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# The Future of Services in *adidas* Retail Empowering the *Creator* through co-creative service experiences

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Trabalho de Projecto para obtenção do Grau de Mestre em  
**Branding e Design de Moda**  
(2º ciclo de estudos)

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# Abstract

The enhancements in digital technologies entail a shift in consumer behavior and expectations towards brands and retailers. Especially consumers belonging to Generation Z are enabled through digital means to self-control their consumer journey. While this benefits e-commerce channels, “brick-and-mortar” stores need to redefine their role to serve consumers with more meaningful value propositions that go beyond the purchase of tangible products. The reopening of the *adidas* brand flagship store in London in October 2019 gives cause for the design of a new service concept with the objective to harness the strengths of physical retail and to increase relevance for Gen Z consumers. An experiential service that empowers consumers during their journey towards self-actualization differentiates from the offerings of convenience-driven e-commerce channels and allows consumers to invest into their personal growth and to contribute to a higher purpose. In a participatory approach and in collaboration with internal and external stakeholders, the researcher designs an innovative service experience entitled *Creator Hub* that aims to empower *adidas*’ *Creator* consumers in their transformation journey through creative upskilling. The *Creator Hub* serves as a platform for collective and co-creative experiences and ties in the local cultural context and a more sustainable vision of consumption. The researcher and stakeholders create three services of different co-creation levels and creative complexity and visualize the involved people, processes and evidences in service blueprints. The *Creator Hub* is an example for a retail space where value is created not through physical consumption but through a service that has a broader impact on people’s lives.

## Keywords

Services, Service Design, Co-Creation, Retail experiences, Retailing, Fashion Branding, Generation Z, Consumer Trends



# Resumo

O desenvolvimento das tecnologias digitais implicou uma mudança no comportamento do consumidor e expectativas para marcas e retalhistas. Especialmente os consumidores pertencentes à Geração Z, nativos digitais por natureza, têm um conjunto de capacidades que os permite para autocontrolar a sua jornada de consumo. Embora esta predisposição para fazer uso dos meios digitais beneficie os canais de comércio eletrónico, as lojas físicas precisam de redefinir o seu papel para ir ao encontro dos consumidores com proposições de valor mais significativas, que vão para além da compra de produtos tangíveis. A reabertura da flagship store da marca *adidas* em Londres, em outubro de 2019, dá origem ao projeto de um novo conceito de serviço, que pretende beneficiar dos pontos fortes do retalho físico e aumentar a relevância para os consumidores da Geração Z. Um serviço experimental que capacita os consumidores durante sua jornada rumo à autoatualização, diferencia-se das ofertas de canais de e-commerce movidos por conveniência e permite que os consumidores invistam no seu crescimento pessoal e contribuam para um propósito maior. Através de uma abordagem participativa, foi projetada uma experiência de serviço inovadora em conjunto com vários stakeholders, internos e externos, intitulada *Creator Hub*. Este serviço visa capacitar os consumidores *Creator* da *adidas* na sua jornada de transformação através do desenvolvimento de capacidades criativas. O *Creator Hub* serve como uma plataforma para experiências coletivas e cocriativas no que se associam ao um contexto cultural local e a uma visão de consumo mais sustentável. O investigador e as partes interessadas criaram três serviços com diferentes níveis de cocriação e complexidade criativa, e onde foi possível observar os participantes envolvidos, os processos e evidências no contexto do planeamento de serviços. O *Creator Hub* é um exemplo de um espaço de retalho, em que o valor não é criado por meio do consumo físico, mas através de um serviço que tem um impacto mais amplo na vida das pessoas.

## Palavras-chave

Serviços, Design de Serviços, Co-Criação, Experiências no retalho, Retalho, Marcas de Moda, Geração Z, Tendências de consumo



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# List of Acronyms

AR	Action Research
CE	Consumer Experience
CH	Creator Hub
DBC	Digital Brand Commerce
DBD	Digital Brand Design
DIY	Do it yourself
POS	Point of sale
SAM	Store Associate Mobile
SCAMPER	Substitute, combine, adapt, modify, put, eliminate and reverse
VP	Vice President
WS	Workshop



# Chapter 1

## Introduction

The introduction chapter provides an overview of the problem statement and research goal, of the relevance of the research topic and of the overall course of research.

### 1.1 Problem Statement and Research Goal

“Through sport, we have the power to change lives” (adidas Group, 2018b) is the core belief of *adidas*. As a global player in the sportswear industry, adidas places this belief at the heart of every business activity and intends to “inspire and enable people to harness the power of sport in their lives” (adidas Group, 2018f, p. 1). It is the adidas Group’s mission to become “the best sports company in the world” (adidas Group, 2018f) and it hopes to achieve this through the core brands adidas and Reebok. The Group believes that if adidas is associated by the consumers with being “the best sports brand in the world” and Reebok with being the “best fitness brand in the world”, “market share, leadership and profitability will follow” (adidas Group, 2018f). As “best”, adidas defines “what our [the brand’s] consumers, athletes, teams, partners and media will say about us [the brand]” (adidas Group, 2018f). Therefore, the adidas Group adopts a consumer-centric approach or “consumer obsession” (adidas Group, 2017a, p. 55) to constantly develop “desirable products and inspiring experiences” in order “to build a strong image, trust and loyalty with consumers” (adidas Group, 2017a, p. 55).

Significant touchpoints where adidas gets in direct contact with consumers to bring the company belief to life are the company’s retail stores. A total of 2,464 own-retail stores were registered worldwide in 2018 (adidas Group, 2018e). They are the physical environments in which the brand is committed “to providing premium retail experiences to . . . consumers with executions that connect, engage and inspire them” (adidas Group, 2017a, p. 51). The opening of the adidas brand’s reconceptualized brand flagship store in New York City in 2016 turned the commitment into action. The new Stadium concept on which the store’s architecture and in-store experiences are built, heralds “a new era in how consumers experience creativity and sport in stores” (adidas Group, 2017a, p. 9). Therefore, the adidas brand is at the focus of the present master project.

These Stadium brand flagships are a reaction to the changing behaviours and needs of a consumer population that is increasingly empowered through digital technologies and that expects memorable and engaging shopping experiences in physical retail stores that go beyond a monetary transaction (Glass & Haller, 2017). Especially consumers belonging to “Generation Z” (Gen Z), born between the mid-1990s and mid-2000s, seek different shopping experiences

(Shay, 2017). As they outgrow the number of Millennial shoppers and as they acquire more purchase power when entering the workforce in the next few years, brands need to plan for “Gen Zers” (Shay, 2017).

With Stadium brand flagships adidas changes the perception of retail and offers more opportunities for interaction and customer engagement. Matthew Shay, President and CEO of the National Retail Federation affirms that “participation and engagement is what they [Gen Zers] really value in a long-term brand relationship” (Shay, 2017) and they still continue to seek this in physical retail stores. The National Retail Federation and IBM’s Institute for Business Value conducted a survey with more than 15,000 consumers aged 13-21 from 16 countries and asked them about their digital and purchasing habits (Cheung, Glass, McCarty, & Wong, 2017). They found out that “more than 98 percent still prefer to make purchases in bricks-and-mortar stores” (Cheung et al., 2017, p. 1) than online where they spend a great share of their leisure time.

However, technological enhancements accelerate trend cycles and change consumer expectations rapidly. Kotler and Keller (2016), renowned marketing experts, underline that “there is little margin for error in marketing . . . Firms must constantly move forward . . . monitor their customers and competitors [and] continuously improve their value offerings and marketing strategies” (p. 26). Adidas is therefore urged to constantly improve consumer experiences in its stores and to readapt its retail strategy to provide consumers the right value at the right time and place (The Innovation Group, 2017). Author Joseph Pine considers *services* as an opportunity for brands to gain competitive advantage: “People are increasingly willing to pay other people to help them achieve their aspirations because we so value our time as human beings” (as cited in The Future Laboratory, 2017, p. 9).

Considering the changing expectations to retail and the potential of services as differentiated offering, the researcher is confronted with the question of how adidas stores can harness services to elicit connection, engagement and inspiration among Gen Z consumers to stay relevant in the future. The researcher claims that adidas’ physical retail stores become relevant for Gen Zers when offering experiential services that engage consumers in activities that are more impactful on their lives than the mere action of buying tangible goods. The goal of the present master project is to design a service concept that answers the needs of Generation Z, follows global retail trends, and leverages the brand identity. To design a service that resonates with adidas’ Gen Z consumers, the researcher sets five objectives:

1. The first objective is to understand the nature of brands and of adidas in particular, since this builds the foundation for creating authentic offerings.
2. The second objective is to understand the nature of services and how they provide value to Generation Z. This helps to determine which service adidas should offer to stay relevant.
3. The third objective is to understand the nature of retail stores as a channel through which value is directly delivered to the consumer. It helps to identify the strengths of physical retail stores and to define a strategy for own-retail stores.

4. While following the first three objectives builds a theoretical framework, it is the fourth objective to develop a preliminary strategic service concept from it. It shall englobe the idea, name, narrative, strategic concept, visual identity and the implications on the retail store.
5. Subsequently, the fifth objective is to use a participatory approach to evolve the concept further by defining concrete topics and activities for the service interaction. The involvement of internal and external stakeholders allows to develop a more holistic service concept that can be presented internally as a recommendation for future adidas retail stores.

## 1.2 Relevance of Research Topic

With having the mobile phone constantly at hand Gen Zers have grown up with the convenience of requesting everything they need on-demand when and where they want it (Cheung et al., 2017). They are self-reliant “digital natives” that spend the majority of their time online even before watching TV and movies, hanging out with friends and spending time with their family (Cheung et al., 2017). They “socialize, learn and have fun living in a fluid digital world” (Cheung et al., 2017, p. 1) which favors a brand’s digital channels. Adidas CEO Kasper Rorsted recognizes the importance of improving the digital brand experience and underlines that “the most important store we have in the world is our dotcom store” (as cited in Gilchrist, 2017). Consequently, this raises the topic of the relevance of adidas’ physical retail stores.

The trend agency The Future Laboratory observes that a “lack of purpose and a fear of new technologies are leading to an unprecedented number of store closures. This is driving a renewed push to consider not only when and where to open stores, but what the stores should do” (The Future Laboratory, 2018, p. 3). In contrast to closures, it can be observed that some pure online retailers and brands, such as Moda Operandi, Everlane and Warby Parker, open physical retail destinations (Fernandez, 2017). The difference lays in the understanding of these brands about the purpose of their stores. Their perception shifts from building traditional brick-and-mortar points of sale towards creating spaces in which “transactions will be a by-product of consumer socialisation and engagement” (AT Kearney as cited in The Future Laboratory, 2018, p. 12). Also Rocca (2018) outlines that “consumers will progress towards new aspirations, choosing self-realisation over physical consumption. The role of brands will be to validate and enhance the uniqueness of each consumer, and to manufacture custom, transformational experiences” (p. 3). Consequently, digital brands create dynamics in the market and redefine expectations among consumers as they respond to their needs in an innovative way. Moreover, this fuels expectations towards other brands such as adidas to shift the own retail strategy and to create consumer experiences that reinvent the nature of interaction between brand and customer. Additionally, to responding to external pressures coming from the market, the relevance of the project lays in the urgency for adidas’ Consumer Experience team to propose

an innovative service offer for the Stadium flagship store in London. The store is currently reconceptualized and planned to be reopened in October 2019. It presents an opportunity for the researcher to demonstrate a visionary approach to adidas own-retail and to create transformative services that turn transaction-focused touchpoints into empowering spaces.

### 1.3 Overall Course of Research

Since it is the goal of the present master project to design an innovative service, the course of research within the master project follows the service design framework represented by Stickdorn, Hormess, Lawrence, and Schneider (2018). This framework supports organizations to innovate services by balancing business, consumer and market needs. It is a holistic approach to create more useful and desirable services for consumers on the one hand, and more efficient and effective offerings for organizations on the other hand. Furthermore, a pragmatic, human-empathetic and design mentality underlies the entire service design process and allows for robust and resonating concepts. Diagrams are powerful instruments for the visualization of ideas and relations between service components and build a common language among service designers. For instance, the double diamond introduced by the Design Council (2018) and visualized in figure 1 illustrates the divergent and convergent thinking performed by designers to stimulate creativity and to improve the structure in solution finding. Figure 1 also demonstrates the service design process of the master project. It extends across the problem space and the solution space.

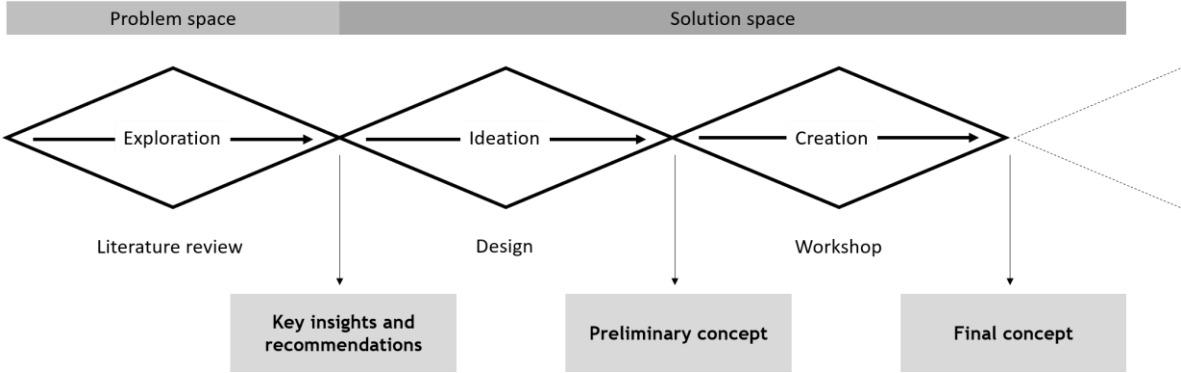


Figure 1: Course of research and service design process in the master project.

The problem space englobes divergent and convergent thinking with the aim to first explore the three major marketing activities “building strong brands”, “creating value” and “delivering value” (Kotler & Keller, 2016) and secondly, to identify the most significant key insights in regard to the research question. In detail, the researcher begins with investigating adidas’ brand identity, the foundations of value creation in the form of services and the delivery of value through physical retail stores to establish a theoretical framework. The scope is limited to services and physical retail stores as they present potential differentiation opportunities in

a commoditized sportswear and apparel business-to-consumer market. Then, the exploration phase continues with providing an overview about implemented service experiences in adidas' brand flagship stores and ultimately concludes with the formulation of recommendations.

In the following solution space, the outcomes of the problem space are used as a foundation to design valuable and effective solutions in form of a strategic service concept. The solution space divides into an ideation and a creation phase.

In the ideation phase the researcher begins with divergent thinking and introduces an idea about a possible service concept. A design agency builds on these ideas and develops elements of the service's visual identity and of the servicescape framing and communicating the most important characteristics of the service experience. The concept that results from the ideation phase is of preliminary nature and acts as a creative brief and foundation for the next phase.

The subsequent creation phase marks the co-creative effort of internal and external stakeholders to develop the preliminary service concept further in a holistic approach. The researcher continues with a participatory strategy in the research design and conducts a workshop in which stakeholders are first, encouraged to broadly generate ideas that add value to the strategic concept and secondly, to select the most meaningful ideas regarding the initial research problem. Subsequently, the selected service interactions are conceptualized in service blueprints proving the pragmatical and practical approach to service innovation.

Thus, knowledge from different fields of expertise is complemented with the aim to solidify and reflect the researcher's idea from a holistic standpoint and to involve employees and contracted externals who are ultimately affected by the service design in their function as service providers. Foth and Axup (2006) explain the qualities of participatory research:

Participatory (or participative) research encourages . . . people to take part and share in the research activity to ensure it is authentic, useful, fair, ethical, and relevant. The core idea of participation is to shorten the communicative distance between research activity and real world activity, between researcher and researched. (p. 93)

The resulting service concept englobes physical and digital processes, infrastructures and implementations that complement to a holistic service experience and that are proposed for piloting in the London brand flagship store in 2019. The service design process usually continues with the phases of *reflection* and *implementation* where tangible prototypes are built, and a pilot is implemented. Due to a limited timeframe and scope they are not part of this master project but will be executed by the organization subsequently.



# Chapter 2

## Exploration - Theoretical Framework

The exploration phase, illustrated in figure 2, is based on literature review and begins with framing the problem space by introducing the adidas company (section 2.1), by presenting the adidas brand (section 2.2) and by examining marketing activities that help the brand to create and deliver meaningful values to its consumers in the form of services (section 2.3) in the retail space (section 2.4). Then, it is outlined to what extent adidas is already delivering to the identified consumer needs in its own retail stores (section 2.5). This analysis sheds light on the field of opportunity for adidas to innovate and differentiate its value propositions.

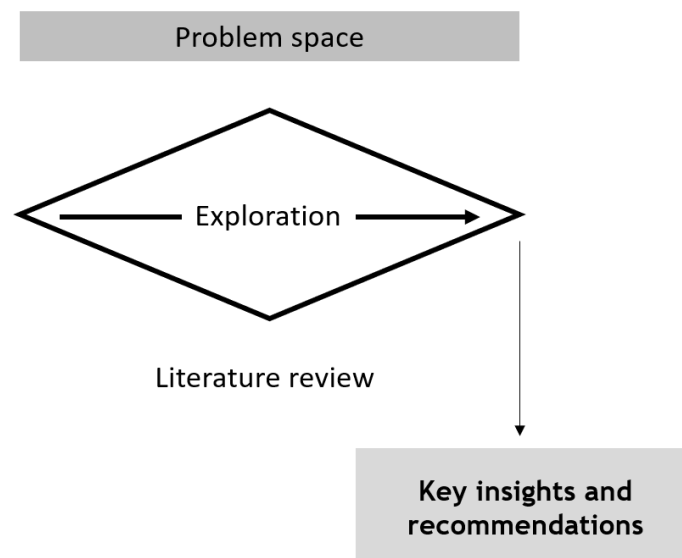


Figure 2: Course of research exploration phase.

### 2.1 Adidas Group - The Company

The adidas Group (stylized as adidas with a lower-case *a*) is a multinational corporation and the largest sportswear manufacturer in Europe with a headquarter in Herzogenaurach, Germany (Statista). The company operates across all components of the value chain and focuses on marketing footwear, apparel, accessories, and sport equipment. With the core brands adidas and Reebok, the Group targets the key markets Western Europe, North America, Greater China, Latin America, Japan, and Russia. Furthermore, the adidas Group employs 56,888 people globally and generated net sales of 21,218 billion Euros in 2017 (adidas Group, 2018e). Besides designing and manufacturing products, the adidas Group (2018e) also distributes them in a total

of 2,464 own-retail stores including concept stores, concession corners and factory outlets of which 1,301 stores are managed by the adidas brand.

The company influences the marketing activities of its brands through its history, core belief, mission and business strategy. They are therefore presented in the following.

### 2.1.1 Historical overview

Adolf Dassler, born in 1900 and an avid sportsman, registered his first business with his brother Rudolf Dassler on 1 July 1924 as *Gebrüder Dassler Schuhfabrik* (translated into Dassler Brothers Shoe Factory) in their native city Herzogenaurach in Germany (Peters, 2007). The brothers manufactured running, gymnastics and football shoes for professional athletes and attracted for the first time global attention as sponsors of Olympic gold medalists and runners Lina Radke and Jesse Owens (adidas Group, 2018c).

The adidas Group (2018c) further indicates that Adolf Dassler later dissociated from the first company and registered his own manufacturing company *Adi Dassler adidas Sportschuhfabrik* and the iconic *Three stripes* trademark on 8 August 1949. As a respected product innovator in the footwear industry, he continued to contribute to the global success of national sports teams. The launch of the *Kaiser* tracksuit in 1967 and the provision of the official match ball for the FIFA World Cup™ in 1970 marked the extension of product categories from footwear over apparel and accessories to sport equipment. Two years later, the *Trefoil* was registered as a second trademark and introduced for the Olympic Games in Munich. It is now used for the company's sports lifestyle and streetwear brand *adidas Originals*.

The popularity of adidas Original's streetwear collection started when the music scene discovered the sport style for itself in the 1980s. In 1986, the song release *my adidas* by hip hop group Run DMC merged art and sport for the first time and therefore "marked the birth of non-athletic promotions in the sporting goods industry" (adidas Group, 2018c). When the family business was handed over to Robert Louis-Dreyfus in 1993, the new CEO turned the stagnating company from a purely sales-driven to a marketing-driven company and revived its success by returning to the original strategy of serving athletes to improve their performance with innovative products. The company went public in 1995 and has over the years acquired and divested from multiple firms.

### 2.1.2 Company strategy overview

In March 2015, the adidas Group presented a new strategic business plan for the ensuing five years. It is entitled *Creating the New* and follows a consumer-centric approach. Former CEO Herbert Hainer explains: "Only what is new is relevant to the consumer" (as cited in adidas Group, 2015, p. 2). The strategy is visualized in figure A1 in Appendix A1 and is explained in the following. Creating the New is founded in the corporate culture which brings the company's beliefs and values to life and determines the attitude and behavior of employees who have the task to implement the strategy in every business activity. The strategic pillars

*Speed, Cities* and *Open Source* are at the core of Creating the New and are temporarily complemented by focus points that are equally considered as vital for the company's profitability. For instance, *Digital* is currently a major focus point in the company. The intention to consistently build on the strategic pillars and focus points is to generate brand desire. It is considered as the main source for "top line [and] market share growth, gross margin expansion and operating leverage" (adidas Group).

Thus, Creating the New is the company's initiative to elevate brand desire, to improve efficiency, and as a result, to achieve "strong improvements in sales and profitability" (adidas Group, 2017b, p. 1). In the same press release, the adidas Group (2017b) states that the strategy proves to be successful since sales targets are reached over expectations. The adidas brand plays a significant role in executing and improving the strategy.

#### **2.1.2.1 Strategic pillar: Speed.**

With the strategic pillar Speed adidas aims to become "the first true fast sports company" (adidas Group, 2017b, p. 3) by setting itself the objective to react faster to consumer needs and market trends. The Innovation Group (2017) states that "the pace of technological change and the global nature of digital networks are causing much faster trend evolution" (p. 3) demanding businesses to evolve in the same pace and to anticipate consumer needs to meet their growing expectations. In addition, adidas' internal trend agency, the Trend Working Group, identifies the consumers' worry about adidas becoming a stagnating brand with a saturated product range of similar models (adidas, 2018). Hence, the challenge for adidas is to accelerate pace in the industry and to facilitate short-term production close to the consumer market to allow a more personalized and differentiated product range. The company actively commits to "the idea of centralised production" (adidas Group, 2016, p. 1) enabled through digitization and has the vision of cutting down production cycles from weeks to hours allowing in-season creation. The adidas Group (2017b) underlines that "speed is also expected to have a positive impact on the company's profitability" (p.3). In-store production was first tested with the *Knit for you* pop-up store in Berlin, Germany in 2016. It enabled consumers to co-create knitted pullovers in store. Consumers went through the process of taking measurements, designing the product and taking the product home on the same day. The pilot was executed successfully and the consumers' demand for customization and fast production validated.

#### **2.1.2.2 Strategic pillar: Cities.**

Adidas "creates the new" by building on the second strategic pillar Cities. The brand has identified six key cities, Los Angeles, New York City, Paris, London, Shanghai and Tokyo, that are the company's future growth drivers: "The company's goal is to double revenues in these cities by 2020 compared to 2015" (adidas Group, 2017b, p. 4). Additionally, adidas aims to "grow share of mind, share of market and share of trend" (adidas Group, 2018b) in these major metropolitan centers. "Share of mind" is intended to be gained among locals and tourists by

being physically present in key cities and by being associated with their distinctive culture and lifestyle. This is how adidas hopes to generate brand awareness on a global scale. Furthermore, “share of market” is planned to be reached by placing retail stores in the key cities’ highly frequented commercial zones where sporting goods are purchased above average (adidas Group, 2017b). Observing the retail sales numbers published in the Annual Report 2017, Western Europe, North America and Greater China have indeed recorded the highest increase in retail net sales with 29%, 21%, and 18% respectively from 2016 to 2017 (adidas Group, 2018d, p. 107). At last, all key cities have a unique cultural identity and set trends that impact consumers globally. By adopting a co-creative and consumer-centric approach, adidas takes up the cities’ distinct cultures and aesthetics and creates locally differentiated, yet globally relevant product and retail designs. The cities’ reputation as inspiring hubs shape adidas’ brand identity as urban, creative and innovative sportswear brand. In order to facilitate presence in the market, “the adidas Group will over proportionally invest in talent, attention and marketing spend” (adidas Group, 2015).

#### **2.1.2.3 Strategic pillar: Open source.**

The third and last strategic pillar is Open source with which adidas “invites athletes, consumers and partners to be part of our [adidas’] brands” (adidas Group, 2018b). The approach aims to strengthen brand advocacy and equity. Adidas offers co-creation opportunities in product design, creation, innovation and presentation (adidas Group, 2015). Consequently, adidas undertakes to collaboratively “shape the future of sport . . . and the sports culture” (adidas Group, 2018d, p. 17). Major partnerships that contributed to adidas’ success in the recent years were for example closed with German chemical company BASF in innovating the Boost midsole, with American musician and producer Kanye West in launching the iconic adidas Yeezy boots, and with *Parley for the Oceans* in producing thread from ocean plastic waste and using these for functional sportswear. Apart from partnerships in product co-creation, adidas acquired fitness startup Runtastic in August 2015 and found a strong partner to expand the service portfolio providing consumers assistance and experiences around the physical good.

The benefits of an open source approach and of building strategic alliances are the access to knowledge, skills, financial capital, services, and technologies which allow companies to reach new markets and to increase brand awareness (Buckles, 2011). Adidas harnesses its strategic alliances to offer clients innovative products and services without losing focus on own capabilities. At the same time, it is crucial to be aware of potential challenges such as conflicts of interest, assuring that the partnership is mutually beneficial and upholding trust and honesty. (Buckles, 2011)

#### **2.1.3 Reflection and synthesis**

The adidas Group is a globally operating company with a heritage in the sportswear industry and a focus on sports and lifestyle products. The Group’s strategy, entitled Creating

the New, is the roadmap towards increased brand awareness and leads to improvements in sales and profitability. The strategy is built on the core pillars Speed, Cities, and Open source demonstrating adidas' priority in accelerating reaction to market trends and consumer needs, in seeking to integrate the local market into decision-making and in driving innovation with cross-industry and creative leaders. Adidas' brands are the channels through which the company establishes a relationship with its consumers. As the company adopts a consumer-centric approach in its strategy, it is a crucial task to build strong brands, to create value and to deliver value that respond to the consumers' needs. The following chapter provides an understanding of building strong brands and of the core brand *adidas*.

## 2.2 Building Strong Brands - Adidas as Creator Brand

Brands are "one of the most valuable intangible assets of a firm" (Kotler, Keller, Brady, Goodman, & Hansen, 2016, p. 421) which makes building strong brands one of the most important marketing activities. This chapter has the objective to present the adidas Group's homonymous brand adidas, its identity and personality and its main strategic directions, impacting the development of unique value propositions with which adidas can drive brand value.

### 2.2.1 Definition - Branding

With adidas, the adidas Group has built a strong brand that "connects us [the Group] with our [its] consumers; therefore," the company argues "the success of our [its] brands defines the success of our [the Group's] business" (adidas Group, 2018b). Branding is a method for firms to endow their products and services unique attributes that make them distinguishable from offerings of other companies. Enabling consumers to create "mental structures that help consumers organize their knowledge about products and services in a way that clarifies their decision making" (Kotler & Keller, 2016, p. 323) provides value to a firm.

A brand is "a name, term, sign, symbol or design, or some combination of these elements, intended to identify the products and services of one company and to differentiate them from those of competitors" (Kotler & Keller, 2016, p. 453). These brand elements are not only aiming to distinguish product and service offerings between brands by visual means, but are a strategic effort to communicate a brand's "direction, purpose and meaning" (Aaker, 2010, p. 68). Aaker (2010) furthermore states that brand elements evoke associations in consumers with what the brand is standing for and, at the same time, they act as a promise to the customer about delivering a valuable experience, product or service. Hence, these brand elements are means to build the brand's identity, and "help establish a relationship between the brand and the customer" (Aaker, 2010, p. 68).

Since the power of a brand depends on the consumer's perception and awareness level of a brand's existence and offerings, the brand identity must be communicated

comprehensively and with consistence. Keller (2001) describes that the challenge for marketers in building a strong brand is to ensure “that customers have the right type of experiences with products and services and their accompanying marketing programs so that the desired thoughts, feelings, images, beliefs, perceptions, opinions, and so on become linked to the brand” (Keller, 2001, p. 3). If brands are marketed successfully, they become an integral part of the consumer’s self which is a significant opportunity for brands to build long-term relationships, and consequently, a profitable customer base.

The consumer’s awareness about a brand, meaning “the strength of a brand’s presence in the consumer’s mind” (Aaker, 2010, p. 10), and the consumer’s loyalty towards a brand by making it part of the own lifestyle, are crucial assets influencing brand equity. Aaker (2010) defines brand equity as follows: “Brand equity is a set of assets (and liabilities) linked to a brand’s name and symbol that adds to (or subtracts from) the value provided by a product or service to a firm and /or that firm’s customers” (Aaker, 2010, p. 7). In other words, a consumer’s knowledge, perceptions and experience with a brand turn into a positive or negative value of a brand; “this can be tangible value such as revenues and price premiums or intangible value such as awareness and goodwill” (Gunelius).

According to Kotler et al. (2016) brands have two roles: a functional role and an emotional role. In their functional role, brands focus on “the tangible, rationally assessed product or service performance and benefits that satisfy the consumer’s practical needs” (Kotler et al., 2016, p. 424). However, in order to foster a breeding ground for loyal consumer relationships there has been a major shift towards focusing on the brand’s emotional role. Kotler et al. (2016) explain that “emotions are an affective state of consciousness in which feelings of joy, sorrow, fear, hate or the like are experienced and these emotions can play a powerful role in the customer’s selection, satisfaction and loyalty towards brands” (p. 424). Morrison and G. Crane (2007) outline the importance of emotional branding as necessary element to create a holistic experience helping to forge “a deep, lasting, intimate emotional connection to the brand that transcends material satisfaction” (p.410). The authors especially underline the significance of emotional branding for service brands.

The benefits for building a strong brand are multiple. Keller (2001) mentions the following: “greater customer loyalty, less vulnerability to competitive marketing actions and marketing crises, larger margins, more favorable customer response to price increases and decreases, and increased marketing communication effectiveness” (p. 3). The benefit of customer loyalty as one asset leveraging brand equity is explained in detail in sub-section 2.4.3 in reference to relationship marketing.

### 2.2.2 Branding applied - Adidas brand architecture

The adidas brand is part of a complex brand architecture. A multitude of brands and sub-brands allow managers to react to “channel dynamics, global realities, heightened competition and commoditization” (Kotler & Keller, 2016, p. 442) with flexibility. Moreover, they enable companies to cover a broad consumer group while being able to sharpen their focus

on specific needs and demands. Consequently, brand awareness and brand equity are increased. In the following, the branding efforts of the adidas Group are presented in form of the adidas brand and its sub-brands.

#### **2.2.2.1 Adidas and the Badge of Sport.**



Figure 3: Adidas Badge of Sport trademark (adidas Group).

Adidas is the umbrella brand and positions itself as sport performance brand. The brand is recognizable by the *Badge of Sport* trademark (figure 3) featuring the Three stripes that have been introduced by founder Adolf Dassler. In order not to confuse the adidas brand with the adidas Group or its sub-brands, the brand itself is often called with the name of the trademark, the *Badge of Sport*. Adidas, or the *Badge of Sport* respectively, targets professional athletes and consumers that are inspired by competitive sports (adidas Group, 2018a).

Furthermore, the brand focuses on innovation and technology primarily in footwear, apparel, accessories and equipment. The main objective of innovating and manufacturing sport products for adidas is to help athletes performing at their best. The company itself states: “We help them to achieve their peak performance by making them faster, stronger, smarter and cooler” (adidas Group, 2018a). This statement reflects the thinking of founder Adolf Dassler, however, the brand now addresses a larger target group buying into product categories that expanded from running, athletics and football to a variety of other mass individual and team sports, and to lifestyle sports-inspired products. Moreover, adidas sponsors major sports events such as the Olympic Games and the FIFA World Cup™ leaving its mark in the most respected global sports championships. Additionally, the brand sponsors various professional athletes and artists that are representative for the brand personality.

According to Forbes author Ozanian (2017), adidas is the second most valuable apparel sports business brand after Nike. Adidas’ sub-brands contribute to elevating brand equity by targeting a variety of consumer groups.

#### **2.2.2.2 Adidas sub-brands and collaborations.**

With the sub-brand adidas Originals, adidas strives for leadership in lifestyle. Adidas Originals stands for the belief that “a sporting lifestyle does not end in the locker room” (adidas Group, 2018a). Thus, the collections are inspired by the sport lifestyle and the streetwear

scene. The design puts emphasis on the sportswear aesthetics rather than performance to drive brand credibility and heritage. The sub-brand targets consumers, entitled *Streetwear Hounds*, that seek differentiation, appreciate craft, substance and story, and are very selective with respect to items and sources of inspiration. Consequently, adidas Originals aims to continuously stay up-to-date to consumer trends and harnesses the open source approach to stay relevant in the market.

Design collaborations with selected artists and retail partners merge adidas' manufacturing expertise with the partner's sense for streetwear aesthetic. These collections are often sold as limited editions and therefore trigger brand awareness and recognition among consumers, resulting in increased brand equity. Recent examples of collaborations are the Pharrell Williams, Alexander Wang, Gosha Rubchinskiy and Yeezy collections. The latter is designed with musician Kanye West and belongs to the most significant drivers of brand equity for the whole adidas brand. Further collaborations are implemented in the sub-brand Y-3 with designer Yohji Yamamoto and in adidas by Stella McCartney. Also part of adidas' brand architecture are adidas NEO, which is the most significant commercial driver of the brand, and Five Ten, which increases adidas' penetration in the outdoor sportswear market.

### 2.2.3 Definition - Brand personality

Brand personality is another concept influencing the relationship between a brand and a consumer and is therefore also influencing brand equity. Following Keller (2001), "brands may also take on personality traits and values similar to those of people [providing] much richer, more contextual information" (p. 12) to consumers and enabling them to build a more satisfying and rewarding relationship with brands. The creation of a brand personality contributes to a firm's effort to humanize and emotionalize the customer relationship and thus influences the entire brand experience.

Following Van Gelder (2005) brands often derive brand personality from the "mission and ambition defined by the business strategy" (p. 43). A mission is a differentiating statement of purpose and is reflecting a brand's self-concept, values and priorities (Pearce, 1982). Consequently, a mission statement supports brands in guiding their actions and in strengthening the brand personality that is communicated to the consumers.

Aaker (2010) underlines that "in order to be effective, a brand personality needs to be desirable and important enough to matter to the person using the brand" (p. 158). A practical approach to design a personality that is close to the consumer is, according to Aaker (2010), to describe a brand "by demographics (age, gender, social class, and race), lifestyle (activities, interests, and opinions) or human personality traits (such as extroversion, agreeableness, and dependability)" (p. 142). Transferring *user imagery* is useful in the development of a brand's character to create relatable personality traits. Aaker (2010) defines user imagery as "the set of human characteristics associated with the typical user of the brand" (Aaker, 2010, p. 170). Consequently, brands should monitor their target group's character traits, values and behavior to build their own personality upon.

Moreover, Aaker (2010) provides several benefits of constructing a brand personality. First, brand personality is a “sustainable point of differentiation” (p. 174) that is difficult to copy. Second, brand personality helps establishing an emotional relationship with consumers resulting in an increased brand loyalty. This is because brand personality “can provide a vehicle for customers to express their own identity” (p.174). Lastly, brand personality is a communication effort influencing the level of brand awareness of consumers. If the awareness of the brand is prompted by positive attributes, it is reflected in increased brand equity.

#### 2.2.4 Brand personality applied - Adidas as Creator brand

The company lends its core brand a unique personality as the “Creator sports brand”. With the brand campaign “Calling all Creators” (adidas, 2017) the brand started a movement to bring employees, consumers, business partners and the brand’s assets from the sport, music, entertainment and fashion scene together to highlight the creative potential that is inside of everybody to co-create the brand experience and personality. Adidas merges creativity with sports with the objective to create the best sports gear for athletes; reminiscing the dedicated and confident attitude, and the innovative thinking of founder Adolf Dassler. For adidas, creativity is a driving force of innovation and by fostering it, the brand aims to defy conventions, to unite diverse personalities through their common passion to create, and to redefine sports culture (adidas Group).

##### ***2.2.4.1 Deriving brand personality by the mission statement.***

As mentioned earlier, a brand’s personality often derives from the brand’s mission and is shaped by the user imagery. Also at adidas, the brand’s personality is shaped by these two factors. Adidas’ mission and obsession statement is formulated as follows: “We are the creators, makers and doers; the original sports brand; driven by innovation & a bias for action; we are obsessed with helping athletes make a difference” (Consumer Experience Concept Strategy, 2018c, p. 10). In another statement, the brand adds that it wants to make a difference in the consumers’ “game, life, [and] world” (adidas Group, 2018d, p. 67) touching upon every stage in the consumers’ lives, whether it is while doing sports, while working on a better self or while making the world a better and healthier place. The statement reflects dedication, creativity, confidence and a collaborative attitude. Listening to their athletes and consumers and letting them be part in the entire creative process from creating ideas, to designing and manufacturing products and doing sports demonstrates a dedicated team spirit and will to strengthen a sustainable relationship with consumers. Lastly, adidas intends to “become one of the most recognized and iconic global brands, on and off the field of play” by ensuring a “strong presence [of the adidas brand] among global and regional sports” (adidas Group, 2018d, p. 67). This statement demonstrates the eagerness to shape global trends and the sensitivity of the brand to create in respect of local preferences.

#### 2.2.4.2 Deriving brand personality by user imagery.

User imagery nurtures adidas' personality as Creator brand. On the basis of continuous consumer research, adidas' Consumer Strategy and Insights team has developed representative target consumer profiles about the Creator, Amplifier and Value consumer. By providing this set of generic profiles to all business units, the brand intends to achieve coherence and relevance in the experiences consumers have with the brand. In addition, all profiles are continuously updated in consideration of evolving consumer behavior and market trends. Like this, it can be ensured that the brand personality remains relevant and relatable over time. Furthermore, the brand has identified the connections and influences among the consumer groups themselves and has visualized them in the sales and influence pyramids (figure 4). The influence pyramid on the right represents the cultural influence that flows from the Creator consumer through the Amplifier to the Value consumers at the bottom. The sales pyramid runs contrariwise and illustrates that the least influential Value consumer contributes the largest share to the total net sales.

The consumer profiles and the interconnection between them are explained in the following to provide a generic understanding about the aspirations, identities, social behaviors, and emotional estates of adidas' consumers. The attitudes reflected in these profiles depict key character traits through which the consumers and the brand identify themselves in differentiation to other consumers and competitors (Global Consumer Experience Innovation & Trends, 2017, p. 11).

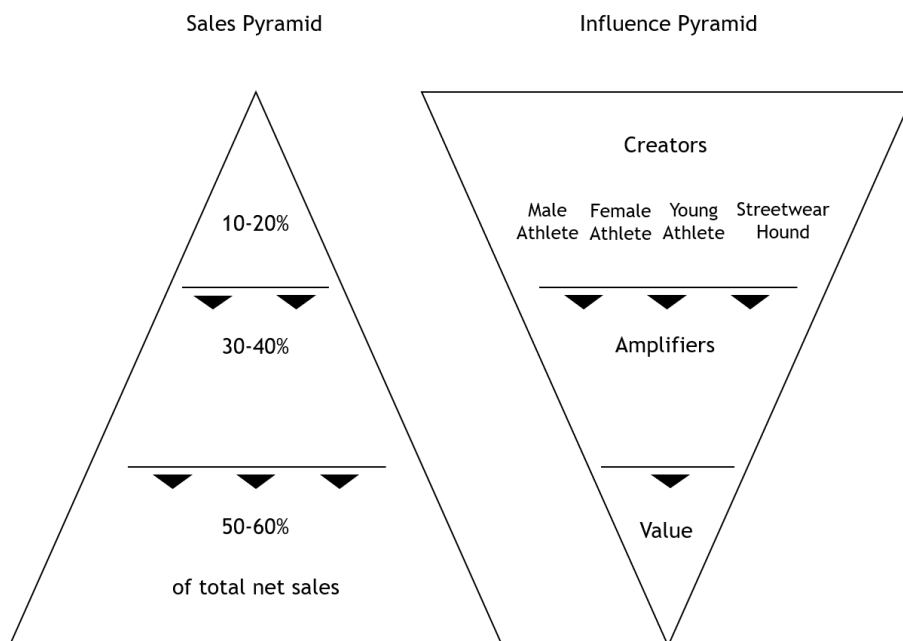


Figure 4: Sales pyramid and influence pyramid demonstrating the influential role of the Creator consumer on the spending of the Amplifier and Value consumer (Global Consumer Strategy & Insights, 2018).

Beginning at the top, the universal Creator profile fundamentally influences adidas' brand personality. The Creator characterizes her-/himself by the continuous longing for opportunities to improve knowledge and skills, and by assuming own responsibility for physical

and mental well-being through sports and creativity. They define themselves as “work-in-progress”, always finding themselves on a path of constant transformation. Creators seek constant improvement that is not only related to their sports performance, but also to entrepreneurship, art and fashion. “They value everything that would help them change, improve, become a better version of themselves” (adidas DBC Strategy & Innovation, 2018a, p. 9). This insight was retrieved by adidas through conducting 19 interviews with Creator consumers in the key cities London and in New York in 2018. Consequently, they tread a transformation journey that consists of different phases leading them from the exploration of activities, over the establishing of routines and the proving of high engagement towards becoming a mentor for other Creators. Besides, Creators are open and approachable, and feel a sense of belonging to a collective through “shared ideas and experiences rather than rules and physical abilities” (Global Consumer Experience Innovation & Trends, 2017, p. 12). They live in the world’s most influential and aspirational cities setting global trends and increasing adidas’ “share of trends” globally. Although Creators only contribute 10-20% to the total net sales (Global Consumer Strategy & Insights, 2018), they are essential sales drivers among Amplifiers and Value consumers. They are cultural ambassadors and shape the future of sports and streetwear, directly and indirectly influencing Amplifiers and Value consumers (Klopfer, 2017).

Universal Amplifiers orientate themselves by cues and codes coming from Creators especially in building their identity (Global Consumer Experience Innovation & Trends, 2017). Nonetheless, their behavior is driven by other factors than the behavior of Creators. The Amplifiers’ commitment to sports is based on a desire to achieve a mentally and physically strong appearance. Furthermore, they are more led by lifestyle trends and status which explains their active engagement in social media. Digital means facilitate their search for social validation and constant self-assurance. Thus, their confidence is more dependent from external factors than it is the case for Creators. Also, instant reward is a crucial driver for Amplifiers to continue their path towards achieving a leadership role. Amplifiers possess a significant role as communicators. With their commitment in articulating their identity, desires and opinions, they have the ability to take trends and brand messages from niche to mainstream. Amplifiers are receptive for digital content and are willingly emanating it which eventually results in promoted brand awareness. Reaching Amplifiers, across all categories, “will drive volume” (Global Consumer Experience Innovation & Trends, 2017, p. 6). Lastly, they generate 30-40% of total net sales and influence Value consumers in their buying decision and brand advocacy (Global Consumer Strategy & Insights, 2018).

Value consumers claim the greatest share of 50-60% in total net sales (Global Consumer Strategy & Insights, 2018). From a trend perspective, they are followers of a movement, as they look to Creators and Amplifiers for motivation and inspiration. Reassurance before committing to a buying decision is of great importance for them (Global Consumer Experience Innovation & Trends, 2017). Considering Creators as brand ambassadors and noticing the digital engagement of Amplifiers to receive social recognition, Value consumers consider brands as

trust-builders and they enjoy being guided through the brand experience by peer consumers. In addition, the brand assumes the important task to provide a space to Value consumers in which they can feel safe and emotionally reassured. It is the brand's intention to demonstrate that they are taken seriously and that they are supported in their endeavors. Moreover, Value consumers are new to the sports and streetwear scene. Still, they make attempts to integrate practice and knowledge into their lifestyles. They are driven by purpose and efficiency rather than true passion. When it comes to products, they buy into basic styles and occasionally into more expensive items as representations of "their aspiration of where they want to be in the future" (Global Consumer Experience Innovation & Trends, 2017, p. 18).

All in all, it is a strategic priority for adidas to win the most influential consumer, defined as Creator, firstly because they act as inspirational role models for a broader mass of consumers and secondly, because they embody the brand as being creative and innovative with a constant attitude of working towards their best. Nevertheless, the brand has the objective to support all its consumers within their transformation journey that lead them towards self-actualization.

### 2.2.5 Reflection and synthesis

To review, the principle of branding is to lend a brand a distinct identity that manifests what the brand stands for and that allows a company to build loyal relationships with consumers. Branding is a necessary marketing activity supporting companies to differentiate their value propositions from their competitors. Furthermore, brands evoke certain associations in consumers enabling them to understand a brand's meaning and purpose of its offerings. This heightens brand awareness and impacts the relationship with consumers. If brands build an identity through an authentic personality, consumers start to identify with it; even to the extent that a brand becomes an integral part of their own identity. As consequence, consumers advocate for a brand which leads to increased brand equity and profitability. Hence, companies benefit from strong brands as they justify price premiums and larger margins.

Adidas has reached an increased brand equity in comparison to other global players in the sporting goods market. Through its sub-brands, adidas diversifies its offerings across different consumer groups adding to increased profitability. Another reason for adidas' success is the brand's consumer-centric approach in building its personality. Adidas strongly identifies with its assets from the competitive sports, music and fashion scene, and with its target consumers. The Creator consumer shapes adidas' personality most considerably. The Creator's longing for self-optimization, the open mindset, and the belonging to local communities of the most influential cities in the world represent adidas as the Creator brand. To stay relevant, adidas must continuously evolve with their consumers' changing needs and must offer value propositions that help consumers unlock their potential within the transformation journey. The only opportunity for brands to demonstrate their understanding of their target consumers is to create a meaningful value. The following chapter explains how value can be created for the benefit of the customer and the brand.

## 2.3 Creating Value - Service Experiences

It is undoubted that companies can increase their profitability by building strong brands. However, in turn for brand loyalty, consumers demand brands to offer them tangible or intangible values that satisfy their needs. Keller (2001) explains that “the product itself is at the heart of brand equity, as it is the primary influence of what consumers experience with a brand, what they hear about a brand from others, and what the firm can tell customers about the brand in their communications” (p. 10). Observing consumer trends, it can be asserted that consumption has become more meaning-based and is not driven by the purchase and exhaustion of tangible goods anymore (Kotler et al., 2016). The Innovation Group (2017) points out that consumers search for meaningful experiences that impact them in a transformative way. The agency has identified that “experience, well-being and self-improvement have become the three pillars of consumer spending” (The Innovation Group, 2017, p. 185).

After setting the reader into the context of adidas, this chapter explores the opportunity for brands to differentiate their value propositions through services and experiences. As an introduction into the trend described above, the chapter explains the motivation of businesses to shift from producing goods towards providing services, termed as *servitization thinking* (Vandermerwe & Rada, 1988). Then, the nature of services and their characteristics are defined in more detail to understand the marketing implications that are entailed with a strategic orientation towards providing services. As the marketing of services is different from the marketing of products, brands must gain an understanding of the differentiating elements in the marketing mix (Rao, 2007). These are explained in this chapter and help brands to create and deliver value propositions in the form of services.

It is not only crucial for brands to know what services are and how to market them, but also how they can profit most of them. Although there are a variety of approaches to service innovation, a consumer-centric approach is often adapted to ensure that the offering resonates with the consumer. Sundbo and Toivonen (2011) entitle consumers, or more specifically the users of a service “as the driving force, or at least the source, of innovation” (p. 4). By focusing service innovation on users, “the acquisition of deep and shared understanding of user needs [is emphasized], and actually . . . this understanding [is utilized] in the development process” (Sundbo & Toivonen, 2011, p. 6). Kotler (2000) suggests brands to observe the changing macro- and microenvironment of their target groups to adapt value propositions accordingly. Fundamental consumer needs and two significant trends impacting adidas’ most important target group are presented in this chapter.

### 2.3.1 Context - Servitization thinking

Servitization thinking denotes a trend, termed by Vandermerwe and Rada (1988), that marks a fundamental change in the creation and delivery of value to the consumer. Servitization describes the shift from producing tangible goods to providing intangible solutions

in the form of services in the effort to provide better consumer value and to increase profitability.

This development is due to the rising saturation of the consumer goods market and the global commoditization of products that make it difficult for businesses to differentiate their products and to justify elevated margins. Services become the primary provider of value, either in combination with a product or independent from it (Danzinger, 2017). In other words, products increasingly identify themselves through the service layer around them which are relevant for sales. The authors describe servitization as “a powerful new feature of total market strategy being adopted by the best companies” (Vandermerwe & Rada, 1988, p. 314).

This paradigm shift implies a shift in the perception of consumers as well. While *consumers* are related to the consumption and exhaustion of goods, the concept of *users* relates better to the nature of services which are used rather than consumed. Sundbo and Toivonen (2011) explain that the term *users* alludes to the “practical situation of using something . . . or having something done . . . , and not the process of procuring it” (p. 6) which differentiates the concepts of acquiring and exhausting consumer goods from drawing on a service feature. Therefore, it would be consequent to utilize the term *user* throughout the master project. However, to retain conclusiveness with other consulted sources, the researcher chooses to continue with the term *consumer* keeping in mind the importance for brands to start thinking in *users* instead of *consumers*. In the following, the nature of services and the inclined marketing activities are explained.

