi , Bellini, Dell'Era, & Verganti, 2020), who have identified it as

an innovation enabler, capable of creating a competitive advantage by leveraging the creation of an omni-experience. The latter is a peculiar kind of customer experience, mainly based on the lifestyle and relational dimensions of people (Artusi , Bellini, Dell'Era, & Verganti, 2020).

This strategy, identified within the RED Feltrinelli store in the previous field of research, is one of the major key design elements identified by the authors (2020) to pursue innovation through the creation of omni-experiences.

Specifically, in previous literature, this strategy was referring to the fact that the staff had a different approach and behavior with customer, unobtrusive and permissive. In RED Feltrinelli, in fact, it had emerged how the objective was to make people feel at home, helping them when necessary, without being invasive. This translated into an innovative management of non-purchasers, who, if traditionally they were considered problematic and their behavior was discouraged (Artusi , Bellini, Dell'Era, & Verganti, 2020), were now welcomed and left free to look around and leaf through books without necessarily purchasing.

From the analyses conducted on the case studies in the current research, this strategy of Empowering personnel emerged in terms of different approaches and behaviors, as in past literature, but also in new forms. In fact, the tendency for staff to adopt new approaches and behaviors was confirmed as a winning strategy that is widely shared by many brands. But along with it, Empowering personnel has also taken two new forms: introduction of new skills and competencies and introduction of new players with different roles.

Overall, therefore, this strategy has been identified with three different possible variations.

In the Apple case, competencies and skills of the staff are strengthened and expanded and the staff plays the role of the Genius, an all-round expert in products and repairs, or in the case of Volvo the staff takes the name of Wizard and is a true product manager.

In the case of Erbert, the strategy refers to the introduction of new players within the service ecosystem, namely nutritionists in charge of creating new resources, i.e. healthy and wholesome ready meals. Also in the case of Ikea, the same strategy takes shape through the introduction of new actors, namely architects and designers involved in the store layout to improve the sense of customer identification.

The last facet of this strategy, namely the adoption of a different approach by staff, emerged in the case of Ikea, where staff are friendly and unobtrusive, but also in the Volvo and Apple cases and was confirmed in the RED Feltrinelli case.

Overall, this strategy with all its facets responds to several market trends that have emerged in recent years.

First, it responds to the phenomenon of instant information access. According to this trend, in fact, the client would be much more aware of the product and/or service he intends to purchase and, therefore, when he goes to the store, he certainly does not expect to find a person who lists the characteristics of the product and its benefits, since these are things he already knows very well. What he expects when he enters the store is something different, he has higher expectations than in the past and above all he expects to relate in a different way with the staff and with the brand in general.

Hence the choice of many brands to transmit new skills and values to their staff and above all new ways of behaving. Since the customer expects more, brands are trying to offer more.

It is for this reason that the staff of Volvo and RED Feltrinelli are not very invasive with the customer, because they know that the customer is already very aware of the product and does not necessarily need support, unless explicitly asked. And it is also for these reasons that at Starbuck Reserve Roastery the staff members are skilled story tellers, able to make their customers identify with the world of coffee, to excite and intrigue them.

This strategy also responds to the digitization trend which, like the previous one, has led to a significant increase in customer expectations.

However, this strategy also responds to the phenomenon linked to the 'Customer era', whereby the customer wants to live profound experiences, wants to learn, be passionate, and know new things. Therefore, giving new skills to staff and requiring them to behave in a certain way, also contributes to this, to immersing the customer in a context in which he or she can learn new things and become passionate about new things, without necessarily having to buy a product and/or service.

The integration of the offer is another strategy identified within the *Making* dimension. This strategy, like the previous one, has many facets and also like the previous strategy has already emerged in the literature (Artusi , Bellini, Dell'Era, & Verganti, 2020).

In fact, the authors, analyzing the RED Feltrinelli case, identified among the key strategies that of integrating the offer and, therefore, combining the traditional sale of books with a restaurant service. In the case in question, the two offers are not to be considered as separate but as a whole that merges together.

The "Integrating the offering" strategy, is also confirmed in the current analysis and takes on different forms and nuances according to the case study in which it was identified.

First of all, it can be given by the offer of activities which are complementary to the products and therefore complete the offer.

This is the case of Apple, which offers free events and workshops to help customers learn more about the devices and exploit their full potential. It is also the case of Volvo, which organises numerous art, culture and music events to bring people closer to the brand and its values.

Another facet of this strategy is precisely the one already identified by the authors (2020), which is therefore confirmed in the case of RED Feltrinelli, and it is the integration of additional services. In the RED Feltrinelli case it takes shape with the union of the bar-restaurant with the bookshop, but the integration of additional services also recurs in other cases, such as Ikea, where  it is possible to find a canteen, a bar and  a market which further enrich the offer and extend the customer's stay.

This strategy is also expressed through the creation of support platforms, such as the Genius bar at the Apple store, which provides a complete assistance service to the customer free of charge, or the Volvo Welcome centre, which provides more support to the customer to answer any doubts.

Finally, a final facet of the offer integration strategy that has emerged relates to the introduction of digital activities.

This is the case of the Volvo Studio, where customers are given the opportunity to try out augmented reality systems, virtual test drives and interactive screens to get to know the Volvo world more closely and have fun at the same time.

This strategy of integrating the offer is closely linked to the phenomenon of Customer Era, according to which the customer expects to live profound experiences, made up of learning and knowledge but also and above all made up of real life. In this sense many brands try to enrich and broaden their offer with proposals aimed not only at approaching and getting to know the customer, but also at making him/her live real life experiences such as a lunch with friends at RED Feltrinelli or a music concert at Volvo Studio.

Another trend to which this strategy responds is that of digitization. According to this trend, the customer expects the store to express and exploit the new potential that digital offers through an enhancement of resources. This is the case at Volvo, where resources are enhanced and digital tools such as virtual reality systems are introduced to encourage customer interaction and enjoyment.

Creating a Store as a place-to-be is another strategy belonging to the Making dimension. It refers to the fact that many stores have the appearance of places to visit rather than places to shop and therefore places to stay as long as possible. Among the actions that make this strategy possible is the creation of multi-sensory experiences, as in the case of Lush, where scents and colors are the protagonists inside the store and invite customers to enter, or as in the case of Nespresso, where customers are given the opportunity to taste coffee with different aromas and flavors and where the capsules are displayed in full view, almost like in a museum, and present unique and original shapes and colors that further attract the customer's interest.

In addition to multi-sensoriality, another element that gives the store its place-to-be status is the creation of original and atypical atmospheres. As in the case of Lush, where the customer finds himself immersed in a reality of play and fun, or as in the case of Ikea, where the atmosphere is warm and welcoming, especially for families, making the store a perfect destination for family Sundays. Design also plays a very important role in creating a place-to-be. Just think of Lush, a beauty store with the appearance of a bazaar, or the Apple store, whose minimal and majestic lines pay homage to the brand and its products.

Even in Starbucks, the design component is very strong, especially for the decision to expose the coffee production process, making it an integral part of the store infrastructure.

These original design and layout characters fascinate the customer and invite him to admire and stay in the store longer.

Overall, all these elements aimed at giving the store place-to-be status are a response to the Customer Era phenomenon. In particular, they are a response to the need for Profound Experiences and the space valorization that the customer expects.

Finally, the last strategy that emerged in the *Making* dimension is that of empowering flexible experiences.

This is another confirmation of previous literature (2020), precisely because this is one of the key design elements identified by Bellini and colleagues necessary to design an omni-experience to innovate the customer experience and gain a competitive advantage.

According to what has emerged from previous literature and past analysis of the RED Feltrinelli case, in order to be able to realize such strategy, it is necessary for the store to be flexible to allow customers to pick what they want. The idea is that people can configure the activities as they wish, creating unique and tailored experiences. In addition, the space is available to customers so that they can feel free to spend their time as they see fit (Artusi , Bellini, Dell'Era, & Verganti, 2020).

Again, this strategy was partly confirmed, if intended in terms of making the customer journey flexible and making the space available to the customer, and partly expanded, as new facets could be identified.

Overall, the strategy refers to allowing customers to build their own customer experience but, like all the strategies that emerged, it has numerous facets. Among these is the attempt to get to know the customer as much as possible, in order to guide and suggest the best options, so that the customer can built his customer experience in the best way possible as in the case of Nespresso, where the coffee specialists try to get to know the customer in order to offer him the most suitable solution or as at Starbucks Reserve Roastery, where the staff try to satisfy the customer according to the type of experience they want to live.

Another way to empower flexible experiences is to create flexible customer journeys, as in the case of Nespresso where the customer is given the opportunity to compose his customer experience in different ways, for example by coming in and enjoying a good coffee at the bar, and then buying his favourite coffee pods at the self-service

checkout. In this way, the customer is given 'pieces' of the experience that he or she can compose as they please, allowing each experience to be different from the others. In line with this philosophy there is also the fact of leaving the space available to the customer, as for example in the case of RED Feltrinelli or Starbucks Reserve Roastery, where, in both cases, the customer is aware that he can do with the space what he likes, such as reading a book on a sofa, without necessarily completing a purchase.

Finally, many stores try to "simplify" their layout in order to make the customer feel more confident with the space and free to create his own customer experience. This is the case of RED Feltrinelli, where the store is a large open space and the offer is curated and selected, so that the customer can autonomously move around the store as he likes.

Mainly, this strategy responds to the fact that the customer, due to his ability to have instant access to an infinite amount of information, has become more aware and therefore more autonomous and independent in his purchasing processes.

To suggest an idea of *Maintaining,* three macro strategies have instead emerged.

The first concerns the facilitation of the customer experience. This strategy is a continuum with the traditional offer, since it refers to giving support to the customer, advising and guiding him. However, this is done if requested by the customer and if it is noticed that the customer needs help.
Within this strategy also falls the creation of omnichannel solutions, which allow you to benefit from the best of online and offline selling simultaneously. As in the case of Nespresso, where it is possible to take advantage of digital devices such as totems to have visibility of products and order history, while at the same time being able to touch the products and live multisensory experiences by smelling and trying coffees with different aromas and flavors.
Also testing product helps facilitate the customer experience. It is one of the key elements to really get to know a product, as it happens in Lush where there are also soaps and sinks to indicate the testing areas of the products or as it happens in Ikea, where people are invited to sit on beds and sofas and touch the products.

This strategy responds to several external trends. First and foremost is digitization, so the market expects resources to be reviewed digitally and staff support to take a

quantum leap. In addition, it also responds to the trend of instant access information, according to which the client expects a deeper relationship with the staff, and this is the reason why the traditional assistance of support and advice is always guaranteed to the client, but very often this happens only if the client expressly asks for it.

Transparent branding techniques is another strategy that emerged from *Maintaining* and is based on keeping a transparent relationship with the customer, freely sharing values and beliefs. In the case of Erbert, this happens both directly, by talking directly to the customer, and indirectly, through the layout, packaging, products...etc, every element of the store communicates the values of the brand. So the open space of the store and the minimalist furnishings highlight the products, highlighting their genuineness, or the packaging is all biodegradable.

