Managing the gaps between intended and enacted value propositions
A qualitative study exploring internal marketing in a retail context

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Abstract

The fierce competition on the retail market has led firms to stop focusing on firm-customer transactions and start focusing on firm-customer relations. New customer demands make it impossible for firms to gain a sustainable advantage by focusing only on their goods assortment. This forces retailers to consider the customer experience and differentiate themselves by how they offer what they offer. This has led to many retail companies try to shape the behaviours and emotional displays of their frontline employees in encounters with customers. Many firms define customer service concepts as an attempt to create high quality customer experiences. However, a successful realisation of these concepts can be challenging.

Service-Dominant Logic researchers argue that firms cannot single handedly create value but that it is co-created in the interaction with customers. Therefore, they can only create value propositions, which is a proposal for value co-creation based on an integration of products and services. Services marketing researchers emphasise the importance of internal marketing for enabling frontline employees to represent the firm in the interactive value-creating process with the customer. Prior research focuses on the customer-driven development of value propositions, and techniques to conduct internal marketing, but does not provide relevant theories about the realisation of value propositions or the implementation of these internal marketing techniques. This thesis conceptualise the human factor of the realisation of the value proposition with the concept of intended and enacted value propositions. The purpose was to develop a deeper understanding of how internal marketing can be used to manage the gaps between intended and enacted retail value propositions. This was addressed by investigating one of Sweden’s largest retail companies on commission. Since the company has requested to remain confidential, it will be called Anonymous Commission Company (ACC) in this thesis. The current study has answered the following research question: “How can the gaps between intended and enacted retail value propositions be managed through internal marketing?”

The research question was answered through a qualitative study and in-depth interviews with both CS concept managers and frontline employees. The intended value proposition was investigated by a combination of ACC documents related to the CS concept, and interviews with the CS concept managers. By interviewing the frontline employees, their perceptions and enactment of the value proposition was investigated, as well as how they experience the current internal operations at ACC. The findings confirmed the proposed concept of intended and enacted value propositions, and four main barriers causing the gaps between them were identified through a thematic network analysis. Internal marketing theories were used to analyse how retail companies can overcome these barriers by engaging, enabling, empowering and ensuring their frontline employees. The thesis offer implications for retail managers on how they can manage the gaps between intended and the enacted value propositions. The study contributes to prior research by combining value proposition theories and internal marketing theories, and by offering detailed recommendations for retail firms. Furthermore, the study enriches the practical implications regarding retail value propositions and retail value proposition realisation.
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1. Introduction

In this chapter, the problem background will be presented, followed by the identified research gaps in the literature, the research question and the purpose for this thesis. Further, the chapter contains a presentation of the commission company.

1.1 Problem background

The exchanging of goods has been a central aspect of the world economy for hundreds of years. However, the competition on retail markets is fierce, and new technological advances makes it impossible for firms to compete with only tangible goods (Grönroos, 2000, p. 10-11), since they are easily imitated (Sorescu et al., 2011, p. 5). The rapid growth of e-commerce in the past decade has led to major changes for the retail industry, and retailers are faced with both opportunities and challenges (Handelsrådet, 2016, p. 11; Verhoef, Kannan & Inman, 2015, p.174). The two main characteristics differentiating the retail industry from other industries are that they sell goods and interact with the end customer (Sorescu et al., 2011, p. 5). New customer demands have forced firms to stop focusing on firm-customer transactions and start focusing on firm-customer relations (Sorescu et al., 2011, p. 5). Therefore, firms are unable to gain a sustainable advantage by focusing only on their goods assortment. Instead, they need to find ways to differentiate themselves with how they offer what they offer. In other words, retailers need to consider the customer experience (Sorescu et al., 2011, p. 5) and services, in order to compete in the marketplace (Grönroos, 2000, p. 10; Vargo & Lusch, 2004, p. 5).

The Swedish retail industry employs almost 260 000 people (Handelsrådet, 2016, p. 7) and customer service has become a key aspect of retail firms’ business strategies. The behaviours of frontline employees have become a central part of the value creating process marketed to customers by firms, which have changed the nature of the frontline employees’ work roles. While products are relatively easy to control and align with managerial intentions about customer offerings, the human factors of these offerings are complicated to standardise. Gilmore (2000, p. 83) argues that “interactions are based on social exchange, involving mutual orientation, dependence, satisfaction, commitment, and adaptation”. Many retail companies are trying to shape the behaviours and emotional displays of frontline employees in encounters with customers. A common phenomenon today is that firms define customer service concepts to create high quality customer experiences. However, a successful realisation of these concepts can be challenging.

Previous literature offers different views on what a service is (Vargo & Lusch, 2004, p. 2). Witell et al. (2016, p. 2864) argue that some researchers view service as an intangible good that can be approached with the same strategies and theories as goods. Other research streams define service as something fundamentally different from goods, because of its intangibility (Witell et al., 2016, p. 2864). This literature highlights the so-called service industries, such as for example health care and education. Service has also been defined as a value-adding element offered to enhance a good (Witell et al., 2016, p. 2864). Vargo and Lusch (2004, p. 2) define services as “the application of specialised competences (knowledge and skills) through deeds, processes, and performances for the benefit of another entity or the entity itself”. This definition of the service concept makes the foundation for Vargo and Lusch’s (2004) Service-Dominant Logic (S-D Logic), a philosophical view on the business world. The philosophy is
applicable to both tangible and intangible aspects of a customer offering, and contrasts to the traditional Goods-Dominant Logic (G-D Logic) that evolved in a time when the business world primarily considered tangible resources (Vargo & Lusch, 2004, p. 2). This traditional perspective emphasises the distribution and sales of goods with embedded value. Firms are thought of as producers of homogenous outputs, and strategies are aimed to magnify sales and profit by maximising goods’ embedded value in the production process. Furthermore, the G-D Logic perspective accentuates that competitive advantage in the marketplace is derived from the provision of value to customers in the form of tangible outputs (Vargo and Lusch, 2004, p. 5).

The S-D Logic contrasts this perspective by highlighting the need for firms to identify and develop their specialised knowledge and skills, and that those are what can potentially lead to competitive advantage. Firms should look to how these core competencies can benefit existing and potential customers, and establish relationships with them (Vargo & Lusch, 2004, p. 5). The perspective views everything as service and propositions of value, which can be offered to the customer in different ways (see Appendix 1). The specialised knowledge and skills can be offered to the customer directly, through human interaction, or indirectly by embedding the knowledge and skills in a tangible good or software (Bettencourt et al., 2014, p. 51). In accordance with this, Prahalad and Hamel (1990, p. 85) explain goods as “the physical embodiments of one or more competencies” (As cited by Vargo & Lusch, 2004, p. 9). Bettencourt et al. (2014, p. 49) oppose the perception of value as something produced by the firm and passively received by the customer. In line with this, Vargo and Lusch (2004, p. 11) argue that value can only be created in the interactive encounter with the customer. The value-creating process involves the customers experience with the firm, as well as with the tangible and intangible elements that they interact with (Vargo & Lusch, 2004, p. 11). Therefore, Vargo and Lusch (2004, p. 11) argue that firms cannot single-handedly create value - they can only create value propositions.

Carter and Ejara (2008, p. 69) mean that “‘customer value proposition’ has become one of the most widely used terms in business markets in recent years”. The value proposition can be defined as a firms’ promise of what kind of value customers can expect from interacting with the firm offering (Skålén et al., 2015, p. 139). To be successful, firms must be better than competitors in meeting customer needs (Dabholkar, 1996, p. 3), and therefore the value proposition should be the base of any business strategy aimed to reach good business performances (Anderson, et al., 2006, p. 98). The knowledge and experiences that employees possess can be of advantage for companies and their unique selling point (Vargo & Lusch, 2004, p. 9). In line with this, Bettencourt et al. (2014, p. 53) suggest that it is frontline employees’ skills and knowledge that give firms the potential to enable value creation. Furthermore, Skålén et al. (2015, p. 144) suggest that provision practices are the most important out of three firm practices crucial to the value proposition. In the provision practices, the customer’s problems are acknowledged and solved through the realisation of the value proposition (Skålén et al., 2015, p. 144). In summary, the frontline teams’ performances are crucial for the realisation of the value proposition in the service encounter.

Researchers agree upon that co-creation of superior customer value is the key to sustainable competitiveness and growth (Dabholkar, 1996, p. 3; Terho et al., 2012, p. 174). Due to changes in customer demands and competitors value propositions, firms need to innovate their value propositions in order to retain a competitive advantage
(Hafeez et al., 2002, p. 29). Since customers’ perceptions of value are constantly changing, it seems reasonable that the value proposition has to change as well. Therefore, value propositions and innovation become inseparable. However, the value proposition strategies suggested in the literature are somewhat differing from the strategies for service innovation. The value proposition research emphasise the importance of creating the value proposition based on an understanding of the customers’ interests and drivers (Lanning & Michaels, 1988, p. 4-5). Service innovation literature offers a wider scope of the value proposition by emphasising implementation as an important step of value proposition innovation (Skålén et al., 2015, p. 144). The current thesis develops value proposition literature further by incorporating the value proposition realisation to previous value proposition theories. The frontline employees are crucial for the implementation and realisation of the value proposition, and it is the human factor that creates a gap between the managerial intentions with a value proposition, and the actual frontline enactment of it.

The value that customers derive from a firm’s value proposition is based on an evaluation of perceived service quality and sacrifice. In other words, customers’ perceived value is determined by an evaluation of what value they invested to take part in the value-creating process, in relation to the value they derived from it (Grönroos, 2000, p. 87). High customer satisfaction and perceived service quality is accomplished through fulfilling or exceeding customers’ expectations in their experiences with a firm (Grönroos, 1982, p. 37). In other words, a customer’s experience of a value proposition needs to be as good or better than what they expected in order for them to be satisfied. The role of frontline employees in the value proposition strategy and process is inevitable.

While the service innovation research (Skålén et al., 2015, p. 144) highlights the implementation stage in a value proposition development strategy, the service marketing literature (Zeithaml et al., 2009, p. 32) stresses frontline performance as one crucial aspect of fulfilling customer expectations. Zeithaml et al. (2009, p. 32) suggest that one key issue for firms when trying to fulfil customer expectations is to transform a defined value proposition into actual frontline performance. The central role of frontline employees for firm profitability and success was acknowledged in the marketing literature at the time of the millennium shift, when researchers stressed the need for a paradigm shift. The usefulness of the traditional marketing concepts was questioned and criticised for the lack of consideration of on-going relationships between actors in the business environment (Vargo & Lusch, 2004, p. 1). Alternative marketing concepts were developed, suggesting that marketers should also take into account the customers, the employees, and the physical context of their encounter (Zeithaml et al., 2009, p. 24).

The current literature frequently stress the role of the customer in the production-process of firm value propositions (Ballantyne et al., 2012, p. 204; Hilton et al. 2012, p. 1511; Grönroos, 2000, p. 333), and the need for a customer focus has been emphasised in the marketing literature during the past two decades (Barnes et al., 2004, p. 593; Grönroos, 2000, p. 20). That customer satisfaction is the key to corporate profitability (Barnes et al., 2004, p. 596) is widely agreed upon by both researchers and practitioners. Instead of viewing the customer as a target of marketing and sales efforts, the new approach view the firm-customer relationship as an on-going process that include the time in between specific exchanges or transactions (Grönroos, 2000, p. 34). Furthermore, it is common knowledge that it costs less to maintain existing customers
than to acquire new ones through external marketing efforts (Berry, 1995, p. 237). A customer is someone that in some way co-create value together with an organisation (Vargo & Lusch, 2004, p. 11), and therefore firms need to consider their internal structures and processes in order for a customer focus to be effective (Barnes et al., 2004, p. 593). Strong firm-customer relationships are dependent upon internal structures and processes dealing with people in a way that benefits customer-oriented values within the organisation (Barnes et al., 2004, p. 593; Kasturi, 2003, p. 88).

This is addressed by the internal marketing concept, which has emerged from the service marketing research stream (Gummesson, 2000, p. 27). Companies give promises to customers through external marketing (Drake et al., 2004, p. 4) that the employees keep through interactive marketing in the service encounter (Grönroos, 2000, p. 308). Firms can support and enable these promises through internal marketing (Drake et al., 2004, p. 4). Flipo (2000, p. 63) means that after decades of marketing research acknowledging the shift in the external business environment, the importance of a customer-orientation as well as an employee focus is now common knowledge. Marketing is no longer limited to a marketing department, but are rather something that the whole organisation should be engaged in (Grönroos, 2000, p. 40). In line with this, Cahill (1996, p. 33) suggests that a strong organisation should work simultaneously with promoting high expectations to the customers, and enabling the frontline employees to fulfil the promised level of quality by communicating in a clear manner. Because of the influence that internal marketing has on frontline employees’ performance, researchers suggest that it should exceed the external marketing (Foreman & Money, 1995, p. 755). Internal marketing is a useful tool for communicating and integrating customer-focused values throughout an organisation (Grönroos, 2000, p. 330). Furthermore, it is a way to create and retain a service culture, as well as to embed a new value proposition amongst employees (Grönroos, 2000, p. 336-337).

Kotler (1988, p. 673) argues that effective and motivated frontline employees are the key to success. Based on the same thought, Grönroos (2000, p. 307) propose that frontline employees should be seen as internal customers. This means that the parts of an organisation that are not in direct contact with the customer should aim their efforts on serving the frontline employees, and making sure that they have what they need to meet the customer's expectations in the service encounter (Grönroos, 2000, p. 308). Drake et al. (2004, p. 16) propose that internal marketing contains four dimensions that companies should work with in order to realise the promises made to customers through external marketing. The dimensions are about engaging, enabling and empowering the employees to perform, as well as ensuring their performances through different measurements and feedback. The basic thought behind the internal customer perspective is that the stronger the relationship between firm and frontline employees, the stronger the relationship between the firm and the customer (Kasturi, 2003, p. 84).

1.2 Research gaps

In general, previous research demonstrates that value propositions needs to be continuously innovated in order to sustain competitiveness (Hafeez et al., 2002, p. 29). Furthermore, service innovation research highlights implementation of a value proposition as an important step in an innovation strategy (Skålén et al., 2015, p. 144). Prior research focuses on the customer-driven development of value propositions, but does not provide relevant theories about the implementation of them. The implications
for practitioners about value proposition strategy can therefore be considered inadequate. New value proposition needs to be implemented (Skålén et al., 2015, p. 144) and evaluated (Riihimäki et al., 2016, p. 73) in order to keep reinventing ways to co-create value with the customers. Previous literature states that the value proposition is turned into an actual customer value in the co-creative interaction process between the firm and the customer (Hilton et al., 2012, p. 1511), and the frontline employee is known to represent the firm in the encounter with the customer (Grönroos, 2000, p. 333). However, the value proposition concept has not yet been approached from a frontline employee perspective.

Terho et al. (2012, p. 175) acknowledge the lack of research regarding the frontline employees and their sales approaches in the context of customer value creation. While the frontline value-creating behaviours are frequently recognised as important, there are not many studies exploring the nature of those behaviours (Terho et al., 2012, p. 176). In line with this, Skålén et al. (2015, p. 144) highlight the importance of the provision practices for a new or developed value proposition. Furthermore, Terho et al. (2012, p. 183) emphasise the need for research about how a value orientation on an organisational level, is translated into individual behaviours at a salesperson level. The aim with the current thesis is to close the gap in the literature, by exploring the frontline employee interpretation and enactment of the intangible aspects of the value proposition, in relation to the managerial intentions behind it.

In order to understand the intended and enacted value proposition, the relationship between the two has to be investigated. Internal marketing is a marketing concept that emphasise firm-employee relationships, as well as communication and training related to value propositions. There are relatively few studies exploring the concept of internal marketing and this thesis is aimed to advance the theory and broaden the perception of it by viewing it through an S-D Logic lens, and incorporating it with the value proposition concept. Varey and Lewis (2000, p. 301) call for research regarding the application of internal marketing theories in organisational practices. Rafiq and Ahmed (1993, p. 230) suggest that the internal marketing concept should be widened, and include the outcomes of the internal marketing - the implementation of marketing. While the literature includes techniques to conduct internal marketing employees, Rafiq and Ahmed (1993, p. 231) argue that there is a lack of research covering the implementation of these techniques. By taking a practical approach, this study will investigate the internal marketing concept in the context of the retail industry. The concept will further be conceptualised as a tool for creating a strong customer-oriented organisational culture, as well as a customer experience with the firm, that are aligned with firm vision.

1.3 Research question

How can the gaps between intended and enacted retail value propositions be managed through internal marketing?

1.4 Purpose

The purpose of this thesis is to develop a deeper understanding of how internal marketing can be used to manage the gaps between intended and enacted retail value
propositions. The current thesis is written on commission for one of Sweden's largest retail companies. The firm has requested that the collected data will be handled confidentially and the firm name and concept name to be coded. Therefore, the firm will be called ACC (Anonymous Commission Company) in this thesis. The firm has developed a customer service concept with five steps, which conceptualises the intangible aspects of the firm’s value proposition. The concept is aimed to function as a guideline for the frontline employees to use in the day-to-day operations in the stores. This will be called the CS (Customer Service) concept.

The intentions behind the CS concept are to establish a customer-focused culture in the organisation and especially amongst frontline employees. Through the service encounter, the firm aims to create a corporate image as being the customers’ first hand choice for advice and service within their retail field. The current thesis is aimed to investigate how the CS concept is perceived by frontline employees, and enacted by them in the encounters with customers. This is conducted by examining the frontline employees’ understandings and knowledge about the CS concept, as well as their view of the ideal service encounter. The study is not aimed to only create an illustrative explanation of how things are, or to compare ACC with other organisations. The aim is rather to gain an in-depth understanding of how management practices can be improved through internal marketing. Therefore, the focus will lie on identifying critical points in the current internal firm operations. Lastly, the result should be practically relevant for ACC and applicable to the whole organisation.

1.5 Introduction to ACC

ACC is a Swedish retail company with around 5000 employees in different countries around the world. The company has a clear customer and service focus, and make efforts to attract customers by adapting to customer's needs. The firm has acknowledged the importance of having diverse and service-minded employees. Furthermore, ACC aim to be flexible and adapt to changes in the business environment in order to gain a sustainable advantage on the market. The company fits this study because they are customer oriented and has recently implemented a service concept (the CS concept) aiming to improve the customer experience. It is in ACC’s interest to align the intended and enacted value proposition, since it can lead to increased profitability and competitive advantages. This study will help ACC to gain a general understanding about how the value proposition is currently enacted in their stores. Furthermore, ACC will receive detailed practical recommendations on how to improve their internal operations to better support their frontline employees’ enactment of the CS concept.

The CS concept is a five-step guide for the employees on how to be there for the customers and solve their problems. The CS concept aims to stimulate the employees to interact more with the customers, and it stresses the fact that the firm only have one chance to make a good impression on its customers. By following the CS concept, ACC hope that the employees will be the best possible version of themselves in the encounter with customers. The five steps are about: (1) greeting the customer, (2) taking the initiative to interact with the customer, (3) being available, (4) satisfying the customer, and (5) exceeding the customers’ expectations. Greeting the customer refers to that the employees should greet the customers to make them feel seen, as well as get a good impression ACC. Taking the initiative to interact with the customer means that the frontline employee should offer the customer help before they have to ask for it, to
make them feel satisfied. *Being available* for the customers refers to that the employees should follow the customer through the store and attend to their needs and questions. *Satisfying the customer* means that the employees should try to understand dissatisfied customers’ point of view and accommodate their needs to avoid bad customer experiences. By exceeding the customer’s expectations, ACC means that the employees should make an extra effort to give good service and to “go the extra mile” for them. ACC’s aim with the CS concept is that the employees will work in a way that increases customer satisfaction, and consequently the profit. The frontline employees are meant to take on a role as a so-called “CS person”, which means that they always enact the CS concept while interacting with customers. Furthermore, the intentions with the CS concept is that it should be applied in the whole organisation, to make employees treat each other in the same way that they treat customers.
2. Scientific method

In this chapter, the philosophical stances, the research approach and the research design of the current study will be presented. Further, the researchers’ pre-understandings and choice of subject and theories will be introduced. To conclude this chapter, the literature search will be explained and ethical considerations will be discussed.

2.1 Ontology

Researchers develop knowledge and make assumptions that affect their understanding of the research question, the chosen methods, and the interpretation of the data collection (Saunders et al., 2012, p. 128). Ontology is a philosophical stance concerned with the nature of reality (Saunders et al., 2012, p. 130), and whether social entities are external to social actors or not (Bryman & Bell, 2011, p. 32). It includes assumptions about how the world operates (Saunders et al., 2012, p. 130). In other words, if one believes that people can affect social entities, or if they believe that social entities are consistent and independent of what people do (Bryman & Bell, 2011, p. 20). Two ontological perspectives are objectivism and subjectivism (also called constructionism) (Bryman & Bell, 2011, p. 20; Saunders et al., 2012, p. 130). Objectivism suggests that social entities in reality are external and independent of people’s reach and influences (Bryman & Bell, 2011, p. 21; Saunders et al., 2012, p. 131). Subjectivism suggests that social entities are within people’s reach and depend on their influences (Saunders et al., 2012, p. 131).

This thesis has a subjectivist approach, since the social entities within ACC are viewed as something that is shaped by the people within the organisation. The subjectivist perspective stimulated the aim to explore how the people within ACC can affect social entities within the organisation. This thesis is aimed to gain an understanding about different perspectives and perceptions of a firm’s value proposition, in different parts of the same organisation. Based on that, suggestions for specific actions and organisational behaviours will be made in order to change attitudes, behaviours, and the way people interact. An objectivist perspective would not have led to this kind of research, since it does not approach a social entity as something that can be changed by individual actions or behaviours. The distinction between intended and enacted value propositions emphasises that the social context within ACC is not approached as an entity of its own but rather a phenomenon that can vary depending on individual’s perceptions and actions. When it comes to the value proposition, the CS concept is not viewed as applied on the employees, but rather as depending on the behaviours and enactments of social actors.

2.2 Epistemology

Epistemology is a philosophical stance concerned with the view of knowledge, and what acceptable knowledge is (Bryman & Bell, 2011, p. 26; Saunders et al., 2012, p. 132;). It defines where science comes from and the validity of it (Patel & Davidson, 2011, p. 17). Epistemological questions include whether the social world should be studied with the same measurements and procedures as the natural science or not. (Bryman & Bell, 2011, p. 15). In other words, epistemology deals with if knowledge is objective or if researchers can interpret it in a subjective way. Two epistemological
perspectives will be explained further, namely positivism and interpretivism (Saunders et al., 2012, p. 132-137). *Positivism* is an epistemological perspective that applies techniques used within natural sciences (Saunders et al., 2012, p. 134). A positivistic view means that the main function of research is to test theories and providing new material to develop research (Bryman & Bell, 2011, p. 15). Bryman and Bell (2011, p. 16) argue that positivism should not be viewed as synonymous with “science”, since social science researchers have diverse opinions about how scientific practice should be defined. The use of natural science models for studying the social reality is criticised by many researchers within social sciences. However, it can be difficult to distinguish if the critique is directed towards the scientific practice in general or the positivistic approach to research (Bryman & Bell, 2011, p. 16). The *interpretivist* view contrasts to positivism and highlights the importance of looking at the differences of people as social actors (Bryman & Bell, 2011, p. 28; Saunders et al., 2012, p. 137). People makes interpretations of their every-day social life, and these interpretations create the individual's’ own unique meaning (Saunders et al., 2012, p. 137). This means that researchers having an interpretivist perspective to their research study people and their behaviours (Saunders et al., 2012, p. 137). The researchers must enter the world of the people and understand their decisions and way of acting (Saunders et al., 2012, p. 137).

The authors of the current thesis hold an interpretivist view, and seek to gain an understanding about the perceptions and behaviours of the frontline employees at ACC through frontline individual’s stories and perspectives. This study aims to explain frontline employees’ perceptions and interpretations of the CS concept, and individuals will be studied with considerations to their differences, as well as their subjective views. The researchers of this study do not think that this should be studied by testing theories and use a positivist perspective, but rather by understanding the frontline employees differences and similarities. The employees interpret their everyday work life at ACC in different ways and create their own meaning of the CS concept, and their interpretations might affect how they enact the CS concept. The positivist perspective and its similarities with natural science does not fit to describe how subjective interpretations affect the gaps between the intended and enacted retail value proposition. With an interpretivist perspective, the researchers of this thesis will gain an understanding about the frontline employees’ different decisions related to their enactment of the CS concept.

### 2.3 Research approach

According to Bryman and Bell (2011, p. 11), the research approach defines the relationship between research and theory in a study. Three common approaches to research are called *deduction, induction and abduction* (Patel & Davidson, 2011, p. 23; Saunders et al., 2012, p. 144). *Deduction* compares an already existing theory with reality (Patel & Davidson, 2011, p. 23; Saunders et al., 2012, p. 145). A researcher develops hypothesis or ideas based on existing theories and then tests it and compares it with reality (Bryman & Bell, 2011, p. 11; Collis & Hussey, 2014, p. 7; Patel & Davidson, 2011, p. 23; Saunders et al., 2012, p. 145). A deductive approach is mainly about investigating relationships between variables and concepts (Saunders et al., 2012, p. 145), and the existing theories determine how the researcher collects, describe and relate to the empirical data (Patel & Davidson, 2011, p. 23). Researchers should specify *how* the empirical data would be collected and used to compare the hypothesis and ideas with reality (Bryman & Bell, 2011, p. 11). Bryman and Bell (2011, p. 11) explain the
process of deduction in six steps: (1) the researchers have a theoretical framework that will answer their research question, (2) a hypothesis is assumed, (3) empirical data is then collected, (4) findings from the data collection are shown, (5) the hypothesis is either confirmed or rejected, (6) the researchers might then revise their theory. The current study is aimed to produce a result applying existing internal marketing theories to the retail value proposition context, and therefore a deductive approach is appropriate to use. The research will be based on a theoretical framework developed through previous research within two major research streams, and examined in the frontline retail context. The findings are then integrated with previous research through a development of the conceptual framework, and provide practical recommendations for practitioners.

An inductive research approach means that a theory is formulated based on observations of empirical data (Bryman & Bell, 2011, p. 13; Collis & Hussey, 2014, p. 7; Patel & Davidson, 2011, p. 23). Saunders et al. (2012, p. 146) exemplifies this as first using interviews to find empirical data, and then using it to develop a theory. The inductive approach is characterised by the researchers’ own beliefs and hypotheses (Patel & Davidson, 2011, p. 23). The inductive approach can entail elements of deduction, in an iterative process where they go back and forth between data and theory. One example of this is when researchers have collected data but need to collect more (Bryman & Bell, 2011, p. 13). An inductive approach does not fit this particular study since it will have a clear foundation in existing theories. The retail context will not be explored based on the authors’ subjective thoughts and previous experiences, but rather on their interpretations of previous findings within the research area. Based on this, the current thesis will not use an inductive approach for its research.