### 2.3.2 Definition - Services

A service is, according to Kotler and Keller (2016), “any act or performance one party can offer to another that is essentially intangible and does not result in ownership of anything” (p.422). At the core of the service interaction is the experience and the obtainment of knowledge, that leads to the retention or transformation of a state of a human or an object (Mager & Gais, 2009). In terms of authority, services can either be provided to, coproduced or co-created with the customer.

There are a variety of ways to capitalize on services. Zeithaml, V. A. et al. (2017) draw distinctions between the definition of services. The authors associate the term *services* with service industries and companies, services as products, customer services and derived services. First, whole service industries and companies capitalize on services as a core product. They are typically assigned to the service sector. Secondly, also manufacturers and retailers, having tangible goods as their core product, have realized the potential of creating value through services to differentiate their offers in a competitive market. They increasingly sell services as products. Thirdly, customer services have become a commodity across the industries. They are a type of service that supports consumers in taking care for the product, in the interaction with products or services, in providing access to knowledge, expertise and resources, and in enabling customers to help themselves (Danzinger, 2017). Lastly, derived services point to the observation that it is often not the good itself that has value for a consumer, but the service

provided with it. Vargo and Lusch (2004) argue that “service provision rather than goods is fundamental to economic exchange” (p. 1).

The marketing of services is inherently different to the marketing of tangible goods. Services have four distinct characteristics that have significant marketing implications that entail advantages and disadvantages. Service characteristics are “*intangibility, inseparability, variability, and perishability*” (Kotler & Keller, 2016, p. 424).

To begin, intangibility denotes the abstract nature of services. Since they are based on actions and processes, services cannot be experienced through the human senses unlike physical products. Tangible elements might be involved in performing the service, but the service procedure itself is intangible. Therefore, service concepts are not able to be patented and not safe from being imitated. However, the delivery and quality of performance is dependent on a combination of variables and on emotional factors so that an exact imitation is difficult to achieve. Intangibility also affects the assessment of quality by consumers before the service is made use of. Thus, customers might hesitate to use the service because of uncertainty.

Inseparability indicates that services are produced and consumed simultaneously, in contrast to physical goods that are first manufactured, then inventoried, distributed, and only later consumed (Kotler & Keller, 2016, p. 425). This characteristic makes it impossible for businesses to obtain economies of scale through mass-production. Nevertheless, inseparability is also a competitive advantage as the service activity can be spontaneously customized which often leads to increased customer satisfaction.

Then, variability specifies the heterogeneity in the service performance. Often, services are performed by humans who communicate and execute services differently from each other. At the same time, the customers’ demands, and the articulation of needs is also very individual. Variability does not allow a completely standardized approach to service performance. The marketing challenge consists in upholding the quality standard by implementing a set of guidelines.

Lastly, perishability designates that due to the intangible nature of services, they cannot be stored and made use of when needed. The inability to hold stock impacts the service provider’s ability to adapt to a fluctuation in demand. The service must be constantly activated and managed while demand depends on uncontrollable external factors. Digital technologies help businesses to better forecast the demand of a service and to mobilize resources when needed. Also, flexible pricing strategies help to stabilize demand.

Furthermore, next to a change in marketing practices, Danzinger (2017) highlights the need for businesses to ignite a change in their business culture. The scientist explains the shifts companies must undertake when transforming from a product to a service-oriented culture in which not the sale of products is a key activity but the provision of solutions responding to consumer problems (Danzinger, 2017). Moreover, he highlights that performance should not be measured against costs but rather in terms of customer satisfaction and that it should not be the goal for businesses to drive efficiencies, but rather to enhance individualization and

flexibility along the supply chain (Danzinger, 2017). Nonetheless, speed is a determining factor impacting customer satisfaction. In addition, businesses must develop a new core competence: next to improving product quality, businesses need to take on a holistic approach to satisfying their consumers by solving their problems along the whole consumer journey and not only in the phase of product usage.

While servitization of a business means a new strategic orientation and a lot of commitment, it also brings about strategic, financial and operational advantages. Danzinger (2017) enumerates the following: Strategically, service-orientation strengthens an organization's competitive advantage through more competitive offerings. Because of the intangibility and variability of services, the competitive advantage is also more sustainable because services are more difficult for competitors to imitate. Another strategic advantage is that, e.g. through customization services commoditized products turn into highly valuable product for consumers. Danzinger (2017) explains that this "creates entry barriers for competitors" (p. 21). Financially, creating value in the form of services promises a higher and more sustainable profit margin and revenue potential. This is due to increased consumer loyalty through intensified human contact that additionally results in increased cross-selling opportunities. Through building human relationships with consumers, businesses can receive first-hand knowledge "about product usage and customer needs" (Danzinger, 2017, p.21) which accelerates and improves the innovation process for better offerings.

### 2.3.3 Services marketing mix

Like products, intangible services must be marketed to provide value to the consumer. According to the American Marketing Association (2013), marketing is "the activity, set of institutions, and processes for creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners, and society at large." The marketing mix aids businesses to turn their marketing plan and value propositions into practice (Goi, 2009). Traditionally, it includes the four variables *product*, *place*, *promotion* and *price*. Since services are different in nature to tangible products, the services marketing mix complements the four traditional elements with *people*, *process* and *physical evidence*. These elements address the fact that human actors take over a substantial function in the service production, that services rely on different processes and procedures in their delivery, consumption and creation, and that physical evidences are crucial in the communication of a service (Zeithaml et al., 2017). As these three dimensions are not only related to service creation but equally to service delivery, section 2.4 explains in more detail the role of retailers in performing services marketing activities.

#### **2.3.3.1 People.**

*People* addresses all human actors involved in the delivery of a service that impact the consumer's perceptions of the service quality (Wilson, Zeithaml, Bitner, & Gremler, 2016).

Since providing services is about “designing for relationships and experiences that evolve and change over time” (Polaine, Reason, & Løvlie, 2013, p. 36), employees and consumers bear responsibilities in upholding these relationships. The personnel’s appearance and way of interaction with a customer impact the service quality especially in the case of consulting and educating services. As strong influencers in customer relationships, staff plays a crucial role in understanding consumers’ problems in the individual context and in responding to them with expertise, empathy and emotion. As a requirement to maintain an excellent service standard, businesses need to invest into regular staff trainings because their staff ultimately embodies the service, the organization, the brand and the marketers as a whole (Wilson et al., 2016). On the other hand, customers are equally responsible for the outcome of the service encounter. They are responsible to cooperate in co-creating a satisfying solution. Especially in self-services consumers are asked to commit to create a positive service experience. Furthermore, consumers influence other customers’ service outcomes by being cooperative or distractive. Sub-section 2.4.3 outlines the importance of building loyal relationships with consumers and how it can help businesses to drive profitability.

#### **2.3.3.2 Process.**

*Process* involves the procedures that are necessary in the service delivery. People as well as digital infrastructures enable the flow of activities. Businesses choose different approaches in creating processes: they either design standardized services with a pre-defined sequence of touchpoints or customized services where the service journey is adapted to the consumer’s needs. Due to an intensified competition between service-providing companies, it has become relevant for success to reduce costs by standardizing and automating services (Meffert, Bruhn, & Hadwich, 2015). Standardization drives efficiencies and balances out the weakness of services of not being able to be mass-produced and stored. As a downside of standardization, businesses compromise with losing contact to customers. To improve the quality of standardized services, businesses choose to build a modular service infrastructure allowing a limited but convenient personalization of the service process. Also, technologies are increasingly utilized to facilitate service delivery. This is also due to the trend that technology has changed consumer expectations. Control over the consumer journey, instant responses and the will to be actively involved in value creation are the most striking aspects challenging manufacturers and retailers today (Marian, 2016). Technology is capable of routinizing and rationalizing processes while artificial intelligence supports in personalizing them. However, The Future Laboratory (2017) projects that “although Artificial Intelligence (AI) is accelerating what is digitally possible, human interaction will remain a priority for customer satisfaction” (p. 7). Also, Britton (2017) states that “we cannot avoid the relationship between people and machine.” Eventually, people should create infrastructures that are enabled through technologies but create value through human creativity and reasoning. For instance, automation has not only the potential to rationalize but also to free the employee’s capacities during a service process to focus on more complex problems. This can be the identification of

and response to customer needs by facing the consumer with empathy. In this case, digitization does not mean standardization but enabling differentiation in problem-solving.

### **2.3.3.3 Physical evidence.**

Although services are intangible processes, evidences of tangible nature are often involved and are important for “communicating service quality attributes, setting customer expectations, and creating the service experience” (Wilson, Zeithaml, Bitner, & Gremler, 2008, p. 241). The absence of physical evidences causes uncertainty on the consumers’ side as it is difficult for them to evaluate a service before, during and after making use of it. Therefore, businesses should use branding elements, such as staff, props, posters and symbols, to communicate the value of the offered services. Also digital assets such as websites, advertisements and emails count as evidences. They help consumers to recognize the identity of the service provider and to associate a certain personality and value with the offer. Besides, physical evidence is substantially related to the channel through which services are delivered. Retail stores are a brand’s consumer-facing facilities and own key characteristics to perform services. They are the focal point of this project. Sub-section 2.4.4.3 explains the importance of retail stores as physical *servicescapes* (Bitner, 1992) and their influence on the consumer’s perception about services.

In conclusion, marketers committing to servitization have a variety of dimensions in control that enable them to provide superior quality to the consumer and to differentiate from competitors. As marketers have a strong influence on the consumer’s purchase decision and satisfaction with the service, they need to bring all dimensions into an optimal mix.

### **2.3.4 Creating value in response to user needs**

After outlining the nature and the marketing of services, it is crucial for businesses to understand how they can differentiate their services from competitors. The management consulting firm Bain & Company (2016) argues that “consumers evaluate products and services based on price and perceived value.” Companies tend to focus only on price as differentiating factor because the mechanics of pricing are easy to understand and to manage. Yet, businesses must shift the focus from offering low prices to providing consumer value to create more differentiated and meaningful offerings; although consumer value might be more difficult to define and measure (Bain & Company, 2016). This section suggests fundamental elements that should be incorporated into a business’ value proposition. Moreover, it outlines current trends of consumer behavior that indicate which elements of value must be taken into consideration by businesses in the service design. By continuously adapting value propositions to current consumer needs, businesses offer more valuable and differentiated services over time and retrieve higher profits.

#### **2.3.4.1 The value pyramid.**

Bain & Company established the Value Pyramid (figure B1 in Appendix B) as visualization of the fundamental elements that create value for the consumer in the form of products and services. This pyramid builds on the four basic human needs: *functional*, *emotional*, *life changing*, and *social impact*. Each of the four needs is corresponding to a variety of elements of value that businesses need to serve to still the needs (see table B1 in Appendix B for a detailed description of each element of value). At the bottom of the pyramid are the most fundamental needs that are expected from businesses to facilitate the consumer's interaction with a brand and its offerings. In contrast, the elements of value at the top of the pyramid transcend the sphere of brand-consumer interaction and influence the consumers' entire life. By rising from the bottom to the top of the pyramid, businesses increase the value and impact of their offerings and thus differentiate themselves in the market. Moreover, a combination of various elements across the four categories drives "customer loyalty, greater consumer willingness to try a particular brand, and sustained revenue growth" (Almquist et al., 2016).

Although the value pyramid suggests 30 different elements to create valuable services, brands need to select elements strategically. They must focus on the most relevant elements according to their industry, culture and the demographics of their target consumers and they must observe influential factors and consumer needs that evolve over time. In the following, the consumers' challenge of budgeting attention is investigated.

#### **2.3.4.2 Services as convenience and services as experience.**

The digital age brings about a lot of possibilities and access for the consumer first, to absorb an increasing load of information and second, to take on an active role in shaping their own future. Technology is also inherently changing the way consumers shop. In IBM's Customer Experience Index study, published in 2017, it was found that "customers want more control over their shopping journey" (Glass & Haller, 2017, p. 16) and that businesses are recommended to use technologies to still that desire. Nonetheless, the digital layer that interweaves the human life can also act as a source of distraction that overwhelms consumers with the freedom to choose from a vast offer of information, products and services. In the end, consumers basically aim to still two desires: the desire for more convenience and the desire for more experience. This is because, next to time and money, attention has become the third currency of today's Experience Economy and consumers want to invest it wisely in memorable experiences (Pine II & Gilmore, 2017).

For brands and retailers that are not pure service providers there is an opportunity in shaping their consumers' lives for the better and, ultimately, in deriving profit from offering services. Maxwell Luthy (2017), Director of Trends and Insights of the trend and innovation agency Trendwatching explains that businesses should implement measures to either save or to seize their consumers' attention at a specific point during the consumer journey. Consequently, businesses that turn both intentions into action are able to balance out their consumers' attention and to free their capacities for more meaningful contents. There are two drivers that

accord with Luthy's recommendation to budget the consumers' attention. On the one hand, consumers ask for convenient solutions saving their attention and eliciting the feeling of "time well saved" and, on the other hand, they look out for memorable experiences seizing their attention and enabling a "time well spent" (Pine II & Gilmore, 2017, p. 64). Thereupon, retailers can redefine expectations of the consumer journey and budget the consumer's attention with benefits for both the business and the consumer.

#### *2.3.4.2.1 Services as convenience.*

In the first place, services can improve convenience through facilitating the interaction of a consumer with a product or service. The aim that is to be achieved with driving convenience is to save the consumer's attention. This can be done by harnessing the functional elements of the Value Pyramid. An attention-saving service "saves time", "reduces effort", "avoids hassles", "reduces risk", and "simplifies" the overall consumer journey (Almquist et al., 2016). Also, consistent and relevant information helps to simplify the consumer's understanding of a service. In the current period where interaction spheres englobe the online and offline world, it is the highest priority for service designers to reduce friction. *Frictionless* in this case means streamlining processes within the consumer journey enabling consumers to navigate effortlessly through different channels. Friction can be found in the form of unavailability of stock, lack of knowledge of service staff, short opening hours, misunderstanding communication and many more aspects hindering the consumer from advancing within their consumer journey. Brands and retailers can help consumers by designing helpful services that take over the decision process, eradicate pain points and shorten consumer journeys (Luthy, 2017). As a prerequisite, designers need to apply a consumer-centric approach when conceptualizing a new service to identify the consumer's individual pain points.

After all, convenient solutions should be as personalized as possible. Personalization brings benefits for the consumers as well as for the retailers. Consumers benefit from personalization because decision paralysis is reduced liberating their mind from negative cues and retailers can "achieve improved response rates" and "increase . . . spending and loyalty" (Deloitte, 2015, p. 6). Technology helps personalizing services through "localized pricing, product and inventory information, as well as personalized, contextually relevant marketing" (Glass & Haller, 2017, p. 9). The Innovation Group (2017) discovered that "consumers are becoming more comfortable with the idea of giving up personal information and data . . . in exchange for knowledge and convenience" (p. 130). Nevertheless, businesses are expected to have governance in place to protect data privacy in order to uphold the consumer's trust (Deloitte, 2015). The key factors in building trust are demonstrating responsible handling of data through transparency, by rewarding customers with personalized benefits and by granting them control over their own data.

In short, convenience is a matter of efficiency. Helmke, Uebel and Dangelmaier (2017) argue that an improvement in efficiency is indeed desirable, but that it does not guarantee an increase in revenue and in the profitability of business relations. Besides, reducing friction for

the sake of more convenience also means reducing contact and touchpoints with the consumer. In order to still drive active engagement of and with the consumer, retailers should create “positive friction”. In other words, they should not only save the attention and risk to marginalize the brand into obscurity but seize attention and reward consumers for their immersion into the service process. Receiving attention is a challenge but can be achieved by demonstrating that attention is “a worthy investment in [the consumer’s] identity” (Luthy, 2017, p. 35). At this point, the role of *services as experiences* comes into play.

#### 2.3.4.2.2 *Services as experience.*

With their article “Welcome to the Experience Economy”, Pine II and Gilmore (1998), have considerably contributed to the understanding of the role of experiences in shaping a new marketing paradigm. It describes the trend of businesses capitalizing on the consumer’s desire for memorable and engaging experiences rather than intangible services and tangible goods. The authors argue that there is a progression of economic value between services and experiences (see figure C1 in Appendix C). Through offering experiences, businesses are enabled to reach a more differentiated market positioning and a premium price range, while services lift businesses only onto a competitive positioning and only towards an average price range (Pine II & Gilmore, 1998). Even though Pine II and Gilmore have published their widely recognized article about the Experience Economy in 1998, their proposition for businesses to capitalize on experiences is still valid. In 2017, Pine II and Gilmore again underlined the importance for retailers to offer distinctive experiences “to make emotional connections, to be engaging, and even to create a memory” (p.62).

Although, they consider experiences as an evolution from services, it can be argued that services still contribute a differentiating attribute to experiences: services *assist* and *enable* people to live through the experience. The aspects of assistance and enablement are what sets *service experiences* apart from mere *experiences*. The researcher argues that services and experiences are not mutually exclusive but beneficial. When combined, service experiences, or more specifically experiential services, are at the intersection of the service sphere and the experience sphere and can be dependent or independent from products. To visualize this assertion Pine II and Gilmore (1998) use the metaphor of a theater play: “An experience occurs when a company intentionally uses services as the stage, and goods as props, to engage individual customers in a way that creates a memorable event” (p. 98). Moreover, it has to be ensured that services as experience are not merely delivered but staged, that they are not just intangible but memorable, that they are not customized but inherently personal for the consumer and lastly, that they are not delivered on demand but revealed over a duration of time (Pine II & Gilmore, 2017). In the same publication, the authors argue that in order to be profitable, service experiences should not only be considered as an additional offering to the product but instead as an independent economic offering that is paid for by the consumer. Services become experiences and the memory of the experience is ultimately marketed as the

product. Staging unexpected, delightful and memorable experiences will result in an increase in time, money and attention spent.

To create experiences, retailers should focus on driving engagement and on finding means to make the experience stand out in its uniqueness. This can be achieved by incorporating the emotional element of “design/aesthetics” (Almquist et al., 2016, p. 7) indicated in the second layer of the Value Pyramid. According to Stephens (2017) brands should incorporate “methods, language or customs that are unusual, surprising or proprietary to the brand but are also authentic and natural. The incorporation of these unique elements lends the feeling that customers have not just entered a different store but a different world entirely.” Hence, the role of service branding and the creation of visually attracting evidences with sensory appeal is underlined. Nevertheless, experiences are not only about a different look and feel, but about a total reengineering of the consumer journey: “True customer experience design means deconstructing the entire customer journey into its smallest component parts and then reengineering each component to look, feel and most importantly, *operate* differently than before and distinctly from competitors” (Stephens, 2017).

Moreover, consumers value the feeling of exclusivity that is conveyed through personalization. If the consumer journey is tailored to the consumer’s needs and preferences, the he/she will show appreciation and loyalty in return. Consumers would even share more of their personal data in change for more exclusivity: “This could influence retail on a wider level, with customers willing to trade even intimate details for a more bespoke experience” (The Innovation Group, 2017, p. 130). The emotional element of “providing access” (Almquist et al., 2016, p. 7), indicated in the second layer of the Value Pyramid, is an opportunity for brands to contribute to a feeling of exclusivity.

An option for retailers to reward consumers “for their obsession with the brand” (The Future Laboratory, 2017, p. 10) is to offer opportunities for “self-actualization” (Almquist et al., 2016, p. 7); an element indicated in the third layer of the Value pyramid. If brands assist their consumers in developing capabilities that were not possible before, they can change a consumer’s life on a long-term basis. While consumers increasingly claim more authority in steering their journey, brands assume a key role as facilitators in the achievement of a higher personal goal. Brands can provide access to necessary supportive tools and knowledge. Another life-changing element of the Value Pyramid is “affiliation/belonging” (Almquist et al., 2016, p. 7). Indeed, consumer loyalty is strengthened by individually empowering consumers on their journey towards self-actualization, however, if happening in a group of like-minded people, the consumer even has the opportunity to identify with a third party within the service that is non-corporate and unbiased. Other consumers joining the journey add a factor of trust and authenticity to the service, additionally helping brands to communicate their goodwill. Furthermore, growing a diverse community delivers a valuable statement about the brand’s effort in overcoming social boundaries.

In summary, knowing about the consumer need for convenience and experience, businesses should adopt a hybrid service approach to budget their consumer's attention. To achieve this, they can incorporate a combination of elements indicated in the Value Pyramid and still the consumers' fundamental to life-changing needs. The objective for businesses should be to help consumers save their attention for more memorable and purposeful experiences. This means, on the one hand, that companies need to anticipate pain points to find solutions preemptively and to develop services that reduce friction to ultimately drive convenience. On the other hand, brands should create services as unique and empowering community experiences that generate lasting impressions, mark a break within predictable consumer journeys, help maintaining a close relationship with consumers and simplify the identification of the consumer with the brand. *Services as experience* clearly set themselves apart from *services as convenience* because they are staged to be memorable and personally engaging and are therefore essential growth drivers for companies. While the convenience culture is growing, consumers also increasingly expect convenience-driven services to be free of charge. At the same time, the desire for memorable service experiences is increasing as well, allowing brands to capitalize on them as economic offerings. On top of creating an additional source of revenue, regular service experiences drive customer loyalty which also greatly impacts the brand's profitability.

#### **2.3.4.3 Consumer trend analysis.**

As stated earlier, it is difficult for brands and retailers to maintain a competitive advantage in a saturated and dynamic market if they do not observe market and consumer trends. Also, the economist Philip Kotler (2000) underlines that businesses must monitor and react to environmental forces and actors to stay profitable. Additionally, Amazon's founder and CEO Jeff Bezos highlights the importance of "obsessive customer focus" (Bezos, 2017) to take quick decisions and to design innovative products. He suggests to "embrace external trends" because "if you fight them, you're probably fighting the future. Embrace them and you have a tailwind" (Bezos, 2017). Consequently, brands need to take the needs and desires of their most important target group into consideration when creating services. In regard of the adidas use case, it is most relevant to identify the socio-cultural and consumer behavioral trends of the generation that has a burgeoning spending power and that influences the spending behavior of their families, namely Generation Z (Weinswig, 2016).

This sub-section highlights two significant trends that are relevant for adidas' value propositions and for their delivery when targeting their Gen Z consumers. The identified consumer trends are summed under the main directions *empowerment* and *co-creation*. They resume with various elements of the Value Pyramid presented in sub-section 2.3.4.1 but examine the motivations of this specific target group in more detail. As experiences were identified as driving factors for growth, the following analysis suggests actions for brands to create the most relevant and memorable service experiences for Gen Z consumers.

It is to be kept in mind that market developments and consumer behavior are not static

which is why the identified trends or predictions do not claim to give certainty for future success. They merely give an outlook based on observations and offer recommendations to help brands, or in this case adidas, to shape their future strategies. It is certain that innovating marketing activities for the future always involves a risk of failure. Nevertheless, in combination with the right branding and the right infrastructure, responding to market trends and changing consumer needs potentially leads to a competitive advantage.

#### *2.3.4.3.1 Empowerment.*

Sullivan and Adcock (2002) argue that one of the values or utilities of retailing is that retailers “facilitate the transfer of ownership to the customer” (p. 4). However, observing the trends of a rising service sector (World Bank, 2018), the aspect of ownership is not a reason anymore for consumers to come into a store and purchase a product. In contrast, with an increasing exposure to information about political, environmental and social shifts, it can be observed that consumers prefer investing time and money into physical experiences than into material possessions with the aim to handle anxiety and the development of their own identity (Rowe, 2017). In short, there is a shift in consumer priorities from owning products over living through experiences to investing into offerings that assist in self-actualization and transformation (Rocca, 2018).

A driver for this development is the new attitude of Gen Z - a generation that will become “the single largest group of consumers worldwide in just a few years” (Owen, 2018, p. 2). It would be transfiguring the identity of Gen Zers to classify them as mere consumers. They have become themselves producers of content facilitated by the internet and social sharing platforms. As “digital natives” they choose digital channels to connect with like-minded persons globally. Moreover, digital tools empower them to act against misrepresentation. They tolerate and cultivate diversity in ethnicity, gender, religious beliefs, and opinion (Bell, 2015).

The digital-first lifestyle makes Gen Zers realize societal pressures and harsh realities in the job market. Technology enables them to build careers on their own terms and to make self-branding efforts. They can test own ideas and receive immediate feedback which contributes to their constant improvement and personal growth. However, rather than to long for a final state of perfection they seek to immerse in a perpetual process of self-development. Still, they value guidance and reward brands that support them during this journey. “They sway towards brands that celebrate self-expression and empowerment” (Owen, 2018, p. 4). In order to find inspiration, Gen Zers do not look up to “fake” celebrities but to people in their community that are relatable and authentic. In turn, “young people are looking towards their community to offer support” (Rowe, 2017, p. 36).

The expectation for guidance by brands and peers of their community comes with a distrust in traditional educational institutions in which they do not see their interests and way of learning represented. According to Rowe (2017) “it’s difficult for today’s youth to contextualize and prepare themselves for real world problems. But what they weren’t able to learn in high school or college, they’re making up for in peer-to-peer learning and independent

educational alternatives” (p. 42). The digital age has shifted the way consumers approach learning and gives them the ability to control their own educational trajectory. The willingness to educate themselves and to push self-branding even has an impact on their leisure time: They even dedicate their free time to develop skills and their professional profile.

Gen Zers take the initiative to create their own future which explains the rising number of young entrepreneurs. Employment website Monster16 and the global research agency TNS published a study about workplace priorities and found that “Gen Z is the most entrepreneurial generation to date. Compared to 70% of all working generations, 76% of consumers belonging to Gen Z believe they are the drivers of their career and will work for their own professional advancement” (as cited in Owen, 2018, p. 18). In other words, through digital technologies Gen Zers have the ability to overthrow traditional work lives and traditional career paths and to determine for themselves how they want to live and organize their lives. They are “no longer fitting neatly into established cultural tribes, they’re complex individuals that are happy existing within multiple cultural worlds and groups” (Rowe, 2017, p. 62).

In order to keep up with the demands, brands should seize the opportunity of receiving their consumers’ attention to offer them meaningful content for self-actualization. While digital developments are a driver for their behavior, retailers should enable *transformative* experiences also in the physical space to grant even more immersion and guidance. Brands assume a role in supporting their consumers to reach for a higher purpose. They are catering for the true needs and wants that are standing behind a purchase (Keller, 2001). In the future, a tangible product will only play a role as facilitator to satisfy a more meaningful human need, while they are at the same time increasingly replaced by services and experiences. As a consequence, brands should seize the momentum and become mentors expanding their consumers’ skills and reconnecting them with like-minded people in real life. Brands need to recognize their position as trust-builders and alternative educators facilitating “accelerated, skill-focused courses and pragmatic tuition plans that don’t leave students in massive debt” (Owen, 2018, p. 17). By empowering consumers’ individual needs and by acknowledging their multifaceted identity, brands can earn their advocacy. They should support their consumer’s longing for self-improvement with providing up-skilling opportunities, purposeful real-life experiences, authentic feedback and community-building initiatives. At last, not the one-sided provision of assistance presents an opportunity for brands to differentiate but also the co-creation of service experiences with consumers. This opportunity ties in with the following trend of *co-creation*.

#### 2.3.4.3.2 Co-creation.

With the current technological developments Gen Zers would be expected to immerse into virtual spheres to process fast-paced socio-cultural, political and technological developments. On the contrary, they articulate a need for safe physical spaces where they as collectives can celebrate their plurality of opinions by hosting “parties, exhibitions, and discussion groups as a means of interacting and sharing each other’s company” (Rowe, 2017,

p. 56). Youths claim their space for inclusive community-building and to find resonance while building up their own brand. In addition, it is important to note that Gen Zers do not only want to be heard within their own communities but taken seriously and recognized for their creativity in the public as well. They claim their share to influence design decisions and argue that “brand creativity should be a more bottoms up system” (Rowe, 2017, p. 86), so to speak, in the same direction as the flow of cash. According to a survey conducted by Wylie-Harris (2018), “81% of people think that brands that collaborate with their customers are more authentic” and “86% of people think that brands that collaborate with their customers are more trustworthy” (p.12). Social media has promoted participatory culture which resonates with Gen Zs’ liability to activism.

In fact, a rise of collaborations between brands and young artists has been noted. The subversion of brand logos and the ironic approach to branded design is used as a surprising stylistic device. By fetishizing the fake through bootleg fashion, consumers are criticizing consumerism, current systems of power and the exclusive nature of fashion (Fedorova, 2017). In contrast to the traditional rules of the elite establishment, these alternative realities represent inclusivity and freedom of expression. Gordon (2016) explains that turning their criticism into subversion is a liberation from the dictation of the luxury fashion industry.

A further contributing factor for the popularity of bootleg fashion is the speed with which fashion trends evolve. Fedorova (2017) explains that “as the fashion cycle speeds up, the consumer gets bored easily.” In the point of view of cultural magazine 032c from Berlin, “Do it yourself” (DIY) is the only response to a commoditized fast fashion era. With their DIY Branding Kit consumers are encouraged to take action themselves and to brand their own clothes with “authorized bootleg” (032c). The brand explains that active participation in the creation of value turns waiting for someone else to identify the consumers’ wants and needs obsolete (032c). According to Rowe (2017), Gen Zers are “drawing on their DIY mentality to differentiate themselves and reinstate their relevance, they’re modifying and using brands as platforms to exhibit creativity” (p. 93). Also Chiquoine (2018) recognizes the momentum of an uprising and crafting culture and calls on retailers to seize it:

Crafting is inherently tactile. Though many professional or hobbyist makers use the internet to research products and learn techniques, physical retail provides an opportunity online cannot. Bricks-and-mortar retailers can make the most of this high-touch category by building in opportunities for experience-driven young consumers to interact physically with products. (p. 8)

Consequently, brands need to leave control of their own physical spaces to their consumers and let them take over with their own dynamics. As a result, brands are embraced with “respect and enthusiasm” (Rowe, 2017, p. 93). Emma Kenny, a British psychologist, mentions that the factor of competitiveness in the design process “is an enchanting experience - a great way for brands to capitalize and also gain new and ideally young consumers who will

remain with them as they age. By making consumers the brand, designer and model, the brand literally covers all bases of possibility” (as cited in Stylus, 2013).

While offering consumers possibilities to co-create and experiment, brands benefit from receiving insights about consumer’s preference in product design and usage. As a result, brands are enabled to react fast to emerging trends and the insight permits them to adapt their design directions and product marketing strategies accordingly (Stylus, 2013).

As mentioned before, not the outcome is at the heart of the idea to offer co-creation opportunities, but the progress of adolescent designers who are still on their transformative journey towards finding their proper creative style. Therefore, they seek guidance by brands which curate the co-creation experience, teach them about the usage of crafting tools and techniques, and limit the options of design possibilities to an extent that creativity can still flourish. David D. Burstein, an American social entrepreneur, indicates that “too many options can be overwhelming, even for a generation who has grown up in a world of endless optionality” (as cited in Stylus, 2013). The design challenge is thus to find the right balance between personalization and standardization in the co-creation of service experiences.

In conclusion, the identified behavioral trends of empowerment and co-creation underline the values of “self-actualization” and “affiliation/belonging” (Almquist et al., 2016, p. 7) most considerably. By placing empowerment and co-creation at the core of the value proposition and by turning service experiences tangible with a sensory appeal, brands create rewarding experiences and motivate consumers to continue their personal journey towards self-realization. Brands can harness the rise in crafting culture and provide access to services that empower consumers in the field of creativity. As a result, they integrate both needs and trends and complement them to a holistic value proposition.

### 2.3.5 Reflection and synthesis

In summary, brands can differentiate their value proposition by making the shift from a product-focused towards a service and experience-focused strategy. This change promises strategic, financial and operational benefits for the business. However, service experiences only bring about success if brands do not only focus on price as differentiating factor, but on responding to fundamental consumer needs and current consumer trends. Businesses therefore need to react to the convenience culture and to experiential desires pronounced by consumers. Saving the consumer’s attention and seizing it at the appropriate time and place poses a challenge but pays out in terms of sustainable profit margins. While convenient solutions satisfy the functional and fundamental human needs, experiential services that are not only inspiring consumers but enabling them to self-actualize, are valuable growth drivers especially for retailers. As a prerequisite, brands should be confident enough to charge for their experiences. Experiential services as differentiators and revenue drivers are at the focus of this project. To capitalize on service experiences, brands should react to Gen Z’s longing for self-actualization, affiliation and co-creation opportunities and support them in the steps of their transformational

journey. In order to design such service experiences three factors must be kept in mind: people have a significant impact on the service quality and profitability, standardized or customized processes must be implemented to support the consumer during the service provision, and physical evidences should be used to facilitate the communication and delivery of the service process. At last, it has to be decided in which direct-to-consumer channel the service experience should be staged. As physical retail stores have a great potential to create and deliver value in consideration of Gen Z's demand for physical spaces, the next chapter examines their role in more detail.

## **2.4 Delivering Value - Retail Stores as Point of Experience**

A strong brand invests efforts in finding a market segment, in developing a brand positioning and identity, and in formulating a brand strategy. To turn the brand and its values tangible and explorable for the consumer in the form of service experiences, a brand also needs to formulate a strategy about how to deliver the value proposition. One option is to use own-retail stores as space of encounter and servicescapes to stage the service experience for the consumer. The objective of this chapter is to examine the role of retailers and physical retail stores in providing service experiences. Therefore, the chapter briefly introduces the reader into the current challenges in the retail landscape and explains the foundations of retail and relationship marketing. Although there is an opportunity for retailers to differentiate their value proposition through service experiences, they still cannot expect to oust e-commerce through them. Rather do they need to find an approach to let both channels coexist. One possible approach is omni-channel management that is as well explained in more detail.

### **2.4.1 Context - Developments in the retail industry**

In the past years, the consumers' shopping behavior and consequently the retail industry has changed profoundly. Physical retail stores have lost a share in sales to rising e-commerce. In a study published in March 2018, eMarketer (2018) predicts that "the e-commerce share of total global retail sales from 2015 to 2021 is expected to rise from 7.4% in 2015 to 17.5% in 2021." According to Statista (2018b), also the number of users making a transaction in e-commerce channels is expected to rise from 1.635,5 mio in 2016 to 2.521,9 mio in 2022, which possibly indicates the migration of consumers from offline to online brand spaces. This development marks a threat that is even more severe for offline fashion retailers. Online fashion retailers are predicted to increase their turnover and volumes in coming years leading them to own the biggest share of revenue for e-commerce compared to other segments such as electronics, food and furniture (Statista, 2018c). On top of this, these trends are backed up by the increasing sales numbers of mobile phones and laptops (Statista, 2018a) enabling an ever more digital shopping experience. Nonetheless, while online sales increase, offline retailers

should not fear technologies and close down, but instead should rethink their marketing strategies and their purpose in order to stay a relevant channel for consumer interaction.

#### 2.4.2 Definition - Retail marketing and retailing

Sullivan and Adcock (2002) define the role of a retailer as “making an *acceptable* and *affordable* combination of goods and services *available* to given customers at the *right* time and the *right* place” (p.21). This activity is called *retail marketing*. Retailers turn a value proposition tangible by offering, promoting and selling “a combination of products, services, information, and experiences” (Kotler & Keller, 2016, p. 32). The word retail is derived from the Old French word *retailier* (Waite, 2013, p. 779) meaning *to recut* or *to reduce*. Therefore, retailers’ greatest value proposition was traditionally to hold inventory of tangible goods and to break down bulks of products that they have produced themselves or received by a manufacturer or wholesaler. As outlined in the previous chapter, the provision of service experiences becomes increasingly profitable. Since designing valuable service experiences equals designing for relationships, interactive marketing plays an even more important role for retailers as before. It involves the direct contact with consumers in an effort to exchange and generate value and information. The services marketing mix underlines the significance of people being involved in service provision. The role of strong relationships to derive sustainable profits is emphasized in the following.

#### 2.4.3 Definition - Relationship marketing

Human interaction and empathy play a significant role in delivering value and therefore also in strengthening the bond with the consumer. The discipline that advocates for sustaining customer relationships is called *relationship marketing* and marks a paradigm shift from transaction to retention-driven marketing (Hennig-Thurau, 2010). The essential drivers in relationship marketing are satisfaction, trust and loyalty. The correlation of these drivers and increased profitability is explained in the following.

If retailers are successful in meeting or even exceeding their customers’ expectations during the interaction process, customers will develop a feeling of satisfaction in using a product or a service. This satisfaction will only solidify over time which is why businesses should not invest only in acquiring new customers but should rather view “customers as assets that they need to nurture and retain” (Zeithaml et al., 2017, p. 145). This correlates with the approach about how service experiences should be provided: not on-demand but over time. If consumers are not only seen as acquaintances but as partners, a social connection establishes (Zeithaml et al., 2017). Consumers begin to trust in the chosen brand and feel understood; leading them to buy into additional products, services and experiences.

Trust is a feeling that is difficult to achieve only via digital means in a time where personal data is misused and traded with imprudence. Therefore, physical spaces of encounter play a significant role. Only if brands address consumers individually and create an intimate

and open atmosphere where undamped communication can develop, they can with time strengthen a bond of trust (Töpfer & Mann, 2008). In stores, consumers are given the chance to connect with people that have similar needs or that assist in satisfying their needs. This can foster more sustainable and loyal long-term relationships that are decisive for repeated business and can additionally prevent consumers from switching brands. When consumers adopt a feeling of satisfaction and trust, and companies make efforts in upholding this feeling, customers might ultimately also reach a level where they express their loyalty and actively commit to a brand (Zeithaml et al., 2017).

Consumer loyalty is an “intangible asset that contributes heavily to the value of a firm” (Kotler & Keller, 2016, p. 25). Benefits for companies are profitability, access to knowledge, consumer advocacy and employee satisfaction. First, profitability and market share increase over time because satisfied customers are willing to pay more for a product or service (Homburg, Koschate, & Hoyer, 2005, p. 84); they make purchases more frequently and they are buying into other products of the same brand or retailer (Töpfer & Mann, 2008, p. 37). At the same time, companies reduce marketing expenditure by 90 percent when retaining customers instead of acquiring new ones (Dhar & Glazer, 2003). Second, the close interaction with consumers unleashes an exchange of information. Companies retrieve knowledge about the consumer’s satisfaction over a service experience which simplifies the recognition of weak points and opportunities for optimization. Third, loyal consumers advocate for the brand and attract new customers through word-of-mouth communication (Zeithaml et al., 2017, p. 153). By sharing their own experience, they contribute to humanizing the interaction between the company and new consumers and help reducing “costs of attracting new customers” (p. 154). Lastly, consumer loyalty has a profound impact on the motivation of employees. They might be more satisfied with their job, “stay at the firm longer” (Zeithaml et al., 2017, p. 153), and improve service quality. All these benefits prompt businesses to sustain the high level of consumer interaction. However, beyond the advantages for brands, also consumers benefit from it.

Loyalty and commitment lead to growing confidence, and social and special treatments. The confidence benefit is most important to customers. It denotes the reduction of anxiety and an increasing comfort in the interaction with a brand. Moreover, due to a close relationship, consumers potentially benefit from access to exclusive treatments and special access to knowledge which makes them feel like *insiders* or part of the brand (Zeithaml et al., 2017).

#### 2.4.4 Delivering value in physical retail stores

With the use of digital and mobile technologies direct contact to brands is increasingly searched for through the virtual sphere. Hence, bricks-and-mortar retailers need to redefine their new purpose to stay a relevant channel for interaction. The first prerequisite to define a new role is to recognize own weaknesses and strengths in serving consumers. The second

prerequisite is to understand omni-channel management and how it helps to focus on the most meaningful business activities.

#### ***2.4.4.1 Weaknesses and strengths of physical retail stores.***

As mentioned several times, e-commerce attracts an increasing number of shoppers. This development is driven by the fact that e-commerce retailers harness the strengths of the internet to provide a maximum of convenience and thus to outperform physical retail stores as points of sale. In other words, the advantages of e-commerce are at the same time the weaknesses of the retail stores. Retailers using retail stores as sales channel have difficulties to provide the same variety of product as online shops due to spatial limitations. Furthermore, the internet allows consumers to compare prices simultaneously with competitors and algorithms even automate the competition of price. Therefore, price transparency is a weak point of traditional retail stores. Moreover, the opportunity for unrestricted shopping in terms of location, weather and time can only be facilitated through the internet, especially in Europe where opening hours of shops are strictly regulated and shorter compared to other markets worldwide. Door-to-door delivery enabling consumers to receive purchased products at their preferred place and time liberates them even from logistical concerns. Another weakness that challenges traditional retailers is giving consumers access to third party opinions. Usually, consumers receive recommendations from staff who are biased due to their sales mandate. Consumers therefore prefer to shop online where they can guide the shopping tour by themselves accessing other webpages for more unbiased product reviews (Brokelmann, 2016).

Although e-commerce channels seem to grant a lot of benefits to the consumer, Brokelmann (2016) asserts further that “e-commerce stores do not wake up our needs, they merely satisfy them” (p. 46). This means for retailers that a mere adaptation of the physical store through digitization of the point of sale is not the right response to declining sales numbers in physical retail. If businesses decide to bring e-commerce in a stronger focus, they simultaneously risk losing touch with consumers, although the physical and sensual connection is what drives consumers’ inspiration and willingness to buy. Also Luthy (2017) underlines that “digital disruption does not call for a retreat from all physical infrastructure” (p. 36).

Physical retail has strengths that offer advantages to consumers and thus should not be neglected as drivers for the overall brand value. While “the advantages which the internet brings are present much more strongly in the conscious mind and can be clearly put in words” (Brokelmann, 2016, p. 96), the strengths of bricks-and-mortar stores are more subconscious. They articulate themselves in the facilitation of social connection, “real life” product experience and interactive brand experience.

To begin, human interaction plays a significant role for consumers to come in-store, not only to receive professional and personalized advice about products and their use, but also by being served with empathy and by building up a social connection to like-minded persons. Human staff has the capability to perform tasks that require human intelligence, emotions, intuition and creativity. They understand emotionally-loaded and complex problems and

provide solutions that are meaningful in the wider context. Especially in services supporting self-optimization and transformation, human empathy and knowledge about the overall context is required to find a holistic and impactful solution. Kotler and Keller (2016) argue that “the risk of bad service performance is higher when losing the personal touchpoint” (p.429). A humanized store experience that is rooted in the company’s culture and ethics can deliver a competitive advantage as it is difficult to be imitated by competitors. Also, the aspect of immediacy plays into the human assistance. The immediate reception of a solution to a consumer need elicits a feeling of instant gratification “giving you [consumers in general] a good feeling for managing to solve something in just a short period of time” (Brokelmann, 2016, p. 56). Furthermore, the opportunity to experience product in “real life” before committing to a purchase, is a strategic advantage that drives consumers into the store (Polaine et al., 2013). Retailers deliver value because they curate the product range, allow consumers to experience it and consequently help to reduce decision paralysis. Moreover, retail spaces facilitate service experiences that assist consumers during their self-actualization process. By providing an inspiring and immersive space with sensory appeal, emotional support and possibilities for active service co-creation, consumers receive assistance to betake themselves on a transformational journey. Physical retail destinations turn into “urban playgrounds” and “lifestyle centers” (Leroy, 2018) giving people the chance to shape their leisure time with meaningful and status-enhancing experiences instead of transaction-focused buying processes. Also, the gamification of the consumer journey within the store increasingly attracts consumers back into physical brand hubs facilitating entertainment, playful transformation and social sharing of their personal experiences.

In conclusion, the strengths of one channel are the weaknesses of the other. Even if physical retail has competitive advantages it is not recommendable to provoke a competition for sales between the channels. It should not be questioned which channel will survive in the future of retail, but how the coexistence of both online shops and offline stores can be operated in order to allow consumers to choose the channel that suits them best during their journey. Omni-channel management is an approach that suggests how to let both channels coexist and to manage them with a complementary approach.

#### **2.4.4.2 *Omni-channel management.***

The discipline that aims to harness the advantages of all channels is called *omni-channel management*. According to Verhoef, Kannan, and Inman (2015) omni-channel management is defined “as the synergetic management of the numerous available channels and customer touchpoints, in such a way that the customer experience across channels and the performance over channels is optimized” (p. 176). This means that all channels contribute in the best way to serve the consumer during his or her journey while it does not matter through which channel the transaction is lastly fulfilled. Alana Brenston, CEO and co-founder of the Bulletin store, states: “If stores are treated as a marketing channel, it won’t matter if the conversion takes place online or in real life” (as cited in The Innovation Group, 2017, p. 134).

It can thus be claimed that omni-channel management is not about the ubiquity of each channel, but rather about their differentiation and about accrediting them their adequate and unique purpose.

The rethinking of purpose of the channels involves at the same time a change of key performance indicators (KPIs). While stores increasingly take over the role to drive brand awareness and communicate the brand identity they are often still measured in silo by sales per square meter, conversion rate, average transaction value, and sell through rate (Nicasio & Stanley). Instead, Albert Vita, director of strategy insights and visual merchandising at The Home Depot, suggests that retailers should “use metrics such as impact on brand impression, digital purchase intent, inspiration per square foot, return on friction, convenience for associates and customer experience” (as cited in The Future Laboratory, 2018, p. 2). This statement solidifies the claim that retail stores can gain a competitive advantage if not treated as a point of sale, but rather as a point of experience. Services as real-life experiences would deliver a value that is not able to be delivered in the same way through e-commerce channels.

Hence, omni-channel retailing is concerned with the movement of shoppers through channels in their search and buying process and it is among others through the adoption of a consumer-centric approach that retail stores can build their competitive advantage (Verhoef et al., 2015). Digitally connecting the online and offline stores and enabling consumers to switch back and forth to pull out the most relevant content, experience and service for themselves takes up the trend of the consumers’ increasing integration of mobile phones in all touchpoints of their lives. It is projected that there will be 5 billion mobile phone users worldwide by 2019, turning mobile the “first screen” for many users and brands (Glass & Haller, 2017, p. 9). Also, Almquist et al. (2016) recognize the opportunity to connect both channels: “Digital technologies have been transforming physical businesses rather than annihilating them. The fusion of digital and physical channels is proving more powerful than either one alone.” While e-commerce caters to the need of convenience-driven consumers, retail stores as point of experience fulfill the prerequisites to deliver unique service propositions. In combination, they solidify and diversify the brand experience.

#### ***2.4.4.3 The role of the physical servicescape in service experiences.***

Retail stores deliver value not only in the form of stocking tangible products but also in staging the whole brand experience. Retail spaces are becoming an “effective instrument to innovate services through experiences” (Carù, Colm, & Cova, 2016, p. 155). As mentioned in sub-section 2.3.3.3, tangible evidences are often included in intangible service processes because they play a significant role in “creating the service experience, in satisfying customers, and in enhancing customers’ perceptions of quality” (Wilson et al., 2008, p. 241). The retail space itself is such a tangible evidence that, in its function of staging service experiences, is entitled as *servicescape*. It is “the environment in which the service is assembled and in which the seller and customer interact, combined with tangible commodities that facilitate performance or communication of the service” (Booms & Bitner, 1981, p. 36). Servicescapes

are thus strategic instruments and have an impact “on the flow of the experience, the meaning customers attach to it, their satisfaction, their emotional connections with the organization delivering the experience and personal interactions with others experiencing the service” (Zeithaml et al., 2017, p. 285).

The tangible elements that are integrated in servicescapes and that affect the customer are exterior attributes such as “exterior design, signage, parking, landscape, surrounding environment” and interior attributes such as “interior design, equipment, signage, layout, air quality/temperature, lighting, floor coverings, aromas/scents” (Wilson et al., 2008, p. 242). Also the virtual servicescape is an evidence that enhances the physical servicescape if integrated seamlessly (Wilson et al., 2008). Moreover, Zeithaml, V.A. et al. (2017) point out four different strategic roles of servicescapes: They act as “package,” “facilitator,” “socializer,” and “differentiator” (p. 289).

Servicescapes function as package because they convey the external image of what is to be expected during the service process to the consumer. In short, a servicescape “is a visual metaphor for the intangible service” (Zeithaml et al., 2017, p. 289). To support consistency in representing the brand’s identity and to facilitate the comprehension of the service quality, the external appearance of a service should be vested with branded elements. Furthermore, service designers need to bear in mind that the visual appearance also impacts the customers’ expectations about the service quality. This fact urges them to interweave the brand’s DNA through the service concept as well.

Then, servicescapes are facilitators “in aiding the performance of persons in the environment” (Zeithaml et al., 2017, p. 289). The physical infrastructure supports the flow of activities during the consumer journey and during the employees’ journey to enable both parties to effortlessly reach their goals and to accomplish the consumers’ expectations. Consumer-centric design helps service designers to create relevant touchpoints at the right time and place during the service experience.

The “socializer” role of servicescapes is to encourage consumers to socialize with employees or other customers within the space. Thus, they support the retailer’s role in promoting interactive marketing and in staging a humanized collective experience creating valuable memories. Different elements in the retail design help to “convey expected roles, behaviors, and relationships” (Zeithaml et al., 2017, p. 292) which indicate consumers how and with whom to interact during the service process to achieve the intended goal.

Furthermore, servicescapes are differentiators in the sense that they act like branding instruments that help differentiating firms from their competitors and communicating a retailer’s identity and positioning. Additionally, retailers make punctual use of design elements to silhouette service areas against other areas in store (Zeithaml et al., 2017).