In the case of Volvo, on the other hand, the sharing of sustainability values takes place through the organization of music, cooking and art events that communicate the brand values to the customer in an indirect way. This sharing is also done by using interactive tools that allow the customer to really get to know the values of the brand and therefore games that entertain but at the same time teach. Overall, all the brands continue to demonstrate their social commitment to causes linked to respect for the environment, as in Erbert, or linked to pollution and road safety, as in Volvo. Still others, such as Starbucks Reserve Roastery, share values and thoughts on their receipts or coffee cups, which recall Starbucks' commitment to supporting various social causes linked to human wellbeing around the world and battles against racism. Therefore, this strategy responds to the trend of sustainability in an overall sense, and therefore both environmental and social.

Finally, the last strategy that emerged in the *Maintaining* dimension was product enhancement, to be understood as the valorization of the product in its purest essence. Very often we tend to forget that what the customer is buying is the product itself, and so we often shift our attention to elements and/or services that are complementary to the product. However, due to the growing Materialism hangover (van Elven, 2019), more and more people are dissatisfied with overly elaborate and complex products and prefer instead a return to authenticity.

For this reason, brands such as Erbert, focus on the product itself, sacrificing the decor or design of the store, but highlighting the product to highlight its purity and authenticity, visible in the vibrant colors of fruits and vegetables.

This approach to the product in its purest essence has led many brands to want to tell the story of the product, such as Starbucks Reserve Roastery, which wants to inform the customer about the origin and characteristics of its product, not only by highlighting the production process, but also by speaking directly to the customer.

The strategic actions implemented by retailers have allowed them to respond to market institutions, proposing innovative and out-of-the-box solutions and have led to innovate the meaning of the offer.

The reason why customers go to the different stores is no longer the traditional one, each store offers a different "Why".

However, each of the experiences in the stores selected in the current analysis, can be all described according to four main dimensions identified by Bagdare and Jain (2013). The authors in fact, after mapping and analyzing the literature on retail customer experience, have identified the main dimensions that should characterize each customer experience. These four dimensions in fact encapsulate the essence of the retail experience and are: Joy, Mood, Leisure, and Distinctive.

All four of these dimensions were confirmed to be present in the selected case studies and all of them resulted to be a response to the emerged market institutions.

These four dimensions, purely emotional and exponential in nature, are triggered by the strategic actions put into practice and, like those strategic actions, they are a response to market institutions.

In particular, the Joy dimension refers to fun and pleasure dimensions present in the experience, also understood as involvement and interaction between store and brand (Bagdare & Jain, 2013). This character emerged frequently throughout the analysis.

For example, in the case of Volvo Studio this dimension was confirmed thanks to the events organized by the store but also thanks to the use of interactive tools. Also in the case of Lush this component was very present, in terms of fun and customer involvement determined primarily by the colorful and playful atmosphere inside the store, but also by the friendly and fun behavior of the salespeople.

This component of Joy also emerged in the case of Ikea, where the customer can "enjoy" being an architect for a day, feeling free to move independently around the store, take measurements and evaluate spaces and colors.

Overall, this emotional dimension that the customer experiences in the store is closely linked to the need of the customer to live profound experiences and also to the increase

in customer expectations, partly due to the advent of eCommerce and partly due to the fact that the customer has immediate access to a wealth of information. Therefore, the customer, aware that online shopping is fast and convenient and aware of the characteristics and benefits of the product, expects to go to the store and find something more than in the past. This happens in a concrete way through the strategic actions previously analyzed, such as the creation of place-to-be and the integration of the offer, but also in a more abstract way through the emotions of fun, pleasure and involvement that the customer experiences thanks to these kinds of strategies.

The second dimension that characterizes the retail customer experience is the Mood, understood as the emotional benefits and moods that the retail environment is able to generate in the customer (Bagdare & Jain, 2013). In particular, a store may be able to trigger emotions such as "goodness, happiness and excitement, in creating a pleasurable and memorable customer experience" (Bagdare & Jain, 2013, p. 793).

The selected stores all offer their customers numerous activities of interaction and immersion in the reality of the brand. Some stores in a more discreet manner, others in a more striking way, also leveraging attractive designs as in the case of Starbucks Reserve Roastery. Overall, however, this offer allows the customer to live pleasurable and memorable customer experience, especially because, in addition to the attractive offer proposed to the customer, there is also the possibility of shaping the customer experience in a tailored and unique way, thus allowing the customer to choose and therefore do what makes him feel good.

This is what emerges most strongly in cases such as Starbucks Reserve Roastery, Ikea, RED Feltrinelli, but also to a lesser extent in all other stores, where the customer is at the head of the experience.

The fact that retailer experiences are able to influence people's mood is also a response to the fact that customer expectations have increased and that customers want to live profound experiences, but it is also a response to the need for interaction that customers have begun to manifest. In this sense, customers expect to be engaged to such an extent that they change their mood depending on the shopping experience.

The third component that characterizes the customer experience is Leisure. Associated with "symbolic value, entertaining and delightful experiences" (Bagdare & Jain, 2013).

According to this dimension, the store would be able to provide an escape to people from day-to-day errands and duties and allow them to relax.

Certainly this dimension is very much reflected in the Store as a place-to-be strategy, which emerged recurrently in the analyses.

According to this strategy, the store would lose part of its functional character, becoming a sort of "museum", i.e. a place that invites the customer to stay as long as possible, without necessarily feeling the need to buy something.

From this point of view, all stores with this Place-to-be status also represent places of "refuge from everyday life" and therefore a place to spend leisure time.

In the interview on the Starbucks Reserve Roastery, Giampaolo Grossi (2021) reveals how fundamental it is to mark this sense of detachment from the chaos of the city and tells us how the customer, once he or she has entered the door of the store, is immersed 360 degrees in a context that is totally different from the outside world and leaves behind the noise and the city.

In this sense the Roastery, as well as Apple, RED Feltrinelli and other stores in a lesser way, represents a "refuge", a place where to spend time, where to detach the head and enjoy.

Being related to the store as a Place-to-be strategy, this dimension, too, as well as the strategy from which it derives, turns out to be a response to the mega-trend of the 'Customer era', according to which the new institutions that govern the habits and interactions between actors now lead them to desire deeper life experiences.

Finally, the last dimension of a retail customer experience is its Distinctive trait. This dimension refers to the fact that "Successful experiences are those that a customer finds unique, memorable and sustainable over time" (Pine & Gilmore, July–August 1998).

For different reasons, all of the customer experiences analyzed present traits of uniqueness. In some cases, this distinctive trait emerges in the design and furnishings, as in the case of Starbucks Reserve Roastery, where the production plant is an integral part of the store, or as in the case of Nespresso, where the coffee pods are the protagonists of the store and are presented to the customer in shapes, colors and settings reminiscent of works of art on display in a museum.

In other cases it emerges in the core offering, as in the case of Erbert, where nutritionists and experts are involved on a daily basis in order to offer something

unique and different. Or this distinctive feature can also emerge in the changing role of the store, as in Volvo Studio or in the integration of the offer, as in RED Feltrinelli. Overall, although for different reasons, all stores have something unique that distinguishes them and therefore creates a memorable experience.

As far as this last dimension is concerned, since there are several elements that contribute to making a store unique, it can be said that each store has leveraged different market institutions to acquire this trait of uniqueness. Erbert acquired it by leveraging transparency and people's search for authenticity, the Volvo Studio by leveraging the digitization of resources, RED Feltrinelli by leveraging the deeper relationships between the players and so each store has leveraged certain market institutions to respond with unique strategies, which could then lead people to live unique customer experiences.

Overall, therefore, several strategies emerged, some already identified in the literature, while others were newer. All of these strategies, mapped using the *Breaking, Making and Maintaining* framework (Koskela-Huotari, Edvardsson, M. Jonas, Sörhammar, & Witell, 2016) from an Innovation of Meaning (Verganti, 2018) perspective, made it possible to highlight which were the most recurrent strategic mixes among the different case studies.

The strategic mixes that have most frequently emerged are *Breaking, Making and Maintaining*, and *Making and Maintaining*. Based on the multiple case studies analyzed, current research has identified numerous ways in which these institutional reconfigurations manifest themselves in service ecosystems, allowing for the creation of value in novel and useful ways (Koskela-Huotari, Edvardsson, M. Jonas, Sörhammar, & Witell, 2016).

Strategies that emerged most frequently among the selected case studies within the *Making* dimension included empowering personnel (Artusi , Bellini, Dell'Era, & Verganti, 2020), integrating offerings (Artusi , Bellini, Dell'Era, & Verganti, 2020) and creating a Place-to-be.

Among the *Breaking* levers, the most common strategies are changing the role of actors and changing the role of the store.

Finally, the most common *Maintaining* strategies include facilitating the customer experience and adopting transparent brand strategies.

| Case study | Startegic Mix | Levers | Aggregate Dimensions |
|---|---|---|---|
| Volvo Studio | BMM | *Breaking* | Changing the role of the store |
| | | *Making* | Extension of the experience |
| | | | Empowering personnel |
| | | | Integrating the offering |
| | | | Store as a Place-to-be |
| | | *Maintaining* | Transparent branding techniques |
| Starbucks Reserve roastery | MM | *Making* | Empowering personnel |
| | | | Integrating the offering |
| | | | Store as a Place-to-be |
| | | | Empowering flexible experiences |
| | | *Maintaining* | Facilitating the Customer Experience |
| | | | Transparent branding techniques |
| | | | Product enhancement |
| Apple | MM | *Making* | Empowering personnel |
| | | | Integrating the offering |
| | | | Store as a Place-to-be |
| | | | Empowering flexible experiences |
| | | *Maintaining* | Facilitating the Customer Experience |
| Erbert | BMM | *Breaking* | Changing the role of the actors involved |
| | | *Making* | Empowering personnel |
| | | | Integrating the offering |
| | | *Maintaining* | Facilitating the Customer Experience |
| | | | Transparent branding techniques |
| | | | Product enhancement |
| Ikea | BMM | *Breaking* | Changing the role of the actors involved |
| | | | Changing the role of the store |
| | | *Making* | Empowering personnel |
| | | | Integrating the offering |
| | | | Store as a Place-to-be |
| | | *Maintaining* | Facilitating the Customer Experience |
| LUSH | MM | *Making* | Store as a Place-to-be |
| | | *Maintaining* | Facilitating the Customer Experience |
| | | | Transparent branding techniques |
| Nespresso Boutique | MM | *Making* | Integrating the offering |
| | | | Store as a Place-to-be |
| | | | Empowering flexible experiences |
| | | *Maintaining* | Facilitating the Customer Experience |
| RED Feltrinelli | MM | *Making* | Empowering personnel |
| | | | Integrating the offering |
| | | | Store as a Place-to-be |
| | | | Empowering flexible experiences |
| | | *Maintaining* | Facilitating the Customer Experience |

*Table 29: Strategic mix adopted*

171

If the strategic mixes adopted and the relative strategies change from case to case, it can be said, however, that there is one element that represents a constant among all the cases analyzed and that is the adoption of *Maintaining* strategies.

From the analysis conducted, it is clear that there is a need to retain something of the past to make people feel at home despite being challenged and invited to new experiences (Koskela-Huotari, Edvardsson, M. Jonas, Sörhammar, & Witell, 2016). For this reason, maintaining strategies prove necessary and are confirmed in all of the case studies analyzed.