An abductive research approach applies first an inductive and then a deductive approach (Patel & Davidson, 2011, p. 24). Saunders et al. (2012, p. 147) mean that the abductive approach means going back and forth between deductive and inductive approaches. In the first step researchers find a specific case, and based on that case they define a hypothesis that becomes their groundwork, like in the inductive approach (Patel & Davidson, 2011, p. 24). In the second step, the researchers try their hypothesis in new cases, in accordance with the deductive approach (Patel & Davidson, 2011, p. 24). The abductive approach can lead to expanded and broader theories, as well as to making them more generalizable (Patel & Davidson, 2011, p. 24). The abductive approach includes the inductive characteristics previously mentioned, which make the abductive approach inappropriate for this particular study. Previous research findings make a central aspect of the research question and purpose of the current study, and a theoretical framework will guide both the data collection and the themes analysed. The research will start by investigating the current academic literature within the value proposition research stream and internal marketing research stream. A suggested theory will be developed out of the chosen literature and a theoretical and conceptual framework will be formed to fill the identified gap in the literature. The research question will be put in relation to the research context and be answered through collected empirical findings.

2.4 Research design

The research design of a study specifies the origins of the data collection, as well as the strategy and ethical considerations behind it (Saunders et al., 2012, p. 159). When
deciding the direction of the study, a choice between quantitative, qualitative, or a combined method has to be made. Quantitative research refers to the search for relationships between different variables that are measured and analysed with statistical routines (Saunders et al., 2012, p. 162). According to Bryman and Bell (2011, p. 410), the quantitative researcher is in charge of the investigation, and the research structure depend on the researcher's' concerns. Furthermore, quantitative research is about seeking insights about phenomena by being separated from it, and trying to generalise cause-and-effect relations (Lapan et al., 2012, p. 7). Quantitative methods use surveys, experiments, graphs, statistics, and measurements (Lapan et al., 2012, p. 9; Saunders et al., 2012, p. 163). Researchers with both a deductive and inductive research approach can use the method, although a deductive approach is more common (Saunders et al., 2012, p. 162). Although the current study is using a deductive approach, the result is aimed to be explorative and in-depth. Because of this, a quantitative research design is not appropriate to use.

A qualitative research method refers to the search for relationships between the participants’ perceived meanings (Saunders et al., 2012, p. 163). In qualitative research, Bryman and Bell (2011, p. 410) mean that the participants and their perspectives make the base of the research structure. Qualitative research is not about generalising hypotheses or to find “cause and effect” relationships, but rather about understanding how everyday interactions arise and their individual meanings (Lapan et al., 2012, p. 8). To collect empirical data, the researchers need to use their sensitiveness and establish trust among the participants (Saunders et al., 2012, p. 163). Saunders et al. (2012, p. 163) mean that one way of doing this is through in-depth interviews (Saunders et al., 2012, p. 163). Researchers with an interpretivist perspective aim to investigate how different people experience the world and create meanings of their own perceptions (Lapan et al., 2012, p. 8). The qualitative methods use more reflections and words than numbers (Lapan et al., 2012, p. 9). A qualitative method is often related to an interpretive perspective (Lapan et al., 2012, p. 8; Saunders et al., 2012, p. 162), which means that researchers need to reflect upon the different meanings in their collected empirical data (Saunders et al., 2012, p. 163).

This thesis will use a qualitative research design for its study since the aim is to gain in-depth understandings about value proposition enactments. In-depth interviews will be made with both CS concept managers and frontline employees at ACC. The aim with the management interviews is to deepen the understanding about the intended value proposition, and compliment the secondary data available about the CS concept. The frontline interviews are aimed to create an understanding about how the CS concept is interpreted and enacted, but also the reasons behind it. The authors of the current thesis hold an interpretivist perspective on knowledge creation, which also supports the choice of a qualitative research design. The focus of this study will be on the meanings and interpretations of the participants. It is necessary to get close to the participants to make assumptions about vision, interpretations, and the different dimensions of the value proposition, and therefore a qualitative research design will be used. In-depth interviews will be conducted to gain the desired understandings about the examined phenomenon, and to enable the necessary reflections on the collected data. As mentioned earlier, secondary data is used in this study as well. Documents related to the CS concept is studied and used to gain an understanding about the concept - the intangible aspect of the intended value proposition. This data is purely based on words, formulations and explanations, which make it qualitative.
2.5 Pre-understandings

According to Gilje and Grimen (2007, p. 179), people never read or experience anything without pre-understandings. The pre-understandings can make it easier for researchers to decide upon in what area they choose to study (Gilje and Grimen, 2007, p. 179). Personal experiences are one aspect of researcher's pre-understandings and it varies from person to person (Gilje and Grimen, 2007, p. 183). Both authors have been working for several years in large retail companies in Sweden, with high customer focus and an aim of helping to solve the customer’s problem. These retail experiences and a genuine interest for service and customer experiences, made them choose to study for a professional degree in business and economics with a specialisation in service management. What makes the study program special is its emphasis on customer relationships and loyalty. Some of the courses included in the study program are organisational management, behaviour science, and service design. The perspective on profitability is approached in a way that includes loyal customers and long-term customer relationships. This education is aligned with the author's’ beliefs and perceptions about business, and deepened their knowledge and understanding about concepts and constructs related to service and retail.

According to Bryman and Bell (2011, p. 414), pre-understandings can be the researcher's’ access to a specific organisation. Using private or professional contacts in order to gain access to organisation is recommended by (Bryman & Bell, 2011, p. 428; Saunders et al., 2012, p. 219). The researchers might know what the company does, their cultural environment, and who to contact for information about its operations (Bryman & Bell, 2011, p. 414). The contact with ACC was established through a professional contact from the organisation. This contact introduced the authors to a member of ACC’s CS concept management team, which made the current co-operation possible. The CS concept management team mediated access to the CS concept and the stores. One of the researchers of this thesis has previously worked in an ACC store, and knows their values and view on customer service. Bryman and Bell (2011, p. 414) argue that insights like these might affect the empirical data. That researcher does not, however, have previous knowledge of the CS-concept. This means that the collected data about the CS-concept is new to both of the thesis authors. However, the fact that one person has worked at ACC before might affect the results of the data. This will be taken in great consideration to minimise potential bias by avoiding personal interpretations on previous experiences of ACC and only focus on the collected data.

Researchers can have pre-understandings that never get mentioned since they might take them for granted (Gilje and Grimen, 2007, p. 183). This means that there are things related to the author's background that will guide them in interpreting and understanding both theories and empirical findings that might not be considered in this section. The point of departure for this thesis is with basic understandings about service and organisational issues. According to Gilje and Grimen (2007, p. 183), people interpret the world differently depending on past experiences from their life. Some things that are natural for one person can be completely foreign for others (Gilje & Grimen, 2007, p. 183). The authors’ previous experiences and knowledge might affect the interpretations of the reality, and consequently the presented results. However, critical considerations regarding pre-understandings have been made continuously.
2.6 Choice of subject and theories

The common interest for service management was the main reason for why the two authors decided to write a thesis together. Based on previous experiences within the retail industry and personal interests in service and customer value, the authors of this thesis chose to take on an S-D Logic (Vargo & Lusch, 2004) approach to both their own research and the business world in general. The fundamental view of creating value for customers is aligned with the values and perceptions held by the authors. Therefore, the S-D Logic (Vargo & Lusch, 2004) became a natural choice of theory. Firms put their efforts into creating the best possible customer offering, in order to gain advantages and market shares on a highly competitive business environment. These customer offerings can be explained by different theories, but with the S-D Logic (Vargo & Lusch, 2004) as the foundational philosophy, the value proposition theory was the most suited. The value proposition theory offers an explanation of what it is that retail firms offer their customers in order to gain profits, taking into account both the products and the intangible values such as service and brand image.

After studying both management and marketing theories during several years, both authors acknowledged a large overlap in these fields. Both research streams highlight a holistic view of the firm and an overall strategy taking into account both management and marketing objectives. Even though researchers have been emphasising this for decades, there seem to be a gap in how practitioners apply it in their businesses. By talking to several large retail and service companies, the need for practical implications for internal value proposition strategies became clear. All of the firms have developed and defined different concepts for how they intend to be relevant for customers and co-create value with them. The problem for these firms lies with making these unique value propositions reality and they expressed a difficulty in converting their great visions into actual customer experiences. This observed need amongst retail managers led to that the current thesis and study adopted a frontline employee focus and an aim to meet this need.

The CS concept is studied in the light of value proposition theory and approached as the value proposition that ACC’s have designed for their customers. The gap between the intended and enacted value proposition could be addressed in many ways. Several research streams view the same phenomenon from different angles and use different definitions for similar things. Patel and Davidson (2011, p. 43) argue that researchers generally find a huge amount of research during their literature reviews, and that they need to make limitations and decisions about what to write about, in order to move on in the research process. Researchers need to limit themselves depending on time frames (Patel & Davidson, 2011, p. 69), and the current study has to be conducted and completed in one semester. In terms of the limited time and financial limitations, the amount of theories had to be narrowed down.

The service marketing research stream offers two majorly relevant theories that were used to understand and address the gaps between intended and enacted value propositions. The service quality gaps theory (Zeithaml et al., 1990) explains what aspects of firms’ internal processes that can disrupt the fulfilling of customer expectations if handled badly. This theory concretises the need for internal strategies handling frontline performance, in line with the need expressed by retail managers. The theory was suitable since it helped the authors to narrow down the internal processes to
the one most relevant to the purpose. When it comes to internal processes and strategies, theories within human resource management (HRM) or internal branding, could be applicable. However, they focus mainly either on training and developing employees, or on communicating a company's brand to employees. The internal marketing theory (Grönroos, 2000; Drake 2004) offers a wider perception of internal processes and communications, and encompasses aspects from both HRM and internal branding theories. Internal marketing was chosen as one of the main theories because of its holistic perspective.

There is a problem with some of the terms used in management and marketing literature, since they are originating from manufacturing-oriented research (Grönroos, 2000, p. 13) and a goods-dominant logic view (Vargo & Lusch, 2004). Instead of using the term “consumer”, the term “customer” will be used for all people that are in some kind of contact with a firm. People not yet in contact with the firm are called potential customers. This is because the word “consumer” implies that individuals use firm outputs, and does not take into account the on-going relationship and the co-creation between a firm and individuals. Furthermore, the terms “provide” and “deliver” is not used in the value proposition context. This is because it contradicts the fundamental view of the customer as a co-producer of value. According to the S-D Logic (Vargo & Lusch, 2004), firms can only make value propositions, and therefore they cannot deliver value. Except for when the value proposition is explained, the word “products” are not used. This is also in line with the S-D Logic defining everything as services, delivered directly through people or indirectly through products. Furthermore, the value proposition perspective comprises both tangibles and intangibles, which makes the word “product” irrelevant.

2.7 Literature search

The theoretical framework for this particular study is established through previous research in specific areas and research streams, and has been found in books and digital research articles. Research should include more than one perspective to avoid bias and a conception that are not aligned with reality (Collis & Hussey, 2014, p. 59; Patel & Davidson, 2011, p. 69). Therefore, the current research covers different perspectives from other researchers in order to give the reader a broad understanding of the research stream. The books referred to in this thesis have been accessed through the Umeå University Library. Researchers suggest authors to find literature by using databases through libraries since they cover a large spectrum of both seminal and novel research (Patel and Davidson, 2011, p. 43; Bryman, 2012, p. 113). A majority of the research and theories presented in this thesis have been sourced through databases available through Umeå University Library. The database most frequently used is EBSCO Business Source Premier. When searching for some specific seminal works, the general search function of Umeå University Library, covering all its available databases, was used. In a few cases, Google Scholar had to be used to find specific seminal works. Patel and Davidson (2011, p. 68) mean that it is important for researchers to be critical towards literature so that the knowledge that is presented is trustworthy. In accordance with this, the articles referred to in this thesis were all published in peer-reviewed journals. By choosing only peer-reviewed articles the aim has been to create a theoretical framework with high credibility and quality. Furthermore, all articles have been read critically to prevent eventual bias.
Using keywords during literature search is a common way to find specific literature that is relevant for the chosen topic and research question (Bryman & Bell, 2011, p. 108; Collis & Hussey, 2014, p. 78; Patel & Davidson, 2011, p. 45). Patel and Davidson (2011, p. 45) suggest that researchers should use combinations, shortenings, and synonyms of the keywords to find literature within the specific area. Keywords used and combined in different ways in the literature search for the current thesis were: Service-Dominant Logic, Value Proposition, Internal Marketing, Retail, Service Marketing, Service Innovation, Front-Line Employees, Service Employees, Culture, Service. Bryman (2012, p. 113) suggest that researchers can look for relevant research by studying the reference lists of other researchers work. This has been done regularly during the literature search related to the current study, and many of those articles have been read in order to determine if they were relevant for this study or not. According to Bryman and Bell (2011, p. 103), reading the existing research related to the chosen research topic is important in order to contribute with something new to the literature. By doing an extensive literature search and reading such a large amount of research, seminal works and the research most relevant for the current study, has been presented. In order to avoid bias and misinterpretations of research, this thesis does mainly contain original references. In some cases, the original works were not available in any of the accessible databases, and secondary references had to be used. Bryman and Bell (2011, p. 114) mention that sometimes a quote might lose its meaning if people do not quote it directly. In line with this there are a few secondary references that were used in order to cite the right quote or expressions.

2.8 Ethical considerations

Researchers need to consider the rights of the people or the organisation that are involved with or affected by the study (Saunders et al., 2012, p. 226). When conducting interviews, researchers need to consider people's willingness to attend and answer interview questions (Patel & Davidson, 2011, p. 73). The ethical considerations will advance the quality of the research (Bryman & Bell, 2011, p. 128), and should be made throughout the whole research process, from start to end (Saunders et al., 2012, p. 226). The organisation and the people that are involved within this specific research have had their own choice of participating or not. In the beginning of the research process, ACC was told that they could be confidential if they wanted to. That was what they wanted, and their confidentiality has been respected and taken very seriously. In their turn, the top management asked ACC store managers if they wanted to participate in the study. If they chose to do so, they could sign up for it in a digital link distributed to them through email. The stores that signed up were then contacted by the authors of this thesis, with an introduction email. In the introduction email the store managers got information about the study, the confidential agreement, and all the ethical aspects that were taken into consideration. The store managers were able to choose time and place for the interview, on order to conduct the interviews on their terms and in a way that did not interfere with their work. The frontline employees that were interviewed got some information about the study from their store managers, and an introduction from the interviewers before starting the interviews. This was done because the interviewees have the right to know that they are participating in and in what context their words would be interpreted and analysed. Furthermore, it was an attempt to gain the interviewee's' trust in order to receive in-depth and honest answers from them. Researchers should show respect and
integrity for the involved people and/or organisation by working transparent and show social responsibility (Saunders et al., 2012, p. 231). This thesis will be read by ACC before it gets published, and they have the right to express opinions about its content. However, the researchers will take into account the integrity of both ACC and the conducted study. The validity of the research will not be compromised, but neither will the confidentiality and respect towards ACC. Furthermore, there has been a degree of transparency during the work process with the thesis, in terms of giving the interviewees the possibility to read through the transcription of their own interview.

The data collection should be made in a manner that offers privacy, voluntarily rights to participate, and respect of people’s dignity (Saunders et al., 2012, p. 231). It should not lead to embarrassment or stress (Saunders et al., 2012, p. 231). In line with this, all the store managers were asked to provide a private room for the interviews, so that they could be conducted with respect to the interviewees’ privacy and the confidentiality of their statements. Patel and Davidson (2011, p. 74) argue that it is important to inform the individuals involved about whether their answers will be available for others, or if they are anonymous or confidential. Anonymity means that no one knows exactly what individual have given what response, including researchers. This is because all the personal information does not exist (Patel & Davidson, 2011, p. 74). By being confidential it is only the researchers that know who has responded or been interviewed, and no one else (Patel & Davidson, 2011, p. 74). It is only the researchers and the store managers that know which people that have been interviewed for the study. This means that the top management of ACC do not know which frontline employees that have been interviewed. Furthermore, a confidential agreement has been concluded with ACC, which means that it is only the researchers conducting the current thesis and their supervisor that knows what company ACC is.

Saunders et al. (2012, p. 230) argue that researchers should use the principles of ethics in order to avoid harming people and organisations (Saunders et al., 2012, p. 230). By evaluating the risk of harming people, researchers are more likely to avoid or reduce it when conducting their research (Saunders et al., 2012, p. 230). There have been careful considerations about ethics from the start until the end of this thesis. The risks of harming people have been discussed between the authors and together with ACC in order to avoid them. Prior experiences of the authors have been used and been a great help when working with the ethical principles of doing research. Furthermore, all recordings of the interviews are only available for the researchers of this thesis to take part of and will be deleted when the research comes to an end.
3. Theoretical framework

In this chapter, a theoretical framework will be presented based on two concepts from two main research streams: the value proposition concept within the S-D Logic research, as well as the internal marketing concept within the service marketing research. Further, a conceptual framework based on the two concepts will be introduced and result in a proposed conceptual figure.

3.1 The Service-Dominant Logic and value propositions

"Strive not to be a success, but rather to be of value."

– Albert Einstein

The S-D Logic research stream developed by Vargo and Lusch (2004) emphasises value propositions and the firm-customer co-creation of value (Vargo & Lusch, 2004, p. 11). The research suggests that the fundamental core of any exchange is the application of specialised skills, either through performed activities or through outputs that are resulting from performed specialised skills (Vargo & Lusch, 2004, p. 6). Firms can combine tangible and intangible assets with firm capabilities to create unique value propositions (Hafeez et al., 2002, p. 29). Competitors can copy and imitate tangible resources and therefore it is favourable for firms to focus on what makes them truly unique (Vargo & Lusch, 2004, p. 6). Therefore, knowledge is what creates unique value propositions and a sustainable competitive advantage (Vargo & Lusch, 2004, p. 9). The real life case at ACC will be approached through a S-D Logic lens, and the firms’ value-creating processes will be critically evaluated and discussed.

Bettencourt et al. (2014, p. 63) suggest that firms should integrate resources throughout the whole company, as well as with external stakeholders, in a manner that supports value co-creation. Since tangible elements functions as distribution mechanisms for service provision, all exchanges of money and goods within a distribution channel are only instruments for indirect exchanges of specialised skills (Vargo & Lusch, 2004, p. 8). This means that all economies are service economies, not only the ones mainly offering direct service (Vargo & Lusch, 2004, p. 10). The S-D Logic emphasise value creation rather than value distribution, and propose that the ultimate focus for any firm should be on the customers’ value creating processes (Vargo & Lusch, 2004, p. 11). Based on the centrivity of value co-creation, the S-D Logic research has developed towards a network and systems orientation, and an actor-to-actor approach (Vargo & Lusch, 2011, p. 181). Researchers argue that the co-creation of value and the exchange of applied skills and competences between actors (business-to-business and/or business-to-consumer) create complex service ecosystems (Chandler & Vargo, 2011, p. 45; Vargo & Lusch, 2011, p. 181).

According to Bettencourt et al. (2014, p. 44), firms need to change their view on marketing, markets and customer offerings. Even though many firms today acknowledge the need for a customer-centred business strategy, they should focus less on internal aspects, such as how they can influence customers to buy more, and more on how they can use their unique resources to create value for the customers (Bettencourt et al., 2014, p. 45). A service process can encompass both tangible and intangible elements (Grönroos, 2000, p. 47), and Gummesson (1995, p. 250-51) argues that “customers do not buy goods or services: they buy offerings which render services
which creates value” (As cited by Vargo & Lusch, 2004, p. 2). The value proposition concept was first defined by Lanning and Michaels (1988, p. 3) as a promise that the firm makes to its customers about what value can be derived from a “combination of benefit and price”. The value proposition is a firm’s planned effort to support the customers’ value creation. The actual value, however, is co-created by the firm and the customer (Skålén et al., 2015, p. 139). This means that value is not created in the transaction with the customer but in the interactive value-creating process between a firm and a customer (Bettencourt et al., 2014, p. 48). The value proposition is aimed to support the customers’ value creation, and can be viewed as a promise that the firm make to the customer about what kind of value the customer could get out of the offering (Skålén et al., 2015, p. 139).

According to Kowalkowski (2011, p. 279), it can be demanding for firms to adopt a true service strategy, since it costs time, money and effort. Some firms might perceive that they are lacking the financial and organisational resources to undertake a shift in their strategy towards the S-D Logic (Day, 2006, p. 87). However, a well-planned and well-executed value proposition makes an important contribution to firm performance (Anderson et al., 2006, p. 98). Since both the firm and the customer are active participants in the process of exchange, Vargo and Lusch (2004, p. 12) argue that the customer experience and the firm-customer relationship should be the core of any business strategy. This is in line with the suggestions by Lanning and Michaels (1988, p. 3) stating that a competitive business strategy is based on a value proposition that is superior to competitors. Day (2006, p. 87) means that firms can choose to make relationship building and superior value propositions either a central or a supportive aspect of their business strategy.

According to Lanning and Michaels (1988, p. 4-5), a value proposition strategy should encompass two key actions: (1) choice and definition of the constituents of the value proposition, and (2) focus of all firm activities on communicating and performing the value proposition. A more recent study, by Terho et al. (2012, p. 178), suggest that when selling value, firms need to (1) understand the customers’ interests and drivers, (2) design the value proposition, and (3) communicate the value. These constructs are similar to each other, and the dimension that was added by Terho et al. (2012, p. 178) emphasise the importance of grounding value propositions in customer needs. Kowalkowski et al. (2012, p. 1555) extended this perspective further by proposing that the value propositions should be developed through a reciprocal exchange of knowledge, between the firm and the customer. A study by Corvellec and Hultman (2014, p. 356) offers a political perspective and suggest that firms can define different value propositions that address different institutionalised activities, processes, or practices. Firm activities and resource integration can offer one kind of value to the users, and another value to environmental and economical practices (Corvellec & Hultman, 2014, p. 356).

3.1.1 The constituents of the value proposition

Anderson et al. (2006, p. 91), recognised a gap in the practical research about the value proposition concept, regarding what constitutes a value proposition as well as what makes it compelling to customers (Anderson et al., 2006, p. 91). This was investigated, and three types of value propositions were defined and explained in relation to each other. Firms can communicate all of the possible benefits that the customers could enjoy with the offering, which means that the firm focus on what they offer and how it can be
valuable for the customers. This type of value proposition is called the all benefits proposition (Anderson et al., 2006, p. 92-93).

The second type of value proposition is called the favourable points of difference proposition, and emphasises the customer sovereignty in the business environment. The main focus of this type of proposition is to offer a customer value that is more persuasive than the competitors, by highlighting how the offering differs from their offerings (Anderson et al., 2006, p. 94). However, Anderson et al. (2006, p. 94) argue that there is a possibility that the firm focus too much on the competitors. How the customers value these differences might not be aligned with the firm presumption, and the lack of understanding about customer preferences can lead to value propositions that offer the customers relatively little value (Anderson et al., 2006, p. 94). Hence, firms’ focus should not lay with product or services by their own, but on how they form a value proposition and how it can be a solution to customer problems (Bettencourt et al., 2014, p. 47). Lanning and Michaels (1988, p. 4) suggest that a superior value proposition is about offering the customers as much benefits as possible in relation to what they pay to take part of it. This could be by offering more value for the same price as competitors, the same value for a lower price, or more value and a lower price than the competing firms. Vargo and Lusch (2004, p. 11) argue that firms’ specialised skills and knowledge need to be of benefit to someone in order to be of value, which means that the customer have to be a co-producer of value. The firm can prepare an offering aimed to serve a customer need, but the actual value of the service is determined in the interactive process with the customer, when the value proposition is consumed (Vargo & Lusch, 2004, p. 11).

The type of value proposition that Anderson et al. (2006, p. 94) recognise that firms should strive for is the resonating focus proposition. This approach stress that “less is more” and the importance of concretising the value proposition based on what the customers want. In order to successfully create this kind of value proposition, firms need to gain insights about how to create the greatest value to their customers (Anderson et al., 2006, p. 94-95). In accordance with this, Bettencourt et al. (2014, p. 52) suggests that sustainable competitive advantage is not derived from the value proposition itself but from the way it is applied to customer problems and how it is of benefit to them. Customers “hire” value propositions based on what jobs they are trying to get done (Bettencourt & Ulwick, 2008, p. 109). The ACC value proposition is concerned with the solving of customer problems through a combination of products and service, and that is what the customers expect when they enter an ACC store.

Research by Hilton et al. (2012, p. 1511) suggests that co-creation of value is made in the interaction between the firm and the customer. Both actors contribute with resources that are integrated in the encounter between firm and customer, and turned into a valuable outcome. The customers’ perceived value is determined by the evaluation of the customers’ resource input (time, effort, and money) in relation to the firm’s value proposition (Cronin, 2016, p. 261). The value proposition encompasses the combination of resources that the firm contribute with to the co-creation process (Hilton et al., 2012, p. 1511). Sorescu et al. (2011, p. 5) argue that retail firms need to widen the focus from what they offer their customers and acknowledge the dimension of how they offer it, in order to differentiate themselves on the market. For a retail firm as ACC, it is therefore crucial to focus on their contributions to the value co-creation process and on the intangible aspects of the value proposition. However, researchers argue that the
frontline enactment of the value proposition needs to be supported by other internal practices (Skålén et al., 2015, p. 144).

Skålén et al. (2015, p. 144) suggests that value propositions should be approached holistically and be seen as “promises of value creation that build upon configurations of resources and practices”. Research by Skålén et al. (2015, p. 144) proposes that there are three main practices, which together create the practice dimension of the value proposition: provision practices, representational practices, and management and organisational practices. The provision practice is the central practice since it is focused on identifying and solving customer problems, and making sure that the value proposition is realised (Skålén et al., 2015, p. 144). The frontline employees co-create value together with the customer and solve their problems in the service encounter (Grönroos, 2000, p. 335). Therefore, the frontline employees at ACC can be seen as what makes the provision practices. Skålén et al. (2015, p. 144) suggest that the integration of resources enables mutual value creation (Skålén et al., 2015, p. 144).