Finally, it is indeed advisable for businesses to brand the retail space, but it should be kept in mind that experiences and interactions taking place in the servicescape are also influenced by subjective aspects that are often not manageable by businesses. Rather than exercising control over each aspect of the consumer experience, retailers should recognize the

value of the uniqueness of the experience that is only created through the combination of controllable and uncontrollable elements.

#### **2.4.5 Reflection and synthesis**

The rising attractiveness of e-commerce channels challenges the profitability of physical retail stores as points of sale. This is due to the fact that e-commerce channels successfully respond to the convenience culture among consumers. Therefore, retailers with physical stores have difficulties to define their new role. A possible approach to turn the strengths of physical retail stores into a competitive advantage is to consider, manage and evaluate them as points of experiences instead of points of sale. Omni-channel management assists retailers in unfolding their complete potential of driving convenience online and of serving experiential desires offline. Eventually, digitally-enabled consumers derive value from interacting autonomously with both channels. Thus, retailers can derive profits through staging a holistic omni-channel experience. Additionally, instead of neglecting the use of digital technologies, retailers can harness them to free their employees' capacities with the aim to re-establish a focus on humanizing service experiences and on relationship marketing. Retailers' physical locations are inevitable to establish loyal relationships with committed consumers and to stage real-life service experiences. The physical retail store is a sensory explorable metaphor of the service experience, a guide in the experiential and transformative consumer journey, an enabler of social interaction with staff and other consumers, and a supporting element to represent the brand's identity. Physical retail in its traditional role might become obsolete, but if retailers keep their consumers at the center of innovation, evolve with them and turn into points of experiences, they are powerful drivers for the brand's overall profitability. A paradigm shift within the whole organization is therefore inevitable.

### **2.5 Consumer Experiences in adidas Retail Stores**

Adidas has increasingly invested into marketing activities and has over time developed into a strong brand with a loyal customer base. The sportswear brand scored top one as the fastest-rising brand in terms of brand value with an increase of 58% from 2016 to 2017 (Schept, 2017). A continuous rise in sales is still an objective of the company: "The company intends to strongly accelerate sales and earnings growth until 2020 as part of its long-term strategic business plan, 'Creating the New'" (adidas Group, 2018d, p. 9). Based on the literature review, the researcher argues that brand desire and brand value could increase even more if adidas harnessed the potential of its physical retail locations as points of experiences. While the previous chapters outlined the business opportunity of staging service experiences in store and explained how retailers should redefine their physical servicescapes in order to benefit most of them, this chapter has the objective to examine the service and retail marketing activities performed by adidas, and to identify an opportunity for the brand to harness the potential of

service experiences in their stores. Hence, this chapter frames the starting point for ideation and creation of a service experience.

### 2.5.1 Adidas consumer experience strategy

Adidas has recognized the shift within the retail industry from a product-focused towards an experience-focused economy. Within the marketing department, a Consumer Experience (CE) team was set up with the objective of bringing adidas brand experiences to life in the retail environment. The purpose of the team is to “reimagine sport at the point-of-sale . . . [and to] create the best sports stores in the world . . . [by offering the] best product, best environment, best service, [and] best experience” (Global Concepts-to-Consumer, 2015, p. 9). The mission is stated as follows: “We aim to connect with the creator through our most immersive brand expression, and to wow them” (Global Concepts-to-Consumer, 2015, p. 9). The CE team is driven by its vision in which “the creator will love our [adidas’] stores, and they will share this love - helping to lift the adidas brand; helping us to win” (Global Concepts-to-Consumer, 2015, p. 9).

The bullseye model (figure 5) is representative for the team’s approach of enhancing tangible products by experiences and activations. The product is at the center of the value proposition and is enriched through retail experiences and events as activations. While the objective is to make experiences a long-term commodity in the retail store, temporary store activations drive short-term footfall into the point of sale and have the objective to create brand awareness among consumers transcending the sales floor.

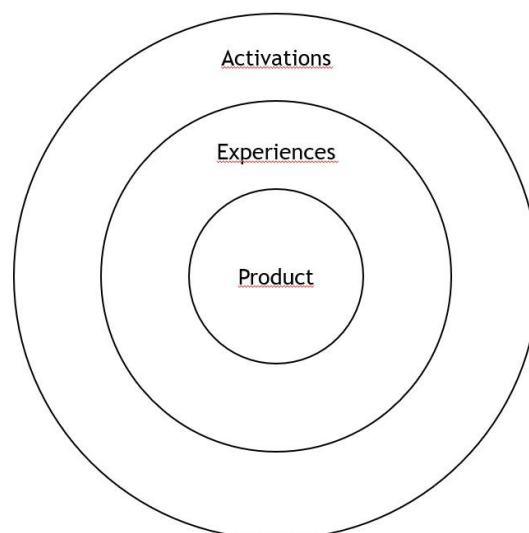


Figure 5: Adidas bullseye model. Adapted from Consumer Experience Concept Strategy. (2018c). *Brand Flagship Update EL*. Herzogenaurach.

Observing the industry trends of servitization thinking and the experience economy and comparing adidas’ bullseye as model for the brand’s retail strategy, adidas currently positions

itself in between both paradigms. According to adidas' bullseye, experiences are already part of the value proposition, but they only act as enhancers of product and are not considered and designed as independent, primary providers of value. Leveraging services and experiences as independent economic offerings presents a starting point for retail innovation. However, as adidas is not only a retailer but still a manufacturing company which has not articulated the intention to dissociate from its heritage and competitive advantage based on manufacturing sporting goods, the researcher claims that it is not recommendable to change the core offering from products towards services and experiences on the short term. Instead, these three offerings should be equalized in their contribution towards brand awareness and profitability. Products, services and experiences should equally be providing value for the consumer. Service experiences are a hybrid of services and experiences and are a long-term offering that gains newness and relevance through the incorporation of short-term brand activations that can be dynamically adapted to the changing marketing environment. This way service experiences become valuable offerings that give opportunities for capitalization. This recommendation entails that retail stores should not be considered as point of sale of products anymore but as points of experience. The researcher further argues that if e-commerce is the brand's most important sales channel, it would be consequent to manage and evaluate physical retail locations by their experiential value rather than direct sales.

### 2.5.2 Consumer experience innovation and trends

In order to bring the experience layer of the bullseye model in the brand's own-retail stores to life, the CE team consists of sub-teams that occupy the functions of formulating a strategy for different retail formats and concepts, of conceptualizing, creating and rolling out retail experiences and services, and of establishing consistent experiences across channels. The innovation of new consumer experiences and services is task of the Consumer Experience Innovation and Trends team. The team focuses on analogue and digital consumer experiences that help building a competitive advantage in the retail store and that has the aim to ensure future readiness in the interaction with consumers. Within the creative process of innovating new experiences and services, the team consolidates global mega trends, consumer insights and the brand's strategic choices under the umbrella of *Creating the New* (Global Consumer Experience Innovation & Trends, 2018a).

By constantly monitoring retail and consumer trends the brand identifies strategic drivers for future profit growth and derives feasible retail solutions: "Listening to the consumers and identifying the location where they live and do sports is telling us on which products we need to focus on and how we can stage our physical retail store" (Consumer Experience Concept Strategy, 2018a, p. 11). These drivers are formulated as innovation directions and cover the consumer needs for *purpose, empowerment, co-creation, inspiration and infrastructure*.

Within the innovation direction *purpose*, the Innovation and Trends team develops retail solutions that "contribute to making the sustainability vision of the brand come to life"

(Global Consumer Experience Innovation & Trends, 2018b, p. 8). Innovative experiences and services supporting this pillar have the objective to communicate the value of the social and ecological environment, and to drive sports and culture related initiatives. It is eventually the aim to contribute to the well-being of the social and ecological environment. As this innovation pillar builds on innovations that provide value to the consumer in a broader context, it concurs with the highest-ranking element of value of Bain & Company's Value Pyramid which is "self-transcendence" (Almquist et al., 2016, p. 7).

The *empowerment* of consumers in-store that is at the core of the next innovation direction is interpreted in two dimensions. First, the retail store acts as a physical interface that empowers the consumer to access all of the brand's digital offers in the physical space (Global Consumer Experience Innovation & Trends, 2018b). Digital devices help bridging both spheres and help integrating the online experience into the offline sphere. In this regard, adidas empowers consumers to have a convenient and seamless consumer journey and therefore fulfills functional needs. Secondly, empowerment impacts the consumer's life beyond the store environment. By offering coaching and educational programs, adidas enables its consumers to achieve higher goals and aspirations that are standing behind the purchase of a product. Hence, the brand recognizes the potential of driving a powerful and positive impact on their consumers' health, athletic performance and social recognition in the community. The brand intends to have a life-changing influence on consumers by motivating them in their transformational journey and in their search for affiliation and belonging.

The innovation direction *co-creation* fosters a more open and dynamic approach to innovation. Consumers are invited to take part in the creative process of new adidas products which provides benefits for both the brand and the consumers. On the one hand, adidas has the advantage to develop more relevant products for the consumers due to a direct access to consumer insights and to shared skills, resources and expertise. On the other hand, consumers are empowered to learn new designing, manufacturing, and customizing techniques giving the store visit a more meaningful purpose than the mere purchase of products. Moreover, consumers are given a platform to "express [themselves] through lifestyle, culture, and sports" (Global Consumer Experience Innovation & Trends, 2018b, p. 6). Co-creation establishes a personal link through a multi-sensual creative community experience and drives the consumers' loyalty. Within this innovation pillar adidas coincides with life-changing, emotional and functional elements of the Value Pyramid. The most significant value propositions are "self-actualization", "motivation", "affiliation/belonging" (life changing), "design/aesthetics", "access", "fun/entertainment" (emotional), and "sensory appeal" (functional). (Almquist et al., 2016, p. 7)

*Inspiration*, as the fourth direction of retail innovation, has the objective of seducing and delighting consumers by immersive experiences. Convinced that the future of retail "will be all about experiencing the tangible and intangible assets of a brand . . . adidas will create memorable experiences at the intersection of sports, lifestyle and culture" (Global Consumer Experience Innovation & Trends, 2018b, p. 10). Innovations falling into this category connect

the brand with the music scene and the street and sports culture. They sharpen the brand's image as go-to-destination and as a "relevant lifestyle hub" (Global Consumer Experience Innovation & Trends, 2018b, p. 10). At the core of this innovation pillar are the elements of value "fun/entertainment" and "design/aesthetics" (emotional), and "sensory appeal" (functional) (Almquist et al., 2016, p. 7).

Lastly, *infrastructure* is essential to enable seamless experiences across channels (Global Consumer Experience Innovation & Trends, 2018a). With the integration of a variety of digital channels into people's lives it is important to design an infrastructure that makes sense of generated data, that drives consumer engagement and that supports the brand in streamlining processes. The innovation direction infrastructure supports the other four directions and mainly fulfills functional needs of consumers as it turns the consumer interaction with a brand more convenient through saved time, simplification, reduced effort and avoided hassles (Almquist et al., 2016).

To conclude, the CE Innovation and Trends team has identified relevant trend directions through the analysis of market and consumer trends. These directions provide value propositions answering the current fundamental needs identified among Gen Z consumers. It is noticeable that the innovation pillars *empowerment* and *co-creation* respond to most of the elements indicated in the Value Pyramid and incorporate elements from across the pyramid. Adidas considers consumers not as passive observers but invites them to take action and to co-create their own and the brand's future. Digital infrastructure helps to simplify this journey and to merge the digital with the physical sphere to release an even greater impact on people's lives. In combination, the innovation directions lend the team the potential to drive significant changes in adidas retail.

### 2.5.3 Digital retail strategy

Adidas' digital strategy for retail is based on the company's overall digital strategy which takes up the position that the best way to accelerate building relationships with consumers is through digital means (Joseph Godsey, VP Digital Strategy & Delivery at adidas, as cited in "Team Talk Live - Digital First," 2017). As consumers are navigating through channels, digital technologies enable the brand to reach them beyond the store visit and at any stage during the consumer journey. At adidas, retail stores have the "obligation to bring consumers into our [the brand's] digital ecosystem" (Global Consumer Experience In-Store Experience, 2018, p. 9). This obligation is underlined with the strategic decision to increase digital engagement with the consumer (Consumer Experience Concept Strategy, 2018a). Digital key drivers are the consumer mobile, the store associate mobile (SAM) and screens that are used as facilitators to integrate digital storytelling into the store. Moreover, adidas' mobile application and digital customization tools such as *miadidas* are integrated into the overall experience (Consumer Experience Concept Strategy, 2018a). "Digital" also supports the brand's strategy to drive consistency in the omnichannel experience and to endorse the own e-

commerce channel as the “number 1 door” (Consumer Experience Concept Strategy, 2018a, p. 5) for transacting purchases.

Despite the extension of digital engagement, staff still plays a significant role in connecting and engaging with consumers and in inspiring them. As they live and breathe the values of the adidas brand, they are essential to build up loyalty-based relationships that will eventually lead to sales across channels (Consumer Experience Concept Strategy, 2018c).

In summary, digital technologies are primarily used to create a digital brand ecosystem that is accessible for consumers regardless of time and place and to support a seamless consumer experience across channels. Then, digital is used to facilitate service processes and to support service staff in their interaction with consumers. After all, the brand recognizes the significant impact of human interaction in store on building loyal relationships.

## 2.5.4 Physical servicescape in adidas retail

Servicescapes are the “environment in which a service process takes place” (Palmer, 2011, p. 58). With tangible cues, they encourage customers to enter, explore, leave, and repeat their visit in the space (Palmer, 2011). Sub-section 2.4.4.4 explained the role of servicescapes. The following sub-sections focus specifically on adidas’ definition of the nature and aesthetics of its retail stores and servicescapes. Adidas’ format and concept strategy defines the purpose of the stores, and the brand’s retail design principles are used for the branding of the space.

### **2.5.4.1 Format and concept strategy.**

Adidas caters to a variety of consumers with different consumer journeys, behaviors and preferences. The CE team set up a *format* and a *concept* strategy which pursue the goal of creating differentiated physical brand spaces and servicescapes that respond to the needs of different consumer segments by allocating relevant merchandise and services. A “retail format is a fact-based description of a scaled retail space. A format is classified by pre-defined criteria including size (sqm), channel, and specific retail KPI’s. A format can be Brand Flagship, Commercial Store, Sport Base, Factory Outlet, . . . etc.” (Global Concepts-to-Consumer, 2015, p. 36). In other words, retail formats differentiate themselves from each other by technical features because they serve different purposes and different consumer groups. They also differentiate each other by their targets: They either have the ambition to drive commercialization or brand awareness. Factory outlets are an example for commercial-driven stores. They target Value consumers and are positioned in lower tier locations which are commercially relevant trade zones with less touristic footfall. Their purpose is to drive volume and to bring product variety of mainstream styles to the Value consumer.

In contrast, brand flagship stores mainly target tourists and the Creator consumer and have the purpose to drive brand awareness globally. Therefore, they are positioned in adidas’ key cities’ pinnacle locations. They offer the most innovative experiences and services to the consumers and attract attention on a global scale. Adidas categorizes brand flagships as

“imperfect and a constant work-in-progress” (Consumer Experience Concept Strategy, 2018c, p. 20) because they are testing grounds for innovations. They are among “some stores [that] are selected to test new plug-ins, they are analyzed and iterated until they are ready to be commercialized” (Consumer Experience Concept Strategy, 2018a, p. 12). The brand flagship in London’s Oxford Street will be reconceptualized and reopened in October 2019 and allows for new innovations to be implemented.

An adidas retail concept is defined as “the visual composition and representation of a total retail experience, based on an innovative idea” (Global Concepts-to-Consumer, 2015, p. 36). Therefore, the retail concepts team is concerned with the visual implementation of innovative retail experiences across different retail formats. In 2016, the team introduced adidas’ new retail concept *Stadium* which set new standards in the industry by reimagining sport at the point of sale (Consumer Experience Concept Strategy, 2018b). It was firstly rolled out in the brand flagship store in New York City located on 5<sup>th</sup> Avenue and will be implemented in Paris and London in 2018 and 2019. The Stadium concept embodies the brand’s sports DNA, invites the consumers in an immersive stadium experience and acts as a framework for flexible integration of new products, services and experiences. The store integrates features of a real sports stadium such as bleachers, gastronomic areas and playing fields in which consumers can test products in realistic environments. It is among adidas’ strategic priorities until 2020 to keep “building on the BF [Brand Flagship] and Originals Flagship” (Consumer Experience Concept Strategy, 2018a, p. 13) as driving forces for brand awareness and to keep formats and concepts that help the brand tell its story that is centered around the Creator.

#### **2.5.4.2 Retail design principles.**

The retail store is an elaborate experiential environment and servicescape with many physical elements communicating the brand’s identity and value propositions. Hence, it is crucial for brands to integrate physical evidences into the store that are consistent with the brand’s design language in order to facilitate the consumer’s understanding of the retail experience.

Adidas has framed retail design principles that are implemented across all channels, with slight adaptations in product categories, consumer groups and markets, to enhance consistency in the omnichannel experience. “Real, raw, fast” are the three principles that the brand look and feel are based on. The principles define the aesthetics of communication assets (film, photo, art, animation, written word and tone of voice), the store’s interior design and elements of visual merchandising.

To deliver the message of being a “real” and authentic sports brand, interior design elements pick up the memories that consumers have in connection with sport. “Spaces are unfiltered, unpolished, behind the scenes, real” (Global Brand Design, 2018b, p. 8) and are connected to sports culture. This culture is “influenced by . . . the people we meet and what we do. Its [*sic*] influenced by social, media, sport, collectively its [*sic*] what makes us real and shapes us as a brand” (Global Brand Design, 2018b, p. 6). Connected to “real” is the brand

flagship's design principle "bold & confident" (Consumer Experience Concept Strategy, 2018c, p. 12). Bold gestures are part of the interior design and reflect the power of sports and thereupon, the authenticity of adidas as being a true sportswear brand. Moreover, urbanism and the constantly changing environment and texture of the city are captured in the flagship space by the principle "urban" and reflect how adidas embraces the spirit of its key cities.

The creative direction "raw" is the manner of how authenticity is communicated to the public. Just as sports courts and stadiums, retail stores are "functional and honest" (Global Brand Design, 2018b, p. 11). Functionality is represented by mechanical elements and a reduced "low-fi" approach to design. Honesty is to be understood as genuineness which is communicated through exposed and unfinished concrete, stone and brick. Even materials with imperfections are utilized and disused props re-purposed to contribute to the sustainability efforts of the brand. Also, the flagship principle "soulful" (Consumer Experience Concept Strategy, 2018c, p. 12) plays into genuineness and expresses the human touch that the space should preserve.

Lastly, "fast" is perceived not only in images that capture the motion of sports and activity but also in the nature of retail solutions. Retail spaces and components are installed so that they can easily transform and adapt to the active spirit and changing demands of consumers. Moreover, brand flagships are "active" which means that they are "designed to encourage participation and connection" (Global Consumer Experience In-Store Experience, 2018, p. 21). Lighting and projections are used to emphasize space and pace, i.e. by a contrast of artificial and daylight and different lighting levels contributing to a change of mood (Global Brand Design, 2018b).

In addition, to creating these design principles, adidas recognizes that consumers are overwhelmed by information and constantly exposed to content on a variety of interfaces (i.e. store window, screens, mobile phones). To create content that is still receptive and recognizable and to save the consumer's attention for more meaningful physical interaction in store, adidas' retail design strategy has become a "digital first"-strategy (Global Brand Design, 2018a, p. 11). This strategy follows a more reduced approach to design. Layout, typography, and powerful imagery stand for themselves to tell complex stories without creating distraction and busyness. Obvious branding of a single medium is not essential in the retail store as a variety of communication tools such as lighting, furniture, sound and culture complement to form the overall brand expression. Simplicity and rawness of each communication medium is preferred to allow an easy understanding of the brand message.

To sum up, retail formats and concepts are a means to provide dedicated experiential spaces respectively for adidas' main target groups divided into Creators, Amplifiers and Value Consumers. As the Creator is the most important consumer in terms of influence and as the brand flagship stores play a key role in staging experiences, they are the most appropriate testing grounds for innovative service experiences. Hence, brand flagships are at the core of this project. To facilitate the understanding of consumers for a new in-store service experience

and to improve the integration of a new physical plug-in, adidas' retail design principles will be interwoven through the service experience design and the physical evidences in store.

### 2.5.5 Implemented retail services in adidas Stadium brand flagships

After the exploration and discussion of adidas' consumer experience, innovation and retail design strategies and principles, it is necessary to review the current service offerings in adidas retail stores to identify an opportunity to innovate and integrate a new service experience. Adidas has identified the changing consumer behavior rooted in a solidifying convenience culture and in the desire for experiences. The brand states that "never have expectations of retail been higher. Transactions must be instant. Services must be intuitive and personalized. Time is a commodity - quicker is better. And yet, when we enter physical stores, we're expecting magic, experience, and immersion" (Global Concepts-to-Consumer, 2015, p. 3). On this basis, adidas provides on the one hand, services at the point of sale that either have the objective to increase convenience during the consumer journey or to let consumers immerse into memorable experiences.

This sub-section pays particular attention to implemented service experiences that are physical in their nature and that are offered in the brand flagship store with a complete Stadium concept. The scope is limited to service experiences in Stadium brand flagships, because adidas' format and concept strategy strategically prioritizes them in the integration of innovative service experiences. Moreover, the services are presented and analyzed by their fit to the current trends and to adidas' innovation pillars of *empowerment* and *co-creation*. As recognized in sub-section 2.3.4.3, services enabling empowerment through co-creation, are most valuable to adidas' target consumers belonging to Gen Z and are therefore supporting the competitive advantage of physical retail stores. These services equally aim to leverage adidas' obsession with "helping athletes make a difference" (Consumer Experience Concept Strategy, 2018c, p. 10) in their game, life and world. The functional, emotional and life changing elements of the Value Pyramid bring this obsession to life. The elements of value of Bain & Company's Value Pyramid that contribute most to bringing empowerment and co-creation to life are "motivation", "self-actualization", and "affiliation/belonging" (Almquist et al., 2017, p. 7). Additionally, the emotional and functional elements "design/aesthetics", "provides access", "fun/entertainment", and "sensory appeal" (Almquist et al., 2016, p. 7) still the need in co-creation experiences. The information in the following sub-sections 2.5.5.1, 2.5.5.2 and 2.5.5.3 is retrieved from the internal in-store experience "Toybox"; a compilation with information about experience and service areas that are implemented in adidas brand flagships (Global Consumer Experience In-Store Experience, 2018).

#### **2.5.5.1 Test & Create service experience.**

*Test & Create* services enable consumers to test the performance of products before committing to a purchase. They are staged in an environment that conveys the feeling for the

real conditions where the products are ultimately used. These areas include *The Track*, *The Turf*, *the Basketball Hoop Area*, and *The Treadmill*. The Turf features an AstroTurf flooring and equipment to test football boots in action. The Basketball Hoop area is dedicated to the Basketball consumer and allows to test different basketball shoes by immersing into a playful experience. Furthermore, the flagship store offers services to the running Creator who can test shoes on an in-store running track. Additionally to this analogue way of testing running shoes, The Treadmill adds a digital layer to the testing process adding a more objective and accurate assessment of shoes and the consumer's performance. Expert staff performs a diagnosis of the running stride and other measurable variables around the anatomy of the foot and provides advice for future trainings.

Regarding the need for empowerment, Test & Create services motivate consumers to test products and to subsequently intensify their sports practice. This is due to the immersion into an almost realistic spatial context and to the interaction with expert staff or with other consumers. The gaming scenario enables consumers to attain a short-term feeling of accomplishment and self-actualization when surpassing their set goal. Also, finding the right shoe leaves customers with a good feeling about having found a product that helps them to improve in their sports routine. The Treadmill provides a measurable and trustworthy diagnosis of the consumer's performance which enables them to learn more about themselves and potentially to formulate a training plan based on the data helping consumers in their transformation journey. Regarding the aspect of community empowerment, the Test & Create services allow for interaction between the consumers and the staff, but in fact, these collective encounters are not cultivated purposefully and happen rather incidentally. Therefore, a deep sense of affiliation and belonging to other people does not develop on the long run.

The co-creation pillar only comes to life in the sense that consumers are enabled to co-create the service experience in store. Adidas allows consumers to co-produce their own experience by letting them decide about their physical engagement in the service process. In fact, Test & Create services are not about providing access to co-creation in regard of upskilling consumers in the field of product design and aesthetics.

All in all, the services rather focus on "fun/entertainment" (Almquist et al., 2016, p. 7) through a gamified testing process rather than on transforming the consumer's life transcending the store or on educating them in co-creation techniques. They are influencing consumers emotionally but have a low impact on a life-changing level.

#### **2.5.5.2 Nutrition Advice service experience.**

Adidas collaborates with the human performance company EXOS in providing training advice to athletes of different performance levels. Hence, the brand demonstrates the effort in integrating more touchpoints of the whole consumer journey into the store. Tangible tools such as cones and mats are used for the assessment.

The *Nutrition Advice* service has an essential impact on the consumers' self-actualization journey as consumers are educated about nutrition and health. The service

experience motivates them to assume an active role in driving transformation in their daily routines. Since staff plays a key role in the consumer's transformation journey, the sense of affiliation and belonging is more pronounced than in other services. Nevertheless, the personal attachment is only directed towards a single person representing the brand and not to a whole community of like-minded people sharing the same goals and uplifting each other.

Similar to the Test & Create services, consumers co-create the standardized service process through their physical engagement. Even if the "sensory appeal" (Almquist et al. 2016, p. 7) is intended by the means of involving tangible props in the physical servicescape, also this service does not involve the co-creation of a tangible outcome such as a meal or a product. Seeing and touching a tangible result would allow consumers to understand the service quality better and would motivate them as a kind of reward.

#### **2.5.5.3 Miadidas Studio and Print Shop as customization service experiences.**

Lastly, the *miadidas studio* is a designated area in the Stadium store offering consumers an intimate space to customize a pre-defined range of sneakers. To enable the experience, the area features tangible tools and a seating area. The digital tool that is ultimately utilized to create the final design and to send it to the factory, is a customization software accessible through installed computers on-site and through internet-enabled devices at home. Then, the *Print Shop* is another customization service offered in the flagship store. Staff flocks football jerseys with a combination of a personalized choice of letters and names.

Regarding the need for empowerment both services provide a sense of accomplishment when consumers complete the design process of a customized product. The *miadidas studio* allows more flexibility in product design and provides more creative opportunities than the *Print Shop*, giving the customer a better foundation to engage and a greater challenge to be mastered. However, the impact on "self-actualization" (Almquist et al. 2016, p. 7) is low because consumers are not given the opportunity to transform and to improve in their creative skills.

The feeling of "affiliation/belonging" (Almquist et al., 2016, p. 7) is also rather limited because the intensity of interaction between consumers and staff is low. At the *Print Shop*, the staff executes what the consumer wishes for but there is no interactive involvement of both parties during the creative design process. In the *miadidas studio*, consumers guide themselves through the creative experience by the support of different tangible props and touchpoints within the servicescape. The design process itself is ultimately facilitated through a digital platform limiting the "sensory appeal" (Almquist et al. 2016, p. 7) of the co-creation process.

In contrast to the previously presented services, it is at the core of these customization services to "provide access" (Almquist et al. 2016, p. 7) to co-creation opportunities influencing the design of tangible products. Nevertheless, a tight set of rules predetermined by license partners impacts the possibilities for creative expression at the *Print Shop*. The *miadidas studio* predetermines the amount of possibilities of different product designs by preset customization modules. As the *Print Shop* is completely staff-guided and the customization process in the

miadidas studio mainly facilitated through digital devices, the “sensory appeal” (Almquist et al. 2016, p. 7) and connection to a tangible product and to adidas’ Creator community is less promoted.

In summary, adidas has recognized the potential of service experiences delivering to empowerment and co-creation. However, most of the functional, emotional and life-changing values are not brought to life in a holistic manner. In terms of empowerment only the Nutrition Advice truly contributes to the consumer’s need for “self-actualization” (Almquist et al., 2016, p. 7) that also transcends the store. The Test & Create and customization services focus on “fun/entertainment” (Almquist et al., 2016, p. 7) rather than on providing a life changing value that would affect their entire consumer journey. A feeling of “affiliation/belonging” (Almquist et al., 2016, p. 7) would also contribute to empowerment. However, the services are not managed to activate collective participation.

Furthermore, most of the service experiences respond to the performance needs of athletes, football, running and basketball in particular. There is not yet an experience that truly enables athletes to upskill their creativity in an appropriate setting and with less limitation in the creative process. The implemented customization services do not empower consumers beyond the exploration stage. The levels of self-actualization and affiliation are lowered because of the predetermination of the creative process and its limitation to the design phase. Indeed, digital assistance and limitations can benefit consumers who need guidance and evaluate the limitation of creative options as helpful. However, it can be argued that if adidas uses flagship stores to let consumers immerse in their brand expression, the customization opportunities are neither supporting Creators in stilling their longing for opportunities to improve knowledge and skills, nor are these services letting them shape the future of sports- and streetwear. In fact, adidas has become a strong brand because the strategy has been proven profitable that creativity and open source are driving forces of innovation. Yet, innovation and creative thinking cannot flourish in an environment where interaction and creation are pre-determined and limited by rules.

All in all, adidas should implement a new service that responds to empowerment and co-creation and that leverages the brand as a true Creator brand. Adidas should let its identity speak through the service experience and live up to the calling “Creators Unite” to let them co-create the brand experience in a collective. Adidas has already called for action to cater for the need of the Gen Z Creator consumer, but has not yet reacted: “They’re seeking out and searching for physical spaces to explore their creativity and develop their interests and skills in a workshop scenario” (adidas, 2018, p. 71). Hence, there is an opportunity to drive incremental innovation through service experiences in the physical space.

# Chapter 3

## Key Insights and Recommendations

Following the exploration phase, the gained consumer insights, global retail trends and the company's and brand's strategic choices are consolidated. The synthesis serves different purposes. First, it serves as a summary of the preceding theory by tracing the problem space, by identifying limiting factors as well as opportunities. Second, it answers the research question of how adidas stores can harness services to elicit connection, engagement and inspiration among Gen Z consumers to stay relevant in the future. Third, it acts as a starting point for the design of an innovative service concept.

Before turning key insights actionable, adidas needs to commit to a change in the brand strategy and the business culture. The most important strategic step to allow a change to happen and to allow for new profitable marketing activities is the expansion of the focus from tangible products to memorable services and experiences. Instead of offering services and staging experiences around the product, they should be acknowledged as valuable and independent products that drive brand awareness and profitability. Brand activations take over the role in keeping long-term service experiences up-to-date with changing content. In line with this shift, brand flagships should be measured as points of experience in which the focus does not lay on the procurement of tangible goods but on the usage of a service and the collection of experiences. This change also entails a shift in the perception and naming of customers. Treating them as *users* and not *consumers* affects the customer relationship. Presuming this change to happen within adidas, a new service experience could come to life with the following aspects in mind.

The derived insights are synthesized by the dimensions of the services marketing mix: people, process and physical evidences. These dimensions are important to consider to successfully market the new service experience that is to be developed in the following part of the project. Figure 6 visualizes the findings and the interdependency of the three dimensions. It is suggested that the new service concept is the result of all insights combined.

The dimension *People* addresses the actors involved in the service design and delivery. The consumer is at the center of interest and the satisfaction of consumer needs is intended to drive adidas' brand equity. The analysis of secondary literature, studies and reports raised awareness about the trend that adidas' most important target group, Generation Z, turns to brands for guidance and ultimately for the satisfaction of their needs for self-actualization through co-creation. Besides the athlete, also the Streetwear Hound, being an influential Creator consumer, would be more represented in such a service. From the standpoint of Gen Z, brands are trust-builders and alternative educators who earn the advocacy, loyalty and active commitment of consumers in turn for upskilling and self-branding opportunities. Gen Z

seeks for platforms provided by brands that let them flourish in content creation and that even leave them the creative freedom to question the status quo and to subvert brands. Although this might seem counterproductive, brands should value the results of free expression and consider these as source of inspiration driving innovation.

The brand, as second major actor in the service process must bring its brand obsession to life in the retail store. Adidas can support athletes and change their lives by implementing a new service experience in the adidas Stadium brand flagship that unlocks the Creators' potential during the transformation journey. The intention is to cater to the needs during the four phases of the journey. Enabling empowerment through co-creation and therefore stilling the need for "self-actualization", "affiliation/belonging", "design/aesthetics", "fun/entertainment", "access" and "sensory appeal" (Almquist et al., 2016, p. 7) would be a profitable opportunity for the brand to serve current consumer needs, to leverage the strengths of physical retail stores and to strengthen the brand image as the Creator brand.

The dimension of *Process* englobes infrastructures and procedures that help brands in the implementation of marketing activities. The new concept's core activities should focus on the service process itself rather than on the results of it and create learning and growing opportunities. Instead of focusing on a feeling of accomplishment that vanishes when leaving the store, the service should be holistic and allow consumers to experience increasing improvement in sports, fashion, art, music and entrepreneurship over a longer period. Designing a service that extends along the transformation journey gives consumers a reason to return to the store and provides recurrent opportunities for gratification. With this approach, it is more probable that consumers establish a sense of "affiliation/belonging" (Almquist et al., 2016, p. 7) as their loyalty and commitment to a brand only builds up over time. To enhance the feeling of being a vital part of a community, the service should also invite other consumers to join the experience, incorporating the value of social connection. Open source and co-creation are the principles that are lived by to encourage inclusivity and diversity. It is rooted in the brand's strategy. The physical encounter and interaction between individuals strengthen the affiliation to the group, however, also the digital interconnection aids in cultivating a community spirit beyond the servicescape. Digital technologies help adidas to facilitate the service process and to connect with consumers transcending the store. This drives convenience for the consumer to experience the service and gives the brand the possibility to drive a consistent omni-channel experience. The consumer mobile should be leveraged as main device. Above all, it must be ensured that the service is meaningful on a personal level. In addition to the open source approach, also the cities should be better represented in the store's service experience, lending it more local relevance and uniqueness through a cultural context. A collective experience platform leverages the expression of opinions and creativity and drives "self-actualization" and "affiliation" (Almquist et al., 2016, p. 7) on a broader scale. In turn, local communities bestow credibility on the brand. Speed is leveraged in product design innovation when Creators are actively involved in shaping adidas' in-line product portfolio. Creative upskilling not only in designing products, but also in manufacturing them would enhance the element of "providing

access” (Almquist et al., 2016, p. 7) to processes that are usually not accessible from externally. Therefore, internal product creation workshops should be translated into a consumer-facing format. As a result, an innovative store-only offer generates not only more in-store traffic but strengthens the brand image and shapes new trends. To increase the “sensory appeal” (Almquist et al., 2016, p. 7), the experience should integrate “positive friction” in the form of tangible crafting tools.

At last, the dimension of *physical evidence* facilitates the communication and delivery of the service to the consumer and stages the entire service experience. Physical retail stores, as opposing to e-commerce channels, have the strength to encourage tactile interaction and to focus on community-building through human empathy and tactfulness. The retail design principles “real”, “raw”, “fast” and the Stadium brand flagship principles “bold & confident”, “urban”, “soulful” and “active” are integral principles for the space to communicate the nature of the service experience, to facilitate the interactions within the space, to encourage collaborative working and to differentiate the space from other areas in store and from competitors’ offerings. Although the brand flagship and the Creator consumer are at the focus of the project, it is recommendable to design flexible and scalable servicescapes that can easily be integrated in other retail formats targeting the Amplifier and Value Consumer as well. The virtual servicescape complements the digital efforts of the brand to enable a seamless consumer experience across channels. Based on these factors, the next phase of the service design process recommends a new service experience.

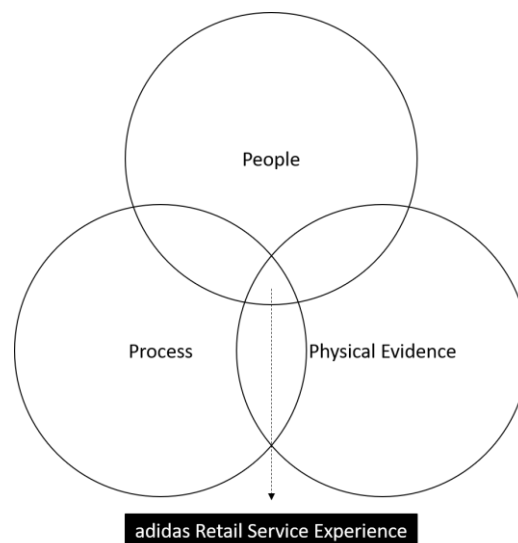


Figure 6: Intersecting spheres of action of the services marketing mix.



# Chapter 4

## Project Ideation - Preliminary Concept of the Service Experience

After the exploration of the problem space of the master project, chapter 4 begins with spanning the solution space. The ideation process is a vital part of it and is illustrated in figure 7. The process is based on the key insights and recommendations from chapter 3 and the focus lays on empowering adidas consumers during their transformation journey. The insights act as a starting point for the researcher to develop an idea about a valuable service experience. This idea is then briefed to a design agency which designs a servicescape and other tangible evidences upon it. Together, the researcher's and the agency's contribution form a preliminary concept that can be used as "creative brief that frames the fundamental design challenge" (Design Council, 2018).

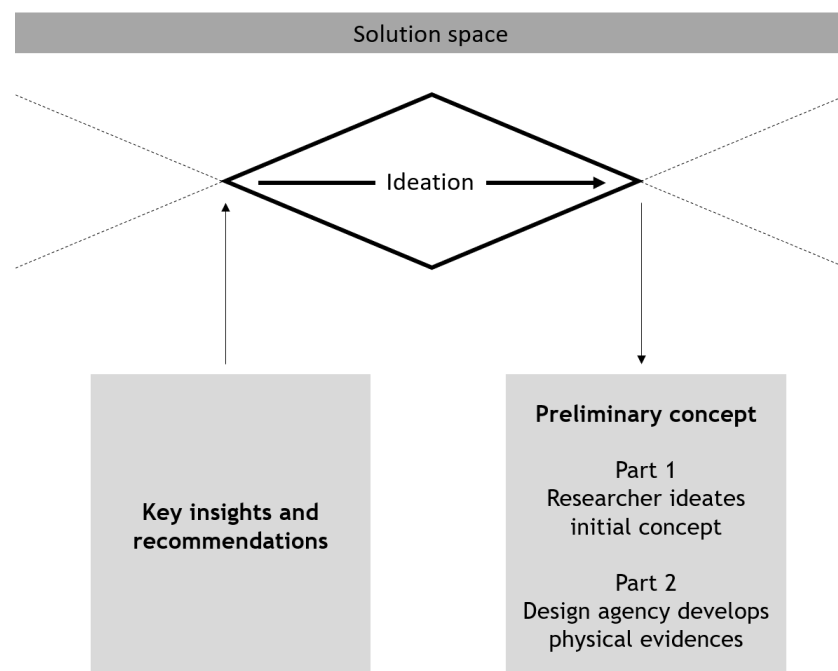


Figure 7: Solution space visualizing the process of ideation.

Table 1 outlines the research question, purpose and objective within the ideation phase.

Table 1

*Research question, research purpose and objective in the ideation phase*

Research question	How can adidas use co-creation to offer an empowering service experience for its Gen Z target consumers in its retail stores?
Research purpose	The purpose is to design a preliminary concept for an empowering and co-creative service experience for adidas’ Gen Z target consumers in the physical retail store by responding to their intents during the transformation journey
Research objective	The objective is to develop a preliminary strategic service concept through the contribution of the researcher and a design agency including the concept idea, name, narrative, concept, visual identity and servicescapes.

### 4.1 Part 1 - Researcher Ideates Initial Concept

The researcher’s ideation process initiates the solution space and is illustrated in figure 8. The service concept will be developed in consideration of the three decisive service elements of the marketing mix: people, process and physical evidences. Since adidas has a consumer-focused approach to developing new services and since the empowerment of consumers is the objective of the service concept, the element *people* is prioritized while processes and physical evidences are developed accordingly.

Hence, the transformation journey of adidas’ consumer is traced at the top of the diagram and acts as the guiding principle in the solution space. It describes how consumers reach their goal by following four distinct steps: exploration, establishing routines, high engagement and becoming a mentor. Within each step consumers articulate specific intents. If these are satisfied, the consumers feel empowered which is consequently opening up service opportunities for adidas. Hence, the researcher deals with the question of how these intents can be satisfied in the service experience and develops an idea, a name, a narrative and a long-term strategic service concept.

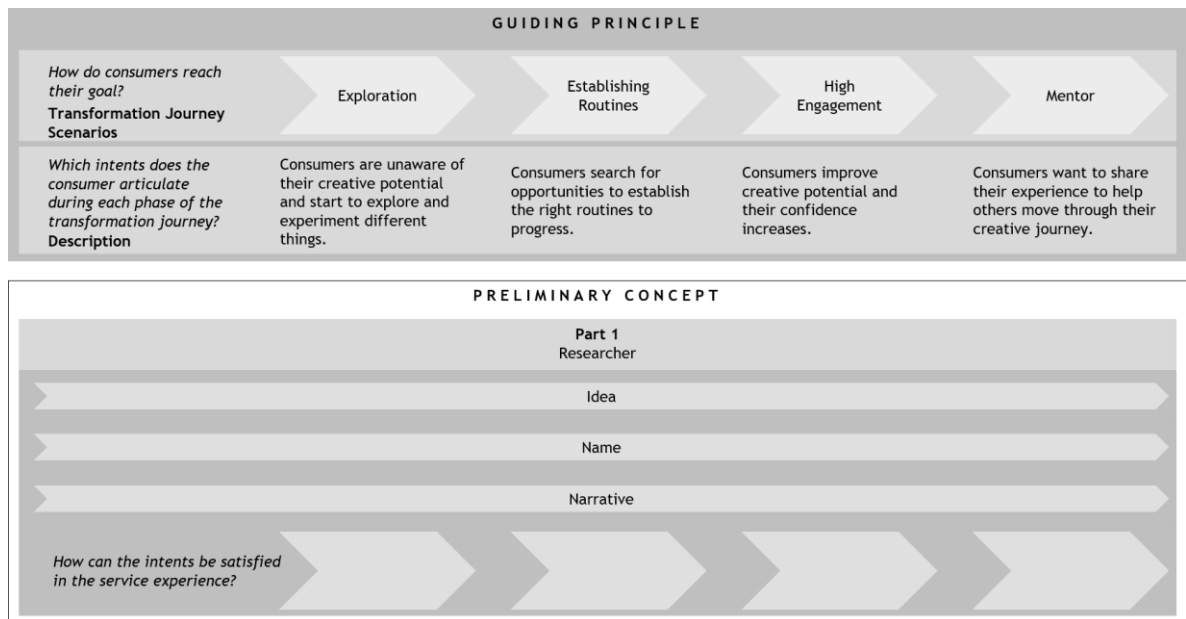


Figure 8: Part 1 of the service design framework performed by the researcher.

#### 4.1.1 The idea - Introduction into *Creator Hub*

In “What is a brand?”, Blackett (2009) underlines:

Overall, the best services brands are built around a unique *business idea or a compelling vision* [emphasis added]. When employees are excited by the proposition they will help to sustain it and communicate it to customers, suppliers and others through their enthusiasm and commitment. (p. 23)

Following the branding principle above, the researcher’s idea and vision is explained in the following. The *Creator Hub* is a service experience inviting consumers to actively engage in the retail space in a collaborative manner to creating the new. It is a physical space of encounter integrated in the Stadium brand flagship that empowers consumers through co-creation opportunities. Moreover, it is the intention to build an inclusive and open community in which every consumer is invited to communicate his or her opinion and thoughts in the form of creative expression. It is a space in which “due to mass consumerism’s detachment from the making process, handmade, vintage and nostalgia are being celebrated” (Blankson, 2017, p. 2). Hence, the idea connects to the trends of empowerment and co-creation as well as to adidas’ corresponding innovation directions. Gen Zers are encouraged to seize the opportunity for peer-to-peer engagement (Patel, 2017) and to upskill in various creative fields. Chiquoine (2018) argues that “incorporating elements of community and education into the retail experience adds to the consumer’s experience, while giving retailers the opportunity to upsell or promote different products” (p. 10). Furthermore, the service experience assists and therefore empowers consumers by providing access to assistance, knowledge and tangible resources.

Thus, the Creator Hub idea ties in with the statement that “sophistication and knowledge, not wealth, is how we define luxury now, and craftsmanship's place within this - in terms of time investment, expertise, innovation and uniqueness - is evermore important” (WGSN, p. 9).

Moreover, the Creator Hub has the three main objectives to provoke experimentation, to enable craftsmanship and to connect community. Experimentation, deconstruction and reinvention of branded design is encouraged as current consumer behavior shows critical attitude towards established rules and the status quo (Fedorova, 2017). The Creator Hub allows the intensive examination of the brand by the consumer and enables adidas to harvest innovative ideas in return. It allows consumers to express themselves and for Gen Zers to become vocal. Illustrator and Educator Kate Bingaman-Burt explains the power of making: “Making is scary, and craftivism gives permission to craftivists to be loud, to be quiet, to make with meaning, an most importantly, to share and create a difference” (as cited in Blankson, 2017, p. 4).

Craftsmanship is enabled by offering a playing field for Creators, giving them the right tools and techniques to their disposal. On the one hand, consumers can guide themselves through the space and experience self-led design and creation sessions. On the other hand, adidas organizes staff-led up-skilling activations. Different activation formats are offered corresponding to different consumer needs. Since adidas is primarily an apparel and footwear brand, most of the activities are centered around these types of products but are not limited to them.

The collaborative approach supports consumers' self-branding efforts and responds to the demand of publicly demonstrating artistic skills that might eventually shape the trends of the future (Rowe, 2017). The “do-it-yourself” mentality turns into a “do-it-with-others” mentality unfolding in a human real-life experience that drives traffic in store but also aims to lead to a community spirit transcending the physical space. Moreover, local artists are invited to become mentors themselves. This allows a hyper-localization and customization of the service experience.

The Creator Hub is not another education facility but rather a platform that provides services on-demand and on a regular basis empowering consumers to build up their routine and relationship with the brand over time. Therefore, the Creator Hub adapts to the shifting paradigm of ownership and consumption. It is a new retail tactics allowing for fast-paced change of activities but also for a long-term opportunity to anchor meaningful experiences in established locations.

Next, providing access when desired is an underlying principle. Therefore, a digital layer enhances the physical servicescape facilitating the access to activation and event schedules, to a gallery of consumer's designs and further applications. Digital technologies help to defy geographical and timely boundaries and turn the local impact of the Creator Hub visible on a global scale. Apart from that, digital occupies an important role in the crafting sector as social media fuel trends and provide inspiration. Chiquoine (2018) underlines that “a relationship between the digital and the physical is key to reach younger consumers” (p. 4).

The following sections explain the concept in more detail and provide visualizations to develop a common understanding of the concept.

#### 4.1.2 The name

Branding the service experience is essential to establish a relation to the correspondent brand and to convey the brand's identity through the service touchpoint. After Blackett (2009), "the name is the most important element of the brand as its use in language provides a universal reference point" (p. 15). Hence, the researcher entitles the service experience as *Creator Hub*. It is a descriptive name and "conveys the nature of the business" (Wheeler, 2013, p. 23) or in this case of the service offering. It fulfills the qualities of an *effective* name suggested by Wheeler (2013). To begin, it is structured in a modular way and communicates that the service experience is about adidas' main target consumer, the Creator, and second that the experience happens in a physical space.

As the Creator is considered as an aspirational role model for the Amplifier and Value consumer, the name resonates with all adidas consumers. Also Smith (2009) underlines to choose a name "that is distinctive and creates the right emotional associations" (p. 109). By recognizing the Creator within the name, consumer centricity is demonstrated, and the own brand identity as creative and ambitious brand is strengthened. It adds meaningfulness to the service because "it communicates something about the essence of the brand [and] supports the image that the company wants to convey" (Wheeler, 2013, p. 23). The term *Hub* is visual and communicates the spatial setting of the service experience directly to the consumer. It implies the aspect of community- and network-building in a shared space where a common cause is accelerated. Furthermore, the name reflects the future-oriented outlook of the experience. It enables people to develop their creativity and to change their lives for the better in times where automation and digitization claim a more significant role in humans' lives. Engaging in a *Creator Hub* establishes therefore a positive connotation.

Wheeler (2013) suggests using a distinctive name to strengthen uniqueness. However, this is not achieved with *Creator Hub* because many community spaces call themselves *hubs*. While the name is therefore not differentiating it can be easily recognized and its objective and nature can be easily understood by consumers. Therefore, it is argued that not distinction but also similarity to related concepts in the market can be advantageous. At last, protectability in terms of trademarking cannot yet be guaranteed.

#### 4.1.3 The narrative - "Hack Everything"

A narrative is a concept of communication that also englobes the concept of storytelling. Storytelling has not the intention to sell products, but the brand and emotions (Ruiz Collantes & Oliva, 2015). It is an instrument "to build a certain brand image, [to] attribute values and [to] create an emotional bond with the consumer" (Ruiz Collantes & Oliva, 2015, p. 91). The narrative and driving principle of the *Creator Hub* is the encouragement to "hack

everything". It seizes the distrust in authorities pronounced among Gen Z consumers and allows to "hack" the product, the experience and the retail environment as a form of protest and gratification. Inviting the consumer to deconstruct the product and to substitute, combine, adapt, modify, put, eliminate and reverse (SCAMPER)<sup>1</sup> them stimulates their creativity. This marks a progressive approach to customization services in the sportswear and apparel industry and to the existing miadidas studio and the Print Shop in the adidas stores. The Creator Hub goes beyond the superficial embellishment of products and encourages the questioning of the status quo in product design. This radical open source approach to hacking the brand can become a risk as the identity cannot be protected from deconstruction and from causing misunderstandings. Nonetheless, with a balanced execution of control, "hacking" can underline adidas' identity as an innovative, authentic, creative and consumer-obsessed sportswear brand. Challenging the status quo is rooted in the Creator consumers personality and reflects the "work-in-progress" attitude. The researcher claims that to unleash true co-creation, brands must be willing to lose control to grant their consumers the freedom to make the brand become part of themselves. They are a source of innovation for the brand. If adidas leads by example and hacks its own branding principles and its own retail space, consumers understand the notion and are empowered to hack the brand as well. They are encouraged to examine alternative co-creation opportunities and to extend their skillset. Thereupon, Creators are empowered through access to knowledge and skills which helps them to improve their self-branding efforts and to progress in their transformation journey.