Whether it is the BMM mix or the MM mix, breaking and making "new" rules is not possible without simultaneously maintaining parts of existing institutional arrangements (Koskela-Huotari, Edvardsson, M. Jonas, Sörhammar, & Witell, 2016).

All the strategic actions that have emerged, belonging to this dimension, are therefore aimed at familiarizing the client and not making him feel lost. In their simplicity and in all the different nuances they can cover, these strategies create a bond with the client and also create it between past and present, to facilitate the understanding of those strategies belonging to the Breaking and Making dimensions, which are instead more disruptive and novel.

# 10. Conclusion

The present study was aimed at understanding how it is possible to leverage institutional changes to imagine new meanings in retail.
To date, while it is known that Innovations of Meaning are a very effective means for companies to improve their competitiveness, it remains unknown how to implement this innovation process.

What is certain about Innovations of Meaning is that they originate from the interpretation of socio-cultural changes (Verganti, 2018) and are therefore closely related to institutions understood both as codified norms and both as habits and moral codes that distinguish each person and the entire society (Poma, 1997). This socio-cultural origin of Innovation of Meaning was the glue that allowed it to merge with another field of research addressed by authors Koskela-Huotari and colleagues (Koskela-Huotari, Edvardsson, M. Jonas, Sörhammar, & Witell, 2016) who also interpret socio-cultural changes as the starting point of an innovation process. The innovation framework proposed by the authors guides through a process of innovation that originates from socio-cultural changes, also called market institutions, and then takes shape through combined actions of Breaking, Making, and Maintaining institutionalized rules of resource integration.

This innovation framework was used as support for analyzing real cases of Innovation of Meaning and was shaped and adapted based on the evidence derived from the analyses.

In particular, the application of this framework to real cases of Innovation of Meaning in the retail sector, has allowed to identify a set of best practices put into practice by different retailers grouped in the dimensions Breaking, Making and Maintaining. Once the best practices of all the selected case studies were mapped, it was then possible to conclude with a cross-case study that led to the outlining of a toolkit, in which all the best practices identified in the analyses of the various retailers were enclosed. This toolkit is a macro-collection of strategic actions gathered from the ethnographic research and interviews conducted for each case study, and by

conducting this cross-case study analysis, it became apparent that many of the strategies identified were present with different shades in most of the selected case studies.

However, in order to comprehend these strategic actions and their origin, it was necessary to carry out an initial work of analysis of the social context. This was an analysis of the main mega-trends that have represented the evolution of our society in recent years and that were significant and relevant to the retail market.

Since these mega-trends can challenge the way existing institutional arrangements operate by causing changes in institutions (Kleinaltenkamp, Corsaro, & Sebastiani, 2018), after identifying the major trends of the last years, the institutional changes caused by each were then identified.

This analysis has allowed to give greater significance and importance to the toolkit created because it has allowed to connect the strategic actions put in practice from the retailers, to external socio-cultural changes that have happened in recent year. This step is extremely significant because it expresses what is the main feature of the Innovation of Meaning, namely the interpretation of socio-cultural changes to envision new meanings. Thus it was possible to understand how established companies have interpreted socio-cultural changes to propose Innovation of Meaning in their retail.

The strategic actions that emerged in the toolkit are varied and have been grouped within the three dimensions: Breaking, Making and Maintaining. Some of the strategic actions that emerged proved to be a novelty, while others had already been identified in the literature in previous case studies, such as the empowering of personnel or the integration of the offer (Artusi , Bellini, Dell'Era, & Verganti, 2020). In the light of this, the toolkit performed a dual task of extension on the one hand and confirmation on the other of the "winning" strategic actions put into practice by retailers.

The strength of this toolkit also lies in the case studies that were selected and analyzed within these analyses. In fact, these case studies cover a good percentage of all the industries present on the market, from Food & Beverage to Beauty and Automotive, and have therefore made it possible to obtain a solid and varied sample of data.

This set of best practices was then analyzed in more detail and it was possible to map which were the strategic mixes of Breaking, Making and Maintaining used most frequently and the relative most recurrent strategic actions.

Therefore, the present study makes an important contribution to the field of research of Innovation of Meaning by attempting to structure that innovation process, showing on the one hand how to interpret market institutions to offer new meanings to people, and on the other hand creating a toolkit that can be inspirational and can be a point of reference.

By focusing on the retail market, this study also represents an important step in the effort towards building a comprehensive framework for creating an innovative retail customer experience.

## 10.1 Implications

Retail managers can benefit significantly from the toolkit obtained from this analysis since it is a collection of best practices that can inspire them to innovate the meaning of their retail.
Overall, the value of this toolkit lies in two main aspects.
Firstly, it shows how existing retailers have interpreted market institutions, how they have been able to respond and react to external changes, to come up with different solutions and ideas envisioning a new meaning.
Secondly, the toolkit is a collection of best practices that have been applied by retailers and can therefore be shared by other retailers, modified or extended, and thus represent a concrete support to drive an Innovation of Meaning.

Having analysed different industries, retail managers can benefit in two ways. On the one hand, they can take inspiration from industries similar to their own, thus taking inspiration from a familiar context. On the other hand, they can take advantage of the variety of industries in the toolkit to take inspiration from industries that are not related to their own, thus taking inspiration from new contexts and gaining added value.
Of course, Innovation of Meaning occurs through the interpretation of socio-cultural changes and market institutions, which is why strategic actions that were successful in the past may no longer be successful over time.

The best practices collected within the toolkit are strategic actions that retail managers have implemented in response to certain market insitutions that have represented the socio-cultural landscape in recent years. Since these actions are context-dependent, they cannot be considered fixed and stable over time, but must be continually questioned, both by the retailers themselves who have implemented them and by those who want to draw inspiration from them.

The toolkit, therefore, is not a set of winning strategies that can be "copied and pasted" to be sure of increasing one's competitiveness. Rather, it is a reference, a tool that shows how to interpret socio-cultural changes and what best practices are in place to respond to those changes.

Trying to define rigid guidelines would be incorrect, as it would go against the essence of Innovation of Meaning. What retail managers can do with this toolkit is to take inspiration, understand how market institutions have been interpreted and hived off, and take strategic actions as a reference to then modify, merge and reinvent them.

The social context in which we live is constantly evolving and therefore it is necessary to continuously question ourselves.

In order to enable retail managers to gain a deeper understanding of the nature of the proposed strategic actions, these have been analyzed in greater detail and different possible interpretations have been highlighted for each strategy.

The strategies we have referred to so far are the so-called aggregate dimensions. They are high-level strategies that are as objective as possible. In the toolkit, however, each aggregate dimension has been associated with second-order dimensions that are characterized by a greater level of detail.

In this way it is possible to see how the strategies have been declined by the different retailers and it is possible to have a concrete idea of which are the practical actions that can be put into practice to help achieve a certain strategy.

Overall, this work may help retailers to innovate their offerings, especially at this critical time when the retail market has been hit hard by the global epidemic. This market is now called upon to respond in order to survive, but above all to improve their competitiveness.

## 10.2 Limitations and Future research

This analysis was conducted on eight case studies covering a range of six industries. This represent both a limitation and an opportunity. In fact, to further strengthen the research, future research could extend it to new indutries such as apparel, luxury or travel. Moreover, the generalization of the results requires not only the extension of the analysis to other industries, but also to other contexts, cultures and countries.

All eight case studies that were analyzed using ethnographic research were all stores in Italy, specifically located in Milan, although many of them are also present in other cities and countries.
It would therefore be valuable to the analysis to extend the sample to other countries in order to generalize the results.
In addition, an aspect on which future research should certainly focus is the analysis of the post-pandemic scenario.
Current research has allowed for the analysis of consolidated and established retail, whose Innovation of Meaning responded to market institutions also established within the socio-cultural scenario. It will be interesting and significant to understand how the global epidemic of covid-19 will modify the future scenario and it will therefore be interesting to expand and revise the set of strategic actions proposed by going to analyze the new retail that will be realized in the years to come.
More than many other trends that have emerged in recent years, covid has brought with it major changes in the current institutional arrangement. People's habits have changed and it will be necessary to understand how the institutional arrangement will be maintained once the pandemic is over and how retail managers will respond to the new institutions that have emerged.

Overall, future research may focus the efforts on extending the toolkit involving new retailers, acquiring information and data through ethnographic research and interviews.
The aim should be to update existing strategies and add new ones. In addition, it would be interesting for future research to find new ways in which the same strategy can be implemented in the offer. As already noted in the analysis, there are several macro-strategies, also called aggregate dimensions, which are implemented and

shared by different retailers, but each of these retailers implement the same strategy in different ways and with different nuances.

It is therefore interesting to explore whether there are other ways, in addition to those already identified, of putting into practice the strategies that have emerged in this analysis.

Another limitation of this research relates to the amount of data collected. Although it was possible to carry out a considerable amount of ethnographic research for all case studies, the amount of interviews that were conducted was more limited. This was due to the difficulty in contacting retailer managers but, as the interviews that were conducted provided added value to the study, future research could further extend the analysis on the present case studies to deepen and broaden the available dataset on them by conducting more interviews with different stakeholders.

Finally, it would be interesting to consider new variables within this analysis. Future researches may also study the impact of certain strategic actions on profitability, customer satisfaction, brand image or other variables of interest.

# Bibliography

Coppolone, L. (2019, March 22). *Top 10 Retail Industry Trends In 2019*. Retrieved from National business capital: https://www.nationalbusinesscapital.com/top-10-retail-industry-trends-in-2019/

Gioia, D., Corley, K., & Hamilton, A. (2012, July 24). Seeking Qualitative Rigor in Inductive Research. *Organizational Research Methods*, pp. 17-31.

Altuna, N. (2016, January). WHO HELPS YOU TO INNOVATE? The Power of Radical Circles in Vision Creation.

ANGUS, A., & WESTBROOK , G. (2019). *Top 10 Global Consumer Trends 2019.* Retrieved from Euromonitor International: https://www.ruminantia.it/wp-content/uploads/2019/01/EUROMONITOR.pdf

Artusi , F., Bellini, E., Dell'Era, C., & Verganti, R. (2020). Designing an Omni-Experience to Save Retailing. *Research Technology Management*, 24-32.

Artusi, F., & Bellini, E. (2020, October 10). The interplay between product and retail service meaning. *International Journal of Retail & Distribution Management*.

Assosia . (n.d.). *Retail* . Retrieved from Assosia: https://www.assosia.com/sectors-channels/retail

*Assosia*. (2018). Retrieved from https://www.assosia.com/sectors-channels/retail

Bagdare, S., & Jain, R. (2013). Measuring retail customer experience. *International Journal of Retail & Distribution Management, Vol. 41 No. 10*, 790-804.

Bellini, E. (2019). Leadership and Innovation.

Bellini, E., Dell'Era, C., Frattini, F., & Verganti , R. (2017). Design-Driven Innovation in Retailing: An Empirical Examination of New Services in the Car Dealership. *Creativity and Innovation Management, Vol. 26, No. 1*, pp. 91-107.