The representational practices make sense of the value proposition, define it, and communicate it both internally and externally. The integration of resources is, in this practice, intended to support the concretising and structuring of the value proposition. The representational practices are the communicating instance between the firm and the customers, as well as internally to back the provision practices (Skålén et al., 2015, p. 144). The purpose of the management and organisational practices should be to align and organise the provision and representational practices, by providing the working methods and resources that are needed in those practices. The operations of the management and organisational practices are concerned with staffing, team building, organising work and knowledge sharing (Skålén et al., 2015, p. 144). The current thesis will explore the provision practices and the frontline employees experiences regarding ACC’s representational practices and management and organisational practices. Investigating the dynamics between the three main practices, can lead to an understanding about the reason for possible gaps between intended and enacted value propositions.

3.1.2 The inseparability of the value proposition and innovation

Customer demands and perceived value changes over time, and therefore the value proposition needs to be adjusted in order to retain customers. Hence, continuously innovating value proposition becomes inevitable. Firm-specific skills are derived from the internal sharing of existing knowledge, as well as acquired external knowledge (Vargo & Lusch, 2004, p. 9). Combining firm-specific resources and at the same time develop new capabilities in-house is crucial to firms today. In order to sustain the competitiveness, firms need to acquire the ability to continuously renew the firm’s competences in order to develop in accordance with the ever-changing business environment and customer demands (Hafeez et al., 2002, p. 29). Bettencourt et al. (2014, p. 51) propose that; rather than trying to find solutions for how outputs can be made better, firms should look into optimising the way customer jobs get done. This implies that firms should investigate the process of the job that the customer wants done, in order to identify critical points in the process that can be improved or developed to broaden the firms value proposition (Bettencourt & Ulwick, 2008, p. 109). Riihimäki et al. (2016, p. 73) argue that by evaluating previous value propositions, firms can acquire the knowledge required for evolving the value proposition and making it more customer centred.
In their study, Skålén et al. (2015, p. 150) extended the previous definition of service innovation in the S-D Logic literature as being “a firms’ creation of new value propositions or its development of existing ones”. Added to this definition was that the value proposition can be innovated on both a resource level and a practice level, where the two can be either developed or reinvented (Skålén et al., 2015, p. 150). By combining development and/or reinvention of resources and practices, four different types of service innovation were identified: adaption, resource-based innovation, practice-based innovation, and combinative innovation (Skålén et al., 2015, p. 150). Adaption means that resources and/or practices are modified but not reinvented. Resource-based innovation refers to the integration of new resources and existing (or slightly modified) practices (Skålén et al., 2015, p. 151). As a reflection to this, the practice-based innovation means that new practices are integrated with existing (or slightly modified) resources. Combinative innovation refers to the reinvention of both resources and practices (Skålén et al., 2015, p. 152).

The current thesis will explore the differences between management intentions and the frontline interpretations and enacting of a value proposition, as well as develop a strategy for minimising these differences. This means that the investigated dimensions are the (1) managerial intentions and strategic vision with a value proposition, (2) the internal communication of the value proposition, and (3) the frontline employee interpretations and enacting of the value proposition. The managerial intentions lies within what Skålén et al. (2015, p. 144) describes as the management and organisational practices. The internal communication of the value proposition is covered by Skålén et al.’s (2015, p. 144) representational practices, and their further proposed provision practices encompass the third point of interest in this thesis: the frontline employee interpretations and enacting of the value proposition. The CS concept can be seen as a reinvention of the provision practices. However, by developing a strategy for how ACC can improve the internal support for the frontline employees, the representational practices, and management and organisational practices, can be reinvented. Therefore, a successful implementation of ACC’s CS concept can be viewed as a reinvention of all the value proposition practices. Based on the theory developed by Skålén et al. (2015, p. 152), the CS concept can be defined as a practice-based innovation of ACC’s value proposition.

Shaping the practice dimension of the value proposition in order to meet customer needs is one important aspect of a successful business strategy. However, the majority of the value proposition literature focuses on the value proposition concept from a rather theoretical perspective. The focus lies with how firms can shape value propositions to hopefully meet customer demands, rather than how firms can realise value propositions and meet customer demands. This thesis proposes that this view needs to be broadened to encompass the practical implementation of the value proposition and the customers’ experiences with the firm.
3.2 Aligning customer expectations and experience

“The key is to set realistic customer expectations, and then not to just meet them, but to exceed them — preferably in unexpected and helpful ways.”

– Richard Branson

The S-D Logic research stream is a relatively novel direction within the marketing literature with a highly theoretical and philosophical orientation. Lüftenegger et al. (2017, p. 161) acknowledge this, and call for more practical implications and actionable insights for practitioners. While the S-D logic emphasise value co-creation, the service marketing literature offers several practically oriented theories and frameworks related to services. Since the current thesis is specifically exploring the realisation of the intangible aspects of the value proposition, services marketing theories are relevant to integrate with value proposition theories and the S-D Logic. In order to gain an understanding about the jobs that customers want done, and their value-creating process, firms need to understand the nature of customers’ perceptions of value. The services marketing researcher Grönroos (2000, p. 87), suggests that value is determined by the customer’s experienced quality of a service encounter and/or a relationship with a firm, compared to the customer’s perceived sacrifice to take part in the service process. Furthermore, the perceived quality of a service is the result of a customer’s evaluation of the experienced service in relation to the expected service (see figure 1) (Grönroos, 1982, p. 37).

Figure 1. A clarification of the determinants of customers’ perceived value. A conceptual figure based on previous research by Grönroos (1982, 2000).

In order for managers to make relevant management decisions, they therefore need to understand how customers evaluate service quality (Grönroos, 1984, p. 36). Service quality and value is subjective and always from a customer perspective, which is why it is important to firms to understand the origin of these perceptions (Skålén et al., 2015, p. 139). External marketing activities, such as advertising and pricing, and word-of-mouth are factors that influence the customers’ expectations about the value proposition (Grönroos, 1984, p. 37). Individual customers’ experience with the firm play part in the on-going shaping of the company’s image (Grönroos, 1984, p. 39), and a good image is
important for firms to sustain existing customers as well as gain new ones (Zeithaml et al., 2009, p. 120). If there is a gap between customers’ expectations and experience with a firm’s value proposition, there is a risk for bad word-of-mouth and a negatively influenced image (Grönroos, 2000, p. 105) Therefore, firms need to align their customer promises with their performance (Grönroos, 1984, p. 37), which means that the customers’ experienced value needs to meet their expectations (Zeithaml et al., 2009, p. 32). The performance of the frontline employees is one crucial part of the customer’s subjective perceptions of the service quality, and therefore managers should support their employees in providing service and co-creating value with customers.

A study by Zeithaml et al. (1990) illustrate gaps in the provider's internal processes that lead to a gap between the customers expectation and experience with a firm and their value proposition (As cited by Zeithaml et al., 2009, p. 32). If companies do not know their customers, it can result in the wrong internal perceptions of what the customers expect from them. This is referred to as the listening gap (Zeithaml, et al., 2009, p. 34). When the firm have developed a perception of customer expectations, they have to design and set standards for their value proposition. When a firm fail to form the value proposition based on customer requirements, there is a design and standards gap (Zeithaml et al., 2009, p. 36). Furthermore, there can be a performance gap, which means that a firm are unable to align the defined value proposition design and standards with the actual frontline performance of them (Zeithaml et al., 2009, p. 38). The last provider gap is called the communication gap, and refers to when companies make external communications that giving the customers the wrong idea of what they can expect from an encounter with the firm. In other words, when the firm makes promises about the value proposition that are not fulfilled in the customers’ experienced with it (Zeithaml et al., 2009, p. 42).

Berry (1995, p. 236) suggests that the key to long-lasting customer relationships is frontline performance. The current thesis will specifically investigate and extend the conceptualisation of the performance gap, and how firms can constructively manage and develop the internal processes and practices to align value proposition design and standards with the frontline performance can use it. The critical role of frontline employees is inevitable. If they fail to deliver the service that is expected of them, they can imperil the service quality and the customers’ future expectations and perceptions about the firm’s value proposition (Barnes et al., 2004, p. 595). Even if the value proposition is innovated at a provision level (Skålén et al., 2015, p. 144), with new guidelines for how the frontline employees should behave in the encounter with the customer, the representational and management practices (Skålén et al., 2015, p. 144) have to be considered as well. The management defines the value proposition (Skålén et al., 2015, p. 144), and the frontline employees make it possible for the proposed value to be realised in the co-creative process together with the customer (Grönroos, 2000, p. 335). Therefore, it seems reasonable to view the value proposition from both the management’s perspective and the frontline employees’ perspective. The current study conceptualises the intended and enacted retail value proposition. The intended value proposition refers to the managerial definitions of the vision for what values that might be realised through the service encounter. The enacted value proposition refers to the frontline employees’ practical implementation of the value proposition in the actual co-creation of value. The management and organisational practices develop the intended value proposition, and the representational practices communicate this to the frontline employees (provisional practices), who enact it in the interaction with the customer. In
order to minimise possible gaps between the intended and enacted value proposition, the firm must look to the representational practices, the internal communication and training related to the frontline employees’ enactment of the value proposition.

### 3.3 Internal marketing

“If you’re not serving the customer, you’d better be serving someone who is.”

– Jan Carlzon

Internal marketing is one direction within the service marketing research that emphasises the operations and relations between firms’ head offices and frontline employees (Grönroos, 2000, p. 54; Gummesson, 2000, p. 27). While the service marketing perspective mainly accentuate the need to bring the external customer into the organisation (Barnes et al., 2004, p. 594) and let the co-creation of value lead the way for all firm strategic direction and decisions (Day, 2006, p. 85), the internal marketing emphasises the importance of viewing employees as internal customers and a part of an internal supply chain (Barnes et al., 2004, p. 595). The concept of internal focus and internal marketing was first introduced in the service marketing literature in the mid 1970’s by Eiglier and Langeard (1976) and Sasser and Arbet (1976) (As cited by Grönroos, 2000, p. 353). A few years later, Grönroos (1981) started to develop the concept further (Cahill, 1996, p. 4). Grönroos (1996, p. 10) propose that service marketing consist out of three important relational interactions; marketing is made on an external, internal, and interactive level. Firm representatives working with marketing are giving the customers promises through the external marketing efforts (Drake et al., 2004, p. 4). Those promises are one important factor that influences the customer expectations (Grönroos, 2000, p. 308). The frontline employees are responsible for keeping those promises through the service encounter, and that is what Grönroos (1996, p. 10) define as interactive marketing. Internal marketing functions as an enabler for the customer promises made through external marketing (Drake et al., 2004, p. 4). Drake et al. (2004, p. 4) propose that an effective internal marketing dramatically enhances the possibilities for successful external marketing efforts. Several studies (Richardson & Robinson, 1986, p. 29; Tansuhaj et al., 1987, p. 82) have shown empirical support for a positive relationship between internal marketing and customer satisfaction. The more satisfied the employees are, the more likely that the customers are satisfied and loyal to the firm (Barnes et al., 2004, p. 565).

Grönroos (1981) define internal marketing as “selling the firm to the employees who are treated as internal customers” (As cited by Cahill, 1996, p. 4). Rafiq and Ahmed (1993, p. 222) define internal marketing as a “planned effort to overcome organisational resistance to change and to align, motivate and integrate employees toward the effective implementation of corporate and functional strategies” (As cited by Preez & Bendixen, 2015, p. 79). Ballantyne et al. (1995) offers another definition of internal marketing as being “any form of marketing within an organisation, which focuses staff attention on the internal activities that need to be changed in order to enhance external marketplace performance” (as cited by Ballantyne, 2000, p. 47). Drake et al. (2004, p. 3) define the internal marketing as being about communication, encouragement, recognition, and training directed towards the frontline employees. Internal marketing can be related to the S-D Logic by its focus on enabling the realisation of value co-creation. While the S-D Logic propose that firms can not solely create value (Vargo & Lusch, 2004, p. 11),
internal marketing research focuses on how firms can prepare for the encounter with customers through internal operations and activities (Grönroos, 2000, p. 340).

Gummesson (2000, p. 40-41) suggests that companies should put serious effort into internal marketing and use the concept as a direction for their marketing strategies. In accordance to this, Foreman and Money (1995, p. 755) argue that firms should put as much effort into internal marketing as external marketing and that the internal marketing must exceed the external marketing since there is no point in making promises to the customers through external marketing that the frontline employees are unable or unwilling to fulfil in the service encounter. By working with continuous development and internal marketing, the firm can enable the promises they make (Grönroos, 1996, p. 10). In other words, internal marketing can be seen as a set of practices and processes that are necessary for firms that want to work with service marketing and create a sense of customer consciousness within their organisation (Barnes et al., 2004, p. 593). Since this is in line with what many retail firms are working on and trying to achieve, internal marketing strategies are appropriate to use as an approach to developing retail strategies further.

Skålén et al.’s (2015, p. 144) theory about how the representational practices enable the provisional practices does not specify where in the organisation these practices should be performed. Researchers argue that internal marketing are more than just human resource management (HRM) done well, and that it must be integrated in the whole organisation (Dunne & Barnes, 2000, p. 193-194). Du Preez and Bendixen (2015, p. 78) suggest that, even though there is a possibility that human resource practices foster organisational commitment among employees over time, it is more effective to implement a focused internal marketing strategy. Instead of letting a somewhat disconnected HRM department handle the internal marketing, it should be a focus for efforts throughout the whole organisation (Dunne & Barnes, 2000, p. 194). In line with this, Tsai and Wu (2011, p. 2602) argue that in order to be effective, the internal marketing has to be integrated in the overall company strategy.

The internal marketing concept propose that the company should view employees as internal customers and that they need to be served well and be satisfied with their job before they can effectively serve the final customer (Foreman & Money, 1995, p. 756). Viewing employees as internal customers was an idea presented in the literature well before the concept of internal marketing was introduced. Already in the mid-1970, Sasser and Arbeit (1976, p. 64) argued that firms sell a job to employees and that they need to be interested in it in order to perform the desired service interaction. Furthermore, Sasser and Arbeit (1976, p. 61) suggest that service companies need to recognise employees as being their most important customer, in order to reach success. This is because if the frontline employees do not carry out the expected service, the customers will probably not stay loyal to the company, even if the product answered their expectations (Sasser & Arbeit, 1976, p. 62).

Gummesson (2000, p. 28) mean that the firm should be viewed as an internal marketplace and proposes that the strategies originally directed towards creating strong firm-customer relationships are equally applicable to employees. Since a value proposition is to at least some extent consumed at the same time it is co-produced (Vargo & Lusch, 2004, p. 11), Sasser and Arbeit (1976, p. 62) propose that a company must first sell the job to the employee so that the desired service can be bought by the
customer. Through the firm-employee interactions, the firm should aim to understand what the employees expect from them as well as what they are willing to give up (Sasser & Arbet, 1976, p. 62). Sasser and Arbet (1976, p. 65) suggest that firms should approach a job as a customer offering that can be adjusted to enhance employee performance and, consequently, better answer to the customers’ expectations. Therefore, jobs should be designed to retain and engage employees in the firm objectives (Sasser & Arbet, 1976, p. 65). The perspective of internal customers (Foreman & Money, 1995, p. 756) can be related to the streams of the S-D Logic research emphasising value creation as service ecosystems and networks between actors with specialised skills and knowledge (Chandler & Vargo, 2011, p. 45; Vargo & Lusch, 2011, p. 181). By creating an internal service value chain, firms create an ecosystem of value co-creation that involves all firm employees as well as the customers.

Internal marketing can have many positive internal outcomes, such as motivating employees, creating a sense of belonging and positive attitudes towards the organisation (Richardson & Robinson, 1986, p. 29). It can be a powerful tool to establish an organisational vision throughout a company (Tsai & Wu, 2011, p. 2602), and studies (Du Preez & Bendixen, 2015, p. 87; Tsai & Wu, 2011, p. 2593) show a positive association between employees’ perceptions of internal marketing and their perceived organisational commitment and intentions to stay with their organisation. Furthermore, Cahill (1996, p. 6) states that the internal marketing is a necessity for companies to realise the expectations created through external marketing in the best possible way. Suggested by Varey and Lewis (2000, p. 298) is that internal marketing can be an important instrument for differentiating a firm from its competitors, since it is supporting the creation of a unique organisational culture.

Gilmore (2000, p. 78) pinpoints four barriers for effective internal marketing. The first (1) barrier is resistance to change, which can be on both managerial and frontline level. Managers might be reluctant to change because of a will to protect their personal interests. Frontline employees might perceive that the managers are too far removed from the actual and operational activities, to make relevant decisions. The second (2) barrier is concerned with inter-functional conflicts, and refers to when there are conflicts between different internal departments that hinder internal cooperation and integration. The third (3) barrier is called intra-functional conflict and means that the goals of the individual employee are not aligned with the goals of the organisational and departmental goals (Gilmore, 2000, p. 78-79). The last (4) barrier mentioned by Gilmore (2000, p. 79-80) is the lack of individual responsibility. Employees not making or implementing the necessary decisions to adapt to changes in the business environment cause this barrier.

3.4 Dimensions of internal marketing

Based on a review of the internal marketing literature, Dunne and Barnes (2000, p. 196) identified two key purposes for the concept. Internal marketing can function as a (1) complement to the external marketing strategy and efforts, as well as an (2) instrument for developing and retaining the employees that contributes to the firm success (Dunne & Barnes, 2000, p. 196). Even though the two aspects of internal marketing are intertwined, the current thesis will mainly emphasise the functionality related to complementing the external marketing. Researchers acknowledge the importance of internal service quality (Zeithaml et al., 2009, p. 369), internally directed value
propositions (Sengupta, 2015, p. 309) and the importance of attracting and retaining the best people (Dunne & Barnes, 2000, p. 194). This thesis, however, is aimed to examine the proposed concept of intended and enacted value propositions, directed towards the customer. Hence, the focus will lie on developing the current employees in order to foster a value proposition enactment in accordance with the managerial intentions.

Grönroos (2000, p. 336-337) suggest that there are three situations when internal marketing is needed. When firms want to (1) create a service culture, (2) maintain the service culture, or (3) introduce new value propositions or campaigns. Creating a service culture refers to creating an understanding amongst employees about the business mission, strategies and tactics. Furthermore, it is about creating positive internal relationships and working with service-oriented leadership, communication and interaction. Once a service culture is created, it needs to be maintained so that the culture does not revert back to a culture not emphasising customer-focused norms (Grönroos, 2000, p. 337). In order to maintain a service culture, firms need to preserve good internal relationships, and encourage the employees embracing a customer orientation. It is also about making sure that employees receive continuous information and feedback about the value proposition (Grönroos, 2000, p. 338). When introducing new value propositions, firms need to create employee awareness and acceptance of value propositions and campaigns (Grönroos, 2000, p. 338-339). The CS concept is a part of ACC’s value proposition, and therefore, the focus of this thesis will lie on creating awareness and acceptance of the CS concept. However, the service culture will be addressed as well, since it is makes the context in which the value proposition is introduced. It seems reasonable that a lack of a service culture emphasising customer-focused norms, could lead to a lack of frontline acceptance of the customer-centred CS concept.

Researchers have different opinions on what practices that internal marketing should encompass (Drake et al., 2004, p. 6; Foreman & Money, 1995, p. 764; Grönroos, 2000, p. 336-337). A study by Foreman and Money (1995) was aimed to identify main constructs of internal marketing and revealed three distinct dimensions; developing the employees, rewarding the employees, and giving the employees something to believe in by communicating a vision (Foreman & Money, 1995, p. 764). Based on the results of their work, the researchers (Foreman & Money, 1995, p. 764) suggest that company managers should make sure to address all three aspects when developing an internal marketing strategy. This implies that internal marketing is a strategy where human resource management aspects, as well as firm vision and values, are integrated and inseparable.

According to Drake et al. (2004, p. 16), motivated and inspired frontline employees are a result of firm activities aimed to engage, enable, empower, and ensure. Engaging employees refers to the efforts to continuously remind the frontline employees about the firm vision and values. Further, this can be done by creating a strong team feeling amongst employees. Enabling employees refers to offering them the necessary tools and directions for making the vision reality (Drake et al., 2004, p. 18-19). Frontline employee training is one way of doing this (Drake et al., 2004, p. 21). Empowering employees concerns the encouragement of frontline autonomy to take decisions in the encounter with the customer based on the specific situation and individual problem solving (Drake et al., 2004, p. 22). Empowering employees is about foster a feeling amongst them that their suggestions and ideas concerning the organisation are
encouraged and considered (Drake et al., 2004, p. 23). *Ensuring* employees means firm measurements of success, as well as recognising and rewarding the employees that are performing in line with the firm vision and goals (Drake et al., 2004, p. 23-24).

Instead of using internal marketing to reach specific short-term goals, Drake et al. (2004, p. 6) argue that firms should work with internal marketing as an on-going process. This can be related to a S-D Logic perspective, since it implies that internal marketing should be a way to do business - more of a philosophy than a technique. In this thesis, the purpose of the four E’s (2004, p. 16) is viewed as a strategy for aligning intended and enacted value propositions. A well-functioning internal marketing strategy communicates the vision to the employees in a way that makes them aware of what the intended value proposition is, and what is expected of them. The purpose of the current thesis has a clear practical focus, which means that the concept used to apply internal marketing to the retail context had to be possible to formulate in concrete firm actions. Drake et al.’s (2004, p. 16) 4 E’s offers a holistic and practical approach to internal marketing, which was suitable for the current study.

The four E’s cover the key aspects of internal marketing in the literature. The dimensions build upon each other and if not all of them as functioning, the internal marketing as a whole will be lacking. Without a strong organisational culture and strategic vision, the employees are not motivated or encouraged to learn new things and develop new skills. Without the appropriate knowledge and skills, empowerment will not work and the enacted value proposition might drift away further from the intended value proposition. Activities related to ensuring the value proposition evaluate the internal effectiveness of the engaging, enabling, and empowering activities, as well as the relationship between the intended and enacted value proposition.

### 3.4.1 Engaging employees

Drake et al. (2004, p. 17) define engaging the employees as telling them the story of the company. The employees should be involved in the creation of the vision and should know how the company plan to reach the vision (Drake et al., 2004, p. 17). The employees will be engaged when they know the heart and soul of the company and feel that they are a part of the company and that they are all in it together (Drake et al., 2004, p. 19). Internal marketing should not be mistaken as only being a catalyst for communicating external marketing activity internally. The concept encompass the organisational acknowledgement of employee needs and the efforts to meet those needs, so that they understand the value of satisfying customers and meeting their needs (Gilmore, 2000, p. 76). Varey and Lewis (2000, p. 294) propose that the whole company should be interested in performing the best possible outcome of the encounter with the customer, and they share the responsibility to market the organisation. With a firm mindset like this, employees have more influence and responsibility, and the whole organisation works more with collaboration.

Berry and Parasuraman (2000, p. 179) argue that employees need a cause for what they do, something to believe in that makes them take their job seriously on an emotional level. A shared vision can make employees passionate about firm goals and committed to the organisational values (Berry & Parasuraman, 2000, p. 180). The vision is a crucial part of internal marketing since it lets the employees know who their firm is, what it does, and how it does it (Cahill, 1996, p. 29). The employees are the ones that often meet the customer and they are the ones that will transfer the vision to the
customers (Cahill, 1996, p. 29). Successful visions address needs from both employees and the external customers (Cahill, 1996, p. 9).

Varey and Lewis (2000, p. 297) argue that internal marketing must focus on relationships within the company. Gummesson (2000, p. 29-30) suggest that value is co-created in internal interactions in the same way, as value is co-created with external customers. It is important to see each employee as an individual and not as an anonymous member of a working group or segment. The top management need to move away from a controlling role in the firm and start supporting the employees (Varey & Lewis, 2000, p. 293). Employees need internal support in order to deliver high quality service, and for them to work effectively and be satisfied with their job (Zeithaml et al., 2009, p. 369). This support can be offered by top management, colleagues, and/or other departments within the firm (Zeithaml et al., 2009, p. 369). In other words, they should focus more on leading than on managing (Grönroos, 2000, p. 348).

While Gummesson (2000, p. 29-30) promote strong relationships between management and frontline employees, Gittell (2002, p. 299) highlight the need for good teamwork and the formation of strong relations among frontline employees. Hence, managers should not only encourage frontline employees to develop relationships with customers, but also to develop relationships with their frontline colleagues (Gittell, 2002, p. 309). Good teamwork and support between employees reduce both psychological and physical exhaustion due to the power of community and togetherness (Berry & Parasuraman, 2000, p. 183). Flipo (2000, p. 72) argues that a positive internal climate is likely to result in relationships grounded in trust. The trust, however, needs to be cultivated everyday in order to grow.

Firm culture is defined by Drake et al. (2004, p. 11) as “a reflection of a company’s leadership, philosophy, history, and shared beliefs and values”. According to Barney (1986, p. 663) a strong culture of a company can be of great competitive advantage. The culture involves vision and mission, the strategies for the company, and management methods (Grönroos, 2000, p. 368). Top management is a central part of implementing a service culture and they are responsible to work with the internal processes strategically (Grönroos, 2000, p. 369). For service firms it is of great importance to work with having a strong service culture so that the employees give good service in the service encounter (Grönroos, 2000, p. 358). To develop a service culture the whole company needs to be involved and interested in service (Grönroos, 2000, p. 369). Unsatisfied frontline employees can have a negative effect on customers (Grönroos, 2000, p. 359), which can lead to unfulfilled customer expectations and unsatisfied customers (Schneider et al., 1998, p. 152).

### 3.4.2 Enabling employees

Drake et al. (2004, p. 20) define enabling the employees as avoiding them to say “That is not my job”. The employees should be enabled enough that they have the power to remove obstacles that might be annoying for customers (Drake et al., 2004, p. 21). Obstacles can be processes and procedures produced by the company that the employees know they are allowed to ignore depending on the situation (Drake et al., 2004, p. 20). Employees need to have the right skills, tools, abilities, and motivation to fulfill the promises that their firm communicate to customers through external marketing (Barnes et al., 2004, p. 595). According to Grönroos (2000, p. 340), training is the internal marketing activity that is most needed by firms. The employees need to be
trained and get the right tools from the management in order to gain and keep a customer-focused mindset, and deliver the intended service (Zeithaml et al., 2009, p. 366). If employees do not understand the big picture of the firms’ vision and objectives, they will not recognise why they should develop and acquire new skills (Grönroos, 2000, p. 341). Firms expecting their frontline employees to perform well in the encounter with the customer must make sure that the required knowledge and assistance is in place to enable the desired value creation (Grönroos, 2000, p. 347). They need to be prepared to perform (Berry & Parasuraman, 2000, p. 180).