#### 4.1.4 The concept

As visualized in figure 8 the introduction to this chapter, adidas' consumers go through the phases of exploring new activities, of establishing routines in them, of highly engaging in them and ultimately of becoming a mentor within these activities for other people. This subsection demonstrates the researcher's effort in developing service experiences that empower consumers during these stages. Figure 9 shows the suggestion of different activation formats to help satisfy the consumers' intents during the four stages. The activation formats consider the key insights outlined in chapter 3 and the emerging "desire for the tactile, and a renewed appreciation of imperfections and idiosyncrasies in an era when imagery is largely consumed via a screen" (WGSN, p. 2). The elements marked in red indicate the researcher's ideas.

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<sup>1</sup> SCAMPER is a creativity tool widely used in product design and introduced by Bob Eberle in 1973.

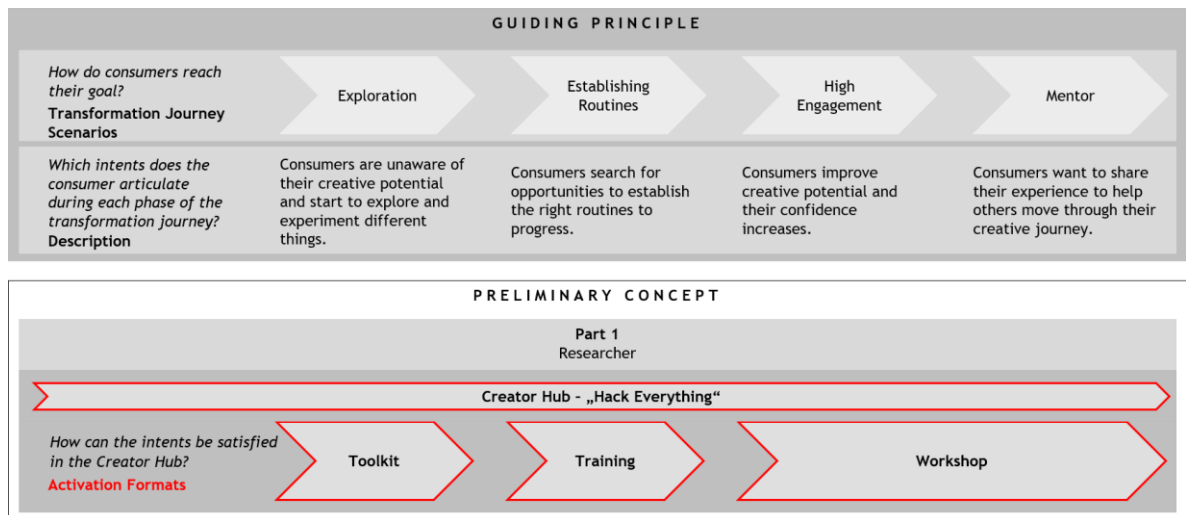


Figure 9: Service design framework with contributions from researcher.

As demonstrated at the bottom of figure 9, the researcher suggests three activation formats with the working titles *toolkit*, *training* and *workshop*. In the following, the researcher provides a description of their characteristics. In addition, Appendix D visualizes the same characteristics in table format (tables D1, D2 and D3) to simplify their comparison.

#### 4.1.4.1 Activation format Toolkit.

Beginning with the exploration phase, consumers are still unaware of their creative potential. They start to explore options to improve their skills and experiment different things (adidas DBC Strategy & Innovation, 2018b). Within this phase it is the Creator Hub’s ambition to respond to their intent through offering a toolkit activity. Toolkits are ready-made packages for purchase including different pre-defined modules (materials and tooling) that enable consumers to create brand iconic items with a souvenir character. The activity puts emphasis on providing a playful experience rather than on teaching consumers the complexity of manufacturing a functional product. Gamification allows consumers to playfully explore the adidas brand. Moreover, the toolkit activation addresses different elements of value of the Value Pyramid. The functional element “information” (Almquist et al., 2016, p. 7) is included as the activity allows consumers to gain a first impression about adidas’ in-store customization and co-creation services. With simple activities, the brand seizes the consumers’ interest for customization services and thus, creates opportunities to lead them to other activities offered in the Creator Hub. Furthermore, the activity requires a low level of customer engagement in terms of emotional, psychological and physical commitment and therefore “saves time”, “reduces effort”, “avoids hassle” and “simplifies” the process of customization (Almquist et al., 2016, p. 7). Another factor that adds to these elements is the standardized approach to the service process and the outcome. The level of difficulty and creative complexity is reduced so that no prior skills are required. Furthermore, only basic household tools (scissors, tape, etc.) are needed so that consumers can take the package home or make it a gift for somebody

else. The activity is open for access throughout the opening hours. It is completed within half an hour and does not require any staff assistance. Moreover, the emotional element of “fun/entertainment” (Almquist et al., 2016, p. 7) is brought to life because toolkits offer an easy, fast and original opportunity for consumers and especially tourists to turn their visit in the key cities and the brand flagship store memorable. Although the probability of consumers and especially tourists returning regularly to do the activity, “offering one-off experiences has the potential to make . . . [the] brand part of a memory that will last a lifetime” (WGSN, 2017c, p. 7). Store visitors can test their creative skills and playfully explore adidas as a Creator brand. Lastly, consumers gain “attractivity” (Almquist et al., 2016, p. 7) and social recognition by co-creating their souvenir from a key city. The customized item embodies personal traits and the memory of the activity and therefore differentiates from other standard souvenirs.

#### **4.1.4.2 Activation format Training.**

In the second step of the transformation journey, consumers search for opportunities to establish the right routines to progress. They want to become more engaged in the activity with the goal of making the activities a regular pattern in their lives (adidas DBC Strategy & Innovation, 2018b). In this phase, the Creator Hub offers activations in a training format. Trainings offer upskilling opportunities for consumers to learn basic creative skills about the making of apparel and accessories and in the usage of crafting tools and technologies. They are centered around the making of a specific product. The most important element of value that the training targets is “providing access” (Almquist et al., 2016, p. 7) to skill-building about basic crafting skills. Trainings are offered on a recurrent basis and on a fixed schedule which has the advantage that consumers can learn a variety of basic manufacturing skills more often and that they can establish a routine by regularly attending classes with different contents. Furthermore, trainings encourage people to take advantage of the access they receive to reliable expert knowledge. This leverages the value of “information” (Almquist et al., 2016, p. 7). Consumers who do not bring prior knowledge in craftsmanship (not required) take even more value out of it. Moreover, the interaction with staff and with other consumers taking part in training sessions strengthens the feeling of “affiliation/belonging” (Almquist et al., 2016, p. 7). Consequently, trainings ask for more engagement in terms of time (a training has a duration of one to two hours) and attention. Nonetheless, the active participation in the activity is rewarded with a sense of belonging and therefore has a life-changing value. Then, “fun/entertainment” (Almquist et al., 2016, p. 7) is brought to life by offering a changing set of training contents and by testing unconventional crafting methods. While playful experiences are only fun and entertaining on a short-term, trainings put emphasis on delivering the life-changing value of “self-actualization” (Almquist et al., 2016, p. 7) by unlocking the Creator’s creative potential in the long run. Consumers experience self-actualization because they feel a sense of improvement in crafting skills and receive inspiration after each training session adding more meaning to the activity over time and providing a reason to return to the store. Also Chiquoine (2018) mentions that “in-store group classes . . . give customers a reason to

spend more time in and return to the store” (p. 5). Consumers learn new skills and acquire new knowledge empowering them to work independently in the future. Also, the functional element of simplification is included in the training procedure (Almquist et al., 2016, p. 7). Standardization and a pre-defined routine in the service delivery simplify the learning process, but an individual outcome turn the activity more memorable and personal than the toolkit activity.

#### **4.1.4.3 Activation format Workshop.**

Moving forward in the transformation journey, consumers are willing to highly engage in activities and to see the results of their established routines and their acquired knowledge improving. As a consequence, their creative confidence increases (adidas DBC Strategy & Innovation, 2018b). To seize their engagement, the Creator Hub offers group workshop sessions that feature co-creation activities with creative leaders recognized on a global and local basis. Trend agency WGSN (2017a) emphasizes: “Any retailer or brand serious about integrating with its community will need to work with partners to understand issues at a grassroots level” (p. 7). The focus of workshops lays on upskilling consumers in more advanced and unconventional customization techniques and in providing inspiration from local artists that additionally add relevance and cultural context to the activation. Staff and co-hosts become educators in a less controlled space known from academies and universities. Consumers are encouraged to exchange opinions and advice with a diverse group of people.

The main value proposition in the workshop format is “providing access” (Almquist et al., 2016, p. 7). First, it is the objective to provide people access to learning opportunities and secondly, to give them creative inspiration through a more visionary approach to “design/aesthetics” (Almquist et al., 2016, p. 7). Moreover, the workshop format “connects” (Almquist et al., 2016, p. 7) consumers and increases their “badge value” (Almquist et al., 2016, p. 7) because they reach the status of being part of an acknowledged Creator community. Subsequently, the feeling of “affiliation/belonging” (Almquist et al., 2016, p. 7) augments as well. Consumers “seal” and prove their experience by capturing their experience visually and sharing it on social media. Another provided element of value is “motivation” (Almquist et al., 2016, p. 7). Consumers spend a longer period of time together as a group and celebrate successes together after the workshop sessions which motivates them to keep improving their acquired creative skills. At last, “self-actualization” and “fun/entertainment” (Almquist et al., 2016, p. 7) are significant elements of value offered in the workshop format. Memorable collective experiences form a vital part of the Creator’s self-realization journey and unexpected dynamics create entertainment.

The last step of the transformation journey involves becoming a mentor. In this phase, consumers want to share their experience to help others advancing in their creative journey (adidas DBC Strategy & Innovation, 2018b). When consumers reach this stage of the journey they can become mentors and meaningful contributors to the transformation of others by hosting one of the aforementioned workshops. This means that mentors do not live through the

workshop experience as absorbing participants, but they take on an important role in guiding it and sharing their professional experience. In other words, mentors connect to a community with the aim of helping others to progress and assist them in co-creating their own unique and memorable service experience. Furthermore, adidas builds a strong relationship with mentors because the brand has a lot of trust in them. In turn, it expects a heightened sense of commitment.

In addition, all the activation formats allow consumers to exhibit their creations in a gallery space within the store. These types of exhibitions intensify the interaction and exchange of opinions and visions between members of the community. Moreover, they allow designers from the head offices to discover innovative creations and to seek collaborations with local consumers in bringing their designs to life. Then, a virtual servicescape supports processes in the activation formats. Simple registration tools, virtual galleries and a social Creator community increase the impact of the life-changing service experience beyond the physical servicescape. Moreover, in order to turn the service experiences more distinct, each activation format should leverage adidas' brand identity. In other words, each experience must be branded and be unique to adidas. It is furthermore to underline that all activations should keep not only the streetwear Creator in mind but also the athlete Creator. It is the intention to keep up to the demand for customization activities that empower people in finding their aesthetic language and in enhancing their athletic performance. Lastly, the consumers' transformation journeys are often not linear. However, is not the intention to guide consumers rigorously from one phase to another but to allow them to participate in the activations they evaluate as most valuable for their current intents.

## **4.2 Part 2 - Design Agency Develops Physical Evidences**

Besides developing the nature and the strategy behind different activation formats, also the Creator Hub's servicescape must be designed to support the implementation of the concept. This branding activity is performed by the design agency FutureBrand UXUS and forms the second part in the development of the preliminary concept. It is the agency's objective to design basic elements of the visual identity and renderings of the servicescapes. As demonstrated at the bottom of figure 10, part 2 builds on the previously developed Creator Hub concept. As additional input, the researcher briefed the agency with adidas' retail design principles to support consistency with the overall brand identity.

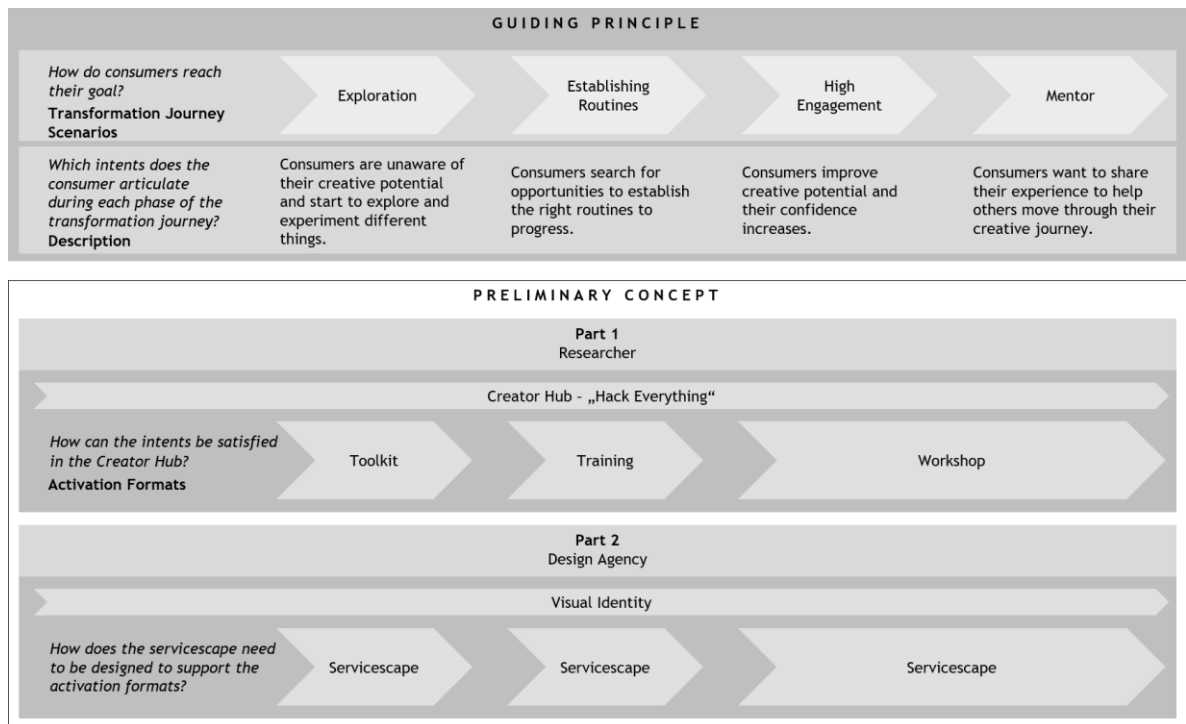


Figure 10: Part 2 of the service design framework performed by design agency.

Before designing the retail space, the agency chose first to develop touchpoints such as posters, signage and a digital interface that are placed throughout the store in order to seize the consumers' attention towards the servicescape. These applications are described and analyzed to outline the basic elements of the Creator Hub's visual identity. Then, the agency designed renderings of three different servicescapes and plug-ins. They also include the developed applications. The renderings visualize the integration of the Creator Hub into a Stadium brand flagship store. To clarify, the intention of presenting the artworks in the following is not to critically discuss them regarding the correct implementation of adidas' design principles, but rather to facilitate a better understanding of the space for the reader. The visualizations are also used as foundation material for the subsequent refinement of the concept and are therefore relevant to be presented and explained.

#### 4.2.1 Posters

The two posters presented in figures E1 and E2 in Appendix E are collages that are used as communication tools within the store to make the service concept tangible for the consumer. The posters are composed by pictures, strokes and text. The main colors are shades and tints of white, blue, yellow, red and black. At the base layer of both posters, tennis players are shown playing on the court and being in motion. The pictures are adapted from an advertisement campaign from the fall/winter 2017 tennis collection from the sub-brand adidas by Pharrell Williams. As the collection is part of the adidas Originals brand, the posters represent adidas' heritage in sports culture and address athlete consumers as well as streetwear hounds. Although the posters have been submitted by the agency in digital nature,

certain elements represent three-dimensional texture. Strokes that are partially placed on top of the pictures represent white paint. The top layer consists of hand-written and unsystematically ordered text. In the first poster (figure E1), the text explains the Creator Hub manifesto which declares in a powerful, emotional and authentic way what the Creator Hub and the platform's intention is. It states that the Creator Hub is the consumers' "place to explore, play, create, and hack with adidas" (FutureBrand UXUS, 2017b). It also explains that the hub is open for Creators globally and that they are invited to take over the "reins" (FutureBrand UXUS, 2017b) of the space. Furthermore, the manifesto encourages Creators to use the available resources such as "our [adidas'] product know how, these amazing tools and your [the Creator's] vision" (FutureBrand UXUS, 2017b) to provoke unexpected outcomes. The manifesto is a call to join a space where authenticity and real life outside the social media is celebrated. At last, consumers are invited to "come in, stay a while or just stop by to experiment, learn and collaborate in our [adidas'] creative playground" (FutureBrand UXUS, 2017b). Instead of composing a mission statement, the manifesto is a more approachable, contemporary and inspirational expression of the service's concept (see Appendix E for complete text). In the second poster (figure E2 in Appendix E), the text gives indications about where the activations are positioned in the store.

With the posters, the design agency follows the concept and narrative of the Creator Hub. The "hacking" approach is implemented in the pictures because they are adapted from the original campaign, deconstructed and re-utilized in a different context. Further layers of strokes and text are a stylistic device that represents the continuous external interference into the branded design. Moreover, the variety of used materials to create the posters represent the co-creation aspect. The unsystematic layers of strokes and text manifest the human touch. They are proof of the human interaction and metamorphosis within the space and document as well the constant process of transformation of the space and of the users themselves. At last, the layers of different media (picture, paint and text) give the poster a feeling of depth and substance. It represents that the space explores different forms of creative expression allowing Creators to act out their opinions and emotions freely. Moreover, the substance reflects that the Creator Hub follows a higher purpose than only the co-creation of tangible goods. It supports consumers on their path to progress and to make a difference in their "game, life, [and] world" (adidas Group, 2018d, p. 67).

#### 4.2.2 Signage

Signs are artifacts that are used to explicitly and implicitly "communicate the firm's image, help customers find their way . . . and to convey the service script" (Wirtz & Lovelock, 2016, p. 387). Benefits of well-developed signage for consumers are improved information and participation in the service process and increased emotional stimulation, reassurance, control and efficiency (Wirtz & Lovelock, 2016). For the service organization these benefits manifest in improved customer satisfaction, reduced effort for frontline employees, a strengthened corporate image and increased differentiation from competitors (Wirtz & Lovelock, 2016). The

signs shown in figures E3, E4, E5 and E6 in Appendix E are placed throughout the store as a communication tool to attract and navigate customers to the Creator Hub service experiences. Figure E3 shows a column in the Stadium flagship store indicating where product categories, services and facilities are to find in the store. A handwritten indication disrupts the corporate adidas typeface. Figure E4 shows another handwritten indication on steps guiding consumers upstairs towards the toolkit area. In the next visualization (figure E5), the perspective is directed towards the ground where white tape demarcates the service experience area and where text prompts visitors to take on the challenge of using their creative potential. In the last picture (figure E6), the perspective is zoomed towards a clothing rack. A signage contrasts in the colors yellow, red, blue, black and white against the dark background and accentuates the Creator Hub service experience amid product displays.

All in all, the agency uses the same stylistic devices as in the posters to represent the Creator Hub narrative. Overlaying media, interference in the corporate identity and unsystematic, unique elements give distinction to the retail store and emphasize the prominent role of the new service offering in the store.

#### 4.2.3 Digital interface

As a last application, the FutureBrand UXUS designed a digital interface for the Creator Hub. The virtual servicescape can be accessed through a screen installed in the store (figure E7). Again, the layout features the same handwriting as in the other applications (figures E1-E6) and uses the same background picture and colors as can be seen in the Creator Hub manifesto (figure E1). The text overlays the other elements of the picture and prompts consumers with a call to action to apply online for activations offered in the Creator Hub. The digital screen is the bridge between the physical and virtual servicescape and integrates seamlessly into the servicescape because of the consistency in the utilized visual elements.

#### 4.2.4 Basic elements of the visual identity

Reviewing the communication tools designed by the agency for the Creator Hub, certain elements are used repetitively in the figures E1-E7. These graphic components are the basic elements of a brand's or, in this case, a service's visual identity "that together provide a system for identifying and representing a brand" (Allen & Simmons, 2009, p. 113). They contribute to the "look and feel" of a brand and they are "what consumers see when they encounter it" (Nelson, 2016, p. 29). If well-developed "it is these elements that will engage and inspire people, externally and internally, to the advantage of the organization" (Clifton, 2009, p. 11). According to Allen and Simmons (2009), symbols, typefaces, and colors are part of the basic elements of a visual identity. They are referred to the Creator Hub identity in the following.

#### **4.2.4.1 Symbol.**

A symbol is a basic visual element that has the purpose “to present the idea of the corporation with impact, brevity and immediacy. It often becomes the focal point from which the whole identity is subsequently judged” (Olins, 2002, p. 2). The symbol that has been used for the Creator Hub is a wordmark that represents the service’s name. Two wordmarks have been extracted from the previously presented manifesto and poster (figures E1 and E2 in Appendix E) and are shown in a consolidated manner in figures E8 and E9 in Appendix E. It can be noticed that both wordmarks have the same textual content. Nonetheless, the designs are dissimilar. While both wordmarks were designed by hand resulting in distinctive font characteristics, the shape is entirely different. The intention of the chosen design is to reflect the service’s uniqueness, the personal approach to service provision and the roots in the local culture. The local employees that are maintaining the service are encouraged to co-design their proper wordmarks with handwriting. While the objective might support the service’s identity, the design does not allow protection as a trademark and can therefore be at risk.

A second complementary symbol for the Creator Hub is adidas’ Badge of Sport. It lends the Creator Hub a distinct trademark and allows consumers to better recognize that the service experience is offered by adidas. Therefore, the symbol gives consumers the opportunity to get a better impression of the service quality before engaging in it. Adidas’ Badge of Sport is well-known globally and adds to leveraging the Creator Hub’s equity. Similar to the Creator Hub symbols presented earlier (figures E8 and E9), the Badge of Sport is not displayed in a coherent shape. Figures E10, E11 and E12 show their singularities.

#### **4.2.4.2 Typeface.**

Typefaces are an element of typography. “Typography is the art of the letterform and its discipline covers type design and type layout and composition. It is a valuable brand asset that can help to distinguish a brand and aid its identification” (Hitchens & Hitchens, 2010). Typefaces, or font families, convey the character, tone and “the brand message for the lifetime of the brand” (Hitchens & Hitchens, 2010) and therefore need to be selected carefully.

The typeface that is implemented by the design agency for the Creator Hub can be seen in the textual elements that are used throughout the previously discussed applications (figures E1-E12). Individual probes are not extracted. It can be observed, that the typeface is distinctive and not coherent in shape. Therefore, the type design draws similarities to the Creator Hub wordmark and the Badge of Sport emblem. The typeface is again based on unsystematic handwriting and the purpose of choosing it is to give Creators the freedom to participate in the ongoing co-creation of the Creator Hub identity. It represents adidas’ open source approach and the invitation to “hack” the identity. Local communities and store managers are encouraged to leave their own mark in the space leading to the hyper-localization of the service experience. Moreover, typefaces that remind of hand-writing appear as unobtrusive, personal, and natural and highlight the mission of the Creator Hub of giving consumers an open space for

self-expression (Rümmler, 2006). Wheeler points out that typefaces “need to be flexible and easy to use, and . . . must provide a wide range of expression” (Wheeler, 2013, p. 154). For the Creator Hub this is indeed the case while “clarity and legibility” (Wheeler, 2013, p. 154), “weights and widths”, “sizes” and the “variety of fonts” (Wheeler, 2013, p. 155) must still be further developed.

#### **4.2.4.3 Colors.**

Colors equally contribute to the communication of the brand philosophy and identity (Rümmler, 2006). They evoke different associations within consumers and the complementation of different colors help brands to form a holistic message about the brand. Nevertheless, the meaning of color depends on the culture and on individual preferences of the beholder (Ambrose & Harris, 2011). Therefore, brand designers need to be aware of local notions of aesthetics when designing visual elements. Within this master project, the design agency and the researcher link the colors with associations that are common in the Western culture. From the applications in figures E1-E12, the researcher retrieves two color palettes.

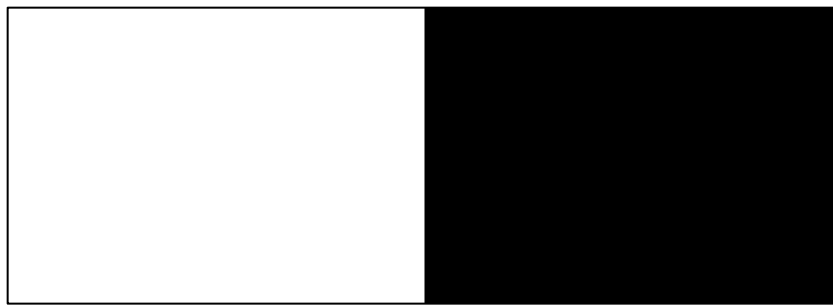


Figure 11: Primary color palette extracted from figures E1-E7 in Appendix E consisting of white and black.



Figure 12: Secondary color palette extracted from figures E1-E7 in Appendix E representing the RGB color space with selected shades of yellow, red and blue.

The primary palette (figure 11) conforms with the palette from the adidas brand and consists of white and black. This is a strategic choice unifying the Creator Hub’s with adidas’ brand identity. However, white is more prominent in the Creator Hub. It symbolizes pureness and allows consumers a neutral foundation on which they can creatively express their opinions (Rümmler, 2006). It leaves them unbiased representing adidas’ intention to give Creators a space to unfold their own personality. In contrast, the color black sets itself apart and

demonstrates the strength of the Creators in their journey towards self-actualization. Black also demonstrates power (Ambrose & Harris, 2011) and reminds of adidas' core belief: "Through sport, we have the power to change lives" (adidas Group, 2018b).

The second color palette (figure 12) consists of the primary colors yellow, red and blue as well as further tints and shades that are not demonstrated above. The selected colors in figure 12 merely serve as a simplified representation of the RGB color space. As primary colors are elementary for achieving a range of other colors, they represent the Creator Hub as being the root for all kinds of creative expression. Furthermore, they represent inclusion and diversity of the hub and within the community. Yellow symbolizes the warmth and impulsivity felt in the hub during activations (Rümmeler, 2006) and supports the innovativeness of the service experience (Ambrose & Harris, 2011). Red represents energy and passion that act as driving forces towards progress and within the Creator community. Finally, blue symbolizes loyalty, truth and tranquility (Feisner, 2006). The establishing of loyal and trustful customer relationships is a major objective of innovating the new service experience because they positively affect brand desire and profitability. Loyalty is built up over time and along the transformation journey. Next, truth is meant in the sense of authenticity. Not only the brand but also the Creators interacting in the space shall be enabled to create by staying true to their personality. Lastly, tranquility contrasts with the intention of creating vividness in the space. However, tranquility is interpreted as "focus" helping Creators to concentrate on achieving their personal goals. Additionally, a consistent identity and a clear strategic setup of the servicescape are contributors for focus.

#### 4.2.5 Fifth element

The basic elements of the Creator Hub's visual identity have been introduced and they allow the reader an understanding of the Creator Hub's main objectives. In addition to the name, symbol, typeface and colors, a fifth brand element is used throughout the applications. It serves the purpose of differentiation and if applied with consistency, it assists consumers to identify the Creator Hub's offerings. The fifth element was introduced by the design agency as a decorative identity marker and consists of white tape (figures E5, E13 and E14 in Appendix E). It adds visual and haptic irregularity to the otherwise clean space of the brand flagship and is therefore a strong element silhouetting against the other quite corporate and structured zones in the retail store. It is used to glue posters at walls (figure E13), to demarcate the Creator Hub zone from other zones in the servicescape (figure E5) and to add consistency in the identity through the use as decorative element (figure E14). The usage of tape reminds of the usage of paint on the posters (figures E1 and E2 in Appendix E) and adds similar depth and substance to the space.

#### 4.2.6 Servicescapes

After the application of basic visual elements to various media, the design agency developed a spatial strategy and consequently designed renderings of the servicescapes (figures 13-16). Elements of visual identity and adidas' retail design principles are reflected in them. The renderings allude to the spatial layout and functionality of the servicescapes. Although they do not include specific floor plans with measurements, they are simplified yet valuable media to demonstrate how the service environment can facilitate the service interactions within the specific activation formats (Wirtz & Lovelock, 2016).

Since the development of the Creator Hub concept is part of the reconceptualization process of the brand flagship store in London, the designers planned the servicescapes on the basis of the already existing Stadium setting. In fact, the Stadium concept is an ideal foundation for the ever-changing service experience because it allows a high degree of flexibility and enables the constant rearrangement of plug-ins. In the new flagship store, the Creator Hub can occupy multiple areas throughout the space which increases the awareness about the service experience among visitors. The modular design of the Creator Hub additionally allows the brand to remove it from the space and to rebuild it independently outside of a Stadium flagship.

Then, the servicescapes are planned according to the three activation formats and have the objective to support the flow of interaction and to enable discovery of different service options. They feature workspaces with tools and machinery, gallery spaces where creations can be displayed and event spaces which are used for a larger group of people. In the following, the renderings for the toolkit, training and workshop areas are explained in more detail.

##### ***4.2.6.1 Toolkit area.***

The toolkit area as seen in figure 13 features multiple touchpoints for better navigation through the space. These touchpoints are explained by their placement in the space from left to right. The Creator Hub manifesto on the left wall facing towards the viewer helps consumers to identify the purpose of the servicescape. Next to it, a digital screen facing diagonally towards the viewer enables people to share their creations in the virtual servicescape. Further in the back of the space, a shelf holds the toolkit packages. It is open and signals visitors that they can serve themselves from it. Notes fixed to the wall right from the rack explain how toolkits are assembled. The instructions can be used in case the consumer wants to assemble the toolkit in the store and no staff is assisting in the experience. Then, in the back of the area next to the instructions, a small photo booth is installed. A background wallpaper and additional lighting equip Creators in case they want to photograph their creations. Further in the front of the photo booth a maker table is placed to give Creators a space to assemble the toolkits. While constructing and customizing their products, they can draw inspiration from various media sticking at an inspiration wall at the very right of the servicescape. At last, a decorative display at the border of the area as well as white tape help to highlight and delimit the toolkit zone.



Figure 13: Rendering of toolkit area designed by FutureBrand UXUS (2017a, p. 54). Reproduced with permission.

#### **4.2.6.2 Training area and gallery space.**

The rendering in figure 14 visualizes the servicescape of the training activation. It is an equally open space featuring more tools and machinery than the toolkit area. Machinery is flexibly interchangeable as per need. This area identifies itself through the Creator Hub manifesto fixed at the left entry into the area. Behind it stands a table with machinery and tools that are plugged into the space according to the topic and activity of the training class. The rendering shows the example of heat presses that can be used to apply graphics onto flat materials. Opposite from the table with machinery is another maker table giving visitors the possibility to use further tools and materials. Behind this maker table, a digital screen is installed, again to facilitate the fusion of physical and digital channels. Then, in the back at the right clothing racks are used as a creation display exhibiting the artworks of consumers. Next to it another inspiration wall stimulates Creators in their activities. The materials placed on it are open for rearrangement and Creators are encouraged to co-create it and share their sources of inspiration with others. The training area seen in figure 15 demonstrates the flexibility of the space even better. The image shows an alternative setting to the servicescape in figure 14. It features an extension of the space with a larger gallery space lending the store a museum layout. Mannequins on podia highlight creations and give recognition to the Creators behind them. A studio background is used to demarcate the space from its surroundings and stimulates the attention of by-passing store visitors.

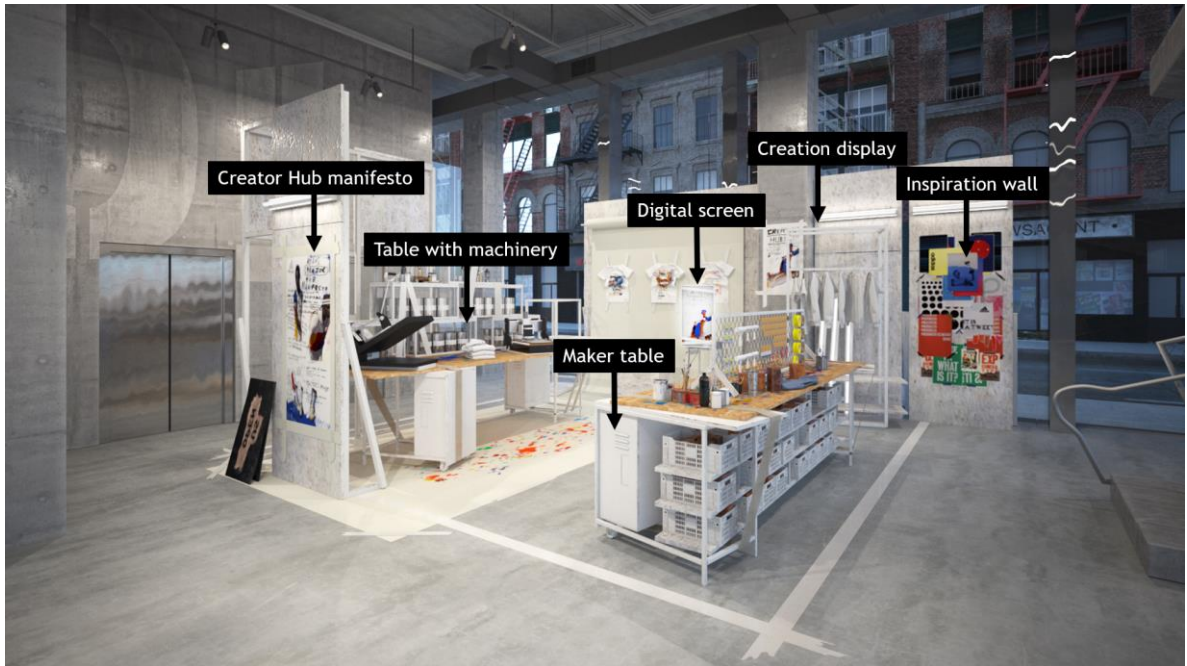


Figure 14: Rendering of training area designed by FutureBrand UXUS (2017a, p. 51). Reproduced with permission.



Figure 15: Rendering of gallery area designed by FutureBrand UXUS (2017a, p. 52). Reproduced with permission.

#### 4.2.6.3 Workshop area.

The workshop area illustrated in figure 16 is the largest area in the store and is thus an appropriate space to host bigger groups. It is equipped with a digital screen on the left hand side. Next to it, a clothing rack and a background wallpaper give means to Creators to display and photograph their creations. The next touchpoint in the space is the iconic Creator Hub

manifesto that is fixed at the left wall. Opposite from the manifesto a maker table forms the core of the space. It is larger than in the toolkit and training areas and therefore represents a bold gesture standing for the community aspect of the workshop activations. It acts as an invitation to larger groups to sit at one table and to co-create in a collective. In front as well as behind the table are material storages that hold textiles and other materials for use. In the back of the space, mannequins are made available either for use during the design and manufacturing processes or for display of final creations afterwards. The possibility to exhibit creations allow Creators to celebrate their designs and to receive feedback and social recognition. Furthermore, a table with machinery, in this case with sewing machines, are available on the right of the area. At last, the wall on the right features the Badge of Sport trademark in combination with the Creator Hub wordmark to label the servicescape.

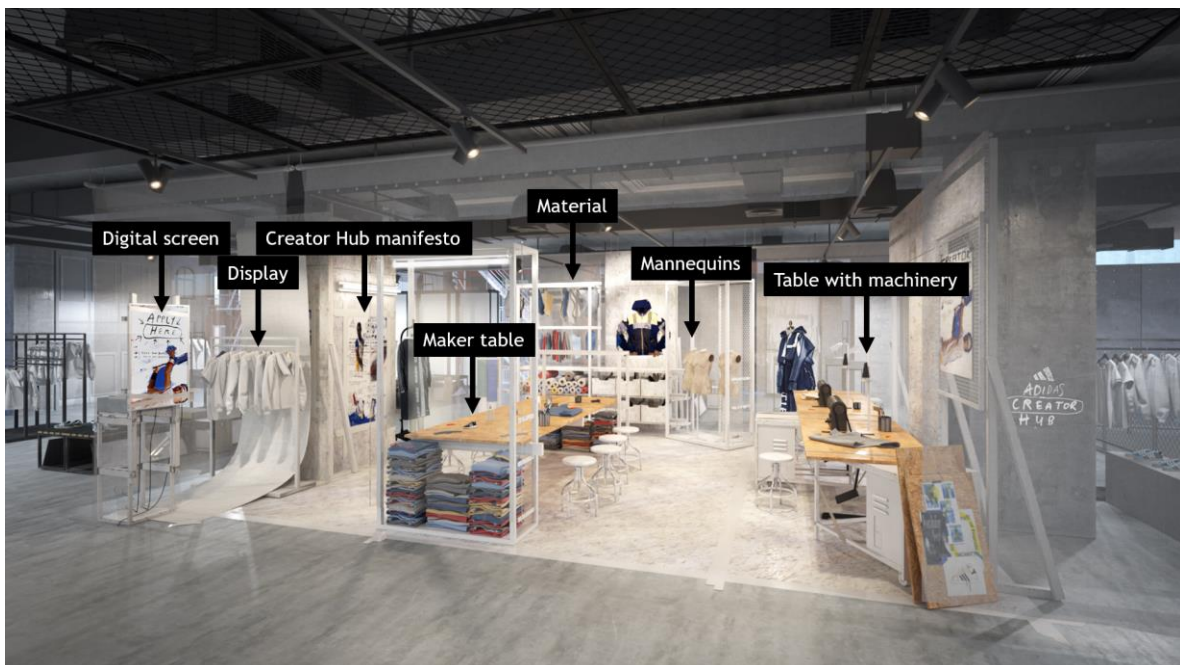


Figure 16: Rendering of workshop area designed by FutureBrand UXUS (2017a, p. 58). Reproduced with permission.

To sum up, figure 17 demonstrates the physical evidences developed by the design agency. They are marked in red at the bottom of the scheme.

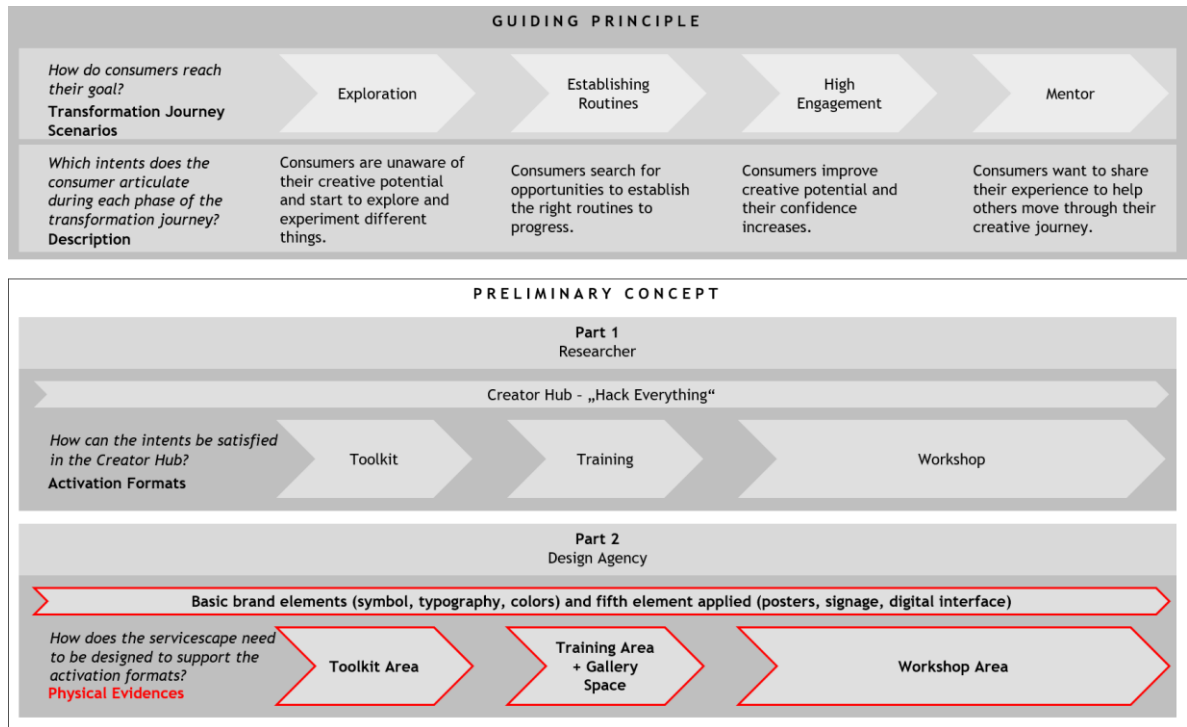


Figure 17: Service design framework with contributions from design agency.

### 4.3 Reflection and synthesis of preliminary concept

To review, the preliminary concept includes the idea about the experience, the name *Creator Hub*, the narrative “hack everything” and the explanation of a variety of activation formats that allow consumers different forms of engagement within the retail space. The design agency follows the narrative “hack everything” and designs basic elements as well as the fifth element of the Creator Hub’s visual identity that convey the service’s objectives and vision. The visual elements are manifold but ultimately convey the feeling of creativity, community and personality. Besides adidas’ original corporate identity, also the retail environment is “hacked”. Existing Stadium spaces are used, reinvented and taken up by the Creator Hub community. The flexibility in the arrangement of plug-ins enables stores to react to consumer demands with speed. Servicescapes can be set up as per need and they leverage adidas’ open source approach. The implementation and creation of branding elements is task of the local store managers and of the local Creator community. The cities are therefore decisive co-creators in staging the service experience. However, despite the advantages and the good intentions of flexibility, “an identity should be reviewed frequently and maintained like any other asset” (Allen & Simmons, 2009, p. 125). The authors highlight that when brand elements are not controlled “they can do damage, so it is better to lock them firmly into the brand management of a business” (Allen & Simmons, 2009, p. 125). Finally, it is not the intention to

implement all design elements as suggested but to consider them as initial visualizations of a creative direction that must be developed and evolved further by the internal brand design team. After the proposal of different activation formats for the Creator Hub, it is crucial to turn the underlying processes tangible for practical implementation. Therefore, the ideation phase leads into the creation phase in which further stakeholders are involved to co-create the Creator Hub concept.

# Chapter 5

## Project Creation - Final Concept of the Service Experience

In this part of the master project, the solution space extends across the creation phase (figure 18). The preliminary concept acts as a starting point and as a set scope for a group of stakeholders to evolve the concept in more depth. The creation phase results in a final concept that englobes possible service interactions for the implementation of the Creator Hub in London. A qualitative research is conducted by using a workshop as method and by using service design tools to communicate ideas.

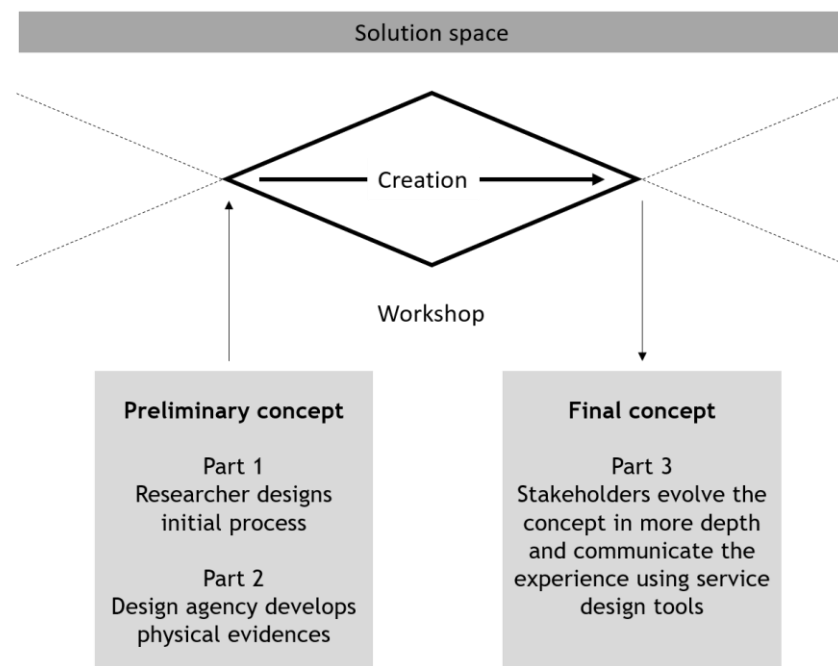


Figure 18: Solution space visualizing the process of creation.

### 5.1 Research Methodology

This chapter provides an overview of the chosen research methodology. It explains the used research philosophy, research approach and the research design including the methodological choice, the research strategy and the time horizon. This is followed by the explanation of techniques and procedures for the collection and analysis of primary and secondary data. Lastly, the researcher takes note of the implicated research ethics. Table 2

summarizes the research purpose, the research question and the objective of the creation phase.

Table 2

*Research question, research purpose and objective in the creation phase*

Research question	What kind of topics and activities can be offered in the Creator Hub and how can these be practically implemented by people, processes and physical evidences?
Research purpose	The purpose is to evolve the preliminary Creator Hub concept by (1) developing specific topics and activities for the three activation formats (2) by designing the journeys consumers go through when doing specific activations and (3) by defining the resources needed for interaction in form of people, processes and physical evidences.
Research objective	The objective is to develop the Creator Hub concept further by involving a group of internal and external stakeholders that contribute their in-depth knowledge and expertise. It is ultimately the aim to define concrete topics and activities for the service interaction that take into consideration the complexity of actors and factors involved. The final concept acts as a recommendation for a pilot in adidas' brand flagship store in London in October 2019. Idea walls are used to cluster developed ideas about possible topics and activities and a service blueprint is ultimately used to visualize the entire interaction including the people, processes and physical evidences at the front- and backstage.

Figure 19 shows the service conceptualization at this stage and visualizes in the last lane the research questions that leads the workshop.

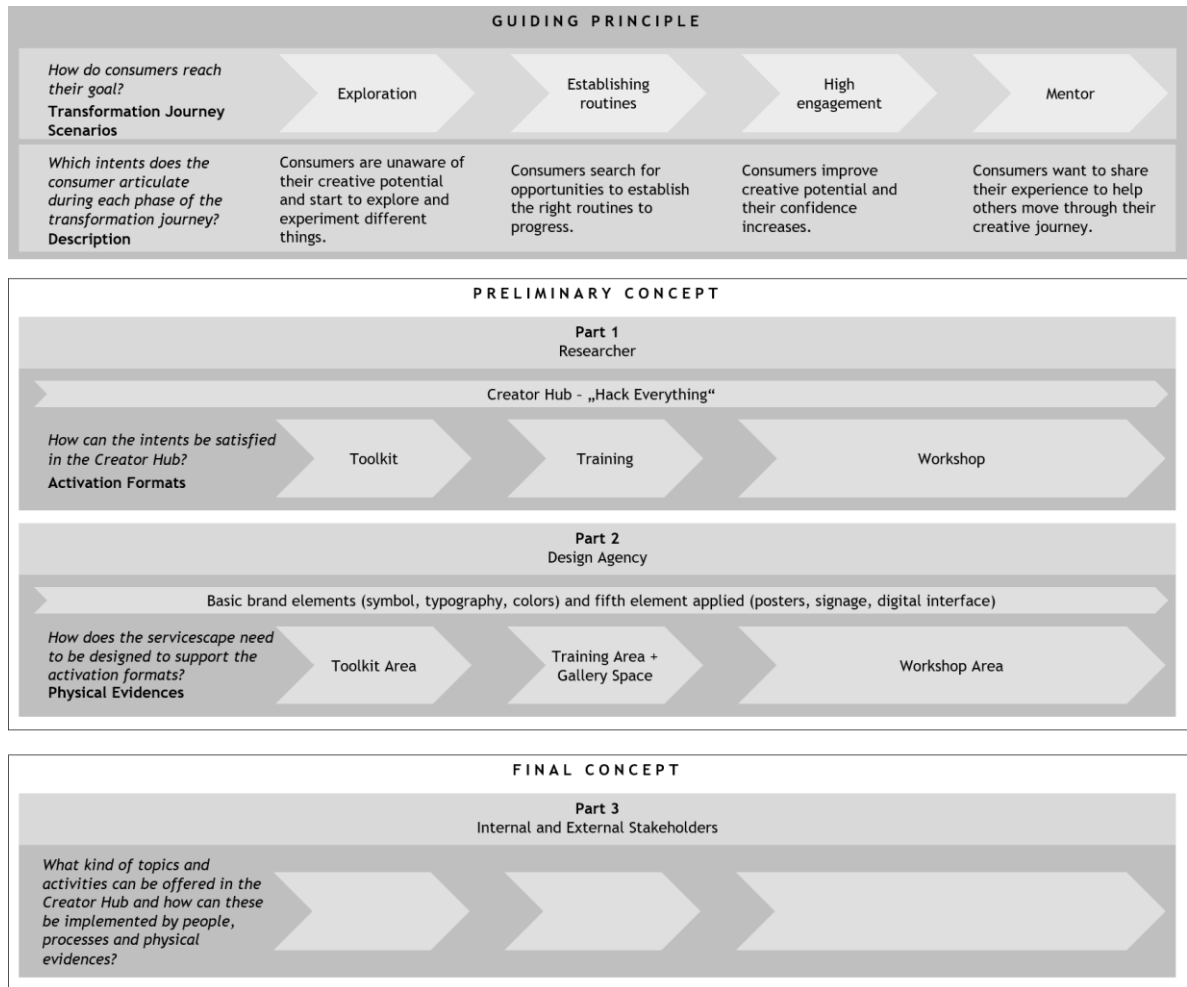


Figure 19: Part 3 of service design framework developed by internal and external stakeholders.