Blank, J. (2021, October 5). *Conversational Commerce is the Key to a Seamless Omnichannel Experience.* Retrieved from Retail touchpoints : https://retailtouchpoints.com/topics/customer-experience/conversational-commerce-is-the-key-to-a-seamless-omnichannel-experience

Chayutsahakij, P., & Poggenpohl, S. (2002). User-Centered Innovation: The Interplay between User-Research and Design Innovation. *The European Academy of Management 2nd Annual Conference on Innovative Research in Management EURAM* . Stockholm, Sweden.

Crisci, M. (2021, September 9). How Volvo Studio Milano has envisioned a new meaning. (G. Boffi, Interviewer)

Dell'Era, C., & Landoni, P. (2014). Living Lab: A Methodology between User-Centred Design and Participatory Design. *Creativity and Innovation Management*, Vol. 23, No. 2, Pp. 137-154.

Di Stefano, G., Gambardella, A., & Verona, G. (2012). Technology push and demand pull perspectives in innovation studies: Current findings and future reasearch directions . *Elsevier*.

European Union (EU). (2015). Retail Competitiveness. Luxembourg.

Forrester. (2021, January 21). *Empowered Consumers Call For Sustainability Transformation.* Retrieved from Forbes : https://www.forbes.com/sites/forrester/2021/01/21/empowered-consumers-call-for-sustainability-transformation/?sh=58b476db2042

Gentile , C., Spiller, N., & Noci, G. (2007). How to sustain the customer experience: An overview of experience components that co-create value with the customer. *European Management Journal*, pp. 395-410.

Giddens, A. (1984). *The Constitution of Society.* Berkley, CA: University of Clifornia Press.

Gioia, D. (2004). A renaissance self: Prompting personal and professional revitalization. *Renewing research practice: Scholars' journeys*, pp. 97-114.

Gioia, D., & Chittipeddi, K. (1991, September). Sensemaking and sensegiving in strategic change initiation. *Strategic Management Journal*.

Gondola, E. (2020, July 2). *Lo shopping esperienziale salverà il retail (ancora una volta).* Retrieved from This marketers life : https://www.thismarketerslife.it/marketing/shopping-esperienziale-retail/

Grewal, D., Levy, M., & Kumar, V. (2009). Customer Experience Management in Retailing: An Organizing Framework. *Journal of Retailing*, pp. 1-14.

Grossi, G. (2021, May 29). How Starbucks Reserve Roastery has envisioned a new meaning. (G. Boffi, Interviewer)

Helmore, E. (2018, May 12). *Barnes & Noble: why it could soon be the bookshop's final chapter*. Retrieved from The Guardian: https://www.theguardian.com/books/2018/may/12/barnes-noble-bookstores-retail-amazon

Herstatt, C., & Lettl, C. (2000). Management of "technology push" development projects. *Technology and Innovation Management at the Technische Universität Hamburg-Harburg*.

Holm, P. (1995). The Dynamics of Institutionalization: Transformation Processes in Norwegian Fisheries. *Administrative Science Quarterly Vol. 40, No 3*, 398-422.

ISTAT. (2016). *Smokers of 14 years and older by geographical breakdown and sex - Years 1980, 1983, 1987, 1990, 1993-2015*. ISTAT.

Johansson Sköldberg, U., & Jahnke, M. (2014). Introducing design-driven innovation: A Challenging Ride Towards New Possibilities. *Millennial Spring: Designing the Future of Organizations*, 165-190.

JRNI Team. (2019, October 23). *Webrooming and showrooming: What retailers need to know about the customer experience*. Retrieved from JRNI: Enterprise Appointment Scheduling Software: https://www.jrni.com/blog/webrooming-vs-showrooming

Kembaren, P., M. Simatupang, T., Larso, D., & Wiyancoko, D. (2014). Design Driven Innovation Practices in Design-preneur led Creative Industry. *Journal of technology management & innovation Volume 9, Issue 3*, 91-105.

Klein, R. (2018, May 15). *The Value of Social Currency*. Retrieved from Medium: https://medium.com/marketing-today/the-value-of-social-currency-d064629f8140

Kleinaltenkamp, M., Corsaro, D., & Sebastiani, R. (2018). The role of proto-institutions within the change of service ecosystems. *Journal of Service Theory and Practice*.

Koskela-Huotari, K., Edvardsson, B., M. Jonas, J., Sörhammar, D., & Witell, L. (2016). Innovation in service ecosystems—Breaking, making, and maintaining institutionalized rules of resource integration. *Journal of Business Research*.

KPMG. (2017, June 12). *L'era della Customer Experience.* Retrieved from Kpmg: https://home.kpmg/it/it/home/insights/2017/06/L%27era%20della%20Custome r%20Experience.html

KPMG. (2019, February). *Retail Trends 2019 - Global consumer & Retail.* Retrieved from KPMG: https://assets.kpmg/content/dam/kpmg/xx/pdf/2019/02/global-retail-trends-2019-web.pdf

KPMG. (2021, February 4). *Il futuro del Retail La transizione dal 'retail' al 'consumer commerce'.* Retrieved from KPMG: https://home.kpmg/it/it/home/insights/2021/02/il-futuro-del-retail.html

Krippendorff, K. (1989). On the Essential Contexts of Artifacts or on the Proposition That "Design Is Making Sense (Of Things)". *Design Issues, Vol. 5, No. 2*, 9-39.

Kustomer . (n.d.). *THE CHANGING FACE OF RETAIL: What Modern Consumers Expect From Retail Customer Service.* Retrieved from Kustomer : https://go.kustomer.com/rs/049-QDZ-838/images/REP_001_RetailReport.pdf

L. Vargo, S., & F. Lusch, R. (2011). It's all B2B…and beyond: Toward a systems perspective of the market. *Industrial Marketing Management Volume 40, Issue 2,*, 175-330.

L. Vargo, S., & F. Lusch, R. (2015). Institutions and axioms: an extension and update of service-dominant logic. *Journal of the Academy of Marketing Science*.

L. Vargo, S., & F. Lusch, R. (2016). Institutions and axioms: an extension and update of service-dominant logic. *Academy of Marketing Science*.

L. Vargo, S., & Lusch, R. (2006). Service-dominant logic: What it is, What it is not, What it might be. The service dominant logic of marketing: Dialog debate and directions. *Journal of the Academy of Marketing Science*.

L.Vargo, S., Wieland, H., & ArchpruAkaka, M. (January 2015). Innovation through institutionalization: A service ecosystems perspective. *Industrial Marketing Management, Volume 44,*, 63-72.

Lawrence, T. B., & Suddaby, R. (2006). Institutions and Institutional Work. In C. H. Stewart R Clegg, *The SAGE Handbook of Organization Studies* (pp. 215-254).

Lawrence, T., & Suddaby, R. (2009). *Institutional Work: Actors and Agency in Institutional Studies of Organizations.* Cambridge university press.

Levitt, T. (2002). Creativity is not enough. *Harvard business review.*

Lincoln, Y., & Guba, E. (1985). *Naturalistic Inquiry.* Beverly Hills, CA.

Lusch, R., & L. Vargo, S. (2004). Evolving to a New Dominant Logic for Marketing. 1-17.

Lusch, R., & Nambisan, S. (2015). Service Innovation: A service-Dominant Logic Perspective. *MIS Quarterly.*

Marzano, S. (1999).

Morris , T. (2021, June 8). *The consumer trends to know: 2019.* Retrieved from GWI.: https://www.gwi.com/2019-consumer-trends

N. Danziger, P. (2019, January 13). *6 Global Consumer Trends For 2019, And The Brands That Are Out In Front Of Them.* Retrieved from Forbes : https://www.forbes.com/sites/pamdanziger/2019/01/13/6-global-consumer-trends-and-brands-that-are-out-in-front-of-them-in-2019/?sh=1cdaf52e4fe4

Neisser, U. (1976). *Cognition and Reality: Principles and Implications of Cognitive Psychology.*

Open Symbol. (n.d.). *Customer Retention: come fare in modo che i clienti continuino ad acquistare da noi.* Retrieved from Open Symbol: https://www.opensymbol.it/customer-retention/

*Oslo Manual .* (2005). OECD.

Osservatori.net. (2021, February 11). *Retail: la vendita al dettaglio... nel dettaglio!* Retrieved from Osservatori.net digital innovation: https://blog.osservatori.net/it_it/digital-retail-significato-mercato

Pine, J., & Gilmore, J. (July–August 1998). Welcome to the Experience Economy. *Harvard Business Review Home, Vol. 78 No. 1,* 97-105.

Pinto, G., Dell'Era, C., Verganti, R., & Bellini, E. (2016, March 26). Innovation strategies in retail services: solutions, experiences and meanings. *European Journal of Innovation Management*, pp. 190-209.

Pinto, G., Dell'Era, C., Verganti, R., & Bellini, E. (2017). Innovation strategies in retail services: solutions, experiences and meanings. *European Journal of Innovation Management, 20*(2), 190-209.

Poma, L. (1997). *Istituzioni formali, informali e mutamento istituzionale.* Bologna.

Sawhney , M., Balasubramanian, S., & Krishnan, V. (2004). Creating growth with services. *MIT Sloan Management Review, 45*(2), 34-44.

Seo, M.-G., & Creed, W. (2002). Institutional Contradictions, Praxis, and Institutional Change. *The Academy of Management Review, Vol. 45 No. 2*, 222-247.

Sides , R., & Furman, B. (2019). *Retail Industry Outlook.* Retrieved from Deloitte .

Silicon Labs. (2017). *Silicon labs.* Retrieved from What's New in Smart Retail - Insights from Retail Technology Leaders: https://pages.silabs.com/rs/634-SLU-379/images/SiLabs-NewInSmartRetail-Article.pdf

Sitel Group. (2018). *Retail Trends 2018: The five trends set to shape retail this year*. Retrieved from Sitel Group : https://www.sitel.com/blog/retail-trends-2018-five-trends-set-shape-retail-year/

Tani, F. (2021, October 25). *Deduttivo / Induttivo (metodo).* Retrieved from https://digilander.libero.it/eruffaldi/5B/induttivo.htm: https://digilander.libero.it/eruffaldi/5B/induttivo.htm

(2021). *The International Food Information Council.*

van Elven, M. (2019, January 16). *These are the top 10 global consumer trends in 2019.* Retrieved from FashionUnited : https://fashionunited.uk/news/fashion/these-are-the-top-10-global-consumer-trends-in-2019/2019011641057

Vargo, S., & Lusch, R. (2004). Evolving to a new dominant logic for marketing. *Journal of Marketing, Vol. 68 No. 1*, 1-17.

Verganti , R., & Öberg, Å. (2013). Interpreting and envisioning — A hermeneutic framework to look at radical innovation of meanings. *Industrial Marketing Management*, 86-95.

Verganti, R. (2008). Design, Meanings, and Radical Innovation: A Metamodel and a Research Agenda. *Product innovation management*.

Verganti, R. (2018). *Overcrowded.* Hoepli.

verganti, r. (n.d.). *Overcrowded.* hoepli.

Williams, A. (1999). *Creativity, invention and innovation.* Allen & Unwin.

