

CHANGING MINDSETS

MUSEUMS AS INSPIRATION
FOR FASHION RETAILERS TO
ADOPT A PURPOSE-DRIVEN
MINDSET

MASTER THESIS BY MAUD VAN DE MOSSELAAR

CHANGING MINDSETS: MUSEUMS AS INSPIRATION FOR FASHION RETAILERS TO ADOPT A PURPOSE-DRIVEN MINDSET

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“Museums have already applied purpose-driven strategies before the word was even discovered in the business world.”

- Cees van Riel, reputation expert (2017)

SUMMARY

Despite the rise of digitalization, and consequently e-commerce, the physical fashion store remains relevant in the retail environment. Still generating almost all sales (Deloitte, 2018). However, stores are shifting from a place to buy to a place to be (INretail, 2017). Where experiences are more important than products. Inevitably, to fulfil customers' needs and differentiate from the competition a personal experience is necessary.

With arising trends and technologies, retailers are overwhelmed by the possibilities and in need of guidance towards experiential retail. Other sectors, such as the cultural sector, provide an opportunity for inspiration. In this thesis, the possibilities for museums as inspiration for fashion retail are explored. However, this study is performed on a strategic level. Resulting in a strategic model that guides retailers towards creating meaningful customer experiences.

By researching the retail and museum sector an opportunity is identified: museums have a higher reputation than companies (Van Riel et al, 2017). Reputation is defined as the emotional bond between a company and its customers. Based on insights the following interpretation is established. Reputation is built through experience and trust. By delivering the expected customer experience a trustworthy relationship is developed, resulting in a high reputation. This reputation is maintained when expectations are exceeded, by providing unexpected elements and room for serendipity in explorative retail spaces (Grit et al. 2017).

Based on an online customer research, performed in context, two reasons for the reputation gap between retail and museums in Rotterdam can be described: museums meet the expected customer experience and museums have a bigger impact on society. This impact is related to their contribution

to heritage, education and entertainment. Therefore, applying a purpose-driven strategy. Defining purpose as the fundamental reason for existence.

Inspired by museums, retailers are able to increase reputation and create a meaningful customer experience by adopting a purpose-driven mindset. Even though a purpose itself does not change, it encourages change by setting an unreachable goal. Striving to reach this goal, retailers need to make decisions guided by their purpose. Not only does purpose create the foundation for a trustworthy customer relationship, it also increases internal alignment and motivates employees.

As a result, the Purpose Paradigm is introduced. A strategic model that identifies the steps towards implementing a purpose-driven mindset in retailers. Aiming at behavioural change inside the company that leads to employee engagement and facilitates decision-making. In return, creating a genuine and meaningful customer experience. Being purpose-driven is a long-term and sustainable approach for retailers reacting to the changing retail environment. The implementation of the Purpose Paradigm for a fashion retailer is illustrated in a fictional case.

READING GUIDE

The reading guide elements provide structure and clarity throughout the thesis.



The grey frames, with a magnifying glass, contain insights that are summarized at the end of each sub-chapter.



The orange frames, with a puzzle, contain overall conclusions, based on the insights, at the end of each chapter.

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PROJECT

The first part of this thesis aims to provide an introduction and overview of the graduation project. Describing the topic, motivation and context of the research. Also, the project approach is explained.

1.1 INTRODUCTION

Since the introduction of digitalization, it continues to influence the retail sector. With the resulting rise of e-commerce many feared the end of brick and mortar stores. This scenario is supported by a visible change in the retail environment, filled with bankruptcies and vacant stores (Epskamp, 2018). Yet, still almost all sales are generated in the shopping street (Deloitte, 2018). Thus, presenting a continuing position for physical retail in the future. However, this position is not guaranteed. To remain relevant, retailers need to fulfil customer needs while reacting to the widespread possibilities that arise through trends and technologies. Demanding flexibility and the ability to keep changing in order to require competitive advantage.

During an interview with Alexander van der Grit, an academic lecturer specialized in change in business, he remarked an eye-opening perspective on change in the retail environment (Appendix A). Instead of saying retailers need to start changing to remain relevant, they need to keep changing. Since the beginning retailers, and brands, have been change initiators. Always pushing the boundaries. However, at this moment a standstill is taking place.

Overall, retail stores are shifting from a place to buy to a place to be (INretail, 2017), putting a focus on customer experience. For most retailers, a sufficient experience is merely not good enough to satisfy customers. They expect personal and meaningful experiences. Their relationship with the brand influences future behaviour and thus loyalty. Therefore, meeting customer needs is of importance.

Inspiration for retailers related to experiences can be found in other business sectors. Applying this approach, Platform de Nieuwe Winkelstraat, an independent centre of knowledge focused on the

“Retailers don’t need to start changing, they need to keep changing.”

- Alexander van der Grit, academic lecturer (2018)

future of shopping areas in the Netherlands and partner of Creating 010, has specified their interest in the cultural sector specifically. Creating an opportunity for a graduation assignment. The main goal of this project is to research the possibility of the cultural sector as strategic influence on the retail environment in Rotterdam. The strategic approach, or level, indicates the way in which the cultural sector is used as a source of inspiration and knowledge. Metaphorically as the bridge between the current and future physical retail environment. To do so, the interfaces and possibilities between retail and culture related to customer experience are explored.

1.2 PROJECT CONTEXT

The project has been carried out for the research institute Creating 010, part of Hogeschool Rotterdam. In their own words they “perform research on social transformations related to digitalization” (Creating 010, 2017). They employ researchers and teachers related to art, design, ICT education and more associated professional sectors. Also, they collaborate with other universities and institutions on a national level, they organize seminars and they involve students in their research (either for graduation projects or other study related projects).