### 5.1.1 Research philosophy

The research philosophy is interpretivist. It reflects the researcher’s assumptions by which data should be collected, analyzed and used to develop knowledge. Thereupon, the conducted research orientates itself by the complexity of social actors involved in social phenomena. The adoption of an empathetic stance in research to understand the social world and the subjective meaning that is given from social actors towards it, distinguishes interpretivism from other philosophies (Saunders & Tosey, 2013). Therefore, the researcher considers it as a valuable approach to research in the marketing field and in particular in service design because service processes involve a complex and unique constellation and contribution of human individual subjective factors. The research philosophy significantly impacts the course of research and the researcher decisively contributes and participates in it through subjective interpretation of data. An interpretivist philosophy includes qualitative research methods, small samples and in-depth investigations (Saunders, Lewis, & Thornhill, 2009).

### 5.1.2 Research approach

The approach within this project is to first derive a hypothesis from the investigated theory that is then further developed in a practical approach. It is reflected in chapter 3. Theory is translated into an actionable and measurable concept using service design methods and tools. Similar to an inductive research, the followed approach therefore leads to the generation of untested conclusions in the form of a service concept. The approach puts emphasis on gaining “an understanding of the meanings humans attach to events”, on “the collection of qualitative data”, on “a more flexible structure to permit changes of research emphasis as the research progresses,” and on the aspect that “the researcher is part of the research process” (Saunders et al., 2009, p. 127). However, in terms of generalizability the approach rather follows a deductive approach generalizing from the general to the specific. In addition, it is not the objective to confirm or reject hypotheses but to include a participatory approach that “changes social reality on the basis of insights into everyday practices that are obtained by means of participatory research” (Bergold & Thomas, 2012).

### 5.1.3 Research design

Research design “is concerned with turning research questions into projects” (Robson & McCartan, 2016, p. 71). Saunders et al. (2009) explain it as the general plan of how to go about answering the research question by including the choice of methodology, the research strategy and the time horizon in which the research is conducted. After the analysis of existing studies and literature and the conceptualization of a preliminary concept upon it, it is now the purpose to co-produce knowledge in the following creation phase of the project.

#### **5.1.3.1 Methodological choice.**

Qualitative research is selected as methodological choice. It integrates data in form of words and diagrams that are collected by the researcher based on documentation and artifacts. This data serves to describe and understand phenomena that are embedded in a complex sphere of meaning and in multiple individual experiences.

The advantages of using qualitative data are that it is possible to generate rich data with in-depth detail allowing for the study of complex situations where a detailed understanding is required. Then, it is possible to gain spontaneous and authentic views and reactions of subjects. Lastly, events can be seen in their proper context enabling a holistic understanding of the situation. In contrast, limitations of qualitative research are first, the subjectivity in the selection of sample and the interpretation of research findings, secondly, the restricted scope of findings and the resulting problem of generalization, third, reduced reliability and lastly, lack of transparency “in how the research was conducted” (Bryman & Bell, 2015, p. 414).

The research purpose in the literature review was based on exploratory study with the aim to “identify the boundaries of the environment in which the problems [and] opportunities

. . . reside” (van Wyk, p. 8) and to outline key insights. The following part of the project continued with implementing these key insights into a practical concept that was complemented by the contribution of a design agency whose work was studied descriptively. The preliminary service concept that was consequently generated, is used as stimulus for a participatory study in the following.

The purpose of a participatory study is to encourage participation that goes beyond the diagnosis and description of real-life observations and contributes to the project with a focus on “a joint process of knowledge-production that leads to new insights on the part of both scientists and practitioners” (Bergold & Thomas, 2012). The participants “get involved in research and design activities that may impact on them” (Foth & Axup, 2006, p. 93). Participatory study is therefore not a form of research about a phenomenon, but the participatory action itself is the research process. However, the treatment of data has an exploratory approach. At last, a mono method is used for data collection and for the corresponding data analysis procedure.

#### ***5.1.3.2 Research strategy.***

A research strategy is defined as how the researcher answers the research question. It establishes the link between the philosophy and subsequent choice of methods to collect and analyze data (Denzin & Lincoln, 2011). The qualitative research follows a mixed strategy of action research, participatory design and service design. It has the aim to generate non-numerical data such as words and diagrams.

Foth and Axup (2006) explain: “The imperative of an AR [action research] project is not only to understand and report on a given problem, but also to provoke change through action” (p. 94). It is therefore different from other research strategies because it focuses on bringing about change on a micro level impacting the specific organizational project that is under research, and on a macro level impacting the organizational structures that benefit from a participatory approach. This emphasizes a shift from studying phenomena towards using research to actively evoke change. Within the project, the problem sphere was explored, and it influenced the design of a preliminary concept to set a foundation for the following part in which it is the objective to bring about transformative solutions related to a specific goal.

Action research, participatory design and service design have overlapping characteristics that define the research strategy in more detail. Although participatory design originates from computer mediation, the strategy is useful in combination with service design which extends the perspective towards the involvement of multiple channels for cooperative and holistic value creation (Holmlid, 2012).

The first common characteristic is human centrality. People actively commit to the project in a collaborative and democratic partnership (Saunders et al., 2009). In the present case these are internal stakeholders of different functions and external stakeholders contracted for the subsequent prototyping and implementation of the project. They collaborate and coordinate in designing a complex service system that affects themselves in their role (Zeithaml

et al., 2017). Hence, interdisciplinarity is another key characteristic which brings value to the strategy. Practitioners undertake the design challenge for a service concept by complementing their knowledge and experiences. This results in the transformation of consumer needs into solutions and affects the practitioners' role in the organization. Kensing and Blomberg (1998) highlight the role of practitioners from within the organization: "Workers participate, not only because their skills and experience are considered valuable, but also because their interests in the design outcome are acknowledged and supported. Worker participation is considered central to the value and therefore the success of the project" (p. 173).

Furthermore, all strategies advocate for an iterative approach in the solution-finding process. In participatory design, methods can be described as "explore, approximate, then refine" (Spinuzzi, 2004, p. 168). However, in the present project, the exploration and approximation was taken over by the researcher to create a "specific context" and a "clear purpose" of the research (Saunders et al., 2009, p. 147). Subsequently, practitioners participate in the refinement phase to develop a prototype that lays the groundwork for further evolution by other practitioners outside of the scope. It has to be noted that the present project has the intention to initiate a new service experience that will gain complexity and refinement over time. Therefore, it is important to highlight that all ideas are recommendations and approximations to the final result. Nonetheless, they establish a solid basis in case the organization decides to evolve the concept in further iterations beyond the scope of the master project.

Moreover, service design emphasizes the realness of the design process in which ideas should be prototyped in reality and "intangible values evidenced as physical or digital reality" (Stickdorn et al., 2018, p. 27). Visualization tools and techniques are helpful contributions from service design as they represent intangible processes and relations. Diagrams are used as "visual devices that depict relationships between analytic concepts" (Corbin & Strauss, 2015, p. 106) and give an overview on logical and interrelated sequences of events from the consumer's point of view (Stickdorn et al., 2018). They are helpful for the research to "organize data, keep a record of . . . concepts . . ., and integrate . . . ideas" (Corbin & Strauss, 2015, p. 123). It is therefore an effective approach to create a common understanding between stakeholders to enable rapid prototyping.

### ***5.1.3.3 Time horizon.***

The researcher chose a cross-sectional time horizon. This is first due to the natural time constraints of the development of the master project and secondly to the time constraints put on the finalization of the project within the organization. However, it is suggested to carry out iterations that stretch across the implementation and maintenance phase of the service on a longitudinal basis.

## 5.1.4 Techniques and Procedures

This section explains the process of data collection within the literature review and the participatory study within the service conceptualization using both primary and secondary data. It also explains the procedure of data analysis used for the gathered primary data.

### 5.1.4.1 Data collection.

To achieve the purpose of the project, secondary and primary data was collected. The sources are presented in the following as well as the procedure of the conducted workshop as qualitative research method.

#### 5.1.4.1.1 Secondary data collection.

In order to inform the literature review, secondary data was collected from multiple sources. Table 3 gives an overview on the classification of gathered secondary data resources.

Table 3

*Overview of secondary data collection*

Types of secondary data	Source
Documentary secondary data (written)	Organization's database (internal documents, reports, presentations) Organization's website (press release, reports to shareholders) Websites (presentations, letter to shareholders) Books Magazine articles
Documentary secondary data (non-written)	Organization's intranet (images) Organization's website (images) Websites (images) Images (raw data)
Multiple source secondary data	Books Academic Journals Conference Proceedings Websites (consumer and industry trend reports)
Survey secondary data	Websites (World Bank, Statista: statistics, studies)

5.1.4.1.2 Primary data collection.

The collection of primary data is explained in the following by defining the method and scope of the workshop in more detail. The researcher chose to conduct a workshop that follows a similar aim like a focus group: the generation of new ideas. A workshop is defined as “an arrangement whereby a group of people learn, acquire knowledge, perform creative problem-solving, or innovate in relation to a domain-specific issue” (Ørngreen & Levinsen, 2017, p. 71). It is used as a practical approach to primary data collection. The intent is to achieve the further development of the service experience on the basis of a preliminary concept. Therefore, the workshop exercises are structured and already predefined to guide stakeholders towards an expected outcome.

The value of the workshop lays in the fact that internal stakeholders, adidas employees respectively, and external stakeholders from the brand activations agency act.3 are invited to take on an active role in the service design process. Zeithaml et al. (2017) underline: “Involving employees in service innovation and design also increases the likelihood of new service success because employees can identify the organizational issues that need to be addressed to support the delivery of the service to customers” (p. 221). To turn the workshop’s outcomes visible and to facilitate the conceptualization process, idea walls and a service blueprint is used.

Workshops are research methods that are different from observations or interviews. They do not place emphasis on extracting “first-hand evidence of what people do” or of gaining access to “inner thoughts and the reasons for actions” but on adopting and adapting “what is being discussed, performed, and learned” (Ørngreen & Levinsen, 2017, p. 78). Workshops are future-oriented rather than focusing on past experiences. Table 4 illustrates the advantages and disadvantages of conducting workshops. They are retrieved from Breen (2006, p. 467) who states them as advantages and disadvantages of focus groups. Nevertheless, as focus groups overlap in characteristics with workshops the named criteria are equally valid for the present case.

Table 4

*Advantages and disadvantages of conducting workshops*

Advantages	Disadvantages
Opinions and ideas are formed by culture, social factors and knowledge in a specific field of expertise; workshops provide an environment to turn them into action	Requires more time, resources and individual commitment than quantitative evaluating procedures
Provides more in-depth knowledge and therefore more relevant ideas and concepts; supports holistic nature of the concept	Very context-specific findings that cannot be generalized
Provides new insights in specific fields of knowledge; participants can retrieve new learnings	Risk of vocal and dominant participants disturbing the principle of democracy

Broader support can be gained for the project beyond the scope of the one-off workshop	More difficult to recruit adequate participants and to assemble them at the same place and time
Builds confidence and trust in decisions within the organization	

*Note.* Adapted from Breen, R. L. (2006). A Practical Guide to Focus-Group Research. *Journal of Geography in Higher Education*, 30, 463-475.

The workshop is based on four elements (see table 5) suggested by Slocum (2003) that justify the process and the utilized techniques and tools: (1) the objective explains “reasons for involvement and expected outcomes;” (2) the topic explains “the nature and scope of the issue;” (3) the participants are those “who . . . [are] affected, interested or can contribute to solutions;” (4) time describes the “amount of time available” (Slocum, 2003, p. 11). In addition, the place and the equipment are of importance to conduct the workshop and are therefore included in the table.

Table 5

*Elements that need to be taken into consideration for the planning of the workshop*

Objectives	The purpose for involving stakeholders is to reveal their knowledge and ideas that are relevant for the finalization of the service concept. Researchers and participants work collaboratively, but with the researcher in control. After mapping out a spectrum of ideas concerning the activation formats, they are conceptualized in more detail in a service blueprint. This output is used to support decision-making for further iterations.
Topic	<p>Knowledge and maturity: The participants are subject matter experts in co-creation services but have not yet formed specific opinions about it in the scope of the Creator Hub project.</p> <p>Complexity: The project has reached a high degree of complexity as knowledge about manufacturing technologies is desirable.</p> <p>Controversy: The issue is not controversial and is based on the organization’s interest and strategic direction.</p>
Participants	Stickdorn recommends: “Since service experiences are more complex, a good rule of thumb is to start with a small but culturally diverse set of participants” (Stickdorn et al., 2018, p. 105). The group of participants is limited to 15 people. The small size of the group allows participants to be heard and to actively participate and influence the workshop’s result. The non-probability sampling is based on a purposive maximum variation method to allow the identification of key themes by an interdisciplinary group of participants. It is the intent to complement each other’s expert knowledge and experience. Participants are selected by the researcher and through snowball sampling. See Appendix F for specification of sample (table F1), consent form template (figure F1), signed consent forms (figures

F2-F16) and participant information sheet (table F2) that were distributed prior to the workshop.

Sample selection criteria: Participants must be subject matter experts in either consumer experience, brand activation, brand design, graphic design, product manufacturing or service design.

The researcher occupies the role as facilitator and therefore guides participants through the sequence of workshop activities, stimulates divergent and convergent thinking and executes time management. The researcher does not influence decision-making during the workshop.

Time	The workshop is conducted within seven hours.
Place	The workshop space is located within the premises of the organization to allow easy access for the participants. The space is usually used as creative prototyping space for adidas' retail designers and is therefore equipped with tools, material swatches and prototyped retail spaces that act as a stimulus for creative thinking. Confidentiality of internal data is respected, and the rooms allow immersion and collaboration of the participants.
Equipment	The room is equipped with tables, chairs, whiteboards, flipcharts and screens which enable the presentation of the preliminary concept, the development and discussion of ideas and concepts, and the presentation of the groups' final results. Templates of diagrams are printed and post-its, pens and cardboards provided for the annotation and visualization of ideas and concepts.

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*Note.* Time, place and equipment have been added by the researcher to complement planning process of the workshop. Adapted from Slocum, N. (2003). Introduction. In S. Stef (Ed.), *Participatory methods toolkit: a practitioner's manual* (pp. 9-16). Brussels: King Baudouin Foundation.

The researcher developed a service design workshop and different exercises for the collection of primary data. The procedure is visualized in figure 20.

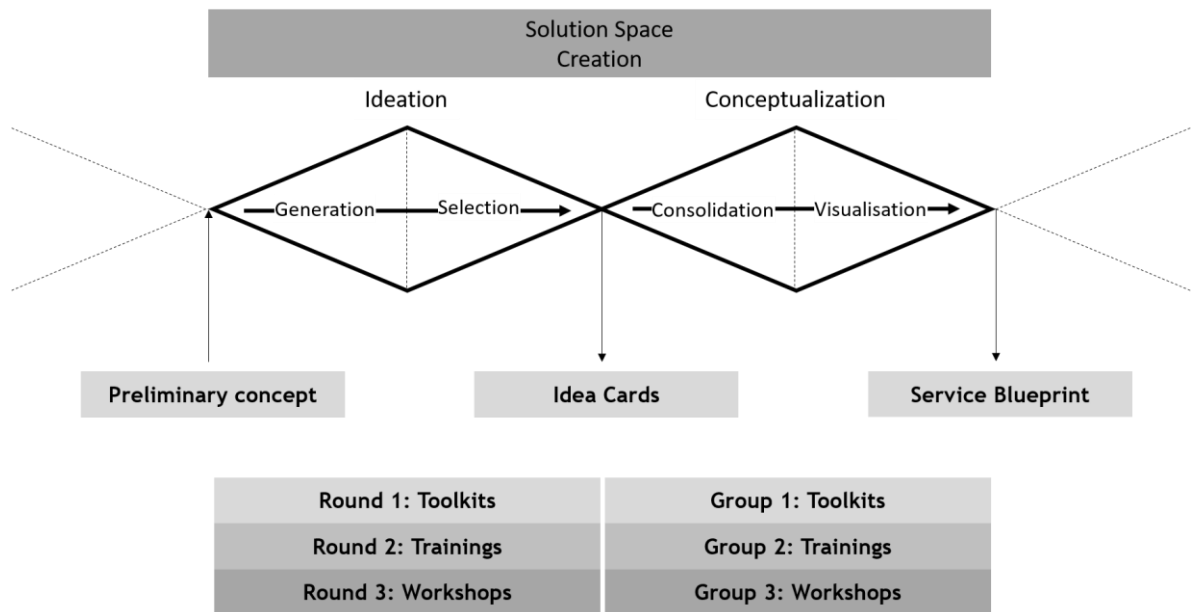


Figure 20: Workshop procedure leading to ideas about the topic, activities and specific processes within the activation formats.

The workshop follows the purpose outlined earlier in table 2 and therefore consists of an ideation and a conceptualization session. The ideation session starts with the input of the preliminary concept. Three predetermined groups ideate in three rounds about *topics* and *activities* that can potentially take place in the toolkit, training and workshop formats. The ideas about each format are noted down on post-its, discussed within each group and clustered on idea walls. At the end of the ideation session, each group selects and notes down the most innovative ideas per activation format on idea cards (figure G1 in Appendix G) and presents these to the other groups.

In the subsequent conceptualization session, the most innovative ideas are further conceptualized and visualized. The participants can choose by themselves if they want to work on the conceptualization of toolkits, trainings or workshops. Hence, the groups are not predetermined this time. Consequently, three new groups form and formulate and visualize more precise consumer journeys, interactions, people, processes and physical evidences on the base of the chosen ideas. “Visualizing data helps teams get an overview of the amount of information, brings structure into complex data, identifies patterns, and uncovers existing gaps in the data” (Stickdorn et al., 2018, p. 111). The final outcome consists of one service blueprint per activation format (see Appendix H and figure H1 for service blueprint template and explanation of elements). It illustrates in a condensed, sequenced and practical way the relationships and dependencies between different service components that are visible and invisible to the consumer during the service process. Moreover, the blueprint allows a holistic yet detailed overview of stakeholders influencing frontstage and backstage actions.

#### **5.1.4.2 Data analysis.**

A thematic analysis has been chosen to interpret qualitative primary data. According to Braun and Clarke (2006) thematic analysis is “a method for identifying, analysing, and reporting patterns (themes) within data” (p. 6). Primary data is collected in form of notes captured on post-its placed on three idea walls (Appendix I) clustering the group’s ideas per toolkit, training and workshop format. As the anonymity of the participants is to be respected no individual participants are related to specific ideas. This was also important for the researcher to allow a free flow of ideas and to avoid judgement directed to one participant.

During the data analysis, the participants’ documentation is examined by identifying latent and manifest content, i.e. categories and themes extending across the data sets (Vaismoradi, Turunen, & Bondas, 2013, p. 401). Moreover, an inductive approach is chosen for the identification of emerging thematic patterns and relationships from the idea walls. The researcher expects to derive overarching topics for possible Creator Hub activities and ideas about how to bring these activities to life in detail. The topics and activities emerging from the data analysis form recommendations for the implementation of the service experience in adidas’ retail stores. The data analysis is conducted on a semantic level. This is caused by the fact that “underlying ideas, assumptions, and conceptualisations” (Braun & Clarke, 2006, p. 13) have been informing and preceding the production of primary data and are therefore already known.

For answering the research question, it is then significant to describe how overarching topics and activities can be practically implemented by the participants in a specific use case. It is hence not the aim after the analysis to further abstract, generalize and theorize thematic patterns, but to specify their realization process. Hence, service blueprints are constructed by the participants detailing out the complexity of the consumer journey and the people, processes and evidences needed for the service interaction. The description of service blueprints is part of the research findings. Table 6 lists the advantages and disadvantages of thematic analysis.

Table 6

*Advantages and disadvantages of thematic analysis*

Advantages (Braun & Clarke, 2006)	Disadvantages (Braun & Clarke, 2006)
“provides a rich and detailed, yet complex account of data” (p.5)	flexibility makes “developing specific guidelines for higher-phase analysis difficult” (p. 27)
“offers a more accessible form of analysis, particularly for those early in a qualitative research career” (p.9)	“can be potentially paralysing to the researcher trying to decide what aspects of their data to focus on” (p.27)
“Useful method for working within participatory research paradigm, with participants as collaborators” (p.37)	“Limited interpretative power beyond mere description if it is not used within an existing theoretical framework that anchors the analytic claims that are made” (p.27)
“Can usefully summarise key features of a large body of data, and/or offer a „thick description“ of the data set” (p. 37)	“unable to retain a sense of continuity and contradiction through any one individual account” (p. 27)
“Can highlight similarities and differences across the data set” (p.37)	“does not allow the researcher to make claims about language use, or the fine-grained functionality of talk” (p.28)
“Can generate unanticipated insights” (p. 37)	thematic analysis currently has no particular kudos as an analytic method . . . yet widely used” (p. 28)
“Allows for social as well as psychological interpretations of data” (p.37)	

*Note.* Adapted from Braun, V., & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative Research in Psychology*, 3.

### 5.1.5 Research ethics

Ethical issues occur throughout all stages and along the duration of the research project. The researcher takes general ethical issues into consideration with particular attention to harm, voluntary nature, consent, deception, stress and privacy concerning the participants taking part in the collection of data. The researcher obtained consent from participants to collect data with the chosen method and to use it for the purpose of achieving the project’s objective and to base recommendations upon it. Participants were furthermore educated that the findings might be used to inform decision-making on an organizational level that might have effects beyond the scope of the master project. However, the researcher does not divest herself of the role as internal consultant who merely articulates recommendations rather than taking effective decisions. Moreover, participants were recruited by highlighting the possibility of refraining from the project at any time. The participants’ identities are revealed in table F1 in Appendix F; however, participants are not connected to specific input into the study keeping

their quotations anonymized. Furthermore, the non-disclosure agreement between the educational institutions and the organization states that no confidential information can be used beyond writing and evaluating the report. Publication of the project can only come into effect by receiving adidas' prior written consent.

## 5.2. Research Findings

The research findings englobe the results from the thematic content analysis of the idea walls describing and summarizing identified patterns in semantic content and interpreting them with an “attempt to theorise the significance of the patterns and their broader meanings and implications” (Braun & Clarke, 2006, p. 13). Moreover, the suggested activities from the service blueprints are described. The research findings are presented in three sub-sections which respectively focus on the toolkit, training or workshop format. All the references to tables and figures in the sub-sections 5.2.1, 5.2.2 and 5.2.3 refer to the materials in Appendix I.

### 5.2.1 Toolkit activation

The group working on the toolkit activation generated ideas about potential overarching topics and activities that could be offered to adidas' Creator consumers. Additionally, a service blueprint outlines the consumer journey of one selected activity. The overarching topic, activities and the service blueprint are presented in analyzed form in the following sub-sections.

#### **5.2.1.1 Topics.**

The topic defines the overarching theme that inspires the activities done within the toolkit activation. The topics that were identified among the participants' ideas are *brand*, *locality and sustainability* (table I3).

At first, the participants suggest basing the content of the toolkit on the brand's identity and on brand iconic items. The aim is to turn the brand explorable and to allow consumers to interact with adidas as a Creator brand in a tangible way. Therefore, brand elements are suggested to be part of the customization activity such as the “3 stripes” (table I1, row 24) from the umbrella brand *adidas Performance*, the iconic “Originals blue” (table I1, row 23) from adidas' sub-brand *adidas Originals*, “Adicolor” (table I2, row 52) that is a re-emerging colour range iconic for adidas Originals' collections of apparel, footwear and accessories, and the “Parley for the oceans-blue” (table I2, rows 87-88) representing the sustainability efforts of the brand. Besides brand elements also brand iconic products are suggested to be made available for the toolkits. The footwear styles offered in the customization range “mi:adidas” (table I1, row 2), the “Adilette” sandal (table I2, row 77) and “Classic Originals jackets” (table I1, row 16) are suggested as a basis for “hacking” the brand.

By letting consumers place their own creative handwriting on adidas products, the brand supports their self-branding efforts.

Secondly, the participants emphasize the influence of the *local context* on toolkit activities. In consideration of piloting the Creator Hub in London, the participants suggest basing the toolkit products on “London-specific” (table I1, row 18) design which can be “pre-made internal but also through open source” (table I1, row 21), meaning that local artists could be recruited to co-design the toolkit. By promoting the “keycity” (table I1, row 29) a unique “local flavor” (table I1, row 22) develops which turns the toolkit activity unique and bespoke for consumers visiting the London brand flagship store.

Thirdly, *sustainability* is a topic that emerges from the idea walls. Especially the repair of apparel and footwear is highlighted (“Repair Kit APP” (table I1, row 31), “Repair Kit FTW” (table I1, row 32), “Repair kit” (table I2, row 84)). Moreover, participants suggest recycling “left over textiles” (table I1, rows 40-41) and upcycling used products, e.g. turning “existing shoes . . . into . . . reworked own Adilette” (table I2, rows 76-77).

#### **5.2.1.2 Activities.**

To turn the above listed topics into tangible outcomes, the working group mentioned activities that are either process-focused (table I4) or outcome-focused (table I5). The process-focused activities emphasize that the value for consumers lays in living through the creative process of the toolkit activity. The group mentions coloring, repairing/upcycling, knitting, embroidering, sewing, printing and glueing/ironing activities. Focusing on the creative process picks up the trend of consumers preferring experience over ownership as a starting point towards self-actualization. Process-focused activities upskill consumers in their crafting skills and they allow consumers to receive a high-level impression of co-creation with the adidas brand. In contrast, the working group also highlights the fact that toolkit activations should not only be focused on the process but that they should be also bound to a tangible outcome. This outcome serves as the physical symbolization of the consumer’s experience. These outcomes can be typical products from adidas’ existing range such as footwear (shoes and footwear accessories), apparel (jackets and t-shirts), and accessories (socks, beanies and patches), and new products that could be designed in collaboration with adidas’ partner IKEA such as decorative items depicting the “keycity skyline” (table I1, row 29) and „shoe displays“ (table I2, row 79-81) to stage sneakers.

#### **5.2.1.3 Consumer journey, people, processes and physical evidences.**

A newly formed working group moved on to conceptualize one specific toolkit activity in more depth with the objective to detail out the role of the staff, the processes happening during the consumer journey and the physical and digital props that are needed to turn the service process feasible. The group developed the concept of a shoe display. The idea is to provide components with the toolkit that combine to a wooden shoe display with plexiglass

cover that can be used to place sneakers inside. This idea that was originally articulated by a participant (“Shoe display kit: DIY boxes to store and display sneakers/shoe presenter. . . . build fancy shoe display with woodworking kit . . . Acrylic glass kit” (table I2, row 79-83)) is further evolved. This demonstrates the iterative approach in service design. The group decides to additionally provide stencils with localized graphics and adicolor markers to the wooden and acrylic glass component to increase customization possibilities of the box. Hence, the idea ties in with the identified topic of locality. Moreover, the selected toolkit promotes the activities of coloring and using stencils and suggests the launch of a new and exclusive product that does not yet exist on the market.

The constructed service blueprint (figures I1 and I2) is described in the following. As the brand has a customer-focused approach to innovation, the blueprint is described horizontally following primarily the events happening in the row of *Customer actions*. Based on these actions the researcher further describes the involved evidences, frontstage and backstage processes as well as support processes at each stage of customer action. The rendering of the toolkit servicescape in figure 13 helps to understand the described journey.

At the beginning of the toolkit activity, the consumer enters the adidas brand flagship store and “spots a display showing an installation of wooden shoe boxes” (table I6, rows 1-2). This display is a physical evidence “demonstrating the assembled toolkit” (table I6, row 12) to allow the consumer to get an impression of the outcome of the toolkit activity. Furthermore, the installation features “toolkit packages as product display” (table I6, rows 12-13) that can be taken away and purchased by the consumer. The support process behind this step is executed by “visual merchandising [designing the] display” (table I6, row 30) or installation.

In the second step, the staff assistant “welcomes [the] Creator and explains the activity” (table I6, row 24) that stands behind the toolbox installation. Addressing the consumer personally involves the consumer in an interaction and directs his/her attention completely to the toolkit activity. It is ultimately the aim of the staff to elicit the consumer’s interest in doing the activity. Thereupon, the consumer is interested to know more about the toolkit, and therefor “reads and follows [the] signage to the toolkit area” (table I6, row 3). The In-Store Communications team is responsible “to place and design [the] signage” (table I6, row 31).

The third step is the consumer’s arrival at the toolkit area where he/she sees the “shelf with toolkits” (table I6, row 15) and where he/she proceeds to the back of the space to “check out packages” (table I6, row 4). The “Roll-out [team is] to implement [the] retail design” (table I6, row 31) or of the fixtures of the toolkit area (see figure 13 to see suggested fixtures). Then, the store assistant “explains [the] toolkit content and activity in detail” (table I6, row 25). Additionally to the spatial design, verbal communication acts as another stimuli setting the consumer into the context and allowing him/her to understand the value proposition better.

The consumer’s fourth step during the consumer journey is when he/she “chooses one package and decides to assemble it in store” (table I6, row 5). The “Brand Activations [team is] to conceptualize toolkits [in collaboration] with Graphics and Product Design teams” (table I6, rows 33-34) and to update it along the Creator Hub’s activation calendar. However, before

assembling it, the store assistant “asks consumer to pay the toolkit before opening and using it” (table I6, row 26).

This results in the fifth step during the journey. The consumer “proceeds to [a] digital screen to pay for [the] toolkit through [his/her] online account” (table I6, row 6). The “POS terminal on digital screen” (table I6, row 16) is to be backed by a “point of sale system” (table I6, row 29) and to be supported by the “accounting” (table I6, row 35) department which “registers and verifies transactions” (row 35). Also, the Digital Brand Commerce (DBC) team plays a significant role in the integration of the virtual and physical servicescape. The DBC team is “to connect [the] e-commerce account with [the] store’s POS system” (table I6, rows 35-36).

The sixth step of the journey happens when the consumer “goes to the maker table, opens the package and finds instructions” (table I6, row 7) of how to assemble the toolkit modules. This step requires the physical evidences “maker table, wood and plexiglass components, stencils, adicolor markers, [and] instruction leaflet” (table I6, rows 18-19). The wood and plexiglass form the shoe display and the stencils and adicolor markers allow consumers to personalize it with localized motifs. The staff assistant does not intervene in the process of assembling the toolkit and keeps him-/herself in the background until completion. Due to limited capacity, he/she offers only “offers on-demand assistance” (table I6, row 27).

Hence, the consumer moves on to the seventh step of “assembling the components” (table I6, row 8) and to the eighth step of fixing the “stencil with localized motif on box” (table I6, row 9) and filling “it out with adicolor markers” (table I6, row 9). Obviously, the consumer needs physical components that are “localized stencils, adicolor markers” and “tape” to fix the stencil (table I6, row 21). When the toolkit components are assembled, the consumer remains in the toolkit area and “places the finished product in photo booth to take pictures” (table I6, row 10). He/she needs a background “canvas, camera, [and] soft boxes” (table I6, row 22). Finally, the consumer arrives at the tenth step and “asks staff for transportation bag for the box [and] says goodbye” (table I6, row 11). The assistant comes back to the frontstage, “gives [the consumer a] bag, informs about upcoming activations, [and] says goodbye by handshake” (table I6, row 28).

In summary, the Creator Hub experience can be practically implemented in the toolkit activation by providing a product that is exclusively available in this activation format and that allows an easy and standardized process of assembly that does not require extra staff. The toolkit activation invites consumers into an experience in which they get in contact with adidas’ customization service. The team working on the toolkit blueprint ties in a digital layer to simplify the transaction process and to pull the consumer into the brand’s digital ecosystem. The physical evidences encompass the toolkit modules, the visual merchandising displays and the toolkit area including fixtures and furniture. However, the experience is scalable and has the advantage of fitting into smaller spaces in other retail formats such as brand centers and shop-in-shops as well. The support processes are manageable with adidas’ existing organizational structure. Additional local agencies can be contracted to fill the activation calendar with other variations of toolkit topics and activities.

## 5.2.2 Training activation

The training activation is as well defined by an overarching topic, by activities and by a service blueprint. These factors are explained in the sub-sections below.

### 5.2.2.1 Topics.

The overarching themes or topics that were identified among the participants' ideas are *locality*, *sustainability*, *performance enhancement*, *technical upskilling* and *assistance for creating and using a product* (table I9).

Similar to the group working on the toolkit activation, also this group came up with *locality* as a central topic. "Localized graphics" (table I7, row 27) depicting the "city-landscape" (table I7, row 34-35) are suggested as components of the training session. As mentioned throughout the project, not the outcome but rather the creative process is of value for the consumer and is at the focus of co-creation services today. Therefore, the group also articulated the idea of using iconic "items of [a] city as printing device" (table I7, row 36). As an example, they name a "gullycover" (table I7, row 36) that is used as device to print its relief on a textile. It is an unusual creative device and therefore makes the printing process even more interesting and unconventional. Hence, the group follows the Creator Hub's narrative of "hack everything."

In terms of *sustainability*, the "recycling [of] materials" (table I7, row 10) is highlighted and the group suggests to "recycle shopping bags out of old graphic banners" (table I8, rows 53-54) as a training activity.

Moreover, *performance enhancement* plays a role in the training activation. The group intends to offer activities that go beyond the mere decorative customization of product. Participants rather see the value for athlete consumers in enabling them to create performance-enhancing items that help them to advance in their transformation journey. More specifically, the group suggests the customization of "Insoles . . . For support" (table I7, row 18) influencing the foot's agility and the performance of athletes. Then, the so-called "patch placement" (table I7, row 33) enables consumers to individualize their shoes by applying patches on the upper of a shoe stabilizing the foot where it is needed. Also, the making of "functional socks" (table I7, row 48) and the improvement of the athlete's visibility at night ("reflector", "running light" (table I8, rows 75-81)) are developed ideas turning product customization more impactful on the achievement of an athlete's goal.

Furthermore, the group puts emphasis on the *technical upskilling* of consumers with the aim to support them during their journey towards self-actualization. Allowing them to immerse into a more meaningful service experience in which adidas enables consumers to master a creative skill, increases memorability and the active engagement between the consumer and the brand. Also, the interaction with the staff as a representative of the brand strengthens the bond through empathy and emotion. Technical upskilling is related to different kinds of electronic and analogue machines and tools. Electronic tools that were named are different types of printers ("risograph printer" (table I7, row 1), "print gun" (table I7, row 6)

or handjet, “sublimation printer” (table 17, row 13), “inkjet printer” (table 17, row 14)), stitching machines (“stitching machine” (table 17, row 15), “embroidery machine” (table 17, row 16)). Analogue tools are the “eyelet machine” (table 17, row 12), “linoleum print” (table 17, row 25) and “screenprint” (table 17, row 38).

At last, consumers shall be assisted in learning skills about how to create and use products. The group suggests “graphic training [and] t-shirt printing” (table 17, row 44), “repair training. . . Learn how to repair minor shoe damages (glue, stitch)”, (table 18, row 61-62) and “clean training. . . Learn how to use the cleaning products (table 18, rows 67-69).

#### **5.2.2.2 Activities.**

To turn the above listed topics into tangible outcomes, the participants mentioned activities that are focused on learning how to use tools and technologies to arrive at a desired outcome (table 110). Again, the activity is not focused on the end-product but rather intends to allow consumers to acquire a skill that they can subsequently use to achieve different outcomes. Providing access to upskilling opportunities and expert knowledge is the main value proposition within the training activity empowering Creators to create autonomously in the future.

With a training about the usage of the risograph printer, Creators learn how to make “collage art” (table 17, row 4) and “custom posters” (table 17, row 3). The group furthermore suggests the activity of making an own bag and to re-use old banners and left-over samples for it (“Re-use; Make-your-own bag → banners, samples” (table 17, row 9)). It upskills the consumer in using the sewing machine. Then, a technology that enables consumers to personalize their shoe insoles and other products is the sublimation printer which can print graphics on three-dimensional objects. As a simpler option for printing, consumers can also the print gun (also called handjet) to “customize . . . product . . . shopping bags . . . shoe boxes” (table 18, rows 49-53). Moreover, the heat press is a device that helps customers to apply “localized graphics” (table 17, row 27), “neon prints” (table 17, row 30), “reflectors” (table 18, row 75) and “patches” (table 17, row 33) onto products giving the consumer the freedom of customizing for embellishment or for improved athletic performance. As an analogue way of applying graphics on a piece of apparel, consumers can furthermore learn how to make and use a “Linoleum print” (table 17, row 25) and “stencils” (table 18, row 60). Other than solely printing on a prepared product, the group mentions the idea of creating new products by using a knitting machine. Creators have the opportunity to realize their knitting projects. They can, for example, produce “functional socks” (table 17, row 48) and customize them in the desired size, colour and material. Further machines that were mentioned by the group are the “flocking” machine (table 17, row 11), “eyelet machine” (table 17, row 12 and row 56) and “embroidery machine” (table 17, row 16). However, no specific activities were ideated.

### 5.2.2.3 Consumer journey, people, processes and physical evidences.

Again, a new group formed and selected one idea for further conceptualization in form of the service blueprint. Figure 13 in Appendix I demonstrates the blueprint and figure 14 can be consulted for visualizing the training area within the store. The people, evidences and processes that are involved in the training activity are described in the following.

The group chose the idea of “recycling [a] shopping bag out of old graphic banners” (table 18, rows 53-54) and added further customization activities to it. This idea is based on the overarching topics *sustainability* and *technical upskilling* that were presented earlier.

The first step in the consumer’s journey takes place outside of the brick-and-mortar store when the consumer “checks [the Creator Hub] training schedule online” (table 111, row 1). The schedule is available on the “Creator Hub online platform” (table 111, row 11) and is “continuously updated [with] new training contents” (table 111, row 36) by the Brand Activation team.

The second step leads the consumer to the store. He/she “comes into store; sees activation setup [and a] poster [that is] advertising [the] training session” (table 111, row 2). The Creator sees the whole training area and recognizes the poster that shows that he/she can recycle materials and create a bag from it. He/she also sees all the props that the training area is equipped with. These are the “Creator Hub Manifesto, machinery, maker table, digital screen, creation display, [and] inspiration wall” (table 111, rows 12-13). The In-Store Communications and Brand Design team are responsible “to design [communication] tools” (table 111, row 38) and DBC is “to host [the] digital screen” (table 111, rows 38-39). As a reaction to the consumer entering the store staff at the frontstage “welcomes [the] Creator and explains the activity” (table 111, row 22).

Thereupon, the store assistant “leads [the] Creator to the [first] station” (table 111, row 23). The consumer proceeds to the third step of his/her journey. He/she follows the staff “to [the] first station; listens [and] observes [the] assistant” (table 111, row 3) who “explains [the] activity of sewing a bag by demonstrating the process” (table 111, rows 23-24). For the demonstration, the assistant needs a “table with sewing machine [and] components of the bag” (table 111, row 14). As a support process the company’s Product Design team “provides patterns for bag components” (table 111, row 23) that are then cut out from the store’s deadstock products. The Store Manager is “to ensure that material is available” (table 111, rows 23-24).

Next, the assistant “explains step-by-step how to sew together the components of [the] bag” (table 111, row 25). Thereupon, the Creator implements the acquired skills and “sews front [and] back of bag and handles [and] optionally pockets” (table 111, row 4). At this stage of the journey, a “sewing machine” (table 111, row 15) is needed. As a support, engineers need to be sent out or contracted from the company “to maintain machinery” (table 111, row 42).

When the sewing part is completed, the consumer moves on to the fifth step of “taking [the] bag and going to [the] next station” (table 111, row 5). He/she follows a “signage indicating [the] next station in [the] journey” (table 111, row 16). “In-store Communications [is] to design [this] signage” (table 111, row 43). While the consumer moves on, the staff at the

backstage “makes [the] first station ready again for use for [the] next customer” (table I11, row 33).

In the sixth step, the consumer “arrives at the [second] station to use [the] handjet” (table I11, row 6). This marks the second phase within the training session, where the Creator learns how to embellish the bag by printing letters and numbers on it by using the handjet. Again, staff “explains the activity by demonstrating the process” (row 26). Obviously, the consumer needs the “bag [and] handjet” (table I11, row 17) as tangible evidences. Also, at this sixth stage, “engineers [are] to maintain handjet” (table I11, row 44) in a regular check-up.

In the seventh step, the staff assistant first “explains step-by-step how to type in letters [and] numbers into [the] handjet that should be printed on [the] bag” (table I11, rows 27-28). This results in the customer action in which the Creator “types in letters and numbers [and] prints them on the bag” (table I11, row 7).

After completing the handjet station, the consumer “takes the bag and goes to the [third] station” (table I11, row 8) of the training process. A “signage indicates [the] next station” (table I11, row 19) and at this station a „bag, needle, thread (Parley), [and] label” (table I11, row 19) are required for the activity. The thread has an iconic and recognizable branded color. The signage and the label are designed by “In-Store Communications and Brand Design” (table I11, row 45). At the backstage, staff “makes [the second] station ready again for use for [the] next customer” (table I11, row 34).

The ninth step within the training activity is when the frontstage staff “explains the activity by demonstrating the process [and] assists in giving advice when needed” (table I11, rows 29-30). The consumer follows the instructions and “stitches [the] label on [the] bag reading ‘I’m a Creator’” (table I11, row 9).

Finally, the bag made from the store’s deadstock products, embellished by a handjet print and branded with an “I’m a Creator” label is finished. The consumer „thanks [the] staff, lets [his/her] bag [being] packed into wrapping paper as gift [and] says goodbye” (table I11, row 10). The assistant “congratulates [the] Creator with handshake, packs [his/her] bag in wrapping paper and informs about other customization activities” (table I11, rows 31-32). On the whole, the needed props at this last stage of the journey are “wrapping paper, tape, [and a] pamphlet with information for upcoming trainings” (table I11, row 21). At last, the assistant “makes [the third] station ready again for use for [the] next customer” (table I11, row 35).

Consequently, the Creator Hub experience can be practically implemented in the training activation by offering the Creator consumer a recurrent opportunity to acquire new skills. In the described case, deadstock from the stores is reused, upcycled with a handjet printer and branded with an adidas label made of recycled plastic yarn from adidas’ business partner Parley for the Oceans. The recognizable color of the repair ties in with the trend of “craftivism” (craft and activism). “Craftivists around the world are using handicrafts to make political statements and support good causes” (Blankson, 2017, p. 1). The resulting bag is thus evidence of a statement for more conscious consumption and more specifically for the

consumer's and the brand's sustainability efforts. Consequently, the training activity does not only enable consumers to reach their personal goals of learning new skills, but also to reach a goal that impacts the social and environmental surrounding. In fact, there is a "shifting consumer awareness regarding sustainability and curtailing waste" (Chiquoine, 2018, p. 9). The participants demonstrate that "sustainability and post-materialism continue to strongly inform the materials and meaning of crafting" (WGSN, p. 1). supporting the importance of taking up sustainable topics. In terms of people, the activation requires skilled staff that is knowledgeable about sewing and printing and that is able to personalize the service process when the consumer needs it. This means that the service process is rather standardized but allows enough creative flexibility for the consumer to personalize the outcome of it. In terms of props, more expensive and maintenance-intensive machines are needed, and more communication tools are required to lead the consumer through the complex activity. Digital means are mentioned to be part of activity but their use within the in-store process is not further specified although the connection to the virtual sphere is of importance to integrate the service frictionless into the consumer's life.

### 5.2.3 Workshop activation

At last, the findings of the workshop activation are presented. The workshop activation is defined by an overarching topic, by activities and by a service blueprint.

#### 5.2.3.1 Topics.

The topics influencing the workshop activation are *locality*, *sustainability*, *cross-disciplinary activities* and *digital* (table I14). Among the topic *locality* the working group follows five different intentions: the group suggests having local culture influencing the workshops with the aim to promote local crafting techniques, local artists and community, global knowledge exchange and awareness about local techniques, local sports culture and a local social impact.

To promote local crafting techniques, the participants suggest upskilling consumers in "local artist techniques" (table I12, rows 66-69), and to potentially use "local, special fabrics" (table I12, row 64) to increase the consumer's knowledge about the textile culture and history of the place. However, not only techniques should be promoted, but also local artists to strengthen the community. The group noted the ideas to invite "local experts (Shoemakers, Printers)" (table I12, row 105), "fashion students" (table I12, rows 3-4), and "local designers [to] teach local craftsmanship" (table I13, rows 133-135) in workshops. Moreover, the group prompts a global exchange of crafting skills in which the workshop program and materials "can be used in any key city" (table I13, rows 130-131) to broaden the artistic horizon on a global scale. Then, also the local sports teams build a foundation to organize thematic workshops on them. Local team colours and styles can be used and "hacked" to redefine local sports culture. Lastly, the group intends to deliver value not only to the individual consumer, but also to the

local society. The Creator Hub could upskill consumers and assist them in producing products that they can “donate” in form of a “give-back box” (table I12, rows 50-51).

In terms of *sustainability*, the group suggests organizing workshops where consumers can upcycle their outdated clothes, repair them, recycle left-overs, or respectively, deadstock from the store and save energy during the crafting and customization process. For example, an “Upcycling Café” (table I12, row 53) enables consumers to save their clothes and to elongate their life span. The café would offer “workshops to learn making skills (sewing & style) and recycling/repair principles” (table I13, rows 137-138) and to enable Creators to “hack last season [collections] w/ [with] adidas style trust: expert-led session on how to refresh products by sewing & modifying (change shape/fit → turn t-shirt into dress → modernize it)” (table I13, rows 141-143). Moreover, the group suggests a “Repair Café” (table I12, rows 55-57) with new topics each month to repair used sports equipment. The participants highlight that the repair of a product should be made visible. They title this with “repair with pride” (table I13, row 114) and mention the Japanese “wabi-sabi” (table I13, row 115) philosophy celebrating “deliberate simplicity” and the appreciation of “the old and faded” (The Editors of Encyclopaedia Britannica, 2018). This points out the notion of cultural sustainability in terms of providing “access to cultural participation” (Towse, 2003, p. 185) and sustaining “the cultural values that provide people with a sense of identity” (p. 186). In the trend report “Contemporary Crafts and Artisan Connections,” WGSN identifies that “there is a move towards celebrating localised traditions and rituals, and a desire to rescue them from extinction. Crafts that are rooted to a specific place, community or ethnic identity . . . are becoming increasingly evident” (p. 3). Then, the recycling of deadstock plays a prominent role in sustainability. Workshops could be held to teach consumers how to “recycle . . . deadstock” (table I12, Row 25) and to follow the maxim “take what’s there” (table I12, rows 40-42). Lastly, “human powered creation machines” (table I12, row 108) could be used to transform human kinetic energy into electric energy to run the machines that are used during the workshop.

Furthermore, the content of the workshop could be extended from apparel, footwear and accessories to other fields of interest of the consumer. “Art” (table I10, row 91) and “music” (table I12, row 92) were named and could resonate especially with adidas’ streetwear hound that is known to be interested as well in forms of creative expression other than clothing.

Finally, *digital* is a key topic that deals with the digitization of products and the “Internet of Things” as well as with upskilling consumers either through the digital channel or about using digital technologies. Data plays a key role in digitization. Consumers create data by building their own “wearables” (table I12, rows 85). Captured data could then not only inform the consumer about physical parameters but data could also be transformed into decorative patterns turning the abstract tangible. Workshops about using “Photoshop” (table I12, row 75) and the physical computing platform “Arduino” (table I12, row 78) are mentioned as well and have a longer lasting impact on the consumer’s life. Moreover, digital platforms are of use for the Creator Hub to provide access to consumers outside of the key cities to the Creator Hub activities. A “Digital Speaker Series” (table I12, row 10) could be hosted as a digital

“platform [for] people teach people” (table I12, row 11) that is accessible for consumers worldwide.

### **5.2.3.2 Activities.**

The group suggests activities for the workshop that are process-focused and put emphasis on the workshops mission of providing access over ownership of products. The researcher identified different foci in the activities (table I15).

First, the group suggests workshops that build on the concept of creating things from scratch. It is all about understanding the creation process of a garment, footwear and accessories (“Celebrate the start of a new *jersey* journey!” (table I12, row 2), “Sew your t-shirt/fanny pack” (table I12, row 8), “be a designer and create your own outfit” (table I12, rows 3-4)) and even about the creation of an own business (“we help you build your brand how we build ours” (table I12, row 10) and of digital tools helping athletes to improve their performance (“Enhance your sporting gear or create new ones with easy to create digital tools like Arduino PCs or Raspberry Pi . . . 1. Learn how to build/program/use Arduino/Raspberry Pi” (table I13, 145-146)).

Secondly, instead of creating products from scratch, a workshop activity could be to upskill consumers in customization skills about shoe and apparel embellishment with “proof markers, paint, etc” (table I12, rows 12-15).