Wired. (2018, February 13). *Social Currency.* Retrieved from Wired: https://www.wired.it/internet/social-network/2018/02/13/social-currency/

# Annexes

## Interviews

### Giampaolo Grossi – Starbucks Reserve Roastery

*I would like to ask you to tell me what is the history of the Starbucks Reserve Roastery, why it was introduced to the market.*

The project was born in 2009, from our Creator that is the founder Howard Schultz, who in 2009 summoned to his home the best designers, best architects and engineers of the company and made them see the movie "Charlie and the Chocolate Factory".
The funny thing was that they were all curious to say ok fine so what is it why he showed us this movie. The reason was because the movie was inspirational, he wanted to do the same thing with coffee. The goal was to create a coffee factory and then introduce the roasting plant in the store, to show the customer the whole production chain.
Hence the first Roastery was born in 2014, with a roasting plant, a bar counter and 20 people working.
Our guys are called Partners, we don't call them employees, and from being 20, as the idea was incredibly successful, the workforce grew to over a hundred in a matter of weeks. Many stores were opened, one after another. In 2017 in China, in Shanghai, September 6 to 2018 in Milan, December 14, 2018, February 27 in Turin April 19 in Tokyo and we then close with November 14, 2019 in Chicago.
So to date there are six Roasteries in the world. And as you can see we've covered all the various continents, so we have the Asian part of China, Japan and the American part. Let's say a little bit the central east and the western part with Shuttle and then instead Eastern Europe where there is Russia. The biggest of all is the one in Chicago that has four floors and the smallest should be the one in New York.
The nice thing about every Roastery is that each one has architectural characteristics set according to the culture in which it is located. In Milan,Palladian is used, because Palladian is very reminiscent of the apartments and houses in Milan in the 50s.
So there is a respect for tradition, for culture.
An organizational chart built from the pyramid where at the base there are the most famous stores, those with the green mermaid. Then there are the server stores, with 3 percent of the best coffees we find worldwide. Then there are the Roasteries, which have a coffee packing plant, an internal production system, reproducing the concept of the Chocolate Factory. The beauty of the Roastery lies precisely in its specialty,

which we tell ourselves is completely the cornerstone of what the customer has to experience and what we want our partners to experience, is not only coffee, but also inherent in the personal lives of all of us, of each of our children, perhaps not only the history of coffee. Brazil can tell about a moment of a vacation experienced a trip with a relative or something like that, that in any case makes it more attached to this type of coffee.

*What new market trends is the Roastery responding to? What changes inspired the birth of the Roastery?*

Curiosity has surely changed. It is enough to think that many years ago the wine list did not exist or however it was so reduced, in some places there was just a glass of wine. Today in almost every restaurant there is a selection of wines by the glass and therefore you can find red wines such as Barolo and Barbaresco, Chianti Nebbiolo and Lambrusco as well as whites and bubbles divided between champagne and Franciacorta. All this has been basically reproduced by us in the world of coffee, to leverage the growing curiosity of the customer and to be able to increase the knowledge or rather the possibility to know everything that is behind the coffee.
I did it through the Roastery because they give the possibility to know everything it takes to produce coffee and to know what you are drinking, to distinguish between a Brazil Nespresso Colombia and a Rwanda Nespresso. In this way, the customer also learns what the floral notes are.
This gives the opportunity to not only get attached to the coffee itself but really get attached to the story behind the culture. If we look at today how fascinated we all are even with cooking, with the world of chefs.... this world has entered our home through various television programs and has made many of us become chefs.
So the curiosity about the product was born and grew, but more importantly the focus on what the experience is. Then there are forms of experience where you divide subjective and objective experience. Objective experience is when you buy a product and it refers only to the product, evaluating its quality, treatment and presentation. You care about what is behind it, you do not care about the story.
You don't care about the story behind it. You taste it, you feel it and you like it; the subjective experience, on the other hand, is all about the product's outline, and the fundamental point is that the first ticket to subjectivity is to be able to satisfy your needs, which may be different from mine. And it is not said that my requests and my ambitions to claim service can be right or not. So the skill of Starbucks is to be able to perceive, through our guys, what is the best satisfaction for our customer, which always starts from an extra satisfaction of our guys, so the main focus is to be able to satisfy our guys, our team, so that they can meet the demands of our customers.

We always try to do well and maybe you Giulia ask me one thing I'll change it into another and I'll be satisfied I'll try in all ways it's clear that you ask me a steak, it's clear that this can not satisfy completely from my skills. But I don't say "I'm sorry Giulia but why are you asking me for a steak?", rather I suggest the name of a good restaurant and try to transform sensitivity with empathy.

*What could be the reason that drives a person to go to the Roastery?*

One main aspect is the one we use to call the geographical aspect. It's when you enter inside the Roastery and there's a first door that opens sliding, then there's an anti door, kind of a dome, and then the guys open the door to welcome the customer. The idea is to slowly immerse the customer in the atmosphere of the store, preparing the customer's senses and taking them away from the noise of the chaos of the city.
As you enter, the noises begin to fade away, and the customer can begin to smell what the aroma of the coffee is starting to spread.
You can hear the heating tank rotating and then the coffee roaster spinning.
At the entrance the staff welcomes the customer by saying good morning.

In this sense, the customer goes to the store to get away from the chaos of the city and to enter a new reality, in a context that makes your mind fly, taking you back to journeys made in the past and to precious memories.
I always say that the Roastery has an Italian streak that is much more international than we are Italian because most of us are Italian but have a bit of internationality in our blood, which is not just the American one we come from but the globalization we are immersed in. So at the corporate level, there's a geographical discourse of feelings of wanting to live in something similar. There's a discourse of protection, of welcome. At Starbucks then the customer can work, meet with a friend and not be disturbed in any way.
In other dynamics at the same time is also a sense of protection a sense of tranquility. At the same time there is a factor of experience, the idea that you have to live and here the ability must be ours in the sense that I can, as I said before, want an immersive sensory experience.
So my goal is to invite our customers to spend as much time as possible in the store, sharing experiences, memories and moments with our guys. Our guys, the Partners, have great passion for what they do and they pass that on to the customer on a daily basis. Trying to tell stories, to bring the customer closer to the world of coffee and trying to make him live the best customer experience possible.

*What has been the market response to the Roastery?*

There was so much criticism before the opening , so many people said that the Roastery would not be successful . Many claimed that the coffee was not good. In terms of marketing communication, we have never done anything, we have been very quiet and very respectful, first of all for the Italian market, but also for the world of Italian coffee and all Italians.

The outcome was very positive, the store was appreciated not only by Milanese customers but also by tourists.

The type of customer is obviously a slightly different one compared to traditional Starbucks stores, the Roastery is in fact visited by many tourists, coffee lovers, people who want to spend a little more to live an immersive experience.

Obviously, there is a very strong international part that covers almost 50 percent of our business and the remaining 50 is composed by Italian people.

Slowly over time we are managing to build new ties with customers who then come back to visit us. Unfortunately this pandemic has obviously put us in serious difficulty, but we are responding and we are getting back to business as before, respecting the new market demands and all the regulations.


*How would you describe store-customer interaction?*

Let's take a step back: every form of interaction you have with the brand comes before, before you walk into the store. It doesn't just start from the moment you walk into the store, it starts from the moment you decide to come in. Then another moment of interaction is when the customer is in front of the store. The entrance is taken care of with extreme care and concern just to ensure a positive experience from the beginning. It's clear, so we try to be careful in the 100 meters behind the front, the Starbucks sign is key and from there on you get to customer care, so the first physical contact at this time is a person checking the temperature. We built another field role at the front door to also clarify to people what you can do and what you can't do. At the front door we decided to put a key role, a person who always opens the door for everyone because it's critical to welcome them.

After that there are concierges inside so called also more hosts for example who help you understand where you are, what you can do, what you are looking for. Our partners ask you what you usually drink to get to know your tastes. We try to figure out what kind of experience you want to have, if it's a quick thing or a more involved thing and that helps us get to know each other. After that, there are various brewing or roasting spots, which allow the customer to experience and learn about the coffee

making process in depth. Then there is a mezzanine where a more exclusive experience is offered and exclusive cocktails are served.

*One element that is very present in the store is certainly craftsmanship. Can you tell me the value of this in the store?*

Of course, there is so much of Italy from the architectural point of view, everything was made in Italy and everything you have seen and touched is pure Italian craftsmanship, such as the marble of the counters, the wood made in Italy, the Palladian... The very unique ceiling reflects the Palladian in a futuristic way. The desire is to keep the Italian thread and pay homage to Italy. All Roasteries always try to respect the cultural aspects of the country where they are located. All the Roastery are different and unique because they pay homage to certain countries.

*How would you describe the relationship between staff and customer?*

We call our staff members "Partners". There are some young people who are very well prepared and have excellent story-telling skills, and then there are others who are more shy but who nevertheless tell the customer about the product with transparency and sincerity. The objective is to tell their story in a transparent way, letting the customer know the product they are consuming.

*What is maintained in the store compared to the traditional offer?*

The sharing of brand values in a transparent way. Our values are shared everywhere, on the walls, on the receipts, on the coffee cups....

Coffee and the focus on coffee remains fundamental, despite the strong experientiality, it is still important to give light to the core product. Coffee is the raw material for which we exist as a company and people are needed to produce it and see it, in fact the human factor is fundamental.

## Michele Crisci – Volvo Studio Milano

*How did the decision to open Volvo Studio Milano come about?*

So the idea was born in 2014, an Italian idea that was then exported to the United States, Sweden, Japan, Poland, France. It was born because the automotive world was going through an unprecedented transition, that is, trivially, the abandonment of the endothermic engine and the increasingly now clearly definitive approach towards electric motors and the entry of new technologies such as autonomous driving.

In short, a whole series of concepts that are turning our world upside down. We thought that the time had come to offer a place like this, where we could listen rather than tell, so our need was to have a space, a container where we could listen to our customers, but not necessarily only our customers, listen to the public, those who move for mobility and who perhaps have doubts and concerns.

They want to tell us their needs. And so in 2014 we created this concept of a studio, we presented our proposals to the board and not without difficulty we managed to convince them. We opened at the beginning of April in Piazza San Babila. Actually there were some problems because of the works with the subway and so we decided to open here.

The goal was to have customers here to tell them our stories but also to listen to them and to have a point without intermediation. You know that we are basically importers of Volvo in Italy and we distribute the cars to other dealers. This is what we currently do. But we have always mediated with the end customer through the dealer's activity, which is also very codified because we do trading, we do training for them and they represent us very well.

But we wanted to have a direct contact with our customers and above all to have a contact that was different from the sales process because this raises the defensive barriers on the part of the customer. We really wanted to have a place where it was clear from the beginning that despite we have the cars here, this is not a place aimed at selling.

When we opened in 2017, we brought all the dealers together and made it very clear to them that we would never sell cars so we put their minds at ease. This store was a container that they could also use it to create their own events.

And this is because it was important to have them on board because if not, then it would have become a bit difficult.

This is a pure marketing expense and basically everything that is done in here is obviously planned and rescheduled.

So you know that Volvo is a brand that over the years, for example, has invested heavily in safety, and so we created many events in which we try to explain in an easy way some concepts and values such as safety.

I'll give you an example, there is a museum that you can visit, the Museum of Safety, because it basically explains the concepts of the dangers linked to speed in an interactive and fun way and we wanted to integrate part of these installations in our store.