Employees need both technical and interactive skills in order to deliver the intended value proposition (Zeithaml et al., 2009, p 366). With technical skills, Zeithaml et al. (2009, p. 366) refer to for example procedures with cash machines in retail stores. Employees can acquire technical skills by both training and by watch-and-learn in practise. Gremler and Gwinner (2008, p. 320) suggest that interactive skills can be procedures within retail where employees learn social manners, opening lines, and guidelines on how to have a nice conversation with the customer to make them feel comfortable. Even though interactive skills can be developed over time, being customer oriented is important for employees to be able to deliver service (Cahill, 1996, p. 43).

Gilmore (2000, p. 76) suggests that firms must ensure that employees have the necessary education and knowledge about the strategic mission of the organisation. Furthermore, they have to have an understanding about the firm’s value proposition and the customers’ expectations (Gilmore, 2000, p. 76). When employees go through training it is important that the training guidelines follows the vision of the company (Zeithaml et al., 2009, p 367), and good organisational communication is crucial for creating a favourable environment for knowledge sharing (Barnes et al., 2004, p. 599).

Berry and Parasuraman (2000, p. 182) propose that firms can actively invest in employee training and development by engaging in information sharing about customer perceptions. Grönroos (2000, p. 347), technical systems and databases are organisational functions that can provide frontline employees with useful information. Furthermore, organisations should take into account that people learn in different ways, and use a variation of learning approaches. Devoting staff to skill and knowledge development, and using role models is also good ways to invest in the employee training and development (Berry & Parasuraman, 2000, 182). Cahill (1996, p. 26) suggest that employees should have practical knowledge and experiences about the products they are selling to the external customers. Companies can encourage this by providing discounts for the employees so that they buy and use the products to better understand what they are marketing externally (Cahill, 1996, p. 26).

3.4.3 Empowering employees

Drake et al. (2004, p. 22) define empowering the employees as encouraging them to think out of the box in order for them to do their job well. The frontline employees must feel like they are trusted by their organisation to make the decisions about how to best handle situations in their day-to-day work (Drake et al., 2004, p. 23). In order for companies to empower their employees they should tell them what result they want but letting them be flexible with how to get there (Drake et al., 2004, p. 22). Service companies rely on their employees to enact the value proposition (Chebat & Kollias, 2000, p. 67) and therefore it becomes crucial to ensure the effectiveness of the co-creative process (Grönroos, 2000, p. 346). Empowerment is about giving the frontline
employees the authority to make decisions and handle different types of problematic situations (Johnson, 1994, p. 18). Furthermore, it is presented as a way to adapt customer meetings, where the frontline employee has the power to shape the encounter depending on the specific situational and behavioural aspects of the interaction (Chebat & Kollias, 2000, p. 66; Zeithaml et al., 2009, p 367). Johnson (1994, p. 18) means that empowerment is about frontline employees’ responsibility for both their success and failures. Empowered employees feel like their ideas are valuable for the firm and they have influence on the organisation (Grönroos, 2000, p. 347).

For empowerment to actually work, the employees need knowledge, tools, and encouragement from top management so that they can make the right decisions (Zeithaml et al., 2009, p 367). Furthermore it is important for the employees to know the firm vision so that their empowerment turns into a positive outcome (Chebat & Kollias, 2000, p. 67). In other words, empowerment without engaged and enabled frontline employees only result in confusion and frustration (Grönroos, 2000, p. 347). Johnson (1996, p. 18) argue that managers can be reluctant to empowering frontline employees since it means that they lose some of their previous hierarchal power and authority. By “breaking down the psychological wall” between managers and frontline employees (Johnson, 1996, p. 18-19), and building trusting relationships (Grönroos, 2000, p. 346), firms foster an empowering climate within the organisation. Managers have to show that they respect the decisions of the frontline employees and trust their situational judgement. Furthermore, it is important that the frontline employees can trust their managers to support them and take over the decision-making when needed (Grönroos, 2000, 346-347).

Some companies are offering customer a service guarantee, which means that if the customers are not satisfied the company guarantees them to solve it (Cahill, 1996, p. 35). Cahill (1996, p 35) mentions three things that a good customer guarantee can do for the company. First, it gives the employees guidelines on how they should provide service to their customers. Second, it will make the company put more focus on service and give the customers an immediate satisfaction. Third, the company might gain an advantage on the market if they are the ones with the best service guarantee (Cahill, 1996, p. 36-37). Even without a service guarantee, firms should work with service recovery, which means that unexpected situations or wrongdoings are handled to recover the customer’s experience with the firm (Grönroos, 2000, p. 74). Service recovery is related to customers’ perceived service quality (Rafiq & Ahmed, 2000, p. 232) and by empowering the frontline employees, they can answer to customer complaints directly instead of turning to a superior or filing a formal complaint (Grönroos, 2000, p. 347).

For heterogeneous services, the employees should be provided with an adjustable script so that they know the guidelines but still are able to adjust the meeting (Chebat & Kollias, 2000, p. 66). Some positive outcomes from empowering the employees can be less job-related stress, employee satisfaction, fewer role ambiguities, and better services for the customers (Chebat & Kollias, 2000, p. 73). Furthermore, empowered frontline employees experience less uncertainty and helplessness in the encounter with misbehaving customers (Grönroos, 2000, p. 334).
3.4.4 Ensuring employees

Drake et al. (2004, p. 24) define ensuring employees as measure the their performance and giving employees recognition when the goals are reached, and coaching and training when the goals are not reached. The company should aim to create an energized work force where managers use guidance instead of being frustrated when employees make mistakes (Drake et al., 2004, p. 24). After the employees have been given the coaching and training needed they should be measured again in order to reach the goals (Drake et al., 2004, p. 24). It is of great importance to follow up on the frontline performance as well as rewarding those who does a good job, so that they feel like it is worthwhile to put efforts into their work (Berry & Parasuraman, 2000, p. 185). Gummesson (2000, p. 29) highlights the importance of a mutual feeling of gaining something from the internal relationship, and Kasturi (2004, p. 84) suggest that internal relationships are to some extent dependent upon the compensation that the frontline employees receive. By giving recognition and rewards to the employees they will stay motivated on their tasks (Cahill, 1996, p. 46). Berry and Parasuraman (2000, p. 187) mean that firms should use a variety of recognition methods, both financial and non-financial. Cahill (1996, p. 46) argue that it is more important for companies to work with non-financial rewards, social benefits, than financial ones. This is because it is easier for companies to motivate and support the employees to deliver the intended value proposition if they are proud to be a part of the company (Cahill, 1996, p. 47).

However, Berry and Parasuraman (2000, p. 186) argue that in order for a reward system to be effective, there has to be an adequate measurement system identifying high performing frontline employees. Suggested is that the performance measurement should be directly related to the defined service standards (Berry & Parasuraman, 2000, p. 186). Vargo and Lusch (2004, p. 5) mean that financial performance should function as a way to get feedback on firm operations in order to learn how to improve value propositions and firm performance. Furthermore, frontline performance is not the only variable that needs to be evaluated. Berry and Parasuraman (2000, p. 186) argue that it is of importance to evaluate and measure the internal initiatives to engage, enable and empower employees within the organisation. This can for example be by evaluating the employees’ perceptions about, as well as the results from, an internal development program (Berry & Parasuraman, 2000, p. 182).

Barnes et al. (2004, p. 598) suggest that firms should implement systems for rewarding and motivating employees that are committed to perform high-quality service. This way, the employees experience that their efforts make a difference, not only to their organisation the customers, but to themselves (Barnes et al., 2004, p. 599). In accordance with this, Cahill (1996, p. 45) argue that by giving employees appreciation, they become eager to deliver best customer service. Researchers agree on that it is necessary with some kinds of competition to the internal market as well, and rewarding the employees with best performance (Flipo, 2000, p. 65; Gummesson, 2000, p. 29). Berry and Parasuraman (2000, p. 187) suggest that firms should highlight frontline employees’ achievements rather than their failures, and distinguish between rewards related to competence (doing one’s job) and performance (outstanding performance of one’s job). Furthermore, recognition should consider both short-term and long-term goals and be on both individual and team level (Berry & Parasuraman, 2000, p. 187).
3.5 Conceptual framework

"Well done is better than well said."
– Benjamin Franklin

This study proposes a conceptual framework illustrated in Figure 2 below. The framework has been developed based on S-D Logic research about value propositions, and service marketing research about internal marketing. It illustrates the intangible aspects of the retail value proposition can be realised through internal firm activities. The framework is unique because it applies value proposition theory on an internal retail strategy context, and combines the proposed concept of intended and enacted value propositions with internal marketing theories. The fundamental core of the framework is the firm and customer co-creation of value (Hilton et al., 2012, p. 1511), and the fulfilling of customer expectations in their service encounter with the retail firm to achieve customer satisfaction and long-term profitability (Barnes et al., 2004, p. 596; Grönroos, 1982, p. 37). Internal marketing research (Grönroos, 1996, p. 10; Zeithaml et al., 2009, p. 32) emphasises the importance of a frontline focus for realising the value creation proposed to customers through external marketing efforts. The current study is taking a practical approach to previous research and theories, and will offer retail managers practical recommendations for how to manage the retail value proposition to make it fulfil its purpose.

The framework encompasses three dimensions of internal practices supporting the value proposition, based on a theory developed by Skålén et al. (2015, p. 144). The first dimension is the management, where the intended value proposition is defined and where concept standards are set. The second dimension is the internal marketing, or representational practices as Skålén et al. (2015, p. 144) call it. In this dimension, engaging, enabling, and empowering (Drake et al., 2004, p. 16) of the frontline employees (called provision practices by Skålén et al., 2015, p. 144) is made so that they can enact the intangible aspects of the value proposition and co-create value with the customer, in the third dimension. The enactment of the value proposition is ensured (Drake et al., 2004, p. 16) through an evaluation of the frontline performance in relation to the managerial intentions. High performance is recognised and rewarded, and managers use the evaluations to reinvent and develop the value proposition (Riihimäki et al., 2016, p. 73) as well as the way internal marketing is conducted.

The conceptual framework will be examined and advanced through the empirical findings of the current study. The purpose of the study is to identify how gaps between intended and enacted value propositions can be managed through internal marketing activities, and the empirical findings will widen the scope of the four dimensions of internal marketing (engaging, enabling, empowering, and ensuring) by applying them on a retail context. The advanced framework will encompass a more detailed explanation of how these internal marketing dimensions can minimise the gap between intended and enacted retail value propositions.
Figure 2. A conceptual framework of the dynamics between the intangible aspects of the intended and enacted value proposition, and internal marketing. The model is based on previous research by Grönroos (1996), Skålén et al. (2015), Riihimäki et al. (2016, p. 73), and Drake et al. (2004).
4. Practical method

In this chapter, the chosen data collection and sampling technique will be presented and explained. Further, the chapter will address how the interview guides were developed how the in-depth interviews were conducted. To conclude this chapter, an explanation of the used methods for transcribing and analysing the empirical data will be discussed.

4.1 Data collection method

Studies can draw upon either primary or secondary data, or a combination of both (Bryman & Bell, 2011, p. 313; Saunders et al., 2012, p. 306). When research contains first hand information it is called primary data and the rest of the data is called secondary data (Patel & Davidson, 2011, p. 69). Primary data can be explained as original sources that the researchers get from their own data collection (Collis & Hussey, 2014, p. 59). This specific research will collect primary data by doing in-depth interviews with CS concept managers and frontline employees in order to gain an understanding about the intended and enacted value proposition. Secondary data is collected from an already existing source (Collis & Hussey, 2014, p. 59), and might be beneficial for researchers with limited time and financial resources (Bryman & Bell, 2011, p. 312). Furthermore, secondary data is often statistical data that can be of use for further study (Bryman & Bell, 2011, p. 312). The secondary data is beneficial for this research since the thesis has time limit, and a larger amount of data could be collected in less time. Therefore, ACC were asked to provide secondary data that could be of interest for the study, and gave the researchers access to documents related to the CS concept. This secondary data functioned as a complement to the in-depth interviews with the CS concept managers aimed to understand the intended value proposition.

Interviews are one of the most common methods to collect empirical data within a qualitative study (Bryman & Bell, 2011, p. 465). Qualitative interviews offer opportunities for researchers to gain understandings about the interviewee's subjective first-person perspective, experiences and perceptions. Furthermore, the interviewer can gain an empathic insight into the beliefs, attitudes and viewpoints of the interviewee (Collis & Hussey, 2014, p. 133; Tracy, 2013, p. 41). Tracy (2013, p. 132) argues that meaning is not created in the mind of the interviewer or the interviewee, but rather in the interaction between them. The knowledge is a result of a social interaction between the two parties (Kvale & Brinkmann, 2009, p. 82). Kvale and Brinkmann (2009, p. 2) define interviews as “inter-change of views between two persons conversing about a theme of mutual interest”. There can, however, be more than two participants in an interview (Tracy, 2013, p. 131). Based on the research question, the purpose, and the desired result of the study, in-depth interviews were chosen as data collection method. The main reason for this was the research’s strong emphasis on gaining a deeper understanding about the retail value proposition and the dynamics between the managerial intentions and frontline enactment related to it. By studying the gaps between the intended and enacted value proposition through in-depth interviews, deeper meanings and critical aspects of the firm strategy could be identified and used to develop an internal marketing strategy.

Interviews can be more or less structured and planned, or free and spontaneous (Tracy, 2013, p. 139; Saunders et al., 2012, p. 374). In a structured interview, all the questions
are formulated in the same way in all the interviews, and organised in a specific interview schedule before the interviews (Bryman, 2012, p. 203). The interviews are standardised in order to compare bigger amounts of data (Tracy, 2013, p. 139). Researchers mean that structured interviews are mainly used for quantitative research questions (Bryman and Bell, 2011, p. 466; Saunders et al., 2012, p. 374). Since structured interviews leave very little room for the interviewers to explore different themes or topics that might be of interest, it was not an appropriate structure for the current study. In order to gain deeper understandings about detected problem areas, the authors of this thesis needed to conduct less structured interviews. In general, qualitative researchers use an unstructured or semi-structured interview approach (Bryman and Bell, 2011, p. 466; Saunders et al., 2012, p. 374).

Unstructured interviews are flexible and often similar to conversations, with one or a few questions or themes (Bryman & Bell, 2011, p. 467; Saunders et al., 2012, p. 374). The interview guide functions mainly as a tool for stimulating discussion, and allow the interviewer to learn what data that is important so that focus can be aimed on those areas (Tracy, 2013, p. 139). According to Kvale (2007, p. 51), semi-structured interviews seek to obtain descriptions of a certain phenomenon and consequently aim to cover a series of themes. While interview questions are prepared, they are not necessarily bound to a specific sequence (Kvale, 2007, p. 51). The questions can be asked in an order and form that suits the specific interview and the answers and stories told by the interviewee (Kvale, 2007, p. 51; Saunders et al., 2012, p. 374). The questions in a semi-structured interview are generally formulated in a more open way than in the case of structured interviews, and the interviewer can use follow-up questions to answers that are considered important (Bryman, 2012, p. 206). Both the unstructured and semi-structured interview is flexible but the latter follows a script, to at least some extent (Bryman & Bell, 2011, p. 472).

The interviews conducted for the current study will be held in a semi-structured way. The theoretical foundation for the research means that there are specific areas that need to be explored and covered by the interviews in order to answer the research question. The free nature of unstructured interviews could therefore have resulted in findings without any real connection with the actual research question and purpose. The current study is aiming to understand theoretical constructs in a specific context, which means that the different constructs needed to be covered at some point during the interviews. Semi-structures interviews were used because it was free enough for the researchers to gain deep understandings, but structured enough to include the theoretical constructs of interest for the study. The flexibility in the interview structure made it possible to make the interviews feel more like normal conversations than research interviews. It was important for the researchers to create an environment where the frontline employees felt comfortable to tell the truth and to share their experiences and thoughts. The interviews was held with one respondent at a time, so that they could relax and trust in that their stories would be handled in a professional and confidential manner.

4.2 Sampling technique and access

Lapan et al. (2012, p. 83) suggest that qualitative studies can have several study populations, which refers to the groups of people that the research are focusing on. It can be study populations from different levels of an organisation or societal structure, or populations that represent different perspectives. The study population should, however,
be grounded in the research question (Lapan et al., 2012, p. 83). The current study’s research question is concerned with two perspectives on the value proposition: (1) the managerial intentions and (2) the frontline enactment. Therefore, CS concept managers and frontline employees will make two different study populations. They work with the value proposition in different ways and on different levels in the organisation. Sometimes it is impossible to cover every part of the population due to time, costs and accesses (Saunders et al., 2012, p. 258). This study has limited time and money, which means that it will not be possible to conduct interviews with all the employees working in all the ACC stores. All frontline employees working for ACC does not need to be interviewed to identify possible problem areas in ACC’s internal strategies. Furthermore, the aim of the study is not to draw conclusions about a whole population. Therefore, the current study will make a sample out of the populations, and use that sample to answer the research question. By using sampling, Saunders et al. (2012, p. 258) suggest that, researchers can cut down on the amount of empirical data compared to interviewing a whole population. The CS concept managers at ACC were first contacted by email, with an introduction to the thesis topic and with suggestions for different angles that might be of interest for the company. After conducting both a Skype-meeting and a personal meeting, it was decided that the thesis would be written on commission for ACC, and the research question was developed. The CS concept managers gave access to the email addresses to the store managers, and in their turn they gave access to the frontline employees that were to be interviewed.

Lapan et al. (2012, p. 84) propose that since qualitative research questions are more concerned with generating a result that fit the situation than generalising the result to a broader population, the sampling methods tend to be different from the ones used in quantitative research. While quantitative research tend to use random or systematic sampling, qualitative research aim to understand variations in behaviours and meanings (Lapan et al. (2012, p. 84), and aim for deeper and more analytical results (Tracy, 2013, p. 134). Probability sampling is generally applied when researchers use survey studies to answer to objectives and research questions, and aim to make assumptions about a population from the sample (Saunders et al., 2012, p. 262). A non-probability sample can be accomplished through different techniques, and most of them are based on subjective judgements (Saunders et al., 2012, p. 281). The purpose of the current thesis is not to produce a statistical result that can be widely generalised, but rather to produce an in-depth and analytical result that can be used to develop internal strategies. Hence, a non-probability sampling was used.

Tracy (2013, p. 138) suggests that criteria based on the purpose of the study can be used to determine the sample. Since the interviews in the current study are conducted both on a managerial level and a frontline level, two sets of criteria were defined. Regarding the interviews with the management instance, the used criteria is that the respondents are (1) working at ACC head office, and (2) are key players in the development and implementation efforts of the CS concept. For the frontline employee interviews, the respondents should be (1) working in an ACC store, (2) having customer contact, and (3) not holding a store manager position. Tracy (2013, p. 138) suggests that when it comes to qualitative studies, quality is more important than quantity. When applying qualitative interview techniques, the sample size are not as critical to the results as the researcher’s ability to analyse and understand the findings (Saunders et al., 2012, p. 283). However, it is crucial that the researchers collect enough information from their interviews and observations that they can make use of it in their research (Saunders et
al., 2012, p. 283). Hence, on the one hand, the sample needs to be big enough to result in relevant contributions to both the literature and practitioners. On the other hand, it needs to be small enough not to result in a paralysing amount of data (Tracy, 2013, p. 138). Tracy (2013, p. 138) suggest that after taking into account the planning, scheduling, conducting, organising, transcribing and analysing related to interviews, an one hour interview is equivalent to approximately 15 hours of total research hours. With respect to the available time, a total of 11 interviews were conducted, two interviews on management level and 9 interviews with frontline employees.

ACC has stores in several countries around the world. This means that all the stores are sites where the desired group can be found. Due to limited possibility to travel to other countries, the first sample level is a convenience sample that made together with ACC, where Sweden was the chosen country. Convenience samples refer to samples that are chosen because they are easy to access (Tracy, 2013, p. 134). Availability or specific restrictions, for example by the organisation that are being studied, are common reasons for making a convenience sample (Bryman, 2012, p. 433). Since ACC is a Swedish firm, the choice to investigate their biggest market was considered more relevant than other countries. Sweden is the country with the largest amount of stores, and therefore it is the country with most individuals from the target group. Like with the first sample level, a convenience sample was made at a second sample level. This was partly due to restrictions by ACC, and partly because of limited travel flexibility. In order to get in-depth interviews, the aim is to meet the interviewees in person rather than conducting the interviews over telephone. ACC suggested Stockholm for the sample, since it is the city in Sweden with the largest amount of stores in a variety of sizes. At the third sample level, a random sample was made from all ACC stores located in Stockholm, Sweden. Tracy (2013, p. 134) argue that random samples are not common in qualitative research, but the main reason to use it is that the members of the population of interest has an equal opportunity to be chosen. The reason for doing a random sample was to avoid a biased result, since the result is directed towards ACC that needs to implement one strategy that functions in the whole organisation. Five stores were chosen to take into consideration that different stores might work with the CS concept in different ways. Even though these will not be compared to each other, the variation ensures a more credible result.

The two individuals sampled are the ones responsible for designing and developing the CS concept, and were therefore the only ones that fitted the defined sampling criteria for the managerial interviews. Purposive sampling means that the data is chosen to fit the parameters of the research question and purpose (Tracy, 2013, p. 134). This approach is good for qualitative research (Tracy, 2013, p. 134) and often recommended for studies based on interviews (Bryman, 2012, p. 434). The sampling of interviewees can be explained as a combination of a purposive sample and a random sample. The interviewed managers were chosen through a purposive sample. When interviewing frontline employees at ACC, the individuals should ideally have different types of employments, for example part-time or full-time. Furthermore, they preferably represent a diversity of experience with the company, and with a variety of known awareness of the CS concept. Without a fair perception of the frontline employees, it is not likely that the strategy and the implications recommended for ACC would be effective and well-functioning in the organisation as a whole. Hence, a majority of the sampled respondents should not only be either managers and responsible for team
training, or new on the job with little understanding and experience of working with the CS concept.

4.3 Interview guide

An interview guide consists of areas or questions that should be covered for the study, and it works as a manual for the researchers to follow (Bryman & Bell, 2011, p. 473). The interview guide used in this study was used to conduct the interviews, but not necessarily in the formulated order. In case of interviewees changing the subject, it is of benefit if the interviewers are somewhat flexible with the question sequence (Bryman & Bell, 2011, p. 475). Semi-structured interview guides often include an overview of themes to be covered combined with suggested questions for exploring those themes (Kvale & Brinkmann, 2009, p. 130). Bryman and Bell (2011, p. 475) suggest that the chosen questions should be well thought through, so that they cover the research question and themes of interest. The questions in the interview guides (See Appendix 3 and 4) were coded, to create an overview of the investigated themes. The codes (See Appendix 2) were aimed to aid the interviewers in keeping track of the different themes during the interviews, as well as to simplify the subsequent analysis.

The researchers should consider if there is any general information, such as name, age, gender, work position, or years of being involved/hired at the company, which could be important for the analysis of the research (Bryman & Bell, 2011, p. 475). The current thesis is aimed to help ACC’s top management improve the internal strategy to minimise the gaps between the intended and enacted value proposition. The only parameters that was important for the understanding of meaning and underlying problems have been the work position and assigned tasks of the interviewees, as well as for how long they have been working at ACC. Names, age or gender were not of specific interest.

Saunders et al. (2012, p. 391-392) suggest open questions, as well as specific and closed questions, for an in-depth- and semi-structured interview. Using open questions will allow the researchers to gain deeper explanations of a specific situation or event and will inspire the interviewee to open up and show their attitudes toward the topic of the question (Collis & Hussey, 2014, p. 133; Saunders et al., 2012, p. 391). In other words, the interviewee can reply in a way they find suitable. Open questions often start with: what, how or why (Saunders et al., 2012, p. 391). The interviews were mainly built upon open questions, since the aim was to identify problems. It was of interest to let the interviewees speak freely and mention different topics spontaneously. However, some specific and closed questions were asked to clarify what the interviewees meant or to gain specific understanding about some of the topics that arose. Specific and closed questions allow the researchers to gain specific information, answers or confirmations (Saunders et al., 2012, p. 392). When designing the interview guide, the questions were carefully formulated to not lead the interviewee to any specific answer. According to Saunders et al. (2012, p. 393), this is important to avoid biased results and a transparency of the researcher’s’ own interpretations.

4.4 Conducting the interviews

Unlike most casual conversations, interviews have a purpose and a specific structure (Tracy, 2013, p. 131). Even though the aim was to make the interviewees feel as relaxed
and natural as possible, the fact that it was an interview with specific topics to cover, was always clear. Saunders et al. (2012, p. 398) argue that time management is crucial when conducting interviews since they take time to both prepare, run, and transcribe. Therefore, it is suggested to plan for them with a time margin (Saunders et al., 2012, p. 398). The interviews were planned to take one hour each, but three hours were scheduled in each store for conducting them. This offered the interviewers flexibility regarding the length of the interviews as well as the opportunity to hold short discussions after the interviews about the interviewers’ thoughts, and identified themes. Taking time after the interview to reflect on the interviewee’s voice, as well as facial and bodily expressions, can offer valuable additional meaning to a transcribed text at a later stage (Kvale & Brinkmann, 2009, p. 129). Further, Bryman and Bell (2011, p. 476) propose that researchers should know the organisation before they conduct interviews, so that they can understand the answers that might refer to something job related. ACC’s website, the secondary data, as well as the telephone interviews conducted with CS concept managers, all contributed to creating an understanding about the organisation before the frontline interviews. Further, the researchers’ previous experiences from working in the retail industry were important for the understandings about job related issues.

In some cases it might be cheaper for researchers to conduct a telephone interview since there are less travel expenses involved (Bryman & Bell, 2011, p. 206; Saunders et al., 2012, p. 404). Because of financial costs and time limits telephone interviews was held with the CS concept managers. Researchers argue that the lack of possibility to observe the interviewee during telephone interviews, can lead to less information than interviews in person (Bryman & Bell, 2011, p. 208; Saunders et al., 2012, p. 404). This has been taken into considerations in the current study. However, the CS concept manager interviews were used in combination with extensive secondary data about the intended value proposition. Therefore, the disadvantages with conducting telephone interviews were not considered to have a negative effect on the results of the study. The frontline interviews were held in person, in the stores where the interviewees work. Bryman and Bell (2011, p. 474) suggests that interviews should be held in quiet rooms because interruptions can destroy the quality of the interview. The store managers were asked in advance to find a quiet and private room where the frontline interviews could be held. All interviews were conducted in a quiet room and did not get disturbed.