Thirdly, upcycling and repairing activities were especially highlighted and many ideas evolved around the reuse of unwanted products and deadstock (“Bring old shirts, towels, shoes, cut & weave” (table I12, row 54), “Dye your shirt . . . GIVE IT A NEW LIFE!” (table I12, rows 31-34)), the extension of a consumer’s product’s lifespan (“Bring your last season apparel & hack it” (table I12, row 23), “Renew your shoe: . . . Learn how to do it” (table I12, rows 17-19)) as well as the celebration of repairs (“Use local typical . . . crafts for repair workshop . . . celebrate the repairs” (table I12, rows 59-60).

At last, the group mentions a variety of different skills that can be used in either creating, customizing, upcycling or repairing things. These can be for example, making “screenprints” and doing “Graffiti” (table I12, rows 66-70), “spray-painting stencils” (table I12, row 71), learning the “basics of sewing” (table I12, row 72), “Sketching” (table I12, row 73), “Calligraphy” (table I12, row 80) and many more.

### **5.2.3.3 Consumer journey, people, processes and physical evidences.**

The group that formed around conceptualizing the workshop activation selected the idea of setting up a “repair shop” (table I13, row 112) where consumers are upskilled in repairing their garments with the Japanese mending and patching technique *boro* that ties in with the philosophy of *wabi-sabi*<sup>2</sup>. Especially the promotion of local techniques and the topic

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<sup>2</sup> “Wabi-Sabi is a Japanese worldview and aesthetic that recognizes the beauty in the imperfect, impermanent and incomplete,” according to Treviranus (2010, p. 2).

of material circularity are at the core of the workshop activity. WGSN recognizes that “there is greater focus on working with local artisans in a way that does not exploit individuals or natural resources, and creates sustainable communities in the future” (WGSN, p. 7). The choice also reflects “the shared global trend [that] is moving toward reviving hyper-local, traditional crafts and rituals that embody a sense of self and place” (WGSN, p. 1).

To celebrate the history of a garment and its repair and to turn it visible, the thread that is used for the repair has a signature color. It is a branding element that contributes to the identity of the repair shop and to the self-branding efforts of consumers who will be recognized for their sustainable action. The thread is a “craftivist” (craft and activist) symbol. Blankson (2017) explains: “Craftivism (craft and activism) sends gentle, creative, political messages, hoping to trigger conversations about social change” (p. 2). The consumer journey and the involved people, evidences and processes are described below (see figures 15-17 for service blueprints and figure 16 to consult the workshop servicescape).

First of all, the Creator “registers online for the workshop (WS)” (table I16, row 1) on the „Creator Hub (CH) website [through the] registration form” (table I16, row 17). As a support process “DBD [Digital Brand Design is] to design and DBC [Digital Brand Commerce is] to maintain and host [the] website” (table I16, row 50).

In the second step and after the registration, the Creator “comes to the store and looks for the way to the WS” (table I16, row 2). Additionally to searching for more indications on the „poster advertising [the] workshop incl. store map” (table I16, row 18), a store assistant reacts promptly, “welcomes [the] Creator and signals [the] way to [the] CH/WS area” (table I16, row 33). However, in case that no staff is available the communication tools need to be designed and continuously updated to contain accurate information for the consumer. This support process is taken over by “In-Store Communications and Brand Design” (table I16, row 51).

Subsequently, in the third step, the Creator “goes to the WS area” and the “staff and co-host welcome [the] Creator by handshake [and] by introducing themselves” (table I16, row 34). The workshop area holds a variety of props that are a “digital screen, rack display, maker table, [and] machinery” (table I16, row 19) that are needed for the workshop process. “In-store Communications and Digital Brand Design . . . design digital screen and content; Retail Concepts . . . designs furniture; engineers . . . set up and maintain machinery” (table I16, rows 52-54) as support processes.

Then, the staff asks the consumer “to scan [the] registration code” (table I16, row 35) to ensure that the participant has pre-registered for the workshop. Thereupon, the Creator “scans [the] pass” (table I16, row 4) on a „digital screen” (table I16, row 20). The staff “receives a push notification about who registered [and] sees Creator profile” (table I16, row 47) on his /her SAM device. To enable the seamless integration of the Creator Hub registration tool with the SAM device, Digital Brand Commerce is responsible “to connect the SAM device with CH registration tool” (table I16, row 55) on the back-end.

While waiting for the other participants to come, the consumer “steps into the area and receives [an] impression” of the space which is equipped with the „Creator Hub Manifesto,

maker table, material shelf, mannequins, [and] machinery (table I16, row 21). The communication tools are designed and updated by the “In-store communications and Brand Design” (table I16, row 56) teams. The “Roll-out [team] manages material inventory” (table I16, row 57) displayed on the material shelf. In the meantime, staff “looks at [the] list of participants” (table I16, row 48) on his/her SAM device as a backstage action.

As soon as all workshop participants arrive, the Creator “sits down at [the] maker table” (table I16, row 6). Hereupon, “staff and co-host welcome [the] group and introduce the workshop” (table I16, row 36). Next, the “Co-host/artist explains the wabi-sabi philosophy and boro repair/mending technique and shows samples of work” (table I16, rows 37-38). He/she uses a “screen with [a] presentation [and] products that were repaired by boro technique” (table I16, row 24). The Creator “listens to [the] content of [the] workshop” (table I16, row 7).

After this first introduction round, the hosts are curious to see the objects the participants brought to be repaired. Therefore, the Creator “shows the damaged garment that he/she brought” (table I16, row 8). The staff “looks at [the] garment and explains how boro technique helps to repair [the] damage” (table I16, row 39) conveying expert knowledge and delivering a personalized solution on an individual level.

Consequently, the co-host “explains and demonstrates the basic [boro repair] technique on [a] swatch” (table I16, row 40). The Creator “tries out” (table I16, row 9) the technique on a swatch as well. For this activity “needle, thread, [and] swatch” (table I16, row 26) are needed. As mentioned earlier, the thread has a distinct color to show the repaired spot on the garment with pride. After a little bit of practice, the Creator moves on to the tenth stage of the journey and “repairs (his/her) own garment” (table I16, row 10). Staff “gives personalized help and instructions” (table I16, row 41).

When finishing the repair process, the consumer “shows [his/her] repaired garment to [the] community” (table I16, row 11). The staff closes the crafting session by “handing out wabi-sabi/boro-guide” (table I16, row 42) to each participant reminding the participants of the session and to turn the experience touchable. Thus, the Creator “receives a wabi-sabi/boro guide with step-by-step explanation and code to unlock access workshop area on CH platform” (table I16, rows 12-13). Hence, the digital CH platform is interwoven into the physical experience again and the “Brand Communications and Brand Design team [are needed] to design guides, digital content and IT infrastructures” (table I16, rows 58-59).

Afterwards, the consumer is given the opportunity to “connect to other participants and staff” (table I16, row 14) while the staff “hands out drinks; informs about other customization activities and [the] upcoming workshop” (table I16, rows 43-44). On the backstage, staff assistants “receive and cool drinks from [the] Nutrition Bar” (table I16, row 49) that is located within the brand flagship as well. Besides connecting, participants take advantage of the photo setup in store that includes a “rack display; mannequin; camera; [and] soft boxes” (table I16, row 31). The Creator “takes pictures of [his/her] garment by putting it on [the] display or mannequin” (table I16, row 15). A staff assistant “services photography equipment” (table I16, row 45). At last, the consumer “says goodbye and leaves the area and

the store” (table I16, row 16). As well does the staff assistant and co-host “say goodbye” (table I16, row 46). The consumer follows the “signage guiding towards [the] exit area” (table I16, row 32).

Consequently, the group outlined the blueprint for a workshop that teaches unconventional customization techniques and provides inspiration from local artists that additionally add relevance and cultural context to the activation. Furthermore, the sustainability aspect is picked up in a new way, namely guided by wabi-sabi, that is not yet popular among players in the sportswear and fashion industry. As “sustainability is a complex subject for the average consumer” (WGSN, 2017b, p. 3) and as locally distinct creation techniques are difficult to learn globally, adidas could provide value by facilitating the access to both topics in the workshop format. For the practical implementation, artists and skilled staff are required to ensure authenticity. Picking up local techniques might conflict with the issue of cultural appropriation. WGSN suggests to “be careful to avoid appropriating techniques or styles, as this could result in considerable backlash. Work with artisans, don’ t just copy them” (WGSN, p. 10). Moreover, mentors have the mission to personalize the service process as much as possible and to create a feeling of connection between the participants. The group conceptualizing the workshop format reestablishes the link to the adidas’ digital ecosystem by providing an online platform and interweaving it with the physical brand space. This strengthens the brand’s digital strategy as well as the effort to create omnichannel experiences.

### **5.3 Research Implications**

The participants complemented their knowledge to generate ideas about topics and activities that help to practically implement and stage the service experience in the adidas retail store. The preliminary concept and the renderings of the servicescapes were used as a foundation. The groups selected three specific ideas and conceptualized them in one service blueprint respectively to englobe the specific requirements in terms of people, processes and evidences.

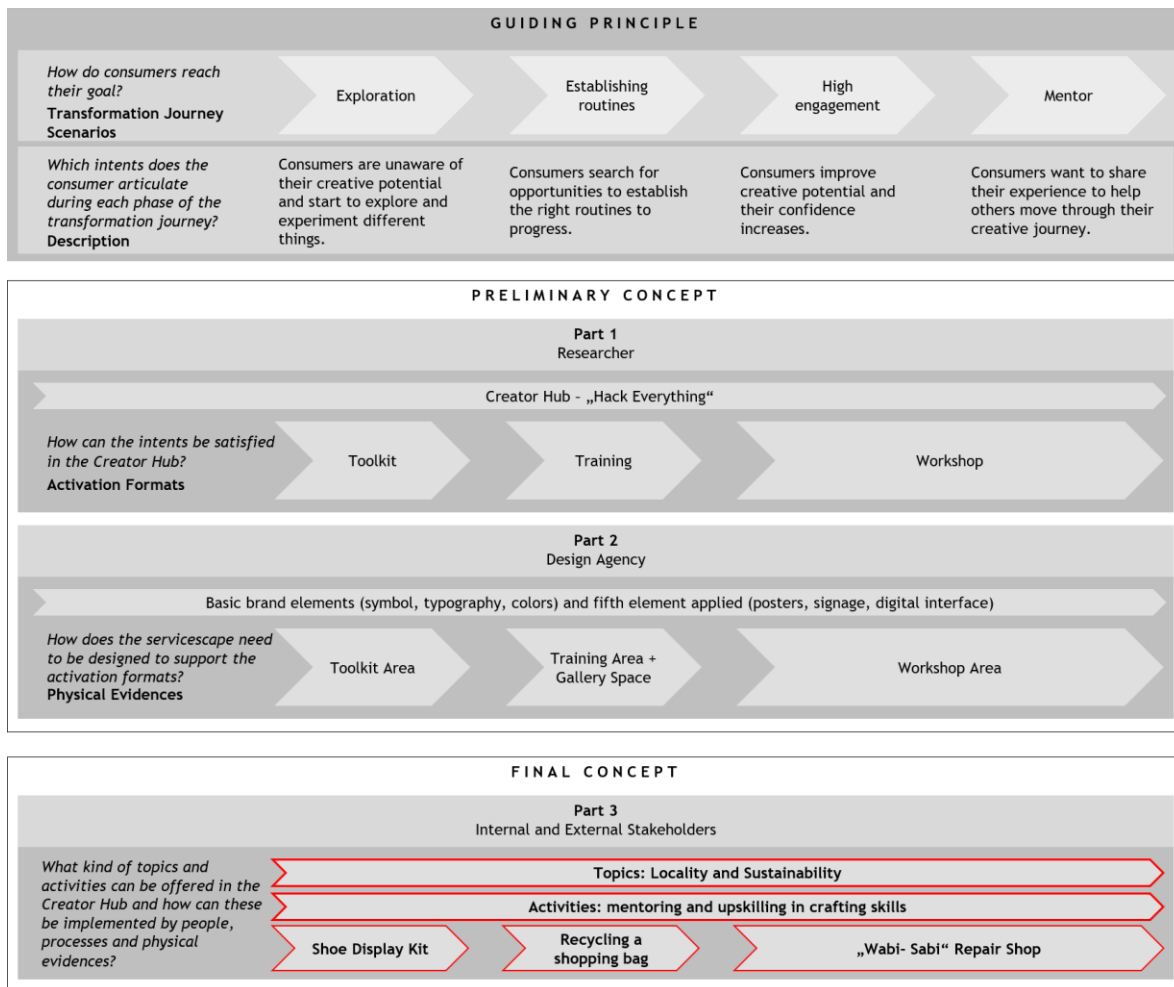


Figure 21: Service design framework with contributions from workshop with stakeholders.

Figure 21 shows the completed service design framework that was used for the present master project. It outlines at the bottom the key research findings from the workshop. However, the researcher recommends not to use solely this framework to build the Creator Hub. It consolidates the outcomes of the workshops to the extent that only the most obvious and most articulated ideas are communicated. This entails the risk of losing the innovativeness of the service experience. Instead, the findings presented in Appendix I present a vast pool of additional and more radical ideas that can be consulted for further ideation sessions. Nonetheless, the researcher outlines the most significant aspects of the workshop in the following.

The participants began with formulating overarching topics. The most significant topics that emerged were *locality* and *sustainability*. Both topics were repetitively but implicitly addressed by the participants. They are not innovative but nonetheless their recurrent emergence confirms that there is a heightened awareness and demand for them to be addressed. *Locality* ties in with the company’s strategic direction Cities and supports adidas’ efforts in driving open source as well. It facilitates the brand’s recognition among local communities as they potentially perceive the brand as being close to their values and lifestyle.

Additionally, Rocca predicts that “megacities will embrace new urban narratives, built on creativity, openness and cooperation” (Rocca, 2018, p. 7). Interweaving notions of locality by using distinct graphics and techniques increases relevance and drives cultural sustainability. Ecological *sustainability* is another pillar in which the company invests. Binding consumers into sustainable practices supports the impact and the communication of the brand’s overall sustainability efforts and is therefore a valuable opportunity to consider. Besides, it is recommendable for companies to start consumer-facing sustainable initiatives as “an increasing number of consumers in developed regions consider sustainability actions more of an imperative than a costly value-add” (Nielsen, 2015, p. 9). Re-using discarded materials presents another effort in integrating circularity into the products lifecycle.

After all, to be innovative it is decisive how the topics are eventually implemented in activities. The suggested activities focus on the process of learning a specific skill throughout the activation formats. Participants suggested a variety of outcomes; however, the main emphasis lays upon the mentoring of consumers who can integrate the acquired skills into their lives. Hence, the groups lay the foundation for the brand to become a life-long partner for consumers and to provide solutions to their needs and wants that are independent from the tangible product. Since the Creator Hub offers services that are requiring different levels of engagement and attention, consumers of different skill levels and interests are targeted and invited to continue their path to progress with adidas. Rowe (2017) explains: “The purpose of leisure time has shifted. For past generations, it was a time to decompress, reflect and relax, but for today’s youth – discontent with the prospect of endless internships – they’re ensuring their time is invested wisely by developing their skills and profiles early” (p. 41).

Following the ideation about topics and activities, blueprints were created that show the complexity of the entire process on the frontstage and on the backstage as well as the involvement of a variety of teams in adidas’ headquarters. As they need to provide the concept, the fixtures and furniture, machines and tools, communication content, the virtual servicescape, the digital infrastructure and crafting materials, it is crucial to build upon the open source strategy and to contract local agencies to maintain the activation calendar on a local level.

Concerning the service dimension *people*, the blueprints demonstrate consumer and staff actions. Consumers can choose between different activities and can decide to what extent they want to integrate the brand into their lives. They can decide upon their own educational trajectory and have different options to interact creatively with the brand. Especially when it comes to learning new skills, Creators are confronted with themselves, their skills and eventually with their own identity. Skilled staff assists them within that journey. The blueprints show that it is crucial for staff to understand the emotional complexity involved in upskilling. They are required to demonstrate human tactfulness to estimate when a person needs special assistance; something that is still difficult for technologies to take over. Then, the Creator Hub gives opportunities for consumers as well as for other local brands, artists, educational facilities, museums etc. to close partnerships with adidas. This opens opportunities to enrich

the service with complementary knowledge and skills. Moreover, the blueprints prove that the activations need a knowledgeable and experienced team on-site to run the activations. The most important people are supervising managers that supervise the whole Creator Hub setup and implement briefings coming from the global teams in the adidas headquarter, competent facilitators that are experienced mentors and that are able to constantly supervise the training activation, local scouts that are well connected to the local art scene and can recruit relevant artists for workshops and local engineers to maintain tools and machines.

In terms of the process, consumers can choose to invest their time and attention into a more personalized service. The activation formats have differently complex processes and are therefore also requiring a different level of engagement. A participant raises the concern that consumers might have “blank canvas fear” (table I12, row 101), meaning that they need more guidance or a limitation in customization options to simplify the start into the creative process. Furthermore, the digitization of the experience helps to facilitate the process. However, the groups deliver only first ideas about how to interweave digital and physical platforms. A digital Creator Hub platform to register and to check-in to the activities as well as to use it for uploading visual content enables more convenience and experience. Moreover, it allows adidas to follow its digital strategy of bringing Creators into the company’s digital ecosystem and to build relationships beyond the sales floor. Nonetheless, digital creation tools have the potential to become an integral part in the creative process as well.

As last dimension of the service marketing mix, physical and digital evidences are decisive factors for the service performance. Physical and digital communication tools, signage, crafting tools, machinery, fixtures and furniture are needed; otherwise the activations cannot take place except of the toolkit activation that does not necessarily need staff assistance and sophisticated tools. The listed evidences are distributed throughout the store reminding consumers of the Creator Hub during the consumer journey. While consumers walk through the store to reach the servicescape, cross-selling opportunities increase. Moreover, concerning the machines and tools used for the creation process, health and safety aspects must be respected. This limits the autonomous use of machinery and tools by consumers.

Finally, the activations do not only cater to the experiential desires of Gen Zers, but also for their need for guidance. The concept of services in terms of *assistance* is a decisive factor within the Creator Hub and allows the brand to enrich entertaining experiences by an additional more impactful and meaningful layer. By supporting consumers during the Creator Hub experience, adidas facilitates the understanding of complex activities, shares valuable knowledge that is not consumed by the Creator until exhaustion but enriched over time, creates a more convenient journey, empowers consumers during the four phases of their transformation journey and therefore has the chance to become a valuable partner at the consumer’s side. Consequently, the brand rather creates “social systems than just . . . processes” (Sangiorgi & Prendiville, 2017, p. 3).

# Chapter 6

## Conclusion and Outlook

The final chapter concludes the master project with a synthesis of the overall research findings and implications. The conclusion ties in with the five objectives stated in the introduction. Furthermore, the chapter states the limitations of the project and provides suggestions for future research.

### 6.1 Conclusion of Research

The first objective was to understand the nature of brands and of adidas in particular, since this builds the foundation for creating authentic offerings. Brands generate value because they establish relationships to consumers. These relationships develop when communicating the brand's promise, values, meaning and purpose and when consumers begin to identify with them. Branding elements support to convey the brand identity and help people to form a perception and to integrate a brand into their lives. Furthermore, brands satisfy functional and emotional needs which in turn leads to consumer loyalty, advocacy and commitment. Hence, building brands is a valuable marketing activity that helps companies creating relevance for the consumer.

Adidas aims to create value for consumers through impacting their lives beyond their passion for sports and sports culture. The brand intends to empower them to achieve their aspirations in the transformation journey from becoming aware of their potential, over establishing routines and proving high engagement towards supporting others as mentor. Furthermore, the brand's personality is built on the characteristics and aspirations of the pinnacle target consumer, the Creator. The Creator is on a constant path of transformation and seeks for possibilities to improve in sports, fashion, art and in his/her career. Therefore, Creators value brands who unlock their potential through up-skilling and self-development opportunities. Moreover, the connection and the sharing of ideas in a diverse, open-minded and active community supports them in their journey. Living in the most influential cities, Creators set the trends that Amplifier consumers spread and that Value consumers follow.

The second objective was to understand the nature of services and how they provide value to Generation Z. The literature review pointed to the change in consumer behaviour from buying tangible products towards investing time, attention and money into meaningful experiences that assist consumers in their journey towards self-actualization. As Gen Z Creators long for opportunities to progress, to self-express, to evolve self-branding, to co-create and to

continuously gain new knowledge and skills, adidas could gain relevance when shifting from offering mass-produced products towards offering transformative service experiences. Additionally, if these services are embedded in a local cultural context, the authenticity and therefore the overall relevance increases. To be consistent, the shift from offering products towards providing services implies a change in considering consumers as users and in KPIs of the providing channels. This strategic and cultural change certainly entails huge expenditures on the short term, however it is an investment into the future of retail.

Services substantially influence people on a functional, emotional and life-changing level. On the one hand, they still the desire for convenience and help to reduce effort in using a product or in interacting with a brand. On the other hand, they cater for experiential desires, elicit emotions and build memories that have the potential to be life-changing. These can be for example services that provide solutions beyond the consumer journey and that recognize consumers not only in their state of consumption but in their state as human being.

Services that evolve into memorable experiences, as opposed to services that enhance convenience in the customer journey, build on the strengths of physical retail stores and have the potential to establish long-term connections, engagement and inspiration for consumers. To reach these three goals, adidas needs to build on the vision of having a life-changing impact on consumers and to offer service experiences that empower Gen Z consumers during the phases of the transformation journey.

Connection and loyalty to the brand are established when adidas creates services that do not only assist the individual in reaching an aspiration, but that empower a community of like-minded people to unleash the exchange of experiences, opinions and emotions. Considering the brand as a platform and as a facilitator to ignite interaction between the brand and consumers, and among consumers themselves, strengthens the customer relationship. Moreover, treating the consumer as a partner creates a trustful bond and motivates him/her to actively commit to the brand. Eventually, intimate and loyal relationships benefit people in the long run because they receive exclusive and contextually relevant treatment in turn.

Engagement is established through enabling Gen Zers to actively self-control their own path to progress and to reinvent the interaction between consumer and brand. On the one hand, this can be articulated in the co-creation of the service experience. The co-creation of solutions during the moment of delivery has the advantage of increased flexibility regarding personalization. Especially in the digital age, personalization becomes a commodity. On the other hand, consumers can be enabled through teaching them crafting skills. With the acquired skills people can actively claim their share in product co-creation. Providing skills differentiates most significantly from offering tangible products in the anti-cyclical lifespan of their value. While skills grow and can be built upon, products are exhausted over time. Recurrent opportunities for skill-building and social interaction help to maintain consumer engagement and at the same time contribute to deliver a more sustainable form of value. Another requirement to maintain engagement is to create solutions that regularly adapt in response to the consumer's evolving behaviour and that prove an understanding of the underlying reasons.

Inspiration grows through connecting service activities with a higher purpose. Offering activities that push the consumers' creative boundaries and that use innovative sustainable approaches, are an opportunity to place consumers in the broader context of consumerism and to inspire them to not only care for their own well-being but also for the well-being of their social and ecological environment.

The third objective was to understand the nature of retail stores as a channel through which value is directly delivered to the consumer. Brands like adidas that are at the same time retailers deliver value through their direct-to-consumer channels such as the physical retail store. Despite the increasing use of digital channels, consumers still turn to physical stores for the advantages of social connection, real life product experience and the interactive brand experience. Hence, empathy, human intuition and creativity, sensory appeal, and gamified service processes that are not driven by a traditional focus on purchase and transaction wake up the needs and the interest of consumers. An omnichannel approach requires retailers to redefine the role of their digital and physical channels and to change their retail strategy to harness the advantages of all their channels. Only then a holistic and seamless brand experience can be created. Managing a retail store as a point of experience harnesses the strength of tactility. The retail store as physical servicescape stages service experiences and seizes the consumers' attention through addressing all senses. Tangible evidences facilitate the flow of the consumer journey, encourage social interaction and intensify memories. Additionally, interweaving digital devices such as the consumer's mobile phone supports a boundaryless brand experience and strengthens the connection between consumers and between the brand beyond bricks-and-mortar.

The fourth objective was to develop a preliminary strategic service concept including the concept idea, name, narrative, concept, visual identity and servicescapes. The researcher and the design agency chose to focus on experiential instead of convenient services with the aim to turn physical retail stores relevant for Gen Z consumers. The concept that was developed after the exploration of consumer and market trends, is entitled *Creator Hub*. The emphasis lays upon providing access to creative upskilling opportunities that empower consumers during the stages of their transformation journey. Consumers are perceived as users of a service altering the notion of longevity in the customer relationship. The need of Generation Z for self-actualization is stilled with offering different service formats that require different levels of engagement and that are of different creative complexity. Toolkits respond to the consumer need for discovery, trainings respond to improvement in establishing routines, and workshops to the desire for high engagement and for sharing acquired skills with the Creator community. As a service platform the Creator Hub gives consumers the freedom to co-create their service experience as they wish. They can choose to actively engage by themselves or within a growing community, to control the service process by themselves or to receive competent guidance, to reconnect to local artist culture and to redefine the status quo through a "hacking" approach.

The three objectives within the Creator Hub are the provoking of experimentation, the enablement of craftsmanship and the connection to the community and these objectives leverage the company strategy Creating the New. First, experimentation is encouraged through the company's strategic pillar Open Source. Secondly, the enablement of craftsmanship stimulates human interaction and allows for adidas to receive direct insights into human needs. Thereupon, the brand creates an opportunity to accelerate its reaction to consumer needs and therefore strengthens the strategic pillar Speed. Thirdly, the connection to the community and the embedding of the local context in the Creator Hub strengthens the strategic pillar Cities.

Moreover, the Creator Hub is about the celebration of the process and of personal growth rather than of perfection. A design agency translates this mantra into a visual identity that undergoes a constant metamorphosis. The basic visual elements are a manifestation of the creative process happening within the store. They are handmade, have organic shapes and are therefore unique and irreplaceable. Creator Hub communities in the key cities are actively invited to co-create the space. The design of the servicescape is flexible and therefore permits fast changes in the store setup. Additionally, the modular design enables the easy usage of specific modules for other retail formats than brand flagships. Next, this flexibility permits service and experience designers to adapt Creator Hub contents and activities on an ongoing basis in line with changing consumer needs.

At last, the fifth objective was to develop the concept further by defining concrete topics and activities for the service. A workshop method was used to integrate the experience and creativity of different stakeholders into the project building on the principles of human-centricity, collaboration, interdisciplinarity, iteration and realness. In the first part of the workshop the participants worked out possible topics and activities. Locality and sustainability were identified as most prominent overarching topics. Interaction with local experts and artists, and the upcycling of materials were the most differentiating ideas. The activities were mainly centered around learning of basic crafting skills and reviving local artist techniques. In the second part, the service blueprints demonstrated possible consumer journeys in the toolkit, activation and workshop format and visualized their complexity. The most significant resources that are required to bring the services to life are human resources and technical facilities. This implies for the brand to recruit expert staff and locally relevant artists and to invest into sophisticated machines. Moreover, the Creator Hub has a broader implication on the organization because it requires setting up new teams that focus on updating the service offers and that establish the link between global teams (Consumer Experience, Brand Design, Graphics, Product Development, Digital Brand Commerce) and local markets. Creating a new service team manifests the cultural shift from a product-focus towards a service-focus in the organizational structure.

## 6.2 Limitations of Research

The first aspect that presents a limitation to the conducted research is that the master project focuses on the consumer needs of only one consumer population (Generation Z) to develop an innovative service experience. This entails the risk that the Creator Hub concept does not resonate with other target consumers. Nevertheless, the project is relevant on a broader scale because it stimulates the adidas brand to question the nature of its current retail stores and to rethink how they can deliver differentiating value across target groups in the future.

Moreover, the outcome of the workshop focuses only on three specific ideas that can potentially be used for implementation. On the one hand, this allows the company to move forward with a pragmatical approach and to launch the Creator Hub with specific activations in 2019. On the other hand, the impact of these ideas is reduced considering the operationalization of the Creator Hub in the long run. Nonetheless, the initiation of the conceptualization with service design methods has an impact on an organizational level and on how teams drive innovation in the future. The workshop method and tools can be reused and adapted for further iterations and for the ideation of other service concepts.

Another limitation to the research is the timeframe within which the workshop was conducted. As a result, the participants were not able to discuss all the gathered ideas in depth and it is possible that some ideas were therefore not communicated. However, the service design process is built on the principle of iteration which allows the participants to further influence the concept in the future. Moreover, the researcher recruited only stakeholders that are responsible for creating, developing, implementing and delivering the service but that are not targeted users of the service. Due to limited resources, the target consumer group was not involved in the co-creative workshop session although they have an important role during service processes. In coming service design workshops, it is recommended to also recruit representatives of the target group as users of the service because their experience and their direct feedback are a valuable contribution to increase the relevance of the concept. Additionally, it supports the brand's consumer-centric approach.

Also, the cross-sectional time horizon only offers a limited insight into consumer and retail trends. They are constantly changing, and the project is therefore at risk to become soon irrelevant. Another limitation regarding the chosen research methodology is the application of purely qualitative methods. A mixed-method methodology would have validated or invalidated made observations and would have therefore improved the reliability of results.

## 6.3 Suggestions for Future Research

The Creator Hub concept offers a foundation for the implementation of a new service in adidas retail stores. However, it is recommended to plan further iterations to improve and test the concept. Aspects that are relevant to consider are competitor offerings, the integration

of the Creator Hub concept into the membership program, the role of “digital” to improve and extend the experience in the virtual sphere, the pricing of the offered services and the impact of the concept beyond the brand flagship store.

First, it is suggested to conduct a thorough research on competitor offerings in order to retrieve learnings and inspiration for the differentiation of the Creator Hub concept. Secondly, the integration of the service into the membership program increases the probability of consumers to recurrently use the service. Additionally, the existing digital infrastructure of the membership program can be used to increase the convenience in accessing the service offerings. This leads to the third suggestion of further developing the role of “digital”. Relevant questions are how digital technologies can facilitate an even more convenient consumer journey and how it can enable the access to more virtual experiences for people who cannot use the Creator Hub services due to geographic limitations. As fourth aspect, it is suggested to determine a pricing strategy to capitalize on the new offering. At last, scaling options should be developed in order to incorporate the service into other retail formats such as brand centers and outlet stores as well as wholesale areas. This would support the a cross-channel approach and the opportunity for consumers to experience the service surpassing company boundaries. Moreover, it is crucial to consider if the current retail formats are at all relevant for consumers in the long run or if it is recommendable to offer the Creator Hub service in an independent and dedicated space where the point of *experience* would be communicated more explicitly to consumers.

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# Appendices

## Appendix A - Creating the New

**OUR STRATEGY FOR  
CREATING THE NEW**

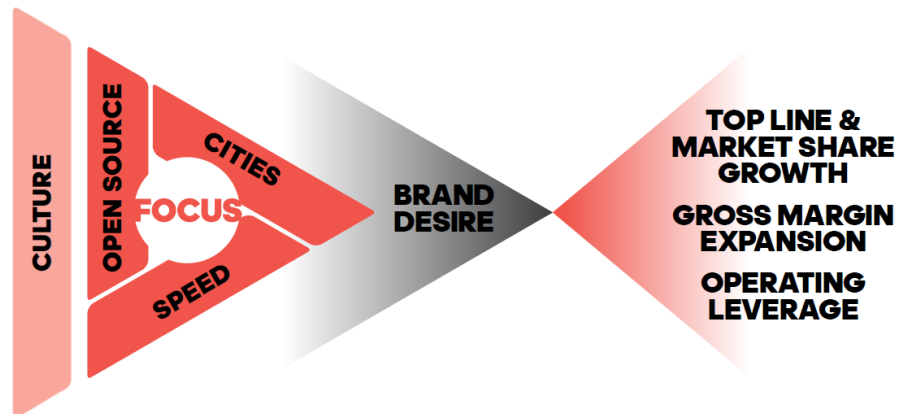


Figure A1: Visualization of adidas' company strategy "Creating the New" (adidas Group).



## Appendix B - Value Pyramid

### Social impact



SELF-TRANSCENDENCE

### Life changing



PROVIDES HOPE



SELF-ACTUALIZATION



MOTIVATION



HEIRLOOM



AFFILIATION/  
BELONGING

### Emotional



REDUCES ANXIETY



REWARDS ME



NOSTALGIA



DESIGN/  
AESTHETICS



BADGE  
VALUE



WELLNESS



THERAPEUTIC  
VALUE



FUN/  
ENTERTAINMENT



ATTRACTIVENESS



PROVIDES  
ACCESS

### Functional



SAVES  
TIME



SIMPLIFIES



MAKES  
MONEY



REDUCES  
RISK



ORGANIZES



INTEGRATES



CONNECTS



REDUCES  
EFFORT



AVOIDS  
HASSLES



REDUCES  
COST



QUALITY



VARIETY



SENSORY  
APPEAL



INFORMS

Figure B1: The Elements of Value Pyramid (Almqvist et al., 2016, p. 7). Permission to reproduce granted by Harvard Business Publishing.

Table B1

*Definition of Elements of Value of the Value Pyramid*

Element of Value	Definition
<b>Functional</b>	
Informs	“Providing reliable and trusted information about a topic”
Sensory appeal	“Appealing in taste, smell, hearing and other senses”
Variety	“Providing a variety of things to choose from”
Quality	“Providing high-quality goods or services”
Reduces cost	“Saving money in purchases, fees or subscriptions”
Avoids hassles	“Avoiding or reducing hassles”
Reduces effort	“Getting things done with less effort”
Connects	“Connecting with other people”
Integrates	“Integrating different aspects of life”
Organizes	“Becoming more organized”
Reduces risk	“Protecting from losses”
Makes money	“Helping to make money”
Simplifies	“Reducing complexity and simplifying”
Saves time	“Saving time in tasks or transactions”
<b>Emotional</b>	
Providing access	“Providing access to information, goods, services or other valuable items”
Attractiveness	“Helping people feel more attractive”
Fun/entertainment	“Offering fun or entertainment”
Therapeutic value	“Providing therapeutic value or well-being”
Wellness	“Improving people’s physical or mental state”
Badge value	“Representing achieved status or aspirations”
<b>Life changing</b>	
Affiliation/belonging	“Helping people become part of a group or identify with people they admire”
Design/aesthetics	“Providing an appealing form or design”
Nostalgia	“Reminding people of something positive in the past”
Rewards me	“Providing benefits for being a loyal customer”
Reduces Anxiety	“Helping people worry less and feel more secure”
Heirloom	“A good investment for future generations”
Motivation	“Spurring people to achieve their goals”
Self-actualization	“Providing a sense of personal accomplishment or improvement”
Provides Hope	“Providing something to be optimistic about”
<b>Social Impact</b>	
Self-transcendence	“Helping other people or society more broadly”

Note. Quoted from Bain & Company. (2016). Explore the B2C Elements of Value. Retrieved from <http://www.bain.com/bainweb/media/interactive/elements-of-value/#>, last accessed July 31, 2018.

## Appendix C - The Progression of Economic Value

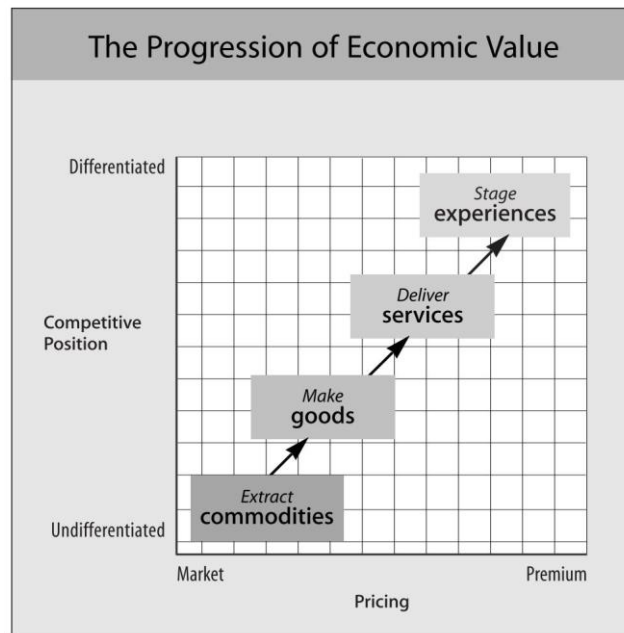


Figure C1: "The Progression of Economic Value" in an experience economy (Pine II & Gilmore, 1998, p. 98). Permission to reproduce granted by Harvard Business Publishing.



## Appendix D - Activation Formats

Table D1

### *Characteristics of toolkit activation format*

Activation Format	Toolkit
Description	Ready-made packages for purchase including different pre-defined modules (materials and tooling) enable consumers to create brand iconic items that have a souvenir character
Elements of value (Value Pyramid)	<p><i>Information:</i> allows consumers to gain a first impression about adidas' customization and co-creation services in-store;  <i>Saves time, reduces effort, avoids hassles and simplifies</i> the process of customization;  <i>Fun/entertainment:</i> easy and fast opportunity for consumers and especially tourists to turn their visit in the key cities memorable; tied to a branded experience  <i>Attractiveness:</i> consumers gain attractivity and social recognition by co-creating their souvenir from a key city; it embodies personal traits and therefore differentiates from other standard souvenirs</p>
Strategic pillar	Speed: activation enables a speedy customization option for consumers who only spend a short time in the key city and in the brand flagship
Level of customer engagement (emotional, psychological, physical)	Low: pre-defined modules and instructions simplify the creation process
Level of personalization	Low: creative process is standardized as well as the outcome
Level of difficulty and creative complexity	Low: easy to assemble; no creative skills required
Tools and technologies	Basic household tools (scissors, tape etc.)
Access	Open access to the toolkit area within the store's opening hours; toolkit is also intended for take away as gift or assembly at home
Duration of activity	0,5 hour
Staff requirement	No extra staff required

Table D2

*Characteristics of training activation format*

Activation Format	Training
Description	Upskilling opportunity for consumers to learn basic creative skills about the making of apparel and accessories and in the usage of crafting tools and technologies; offered on a recurrent basis on a fixed schedule and centered around the making of a specific product embedded in the local context
Elements of value (Value Pyramid)	<p><i>Self-actualization</i>: provides a sense of improvement in crafting skills and increases inspiration after each training session</p> <p><i>Affiliation/belonging</i>: enhances the chance to meet people on a regular basis forming to a group with a shared interest</p> <p><i>Fun/entertainment</i>: a fun experience that becomes more meaningful over time</p> <p><i>Provides access</i>: to creative skill-building, to the staff and to develop an own design language (design/aesthetics)</p> <p><i>Informs</i>: expert staff provides reliable information and instruction</p> <p><i>Simplifies</i>: standardized delivery and pre-defined routine</p>
Strategic pillar	Cities: the local approach leverages adidas' authenticity and relevance
Level of customer engagement (emotional, psychological, physical)	Medium to high: consumers are asked to commit to the learning process and to go through a transformation process within each session
Level of personalization	Medium: the service delivery follows a standardized approach, but the outcome is based on personal skill and aesthetic preference
Level of difficulty and creative complexity	Medium: consumers are not required to have skills but need to be aware that the training might challenge them
Tools and technologies	Basic household tools (scissors, tape etc.) and more advanced tools
Access	Registration needed
Duration of activity	1-2 hours
Staff requirement	Staff required for instruction and personal assistance/advice

Table D3

*Characteristics of workshop activation format*

Activation Format	Workshop
Description	Upskilling opportunity for consumers to learn advanced and unconventional creative skills about the making of apparel, footwear and accessories and in the usage of crafting tools and technologies; co-hosted by creative peers/influencers
Elements of value (Value Pyramid)	<p><i>Self-actualization</i>: provides a sense of improvement in crafting skills and increases inspiration</p> <p><i>Affiliation/belonging</i>: enhances the chance to meet people that consumers admire</p> <p><i>Connects</i> consumers</p> <p><i>Motivation</i>: celebration of designs gives consumers social recognition and keeps them motivated to engage creatively</p> <p><i>Fun/entertainment</i>: a fun and memorable one-time experience with recognized Creator authorities</p> <p><i>Provides access</i>: to creative skill-building, to the staff and to Creators with distinct design language and more visionary approach to <i>design/aesthetics</i></p> <p><i>Badge Value</i>: increases by proving that consumer has been part of an exclusive event</p>
Strategic pillar	Open source: access to knowledge and skills from partners; increase of brand awareness; benefit from popularity of partner
Level of customer engagement (emotional, psychological, physical)	High: consumers engage over a couple of hours and are encouraged to fully immerse into the experience
Level of personalization	Medium: the experience is not personalized, but consumers are encouraged to create their personally distinct product
Level of difficulty and creative complexity	Medium to high: consumers are required to master basic creative skills and to be visionary Creators
Tools and technologies	Basic household tools (scissors, tape etc.) and more advanced tools
Access	Registration needed
Duration of activity	2-4 hours
Staff requirement	Staff required for instruction and personal assistance/advice; co-host adding local relevance



## Appendix E - Creator Hub Visual Identity and Applications

### E.1 Creator Hub manifesto

#### E.1.1 Creator Hub manifesto image.



Figure E1: Creator Hub manifesto poster designed by FutureBrand UXUS (2017a, p. 38). Reproduced with permission.

*E.1.2 Creator Hub manifesto text.*

WELCOME TO THE CREATOR HUB -

YOUR PLACE TO EXPLORE, PLAY, CREATE AND HACK WITH ADIDAS.

WE'RE OPENING OUR DOORS AND RELEASING THE RETAIL REINS TO CREATORS AROUND THE WORLD LIKE YOURSELF.

WHEN COMBINING OUR PRODUCT KNOW-HOW, THESE AMAZING TOOLS AND YOUR VISION, THINGS CAN HAPPEN.

LIVE. YES, LIVE. NOT ON BLOGS, ON INSTAGRAM, ON WHATEVER.

BUT HERE, NOW, NO FILTER.

COME IN, STAY A WHILE OR JUST STOP BY TO EXPERIMENT, LEARN AND COLLABORATE IN OUR CREATIVE PLAYGROUND

E.2 Creator Hub poster



Figure E2: Creator Hub poster designed by FutureBrand UXUS (2017a, p. 38). Reproduced with permission.

E.3 Signage



Figure E3: Column signage designed by FutureBrand UXUS (2017a, p. 36). Reproduced with permission.



Figure E4: Stairs signage designed by FutureBrand UXUS (2017a, p. 36). Reproduced with permission.



Figure E5: Floor signage designed by FutureBrand UXUS (2017a, p. 37). Reproduced with permission.



Figure E6: Rack signage designed by FutureBrand UXUS (2017a, p. 37). Reproduced with permission.



Figure E7: Digital interface designed by FutureBrand UXUS (2017a, p. 40). Reproduced with permission.

## E.4 Symbols

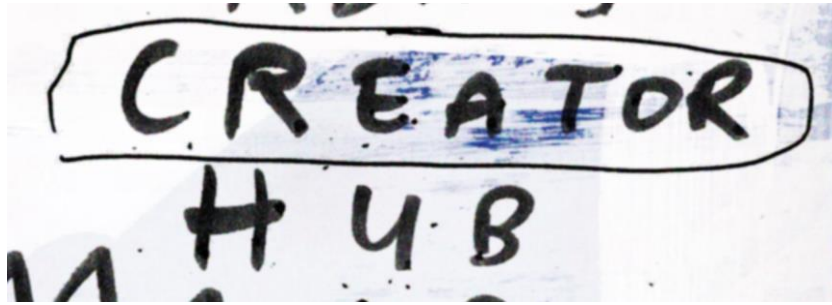


Figure E8: Creator Hub wordmark extracted from figure E1. Designed by FutureBrand UXUS (2017a, p. 38). Adapted with permission.



Figure E9: Creator Hub wordmark extracted from figure E2. Designed by FutureBrand UXUS (2017a, p. 38). Adapted with permission.



Figure E10: Badge of Sport emblem extracted from figure E1. Designed by FutureBrand UXUS (2017a, p. 38). Adapted with permission.



Figure E11: Badge of Sport emblem extracted from figure E2. Designed by FutureBrand UXUS (2017a, p. 38). Adapted with permission.



Figure E12: Badge of Sport emblem extracted from figure E6. Designed by FutureBrand UXUS (2017a, p. 38). Adapted with permission.

## E.5 Fifth Element



Figure E13: Tape as fifth element extracted from figure E1 used to stick a poster on the wall. Designed by FutureBrand UXUS (2017a, p. 38). Adapted with permission.

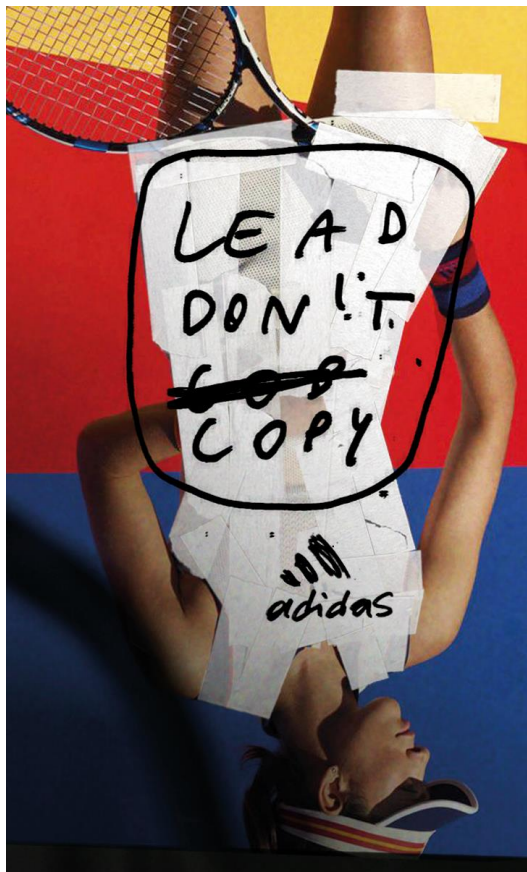


Figure E14: Tape as fifth element extracted from figure E6. Designed by FutureBrand UXUS (2017a, p. 37). Adapted with permission.

## Appendix F - Participants

### F.1 Specification of sample

Table F1

*Specification of sample of workshop participants in alphabetical order*

Number	Name	Company	Function
1	Brena, Andrea	adidas	Senior Specialist MakerLab Network
2	Buettner, Franziska	adidas	Senior Manager In-Store Experience
3	Cetin, Ahmet	adidas	Manager In-Store Experience
4	Dietsch, Manuel	act.3	Event Concept Designer
5	Eger, Uwe	act.3	Creative Director
6	Fernandes, Ines	act.3	Event Concept Manager
7	Gebhardt, Philipp	adidas	Manager Digital Experience
8	Kassler, Julián	adidas	Intern Retail Innovation & Trends
9	Poeyry, Anna	adidas	Manager Future Research Projects
10	Salé, Carolin	adidas	Intern MakerLab
11	Sapulete, Jelle	adidas	Director Brand Design
12	Schenck, Patrick	adidas	Senior Manager Retail Innovation & Trends
13	Schmutzer, Leo	adidas	Manager Retail Innovation & Trends
14	Schreiner, Kim	adidas	Senior Graphic Designer
15	Schrems-Moreira, Patrick	adidas	Director Retail Innovation & Trends

## F.2 Consent forms

<b>Consent Form</b>		
<b>Title of research project:</b>		
The Future of Services in adidas Retail: Empowering the Creator consumer through co-creative service experiences		
<b>Name and position of researcher:</b>		
Tosca Devi Sepoetro, Working Student adidas Consumer Experience Innovation & Trends, Master Student Branding & Fashion Design, IADE and Universidade da Beira Interior		
		<i>Please initial box</i>
1. I confirm that I have read and understood the information sheet for the above study and have had the opportunity to ask questions.		
2. I understand that my participation is voluntary and that I am free to withdraw at any time without giving a reason.		
3. I agree to take part in the study.		
		<i>Please tick box</i>
		Yes      No
4. I agree to the publication of my name in the list of participants.		
5. I agree to the use of anonymised quotes in publications		
<b>Name of participant:</b>	<b>Date:</b>	<b>Signature:</b>
Tosca Devi Sepoetro (researcher)	Date:	Signature:

Figure F1: Consent form template distributed and signed prior to workshop.

## Consent Form

**Title of research project:**

The Future of Services in *adidas* Retail: Empowering the Creator consumer through co-creative service experiences

**Name and position of researcher:**

Tosca Devi Sepoetro, Working Student adidas Consumer Experience Innovation & Trends, Master Student Branding & Fashion Design, IADE and Universidade da Beira Interior

1. I confirm that I have read and understood the information sheet for the above study and have had the opportunity to ask questions.
2. I understand that my participation is voluntary and that I am free to withdraw at any time without giving a reason.
3. I agree to take part in the study.

Please initial box	
	A.B.
	A.B.
	A.B.

4. I agree to the publication of my name in the list of participants.
5. I agree to the use of anonymised quotes in publications.

Please tick box	
Yes	No
<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>

Name of participant:

ANDREA BRENA

Date:

05/09/18

Signature:



Tosca Devi Sepoetro (researcher)

Date:

05.09.2018

Signature:



Figure F2: Consent form signed by Brena, Andrea.

## Consent Form

**Title of research project:**

The Future of Services in *adidas* Retail: Empowering the Creator consumer through co-creative service experiences

**Name and position of researcher:**

Tosca Devi Sepoetro, Working Student adidas Consumer Experience Innovation & Trends, Master Student Branding & Fashion Design, IADE and Universidade da Beira Interior

1. I confirm that I have read and understood the information sheet for the above study and have had the opportunity to ask questions.