There are some extremely fun installations. For example, there is a tower, a tower of chairs, you can climb up to the last chair and then sit on top, 5 meters high and from there, you have the idea of what would be the impact of an accident. It is the same as when you make an accident at 50 kilometers per hour.

We also had a particular scale here called an elephant scale which is a scale where you get on top and the weight that is measured is the weight that you would have at different speeds. At high speeds my body weighs almost three tons, which means that at the moment I crash at 90 kilometers per hour inside the car my body moves as if 3 tons were moving and these are things that we tell customers not because we have to sell them the car but just to raise awareness of what our values are. We don't just talk about safety, but also about environmental protection, and so it's not very easy to raise awareness here either, but we've tried by organizing events aimed precisely at highlighting certain issues.

We want to show that there is a commitment to the environment that is not only to produce cars with recyclable materials, electricity, etc., but it must be a general commitment.

But we do many other things, for example we collaborate with important music producers and we do concerts, one of which will be next week, where we ask young people who are enrolled in important schools in Milan to compose songs that are inspired by the environment, sustainability, how they imagine the future.

Of course we put them in competition with each other and whoever wins will participate in important events such as X-Factor. Then at the end we also join with very popular things but the important thing is that we are always inside the Tree of Sustainability.

We then chose Milan as a base because Milan was a bit of a metropolitan challenge, because of the traffic, the mobility, the fluidity, the challenge of the cars, the cleanliness of the air, the autonomous driving. Road safety is clearly easier to manage in less busy situations, when you get to centers like Milan, the management becomes much more complex and therefore much more challenging.

I would like to reiterate that this place was also born as a container of companies that share our vision, here there are many, like Samsung, Google, Amazon and we offer

them a meeting room and the possibility to come and have their meetings here and it's all absolutely free. So the idea is that of absolute sharing.

Then we have many projects, for example we thought together with the manufacturer Coin in the last years to take 20/25 slots of these different garages and put the charging systems and release 20 cars of ours available to people who want to use them. We're going to make an app, which is almost ready now, so all the residents in this area can benefit from it.

Here we have also hosted many conferences. Both during the Salone del Mobile but also in different situations in which we invited many architects to discuss how autonomous driving will impact the future of the urbanization of cities we created a kind of competition in which we asked to imagine and draw a futuristic project of a city in which autonomous driving will be widely used and in which there will be no more need for traffic lights for example because the cars will know if they can pass or not. So they will read pedestrians and then there will be no need for the crosswalk line and then there will probably be more green, traffic will be smoother and there will be no accidents.  This can change the urbanization of the city because there will be more gardens, more spaces for pedestrians and so we called a number of architects to try to redesign what could be Porta Nuova which is already very green despite the many skyscrapers.

*What inspired you to create this store?*

It was a negative inspiration, that is, we knew what we didn't want to do. We were certain that we didn't want to create a place dedicated to sales, we wanted something different, something that wouldn't make the customer raise barriers. We didn't want to do merchandising or anything like that.

We wanted to create a different place, where the customer could stay for a long time without pressure from the staff. Here we have created a bar/restaurant area and we are open from breakfast to dinner.

*How is the approach of your sales-people?*

Our staff is different, they have a very particular approach. We don't call them employees, but Wizards, inspired by the concept of the Genius of the Apple store. They are product experts, extremely competent and capable. They are able to tell the customer about the product in detail and, if the customer is interested in buying, the Wizard invites the customer to go to the dealership. Inside the store, in fact, no sales take place, not even estimates are made. What we offer the customer is to be accompanied by the Wizard in the dealership, so as to be assisted during the entire negotiation phase.

*How do you foster interaction with your customer?*

Inside the store, we have introduced tools that encourage interaction between the store and customers and bring the customer even closer to the product.
We then created the Volvo Welcome Center, to make ourselves completely available to the customer, offering our support and advice. It's not just a call center, but a form of easy and immediate contact that allows the customer to have support.
We are constantly evolving and looking for new projects and ideas. But of course we have agencies that work just for this and they continuously propose projects to us, whether they are automotive projects or projects in the artistic, musical or theatrical sphere. Then our marketing department define a calendar.

*What is the reason that brings the customer to visit the store?*

People come here for a variety of reasons, usually to learn about the car, but also to attend events.
Absolutely and in any case all events must necessarily have a common thread that are our values. Even the sponsors we choose share our values, such as Federica Pellegrini, who we have known for years and who is a very special person whose profile must be very much in line with Volvo. Pellegrini is a person who, despite her great sporting successes and great personal achievements, is a very low-profile girl, extremely sensitive to what are precisely our values, that of safety and ethics.

*How has the store been received by people? What feedback did you get?*

Well the store has been received positively since the beginning, customers have immediately given positive feedback. I would say right away the feedback was positive. The first year, in 2017, we really saw a lot.From September 29, 2017 to the end of 2018 we had in one year and four months almost 120 events that were widely appreciated by our customers, so we can say that it worked very well.

*How would you describe the typical customer experience? What store-customer interactions would you identify?*

Many customers come in here mainly attracted by a new model. However, by now they have understood very well that here you can still find cars, especially here there are often quite expensive cars, even those that we let them test drive, only that they may not be found in dealerships. The customer then interacts with the Wizard who welcomes him by offering him a coffee and clarifies all the doubts of the customer. The customer is then free to look around, touch the products, interact with the digital

devices... There is also the possibility to configure the car and in this I must say that we are quite traditional.

Here, however, compared to the traditional store, we don't make estimates, we don't sell cars. Perhaps the only difference is that these guys here are really great product experts because we try to select people who have a great passion for the product.

I'd also like to tell you about a recent investment we're making with the firm, it's the possibility of issuing monthly subscriptions to the client, so by paying a certain fee each month, the subscribing client has the opportunity to rent several cars, not only in Milan, but throughout Italy. So if the customer is traveling for business or pleasure they can take advantage of this service. This is a system that is now having a great success, it's something quite new and we imagine that in the future it will get very positive feedback.

# Ethnographic Research

## Volvo Studio Milano

| *Bringing the customer closer to the product so as increasing the involvement, not to 'scare' him* | *Providing information, increasing the involvement, testing the product...* | *Getting to know the customer directly* | *Augmented reality systems, interactive screens, virtual reality* | *Restaurant* | *Excellent technical knowledge of the product, excellent storytelling skills - The Wizards* | *Warm and non-invasive* | *Colours and design inspired by the Milan skyline* | *Organization of musical, artistic, theatrical events* | *The virtual reality system and other interactive tools to teach and share values* |
|---|---|---|---|---|---|---|---|---|---|
| No in-store sales | Ask about a product | Wizards: product experts, available to advise, assist and inform. | Virtual test drive | Presence of a coffe bar at the restaurant | Wizard are very product expert | Wizards welcome the customer inside the store | Store located in the city center | Organization of musical, artistic, theatrical events | Try a virtual reality system to learn about the security system and understand how an accident works |
| No attempt by the Wizards to sell the product | Ask for information about the product on display | Direct contact with customers without intermediation | Virtual in-store car configuration with touch monitor | Possibility for the customer to have a coffee at the bar, lunch, dinner or even an aperitif | Wizard explain and clarify doubts regarding the product | Wizars offer coffee to the customer | Direct sharing of values with people | Store reflect the surroundings | Know, via a special scale, what your weight is at a certain speed to know the potential severity of an accident |
| No prices on display | Touch the product | Reception by wizards | Possibility to sit with Wizards and buy online | Wizard offers coffee to customer who enters | Wizards are product engineer | Wizard shows his passion for the product | The store becomes a place to be admired | Exhibitions and displays organized to raise awareness of brand values | Reproduction of the aurora borealis on the ceiling to bring the customer closer to the roots and values of the brand |
| Exclusive interest in the early stages of the buying process | Look at the product | Wizards provide support and give accurate information | Interactive screens and iPads to learn more about the product and its features | Having coffee at the outdoor tables | The wizards know and study the product in detail | Wizard is very kind and helpful | Attractive design invites the customer to enter | Selected guests in line with the brand values | Interaction with special tools and devices created to raise awareness of brand values |
| Display of few selected cars | Road test drive - free car trial | Highly knowledgeable staff on the product | Augmented reality systems to see the body and the engine of the car | The store is open from breakfast to dinner |  | Wizard expresses his desire to inform the customer so that the customer learns new things about the product, but not so that he... | Glass walls with view on the Milan skyline | Rich calendar of events - art, culture, music and design |  |
| Volvo welcome center: telephone contact between store and customer, to give availability and information to the customer, only if requested | Customer test the configuration of his car | Wizards accompany the interested customer to the dealer to assist in the sales process | Virtual reality island available in store | Indoor and outdoor tables |  |  | Granite | Concerts organized by inviting musicians to compose songs about the environment and respect for the world we live in |  |
|  | Car display in the salon | Wizard stays with the customer at the dealership during the negotiation process |  | Large counter and bar/restaurant area inside the store |  |  | Light | Initiatives and projects outside the store to highlight the importance of Volvo's values |  |
|  | Presentation of new cars launched on the market | Wizard assists the customer inside the store |  | Couches inside the store |  |  | Clean lines |  |  |
|  | Giving advice to the customer | Describing the car in detail |  | Plants and decorative furniture in the outdoor area |  |  | Minimalist design |  |  |
|  | Clarify customer concerns |  |  | Possibility to use the space for other activities |  |  |  |  |  |
|  |  |  |  | Sharing of spaces |  |  |  |  |  |

*Table 30: Volvo Studio - Ethnographic Research*

# Starbucks Reserve Roastery

| Possibility for the customer to enjoy the store as he/she wishes | Wide range of coffees. Coffee tasting with different aromas and flavours | Lounge bar/Affogato station, Bakery, coffee pods shop | Architecture and design pay homage to Italy and craftsmanship | Complete visibility of the entire coffee preparation facility | Tasting, smelling, touching different types of coffee and coffee beans | let the customer know about the product, the production process and its origins |
|---|---|---|---|---|---|---|
| Ability to stay in the store to work/study<br>Wifi available<br>Outdoor and indoor seating<br>Numerous indoor seating areas<br>Large indoor bar<br>Possibility to stay within the store to read a book or newspaper<br>Staff let people enjoy the space as they wish<br>Customer knows that he is free to look around and sit wherever he prefers<br>No constraints or pressure of any kind of the client | The bar has 7 different coffee extractions<br>Different types of coffee from different parts of the world<br>Possibility to taste different types of coffee<br>Coffee master recommends the type of coffee according to taste<br>Brew experience: show how different brewing methods can have surprising effects on the flavor of the coffee<br>Affogato station where icecream is handcrafted<br>Preparation of signature cocktails<br>Coffee is presented in different aromas and flavors as with wine lists | Presence of a sophisticated lounge bar<br>Coffee-based cocktail bar<br>Possibility to buy the beans, under the advice of sommeliers<br>Coffee pods shop to buy coffee to take home<br>Possibility to try different coffee based cocktails<br>Specialized coffee service | Homage to craftsmanship<br>Strong link between the store and the city<br>Venetian curtains<br>Murano glass<br>Alberto Marchetti's ice cream<br>Princi Bakery inside the store<br>Offering traditional Italian drinks like Aperol and Campari spritz<br>Italian design<br>Italian artisan<br>Precious Palladian flooring<br>Espresso is the main beverage<br>Coffee served with a glass of water, very typical of Italian culture | Scolari's personalized roasting inside the store<br>Pipes on the ceiling show the passage of the beans<br>Possibility to assist in the coffee production process from start to finish<br>Complete visibility of the entire coffee preparation facility<br>The entire production process is in plain view for the customer<br>Ability to witness the final coffee packing process<br>Possibility of touching the coffee beans with your own hands<br>Massive cask where all Starbucks Reserve™ coffee beans go to rest after roasting purchase<br>Roasting of Starbucks Reserve coffees for shipment<br>Customer watches master roasters at work<br>Touching the coffee beans before they go through the production process | Take a tour of the store<br>Stop to observe the structure of the store and its design<br>Customer admire the structure, authenticity and uniqueness of the store<br>Customers take pictures of the store in admiration<br>Great care for details<br>Refined design<br>Taking a tour, not with the intention of making a<br>Tasting different types of coffee<br>Smelling different coffee aromas | Experts explain the process of coffee grinding and preparation<br>Customer asks questions while master roasters are at work<br>Share information with the customer about the coffee's production and origin<br>Personnel tell the story of starbucks and the roastery<br>While observing the production process the customer asks questions and seeks clarification<br>Staff talk about the different types of coffee available<br>Staff try to get to know the customer's tastes and what they like best in order to recommend the best possible CX |