Kvale and Brinkmann (2009, p. 84) mean that the interviewer as a person plays a crucial role for the quality of the interview. During the interviews, the interviewers focused their attention on the interviewee and on creating a friendly atmosphere. Personal skills, respect (Kvale & Brinkmann, 2009, 84), and experience of interviewing, is required to conduct high quality interviews (Kvale & Brinkmann, 2009, p. 82). Patel and Davidson (2011, p. 87) suggest that exercising in conducting interviews can be a way to develop experience. Before the interviews were conducted the interview was tested on two individuals working in the retail industry. Based on their feedback and the nature of their answers, the interview guide was revised before conducting the frontline interviews at ACC. The test interviews further enabled the interviewers to practice on asking probing questions. Using probing questions, also called second questions, will allow the researchers to explore the interviewee’s answers further by either reflecting on the answers or seek for further explanations (Saunders et al., 2012, p. 392). Kvale and Brinkmann (2009, p. 138) mean that the interviewer's ability to actively listen is
important for this kind of questions, since it is aimed to follow-up on the previous answer.

According to researchers, the first couple of minutes of an interview are when the interviewee gets an impression of the interviewer, before they share their experiences and feelings (Kvale & Brinkmann, 2009, p. 128; Saunders et al., 2012, p. 389). All interviews did therefore begin with a short briefing of the study and its purpose, in line with recommendations by Kvale and Brinkmann (2009, p. 131). Furthermore, the interview should conclude with a debriefing, which can include a short explanation of how the interview will be used in the research and the possibility for the interviewee to ask questions (Kvale & Brinkmann, 2009, 129). After the interviews, the researchers took time to talk to the interviewees in an informal way. The interviewees’ feelings and thoughts after the interviews were carefully considered and respected, to make them feel comfortable with the personal stories that they had shared. General information about the interviewees is presented in Table 1 below. The interviewees have been named with one randomly assigned letter each to protect their identities. For the same reason, the number of years of working experience at ACC have been categorised as less or more than five years. The interviewed concept managers are named Manager X-Y and the interviewed frontline employees are named Interviewee A-I.

**Table 1: Table of interviews.**

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Years of working at ACC</th>
<th>Interview time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager X</td>
<td>&gt; 5</td>
<td>00:29:04</td>
</tr>
<tr>
<td>Manager Y</td>
<td>&gt; 5</td>
<td>00:24:22</td>
</tr>
<tr>
<td>Interviewee A</td>
<td>&gt; 5</td>
<td>00:58:06</td>
</tr>
<tr>
<td>Interviewee B</td>
<td>&gt; 5</td>
<td>01:05:44</td>
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<tr>
<td>Interviewee C</td>
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<tr>
<td>Interviewee D</td>
<td>&lt; 5</td>
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<td>Interviewee E</td>
<td>&gt; 5</td>
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<td>Interviewee F</td>
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<td>Interviewee G</td>
<td>&gt; 5</td>
<td>01:06:22</td>
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<tr>
<td>Interviewee H</td>
<td>&lt; 5</td>
<td>01:13:29</td>
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<tr>
<td>Interviewee I</td>
<td>&lt; 5</td>
<td>00:46:26</td>
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</tbody>
</table>

4.5 Transcribing

All the interviews were recorded and transcribed during the process of interviewing, which can be of great advantage for researchers according to Saunders et al. (2012, p. 394). Researchers conducting qualitative interviews are often interested in the way people say things and the recording make them remember that (Bryman & Bell, 2011, p. 482). The interviewers should stay focused on the person being interviewed and not on taking notes (Bryman & Bell, 2011, p. 482). However, Saunders et al. (2012, p. 394) mention that the advantages with taking notes is that it keeps the researcher focused and formulating probing questions. Furthermore, it shows the interviewee that their answers are important (Saunders et al., 2012, p. 394). In the interviews for this study, one of the
interviewers focused on the interview guide and to make the interviewee feel comfortable. The other interviewer focused on taking small notes and asking probing questions to ensure that the interview covered what was intended with the different questions. This was to cover the advantages of both techniques, and it gave good results. The interviews could be free, relaxed and unstructured, but at the same time cover the important themes. Researchers mean that interviewees need to be asked for permission to record the interviews (Patel & Davidson, 2011, p. 87; Saunders et al., 2012, p. 396). This was done in the briefings before the interviews.

4.6 Analysis method

It can be difficult for researchers to find a way to analyse qualitative data, partly because there are many different possible techniques (Attride-Stirling, 2001, p. 385; Bryman & Bell, 2011, p. 571). However, the current study will use a thematic analysis method, which is one of the most common strategies to use when analysing data (Bryman & Bell, 2011, p. 571). In this analysis strategy, coding the data into themes is central (Bryman & Bell, 2011, p. 572; Clarke & Braun, 2016, p. 298). Researchers suggest that it can benefit the research results to consider the subsequent analysis of the interviews before conducting the interviews (Collis & Hussey, 2014, p. 154; Kvale and Brinkmann, 2009, p. 131). This can help the researchers to formulate questions and second questions to favour the following analysis (Kvale & Brinkmann, 2009, p. 131). Before designing the interview guides, the thematic analysis method was decided, which supported the development of them. Coding was used to cover all crucial themes to answer the research question. The codes (See Appendix 2) in the interview guides made the thematic analysis and the process to find themes more clear.

According to Attride-Stirling (2001, p. 387), the aim with the thematic analysis is to explore an understanding of a problem or an idea. Clarke and Braun (2016, p. 297) explain the aim of a thematic analysis to be finding, analysing, and interpreting themes or “patterns of meaning”. In order to answer the research question, gaps between the intended and enacted value proposition, as well as possible reasons for them, needed to be identified through analysing the patterns of meaning in the interviews. Different interviewees could explain different things and scenarios, but when analysing the deeper meaning, themes could be identified. Attride-Stirling (2001, p. 403) means that researchers cannot be objective when analysing meaning, but that it can only be analysed from a social context. It supported the analysis process that the interviews were held in the stores, at the interviewees’ everyday workplaces, and that the interviewers both have experiences from working on the shop floor. These aspects made it easier for the interviewers to understand the different situations and examples described by the interviewees. This also meant that less focus had to be devoted to understand the sometimes complex examples, and that more focus could be devoted to analysing the deeper meaning and the underlying problems in the organisational strategy and structure.

Attride-Stirling (2001, p. 390) explains the process of thematic analysis in three broad steps. In the first step, researchers break down the text into different segments of themes (Attride-Stirling, 2001, p. 402), and thereby reduce the amount of data (p. 390). The segments might be found by using a coding framework that can be based on different topics or words that are found in the theoretical framework and the research question (Attride-Stirling, 2001, p. 390). The codes that were used in the interview guides were
identified in the transcribed documents by using coloured post-its. The different colour sections gathered the topics and meanings covered by the interviews, and formed different segments of themes. The similar segments should be put together into networks of themes (Attride-Stirling, 2001, p. 392), and this was done by combining the coloured post-its sections of the transcriptions. According to Attride-Stirling (2001, p. 393), the second step evolves around describing and exploring the different networks, and it is up to the researchers to find patterns and meaning. The networks identified in this study were discussed by the researchers in order to gain an understanding about the meaning of the interviewees’ answers. Patterns started to show as the meanings behind the answers became clearer. In the last step, researchers will be able to untangle the data from the themes and start to analyse it (Attride-Stirling, 2001, p. 402). The focus is on interpreting the networks by returning to the core of the research, namely the theoretical framework and the research question (Attride-Stirling, 2001, p. 394). Once the themes were explored and clear patterns were visible the current researchers returned to the theoretical framework and started to analyse the data, and develop the framework further.

Attride-Stirling (2001, p. 388) presents a tool for thematic analysis using basic themes, organizing themes, and global themes. Researchers need to combine basic themes to find meaning (Attride-Stirling, 2001, p. 389). When many basic themes with similar issues are combined, they together create an organizing theme (Attride-Stirling, 2001, p. 389). The organizing themes reveals patterns of what goes on in the text and it builds up the meaning (Attride-Stirling, 2001, p. 389). When the organizing themes are grouped together they find an underlying understanding that is called a global theme (Attride-Stirling, 2001, p. 389). A global theme makes sense of the clusters, reveal interpretations from the data and summarises it (Attride-Stirling, 2001, p. 389). There might be more than one global theme, depending on the complexity of the data, but each global theme is the essence of a thematic network (Attride-Stirling, 2001, p. 389). Therefore there might be more than only one thematic network within a thematic analysis (Attride-Stirling, 2001, p. 389). The current study identified four global themes, and the clusters of organisational and basic themes are presented in Appendix 5.
5. Findings
In this chapter, the empirical findings will be presented. First, the findings related to the intended and enacted value proposition will be stated. Further, the chapter will provide a presentation of the findings related to how the frontline employees experience ACC’s current internal marketing efforts to engage, enable, empower and ensure them.

5.1 The intended and enacted value proposition
In general, all the frontline employees have a good overall understanding about the CS concept. However, there were some differences regarding the knowledge about the five steps and their separate meanings. Commonly expressed by the frontline employees, is the fact that they enact the CS-concept when they feel like they are able to. They have a positive attitude towards the CS concept and seem to genuinely want to perform good customer service. However, they describe that they cannot always enact the CS concept, for reasons that will be presented in the following section.

5.1.1 The CS concept as a whole
The managerial intentions with the CS concept are to align ACC’s values with their encounters with customers, as well as to improve their customers’ experiences with the firm. The overall goal with the CS concept is for ACC to generate customer satisfaction through offering great customer service, and consequently reach higher profit. The team inventing the CS concept wanted to find measurements for the store. They asked themselves how they could interact more with customers than they currently did. Furthermore, they considered what they could do make customers feel welcome at ACC, and for the customers to want ACC’s support in their final purchase decisions. When asking the interviewees about what they think that the intentions with the CS concept are, most of the employees answered that they think it was developed to align all the frontline employees’ mindsets and work behaviours. Some of the employees meant that ACC probably produced the CS concept for competitive reasons, to compete with customer service. Furthermore, the CS concept managers want the employees to understand the CS-concept and perceive it with regards to common sense. The interviewed frontline employees generally had a positive attitude towards the CS concept and ACC as an employer.

The internal strategy aimed to align the intended and enacted value proposition, is for the CS concept to be involved with the whole organisation, at all levels. Manager X explained what ACC have to do to make reality of the intended value proposition: “It is to acknowledge it [the CS concept], from the board all the way down to the frontline employees in the stores. We have worked hard to sell the CS concept throughout all firm levels, and we have now come as far as having our CEO supporting it [the CS concept] and talking about it all the time”. It is explained that the awareness and work with the CS concept can be different in different departments, because the department managers are responsible for introducing and working with the CS concept in their departments. An example of how this was confirmed during the frontline interviews was that before the stores open, the employees refill the shelves with goods. While stores continue to fill up the products in the store during opening hours, others try to put that work aside to be able to have time to interact with the customers. According to the CS concept managers, they are trying to change the organisational culture with the CS concept.
Manager X described the desired culture change: “From an everyday perspective, I see it [the current culture] as if you would invite friends over and serve the best food ever, but instead of welcoming them in the door, you go out in the garage. That is roughly how we work today, and we are not the only ones in the retail industry that does not see the customer. We want to be involved with every customer that visits us. Even the ones that do not wish to be welcomed should feel welcome. There are people that have other purposes with their visits to ACC as well”.

The interviewees described a good customer meeting as when they succeed to make the customer satisfied. They further expressed a desire to solve customer’s problems and help them to purchase everything they need to solve their problem, even though the customers might not always ask for it because they lack knowledge about the nature of the problem. This is in line with how ACC and the CS concept defines a CS person - as someone that does everything to solve other people’s problems. ACC communicates that the CS concept should function as a role that all frontline employees should enact when meeting and interacting with a customer - they are supposed to be CS persons. In other words, a CS person enacts the intended value proposition. The role, however, applies to everyone within the firm and in interactions with customers as well as internal interactions, no matter if the interaction is made face to face, over the telephone or on the internet. ACC want the frontline employees to be aware of the fact that customers do not give second chances to correct mistakes resulting in a negative customer experience. Therefore, ACC means that a CS person needs to be alert and the best version of themselves, every time they are on the shop floor.

When asked about what kind of knowledge that frontline employees need to enact the CS concept, Manager Y answered that “They have to understand the CS concept, what it means. They have to have values that are aligned with the firm’s [values]”. Furthermore, Manager Y said that there are not anything else that the frontline teams need to learn but rather that “It’s about an approach and about stepping into a role. Most importantly is to have basic knowledge about how to act as a salesperson, but I think that is included in the CS concept”. The intentions with the CS concept is that ACC employees should be aware the five steps of the CS concept and enact it at all times, although the CS concept managers do not believe that it is like that in reality. Manager X explained: “There might be other tasks that the employees find more important, that are written in their schedule. They might think that these are more important than taking care of the customer”. Manager X also said: “We are aware of that there are other projects in the store that take up their time and makes their situation quite tough. There are many routines that has to be done, for example visual merchandising, that are competing with the customer encounters”. Furthermore, the CS concept managers explained that many frontline employees might avoid making contact with customers because they fear that customers will ask questions that the frontline employee are not able to answer.

When asking the interviewees about how they feel about enacting the CS concept most of the employees explained that they did not feel that it was different from how they usually act. Interviewee E said that “If one works in a store, one is a [CS person], that is why we are here. We are here to help the customers. It is a natural thing for me. I have done that ever since I started working at ACC, and before they started working with the [CS concept]”. It was further expressed that the frontline employees feel like themselves while working and not as they were playing a role. Interviewee D said: “I
do not feel like I am playing a role, I see it as I am just going out [in the store] and work. I do not have any social phobia. I do not find it hard to talk to customers or anything like that. So for me, it is just to go out [in the store] and do it. But of course, if I have a bad day I leave [my feelings] back in the stockroom. One does not take that with oneself out in the store when one is working, because the customers does not have anything to do with that. So that is one thing, but I do not feel like I am a whole different person when I walk out from the stockroom”.

Most interviewees expressed that it is impossible to be a CS person all the time, others expressed that people without the ability to always work with the CS concept might not be the right fit for ACC. Interviewee F said: “I believe that most people think that it is a good concept and try to work according to it, but it is hard when you feel stressed and know that there are many things that has to be done. Because there is always something to be done in the store [...] that has a deadline for that same day. One end up not fully being the [CS person] that one are supposed to be. You can not be that eight hours a day”. Some of the individuals expressed both that they feel like they can not always be CS persons, and that they know that some people might think that they should not work at ACC because of this.

A dominant view is that product-related tasks and deadlines have a negative effect on the frontline enactment of the CS concept. Interviewee E said: One has deadlines with certain things that need to get done, and since we do not have any people, we do not have time to do it. But if the head office want their picture of the product exposure, and it have to be done and everything, then you just keep going until 10 [the deadline time] and then one can not help five customers up until then, because then you would not have time to finish until 10 o’clock. Then you just let go of everything else and get it done”. Something that was mentioned throughout all the interviews and in regards to all aspects of the CS concept, was that the interviewees experience the staffing as too low for them to handle all the product-related tasks, and at the same time be CS persons and offer great customer service. Interviewee E explained: “They are cutting down on employees, in every industry. But now we have reached the limit for what we can handle. They are doing it anyway and because of that one cannot be a [CS person]. It is hard to split in two, but maybe cloning will be possible soon”. When asking the interviewees about what possible individual characteristics or other conditions, that supports the enactment of the step, many answered that it is mostly about personality and a dedication to it. The interviewees expressed that they experience a support from their teams and that there is an acceptance about not handling product-related tasks as effectively as they could, because they prioritise helping customers as well. However, they do not feel supported by ACC with these problems and many express that they feel insufficient in their work role because they cannot perform best possible results in all different tasks at the same time. Interviewee G said: “Some people surely feel stressed and think that we need to be more staff working. It is a truth that if we were more employees on the shop floor, more people would get helped”. According to some of the interviewees, the frontline employees sometimes receive calls from the customer service department (telephone and online) about product-related questions that the customer service employees cannot answer themselves.

Some interviewees expressed that they would sometimes need to be more motivated to talk to customers all day, every day. They do not feel like ACC does anything specific to support their enactment of the CS concept, and explained that it is rather the
combination of good teamwork and leadership, that is the main motivator. More encouragement from colleagues, and better teamwork around the CS concept, could make them enact it better. Furthermore, the interviewees mentioned that continuous information about firm activities and goals make them more motivated to perform the intended value proposition.

5.1.2 Step one: greeting the customer

The intentions with the first step in the CS concept is for the frontline employees to say hello to customers as soon as possible after they entered the store, to confirm the customers’ presence. ACC express that the reason for this is to make the customers feel welcome and more satisfied with their visit. The aim is to make the customers visit the stores more often and spend more time during visits. Furthermore, ACC hope to gain increased sales and an image of better service. The frontline employees have an overall impression of the first step as being about greeting the customers when they see them, which is in line with the intentions with the step. They perceive it as a simple step to enact and nearly all of them mean that it is the most important step. They explain that by greeting the customers, the customers will find it easier to ask for help and it will also be more natural for the employees to ask customers if they need help. A common perception about the first step is that it is concerned with being polite to customers and making them feel welcome.

Most of the interviewees and their teams seem to enact the value proposition in line with what is intended, and many say that they find it natural to greet the customers and try to always do it. A main view is that greeting the customer does not always have to be about saying hello. Interviewee F said: “It does not even have to be a hello, it can be about making eye contact and nodding the head. Even if one is helping other customers, one can pay attention to customers walking by”. The overall impression is that the frontline employees greet the customers in the store as much as they feel they can. The interviewees said that they do not always greet the customers, because they do sometimes not have the time to actually help them. The interviewees explain that when they greet the customer, the customers tend to ask for help, which means that the employees need to stay with the customer and solve their problem. Sometimes, the reason seems to be the current mindset and mood of the frontline employees. Interviewee B expressed that “Sometimes one has a bad day, and sometimes one has a good day. To be honest, I am sometimes slow and tired. So I might not do it all days”. Furthermore, they find it difficult to enact the intended value proposition when they feel stressed, which can be caused by for example too many other tasks, or long lines of customers that want to pay. Interviewee E explained that greeting customers is difficult “For example, when one is really stressed and standing by the information desk, and need to cover for someone in the cashier. Then one just walks fast to get there. If one would greet all the customers, one would never get to the cashier. And if one do not get there, one can not cover for them to go to lunch or whatever it is that they need to do”.

Upon asking the interviewees about what kind of knowledge and support that could make it easier for them to enact the step, they said that it is mostly about themselves and the need for them to remind themselves to enact it more. Interviewee B said: “It is acknowledged everywhere. We know it when we come to work, and we know it when we leave”. The overall impression is that the employees think that the “greeting customers” step is mainly about being service minded and outgoing. Interviewee F said that no specific knowledge is required for greeting customers and that “it is just about being
service minded and not shy. But if one is [shy] I do not think that one would even work in a store, if one does not have a service mind”.

A few of the interviewees further say that they sometimes hesitate to make contact with customers because they feel insecure about product knowledge and the questions that the customers may ask them. Some interviewees said that they can sense if customers need help or not, by reading their body language. Interviewee D explained: “In a way, it is just about doing it [starting to talk to the customer]. One can sense it the customer thinks that one is bothering them, but most people want more information. Others know exactly what they are doing, and then they say that. And then you back off”. In contrast to this, others expressed that it can be difficult to know if the customers want to interact with them or if they want to be left alone. Furthermore, the latter group expressed that education in how to understand people’s’ differences, could help them to enact the step better.

Some of the interviewees expressed that the store landscape affect their enactment of the first step in the CS concept. A few interviewees mention that the way the store is built makes it easier for them to greet the customers, with a store layout where the customer has to walk through the whole store to come to the cashier. This is explained to make it more likely that the customers and employees notice each other and make contact. Another view, that is more prominent, is that the current store design and the height of the shelves makes it harder for the customer and the employees to see each other when the employees are taking care of product-related tasks behind the shelves. Interviewee B said: “If I stand in one section, the customer can not see me if they stand in another section. We need to get out in the customer pathway more and show that we are here”. Furthermore, some of the employees suggested an entry host for welcoming all customers, could be a way of ensuring that all ACC customers received a hello. However, they expressed that it might be unrealistic and that they were not sure that an entry host would actually result in better customer experiences.

5.1.3 Step two: taking the initiative to interact

The intentions with the second step in the CS concept are for the frontline employees to always take the initiative to interact with customers. ACC mean that the customers will feel more satisfied when the frontline employees start the conversation. The employees are meant to interact with customers that are searching for products on shelves in the store and ask them what they need, and how they can help them. Furthermore, ACC’s intentions with the step are for the frontline employee to tell customers about different possible solutions and help them to make decisions.

The overall perception amongst the interviewees about the second step is that, if customers are looking for something in the store, the employees should help them to find it. The step is described as being concerned with the frontline employee making an appearance to the customer, and asking them if there is anything that can be done for them. Furthermore, several interviewees mean that customers should not need to look for employees - the employees should find them. Some employees mentioned that step two is the first step to begin the selling process. Largely, the interviewees seem to have grasped the second step in the CS concept. However, there are two main aspects that they are mentioning. Not one of the interviewed employees specifically talked about giving advice and presenting different solutions, when describing this step, which imply
that there is a gap between the managerial intentions with the CS concept and the frontline perceptions about it.

Even though the frontline employees did not specify the second step of the CS concept as being about giving advice and presenting different solutions, they seem to enact it. Several interviewees mentioned they work with “care-sell” rather than “upsell”, meaning that they try to help customers to make a complete purchase by buying everything they need to solve their problems. The employees claimed that they always try to have their main focus on customers, and that they work with the second step of the CS concept most of the time. However, they do not ask every customer if they need help, and several reasons for this were mentioned. A dominant view was that it is hard to enact the second step and take the initiative to interact with customers when there are too many customers in the store, or when there are too many product-related projects in need of attention. The problems in this step of the CS concept were relatively similar to the first step, but while the frontline employees seem to enact the first step most of the time, the second step seem to be more problematic in relation to aspects such as time, staffing, product-related tasks and motivation.

According to the interviewees, the ACC head office communicates many product-related deadlines concerning for example merchandising, and sales campaigns. It is further explained that ACC runs a lot of projects at the same time and that this interferes with the enactment of the CS-concept. The interviewees expressed a habit of being so dedicated to finish their other product-related duties and deadlines that they sometimes forget to take care of the customers. The interviewees expressed that when asking customers if they want help, they usually do want it. Still, many of the interviewed employees said that customers sometimes end up searching for employees in the store without finding anyone. The customers end up at the cashier and ask the employee there if there is no staff working on the shop floor. However, it was commonly expressed that the teams are trying to work more with the second step, and being more available for customer by walking around in the stores and finding the customers. About this, Interviewee B said that: “To let go of the things you are doing and walk around the store will take you one minute. So we have started to pitch that we should do it more often. We have become better at it, but we still have to work on improving it”.

When asked about what kind of support that ACC could give them to make it easier to work with the step, some employees mentioned that product education might give them more courage to take the initiative to interact with customers looking at a product that they do not know anything about today. Others mention that they could need some refreshing on the different steps in the CS concept. Some employees mention that it would help if they had more colleagues in the store, so that they could cooperate with helping all the customers. Interviewee F expressed: “I think it is about being more people in the store at the same time. Sometimes it feels like one is working all alone, one hasn’t seen a colleague for three hours. Some days it feels like that you ‘Oh, but hi, are you here?’ that you haven’t seen each other. And it gets more boring as well, when you start to agree with the customer, that: ‘No, there are no employees here’, when you get the question 'Are there nobody here?’. But you never say it, but it feels like it sometimes”.
5.1.4 Step three: being available

The intentions with the third step in the CS concept are for the employees to always be accessible for the customers. The employees are meant to follow the customer to the product they are looking for, instead of only pointing them in the right direction. ACC want the frontline employees to be organised and plan to be available for customers where and when the customers will need them the most. In general the interviewees have perceived the step as being available for the customer at all times, as well as being open and looking up from potential projects. A few mention that it is about following the customer to the right shelf. Interviewee G said: “It is about being there and then, to want to help the customer according to their needs. If they want to know where the product is, or if they want me to follow them to it. It is about asking and checking with them, be open”. However, many of the explanations are more related to some of the other steps than the third one, and many of the interviewed employees did not seem to have any detailed knowledge about the step.

The view of several interviewees was that the frontline employees work well with being available to the customers. Interviewee D expressed: "One does one's best. One try to be out on the shop floor as much as possible when working. The customer is always in focus, even if I am doing something else. If a customer comes over and asks for help, then I just take a break from what I am working on to help the customer. It was clear to me from the beginning when I started to work for ACC, that the customer is the focus". However they do not always enact the step, and some interviewees said that they follow the customer to the product depending on what the customer are asking for. Sometimes they follow the customers and sometimes they refer them to another colleague or point them in the right direction. According to Interviewee F “It depends on the question and what they are looking for, as well as if one is near that. One might refer to a colleague or follow the customer oneself if one have time and feel like the customer will not find their way. There are so many things and too hard to navigate. If I am in the [something]-section and they [the customers] come asking about something in the other end of the store, and if I know that the section should be staffed, I refer them to go there and talk to the employees there instead. I am not meant to go over there, because then it would be no staff in the section where I was. But if it is close, then one follows the customer there”. It generally seems to depend on where in the store that the specific product is positioned in relation to where the frontline employee is currently working. Furthermore, the employees explained that when working in the cashier, they are not allowed to leave, which result in pointing and explaining.

Many employees mentioned that when there are a lot of projects in the store, they often end up pointing to where the customer can find the products they are looking for, instead of following them to the shelf. About when customers ask for help when there are many projects in the store, Interviewee E said: “One often end up pointing. Sometimes they [the staff working on projects] follow them [the customers] to the shelf. But it [the project] needs to be done at a certain time”. This shows that the intentions and enactment of the second step is differing to some degree.

The employees expressed that they feel bad when customers want their help and they do not have enough time to help them. Time seems to be the main reason for not always being available to customers. Furthermore, it was said that it would be easier to be available to the customer if the computers with information were more available to them
around the store, so that employees does not always have to move back and forth to the computer to get the information they need to help customers.

5.1.5 Step four: satisfying the customer

The intentions with the fourth step in the CS concept are for the frontline employees to know how to treat and take care of dissatisfied and complaining customers, in order to turn their experience with the firm into something positive. ACC wants the employees to understand and appreciate that an unsatisfied customer means a possibility to change a negative experience into something positive. ACC mean that the frontline employees have mandate autonomy to make the best out of these kinds of encounters with the customer. Some people perceive the step as listening to the customers and trying to understand them, in order to treat them according to the customers’ personal preferences. Furthermore, the step is described as being about solving customer problems and making sure that the customer has everything they need. In general no one really knew what the fourth step was about. Only one interviewee mentioned dissatisfied customers and product complains when describing the step.