2. I understand that my participation is voluntary and that I am free to withdraw at any time without giving a reason.

3. I agree to take part in the study.

Please initial box	
F.B	
F.B	
F.B	

4. I agree to the publication of my name in the list of participants.

5. I agree to the use of anonymised quotes in publications.

Please tick box	
Yes	No
<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>

Name of participant:

FRANZISKA BUETTNER

Date:

5.9.18

Signature:

*F. Buettner*

Tosca Devi Sepoetro (researcher)

Date:

05.09.18

Signature:

*T. Sepoetro*

Figure F3: Consent form signed by Buettner, Franziska.

## Consent Form

**Title of research project:**

The Future of Services in *adidas* Retail: Empowering the Creator consumer through co-creative service experiences

**Name and position of researcher:**

Tosca Devi Sepoetro, Working Student adidas Consumer Experience Innovation & Trends, Master Student Branding & Fashion Design, IADE and Universidade da Beira Interior

1. I confirm that I have read and understood the information sheet for the above study and have had the opportunity to ask questions.

Please initial box

A.C.

2. I understand that my participation is voluntary and that I am free to withdraw at any time without giving a reason.

A.C.

3. I agree to take part in the study.

A.C.

4. I agree to the publication of my name in the list of participants.

Please tick box  
Yes No

✓

5. I agree to the use of anonymised quotes in publications.

✓

Name of participant:

AHMET CETIN

Date:

05.09.18

Signature:

Ahmet Cetin

Tosca Devi Sepoetro (researcher)

Date:

05.09.2018

Signature:

T. Sepoetro

Figure F4: Consent form signed by Cetin, Ahmet.

## Consent Form

**Title of research project:**

The Future of Services in *adidas* Retail: Empowering the Creator consumer through co-creative service experiences

**Name and position of researcher:**

Tosca Devi Sepoetro, Working Student adidas Consumer Experience Innovation & Trends, Master Student Branding & Fashion Design, IADE and Universidade da Beira Interior

1. I confirm that I have read and understood the information sheet for the above study and have had the opportunity to ask questions.

Please initial box

M.D.

2. I understand that my participation is voluntary and that I am free to withdraw at any time without giving a reason.

M.D.

3. I agree to take part in the study.

M.D.

4. I agree to the publication of my name in the list of participants.

Please tick box  
Yes No

X

5. I agree to the use of anonymised quotes in publications.

X

Name of participant:

MANUEL DIETSCH

Date:

5.9.18

Signature:

Dietsch

Tosca Devi Sepoetro (researcher)

Date:

05.09.18

Signature:

T. Sepoetro

Figure F5: Consent form signed by Dietsch, Manuel.

## Consent Form

**Title of research project:**

The Future of Services in *adidas* Retail: Empowering the Creator consumer through co-creative service experiences

**Name and position of researcher:**

Tosca Devi Sepoetro, Working Student adidas Consumer Experience Innovation & Trends, Master Student Branding & Fashion Design, IADE and Universidade da Beira Interior

1. I confirm that I have read and understood the information sheet for the above study and have had the opportunity to ask questions.
2. I understand that my participation is voluntary and that I am free to withdraw at any time without giving a reason.
3. I agree to take part in the study.

Please initial box	
	UE
	UE
	U.E.

4. I agree to the publication of my name in the list of participants.
5. I agree to the use of anonymised quotes in publications.

Please tick box	
Yes	No
<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>

Name of participant:

UWE EGER

Date:

5.9.2018

Signature:



Tosca Devi Sepoetro (researcher)

Date:

05.09.18

Signature:



Figure F6: Consent form signed by Eger, Uwe.

## Consent Form

**Title of research project:**

The Future of Services in *adidas* Retail: Empowering the Creator consumer through co-creative service experiences

**Name and position of researcher:**

Tosca Devi Sepoetro, Working Student adidas Consumer Experience Innovation & Trends, Master Student Branding & Fashion Design, IADE and Universidade da Beira Interior

1. I confirm that I have read and understood the information sheet for the above study and have had the opportunity to ask questions.

Please initial box

IF

2. I understand that my participation is voluntary and that I am free to withdraw at any time without giving a reason.

IF

3. I agree to take part in the study.

IF

4. I agree to the publication of my name in the list of participants.

Please tick box  
Yes No

✓

5. I agree to the use of anonymised quotes in publications.

✓

Name of participant:

Ines FERNANDES

Date:

05/09/18

Signature:

Ines Fernandes

Tosca Devi Sepoetro (researcher)

Date:

05.09.18

Signature:

T. Sepoetro

Figure F7: Consent form signed by Fernandes, Ines.

## Consent Form

**Title of research project:**

The Future of Services in *adidas* Retail: Empowering the Creator consumer through co-creative service experiences

**Name and position of researcher:**

Tosca Devi Sepoetro, Working Student adidas Consumer Experience Innovation & Trends, Master Student Branding & Fashion Design, IADE and Universidade da Beira Interior

1. I confirm that I have read and understood the information sheet for the above study and have had the opportunity to ask questions.

2. I understand that my participation is voluntary and that I am free to withdraw at any time without giving a reason.

3. I agree to take part in the study.

Please initial box	
	P.G.
	P.G.
	P.G.

4. I agree to the publication of my name in the list of participants.

5. I agree to the use of anonymised quotes in publications.

Please tick box	
Yes	No
<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>

Name of participant:

Philipp Gebhardt

Date:

05.09.18

Signature:

Tosca Devi Sepoetro (researcher)

Date:

5.9.2018

Signature:

Figure F8: Consent form signed by Gebhardt, Philipp.

## Consent Form

**Title of research project:**

The Future of Services in *adidas* Retail: Empowering the Creator consumer through co-creative service experiences

**Name and position of researcher:**

Tosca Devi Sepoetro, Working Student adidas Consumer Experience Innovation & Trends, Master Student Branding & Fashion Design, IADE and Universidade da Beira Interior

1. I confirm that I have read and understood the information sheet for the above study and have had the opportunity to ask questions.

Please initial box

jk

2. I understand that my participation is voluntary and that I am free to withdraw at any time without giving a reason.

jk

3. I agree to take part in the study.

jk

4. I agree to the publication of my name in the list of participants.

Please tick box  
Yes No

5. I agree to the use of anonymised quotes in publications.

Name of participant:

Julián Kessler

Date:

05.09.18

Signature:

Julián Kessler

Tosca Devi Sepoetro (researcher)

Date:

05.09.18

Signature:

T. Sepoetro

Figure F9: Consent form signed by Kessler, Julián.

## Consent Form

**Title of research project:**

The Future of Services in *adidas* Retail: Empowering the Creator consumer through co-creative service experiences

**Name and position of researcher:**

Tosca Devi Sepoetro, Working Student adidas Consumer Experience Innovation & Trends, Master Student Branding & Fashion Design, IADE and Universidade da Beira Interior

1. I confirm that I have read and understood the information sheet for the above study and have had the opportunity to ask questions.
2. I understand that my participation is voluntary and that I am free to withdraw at any time without giving a reason.
3. I agree to take part in the study.

Please initial box	
AP	
AP	
AP	

4. I agree to the publication of my name in the list of participants.
5. I agree to the use of anonymised quotes in publications.

Please tick box	
Yes	No
<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>

Name of participant:

ANNA POEYRY

Date:

5.09.2018

Signature:

Tosca Devi Sepoetro (researcher)

Date:

05.09.18

Signature:

Figure F10: Consent form signed by Poeyry, Anna.

## Consent Form

**Title of research project:**

The Future of Services in *adidas* Retail: Empowering the Creator consumer through co-creative service experiences

**Name and position of researcher:**

Tosca Devi Sepoetro, Working Student adidas Consumer Experience Innovation & Trends, Master Student Branding & Fashion Design, IADE and Universidade da Beira Interior

1. I confirm that I have read and understood the information sheet for the above study and have had the opportunity to ask questions.
2. I understand that my participation is voluntary and that I am free to withdraw at any time without giving a reason.
3. I agree to take part in the study.

Please initial box	
	C.S.
	C.S.
	C.S.

4. I agree to the publication of my name in the list of participants.
5. I agree to the use of anonymised quotes in publications.

Please tick box	
Yes	No
<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>

Name of participant:

CAROLIN SALÉ

Date:

05.09.18

Signature:



Tosca Devi Sepoetro (researcher)

Date:

05.9.18

Signature:

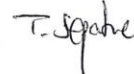


Figure F11: Consent form signed by Salé, Carolin.

## Consent Form

**Title of research project:**

The Future of Services in *adidas* Retail: Empowering the Creator consumer through co-creative service experiences

**Name and position of researcher:**

Tosca Devi Sepoetro, Working Student adidas Consumer Experience Innovation & Trends, Master Student Branding & Fashion Design, IADE and Universidade da Beira Interior

1. I confirm that I have read and understood the information sheet for the above study and have had the opportunity to ask questions.

2. I understand that my participation is voluntary and that I am free to withdraw at any time without giving a reason.

3. I agree to take part in the study.

Please initial box	
	J.S.
	J.S.
	J.S.

4. I agree to the publication of my name in the list of participants.

5. I agree to the use of anonymised quotes in publications.

Please tick box	
Yes	No
<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>

Name of participant:

JELLE SAPULETE

Date:

05.09.2018

Signature:

Sapulete

Tosca Devi Sepoetro (researcher)

Date:

05.09.18

Signature:

T. Sepoetro

Figure F12: Consent form signed by Sapulete, Jelle.

## Consent Form

**Title of research project:**

The Future of Services in *adidas* Retail: Empowering the Creator consumer through co-creative service experiences

**Name and position of researcher:**

Tosca Devi Sepoetro, Working Student adidas Consumer Experience Innovation & Trends, Master Student Branding & Fashion Design, IADE and Universidade da Beira Interior

1. I confirm that I have read and understood the information sheet for the above study and have had the opportunity to ask questions.
2. I understand that my participation is voluntary and that I am free to withdraw at any time without giving a reason.
3. I agree to take part in the study.

Please initial box	
	PS
	PS
	PS

4. I agree to the publication of my name in the list of participants.
5. I agree to the use of anonymised quotes in publications.

Please tick box	
Yes	No
<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>

Name of participant:

Patrick Schenck

Date:

05.09.18

Signature:

P. Schenck

Tosca Devi Sepoetro (researcher)

Date:

05.09.18

Signature:

T. Sepoetro

Figure F13: Consent form signed by Schenck, Patrick.

## Consent Form

**Title of research project:**

The Future of Services in *adidas* Retail: Empowering the Creator consumer through co-creative service experiences

**Name and position of researcher:**

Tosca Devi Sepoetro, Working Student adidas Consumer Experience Innovation & Trends, Master Student Branding & Fashion Design, IADE and Universidade da Beira Interior

1. I confirm that I have read and understood the information sheet for the above study and have had the opportunity to ask questions.

Please initial box

LS

2. I understand that my participation is voluntary and that I am free to withdraw at any time without giving a reason.

LS

3. I agree to take part in the study.

LS

4. I agree to the publication of my name in the list of participants.

Please tick box  
Yes No

X

5. I agree to the use of anonymised quotes in publications.

X

Name of participant:

Leo Schmutzer

Date:

05.09.18

Signature:



Tosca Devi Sepoetro (researcher)

Date:

05.09.18

Signature:

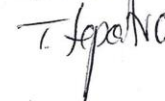


Figure F14: Consent form signed by Schmutzer, Leo.

## Consent Form

**Title of research project:**

The Future of Services in *adidas* Retail: Empowering the Creator consumer through co-creative service experiences

**Name and position of researcher:**

Tosca Devi Sepoetro, Working Student adidas Consumer Experience Innovation & Trends, Master Student Branding & Fashion Design, IADE and Universidade da Beira Interior

1. I confirm that I have read and understood the information sheet for the above study and have had the opportunity to ask questions.
2. I understand that my participation is voluntary and that I am free to withdraw at any time without giving a reason.
3. I agree to take part in the study.

Please initial box	
	K.S.
	K.S.
	R.S.

4. I agree to the publication of my name in the list of participants.
5. I agree to the use of anonymised quotes in publications.

Please tick box	
Yes	No
<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>

Name of participant:

KIM SCHREINER

Date:

05.09.18

Signature:



Tosca Devi Sepoetro (researcher)

Date:

05.09.18

Signature:

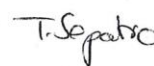


Figure F15: Consent form signed by Schreiner, Kim.

## Consent Form

**Title of research project:**

The Future of Services in *adidas* Retail: Empowering the Creator consumer through co-creative service experiences

**Name and position of researcher:**

Tosca Devi Sepoetro, Working Student adidas Consumer Experience Innovation & Trends, Master Student Branding & Fashion Design, IADE and Universidade da Beira Interior

1. I confirm that I have read and understood the information sheet for the above study and have had the opportunity to ask questions.

*Please initial box*

PSM

2. I understand that my participation is voluntary and that I am free to withdraw at any time without giving a reason.

PSM

3. I agree to take part in the study.

PSM

4. I agree to the publication of my name in the list of participants.

<i>Please tick box</i>	
Yes	No
✓	
✓	

5. I agree to the use of anonymised quotes in publications.

Name of participant:

Patrick Schrems-Moreira

Date:

05.09.2019

Signature:



Tosca Devi Sepoetro (researcher)

T

Date:

05.09.2018

Signature:

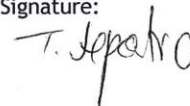


Figure F16: Consent form signed by Schrems-Moreira, Patrick.

## F.3 Participant information sheet

Table F2

*Participant information sheet*

Aspects of Research	Specification
<b>About the nature of the research</b>	
What is its purpose?	The purpose is to refine the preliminary Creator Hub concept by (1) developing specific topics and activities for the three activation formats (2) by designing the journeys consumers go through when doing the activations and (3) by defining the resources needed for interaction in form of people, processes and physical evidences.
Who is or will be undertaking it?	Researcher and Facilitator: Tosca Devi Sepoetro
Is it being funded or sponsored - if so, by whom and why?	Global Marketing Consumer Experience Innovation & Trends for the finalization of the Creator Hub project that is being recommended for implementation in the London Brand Flagship store in Oct 2019.
Who is being asked to participate - i.e. broad details about the sampling frame, sample determination and size?	Purposive maximum variation sampling and snowball sampling to allow the identification of key themes by an interdisciplinary group of participants; 12 participants
How far has the research project progressed?	The project englobes theoretical research, and a preliminary concept developed by the researcher and a design agency.
<b>About the requirements of taking part</b>	
What type of data will be required from those who agree to take part?	Primary data in form of written notes on post-its and service design tools used within the workshop.
How will these data be collected?	Workshop
How much time will be required, and on how many occasions?	7 hours; single event
<b>About the implications of taking part and participants' rights</b>	

---

Recognition that participation is voluntary.	-
Recognition that participants have the right to decline to answer a question or set of questions, or to be observed in particular circumstances.	-
Recognition that participants have control over the right to record any of their responses where a camcorder is used.	-
Recognition that participants may withdraw at any time.	-
What are the consequences of participating - possible risks, depending on the nature of the approach and purpose, and expected benefits?	No risks are involved in taking part in the research process. Expected outcomes are possible workstreams in which participants might be involved.
What assurances will be provided about participant anonymity and data confidentiality?	The participants' name and function within the organization are disclosed, however the analysis and reporting of quotes happens in anonymized form.
<b>About the use of the data collected and the way in which it will be reported</b>	
Who will have access to the data collected?	Adidas, the researcher and the Universities' evaluators. Publication by the researcher and the universities is only allowed after receiving adidas' written consent.
How will the results of the research project be disseminated?	Copies of the results will be produced for submission to the universities for evaluation purposes and for submission at adidas.
What will happen to the data collected after the project is completed?	Hard copies and digital copies remain in adidas' Global Marketing Consumer Experience Innovation & Trends team and at the researcher's and Universities' disposal. Data may be used to further inform the implementation of the Creator Hub project in adidas' retail stores.
Where data are to be preserved, what safeguards will be 'built in' to safeguard the	A non-disclosure agreement has been signed by the Universities, the researcher and adidas guaranteeing confidentiality of participants' private data.

---

---

future anonymity and confidentiality of  
participants?

**Whom to contact if there are any  
questions about the research**

Tosca Devi Sepoetro [tosca.sepoetro@gmail.com](mailto:tosca.sepoetro@gmail.com)  
Patrick Schenck [patrick.schenck@adidas.com](mailto:patrick.schenck@adidas.com)

---

*Note.* Checklist adapted from Saunders, M., Lewis, P., & Thornhill, A. (2009). *Research methods for business students* (5. ed.). Harlow: Financial Times Prentice Hall.



## Appendix G - Idea Card

<i>NAME OF THE IDEA:</i>	<i>GROUP NUMBER:</i>
<i>ACTIVATION FORMAT:</i>	<i>IDEA PRIORIZATION: TOP 1 / TOP 2 / TOP 3</i>
<i>DESCRIPTION</i>	

Figure G1: Idea card distributed to the participants to manifest their prioritized ideas.



# Appendix H - Service Blueprint

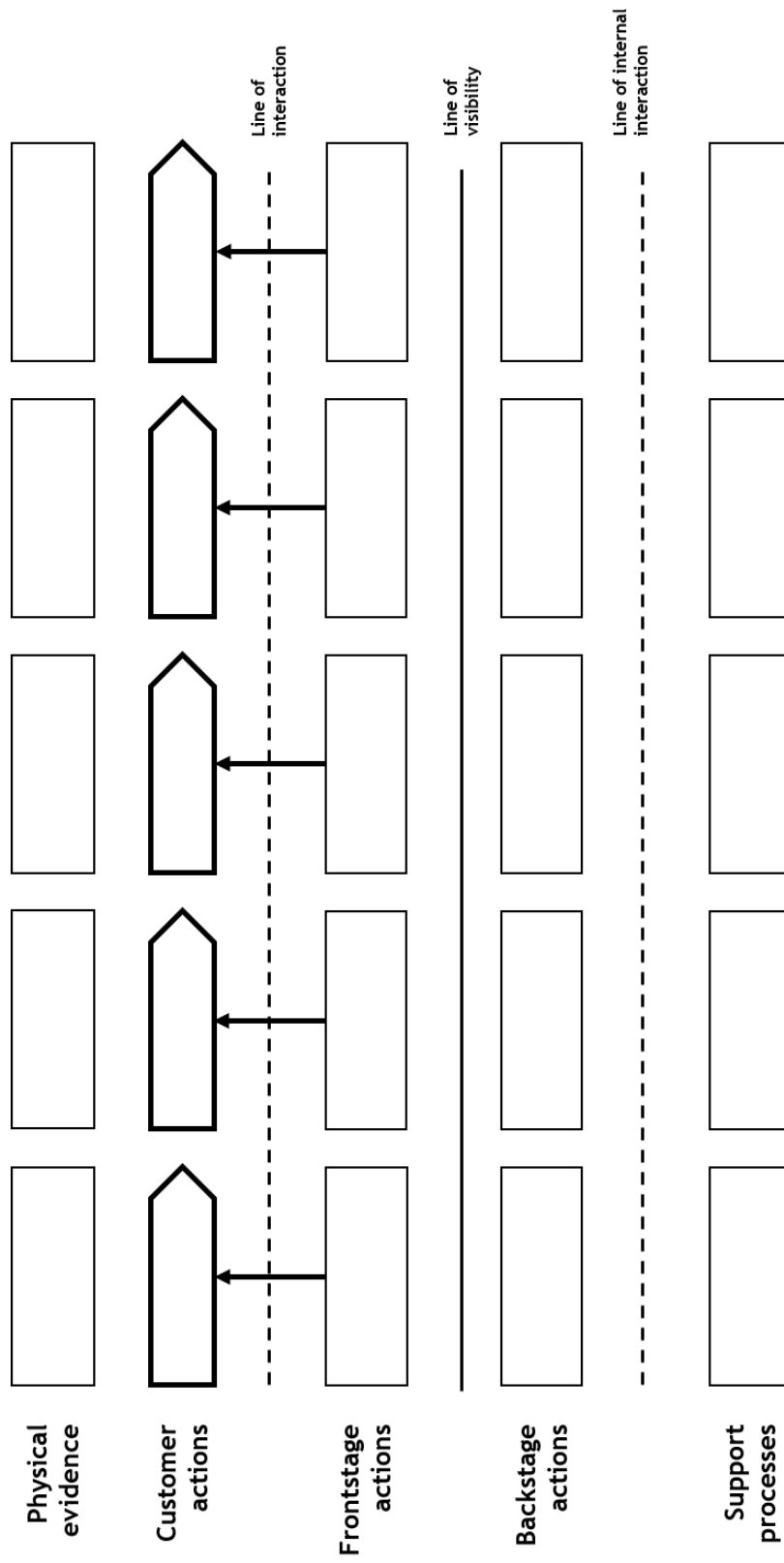


Figure H1: Service Blueprint Template.

## Service blueprint components and their definition

- Physical evidence: Physical and digital objects that consumers interact with
- Customer actions: "Steps, choices, activities, and interactions that the customer performs in the process of purchasing, experiencing, and evaluating the service. The total customer experience is apparent in this area of the blueprint" (Zeithaml et al., 2017, p. 239)
- Line of interaction: "Representing direct interactions between the customer and the organization. Anytime a vertical line crosses the horizontal line of interaction, a direct contact between the customer and the organization, or a service encounter, has occurred" (Zeithaml et al., 2017, p. 240)
- Frontstage actions: "The activities that the contact employee performs that are visible to the customer" (Zeithaml et al., 2017, p. 239).
- Line of visibility: "separates all service activities visible to the customer from those not visible" (Zeithaml et al., 2017, p. 240); separates frontstage from backstage actions
- Backstage actions: "Steps and activities that occur behind the scenes to support onstage happenings" (Gibbons, 2017)
- Line of internal interaction: "marks the boundary to the rest of the organization. Processes below this line are support processes done by other departments and teams" (Stickdorn et al., 2018, p. 56)
- Support processes: internal interactions that support the service delivery (Gibbons, 2017); "executed by the rest of the organization or external partners" (Stickdorn et al., 2018)

## Appendix I - Workshop Transcription and Analysis

### I.1 Toolkit format

#### *I.1.1 Toolkit idea wall and idea cards transcription.*

Table I1

*Transcription of idea walls developed during toolkit idea generation*

Row	Group	Idea number	Idea description
1	All groups	1	white mini shoe to practice with color markers and then use it on a
2			big one (mi:adidas) small mini shoe becomes a collector's item
3		2	white shoe + kits to do color schemes / topic customizations (like
4			the lego kit + Homer Simpson kit vs. Marge Simpsons kit)
5		3	Accessorize toolkit: smaller items to accessorize your FTW with;
6			bedazzling
7			<ul style="list-style-type: none"> <li>• Laces</li> </ul>
8			<ul style="list-style-type: none"> <li>• Patches</li> </ul>
9			<ul style="list-style-type: none"> <li>• "Swarowski"</li> </ul>
10		4	Lace jewelry
11			<ul style="list-style-type: none"> <li>• Choose material</li> </ul>
12			<ul style="list-style-type: none"> <li>• Cut</li> </ul>
13			<ul style="list-style-type: none"> <li>• Engrave/print</li> </ul>
14		5	LED add-ons for shoes
15		6	Patch your own jacket:
16			<ul style="list-style-type: none"> <li>• Classic Originals jackets</li> </ul>
17			<ul style="list-style-type: none"> <li>• Patch freely</li> </ul>
18			<ul style="list-style-type: none"> <li>• Names, letter, London-specific badges</li> </ul>
19		7	Patch-set to customize jacket at home
20		8	Make badges
21		9	Localized badges: pre-made internal but also through open source
22		10	Badges, sets (→ local flavor)
23		11	Iron-on pockets (Originals blue thread)
24		12	3 stripes set (sticker on shoe)
25		13	Accessory patterns (DIY sewing)

---

26	14	Stencils set / paint out stuff (adi color)
27	15	STAN(CIL)
28	16	Stamps - t-shirt/bags/shoes
29	17	Stand-up display of keycity skyline
30	18	Shoe display (cut-out out of the shoe box?)
31	19	Repair Kit APP
32	20	Repair Kit FTW
33	21	Beanie/Sock knitting:
34		• Choose materials
35		• See the action
36		• Possibility to design graphics
37	22	Be Stan Smith → sockface
38	23	Socks Toolkit DIY
39	24	Shoe laces knitting
40	25	Knit your own laces: box with tutorial, choose material in store (left
41		over textiles from adidas?)
42	26	Knit your own Beanie-kit: colours, mix, badges? Labelling “adi made
43		by me”
44	27	Hand embroidery on laces: Consumer can choose lace color, yarn of
45		choice, put into box & buy
46	28	Pick and assemble; Hat/cap component
47	29	Build your perfect PE-Kit (London): Choose pattern fabric for
48		standard top + shorts w/ matching socks; team colour
49	30	De-pattern t-shirt kit → choose front, back, sleeves & sew (features
50		pockets, borders, etc.)

---

Table 12

*Transcription of idea cards developed during toolkit idea selection*

Row	Group	Idea number in prioritized order	Idea description
51	1	1	Take home kit
52			• Adicolor custom kit + white shoe
53			• Stencil patterns + books
54			• Stamps
55			→ exhibition with examples what is there and what is possible
56			(display)
57	2	1	Starter Creative Kit
58			Offer different packs
59			• Clean your shoe (Jason Markks like)
60			• Print / heat press: iron on at home
61			• Dye, tie-dye
62			• Patch
63			• Surprise pack “Wundertüte”
64	2	2	Knit toolkit
65			• Knit a small product (sock, beanie, laces) like in “Knit for you”
66			
67			• Individualize the product (three stripes, get your face knitted into the sock), dye it, knit it
68			
69	2	3	3-Stripes
70			• Glue / iron on 3 stripes, heat press iconic adidas 3 stripes on product
71			
72			• DIY at home
73			• With robot (3-Stripe-i-nator)
74			→David Drewry is already working on it
75	3	1	Adilettizer
76			Toolkit to rework your existing shoes and turn them into your own recycled and reworked own Adilette (inspired by Vans with the toes cut off)
77			
78			
79	3	2	Shoe display kit:
80			DIY boxes to store and display sneakers/shoe presenter
81			• Instruction of how to turn the shoe box into a shoe display
82			• build fancy shoe display with woodworking kit
83			• Acrylic glass kit
84	3	3	Repair kit
85			• Offer a branded repair kit for minor shoe / apparel repairs with threads and needles

86	<ul style="list-style-type: none"> <li>Possibly highlight the repair by some fancy thread color (Originals blue or Parley for the oceans-blue)</li> </ul>
87	
88	

## 1.1.2 Toolkit idea wall and idea cards analysis.

### 1.1.2.1 Toolkit topics.

Table I3

#### Overarching topics for toolkit activation

Category	Sub-category	Meaning unit
Brand	Brand elements	<p>“Originals blue thread” (table I1, row 23)</p> <p>“3 stripes set” (table I1, row 24)</p> <p>“Adicolor” (table I2, row 52)</p> <p>“Individualize the product . . . three stripes” (table I2, row 67)</p> <p>“3-Stripes . . . Glue / iron on 3 stripes, heat press iconic adidas 3 stripes on product” (table I2, rows 69-71)</p> <p>“thread color (Originals blue or Parley for the oceans-blue)” (table I2, rows 87-88)</p> <p>“STAN(CIL)” (table I1, row 27)</p> <p>“Be Stan Smith → sockface” (table I1, row 37)</p>
	Brand iconic products	<p>“(mi:adidas) small mini shoe becomes a collector’s item” (table I1, row 2)</p> <p>“Classic Originals jackets” (table I1, row 16)</p> <p>“adi made by me” (table I1, rows 42-43)</p> <p>“Adiletizer” (table I2, row 75)</p> <p>“reworked own Adilette” (table I2, row 77)</p>
Locality	-	<p>“London-specific badges” (table I1, row 18)</p> <p>“Localized badge: pre-made internal but also through open source” (table I1, row 21)</p> <p>“Badges, sets (→ local 172labour)” (table I1, row 22)</p> <p>“display of keycity skyline” (table I1, row 29)</p> <p>“(London): Choose pattern fabric for standard top + shorts w/ matching socks; team colour” (table I1, rows 47-48)</p>
Sustainability	-	<p>“Repair Kit APP” (table I1, row 31)</p> <p>“Repair Kit FTW” (table I1, row 32)</p> <p>“left over textiles” (table I1, rows 40-41)</p> <p>“rework your existing shoes and turn them into your own recycled and reworked own Adilette” (table I2, rows 76-77)</p>

“Repair kit” (table I2, row 84)

“highlight the repair” (table I2, row 87)

---

### 1.1.2.2 Toolkit activities.

Table I4

*Process-focused activities for toolkit activation*

Category	Meaning unit
Coloring	“white mini shoe to practice with color markers and then use it on a big one (mi:adidas)” (table I1, rows 1-2)
	“white shoe + kits to do color schemes” (table I1, row 3)
	“Stencils set / paint out stuff (adi color)” (table I1, row 26)
	“STAN(CIL)” (table I1, row 27)
	“Stamps - t-shirt/bags/shoes” (table I1, row 28)
	“Adicolor custom kit + white shoe” (table I2, row 52)
	“Stencil patterns + books” (table I2, row 53)
	“Stamps” (table I2, row 54)
	“Dye, tie-dye” (table I2, row 61)
	“highlight the repair by some fancy thread color (Originals blue or Parley for the oceans-blue)” (table I2, rows 87-88)
Repairing/ Upcycling	“Repair Kit APP” (table I1, row 31)
	“Repair Kit FTW” (table I1, row 32)
	“choose material in store (left over textiles from adidas?)” (table I1, rows 40-41)
	“Toolkit to rework your existing shoes and turn them into your own recycled and reworked own Adilette” (table I2, rows 76-77)
	“Repair kit . . . Offer a branded repair kit for minor shoe / apparel repairs with threads and needles” (table I2, rows 84-86)
Knitting	“Beanie/Sock knitting” (table I1, row 33)
	“Socks Toolkit DIY” (table I1, row 38)
	“Shoe laces knitting” (table I1, row 39)
	“Knit your own laces” (table I1, row 40)
	“Knit your own Beanie-kit” (table I1, row 42)
	“Knit toolkit . . . Knit a small product (sock, beanie, laces) like in ‘Knit for you’ . . . Individualize the product (three stripes, get your face knitted into the sock), dye it, knit it” (table I2, rows 64-68)
Embroidering	“Make badges” (table I1, row 20)
	“Hand embroidery on laces” (table I1, row 44)
Sewing	“Accessory patterns (DIY sewing)” (table I1, row 25)
	“Pick and assemble; Hat/cap component” (table I1, row 46)

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	<p>“Choose pattern fabric for standard top + shorts w/ matching socks; team colour” (table I1, row 47-48)</p> <p>“choose front, back, sleeves &amp; sew” (table I1, row 49)</p> <p>“Possibly highlight the repair by some fancy thread color (Originals blue or Parley for the oceans-blue)” (table I2, row 87-88)</p>
Printing	<p>“Lace Jewelry . . . Print” (table I1, row 13)</p> <p>“Stamps - t-shirt/bags/shoes” (table I1, row 28)</p> <p>“Stamps” (table I2, row 54)</p>
Gluing/Ironing	<p>“Patches . . . ‘Swarowski’” (table I1, rows 8-9)</p> <p>“Iron-on pockets” (table I1, row 23)</p> <p>“3 stripes set (sticker on shoe)” (table I1, row 24)</p> <p>“Print / heat press: iron on” (table I2, row 60)</p> <p>“Glue / iron on 3 stripes, heat press iconic adidas 3 stripes on product” (table I2, rows 70-71)</p>

Table I5

*Outcome-focused activities for toolkit activation*

Category	Sub-category	Meaning unit
Footwear	Shoes	“white mini shoe” (table I1, row 1)
		“small mini shoe becomes a collector’s item” (table I1, row 2)
		“white shoe” (table I1, row 3)
		“Stamps - t-shirt/bags/shoes” (table I1, row 28)
		“Repair Kit FTW” (table I1, row 32)
		“Adicolor custom kit + white shoe” (table I2, row 52)
		“Clean your shoe” (table I2, row 59)
	“Toolkit to rework your existing shoes and turn them into your own recycled and reworked own Adilette” (table I2, row 76-77)	
	“Offer a branded repair kit for minor shoe . . . repairs” (table I2, row 85)	
	Footwear	“accessorize your FTW” (table I1, row 5)
Accessories	“Laces” (table I1, row 7)	
	“Lace jewelry” (table I1, row 10)	
	“LED add-ons for shoes” (table I1, row 14)	
	“Shoe laces knitting” (table I1, row 39)	
	“Knit your own laces” (table I1, row 40)	
Apparel	Jackets	“Patch your own jacket: Classic Originals jackets” (table I1, row 15-16)
		“Patch-set to customize jacket” (table I1, row 19)
	T-shirts	“Stamps - t-shirt” (table I1, row 28)

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		<p>“De-pattern t-shirt kit → choose front, back, sleeves &amp; sew (features pockets, borders, etc.)” (table I1, rows 49-50)</p>
	Not specified	<p>“Repair Kit APP” (table I1, row 31)</p> <p>“Build your perfect PE-Kit (London): Choose pattern fabric for standard top + shorts w/ matching socks; team colour” (table I1, rows 47-48)</p> <p>“Offer a branded repair kit for minor . . . apparel repairs” (table I2, row 85)</p>
Accessories	Socks	<p>“Beanie/Sock knitting” (table I1, row 33)</p> <p>“Socks Toolkit DIY” (table I1, row 38)</p> <p>Knit a small product (sock, beanie, laces) like in “Knit for you” (table I2, rows 65-66)</p>
	Beanies	<p>“Beanie/Sock knitting” (table I1, row 33)</p> <p>“Knit your own Beanie-kit” (table I1, row 42)</p> <p>“Pick and assemble; Hat/cap component” (table I1, row 46)</p> <p>Knit a small product (sock, beanie, laces) like in “Knit for you” (table I2, rows 65-66)</p>
	Patches	<p>“Patches” (table I1, row 8)</p> <p>“Names, letter, London-specific badges” (table I1, row 18)</p> <p>“Make badges” (table I1, row 20)</p> <p>“Localized badges” (table I1, row 21)</p> <p>“Badges” (table I1, row 22)</p>
	Others	<p>“Iron-on pockets” (table I1, row 23)</p> <p>“Accessory patterns” (table I1, row 25)</p>
Decoration	Displays	<p>“Stand-up display of keycity skyline” (table I1, row 29)</p> <p>“Shoe display” (table I1, row 30)</p> <p>„Shoe display kit: DIY boxes to store and display sneakers/shoe presenter . . . Instruction of how to turn the shoe box into a shoe display” (table I2, row 79-81)</p>

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1.1.3 Toolkit service blueprint transcription.

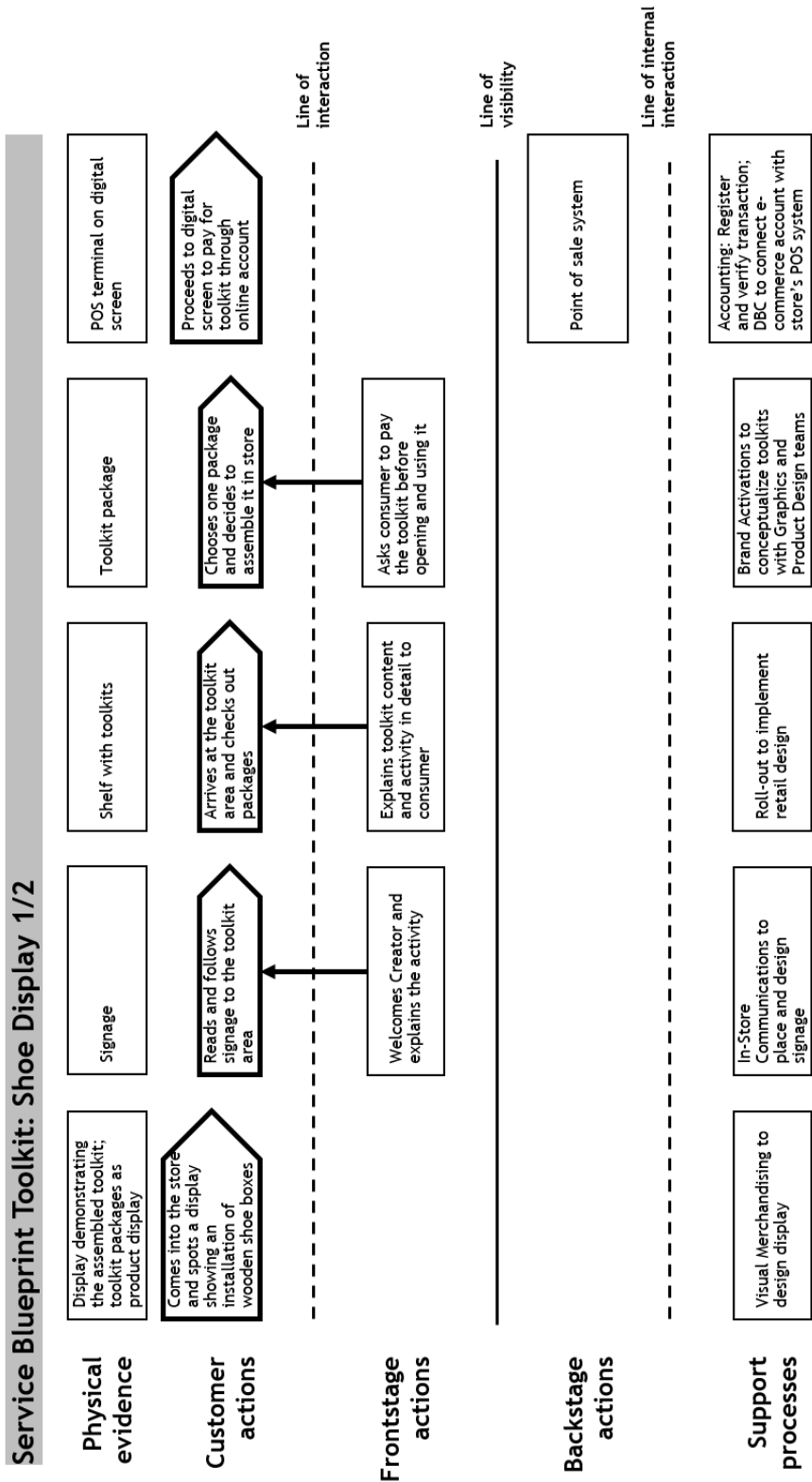


Figure 11: Service blueprint toolkit format 1/2.

## Service Blueprint Toolkit: Shoe Display 2/2

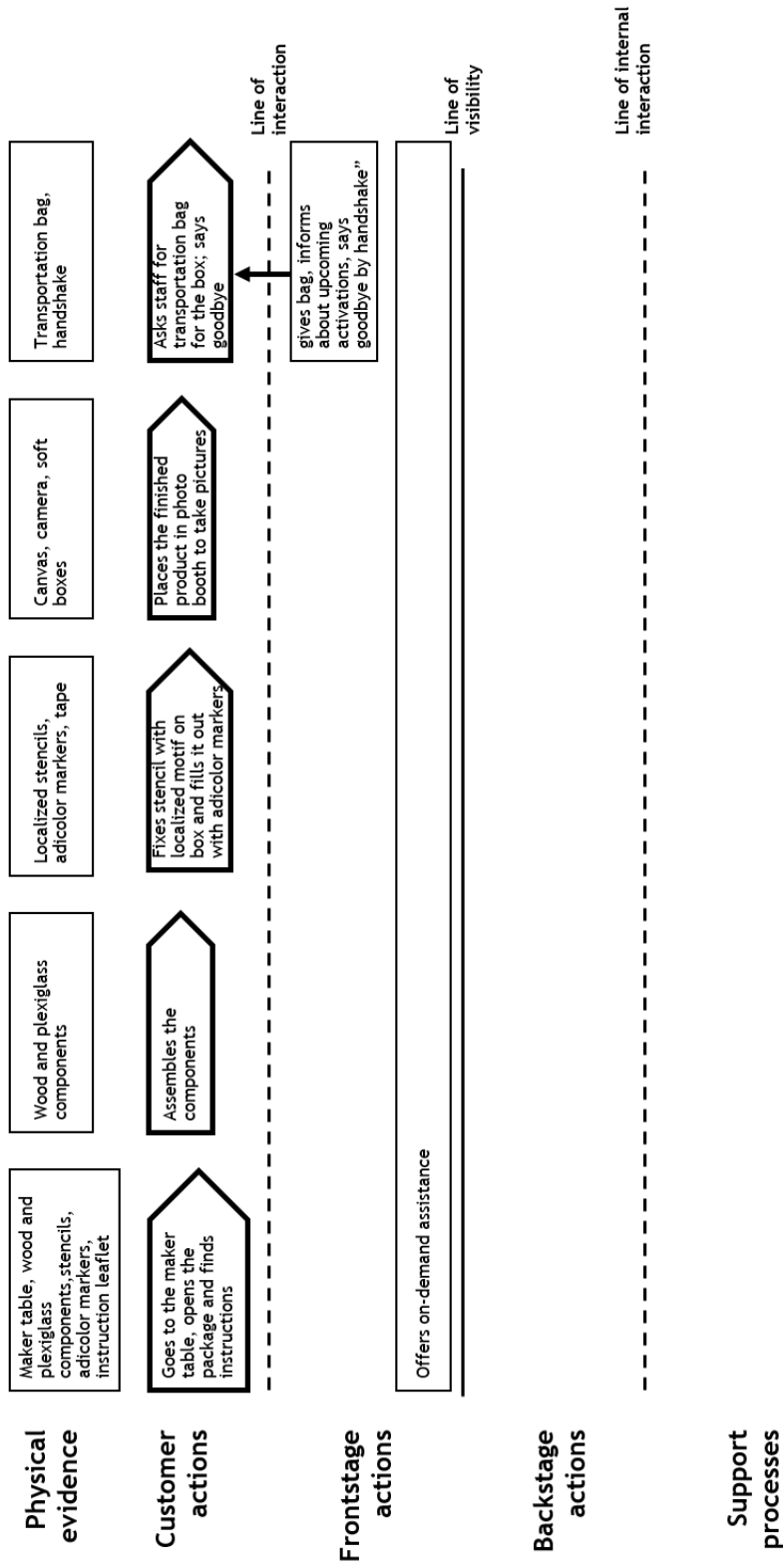


Figure 12: Service blueprint toolkit format 2/2.

Table I6

*Toolkit service blueprint categories and meaning units*

Row	Category	Meaning unit	
1	Customer actions	“Comes into the store and spots a display showing an installation of wooden shoe boxes”	
2		“Reads and follows signage to the toolkit area”	
3		“Arrives at the toolkit area and checks out packages”	
4		“Chooses one package and decides to assemble it in store”	
5		“Proceeds to digital screen to pay for toolkit through online account”	
6		“Goes to the maker table, opens the package and finds instructions”	
7		“Assembles the components”	
8		“Fixes stencil with localized motif on box and fills it out with adicolor markers”	
9		“Places the finished product in photo booth to take pictures”	
10		“Asks staff for transportation bag for the box; says goodbye”	
11		Physical evidence	“Display demonstrating the assembled toolkit; toolkit packages as product display”
12	“Signage”		
13	“Shelf with toolkits”		
14	“Toolkit package”		
15	“POS terminal on digital screen”		
16	“Maker table, wood and plexiglass components, stencils, adicolor markers, instruction leaflet”		
17	“Wood and plexiglass components”		
18	“Localized stencils, adicolor markers, tape”		
19	“Canvas, camera, soft boxes”		
20	“Transportation bag, handshake”		
21	Frontstage actions		“Welcomes Creator and explains the activity”
22		“Explains toolkit content and activity in detail to consumer”	
23		“Asks consumer to pay the toolkit before opening and using it”	
24		“Offers on-demand assistance”	
25	Backstage actions	“gives bag, informs about upcoming activations, says goodbye by handshake”	
26		“Point of sale system”	
27		Support processes	“Visual Merchandising to design display”
28			“In-Store Communications to place and design signage”
29			“Roll-out to implement retail design”
30			“Brand Activations to conceptualize toolkits with Graphics and Product Design teams”
31			“Accounting: Register and verify transaction; DBC to connect e-commerce account with store’s POS system”
32			
33			
34			
35			
36			

## I.2 Training format

### *I.2.1 Training idea wall and idea cards transcription.*

Table 17

*Transcription of idea walls developed during training idea generation*

Row	Group	Idea number	Idea description
1	All groups	1	Risograph printer
2		2	Collage/digital + analogue
3		3	Custom poster
4		4	Photo tool; collage art
5		5	Banner recycling
6		6	Print gun
7		7	Shopping Bags
8		8	Shoe Box
9		9	Re-use; Make-your-own bag → banners, samples
10		10	Shopping bag → recycling materials
11		11	Flocking
12		12	Eyelet machine
13		13	Sublimation printer
14		14	Inkjet printer
15		15	Stitching machine
16		16	Embroidery machine (loud, takes time, needs to be staffed)
17		17	Vacuum heat press
18		18	FTW Insole customization
19			• White + graphics
20			• For support / 3D print
21		19	Insole toolkit (different fits + styles)
22		20	Heat press customization
23		21	Plastic compressor (heat)
24		22	3D Pen: write name on sole (in store) with help of patterns
25		23	Linoleum print; local link; customized products

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26	24	Heat press
27		<ul style="list-style-type: none"> <li>• Localized graphics (e.g. ESWN)</li> </ul>
28		<ul style="list-style-type: none"> <li>• Customise</li> </ul>
29	25	Three stripes LED light
30	26	Neon prints; Disco blacklight
31	27	Reflector stuff; Beanie “I’m faster”
32	28	Active light
33	29	Apply patches for (performance) support; “patch placement”
34	30	Print your city: Zoom in on your favourite neighbourhood & print
35		city-landscape (local)
36	31	City print: use city to print; items of city as printing device (gullycover)
37	32	Print shop + +; Print on T-shirts:
38		<ul style="list-style-type: none"> <li>• Screenprint</li> </ul>
39		<ul style="list-style-type: none"> <li>• Laser</li> </ul>
40	33	Folding of t-shirts changes the graphic (staff need to know)
41	34	Stickers
42	35	Transfer foils
43	36	Markers
44	37	Graphic training + t-shirt printing
45	38	Pimp your shoebox print on/heat press
46	39	adidas sucks!
47	40	Sock customization; ½ pre-made; ½ customised
48	41	Functional socks
49	42	Predefined patterns on different guns
50		Customize:
51		<ul style="list-style-type: none"> <li>• Product</li> </ul>
52		<ul style="list-style-type: none"> <li>• Shopping bags</li> </ul>
53		<ul style="list-style-type: none"> <li>• Shoe boxes</li> </ul>

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Table 18

*Transcription of idea cards developed during training idea selection*

Row	Group	Idea number in prioritized order	Idea description
54	1	1	Print Shop ++
55			• Heat press
56			• Eyelet machine
57			• Print gun guided
58	1	2	Recycling Shopping Bag
59			• Recycle shopping bag out of old graphic banners
60			• Have some cutting stencils
61	2	1	Repair training
62			• Learn how to repair minor shoe damages (glue, stitch)
63			• Don't throw it away, use "parley"
64	2	2	Printing
65			• Localized printing
66			• Minimized product range
67	2	3	Clean training
68			• Learn how to use the cleaning products
69			• Learn how to clean in a proper way
70	3	1	adidas sux!
71			• Knitting machine to customize your socks
72			• Print your socks
73			• Print your face
74			• Functional sock (tennis, running, ...)
75	3	2	Functional customization
76			• Customize for functions
77			• Beanie: "I am faster than you" reflector
78			• Disco black light: party tshirt that is only visible in black light (and needs black light (a black box) for printing /
79			screen printing
80			
81			• Active running light (LED, body heat, ...)

## 1.2.2 Training idea wall and idea cards analysis.

### 1.2.2.1 Training topics.

Table I9

*Overarching topics for training activation*

Category	Sub-category	Meaning unit
Locality	-	<p>“Localized graphics” (table I7, row 27)</p> <p>“Print your city: Zoom in on your favourite neighbourhood &amp; print city-landscape (local)” (table I7, row 34-35)</p> <p>“City print: use city to print; items of city as printing device (gullycover)” (table I7, row 36)</p> <p>“Localized printing” (table I8, row 65)</p>
Sustainability	-	<p>“Banner recycling” (table I7, row 5)</p> <p>“Re-use; Make-your-own bag → banners, samples” (table I7, row 9)</p> <p>“recycling materials” (table I7, row 10)</p> <p>“Recycling Shopping Bag . . . Recycle shopping bag out of old graphic banners” (table I8, rows 53-54)</p>
Performance enhancement	-	<p>“FTW Insole customization . . . For support” (table I7, row 18)</p> <p>“Apply patches for (performance) support; “patch placement” (table I7, row 33)</p> <p>“Functional socks” (table I7, row 48)</p> <p>“Functional sock (tennis, running, ...)” (table I8, row 74)</p> <p>“Functional customization: Customize for functions; Beanie: ‘I am faster than you’ reflector . . . Active running light (LED, body heat, ...)” (table I8, rows 75-81)</p>
Technical upskilling	Electronic machines	<p>“Risograph printer” (table I7, row 1)</p> <p>“Print gun” (table I7, row 6)</p> <p>“Sublimation printer” (table I7, row 13)</p> <p>“Inkjet printer” (table I7, row 14)</p> <p>“Stitching machine” (table I7, row 15)</p> <p>“Embroidery machine” (table I7, row 16)</p> <p>“Vacuum heat press” (table I7, row 17)</p> <p>“Heat press” (table I7, row 22)</p> <p>“Plastic compressor (heat)” (table I7, row 23)</p> <p>“Laser” (table I7, row 39)</p> <p>“Flocking” (table I7, row 11)</p>
	Analogue machines	<p>“Eyelet machine” (table I7, row 12)</p> <p>“3D Pen” (table I7, row 24)</p> <p>“Linoleum print” (table I7, row 25)</p> <p>“Screenprint” (table I7, row 38)</p>

Assistance for creating and using a product	-	<p>“Graphic training + t-shirt printing” (table I7, row 44)</p> <p>“Repair training . . . Learn how to repair minor shoe damages (glue, stitch)” (table I8, row 61-62)</p> <p>“Don’t throw it away, use ‘parley’” (table I8, row 63)</p> <p>“Clean training . . . Learn how to use the cleaning products (table I8, rows 67-69)</p> <p>“Customize for functions” (table I8, row 76)</p>
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### 1.2.2.2 Training activities.