*Table 31: Starbucks Reserve Roastery - Ethnographic Research*

# Apple Store

| Knowledge of the product, planning skills, management skills - The genius | Confidential and friendly | Minimal and modern architecture and design | See and admire the latest releases and top products | Genius bar | Events, training and learning courses... | Switched-on devices, QR codes, gaming to interact | Giving advise, support and suggestions to the customer |
|---|---|---|---|---|---|---|---|
| Genius recommends the best options for the customer | The Genius calls the customer by name | Ultra-high definition video wall | People come in for a tour | Free service offered by Apple | Qr code to register for organised events | Products displayed for use by the customer | Customer asks Genius for advice |
| Many Genius staff | The Genius introduces himself by his own name | Clean lines | People come in to see the latest releases | Possibility of booking technical assistance from the online platform | Wooden seating for attending events | Apple Arcade - gaming service for customers | Great support from the Genius |
| Competent and trained Genius present | Human relationship very present | Minimal design | Customers do not only come to the store to buy or have a device repaired, but also out of curiosity | Possibility of making an appointment at a specific time of day | Training and learning courses that complement the sale of devices | TV for gaming | In-store purchasing assistance if required |
| Staff keep appointments, through a sheduling defined on their laptop | Friendly and convivial atmosphere | Order and attention to detail | Many young people experience the store as a meeting place | Customers bring their Apple device for support | Place of events | QR code to connect to your mobile phone and play games | Clarifying doubts about prices and/or product characteristics |
| Genius with great problem solving skills | Genius with strong interpersonal skills Ability to maintain composure and focus on the customer when solving technical problems | Products neatly arranged on wooden tables | Many people come to the store to be updated on the latest news | Possibility to leave your device for repair and/or control | Forum: an area for learning, sharing and knowing | Products on display with description | Indicate the availability of a certain product |
| Highly experienced staff | | Display of only one product per type | Opportunity to interact and spend time | Dedicated area to wait for Genius support | Daily training courses (Today at Apple programme) | Customer uses the displayed devices, taking pictures, surfing the web and testing applications | Support the customer in the customer experience |
| Personnel with knowledge of possible product defects | Staff are very friendly and helpful | No boxed products on display | | Many hardware repairs can be carried out on site | Tables for working and/or studying outside | Customers sit at the tables to test the product at their leisure | |
| Staff capable of analysing the device | The customer feels free to talk to the Genius | Few products on each table | | Longer repairs are sent to repair centres | The customer, who owns Apple products, comes to the store to attend training on how to use that device | The customer is free to experience the store in total autonomy | |
| Staff able to advise on the basis of the problems encountered by the customer | The genius staff can make the customer understand the problem in a very simple way | Small high definition screens | | | | Non-invasive staff approach | |
| Staff asking for clarification to understand the problem | If there is no way to solve the problem for the customer, the Genius is sorry. | Impressive structure | | | | Cult place for i-tech enthusiasts | |
| Staff ask how the product was used and where it was purchased | The genius does not try to sell you products | Large staircase to access the store | | | | The customer relaxes sitting at the tables in the store | |
| Staff put together the information collected to provide a diagnosis and propose a solution to the customer | | Staircase with water jets | | | | The customer walks between the tables looking at and testing the products on display | |
| Ability to explain concepts clearly | | Glass cube at entrance | | | | All devices are switched on and ready for use | |
| | | Large open space | | | | Customer is free to try the product on their own and familiarise themselves with it | |
| | | Inconspicuous colours | | | | | |

*Table 32: Apple store - Ethnographic Research*

# Erbert

| *Ready-made solutions, so that the client can compose the meal plan as he/she wishes* | *Stickers and labels to provide new knowledge to the customer* | *The bar* | *The nutritionists* | *Sharing brand values in the resources (products, packagings, settings, furniture...)* | *Sharing brand values through interactions with staff and through posters and signs* | *Giving advice, support and suggestions to the customer* | *Selling the product in its most natural form* | *The design, packaging and furnishings are essential to emphasise the product itself* |
|---|---|---|---|---|---|---|---|---|
| Numerous easy-to-cook and healthy solutions | Product ingredients stated clearly and prominently (both on the product and on hanging flyers) | Presence of a bar adjacent to the supermarket | Ready-made meals prepared with advice from experienced nutritionists | Sustainable and plastic free packaging | Posters hanging on the walls highlight some of the store's core values and initiatives | Shop assistants help customers with research | Exclusive sale of natural and minimally processed foods | Minimal shelves and furniture, to highlight the products themselves |
| Ready-made products | A 'Mangia bene' sticker on the packaged products and colored according to the ingredients of which the dish is composed (vegetables, | Supermarket and restaurants merged together | Creation of ready-meals ad hoc for a healthy diet | Fully compostable film and package labels | Slogans present throughout the store to highlight the organic nature of the products offered | In the butcher, bakery and fishmonger departments, staff help and advise | Ready-made foods made in the store's kitchens | Large open space that allows you to see all products from every position in the store |
| Single-portion products to allow customers to compose their own meal as they wish | Possibility for the customer to make a conscious shopping in a very simple way | Outdoor tables for the bar | Continuous research by nutritionists to propose varied and healthy solutions | Plastic free bags for taking fruit | Signs and blackboards to describe each product and indicate its characteristics in terms of organic production and / or sustainable agriculture. ...etc | Customers ask for information if they can't find something | Reduced and almost absent industrial production | Islands and central shelves for fruits and vegetables |
| Complete ready meals so that you don't have to worry about composing your own dish | Possibility for the customer to compose his own meal in a balanced way | Possibility to choose your box in the store, have it warmed up and eat it at the bar | Creation of ready-meals in which the quantities and micronutrients are balanced | Trolleys with canvas baskets | Personnel explains to the customer the values of the brand | The customer asks if there are alternative products | Products of internal production totally natural and produced in the laboratory located in the store | Essential design |
| Ready-meals designed for children | 'Ballino calorie' applied to packaged products to indicate the calorie content of the dish | Some products for the supermarket and the bar | Food mentors available to consumers | Fruit and vegetables in season only | Incentive phrases invite the customer to purchase to support a sustainable reality and become part of it. | The customer asks about prices and promotions | Fresh products, cooked daily | Fruits and vegetables in bright, vibrant colors |
| When customers enter the store they are looking for something healthy and caloric needs, trying to promote easy to cook | Help the customer to reach the daily variety in the choice of products. | Having a snack at the bar | Possibility of receiving personalized advice on the menu from experts in the store | Availability of canvas shopping bags | | | Storytelling about the products | Simple and essential packaging |
| Buy food to be consumed immediately (take-away) | The customer does not have to worry about reading labels to know if the product is healthy or not | Having lunch at the bar | Possibility to book for personal advices | | | | Mark on appropriate tags the origin of each product | Food represent the core of the store |
| Possibility to buy a complete product for the lunch break | Each product is designed to be part of a healthy diet | Bar also available for external guests | Direct contact with specialists to ask clarifications | | | | Explain the production processes used to the customer | |
| *La settimana di Erbert'*: a space where you can find different choices divided into macro-categories (Mediterranean, vegetarian, children), each divided into three | Staff advises customers to consciously compose their daily meal | | | | | | | |

*Table 33: Erbert - Ethnographic Research*

# IKEA

| Customer becomes autonomous and independent | The customer takes on a new role / interaction between store and customer | Tools, digital devices and signs enable | The layout of the store is designed to guide the customer and foster immersion. | Events and workshop | Bar, canteen, food market | Swedish culture in design, colours and food. | Comfortable environment | The architects | Fully integrating online and offline services | People can lie on beds and sofas, touching products. | Giving advise, support and suggestions to the customer |
|---|---|---|---|---|---|---|---|---|---|---|---|
| pencil at the entrance | Take the tape measure, so that you can take measurements and make assessments. | rate the in-store experience using the totem pole | Store as a path | Attend workshops and exclusive events,"to discover new collections and find lots of ideas and inspiration to live your home even better, every day." | Possibility to go to the bar for lunch or snack (before, after or during the tour) | yellow and blue as predominant colors | make the dog drink in the designated areas. | Furniture arranged to recreate the home environment | IKEA family subscription using totem present in the shop | Sitting on chairs, sofas, beds...to test their comfort. Trying in different positions to give a better evaluation. | take ticket with number to receive assistance from salesmen |
| Take the shopping cart at the entrance | Compare the floor plan of my house with the furniture for sale | sit on couches to watch interactive advertisements being shown on TV, to interact with furniture and their surroundings. | Different areas of the house follow one another along the way | Decoration and customization of t-shirts and fabrics | Presence of a canteen inside the store | Swedish names for products | Let children play in dedicated areas | Exposure of products not for sale such as clothes, shoes, sheets, detergents to give authenticity to the settings | Use of the App to scan products using barcode so to get more information | Touch furniture and textiles to assess their quality and texture. | consultation catalog displayed along the way |
| Customer identification at home | Observe available fabrics, compose and create personalised furniture. | I follow the arrows placed on the ground to follow the path inside the store | Well defined path | Activities organized provide customer with tips, ideas and to inspire him to bring his ideas to life | Food market outside the checkout to take home culinary products not available elsewhere and typical of Swedish cuisine | typical Swedish dishes at the bar and restaurant | interactive games for children | Plants as part of the settings | use of totem available in the store to get information about options and colours of furniture and to customize. | Arrangement of furniture such that people are invited to try them out | Creation of your own home solution with consultation with Ikea staff present in different areas of the store |
| Evaluation and price comparison | compose your own furniture | interaction with furniture and products through the use of QR codes | Rigid route (once you enter, you must complete the loop before exiting) | Offer of extra activities useful to learn more about the product and acquire architect/designer skills | | Sale of typical Swedish cuisine at the market | toys for children | Apartments with different designs (elegant, informal, colorful..etc). | Creation of your prototype at home and then opening of the prototype on the online store using a reference code | interaction with the furniture, simulations of actions as if the customer were at home. | use of yellow duffle bags that make it easier to buy and are then often purchased |
| Opening wardrobes and drawers | try different arrangements for furniture | Experiential videos in the store that show products in real-life contexts. | Warehouse at the very end to pick the products chosen | Calendar of planned activities available on the website | Possibility to have lunch or a snack inside the store | | I rest on a bed or a sofa | Posters hanging on the walls to simulate the presence of a window/background (to create more immersion in the setting) | online order and pick up in store or order in store and receive it at home. (online-not considered as it doesn't involve the store), Buy and pick up offline. | | customer service present near the exit |
| Lifting furniture, opening it, stretching it, putting it together;... | chooses the fabrics and patterns that he likes most independently and then cuts the necessary square footage | leave children free to play and interact in the areas where beds... and furniture are for sale, so they can choose what they like best. | Different areas dedicated to the different area of the house | Interactive activities | | | I listen to music in the background | Frames with photographs inside | | | app i/first for queue |
| Comparison with options on the phone | Get inspired by the creative and original arrangements designed to reproduce the environments of the house | Open furniture and drawers by following the directions in the interactive captions | | Possibility to learn and discover something more on the IKEA world and on the furniture | | | chatting while sitting on sofas or couches along the way | | | | |
| Pick up one of the flyers available in the shop designed to take note of the selected items | | QR code to foster interaction | | Possibility to learn new design-skills | | | free wifi connection | | | | assembly of purchased furniture |
| photograph the furniture | | | | | | | | | | | |
| self-service activities in the warehouse to take the furniture | | | | | | | | | | | |
| use of the totem to facilitate the search of products independently | | | | | | | | | | | |