When it comes to complaints about products, some frontline employees explained that ACC provide them with standards and routines for what kind of products that should and should not be taken back and/or be changed for new ones. However, there seem to be differences between different stores regarding how they are handling these kinds of situations. Several interviewees express that there are some uncertainty about the fact that ACC, on the one hand, provide relatively clear standards and routines for product complains, but on the other hand suggest that the employees should do everything they can to make the customer satisfied, in line with the fourth step in the CS concept. There are different ideas among the interviewees regarding when it is aloud to step away from ACC’s recommendations and make own decisions in the encounter with the customer. Furthermore, there seems to be confusion about if there are any guidelines at all, and what these are. Some of the interviewed employees said that there are no guidelines, and that they do everything to make the customers satisfied. Other employees explained that they do not feel comfortable and encouraged enough to make decisions about customer complaints because there are guidelines that they do not know much about. A few employees said that guidelines are missing all in all, and that they do not feel certain about what ACC expect from them.

The approach to the standards and routines are varying in different stores, and it seems like it depends on the store managers’ perceptions about the flexibility around them. Interviewee G said: “Some store managers may be strict and then there will be more conflicts, and it will become more difficult for the employees to [satisfy the customers]”. The store managers’ understandings about the standards and routines are then what is instructed to the frontline team. As a result of this, some stores seem to be stricter than others regarding customers’ product complains. However, when customers are dissatisfied with an ACC purchase, the employees seem to try to make them satisfied again. It was explained that they have been taught to try and solve the problem for the customers, but that is not possible to satisfy all customers for economical reasons. Interviewee D explained: “Some [customers] try to complain about and return products that are not returnable. When it is obvious that there is nothing wrong with the product but it is rather something that has been done wrong [with it] or that the guarantee is out. Some people expect miracles, and when one cannot give them that, they get angry and irritated. One has to try to handle it as good as possible, but
unfortunately one is not possible to satisfy everyone because then the company would not manage. I mean, there has to be boundaries”. All of the interviewees expressed that they feel like they have the mandate to make decisions in different situations, and that it is allowed to do things wrong. Some feel like they can ask someone about the situation afterwards and learn about what to do for the next time. However, some of the employees interviewed said that they often feel insecure about what decision to make in situations with complaining customers, and therefore ask their manager or a more senior colleague for help.

Many interviewees mentioned that they sometimes call for a colleague when they encounter dissatisfied customers and customer complaints, but not only because they feel insecure about the decision. Several interviewees mention the need for having a colleague confirm their decisions about product claims to the customer. This seems to be because the customers are more likely to accept the decision if two employees says the same thing. Interviewee B expressed: "Sometimes customers come in and are furious because they can not reclaim their money for a certain product, and then one can say ‘if you just wait for a moment, you can talk to my colleague’, so that they get to hear another voice saying the same thing as me. Then the customer may say that they understand”.

Even though the frontline employees seem to try to follow instructions and guidelines about handling dissatisfied customers, the collected data does not imply that they are enacting the fourth step about satisfying customers - in the specific context referred to by ACC. It seems like some frontline employees are more focused on making the customers accept decisions that they do not like, instead of satisfying the customers. This implies that the step is not only perceived wrong, but that it is also not enacted in line with the intentions expressed in the CS concept guidelines, in many cases. However, it is important to note is that some of the interviewees seem to work exactly according to the guidelines.

5.1.6 Step five: exceeding expectations

The intentions with the fifth and last step in the CS concept is for the frontline employees to always “go the extra mile” for solving customer problems and making them satisfied with their experience with ACC. The aim is for the customers’ expectations to be exceeded through surprisingly good service. Most of the employees at ACC understand the step as doing something for the customers that they did not expect. Interviewee B expressed: “It is about solving a situation so that the customer says ‘wow’”. Some employees explained the step as being about selling the customers something extra before they leave the store, and that is about reaching ACC’s goals and sell better. It seems like this step is not something that gets much attention by the frontline teams, since some of the interviewees said that they should talk more about the step.

In general, the employees seem try to exceed the expectations as much as they can. Some people even explain that it is a norm to exceed the expectations of the customers. Interviewee G said: “In this store, we get to hear quite often from customers that we give good service, and that is probably because the service was better than they thought, otherwise they would not say anything”. Just like with the other steps, one reason for not enacting the step was lack of time. Especially when there are many customers, it makes it harder for them to offer the extra service necessary to exceed the
customers’ expectations. Another reason is that they find it hard to know what the customers expect, as well as how to actually exceed their expectations. However, some of the interviewed employees explained that their way of knowing if they exceeded a customer's expectations is through receiving that kind of positive feedback from the customer, when the customers tell them that they are happy and satisfied.

5.2 Internal marketing

ACC want their frontline employees to understand the CS concept, be aware of it at all times and to always enact it. However, they also expressed that they do not think that that is how it really is in the stores. In the previous section, the empirical findings show that there are gaps between the intended and enacted value proposition. The findings related to the four dimensions of internal marketing, the four E’s, offer a widened view of what the barriers are that creates the gap between intended and enacted retail value propositions. The four E’s will be presented separately, however, it is crucial to consider these dimensions as interdependent when developing an internal marketing strategy.

5.2.1 The engagement of the frontline employees

The CS concept managers expressed that it is important to recruit the right people for the firm, and to give them the necessary support. Manager Y explained that the organisational culture is not the same throughout the whole company: “I want it to be the same but I understand that it is not the reality. We live in different worlds. It is a lot more stressful in the stores than at the head office. It is stressful in different ways, of course”. The CS concept managers mentioned that it is up to everyone to create a coherent group atmosphere in the stores. At all levels in the company, it is up to the department managers to decide what team building activities and training that they want to work with in their department team. Hence, it is up to the store managers to work with the CS concept with their teams.

The interviewees show loyalty to ACC’s organisational values and vision, and several of them say that ACC offers customers something out of the ordinary by offering an exceptional service. Based on the interviews, the group atmospheres in the ACC stores seem to be appreciated by all interviewed frontline employees. They expressed that the reason for the nice climate in the teams is the people in them. Many interviewees described that there are many different personalities in the teams and that they complement and learn from each other. Some of the interviewees with several years of experience, express that they give these learning processes the time it requires. If a new team member needs to learn something, they prioritise to take the time necessary for the new employee to understand and learn. They connect with each other even though they are different, and they have fun together. Several interviewees further express a feeling of trust and support within their team, that they have a good teamwork. Furthermore, some of the interviewees said that they feel like they can talk to their colleagues about their personal life as well as work-related topics. Interviewee G said: "We have fun together and make sure to enjoy our time together. We try to encourage and strengthen each other. Get to know each other so that we can learn to understand each other. If you have fun at work, you do a better job. If you have fun at work, you will have the energy to cope with work even if some things are challenging. It is all about seeing and taking care of each other".
It does not seem like the store teams work much with team building exercises, and there
the interviewees explained that there have been cut downs on employee events during
the past couple of years. A common view among the interviewees was that they feel
engaged and encouraged to perform better when they have had the opportunity to go to
an event or training session related to customer service and the CS concept. Interviewee
F expressed: “All in all, it is about getting to go somewhere other than the store and do
something else, whatever it is, some training or so. It is motivating to just do something
else. To sit down and talk to [employees in] other stores about experiences. Just
something like that”.

5.2.2 The enabling of the frontline employees

The CS concept managers explained that the employees receive an introduction to the
CS concept when they start working at ACC, and that they can access further
information about it through their intranet. They have to do a short questionnaire, which
is concluded with a diploma referring to the employee as a CS person. Furthermore,
they have posters in the staffroom about the CS concept and the five steps. Manager X
explained what skills that are important for the frontline employees to have to enact the
CS concept: “Knowledge about our assortment is good to have, but not crucial. I would
say that the social abilities is the most important”.

The employees that started to work at ACC after the CS concept was implemented
received an introduction to it and were often briefly introduced to the CS concept in the
recruitment process interviews. The employees that had been working for ACC for a
longer period of time, described that they received much information about the concept
when it was new, during a shorter period of time. The interviews clarified that when
ACC have opened up new stores after launching the concept, all employees being part
of the store opening have taken part of an introduction where the CS concept was an
important part, regardless if they were new or had previously worked for ACC. When
viewing these differences in knowledge in the light of the individuals’ numbers of years
working for ACC, a tendency became clear. The individuals that were hired within the
last year, and recently had received introductions about the CS concept, had better
understandings about the five facets of it. The individuals that have been working for
ACC for a longer period of time, for several years, did generally not show on good
knowledge about the CS concepts five steps. A few of the employees said that they get
reminded about the CS concept from looking at the posters on the walls. Interviewee D
said: “There is always all of the information at the same time when you start working at
a new place. It might be that the introduction included the CS concept but that it
disappeared [was forgotten]. That is also the good thing about having information up
on the wall like that, then one gets reminded and it sticks somewhere. Sometimes it is
like that, you hear it once and then it disappears in your mind. You need to be reminded
now and then”.

The general impression is that they have not received any further education or training
related to customer service and the CS concept. In general, the interviewees feel that
they do not need to be reminded about the CS concept. Interviewee G: “I do not think
that it is about them reminding us more, because I think that most of us know about it”.
The overall impression is that it is up to the store manager to handle the on-going
education of employees about the CS concept. Interviewee G explained: “What happens
when someone new is recruited, is that it falls within the store’s responsibility to
educate them in the [CS] concept. The educating tools are all there to read. Everything is there. What the [CS] concept is and why it exists. The [CS] concept can be adjusted to the context and it is up to the stores to do with it as they see fit. Everyone should prioritise the [CS] concept in the same manner, but since there are different people and different leaders, it might be handled in different ways”.

Most of the employees explained that they have daily meetings held in the mornings, before opening the store. The agenda on these meetings are concentrated around new campaigns, sale numbers and goals. Few employees mentioned that the meetings were also aimed to encourage the employees to have positive customer meetings throughout the day. Most interviewees explained that the aim with the meetings is to encourage them to reach sale goals. The overall attitude towards the morning meetings is positive, and the interviewees expressed that they like to receive information and knowledge about campaigns, sales competition and products because it helps them to do a better job. Interviewee H said: “When we do actually have the meeting, I feel well-prepared”.

Many interviewed employees are aware of the available information about the CS concept and ACC’s products, on the intranet. They explained that the information is accessible at all times, but that they never actually take advantage of it. They explain that they do not get the time to do it during work hours, and that they do not feel like doing it on the free time. Interviewee C said: “It is up to each and everyone really. We have said during our meetings that we will get time for it, but then it do not happen. If I would have asked for it [time to do training through the intranet], I would probably have gotten it”. All interviewees expressed a positive attitude towards internal education and training and they would like to be assigned more time for it. Education and training related to product knowledge was especially emphasised. Interviewee E said: “More education is always good. The more we know, the better we can take care of the customer. Considering the fact that we have so many products, it is impossible to know everything about everything. [...] One does not have to be an expert on everything but one should have some general knowledge about what one is talking about. That is always good”.

When asking the interviewees about what job situations that makes them feel insecure in their role as a CS person, all of them answered that it is when they get questions about products that they do know the answer to. Interviewee H explained: “If one has an immediate answer, you notice that the customers get more satisfied than if we have to go and look it up. The customers usually feel more safe when we know what we are talking about”. Many employees explained that there are a lot of situations when they need to find information about products in order to help customers. There are three options for how to find it; ask a colleague, search for the information on a computer, or contacting the customer service department. However, many interviewed employees expressed that they consider it easier to ask a colleague than to search for information in the ACC search engine and intranet. Interviewee F said: “Yeah, I think I have been working here [in the particular store] for the longest period of time. [...] I am experienced and know most things, so many people comes to me and ask about what to do in certain situations”.

All employees mentioned that the search engine is somewhat challenging and complicated. Interviewee A described: “It is easier to use Google than the web page. The web page works sometimes, while the intranet... that [the intranet] is quite
Some of the interviewees explained that they have to walk to a computer, and often stand in line, to use the computers to find information. Interviewee D explained the complexity of the search system: “The intranet search engine is worthless. I use the homepage to find the products instead. It [the search engine] is very limited. You have to know the exact words that were put in the system, in order to find something. On the webpage, on the other hand, you can search for something and get suggestions like ‘did you mean this’. The web page is more forgiving”. Interviewee D explained the problem further: “There are quite many products that has the wrong name really. If one search for one name one find nothing, and if one search for another, one find everything. So yes, it is about understanding how the person registering the product was thinking. One has to be a problem solver and a detective sometimes”. Furthermore, the interviewees requested more information about the products, for example how they are used and what products that might be needed to use them properly. Many of the interviewees explained that they have received some kind of sales training, but not much specific knowledge and training about handling different types of customers and situations.

5.2.3 The empowering of the frontline employees

The CS concept managers expressed that they want the employees to feel an ownership of their encounters with customers. It was described that ACC has a very generous customer policy, which make the frontline employees able to manage complaining customers in a way that makes the customers satisfied. This is in line with what is described in the CS concept as satisfying the customer. However, the CS concept managers explained that there are guidelines for the frontline employees on what they can do in the stores and on the intranet.

The interviewees expressed that they feel trusted and empowered in their encounters with customers. Interviewee H said: “I make a decision in the cashier, and after that I can ask a team leader about what they would have done in the same situation. Alternatively, if it is a difficult case, I call for them [to come and help me]. But no one gets angry if I would have given back money [to the customer], but they show understanding and might say that ‘you took the right decision and it is totally okay’. Others can tell me what could have been done instead. It is much focus on that ‘it is your customer encounter and you get to make your decision’”. However, there seem to be many employees that feel insecure about what decisions to take rather than insecure about whether they are allowed to make decisions or not. Interviewee A has been working in ACC for many years and expressed that: “There are several people that call [for me] more often than they should. But it is probably also about that we have to become better on telling them that ‘you could have handled this by yourself, you did it right’. In some cases it is totally unnecessary for them to call us because they can do it so much better themselves”. Customer complaints and service recovery is specifically covered by the fourth step in the CS concept about satisfying customers. As mentioned in the previous section about the five steps, some frontline employees experience that there are guidelines about what they can do and in what situations they can do it. Other employees express that there are no guidelines about this, except for making the customers satisfied. Many of the interviewed frontline employees described that it is about taking a sensing approach to how different product complains that should be handled.
The interviewees described complicated communication systems and expressed that they do not feel like they have much organisational influence. Interviewee B said: “The communication could be better. It is made in several steps where I say something to my manager that says it to [his/her] manager, and then the regional manager takes it further. One does not know if the message actually reaches the right people. I also think that some [frontline employees] does not dare to take that kind of contact. It is about sending an email. That is not hard to do. And if they [the head office] do something about it, then you know that you have done the right thing. But in this store, we do not really have much contact with the head office, except for with the workshops. [...] They do not know how it is on the shop floor. Some of the buyers may have been working in [ACC] stores before, but it is different now. I get the feeling that they do not really want to hear from us”. Furthermore, the overall impression was that the employees wish for the CS concept managers and head office employees to understand their situation and listen to them more. The frontline teams would like head office employees to visit the stores more often, in order to gain understandings about their work.

5.2.4 The ensuring of the frontline employees

According to the CS concept managers, there are some strategies for how to follow up on frontline performances regarding the CS concept. They have previously used mystery shoppers in the stores to measure the frontline performance in relation to the CS concept intentions. The interviewees explained that they do not get measured or recognised on how they treat customers, but rather on their performance related to short-term sales goals related to specific products. Interviewee G said: “There is a lot of talk about customer service from the head office level, but then there is a gap, no one is following up on it on a national or regional level. Not that I know of anyway”. The interviewees express that customers are the main source of feedback on their customer service performance. Feedback from ACC seems to be strictly about numbers. Interviewee B explained: “Now, it is mostly based on results that you get to know if you have done something good. But you might not get [recognised or rewarded] for ‘doing this thing good’, they rather look at the numbers. If the numbers are good, then it is all good”. Many interviewees further said that they think that the frontline teams could improve the feedback they give each other. Interviewee G said: “Generally, we are bad at it [giving feedback]. We have done a co-worker survey [...] and it showed that we are bad at giving constructive and positive feedback. We need to become better at that. It is about having it at the top-of-the-mind to actually give feedback. We see so many things that people are doing well, but we need to just walk over and say it [to them]”.

Some of the interviewees explained that they want more recognition. Interviewee A meant: “They could say it, that ‘you did this great’. Maybe just an email. We do not really get much feedback on what is good, but rather on what is bad. Yeah, something like that. It would be nice to get some positive feedback as well”. Furthermore, they would like more face-to-face recognition from the head office, not only emails. Interviewee E said: “If they [regional managers] could only visit [the stores]... I mean, they see our sales performances and everything as well, so they could come give us a tap on the shoulder or something. That would mean a lot. Then you still feel seen”.

The employees had different views on reward-systems. Some of them meant that being rewarded is not the best way to ensure their enactment of the CS concept. Interviewee G explained: “But that cake [that are sometimes received as a reward] feels like... We get a cake that we go and buy ourselves and put the expenses on ACC. It is nothing special
in the long run. The employees want something more in the end and that is why I believe more in recognising people [instead of rewarding them]”. Others expressed that they felt like receiving some kind of reward is meaningful to them. Interviewee E meant: “We do not even get a Christmas gift anymore. They have stopped with that, giving us a gift-card or something. It shows appreciation to get something. Nowadays we get nothing, we get to work harder”. Overall, it seems like the frontline employees do not get rewarded often, and do not feel satisfied with the rewards that they sometimes get.
6. Thematic analysis and discussion

In this chapter, four global themes drawn from the empirical data will be explained: Role Overload, Lack of Product Knowledge, Lack of an Internal Service Mindset, and Lack of a Holistic Service Strategy. The findings confirm that there are in fact gaps between the intended and enacted value proposition. The CS concept is enacted by the frontline employees to a certain extent, and this chapter contains explanations of the identified main barriers causing these retail value proposition gaps. Furthermore, the findings will be analysed and discussed in relation to existing research and a revised conceptual model will be presented.

6.1 Role overload

One identified barrier between the intended and enacted value proposition is that the frontline employees experience role overload. The empirical findings show that the frontline employees’ amount of work-related tasks and responsibilities have increased over the past years. Just like so many other companies have done during the last decade (Sorescu et al., 2011, p. 5), ACC started to focus more on customer service to differentiate themselves on the highly competitive retail market. Sorescu et al. (2011, p. 5) argue that retail firms need to consider not only what they offer their customers, but also how they offer it. In line with this, ACC have made an attempt to change the firm focus to how they offer customer service. Therefore, their value proposition encompasses a combination of product-related tasks and customer-related tasks, where the latter is conceptualised through the CS concept. This can be related to prior research suggesting that the nature of the retail industry makes the retail value proposition dependent upon both products and service (Sorescu et al., 2011, p. 5). The fundamental product-related tasks need to function in order for the CS concept to fulfil its’ purpose. If there are no products in the store for the customers to buy, or no staff at the cashier, there is no need for the CS concept to be enacted. This interdependence has been shown to lead to some uncertainties among frontline employees regarding how they should prioritise different work tasks.

The empirical findings disclosed that a large part of the frontline employees’ daily operations are dedicated to product-related tasks, such as logistics, product refill, and visual merchandising. This is not aligned with Bettencourt et al.’s (2014, p. 51) suggestions for firms to try focus less on improving tangible outputs, and more on optimising the way customers get jobs done. The employees experience a conflict between product-related tasks and customer-related tasks, and feel stressed about not having enough time to attend to the customers. Furthermore, some expressed that they can sometimes feel conflicted between their role as a CS person and their private life and problems. The fact that they are expected to always be CS persons, but are not given the necessary conditions for it, makes them feel somewhat insufficient and insecure about their own performance. Gummesson (1995, p. 250-51) argue that it is the combination of goods and services that creates value for the customer (As cited by Vargo & Lusch, 2004, p. 2). Firms’ should therefore not focus on products or services by themselves, but on how they form a value proposition and how it can be a solution to customer problems (Bettencourt et al., 2014, p. 47). However, the empirical findings show that it is difficult for the frontline employees to have a holistic approach to their work roles and tasks, mainly because they feel like they are expected to handle too
many different tasks at the same time. It seems likely that this is a result of the lack of focus on the value proposition as a whole, throughout the whole organisation.

The amount of product related tasks makes it hard for the frontline employees to perform the CS concept in the way that they know they should, and it distracts them from focusing mainly on solving customer problems. Two dominant views in the empirical data are that there is a lack of employees in the stores, as well as that the store layout is a problem for the enactment of the CS concept. However, the deeper meaning that can be derived from these statements are that the amount of product-related tasks occupy the employees in specific departments and make them less visible and accessible to customers. Limited time resources, with regards to the number of staff and the amount of product-related tasks, forces the frontline employees to attend to the most fundamental and basic product-related tasks. By working with product refill and campaigns, the frontline efforts and competence is invested in creating a physical prerequisite for the realisation of the firm’s value proposition. While ACC want the frontline employees to always have the CS concept at the top of their mind, and to enact it at all times, the frontline employees feel like they do not always have the time or the emotional motivation to do so. It is recommended that ACC should clarify how the frontline employees should prioritise different tasks in their daily operative activities. The CS concept is defining a work role that the frontline employees are supposed to enact on the shop floor and in the interaction with customers. However, in order for the frontline employees to enact that role, all the different tasks related to their overall work roles, as well as their personal lives, should be considered. It is likely that these recommended actions would reduce the confusion and uncertainty amongst the frontline employees about what behaviours ACC expect them to perform.

The amount of projects running at the same time lead to that many projects are handled ineffectively since the frontline employees get disrupted by both each other and customers. Furthermore, this ineffectiveness and role overload lead to stress among the frontline team, which is likely to affect the customer experiences negatively. Instead of letting a majority of team members divide their focus on product-related and customer-related tasks, it is recommended that the different tasks should be structured and planned in a different way. By running fewer projects at a time, the project effectiveness can be improved as well as the customers’ experienced service quality, since a larger part of the employees would focus solely on enacting the CS concept. When not every frontline employee is engaged in their own product-related tasks, they can cover for each other better in different departments and be more available to the customers.

Chebat and Kollias (2000, p. 66, p. 73) suggest that adjustable guidelines can lead to less job-related stress and fewer role ambiguities. However, the empirical findings broaden this view by highlighting the importance of consistent guidelines for preventing frontline confusion and uncertainty about what behaviours that are expected from them. ACC have several separate guidelines and routines that are somehow contradicting the steps of the CS concept. The third step of the CS concept refers to that the frontline employees should be available where the customers are and out on the shop floor offering them help when they need it. ACC specify in their documented instructions about the CS concept that the frontline employees should not only point customers in a direction, but also rather follow them to the right shelf. However, the interviews disclosed that the number of other tasks and responsibilities makes it difficult for the frontline teams to perform this step. Many of the frontline employees end up pointing
because they feel like they do not have time to follow the customer to the shelf. Another example is that the frontline employees scheduled in the cashier, are expected to stay there when customers ask for help, even if the customer did not find any other employee on the shop floor to ask for help. The frontline employees end up feeling conflicted about being available for different customers at different points of their shopping experiences at the same time. The fourth step about satisfying the customer are also contradicted by some of the other ACC standards and routines. Overall, there is a confusion about what the guidelines concerning customer complaints are, and if there are any guidelines at all.

ACC have communicated to the stores that they should not focus on upselling but rather on “care selling”. The researchers of this specific thesis see a connection between care selling and the second step of the CS concept, where the frontline employees should give advice and present different solutions. Further it implies that by having the employees focusing on care selling, they will also focus on enacting the CS concept. The difference between upselling and care selling is that the latter emphasises customer value and means that the employee sell additional products based on the customers’ specific needs. The fact that ACC are rewarding and recognising performances related to the sales of specific campaign products contradicts this notion. It further contradicts suggestions by researchers stating that firms should focus less on making customers buy more and focus more on how they can be of value to the customer (Bettencourt et al., 2014, p. 45). In order to care sell and create value for customers, the employees need to understand the customers’ subjective situation and needs, and one campaign product cannot meet all customer needs.

Important to consider is whether campaigns and deadlines are actually creating value for the customers, or if it is more about creating value for ACC by making the customers spend more money. Short-term sales goals related to specific products are not according to the fact that frontline employees are meant to individualise the customer experience. The fact that the feedback is not related to the CS concept sends a conflicting message to the employees. With a lack of shown focus on the CS concept at a head office level, it might be unrealistic to expect the frontline employees to focus on it. Taking care of customers and enacting the CS concept is meant to be the main responsibility for all frontline employees. Still, the responsibilities and feedback that they receive from ACC are almost exclusively focused on product-related tasks. Instead of offering the customers direct service (Bettencourt et al., 2014, p. 51), in line with the CS concept, the frontline employees end up performing indirect service (Bettencourt et al., 2014, p. 51). It is likely that this lead to that customers end up not experiencing the same value that the firm wishes them to. It can be concluded that; reinforcing employees based on sales of specific campaign products opposes a value proposition that is concerned with solving customer problems.

It is recommended that ACC should be careful with how they formulate and communicate standards, routines and guidelines. They should be aware of what message different routines and guidelines sends to the frontline employees and make sure to not develop standards that are contradicting each other or the CS concept. Furthermore, researchers mention the necessity of rewarding the employees on their best performance based on different competitions (Flipo, 2000, p. 65; Gummesson, 2000, p. 29). Based on this, ACC should also reinforce the frontline employees based on their interactive performance related to the CS concept, and reinforce the employees based on customer...
satisfaction. In order to foster a customer focus amongst frontline employees, ACC need to show that the whole organisation has a customer-focus. For example, it should be clear to the frontline employees if they should care-sell or up-sell. In order to give feedback related to the CS concept, instruments for measuring customer satisfaction needs to be developed and used.

Table 2. Recommended actions for managing role overload

| • Develop consistent standards and guidelines, for preventing frontline confusion and uncertainty |
| • Clarify what tasks that are expected and desired, as well as how they should be prioritised |
| • Develop instruments for measuring customer satisfaction |
| • Reinforce and give feedback to frontline employees based on the CS concept |
| • Offer the employees support to emotionally handle the role as a CS person in relation to their personal lives |
| • Reduce the amount of product-related tasks scheduled at the same time |

6.2 Lack of product knowledge

One barrier for enacting the CS concept is that the frontline employees do sometimes not have enough knowledge to help the customers solve their problems, which is what ACC defines as the main focus of a CS person. The documents provided by ACC about the CS concept define a CS person as someone that does everything to solve someone else's problem, and within the retail industry, product information is an essential aspect of the service they offer customers. The empirical data showed that customers seem more satisfied when they receive service from an employee with good product knowledge, without the need to look information up. According to Grönroos (1984, p. 39), it is important for companies to have a good image in order to gain new customers as well as retain existing customers. Furthermore, Grönroos (2000, p. 105) argue that it is crucial for a firm’s image to minimise the gap between customer expectations and experiences. Since the intended value proposition is aimed to conceptualise the values that customers can expect from interacting with the firm, and the enacted value proposition is one crucial aspect of the customers’ experiences with the firm, firms should focus on aligning the intended and enacted value proposition. Hence, if ACC wants to create an image as solving customers’ problems, they need to make sure that the frontline employees are able to solve customer problems in a way that the customers expect.