Table I10

#### Technical-focused activities for training activation

Category	Meaning unit
Risograph printer	<p>“Collage/digital + analogue” (table I7, row 2)</p> <p>“Custom poster” (table I7, row 3)</p> <p>“Photo tool; collage art” (table I7, row 4)</p>
Sewing machine	“Re-use; Make-your-own bag → banners, samples” (table I7, row 9)
Sublimation printer	“FTW Insole customization . . . White + graphics” (table I7, rows 18-19)
Print gun	<p>“Predefined patterns on different guns</p> <p>Customize: . . . Product . . . Shopping bags . . . Shoe boxes” (table I8, rows 49-53)</p>
Analogue printing	<p>“Linoleum print” (table I7, row 25)</p> <p>“stencils” (table I8, row 60)</p>
Heat press	<p>“Localized graphics” (table I7, row 27)</p> <p>“Pimp your shoebox print on/heat press” (table I7, row 45)</p> <p>“Neon prints” (table I7, row 30)</p> <p>“Reflector stuff; Beanie ‘I’m faster’” (table I7, row 31)</p> <p>“Active light” (table I7, row 32)</p> <p>“Apply patches for (performance) support; ‘patch placement’” (table I7, row 33)</p> <p>“Print your city: Zoom in on your favourite neighbourhood &amp; print city-landscape (local)” (table I7, row 34-35)</p> <p>“Folding of t-shirts changes the graphic” (table I7, row 40)</p> <p>“Transfer foils” (table I7, row 42)</p> <p>“Graphic training + t-shirt printing” (table I7, row 44)</p> <p>“Pimp your shoebox print on/heat press” (table I7, row 45)</p> <p>“Print Shop ++ . . . Heat press” (table I8, row 54-55)</p> <p>“Printing . . . Localized printing” (table I8, row 64-65)</p>
Knitting machine	<p>“Sock customization; ½ pre-made; ½ customized” (table I6, row 47)</p> <p>“Functional socks” (table I7, row 48)</p>

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	“Knitting machine to customize your socks” (table I8, row 71)
Flocking machine	“Flocking” (table I7, row 11)
Eyelet machine	“Eyelet machine” (table I7, row 12 and row 56)
Embroidery machine	“Embroidery machine (loud, takes time, needs to be staffed)” (table I7, row 16)

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1.2.3 Training service blueprint transcription.

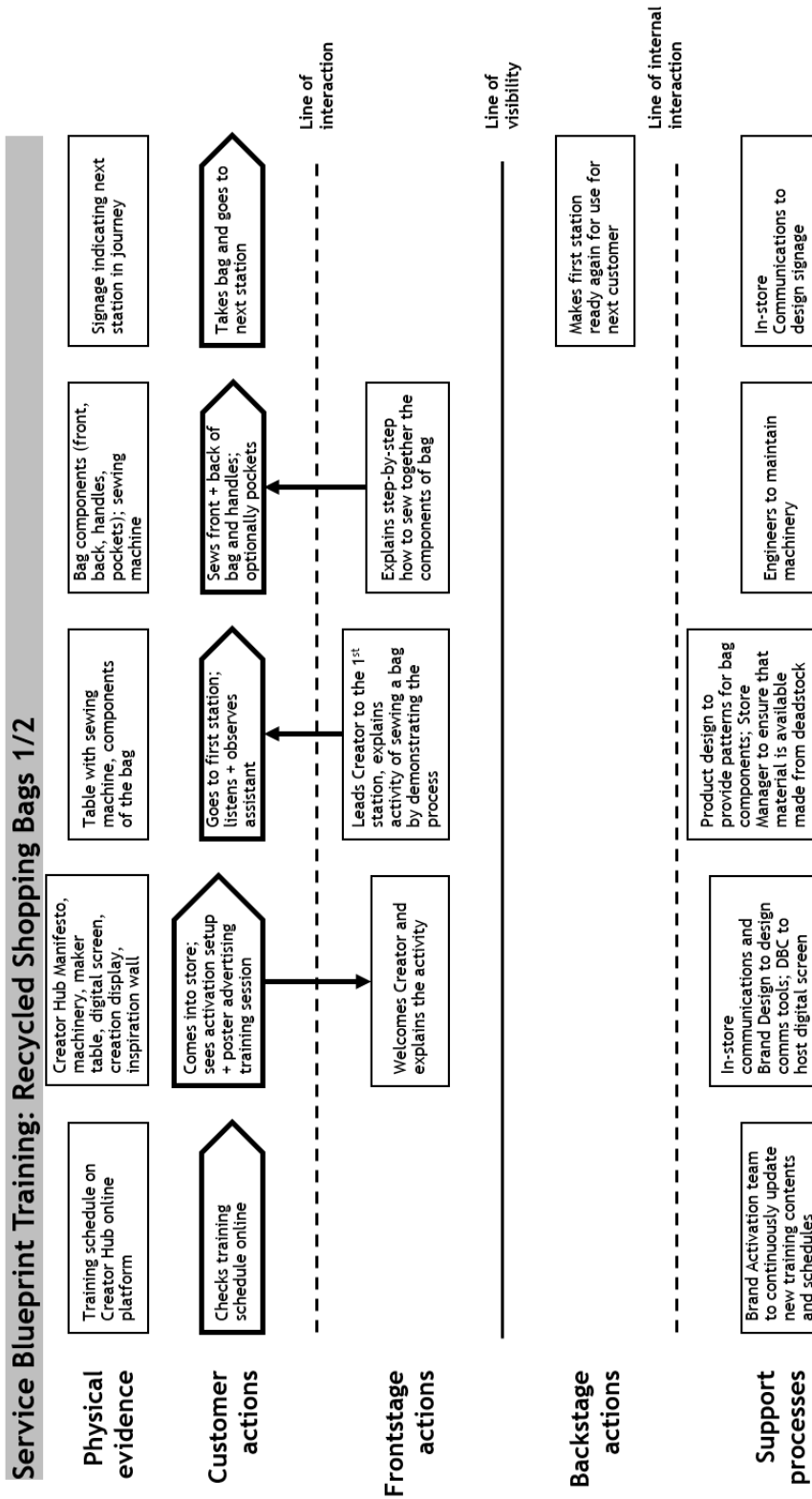


Figure 13: Service blueprint training format 1/2.

### Service Blueprint Training: Recycled Shopping Bags 2/2

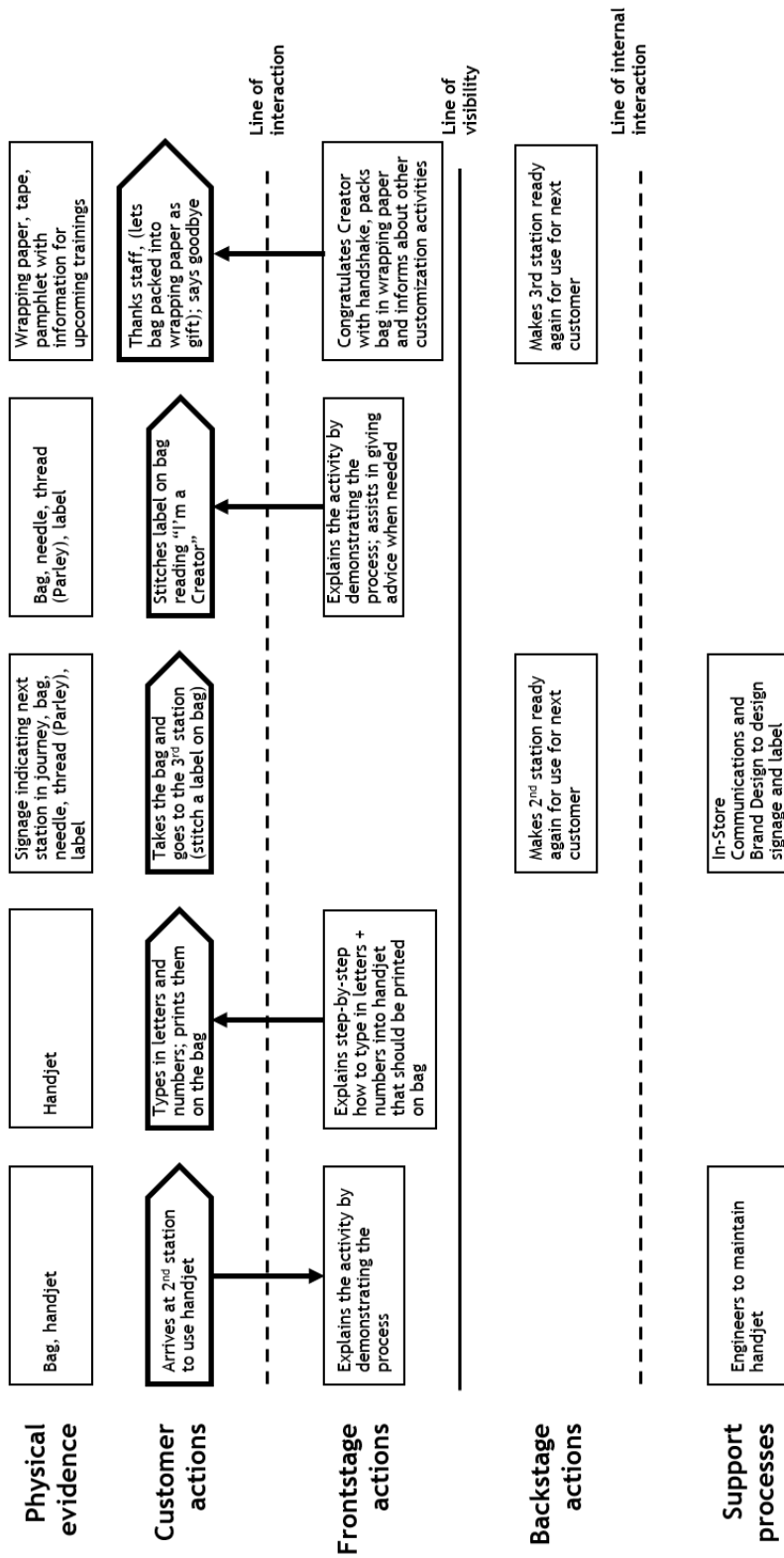


Figure 14: Service blueprint training format 2/2.

Table I11

*Training service blueprint categories and meaning units*

Row	Category	Meaning unit
1	Customer actions	“Checks training schedule online”
2		“Comes into store; sees activation setup + poster advertising training session”
3		“Goes to first station; listens + observes assistant”
4		“Sews front + back of bag and handles; optionally pockets”
5		“Takes bag and goes to next station” 6
6		“Arrives at 2 <sup>nd</sup> station to use handjet”
7		“Types in letters and numbers; prints them on the bag”
8		“Takes the bag and goes to the 3 <sup>rd</sup> station (stitch a label on bag)”
9		“Stitches label on bag reading ‘I’m a Creator’”
10		„Thanks staff, (lets bag packed into wrapping paper as gift); says goodbye”
11	Physical evidence	“Training schedule on Creator Hub online platform”
12		“Creator Hub Manifesto, machinery, maker table, digital screen, creation display, inspiration wall”
13		“Table with sewing machine, components of the bag”
14		“Bag components (front, back, handles, pockets); sewing machine”
15		“Signage indicating next station in journey”
16		“Bag, handjet”
17		“Handjet”
18		“Signage indicating next station in journey, bag, needle, thread (Parley), label”
19		“Bag, needle, thread (Parley), label”
20		“Wrapping paper, tape, pamphlet with information for upcoming trainings”
21		
22	Frontstage actions	“Welcomes Creator and explains the activity”
23		“Leads Creator to the 1 <sup>st</sup> station, explains activity of sewing a bag by demonstrating the process”
24		“Explains step-by-step how to sew together the components of bag”
25		“Explains the activity by demonstrating the process”
26		“Explains step-by-step how to type in letters + numbers into handjet that should be printed on bag”
27		“Explains the activity by demonstrating the process; assists in giving advice when needed”
28		
29		“Congratulates Creator with handshake, packs bag in wrapping paper and informs about other customization activities”
30		
31		
32		
33	Backstage actions	“Makes first station ready again for use for next customer”
34		“Makes 2 <sup>nd</sup> station ready again for use for next customer”
35		“Makes 3 <sup>rd</sup> station ready again for use for next customer”

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36	Support processes	“Brand Activation team to continuously update new training contents and
37		schedules”
38		“In-store communications and Brand Design to design comms tools; DBC to
39		host digital screen”
40		“Product design to provide patterns for bag components; Store Manager to
41		ensure that material is available made from deadstock”
42		“Engineers to maintain machinery”
43		“In-store Communications to design signage”
44		“Engineers to maintain handjet”
45		“In-Store Communications and Brand Design to design signage and label”

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## I.3 Workshop format

### *I.3.1 Workshop idea wall and idea cards transcription.*

Table I12

*Transcription of idea walls developed during workshop idea generation*

Row	Group	Idea number	Idea description
1	All groups	1	Patterns: Fundamental t-shirt
2		2	Celebrate the start of a new <i>jersey</i> journey!
3		3	Fashion Week: be a designer and create your own outfit; led by fashion students
4			
5		4	Basic fashion design workshop (realization of 1 piece)
6		5	How is an icon made: classic apparel pieces broken into patterns; build your own and mix-match
7			
8		6	Sew your t-shirt/fanny pack
9		7	Mosaic + textures: tote bag; collaboration
10		8	Digital Speaker Series 1:1 : we help you build your brand how we build ours / Illustrator lesson; Platform people teach people
11			
12		9	Customize your shoe:
13			• Buy new all-white sneakers
14			• Join 1hr session w/ water proof markers, paint, etc. to customize → bedazzle
15			
16		10	Paint your Originals Apparel
17		11	Renew your shoe:
18			• Buy clean kit+ new laces
19			• Learn how to do it
20		12	Hack last season:
21			• Access to last season's apparel in sewing/customization workshop
22			
23			• Bring your last season apparel & hack it (t-shirt into dress; jacket into vest)
24			
25		13	Recycle stuff/deadstock
26		14	The marriage of 2 shirts
27		15	Upcycle your scraps:
28			• Learn sustainability and sewing skills + repairs
29			• Use cut-out straps/textile to make fabric & make replacement part (sleeve/back) or product (shirt)
30			

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31	16	Dye your shirt
32		• New or old?
33		• Solid or tie dye?
34		• GIVE IT A NEW LIFE! UNIQUE LOOK!
35		• Inspiration: tie-dye shirt of Portland guy
36	17	Cut out broken shoe:
37		• Upper: 1 type of leather + white shoe (make it recognizable)
38		• Deadstock → apply patches & colors
39		• Inspiration: Jelske Peterson / Jarah Stoop: Peterson Stoop
40	18	Garbage Wonderland:
41		• Polybag WS
42		• Take what's there
43	19	Football LDN upcycle:
44		• Old jerseys
45		• Iconic old product
46		• Arsenal
47	20	Make the journey valuable + visible ; upcycle → clean, repair, chip,
48		...
49	21	LDN Jane Bowler: Mosaik-4 upcycling; Jewelry WS
50	22	Give-back box
51		• upcycle + sell + donate (homeless never wear shoes!)
52		• trace your donation
53	23	Upcycling Café:
54		Bring old shirts, towels, shoes, cut & weave
55	24	Repair Café:
56		• new topic each month
57		• repair tennis racket, football gloves,...
58	25	Repair workshop: insights hour to “Sustainable”
59	26	Use local typical (weave, pottery, gold leafing) crafts for repair
60		workshop (repair cracks by “gold”); Parley; celebrate the repairs
61	27	DIY shoe glue: fixed with pride
62	28	Replace a part of your product:
63		• Customize & repair
64		• Local, special fabrics
65	29	“Save your favorite sneakers”
66	30	Local Artist techniques:
67		• Screenprint - London
68		• Drawing - Tokyo

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69		• Graffiti - Berlin
70		Apply to product (permanent prints used for training activation)
71	31	Spray-paint stencil
72	32	Learn basics of sewing
73	33	Sketching workshop
74	34	Stitching training
75	35	“Photoshop”/design training
76		→ to create own poster by layering patterns
77	36	Acrylcolor training
78	37	Arduino workshop - Digital Sports Enhancement
79	38	Graphics
80	39	Calligraphy
81	40	Sew
82	41	Introduce local craftsmanship to products (British hat/ shoe-
83		making, kimono collars, French lace) → w/ travelling exhibit
84	42	Paint by dancers; Stan Smith
85	43	Wearables, e-traces (swiss comp) → digital tracing, Ballerina; try
86		tech; pattern e-traces printed; data fashion
87	44	Data capturing + creative
88	45	Data history tracing
89	46	Shopping bag (toolkits, workbench, print shop)
90	47	Shoebox
91	48	Art: making art out of shoes
92	49	Music: DJ workshop (local music) How to hack music
93	50	Stickers
94	51	Apparel/FTW/ACC: 1 complete Outfit
95	52	Network with locals
96	53	Guerilla Workshop
97	54	Open source designer
98	55	Local artist/workshop
99	56	Adidas VIP Workshop - campaign related?
100	57	Pimp your gift
101	58	Blank Canvas fear! Boundaries

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102	59	Pre-activity: performance test
103 104	60	Workshop Wheel of Fortune: challenge accepted (Tech, product, theme)
105	61	Local Experts (Shoemakers, Printers)
106	62	Upcycling RMX (Pool with used shoe/product parts)
107	63	Human powered co-creation
108	64	Human powered creation machines
109 110	65	A wall of APP + FTW stripes (colors, fabrics, etc); customize across defined range; Inspiration: Campus Pride

Table I13

*Transcription of idea cards developed during workshop idea selection*

Row	Group	Idea number in prioritized order	Idea description
111	1	1	Local input on crafts: repair/upcycling with local techniques
112			<ul style="list-style-type: none"> <li>• Repair shop</li> </ul>
113			<ul style="list-style-type: none"> <li>• Local crafts</li> </ul>
114			<ul style="list-style-type: none"> <li>• Repair with pride (gold...)</li> </ul>
115			<ul style="list-style-type: none"> <li>• (wabi-sabi=the beauty of transience and imperfection)</li> </ul>
116	1	2	Data visualization:
117			<ul style="list-style-type: none"> <li>• Dance with sensors</li> </ul>
118			<ul style="list-style-type: none"> <li>• Generate some data</li> </ul>
119			<ul style="list-style-type: none"> <li>• Visualize it</li> </ul>
120			<ul style="list-style-type: none"> <li>• Print</li> </ul>
121	1	3	Pre- & post-life of product
122			<ul style="list-style-type: none"> <li>• Upcycle</li> </ul>
123			<ul style="list-style-type: none"> <li>• Repair</li> </ul>
124			<ul style="list-style-type: none"> <li>• Tracker: user journey who used it before and after</li> </ul>
125	2	1	Local craftsmanship
126			<ul style="list-style-type: none"> <li>• Local artists teach their techniques to community</li> </ul>
127			(screenprinting in London, drawing in Tokyo, Graffiti in Berlin)
128			
129			<ul style="list-style-type: none"> <li>○ Apply graphic to shirt</li> </ul>
130			<ul style="list-style-type: none"> <li>○ Best graphics will turn into stencil people can</li> </ul>
131			use in any key city (turns into workbench setup)
132			<ul style="list-style-type: none"> <li>○ Outcome can be shown at in-store exhibition</li> </ul>
133			<ul style="list-style-type: none"> <li>• Local designers teach local craftsmanship</li> </ul>
134			
135			

			Can turn into “battle of generations” (young artists vs. traditional craftsmanship)
136	2	2	Upcycling Café
137			• Workshops to learn making skills (sewing & style) and recycling/repair principles
138			
139			• Upcycle scraps: use textile scraps/waste to make new unique fabrics & pieces (replace sleeve or whole product)
140			
141			• Hack last season w/ adidas style trust: expert-led session on how to refresh products by sewing & modifying (change shape/fit → turn t-shirt into dress → modernize it)
142			
143			
144	2	3	Digital Tool Workshop
145			Enhance your sporting gear or create new ones with easy to create digital tools like Arduino PCs or Raspberry Pi
146			
147			1. Learn how to build/program/use Arduino/Raspberry Pi; Can also involve soldering etc.
148			
149			2. Create computer for use in Products → create IoT-product
150			3. Can be used to create a contest with the data
151	3	1	Product creation with local supplies
152			• Global icon to local one
153			• Creating a shoe out of material sourced in the country/area
154			Digital framework
155	3	2	Repair Workshop
156			• Repair old stuff
157			Mix-em up
158	3	3	Art Workshop
159			Having art workshop with local talents

### ***1.3.2 Workshop idea wall and idea cards analysis.***

#### *1.3.2.1 Workshop topics.*

Table I14

#### *Overarching topics for workshop activation*

Category	Code	Meaning unit
Locality	Promote local crafting techniques	“Mosaic + textures: tote bag; collaboration” (table I12, row 9) “Inspiration: tie-dye shirt of Portland guy” (table I12, row 35)

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	<p>“Use local typical (weave, pottery, gold leafing) crafts for repair workshop (repair cracks by ‘gold’)” (table I12, rows 59-60)</p> <p>“Local, special fabrics” (table I12, row 64)</p> <p>“Local Artist techniques: Screenprint - London . . . Drawing - Tokyo . . . Grafitti - Berlin” (table I12, rows 66-69)</p> <p>“Introduce local craftsmanship to products (British hat/ shoe-making, kimono collars, French lace)” (table I12, rows 82-83)</p> <p>“Local input on crafts: repair/upcycling with local techniques” (table I13, row 111)</p> <p>“Local crafts” (table I13, row 112)</p> <p>“Product creation with local supplies . . . Global icon to local one . . . Creating a shoe out of material sourced in the country/area” (table I13, rows 151-153)</p>
Promote local artists and community	<p>“Fashion Week: be a designer and create your own outfit; led by fashion students” (table I12, rows 3-4)</p> <p>“Inspiration: Jelske Peterson / Jarah Stoop: Peterson Stoop” (table I12, row 39)</p> <p>“LDN Jane Bowler: Mosaik-4 upcycling; Jewelry WS” (table I12, row 49)</p> <p>“Network with locals” (table I12, row 95)</p> <p>“Open source designer” (table I12, row 97)</p> <p>“Local artist/workshop” (table I12, row 98)</p> <p>“Local Experts (Shoemakers, Printers)” (table I12, row 105)</p> <p>“Local craftsmanship . . . Local artists teach their techniques to community (screenprinting in London, drawing in Tokyo, Graffiti in Berlin)” (table I13, rows 125-128)</p> <p>“Local designers teach local craftsmanship. Can turn into ‘battle of generations’ (young artists vs. traditional craftsmanship)” (table I13, rows 133-135)</p> <p>“Having art workshop with local talents” (table I13, row 159)</p>
Promote global exchange of local techniques	<p>“Best graphics will turn into stencil people can use in any key city (turns into workbench setup)” (table I13, rows 130-131)</p>
Promote local sports culture	<p>“Football LDN upcycle” (table I12, row 43)</p>
Promote local social impact	<p>“Give-back box . . . upcycle + sell + donate (homeless never wear shoes!); trace your donation” (table I12, rows 50-52)</p>
Sustainability	<p>Upcycling consumers’ outdated clothes</p> <p>“Upcycle your scraps: Learn sustainability and sewing skills + repairs . . . Use cut-out straps/textile to make fabric &amp; make replacement part (sleeve/back) or product (shirt)” (table I12, rows 27-30)</p>

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	<p>“Dye your shirt . . . GIVE IT A NEW LIFE! UNIQUE LOOK!” (table I12, Rows 31-34)</p> <p>“Football LDN upcycle: . . . Old jerseys . . . Iconic old product” (table I12, rows 43-45)</p> <p>“Make the journey valuable + visible; upcycle” (table I12, row 47)</p> <p>“Mosaik-4 upcycling” (table I12, row 49)</p> <p>“Give-back box . . . upcycle + sell + donate (homeless never wear shoes!)” (table I12, rows 50-51)</p> <p>“Upcycling Café: Bring old shirts, towels, shoes, cut &amp; weave” (table I12, rows 53-54)</p> <p>“Save your favorite sneakers” (table I12, row 65)</p> <p>“Upcycling RMX (Pool with used shoe/product parts)” (table I12, row 106)</p> <p>“repair/upcycling with local techniques” (table I13, row 111)</p> <p>“Upcycling Café . . . Workshops to learn making skills (sewing &amp; style) and recycling/repair principles . . . Upcycle scraps: use textile scraps/waste to make new unique fabrics &amp; pieces (replace sleeve or whole product) . . . Hack last season w/ adidas style trust: expert-led session on how to refresh products by sewing &amp; modifying (change shape/fit → turn t-shirt into dress → modernize it)” (table I13, rows 136-143)</p>
Repairing consumer’s damaged clothes	<p>“Repair Café: . . . new topic each month . . . repair tennis racket, football gloves...” (table I12, rows 55-57)</p> <p>“Repair workshop: insights hour to ‘Sustainable’” (table I12, row 58)</p> <p>“Use local typical (weave, pottery, gold leafing) crafts for repair workshop (repair cracks by “gold”); Parley; celebrate the repairs” (table I12, rows 59-60)</p> <p>“Replace a part of your product: . . . Customize &amp; repair . . . Local, special fabrics” (table I12, rows 62-64)</p> <p>“Repair shop” (table I13, row 112)</p> <p>“Repair with pride (gold...)” (table I13, row 114)</p> <p>“Pre- &amp; post-life of product . . . Upcycle . . . Repair . . . Tracker: user journey who used it before and after” (table I12, rows 121-124)</p> <p>“Repair Workshop . . . Repair old stuff . . . Mix-em up” (table I12, rows 155-157)</p>
Recycling leftovers from stores (old collections and deadstock)	<p>“Hack last season: Access to last season’s apparel in sewing/customization workshop . . . Bring your last season apparel &amp; hack it (t-shirt into dress; jacket into vest)” (table I12, rows 20-24)</p> <p>“Recycle stuff/deadstock” (table I12, row 25)</p>

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		<p>“Deadstock → apply patches &amp; colors” (table I12, row 38)</p> <p>“Garbage Wonderland: . . . Take what’s there” (table I12, rows 40-42)</p>
	Saving energy in the creation process	<p>“Human powered co-creation” (table I12, row 107)</p> <p>“Human powered creation machines” (table I12, row 108)</p>
Cross-disciplinary activities	Art & music	<p>“Art: making art out of shoes” (table I10, row 91)</p> <p>“Music: DJ workshop (local music) How to hack music” (table I12, row 92)</p>
Digital	Internet of Things making product history accessible and visible	<p>“Make the journey valuable + visible ; upcycle → clean, repair, chip” (table I12, row 47)</p> <p>“trace your donation” (table I12, row 52)</p> <p>“Wearables, e-traces (swiss comp) → digital tracing, Ballerina; try tech; pattern e-traces printed; data fashion” (table I12, rows 85-86)</p> <p>“Data capturing + creative” (table I12, row 87)</p> <p>“Data history tracing” (table I12, row 88)</p>
	Digital upskilling (through digital means and about digital means)	<p>“Digital Speaker Series 1:1 : we help you build your brand how we build ours / Illustrator lesson; Platform people teach people” (table I12, rows 10-11)</p> <p>“‘Photoshop’/design training” (table I12, row 75)</p> <p>“Arduino workshop - Digital Sports Enhancement” (table I12, row 78)</p>

### 1.3.2.2 Workshop activities.

Table I15

#### Process-focused activities for workshop activation

Category	Meaning unit
Creating from scratch	“Patterns: Fundamental t-shirt” (table I12, row 1)
	“Celebrate the start of a new <del>jersey</del> journey!” (table I12, row 2)
	“Fashion Week: be a designer and create your own outfit; led by fashion students” (table I12, rows 3-4)
	“Basic fashion design workshop” (Table realization of 1 piece) (table I12, row 5)
	“How is an icon made: classic apparel pieces broken into patterns; build your own and mix-match” (table I12, rows 6-7)
	“Sew your t-shirt/fanny pack” (table I12, row 8)
	“Mosaic + textures: tote bag; collaboration” (table I12, row 9)
	“Digital Speaker Series 1:1 : we help you build your brand how we build ours / Illustrator lesson; Platform people teach people” (table I12, rows 10-11)

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	<p>“Digital Tool Workshop . . . Enhance your sporting gear or create new ones with easy to create digital tools like Arduino PCs or Raspberry Pi . . . 1. Learn how to build/program/use Arduino/Raspberry Pi; Can also involve soldering etc. . . . 2. Create computer for use in Products □ create IoT-product . . . 3. Can be used to create a contest with the data” (table I13, rows 144-150)</p> <p>“Product creation with local supplies . . . Global icon to local one . . . Creating a shoe out of material sourced in the country/area” (table I13, rows 151-153)</p>
Customizing	<p>“Customize your shoe: . . . Buy new all-white sneakers . . . Join 1hr session w/ water proof markers, paint, etc. to customize → bedazzle” (table I12, rows 12-15)</p> <p>“Paint your Originals Apparel” (table I12, row 16)</p> <p>“Data visualization: . . . Dance with sensors . . . Generate some data . . . Visualize it . . . Print” (table I13, rows 116-120)</p>
Upcycling and repairing	<p>“Renew your shoe: . . . Buy clean kit+ new laces . . . Learn how to do it” (table I12, rows 17-19)</p> <p>“Hack last season: . . . Access to last season’s apparel in sewing/customization workshop . . . Bring your last season apparel &amp; hack it (t-shirt into dress; jacket into vest)” (table I12, rows 20-24)</p> <p>“Recycle stuff/deadstock” (table I12, row 25)</p> <p>“The marriage of 2 shirts” (table I12, row 26)</p> <p>“Upcycle your scraps: . . . Learn sustainability and sewing skills + repairs . . . Use cut-out straps/textile to make fabric &amp; make replacement part (sleeve/back) or product (shirt)” (table I12, rows 27-30)</p> <p>“Dye your shirt . . . New or old? . . . Solid or tie dye? . . . GIVE IT A NEW LIFE! UNIQUE LOOK!” (table I12, rows 31-34)</p> <p>“Cut out broken shoe . . . Upper: 1 type of leather + white shoe (make it recognizable) . . . Deadstock → apply patches &amp; colors . . . Inspiration: Jelske Peterson / Jarah Stoop: Peterson Stoop” (table I12, rows 36-39)</p> <p>“Garbage Wonderland: . . . Polybag WS . . . Take what’s there” (table I12, rows 40-42)</p> <p>“Football LDN upcycle: . . . Old jerseys . . . Iconic old product . . . Arsenal” (table I12, rows 43-46)</p> <p>“Make the journey valuable + visible; upcycle → clean, repair, chip, ...” (table I12, rows 47-48)</p> <p>“LDN Jane Bowler: Mosaik-4 upcycling; Jewelry WS” (table I12, row 49)</p> <p>“Give-back box . . . upcycle + sell + donate (homeless never wear shoes!) trace your donation” (table I12, rows 50-52)</p> <p>“Upcycling Café: Bring old shirts, towels, shoes, cut &amp; weave” (table I12, rows 53-54)</p> <p>“Repair Café: . . . new topic each month . . . repair tennis racket, football gloves,...” (table I12, rows 55-57)</p> <p>“Repair workshop: insights hour to ‘Sustainable’” (table I12, row 58)</p>

“Use local typical (weave, pottery, gold leafing) crafts for repair workshop (repair cracks by “gold”); Parley; celebrate the repairs” (table I12, rows 59-60)

“DIY shoe glue: fixed with pride” (table I12, row 61)

“Replace a part of your product: . . . Customize & repair . . . Local, special fabrics (table I12, rows 62-64)

“Save your favorite sneakers” (table I12, row 65)

“Local input on crafts: repair/upcycling with local techniques . . . Repair shop . . . Local crafts . . . Repair with pride (gold,...) (wabi-sabi= the beauty of transience and imperfection)” (table I13, rows 111-115)

“Pre- & post-life of product . . . Upcycle . . . Repair . . . Tracker: user journey who used it before and after” (table I13, rows 121-124)

“Upcycling Café . . . Workshops to learn making skills (sewing & style) and recycling/repair principles . . . Upcycle scraps: use textile scraps/waste to make new unique fabrics & pieces (replace sleeve or whole product) Hack last season w/ adidas style trust: expert-led session on how to refresh products by sewing & modifying (change shape/fit → turn t-shirt into dress → modernize it)” (table I13, rows 136-143)

“Repair Workshop . . . Repair old stuff . . . Mix-em up” (table I13, rows 155-157)

Using (Upskilling  
in design and  
manufacturing  
techniques)

“Local Artist techniques: . . . Screenprint - London . . . Drawing - Tokyo . . . Graffiti - Berlin . . . Apply to product (permanent prints used for training activation) (table I12, rows 66-70)

“Spray-paint stencil” (table I12, row 71)

“Learn basics of sewing” (table I12, row 72)

“Sketching workshop” (table I12, row 73)

“Stitching training” (table I12, row 74)

“‘Photoshop’/design training →to create own poster by layering patterns” (table I12, rows 75-76)

“Acrylcolor training” (table I12, row 77)

“Arduino workshop - Digital Sports Enhancement” (table I12, row 78)

“Graphics” (table I12, row 79)

“Calligraphy” (table I12, row 80)

“Sew” (table I12, row 81)

“Introduce local craftsmanship to products (British hat/ shoe-making, kimono collars, French lace) → w/ travelling exhibit” (table I12, rows 82-83)

“Paint by dancers; Stan Smith” (table I12, row 84)

“Wearables, e-traces (swiss comp) → digital tracing, Ballerina; try tech; pattern e-traces printed; data fashion” (table I12, rows 85-86)

“Data capturing + creative” (table I12, row 87)

“Data history tracing” (table I12, row 88)

“Art: making art out of shoes” (table I12, row 91)

“Music: DJ workshop (local music) How to hack music” (table I12, row 92)

“Local artists teach their techniques to community (screenprinting in London, drawing in Tokyo, Graffiti in Berlin) . . . Apply graphic to shirt . . . Best graphics

will turn into stencil people can use in any key city (turns into workbench setup) .  
. . Outcome can be shown at in-store exhibition (table I13, rows 126-132)  
“Workshops to learn making skills (sewing & style) and recycling/repair principles”  
(table I13, rows 137-138)  
“expert-led session on how to refresh products by sewing & modifying” (table I12,  
rows 141-142)  
“1. Learn how to build/program/use Arduino/Raspberry Pi; Can also involve  
soldering etc. 2. Create computer for use in Products → create IoT-product” (table  
I13, rows 147-149)  
“Creating a shoe out of material sourced in the country/area” (table I13, row 153)

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### 1.3.3 Workshop service blueprint transcription.

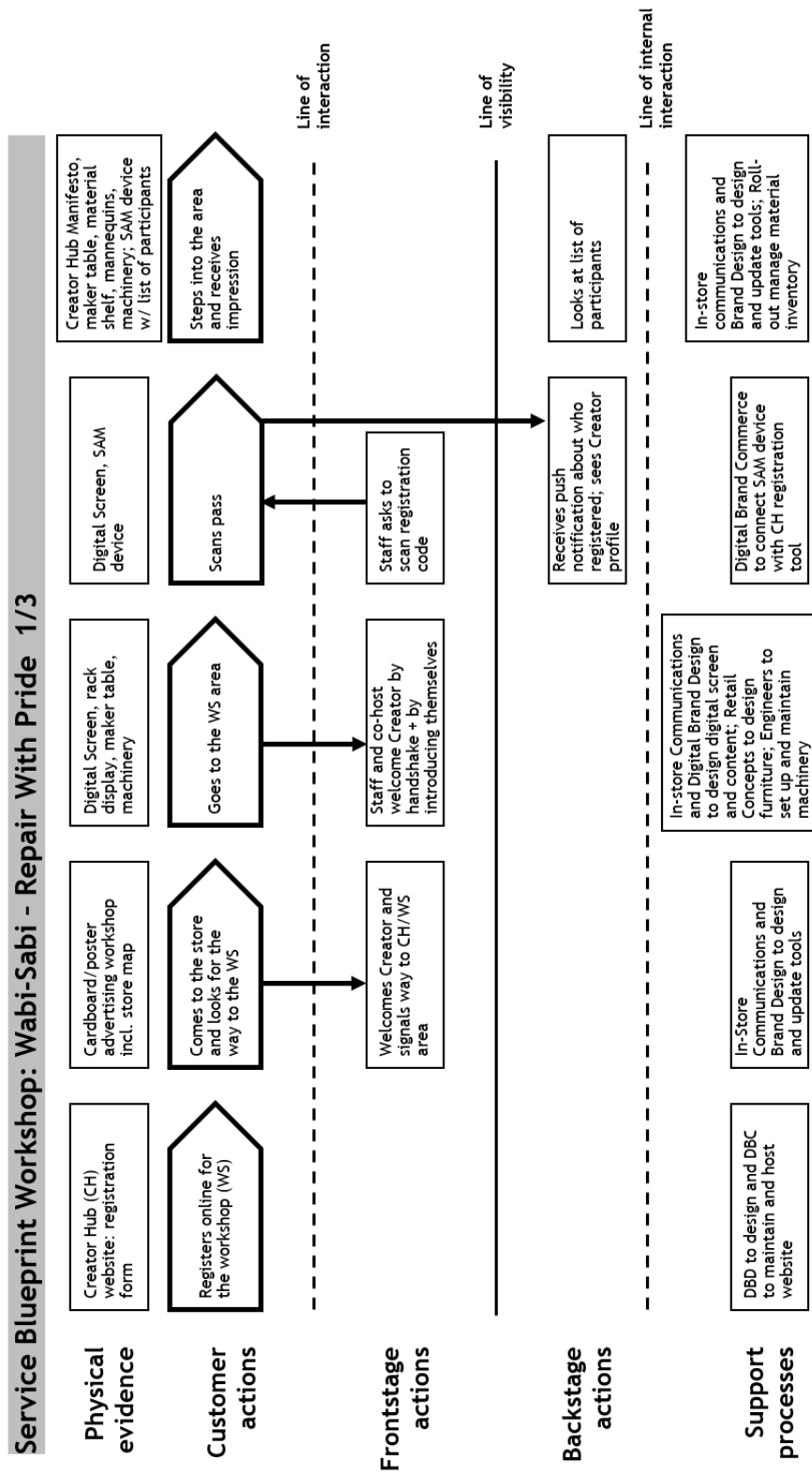


Figure 15: Service blueprint workshop format 1/3.

## Service Blueprint Workshop: Wabi-Sabi - Repair With Pride 2/3

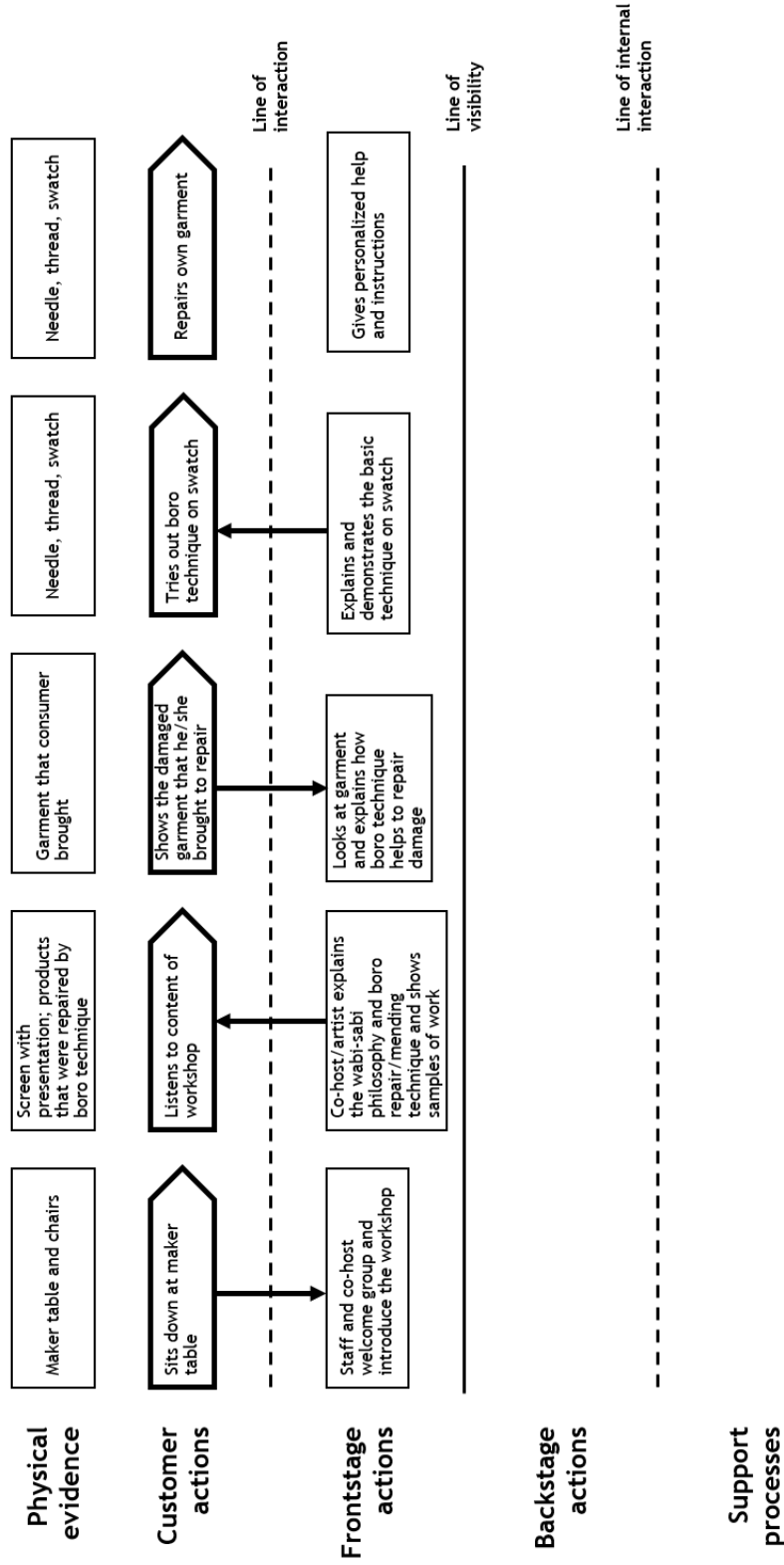


Figure 16: Service blueprint workshop format 2 / 3.

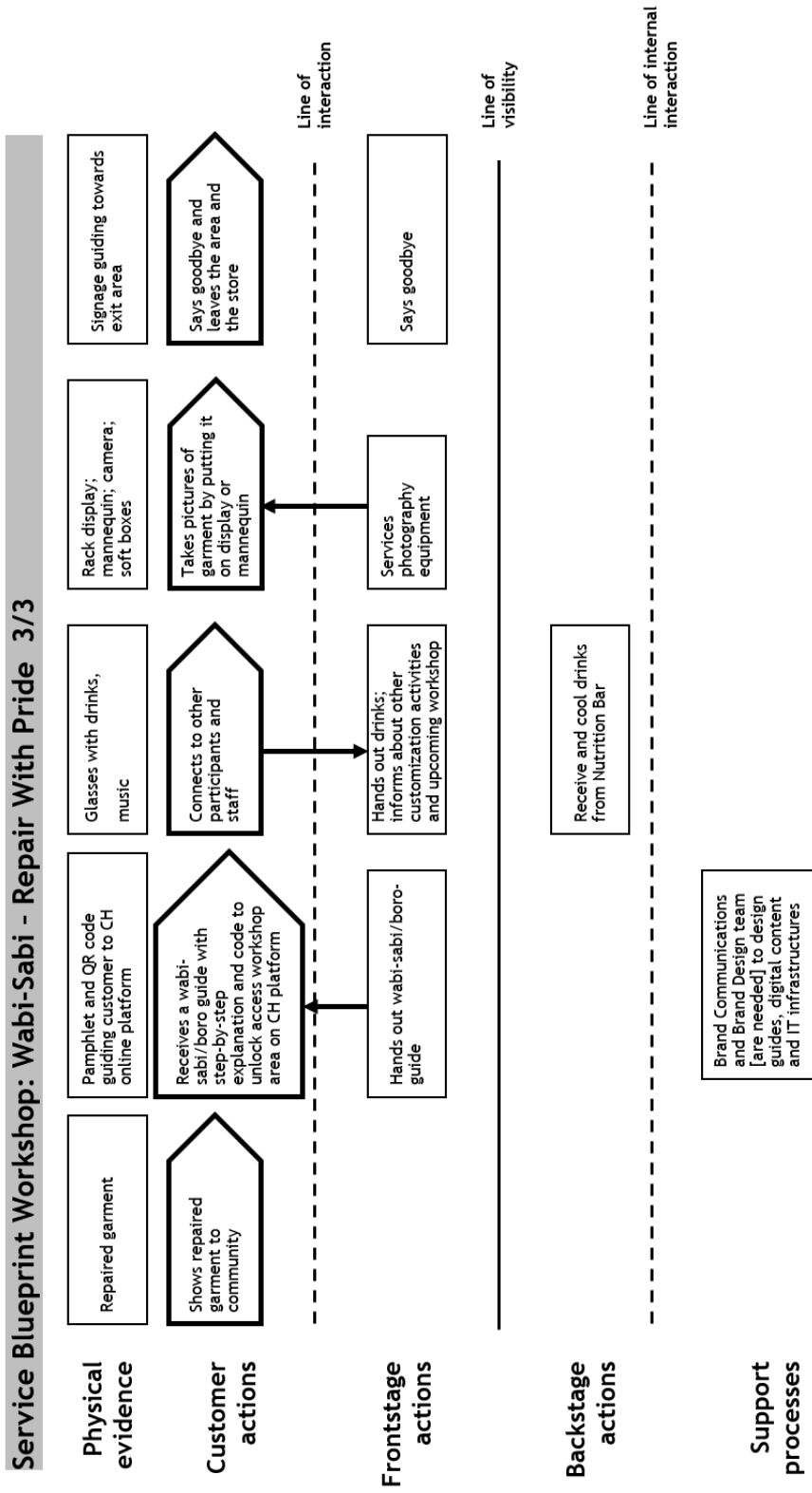


Figure 17: Service blueprint workshop format 3/3.

Table I16

*Workshop service blueprint categories and meaning units*

Row	Category	Meaning unit
1	Customer actions	“Registers online for the workshop (WS)”
2		“Comes to the store and looks for the way to the WS”
3		“Goes to the WS area”
4		“Scans pass”
5		“Steps into the area and receives impression”
6		“Sits down at maker table”
7		“Listens to content of workshop”
8		“Shows the damaged garment that he/she brought to repair”
9		“Tries out boro technique on swatch”
10		“Repairs own garment”
11		“Shows repaired garment to community”
12		“Receives a wabi-sabi/boro guide with step-by-step explanation and code
13		to unlock access workshop area on CH platform”
14		“Connects to other participants and staff”
15		“Takes pictures of garment by putting it on display or mannequin”
16		“Says goodbye and leaves the area and the store”
17	Physical evidence	„Creator Hub (CH) website: registration form”
18		„Cardboard/poster advertising workshop incl. store map”
19		“Digital Screen, rack display, maker table, machinery”
20		„Digital Screen, SAM device”
21		„Creator Hub Manifesto, maker table, material shelf, mannequins,
22		machinery; SAM device w/ list of participants”
23		“Maker table and chairs”
24		“Screen with presentation; products that were repaired by boro technique”
25		“Garment that consumer brought”
26		“Needle, thread, swatch”
27		“Needle, thread, swatch”
28		“Repaired garment”
29		“Pamphlet and QR code guiding customer to CH online platform”
30		“Glasses with drinks, music”
31		“Rack display; mannequin; camera; soft boxes”
32		“Signage guiding towards exit area”
33	Frontstage actions	“Welcomes Creator and signals way to CH/WS area”
34		“Staff and co-host welcome Creator by handshake and by introducing themselves”
35		“Staff asks to scan registration code”
36		“Staff and co-host welcome group and introduce the workshop”
37		“Co-host/artist explains the wabi-sabi philosophy and boro repair/mending technique and shows samples of work”
38		

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39		“Looks at garment and explains how boro technique helps to repair damage”
40		“Explains and demonstrates the basic technique on swatch”
41		“Gives personalized help and instructions”
42		“Hands out wabi-sabi/boro-guide”
43		“Hands out drinks; informs about other customization activities and upcoming workshop”
44		“Services photography equipment”
45		“Says goodbye”
47	Backstage actions	“Receives push notification about who registered; sees Creator profile”
48		“Looks at list of participants”
49		“Receive and cool drinks from Nutrition Bar”
50	Support processes	“DBD to design and DBC to maintain and host website”
51		“In-Store Communications and Brand Design to design and update tools”
52		“In-store Communications and Digital Brand Design to design digital screen and content; Retail Concepts to design furniture; Engineers to set up and maintain machinery”
53		“Digital Brand Commerce to connect SAM device with CH registration tool”
54		“In-store communications and Brand Design to design and update tools; Roll-out manage material inventory”
55		“Brand Communications and Brand Design team [are needed] to design guides, digital content and IT infrastructures”
56		
57		
58		
59		

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