*Table 34: Ikea - Ethnographic Research*

# Lush

| Very strong sensory experience | Fun and playful | A beauty mart with a green grocers - bazar feeling (Sharing brand values through resources (products, packagings, settings furniture…)) | Sharing brand values in the interactions with staff and through posters and signs | Giving advise, support and suggestions to the customer | Experience products hands-on, using the sinks and spaces available |
|---|---|---|---|---|---|
| Smelling products | Sales employee and customer joke with each other | The sales employee assists the customer in the selection of Bath Bombs | Products with very similar packaging. What changes is the label. / Sales employees inform about the ethical and sustainable nature of products | Asking for assistance from sales staff | Testing products |
| Products with unique shapes and colors | Fun and colorful gift boxes | The sales employee places the Bath Bombs chosen by the customer in special paper bags (similar to a greengrocer). | The label is always all black with white text that looks like it was written in paint. / posters hanging on the walls explaining sustainable nature of products | sales employees ask if you need assistance | Putting the Bath Bombs in water to see the effect |
| Touching products | Fun and original product label | Bazaar/market-like atmosphere | Black color packaging / product labels indicate that they are all vegan | Clerks seek customer contact | Application of creams on the skin |
| Looking around | Sales assistants receive customers by either playing with products, as in a circus | Using baskets to store selected products | More than a third of Lush cosmetics have been 'naked', i.e. without packaging, to minimise environmental impact and pollution. / Asking for the product composition | Sales clerks tell customers about products | Use the designated sink to rinse off |
| Smelling the aromas inside the store | Original and funny product names | Placing the chosen products in the basket | Packaging is 100% recycled / See some of the raw ingredients first-hand: live plants fill the space to illustrate the actual ingredients going into their products | learning about the products, their history and composition | Soaps and tissues |
| smelling the freshness of the ingredients from the moment you walk through the doors | Playing with products | Face masks are displayed in bowls on ice like a deli counter for customers to try. | Products processed into solid form (such as shampoo) to reduce packaging usage / Charity pot product," which donates proceeds to local charities | Learning from the product labels | Mirrors |
| Vibrant colours | Playful interaction with products and the store | Wooden baskets, crates and display cases | Sticker applied on all products indicates: whom the product was packaged, by whom and when it expires. This humanises the production process by making it clear that a person, not a machine was involved in the making / Recycling incentive: giving back jars gets free face mask | sales employees explain labels and clarify their meaning | |
| Original and unique shapes | Fun and engaging signs around the store | | While touching a product the sales employee makes sure the customer knows about the ethical and sustainable nature of the product. | sales employees address customer concerns about product composition | |
| Orisinal setting | During the selection of bath bombs the customer can use colorful and fun boxes to store the selected bombs | Wooden shelves all along the store | | Sales employee listens to customer inquiry/problem and proposes the most suitable product(s). | |
| Black colour for the boxes | Original and colorful collections made for the holidays (Christmas collections, Valentine's Day … etc) | Use of paper bags to pick up Bombs from the shelves | | Online order and in-store pick-up service to facilitate the shopping experience | |
| Colourful and glittery products | Staff always have a smile on their face and are happy to talk with customers | | | signs in the store explain how to use the products | |
| | Enthusiastic personnel | | | Sales employee explains how the products will look once used (especially the Bath Bombs, the brand's flagship product, which change color once immersed in water). | |

*Table 35: Lush - Ethnographic Research*

# Nespresso Boutique

| | *Coffee specialists try to get to know the customer and his tastes* | *Possibility to carry out the shopping experience in different ways* | *Aromas, flavors, shapes and colors* | *Giving advise, support and suggestions to the customer* | *Fully integrating online and offline services* |
|---|---|---|---|---|---|
| *Testing coffee and coffee bar* | | | | | |
| Nespresso Coffee bar inside the store | Targeted assistance | Store on two floors | Aromas of coffee become a very strong component | Staff available to support and clarify doubts | Integrating online and offline services |
| Customer enjoys coffee at the counter before leaving the store | Staff ask for the customer's taste in order to advise them | Dedicated area for autonomous purchase | Possibility for the client to smell different kinf of coffee | Staff provide customer with information regardin products availability and price | customer can create an account online and have access to it inside the store |
| Staff invites the customer to taste a coffee before they leave | Staff invite the customer to out different types of coffee to choose the most suitable one | Customers pick up an envelope to fill with their purchases | Very strong visual factor | The staff informs the customer about the latest news in the store and promotions. | totem inside the store facilitate this kinf of experience |
| At the counter all types of coffee pods are displayed in a glass case | At the bar counter, staff tell customers about their tastes and new products | Possibility of picking up the desired pods autonomously | Colorful coffee pods | If the customer has difficulty in searching, they turn to the staff for support. | click & collect services |
| The customer chooses his coffee by looking at the pods on display, and at the indications about the intensity and flavours of each one | Coffee specialist available to give advice | Tills with fully automatic payment system | Very attractive pod design and shape | Staff help the customer to use the digital tools available | beverage delivery |
| Different falvours availables | Choice of a personalised coffee plan | Area dedicated to tasting - testing area | Pods sold in boxes with an original and luxurious shape | Customer is guided throught the entire shopping experience | online retail coffee sales |
| Testing bar | Customer can be guided in his choice | The customer chooses what kind of experience to have | | | Possibility to mix online and offline shooping |
| | Customer can experiment new flavours and tastes according to the description of each pod | Staff direct the customer through the store according to the type of CX the customer wants to experience | | | |

*Table 36: Nespresso Boutique - Ethnographic Research*

# RED Feltrinelli

| *Non-invasive* | *Possibility to carry out the shopping experience in different ways* | *Possibility for the customer to enjoy the RED store as he/she wishes* | *Store layout and product arrangement designed to simplify CX* | *Integrated restaurant* | *Perceiving the store as a unique place, a continuum in which the offerings intermix* | *Book clubs/literary meetings, interactive events...* | *Relaxing and home-like atmosphere* | *Giving advise, support and suggestions to the customer* |
|---|---|---|---|---|---|---|---|---|
| Staff do not approach customers as soon as they enter the store | Each customer is able to live a unique and different experience | Co-working area | A few selected books | Read a book while eating lunch or breakfast | "Perceiving the store as a unique place, a continuum in which the offerings intermix" | Book clubs | People come into RED to relax and take a break | Staff are at the customer's disposal |
| Staff, during the customer experience, do not intervene of their own free will | Open space where the customer feels free to walk and roam among the books | Free wifi | High visibility of titles | The customer when he enters does not have only one purpose | "Not a place that has a bookstore and a restaurant but a place that is a bookstore and a restaurant at the same time" | Interactive events | people at RED feel at home | If the customer cannot find a book, it is addressed to the customer |
| If the customer needs information then it looks for the staff | Double entrance allowing customers to shape their own experience | Possibility of working/studying/reading a book seated at the tables | Bookseller suggestions with label | The customer when he enters does not always know what he wants and what to look for | "There is no clear division of spaces (tables) dedicated to reading and bar/restaurant consumption" | live music | Smaller space than traditional bookstores | For doubts or support during the customer experience, the staff is available |
| Freedom to read a book without being interrupted | Wander around the store | No need to make a purchase to seat inside the store | Islands in the centre of the store to highlight books | It may happen that the customer enters to buy a book and then ends up having lunch at the bistro | "Fusion of two spaces that communicate with each other and are not totally separated" | games and creative workshops for children | Intimate and cosy atmosphere | |
| The staff is not intrusive and lets the customer read the books on sale for as long as he/she likes | The customer builds the CX to his liking | Possibility to enjoy the RED store | Books allocated on the basis of genre | It can happen that a customer enters the store for a lunch and then ends up buying a book | "When customers go to RED, they don't have a clear idea of whether they are entering a book- store or a restaurant. Everything is integrated" | literary meetings | The customer tends to spend a lot of time in the store | |
| The staff does not care what the customer is doing | The customer with flexibility moves among the different areas of the store choosing what he prefers to dedicate himself to | The customer can enjoy the store as he sees fit | "Products sell them- selves by creating a unique and coherent store centered around them". | Most meals offered in a RED restaurant are based on books | | aperitifs in the language | Presence of several areas to relax and sit | |
| No one worries about what customers do | Customers enter the store driven by different needs | | "If you go into a bookstore where you can find more than 50,000 books, you need someone to show you, someone taking care of your visit. In RED, it's easier for the customer" | Book titles are used to name the dishes, and some recipes even come directly from the narratives | | | | |
| Customer-centric way of managing store visits | In-store customers can customise and change their CX | | | Sale of culinary products dedicated to some stories of famous novels | | | | |
| Allowing customers to shape their own experience | place that can be used and shaped based on specific personal needs and moods. | | | | | | | |
| Front line employees act as a facilitator of the customer experience | The customer sitting down to write/work when hungry or thirsty goes to the bar to get something | | | | | | | |
| "Front-line employees switched from being company representatives responsible for customer satisfaction and maximizing pur - chases to facilitators of customer' experiences." | No predefined, dominant paths. | | | | | | | |
| "In RED stores, people are free to spend as much time as they like doing what they like" | The store must be flexible to allow customers to pick what they want | | | | | | | |
| | "In RED stores people can configure the activities as they wish" | | | | | | | |
| | "Creation of a tailored and unique experience" | | | | | | | |

*Table 37: RED Feltrinelli - Ethnographic Research*

# List of Figures

# List of Tables