Lacking product knowledge is a reoccurring theme that opens up to several other possible problems within retail firms, related to performing the five steps as well as overall work effectiveness. The lack of product knowledge was mentioned throughout all the five steps in the CS concept, however the product knowledge seemed to be more prominent in the second step about taking the initiative to interact with customers. One aspect of the step is to present possible solutions and different options to the customer. In other words, ACC want the employees to conduct care selling to make the customers
leave the store with everything they need to solve their problem. This implies that ACC have embraced the fact that customers’ individual experiences build firm image (Grönroos, 1984, p. 37). However, the empirical findings show that in order to present different options and possible solutions, the frontline employees need to have knowledge about the products, to at least some extent. These findings confirm that organisations must make sure that their employees are prepared and have the required knowledge to perform in the service encounter (Berry & Parasuraman, 2000, p. 180; Grönroos, 2000, p. 347; Zeithaml et al., 2009, p. 366). It also advances previous research by showing that knowledge about products is specifically important for frontline employees in the retail industry. It seems likely that employees might have problems with taking initiative to interact with the customer and conducting care-selling fully when they lack knowledge about different products’ functions, and about what products that can be possible supplements for each other. In order for the employees to be service minded and help customers with product-related questions, a service mindset is not enough. This is in line with the suggestions by Zeithaml et al. (2009, p. 366) regarding the need for both technical and interactive skills when realising a value proposition. Even though ACC focuses on recruiting people with social skills and a service mind, the frontline employees need to also have knowledge about the products that ACC are providing.

The frontline employees’ can access knowledge by asking colleagues, in the stores or at the customer service department, or by using the intranet and its’ search engine on one of the available computers. The support system in the ACC stores is somewhat complicated to handle and the frontline employees prefer retaining information from colleagues or through Google. That fact implies that the intranet is likely not filling the function that it is aimed to do. It can be questioned if it is the most effective process, to involve colleagues in every customer that are challenging to help because of a lack of knowledge. Especially since the frontline employees expressed feelings of insufficiency and stress related to too many different tasks. The more efforts the frontline employees need to go through to retain the necessary information, the longer the customer have to wait to have their problem solved. Retrieving necessary information can be an important way to enact the value proposition and be a CS person. However, the more time consuming each customer becomes, the more annoyed customers and stressed employees there will be.

As the empirical findings showed, the more customers there are that need help, the more likely it is that the frontline employees do not fully enact the CS concept. Acquiring information through the intranet and the search engine was described as an inflexible and challenging task. One example among others, is that specific words or letters have to be used in order to retain information about products. Furthermore, the computers with the support systems are located in only a few places in the store. The employees need to walk to the computer to access information, and they expressed that it is sometimes queue of colleagues waiting to search for information as well. Based on this, it can be concluded that the findings advance prior research about enabling employees (Drake et al., 2004, p. 20) by highlighting the importance of technological support systems for the frontline employees’ enactment of the retail value proposition.

Based on the findings, the information seeking process through the intranet, is ineffective and unnecessarily time consuming. It is recommended for ACC to make knowledge more available for the employees. By offering the frontline employees better
access to knowledge and product information, the frontline teams can improve their performance and be less limited in regards to what kind of customer problems that they can handle. ACC should consider educating their employees in using the support system correctly, in order to increase the usage of it and decrease the amount of time and energy used to realise the desired service encounter outcome. ACC should take into account the fact that people learn in different ways and need different learning approaches, in line with suggestions by Grönroos (2000, p. 347). The research findings show that ACC’s frontline employees like some of the options that are available today, but that they want more of it. This advance existing research by showing how important it for firms to not only provide training opportunities but also provide and schedule time for the frontline employees to take part in the training and acquire the knowledge. Based on this, it is recommended that ACC investigate more closely how and when the product training should be conducted to best meet the frontline needs. This should be done by taking an internal approach and asking the employees. ACC should further take into consideration the specific context that the frontline teams work within.

Investing in training about product knowledge can be costly, but it can lead to more professional employees, more effective customer encounters, and more satisfied customers. It is recommended that ACC investigate what the frontline employees’ knowledge seeking process looks like, and design the intranet and the system in a way that better suits that process. Knowledge has the potential of creating a sustainable competitive advantage (Vargo & Lusch, 2004, p. 9), and therefore ACC should focus on fostering knowledge sharing within the organisation. Enabling the employees is important. One suggestion, based on the problems identified through the research, for how the information access could be made more effective could be to collect all necessary information in one system, and provide the frontline employees with better access to the information at all times. This would not only make the frontline employees seem more professional in the encounters with the customers, but it would also minimise the expenditure of time to fulfil the customers’ expectations. It should be easy for the frontline teams to solve all kinds of customer problems, regardless their previous and current knowledge. To attend to the lacking product knowledge is to enable the employees to enact the value proposition.

**Table 3. Recommended actions for managing a lack of product knowledge**

<table>
<thead>
<tr>
<th>Action</th>
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<tbody>
<tr>
<td>- Investigate how and when the frontline employees wish to receive product training</td>
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<tr>
<td>- Improve the supportive system and intranet based on frontline usage</td>
</tr>
<tr>
<td>- Make product knowledge and information more accessible</td>
</tr>
<tr>
<td>- Offer frontline employees scheduled time to acquire product knowledge through training</td>
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6.3 Lack of an internal service mindset

One identified barrier between the intended and enacted retail value proposition is the lack of an internal service mindset. The frontline employees are meant to solve customer problems, but there is a lack of support for the frontline teams regarding the
problems that they come across when solving customer problems. This is not in line with previous research stating that firms should view employees as internal customers that need to be served well and be satisfied with their job before they can effectively serve the final customer (Cahill, 1996, p. 4; Foreman & Money, 1995, p. 756; Sasser & Arbeit, 1976, p. 62). Furthermore, Drake et al. (2004, p. 11) suggests that shared beliefs and values is one aspect of a coherent firm culture. ACC’s frontline teams seem motivated and willing to enact the CS concept, which implies that ACC have managed to hire people whose values are aligned with the firms.

Even though it was acknowledged by both interviewees and managers that the culture somewhat differ between the head office and the stores, there seem to be a united service culture to at least some extent. However, in order to maintain a service culture, Grönroos (2000, p. 338) suggest that firms should put efforts in fostering internal firm relationships, as well as in a continuous encouragement of customer oriented attitudes and behaviours. The findings show that there is a lack of such efforts in ACC. ACC have hired individuals with service mindsets, but even though they might be satisfied with that, there is a need for firm efforts aimed to keep them motivated to enact great service encounters. Sasser and Arbeit (1976, p. 61) argue that recognising the frontline employees as the firm’s most important customer is what creates a successful business. Based on this, it can be concluded that ACC could become more successful by handling their frontline employees as internal customers. Furthermore, the research findings show that different frontline employees should be encouraged in different ways, since they get motivated by different things. A dominant view, however, was that there is a general lack of recognition and rewards within ACC today. The frontline employees requested more personal feedback as well as feedback related to the CS concept. These findings advance existing research by emphasising the importance of combining rewards and recognition to succeed in motivating all frontline employees. Furthermore, the personal and genuine aspect of these rewards and recognition have been shown to be crucial for these efforts to be perceived as positive from the frontline employees’ perspective.

It is recommended that a fundamental internal service mindset should lead the way for ACC’s future development of an internal marketing strategy. ACC need to work with feedback in all levels in the organisation, and to do that successfully they could introduce employee training in giving feedback directed towards all firm employees. It is further suggested for ACC to invest time and money in retaining the strong service culture in the frontline teams. Instead of cutting down on rewards and team activities, this should be emphasised. Even though these kinds of firm activities does not generate immediate tangible results, Grönroos (2000, p. 358) argue that it leads to better customer experiences, which in its turn lead to long-term firm success (Kotler, 1988, p. 673). By offering the frontline employees’ internal service and reinforcement based on customer service performance, ACC can continue having motivated frontline employees and improve the relationship between the head office and the stores.

Even though both researchers and practitioners agree on the importance of employees for firm success (Kotler, 1988, p. 673; Sasser & Arbeit, 1976, p. 61), it is also a fact that employees are costly. In line with this, ACC acknowledge the importance of frontline employees but are at the same time trying to reduce costs by cutting down on the amount of scheduled working hours in the stores. However, even though the employee cut downs made by ACC’s could be argued for based on the last years’ overall sales
statistics in the retail industry, the frontline employees’ increased task burden can be questioned. Cut downs directly related to a decreasing number of customers and consequently tasks, are different from cut downs resulting in unsustainable frontline workloads, and these differences should be acknowledged and considered by ACC. According to the interviews, the employees are satisfied with the culture at ACC even though they experience the cut down of employees as stressful at times. They appreciate the work environment but feel like the employees at the head office does not fully understand and care about their daily operational activities. The frontline employees further expressed that decision-makers should visit the stores more often. According to Gilmore (2000, p. 78), this perceived distance between decision-makers and frontline employees can lead to organisational resistance to change, since these frontline perceptions might make the frontline employees question managerial decisions. To avoid this, it is of importance for ACC to reduce the perceived distance between the head office and the stores.

Apart from improving the feedback related to the CS concept and directed toward the employees, ACC lack processes for upward communications and upward feedback. The frontline teams expressed a feeling of limited organisational influence, which is one crucial part of empowering employees according to Drake et al. (2004, p. 16). The suggestion by Drake et al. (2004, p. 16) is confirmed by the fact that the interviewees requested more organisational influence and opportunities to give feedback regarding head office operations. The frontline employees feel that the head office does not show enough interest in their feedback, and that there is a hierarchical communication structure resulting in uncertainty about whether suggestions and questions reach the head office and the intended receiver at all. In order for the frontline employees to solve customer problems, they need to ask questions and try to understand the customers’ needs. The empirical findings show that there is a lack of similar efforts from the head office directed towards the frontline employees. There was shown that there is a good coherence among the employees in the stores, but based on the interviews, the coherence between the stores and the head office seem to be less good. Even though the CS concept managers showed an understanding about the amount of frontline tasks, and how that can limit the ability to be a CS person, they have failed to communicate that to the frontline teams. The employees expressed that they do not feel like their colleagues at the head office understand how it is to work in a store. The employees further mean that they would appreciate decision makers at the head office to visit the stores more often and show a desire to understand the frontline daily operations and problems.

Today, the frontline employees seem to be filling the role as everyone's’ CS person. They try to please the customers and satisfy their needs, at the same time as they are trying to satisfy ACC’s wishes related to product and campaign management. Furthermore, the frontline employees are expected to get involved with colleagues’ customers, both in the store and the customer service department. It is recommended that ACC should sell their value proposition to their employees by treating them like internal customers, in line with the suggestions by (Cahill, 1996, p. 4; Foreman & Money, 1995, p. 756; Sasser & Arbeir, 1976, p. 62). ACC should be the frontline employees’ CS persons in the same way that the frontline employees are the customer’s CS persons. The main focus of the ACC management should be to support and satisfy the frontline employees - to solve their problems. In order to do so, they need to start listening to the frontline employees, and identify ways to improve standards, routines, and internal processes in order to create a more sustainable working environment and
further strengthen the organisational culture. By raising the employees’ sense of organisational influence (Grönroos, 2000, p. 347), they will be more motivated and perform better (Chebat & Kollias, 2000, p. 73).

**Table 4. Recommended actions for managing a lack of an internal service mindset**

<table>
<thead>
<tr>
<th>Action</th>
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<tbody>
<tr>
<td>Educate frontline teams in giving feedback</td>
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<tr>
<td>Consider personal and genuine aspects of rewards, feedback, and recognition from the head office to the frontline teams</td>
</tr>
<tr>
<td>Support and satisfy frontline employees to solve their problems</td>
</tr>
<tr>
<td>Encourage upward feedback to create a sense of organisational influence</td>
</tr>
<tr>
<td>Invest in team building to retain a service culture</td>
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</table>

**6.4 Lack of a holistic service strategy**

One barrier causing the gap between intended and enacted retail value propositions is the lack of a holistic and service-oriented implementation strategy. ACC developed the CS concept and introduced it to the frontline teams, without involving the whole organisation in the implementation of it. ACC reinvented their provisional practices (Skålén et al., 2015, p. 144) through the CS concept. However, they have not adjusted their representational practices and management and organisational practices to enable the provisional practices (Skålén et al., 2015, p. 144). ACC have not considered their value proposition from the holistic perspective that is suggested by Skålén et al. (2015, p. 144). The provision practices should be approached as the central value proposition practices because it realises the value co-creation in the service encounter (Skålén, 2015, p. 144). ACC, however, have implemented the CS concept without centralising the provision practices and developing a holistic strategy for implementing it.

The empirical findings show that empowerment can lead to uncertainty when not combined with necessary support, training and knowledge. In order for the frontline employees to always be aware of the CS concept and include it in their everyday work behaviour, it is important that they fully understand it. These findings are aligned with Gilmore’s (2000, p. 76) suggestion that it is of importance to provide the employees with crucial information about the strategic mission so that they understand the organisation’s value proposition and the customer expectations. Even though the frontline employees seem to sometimes enact the CS concept better than they actually understand it and can explain it, the importance of aligning perceptions with intentions is crucial for realising the intended value proposition in the frontline enactment. The frontline employees need to know what is expected from them in order to know how to perform accordingly. As long as the frontline perceptions are not aligned with the managerial intentions with the CS concept, the possibility that it is to some extent causing the gap between the intended and enacted value proposition, can not be ruled out. Lanning and Michaels (1988, p. 3) argue that what makes a business strategy competitive, is basing it on a value proposition that is superior to competitors. The research findings advance these suggestions by showing that the value proposition should be integrated in the whole organisational strategy in order to create an
organisational environment fostering the enactment of the value proposition. The quality of the definition and accuracy of the value proposition becomes worthless if it is not enacted by the frontline employees and experienced by the customers. If the customers do not perceive the value proposition as superior to competitors, it is not competitive.

The empirical findings show that the knowledge about the CS concept and the five steps are somewhat dependent upon how recently the employee received an introduction to it. This underscores the lack of continuous information and training related to the CS concept. Some of the frontline employees expressed that they do not need reminding about the CS concept because they already know about it. The empirical findings, however shows that they do have a lack of understanding about the CS concept and its five steps. The reason to why the employees think that they know everything when they do not, might be because they have not understood how important the CS concept actually is for ACC’s management. Grönroos (2000, p. 337) argue that in order to create a service-culture, it is important to create an understanding amongst employees about the business mission, strategies and tactics. This is confirmed by the research findings that show the importance of clear firm communication about the purpose and importance of their value propositions. The CS concept was designed and communicated, but the vision with it and how to work with it actively as a tool in the day-to-day activities, is not clear. There is a lack of communication that result in the fact that the organisational culture is not really aligned with the CS concept. Berry and Parasuraman (2000, p. 179-180) suggest that giving employees a cause for what they do can make them more passionate and committed to firm goals and values. This implies that if ACC’s frontline teams had better knowledge about the vision for the CS concept, as well as the importance of it, they could become more committed to enact it. The research findings make a theoretical contribution by stressing the importance of continuous and proactive efforts to centralise the value proposition in all firm operations and activities. The realisation of a retail firms’ value proposition is dependent upon the every-day performance of frontline employees, and should therefore be approached by firms as an on-going process.

Better information and training related to the CS concept is important for all employees in a firm, but it might be the most important for managers and leaders within the organisation because of the influence they have on their teams. According to the empirical findings, it seems like the store managers play an important role in creating the variations of enactment of the CS concept. ACC’s general information, such as sales numbers and goals, is mentioned throughout all interviews. However, the perceptions of the CS concept are varying in different stores, and that implies that the store managers and team leaders have the main responsibility to emphasise it and encourage the frontline teams to enact the CS concept. Furthermore, a common view represented in the research findings was that the frontline teams do currently not work enough or good enough with feedback. This includes constructive feedback, positive feedback and general encouragement to perform in the service encounter. Consequently, the store manager’s’ interest and commitment in regards to the CS concept, sets the standards for how central the CS concept is in the day-to-day activities in the stores. Zeithaml et al. (2009, p. 369) emphasise the importance of internal support from managers, colleagues and other departments, for delivering high quality service to customers. This is confirmed by the findings, which show that the frontline employees’ awareness and engagement related to the CS concept depends on both the communication from ACC,
and the store managers’ and team leaders’ own awareness and dedication to the CS concept.

Grönroos (2000, p. 348) argue that firms’ focus should lie on developing leaders rather than managers, and that service-oriented leadership is important for creating a service culture (Grönroos, 2000, p. 337). This notion emphasises the importance of having leaders with the right knowledge a customer focus, and is confirmed by the research findings. The frontline employees with a manager emphasising the CS concept was shown to be more aware of it as well as more motivated to enact it. The findings advance previous research by specifically stressing how important the store managers are for the frontline enactment of value propositions within the retail industry. Offering support is only one aspect of what the store manager needs to do to enable the realisation of the value proposition. The store managers have shown to be highly important for several of the internal marketing activities, and have to be dedicated and focused on the firm value proposition as well as supportive about the frontline teams’ enactment of it. Based on this, ACC should give their leaders (managers) further education about how to work with the concept and to give their teams feedback and reinforcement related to it. By doing this, the leaders can become a more well functioning aspect of the CS concept implementation process.

According to Skålén et al. (2015, p. 144), the representational practices should concretise, structure, and make sense of the value proposition by defining it and communicating it both internally and externally. Even though the managers at ACC have created and formulated the CS concept, the representational practices seem to be assigned to each division manager or store manager. Gilmore (2000, p. 78) suggest that differences between different departments that hinder cooperation and integration can also hinder effective internal marketing. Another difficulty can be when goals of the individual employees are not aligned with the organisational and departmental goals (Gilmore, 2000, p. 78-79). This can be related to the fact that it is up to each ACC manager to work with the CS concept as they see fit, which means that the concretising and amount of communication related to the CS concept can vary majorly between different parts of the company.

The findings advance previous research by showing that representational practices have to be conducted throughout the whole retail firm, especially if some of the responsibilities are assigned to middle management as for example department managers and store managers. In order to create a consistency in the final enactment of the value proposition, internal marketing activities must be directed towards all firm employees. This is aligned with Skålén et al.’s (2015, p. 144) suggestion that it is up to the management and organisational practices to align and organise the representational and provisional practices. Top retail managers should take responsibility for organising and continuously working with the representational practices at all levels within the firm, to minimise the differences in CS concept-related work within the company. It is therefore recommended for ACC to consider having an organisational function dedicated to handling the CS concept implementation process in the whole organisation. This could make the work related to the CS concept, at each department, more effective because it eliminates possible conflicting understandings about and approaches to the CS concept. Varey and Lewis (2000, p. 294) suggest that the responsibility for marketing the organisation lies with everyone within an organisation, and that everyone should be interested in performing the best possible outcome in the service encounter.
Therefore it is of high importance that all managers and leaders within ACC have the same attitudes towards the CS concept.

ACC hire people based mainly on their interactive skills, and the research findings show that there are no further activities or training aimed to develop the frontline employees’ interactive skills further. Cahill (1996, p. 43) argues that interactive skills can be developed over time, but stresses the fact that it is important for the frontline employees to be customer oriented people in order to deliver good service. This supports ACC’s focus on recruiting people with strong interactive skills. However, the empirical findings show that developing frontline employees’ interactive skills further, could result in better enactment of the CS concept, and that customers would experience their encounters with ACC as more special. Some of the employees asked for training in individualising the customer experience and understanding different personality types, to better handle the subjective service encounters. Since customers’ perceived service quality is subjective (Skålen et al., 2015, p. 139), ACC cannot prepare for how to satisfy them individually. The frontline teams, on the other hand, have the possibility to understand each customer’s subjective problems and needs, and solve them.

By making efforts to align firm-behaviours related to the CS concept, the customers can experience a more consistent level of service quality in the ACC stores. The more CS persons that are available on the shop floor, the more customers will experience a realised value proposition. Researchers emphasise the importance of training for developing a customer-focused mindset amongst employees (Grönroos, 2000, p. 340; Zeithaml et al., 2009, p. 366). Zeithaml et al. (2009, p. 366) further suggest that with the right tools from the management, employees can better deliver the intended service. Based on this, it can be concluded that retail managers could raise frontline employees’ awareness regarding the importance of enacting the value proposition, as well as their commitment to the cause, by communicating information and giving continuous education about it to all employees. Furthermore, more information and training related to how the frontline employees are expected to work with the value proposition, is likely to decrease the gap between the managerial intentions and frontline enactment. It is recommended that ACC should invest into training the frontline employees to better understand customers’ subjective situations and needs. In order to have all the employees at ACC working with the CS concept, ACC should focus on giving the employees education in interactive skills so that they are able to enact the CS concept in the same way, and understand how they can make every individual customer a satisfied customer.

Table 5. Recommended actions for managing a lack of an holistic service strategy

<table>
<thead>
<tr>
<th>Recommended actions</th>
<th>Details</th>
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<tbody>
<tr>
<td>Better information and training about what the CS concept is, why it is important, and how the frontline employees are expected to work with it</td>
<td></td>
</tr>
<tr>
<td>Ensure the quality of managers’ work with the CS concept in the stores</td>
<td></td>
</tr>
<tr>
<td>Develop an organisational function dedicated to representational practices related to the CS concept</td>
<td></td>
</tr>
<tr>
<td>Educate leaders (managers) in feedback and encouragement</td>
<td></td>
</tr>
<tr>
<td>Educate all frontline employees in interactive skills</td>
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</table>
6.5 Revised conceptual model

The conceptual model has been advanced through the empirical findings and presented in a revised form below (see Figure 3). Four main barriers causing the gap between intended and enacted retail value propositions have been identified, and recommended actions to reduce and eliminate them were presented. The recommended actions have been categorised based on the four dimensions of internal marketing and added to the model. The model advances prior research by offering detailed explanations of how retail firms can use internal marketing to manage the gaps between their intended and enacted value propositions.
Figure 3. A revised conceptual framework of the dynamics between the intangible aspects of the intended and enacted value proposition, and internal marketing.
7. Conclusion and recommendations

In this chapter, the research question will be answered. Moreover, the chapter will present explanations about the theoretical contributions and general managerial implications of the study. The chapter further address the limitations of the study as well as recommendations for future research. Lastly, the quality of the study will be evaluated in relation to several qualitative truth criteria.

7.1 Conclusion

The purpose of this thesis has been to gain a deeper understanding about how the gaps between intended and enacted retail value propositions can be managed through internal marketing. A qualitative study was conducted, and in-depth interviews were held with both CS concept managers and frontline employees at the retail company ACC, to answer the following research question:

How can the gaps between intended and enacted retail value propositions be managed through internal marketing?

To answer the research question, theories about value propositions within the S-D Logic research (Anderson et al., 2006; Bettencourt et al., 2014; Skålén et al., 2015; Vargo & Lusch, 2004) were combined with theories about internal marketing from the services marketing research (Drake et al., 2004; Grönroos, 1996; Zeithaml et al., 2009). These theories were conceptualised in a model that was applied to a retail context with the aim to advance it through the empirical findings of the conducted study. The study is aimed to investigate how ACC’s organisational operations could be improved or changed to foster the frontline enactment of the CS concept. Because of this, identifying gaps and problems in the current firm operations has been a key focus. In other words, by attending to the barriers identified in this thesis, ACC can potentially improve their employee satisfaction even further.

A thematic analysis was made of the empirical data, and four main barriers creating the gaps between the intended and enacted retail value proposition, were identified. The gaps are Role Overload, Lack of Product Knowledge, Lack of an Internal Service Mindset, and Lack of a Holistic Service Strategy. Role overload refers to the experienced uncertainties related to customer-related tasks and product-related tasks, as well as contradicting guidelines and routines. Lack of product knowledge refers to the lack of appropriate product training and access to product information available to frontline teams. Lack of an internal service mindset refers to the lack of frontline focus in the head office operations and decision-making. Furthermore, it encompasses the lack of an internal service supply chain. Lack of a holistic service strategy refers to the lack of appropriate firm activities to support the implementation and realisation of the value proposition. The current research confirms the proposed concept of intended and enacted value propositions, and the findings advanced the conceptual model by concretising how retail firms can use internal marketing to manage the gaps between intended and enacted value propositions. The scope of the four dimensions of internal marketing (Drake et al., 2004) was widened with practical recommended actions for retail firms.
7.2 Theoretical contributions

The current study has explored the concepts of value propositions, and internal marketing further, by integrating theories from the S-D Logic (Vargo & Lusch, 2004) and the service marketing (Grönroos, 2000; Gummesson, 2000). Grönroos’ (1981) concept of internal marketing, and Drake et al.’s (2004) four dimensions of it, has been combined with value proposition theory from the S-D Logic literature (Vargo & Lusch, 2004). The study makes a theoretical contribution by offering an internal perspective on the marketing of retail value propositions, where internal marketing enables the interactive marketing between frontline teams and customers (Grönroos, 1996). Previous value proposition research is mainly focused on designing and formulating a value proposition as well as communicating it to customers through external marketing. The current study contributes to the existing literature by exploring value proposition theory from an internal firm perspective, and expanding it to the realisation of the value proposition in the retail context. Furthermore, the study advances prior research by introducing the concept of intended and enacted value propositions, and contributes to the concept of the four dimensions of internal marketing (Drake et al., 2004, p. 16) by applying them to a real retail company and its value proposition. Previous research is advanced by the development of an internal marketing strategy to overcome internal barriers to realising a firm value proposition.

The current study advances the dimension of engaging employees by highlighting the importance of clear directives over expected frontline employee behaviours related to the retail value proposition as well as how different tasks (product-related and customer-related) should be prioritised. Furthermore, the findings show that it is important for firm managers to show an understanding for the frontline employees’ personal lives and the fact that it is challenging to work with customer service. Working with internal service and relationship building between head office employees and frontline employees has also been shown to be crucial aspects of engaging employees in the retail context. This research advances the dimension of enabling employees by emphasising the importance for retail firms to work with consistent standards and guidelines about how frontline employees should handle critical aspects of the service encounter. Furthermore, these standards and guidelines have to be aligned with the firm value proposition. The importance of product knowledge and appropriate technical supportive systems has also been highlighted. Furthermore, the current study has shown that continuous education and training related to products, customer interactions, and service leadership is crucial for retail firms aiming to realise their value propositions. The current study advances the dimension of empowering employees by stressing that retail managers should encourage upward feedback and from the frontline teams directed to the head office. Furthermore, this research advanced the dimension of ensuring the employees by stressing how important it is for firms to use measurements and reinforcement tactics that are appropriate in relation to the value proposition and the desired frontline performance. The study has further shown that well-functioning and genuine feedback processes, and firm efforts to listen to frontline employees are crucial for improving firm operations – throughout the whole firm.

7.3 Managerial implications

The conceptual framework for this specific study encompasses recommendations for managers within retail organisations. Even though the identified barriers are based on
empirical data collected from ACC, it is of the current researchers’ opinion that the results can be applicable to other retail organisations as well. Retail firms can use the framework as a guide, and approach it with a good understanding about their own organisation. Another option is for retail firms to use this study to make a similar evaluation and analysis of their own organisation. They can then identify the most prominent barriers for the realisation of their value proposition, and use the four dimensions of internal marketing to overcome these barriers. Pure service firms, not concerned with products, can use the framework to some extent, by overlooking the product-related aspects.

It is of great importance for retail firms to implement internal marketing within their whole organisation, or they might fail to realise the value proposition in the service encounter. Frontline employees’ enactment of the intangible aspect of the value proposition is dependent upon their understandings and perceptions related to the value proposition. In order for retail firms to fulfil the expectations created among customers through external marketing efforts, they should therefore make sure that the frontline teams have understood the intentions with the value proposition as well as how they are expected to enact it. Furthermore, retail managers should carefully consider the complexity of the service encounter and consequently the roles of the frontline employees. It is crucial that firms have reasonable expectations of the frontline employees’ performances, and communicate an appropriate amount of tasks. Retail firms must be aware of how customer-related tasks and product-related tasks depend on each other as well as compete with each other in the frontline retail environment. Furthermore, these tasks should be treated holistically by firm decision-makers as well as frontline teams. Planning and structuring of prioritised tasks and projects can decrease stress related to role overload and the flexible nature of customer service.

The importance of product knowledge for frontline teams is likely to depend on the kind of goods that firms include in their value proposition, which means that professional help from the frontline employees might be more important in some retail stores than others. However, the extent to which customers need frontline employees’ advice determine both the firms’ possibilities to affect the customer experience and the risk of failing to do so. Furthermore, retail managers should be aware that all firm activities and decisions have an impact on frontline behaviours, and if the aim is for the frontline teams to focus on creating customer value, all firm activities should be centralised around creating customer value. Long-term profitability goals related to customer satisfaction cannot be measured in short-term sales figures, and therefore firms should develop measurements of customer satisfaction that is relevant for their specific business model and value proposition. Developing a customer-focused value proposition is not enough to create a sustainable competitive advantage. Retail firms must anchor their value propositions in a true customer-centricity throughout the whole organisation.

Retail companies aiming to create strong firm-customer relationships need to stop focusing on transactions and start focusing on value co-creation. It is crucial that this shift include the head office employees since their decisions and operations have a large impact on the frontline teams and their work. Firms need to understand that value is co-created by the firm and the customer, and that the firm employees contribute to the service encounter with the enactment of the value proposition. Therefore, all firm activities should be focused on reinventing and realising the value proposition. The
conceptual model contains detailed suggestions for how retail firms can work with internal marketing to realise their value propositions. By using internal marketing, the gaps between intended and enacted retail value propositions can be minimised. By doing so, retail firms have the opportunity to fulfil customer expectations for value co-creation and gain a superior position on the market.

7.4 Limitations and future research

One limitation is that the current study investigates a specific retail firm, to identify possible problems and barriers related to the realisation of a customer service concept. The coherence in the frontline teams was good at ACC, but since the current study focused on identifying problems, it was only offered a limited amount of attention. However, it seems likely that frontline team coherence and group atmosphere has an impact on frontline enactment of the value proposition. It is possible that there are aspects of the current internal strategy and operations within ACC that are in fact prerequisites for the frontline enactment of the value proposition. This means that the conceptual model should be tested in other retail firms to discover new angles and possible expansions of it.

Even though the researchers assume that the interviewees have told the truth about their enactment of the CS concept, the frontline employees’ own perceptions of how they enact the concept does not necessarily have to be aligned with their actual enactment. The current study does not take into account that the frontline employees might give a refined image of the reality. In other words, there is no guarantee that the findings mirror the real frontline enactment. Hence, it would be in interest for researchers to further explore the concept of intended and enacted value propositions through observations. By conducting observations, the researchers can see how the frontline employees behave on the shop floor and in encounters with customers.

The results of this specific research is somewhat limited to retail organisations because of the product-related aspects of the barriers and recommended actions. This means that the results may not be relevant for organisations solely offering direct services. It is therefore recommended that future research should apply the framework to other contexts than the retail industry. It would be interesting to study potential differences and similarities between pure service organisations, and retail organisations. According to the findings, it seems that the responsibility regarding implementing the CS concept lies on different departments and the store managers. One limitation of this study is that it does not take into consideration the department managers’ or store managers’ views and perceptions about the intended and enacted value propositions. Hence it is recommended that further research is made in a management context, investigating the different departments on-going work with the CS concept, and their implementation processes. Lastly it would be interesting to apply the conceptual framework and the recommended actions in a real life case, and evaluate how it reduces the barriers between the intended and enacted retail value proposition, as well as to what extent.

7.5 Truth criteria

To establish the quality of the current study, it will be evaluated in relation to a number of criteria. Trustworthiness and authenticity are two main criteria used in qualitative research, and both encompass several sub criteria (Bryman & Bell, 2015, p. 400). These
measures were developed by Guba and Lincoln (1985) to specify terms and methods that can be used to establish and assess quality in qualitative research (as cited in Bryman & Bell, 2015, p. 400). Trustworthiness involves four sub criteria; credibility, transferability, dependability, and confirmability (Bryman & Bell, 2015, p. 400).

Credibility refers to whether the findings are believable or not (Bryman & Bell, 2015, p. 52). To fulfil this criterion, the research should have been carried out according to acceptable research methods. Furthermore, the findings should have been presented to the interviewed individuals, to let them confirm that the findings are conforming to their social reality (Bryman & Bell, 2015, p. 401). In the current study, the interviewed frontline employees have shared their perceptions and stories about their work life at ACC as well as their enactment of the value proposition. Both researchers were present during all interviews, and the shared experience made it possible to create a deep understanding about the interviewees’ social world. Furthermore, the transcriptions was read carefully, and multiple times, to ensure that the findings would be a fair representation of the reality. During the research process, literature of research methods has been continuously used to ensure the credibility of the study. Hence, it can be argued that the current study have been carried out in line with acceptable research methods. Before publishing the current thesis, the results were presented and approved by the CS concept managers at ACC. However, the interviewees will be given access to the thesis after publishing. This is solely for practical reasons, but it cannot be denied that it might have a negative effect on the credibility of the research.

Transferability refers to whether the findings can be applied into other contexts or not (Bryman & Bell, 2015, p. 52). Qualitative research entails depth and is an intensive study of individuals and their social world (Bryman & Bell, 2015, p. 402). Therefore, it is important that qualitative researchers give detailed descriptions of the studied social reality and culture, so that others can make judgements about the transferability of findings to other contexts (Bryman & Bell, 2015, p. 402). The fact that the study has been conducted in several different stores, with interviewees independent of each other, the transferability within ACC should be considered high. In-depth understandings about several social contexts within one organisational culture, offered a wide interpretation that are not bound to a specific ACC store context. However, the findings offer detailed descriptions about the nature of ACC’s culture and context. This means that other practitioners should be able to evaluate the transferability to their specific context. The kind of goods that ACC sell was purposely not presented in the thesis to honour the confidentiality agreement with ACC. This is one of the aspects defining the research context, and should be considered by practitioners looking to use the model. Some of the barriers creating the gap between the intended and enacted retail value proposition might be a bigger issue for firms selling certain kind of goods.

Dependability refers to whether the findings can be applied at other times or not (Bryman & Bell, 2015, p. 52). It involves that researchers offers clear and detailed records of all steps of their research processes. Peer researchers should audit the records during or after the process in order to ensure the quality and the choices made by the researchers (Bryman & Bell, 2015, p. 402). Every step of the current research process has been described in detail in the method sections of this thesis (see chapter 4). The used methods and research choices have been scrutinised by peer students as well as the thesis’ supervisor. Confirmability refers to ensuring that researchers have not overtly let personal values affect the study and the results (Bryman & Bell, 2015, p. 52, 403).
Although it is impossible to conduct qualitative research in an objective way (Bryman & Bell, 2015, p. 52, 403), the researchers of the current study have aimed to provide fair and true illustrations of the findings. For example, open questions were asked to avoid leading the interviewees to certain answers. However, the study encompasses descriptions about the different angles of the value propositions that are based on the author's perceptions of data. Since it is concerned with perceptions about perceptions, the results have to be critically evaluated.

Criteria within authenticity refer to more general questions about political impact of research (Bryman & Bell, 2015, p. 403). The sub criteria are: Fairness, Ontological authenticity, educative authenticity, Catalytic authenticity, and Tactical authenticity. Fairness is concerned with presenting different viewpoints among the interviewees (Bryman & Bell, 2015, p. 403). The current thesis present both similarities and differences between the individual opinions by CS concept managers and frontline employees. This is done to illustrate contrasting attitudes regarding certain themes, in a fair way. Ontological authenticity refers to whether the research helps the interviewees to better understand their social world (Bryman & Bell, 2015, p. 403). After the interviews, some interviewees expressed that they appreciated talking about the CS concept with someone. They further explained that talking about the CS concept and their perceptions and enactment of it, made them more aware of their own behaviours as well as of how they experience ACC’s operations in general. Educative authenticity refers to whether the research help members to better understand other members and their social reality (Bryman & Bell, 2015, p. 403). The researchers of this study believe that managers at ACC will gain good insight in the frontline employees’ enactment of the CS concept, and possible improvements for making the frontline employees more satisfied having them enacting it to a greater extent. By reflecting upon their own subjective behaviours and experiences of their social context, the frontline employees could have developed a deeper understanding about their colleagues’ behaviours and subjective experiences.

Catalytic authenticity refers to whether the research has stimulated the interviewees to engage in changing their circumstances (Bryman & Bell, 2015, p. 403). The fact that ACC chose to let the current study be conducted in their organisation, shows that they are motivated to change their circumstances. The interviews let the frontline employees acknowledge their own weaknesses in enacting the CS concept. Their further reflections about customer service and their will to perform well as a firm, is likely to have motivated them to enact the CS concept better in the future. Tactical authenticity refers to whether the conducted research empowered the interviewees to actually change their circumstances (Bryman & Bell, 2015, p. 403). This thesis offers clear and practical recommendations for what actions that ACC can take to improve their internal operations, to facilitate better CS concept-related performances amongst their frontline teams. In that sense, ACC is highly empowered through the current research. Since the purpose of the current thesis was to offer recommendations for managers, its empowerment of frontline employees is somewhat limited and dependent upon the actions of ACC managers. Overall, the current study fulfils the criteria. Hence, the quality of the study should be considered as high. The study provides relevant practical implications and makes a theoretical contribution.
8. References


Appendix 1: *The eight fundamental premises of the S-D Logic* (Vargo & Lusch, 2004)

<table>
<thead>
<tr>
<th>FP 1</th>
<th>The application of specialised skills and knowledge is the fundamental unit of exchange</th>
</tr>
</thead>
<tbody>
<tr>
<td>FP 2</td>
<td>Indirect exchange masks the fundamental unit of exchange</td>
</tr>
<tr>
<td>FP 3</td>
<td>Goods are distribution mechanisms for service provision</td>
</tr>
<tr>
<td>FP 4</td>
<td>Knowledge is the fundamental source of competitive advantage</td>
</tr>
<tr>
<td>FP 5</td>
<td>All economies are services economies</td>
</tr>
<tr>
<td>FP 6</td>
<td>The customer is always a co-creator of value</td>
</tr>
<tr>
<td>FP 7</td>
<td>The enterprise can only make value propositions</td>
</tr>
<tr>
<td>FP 8</td>
<td>A service-centered view is customer oriented and relational</td>
</tr>
</tbody>
</table>
## Appendix 2: *Clarification of interview codes*

<table>
<thead>
<tr>
<th>CODE</th>
<th>MEANING</th>
</tr>
</thead>
<tbody>
<tr>
<td>VP</td>
<td>Value Proposition</td>
</tr>
<tr>
<td>IVP</td>
<td>Intended Value Proposition</td>
</tr>
<tr>
<td>PVP</td>
<td>Perceived Value Proposition</td>
</tr>
<tr>
<td>EVP</td>
<td>Enacted Value Proposition</td>
</tr>
<tr>
<td>IVP1</td>
<td>Intended Value Proposition: Recognise the Customer</td>
</tr>
<tr>
<td>IVP2</td>
<td>Intended Value Proposition: Initiate Contact With the Customer</td>
</tr>
<tr>
<td>IVP3</td>
<td>Intended Value Proposition: Be available</td>
</tr>
<tr>
<td>IVP4</td>
<td>Intended Value Proposition: Satisfying the customer</td>
</tr>
<tr>
<td>IVP5</td>
<td>Intended Value Proposition: Exceed expectations</td>
</tr>
<tr>
<td>PVP1</td>
<td>Perceived Value Proposition: Recognise the Customer</td>
</tr>
<tr>
<td>PVP2</td>
<td>Perceived Value Proposition: Initiate Contact With the Customer</td>
</tr>
<tr>
<td>PVP3</td>
<td>Perceived Value Proposition: Be available</td>
</tr>
<tr>
<td>PVP4</td>
<td>Perceived Value Proposition: Satisfying the customer</td>
</tr>
<tr>
<td>PVP5</td>
<td>Perceived Value Proposition: Exceed expectations</td>
</tr>
<tr>
<td>EVP1</td>
<td>Enacted Value Proposition: Recognise the Customer</td>
</tr>
<tr>
<td>EVP2</td>
<td>Enacted Value Proposition: Initiate Contact With the Customer</td>
</tr>
<tr>
<td>EVP3</td>
<td>Enacted Value Proposition: Be available</td>
</tr>
<tr>
<td>EVP4</td>
<td>Enacted Value Proposition: Satisfying the customer</td>
</tr>
<tr>
<td>EVP5</td>
<td>Enacted Value Proposition: Exceed expectations</td>
</tr>
<tr>
<td>IM</td>
<td>Internal Marketing</td>
</tr>
<tr>
<td>E1</td>
<td>Engaging</td>
</tr>
<tr>
<td>E2</td>
<td>Enabling</td>
</tr>
<tr>
<td>E3</td>
<td>Empowering</td>
</tr>
<tr>
<td>E4</td>
<td>Ensuring</td>
</tr>
</tbody>
</table>
## Appendix 3: Management interview guide

<table>
<thead>
<tr>
<th>Question</th>
<th>Interviewee(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Can you tell us about the background to the CS concept?</td>
<td>IVP</td>
</tr>
<tr>
<td>2. Under what conditions do you think that the frontline employees are able to enact the first step about welcoming the customers?</td>
<td>IVP1, IM</td>
</tr>
<tr>
<td>3. Under what conditions do you think that the frontline employees are able to enact the second step about initiating contact with the customer?</td>
<td>IVP2, IM</td>
</tr>
<tr>
<td>4. Under what conditions do you think that the frontline employees are able to enact the third step about being available to customers?</td>
<td>IVP3, IM</td>
</tr>
<tr>
<td>5. Under what conditions do you think that the frontline employees are able to enact the fourth step about satisfying customers?</td>
<td>IVP4, IM</td>
</tr>
<tr>
<td>6. Under what conditions do you think that the frontline employees are able to enact the fifth step about exceeding the customers’ expectations?</td>
<td>IVP5, IM</td>
</tr>
<tr>
<td>7. What do you think that ACC should do internally to ensure that the vision with the concept becomes reality in the customer encounters?</td>
<td>IM</td>
</tr>
<tr>
<td>8. What roles do you and your closest colleague have in the ongoing worth with the CS concept?</td>
<td>IM</td>
</tr>
<tr>
<td>9. What parts of the organisations is involved with the concept?</td>
<td>IM</td>
</tr>
<tr>
<td>10. How would you want the store managers to work with the CS concept in their day-to-day activities?</td>
<td>IVP</td>
</tr>
<tr>
<td>11. How do frontline employees get informed about the CS concept?</td>
<td>IM, IVP</td>
</tr>
<tr>
<td>12. How are you continuously working with the concept at the head office?</td>
<td>IM</td>
</tr>
<tr>
<td>13. What is ACC doing to engage and motivate frontline employees to enact the concept?</td>
<td>IM, E1</td>
</tr>
<tr>
<td>14. How would you describe the ACC culture?</td>
<td>IM, E1</td>
</tr>
<tr>
<td>15. Who is responsible to build coherence in frontline teams?</td>
<td>IM, E1</td>
</tr>
<tr>
<td>16. What kind of knowledge do frontline employees need to be CS persons?</td>
<td>IM, E2</td>
</tr>
<tr>
<td>17. What access does the frontline employees have to this</td>
<td>IM, E2</td>
</tr>
<tr>
<td></td>
<td>Question</td>
</tr>
<tr>
<td>---</td>
<td>-------------------------------------------------------------------------</td>
</tr>
<tr>
<td>18</td>
<td>What are ACC doing to make frontline employees feel responsible for their own encounters with customers?</td>
</tr>
<tr>
<td>19</td>
<td>Are you doing something to make frontline employees feel secure and confident to take that responsibility?</td>
</tr>
<tr>
<td>20</td>
<td>When do you want frontline employees to be CS persons?</td>
</tr>
<tr>
<td>21</td>
<td>Do you believe that frontline employees are working with the concept in the way you want them to?</td>
</tr>
<tr>
<td>22</td>
<td>How do you wish that frontline employees would receive the concept?</td>
</tr>
<tr>
<td>23</td>
<td>Are you in any way controlling if weather frontline employees are working with the CS concept?</td>
</tr>
<tr>
<td>24</td>
<td>What do you do if stores are not working with the concept in the way you want them to?</td>
</tr>
<tr>
<td>25</td>
<td>What do you do if stores are working with the concept in the way you want them to?</td>
</tr>
</tbody>
</table>
### Appendix 4: *Frontline employee interview guide*

<table>
<thead>
<tr>
<th>PART 1</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>For how long have you been working at ACC?</td>
</tr>
<tr>
<td>2</td>
<td>What position do you currently hold at ACC?</td>
</tr>
<tr>
<td>3</td>
<td>When do you feel like you have had a good encounter with a customer?</td>
</tr>
<tr>
<td>4</td>
<td>How would you describe the group atmosphere in your team? E1</td>
</tr>
<tr>
<td>5</td>
<td>Have you heard of the CS concept? E1</td>
</tr>
<tr>
<td>6</td>
<td>How did you and your colleagues get information about the concept? E2</td>
</tr>
<tr>
<td>7</td>
<td>Have you and your colleagues received some kind of practical training or education related to the concept?</td>
</tr>
<tr>
<td>8</td>
<td>Why do you think that ACC developed this concept? E1</td>
</tr>
<tr>
<td>9</td>
<td>How do you feel about stepping into the role as a CS person at work? E1</td>
</tr>
<tr>
<td>10</td>
<td>What do your colleagues think about working with the role as being a CS person?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PART 2</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>How would you describe the <strong>first step</strong> about welcoming the customer? PVP1</td>
</tr>
<tr>
<td>12</td>
<td>How would you say that you and your team actually works with this step? EVP1</td>
</tr>
<tr>
<td>13</td>
<td>Is there times when you do not work with this step? EVP1, IM</td>
</tr>
<tr>
<td>14</td>
<td>Is there something that ACC does today that supports you to work with this step? EVP1, IM</td>
</tr>
<tr>
<td>15</td>
<td>How can ACC improve the way of working in order to better support you and your team in enacting this step? EVP1, IM</td>
</tr>
<tr>
<td>16</td>
<td>How would you describe the <strong>second step</strong> about initiating contact with the customer? PVP2</td>
</tr>
<tr>
<td>17</td>
<td>How would you say that you and your team actually works with this step? EVP2</td>
</tr>
<tr>
<td>18</td>
<td>Is there times when you do not work with this step? EVP2, IM</td>
</tr>
<tr>
<td></td>
<td>Question</td>
</tr>
<tr>
<td>---</td>
<td>--------------------------------------------------------------------------</td>
</tr>
<tr>
<td>19</td>
<td>Is there something that ACC does today that supports you to work with this step?</td>
</tr>
<tr>
<td>20</td>
<td>How can ACC improve the way of working in order to better support you and your team in enacting this step?</td>
</tr>
<tr>
<td>21</td>
<td>How would you describe the third step about being available?</td>
</tr>
<tr>
<td>22</td>
<td>How would you say that you and your team actually works with this step?</td>
</tr>
<tr>
<td>23</td>
<td>Is there times when you do not work with this step?</td>
</tr>
<tr>
<td>24</td>
<td>Is there something that ACC does today that supports you to work with this step?</td>
</tr>
<tr>
<td>25</td>
<td>How can ACC improve the way of working in order to better support you and your team in enacting this step?</td>
</tr>
<tr>
<td>26</td>
<td>How would you describe the fourth step about satisfying customers?</td>
</tr>
<tr>
<td>27</td>
<td>How would you say that you and your team actually works with this step?</td>
</tr>
<tr>
<td>28</td>
<td>Is there times when you do not work with this step?</td>
</tr>
<tr>
<td>29</td>
<td>Is there something that ACC does today that supports you to work with this step?</td>
</tr>
<tr>
<td>30</td>
<td>How can ACC improve the way of working in order to better support you and your team in enacting this step?</td>
</tr>
<tr>
<td>31</td>
<td>How would you describe the fifth step about exceeding the customers’ expectations?</td>
</tr>
<tr>
<td>32</td>
<td>How would you say that you and your team actually works with this step?</td>
</tr>
<tr>
<td>33</td>
<td>Is there times when you do not work with this step?</td>
</tr>
<tr>
<td>34</td>
<td>Is there something that ACC does today that supports you to work with this step?</td>
</tr>
<tr>
<td>35</td>
<td>How can ACC improve the way of working in order to better support you and your team in enacting this step?</td>
</tr>
<tr>
<td>36</td>
<td>In what situations do you feel like your colleagues and manager trust you to handle your encounters with customers?</td>
</tr>
<tr>
<td>37</td>
<td>Is there times when you do not feel like your colleagues and</td>
</tr>
</tbody>
</table>

**PART 3**
<table>
<thead>
<tr>
<th></th>
<th>Question</th>
<th>Respondent(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>38</td>
<td>When do you feel unconfident about being a CS person?</td>
<td>IM</td>
</tr>
<tr>
<td>39</td>
<td>What can ACC do to make you feel secure and confident in encounters with customers?</td>
<td>IM, DE3</td>
</tr>
<tr>
<td>40</td>
<td>What can you and your team improve to be best possible CS persons?</td>
<td>EVP, IM</td>
</tr>
<tr>
<td>41</td>
<td>What would make you and your colleagues more motivated to enact the CS concept?</td>
<td>IM, DE1</td>
</tr>
<tr>
<td>42</td>
<td>What kind of training would make it easier for you and your colleagues to enact the CS concept?</td>
<td>IM, DE2</td>
</tr>
<tr>
<td>43</td>
<td>How do you and your team receive feedback and reinforcement on your working performances?</td>
<td>IM, E4</td>
</tr>
<tr>
<td>44</td>
<td>How can ACC improve their ways of giving feedback and reinforcement, to make you and your team more motivated to work with the CS concept?</td>
<td>IM, DE4</td>
</tr>
</tbody>
</table>
Appendix 5: *Thematic network analysis*

1. **Global theme: Role overload**
   
   **Organising theme: Conflicting roles**
   
   Basic themes:
   - Bad and good days
   - Personal life affects work
   - They know that they need to be the CS person at all times

   **Organising theme: Work overload**
   
   Basic themes:
   - Stress
   - Too many different tasks
   - Cutting down on employees
   - Lack of time
   - Sometimes feel like they are working alone in the store
   - Can not handle all tasks at the same time
   - Sometimes feel insufficient in their work roles
   - The store layout makes it difficult for customers to see the employees when they are handling projects

   **Organising theme: Inconsistent service standards and guidelines**
   
   - Some routines are contradicting the CS concept
   - Uncertainties about how to prioritise tasks
   - Uncertainties about what a CS person is
   - Feedback on short-term goals
   - ACC want the employees to do “care-sell” but they only get feedback on “up-sell”

2. **Global theme: Lack of product knowledge**

   **Organising theme: Ineffective supportive system**
   
   Basic themes:
   - Rarely use the intranet
   - Need to write exact words in order to find products in the search engine
   - The search system is hard to understand
   - Rather use Google than ACC support system
   - Faster and easier to ask colleagues instead of using the intranet

   **Organising theme: CS persons need product knowledge**
   
   Basic themes:
   - Not enough knowledge about the products
   - No continuous education regarding the CS concept
   - No education on how the products work and supplementing products
   - There is no time to do training
3. Global theme: Lack of an internal service mindset
Organising theme: Lack of rewards/ recognition/ feedback
Basic themes:
- ACC are cutting down on teambuilding activities
- Rewards are experienced as impersonal
- No feedback related to the CS concept
- Lack of feedback from managers and team leaders

Organising theme: Lack of upward communication
Basic themes:
- The employees do not feel that the head office want to listen to them
- The frontline employees do not know if the head office get their feedback

Organising theme: Weak relationship between the head office and frontline teams
Basic themes:
- Want the colleagues at the head office to visit the stores
- Do not feel like the colleagues at the head office understand how it is to work on the shop floor

4. Global theme: Lack of a holistic service strategy

Organising theme: Delegated responsibilities for working with the CS concept
Basic themes:
- Stores work differently with the concept
- Department managers and store managers are responsible for working with the CS concept in their teams
- The store managers own dedication to the concept determine how much the teams talk about the concept and work with it

Organising theme: Lack of knowledge about the CS concept
Basic themes:
- The frontline employees do not know all the steps in the CS concept
- They do not always know how to interact with different customers
- The frontline employees do not know why and how they should enact the concept.

Organising theme: Culture is not aligned with the value proposition
Basic themes:
- The culture is not aligned with the concept
- Lack of information about the concept and its vision and purpose
- Empowered without unified vision, priorities and knowledge