Currently Creating 010 has multiple active research directions on retail. This project arose from the direction Retail & Culture, which has been started as part of an initiative by Platform de Nieuwe Winkelstraat (PDNW). It involves multiple partners like Hogeschool van Amsterdam, Urban Department Store Rotterdam and naturally Creating 010.

Research scope

To perform a viable research within the given timespan multiple boundary conditions have been set. These minimize the endless number of

possible opportunities within the research direction, related to the retail and cultural sector. The goal of creating a specific focus is to enrich the outcome of the research.

A general boundary condition to limit the scope of the research is the location. The focus will be on the city centre of Rotterdam, as desired by Creating 010. The most visited area in the city is the Lijnbaankwartier which includes Coolsingel, Lijnbaan, Beurstraverse and Binnenwegplein. Almost every visitor enters this area. This makes sense as it covers almost half of the number of shops in Rotterdam and shopping is the most popular leisure activity in the city centre (Doffer et al., 2012). One of the targets of the municipality of Rotterdam is to ‘extend the duration visitors stay in the city centre’ (Christiaanse et al., 2015). They want to create a place where you can meet, stay, entertain and live.

Having established the position of brick and mortar stores, the focus on shopping areas by PDNW and the desired of time spent in the city centre of Rotterdam the focus in this project is on physical retail. Thus, in-store experience. With a

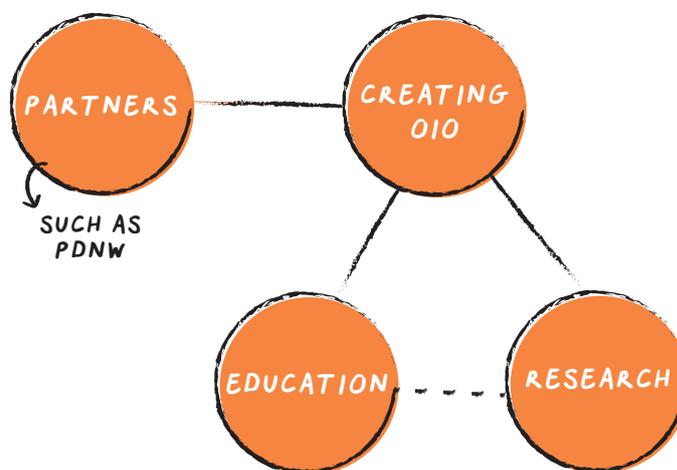


Figure 1: Organizational structure Creating 010

personal preference for fashion retail, the retail sector is further contained. Research will tell how this impacts the project.

Within the cultural sector the focus is on cultural institutions. When speaking of cultural institutions there are different categories: museums, theatres, festivals, cinemas, libraries, galleries, national heritage and more. From these options, museums have been selected as the source of inspiration to proceed with during the research. The reason for this is that museums are influenced by the same factors as retail, such as digitalization, and as a response they need to innovate. Thus, possibly providing valuable insights relevant to retail. Also, Rotterdam has a concentration of museums at the Museumpark, including five museums such as the Kunsthal and Boijmans van Beuningen. The museums are collaborating to achieve an interesting and lively cultural area through events and other activities.

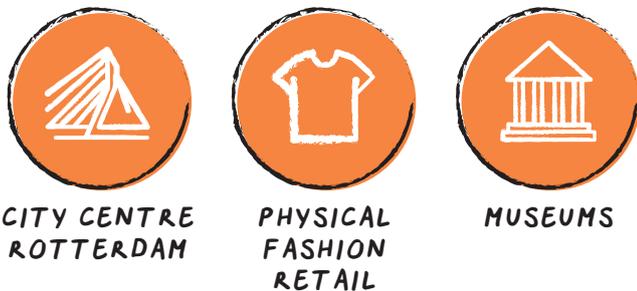


Figure 2: Boundary conditions research

1.3 RESEARCH QUESTION

Based on the subjects addressed in the introduction and the boundary conditions, the following research question can be formulated. This question will guide throughout the project.

Can museums be used as a source of strategic inspiration, related to customer experience, for physical fashion retailers in Rotterdam?

Relevance

The relevance of this project is focused on the retailers, not the museums. Giving retailers the knowledge they need to create a sustainable outlook for their brand, and stores, towards the future.

It also contributes to the theory of the retail sector as a whole. Creating insights and inspiration. A likewise research, focused on the possible translation of museum strategies to retail, has not been carried out before. Either the focus has been from retail as inspiration for museums (Chaney et al., 2018), related to the blurring of the sectors (Larkin & Jamie, 2016) or on the implementation of museum arts in retail (Kim et al., 2018). Examples of this in practice are museum shops, brand museums or collaborations.

Deliverable

The result of this project is a strategic model, which can be used as the foundation for a practical tool for retailers. Creating awareness and guiding towards a sustainable position in the physical retail environment.

1.4 PROJECT APPROACH

The project naturally evolved according to the double-diamond approach (Design Council, 2019). The following stages are gone through: discover, define, develop and deliver. Accordingly, diverging and converging.

Stage 1: Discover

In this section the retail and museum sector will be explored separately through literature research. Although many cross-overs can be imagined this thesis is approached from a strategic level. Hence the research is focused on that area. Finding the sweet spot between retail and museums.

Stage 2: Define

Once the opportunity has been identified, research on this specific topic will be conducted. Also, related subjects are further explored and defined. Expanding knowledge while refining the research area.

Stage 3: Develop

The direction for a solution has been defined. Relevant insights from the prior stages will once again be further explored. Gaining the

understanding that is needed to develop a strategic model through ideation.

Stage 4: Deliver

The last stage presents the final design: a strategic model. Discussing implementation guided by a case and further recommendations. The overall project will be concluded and a personal reflection is given.

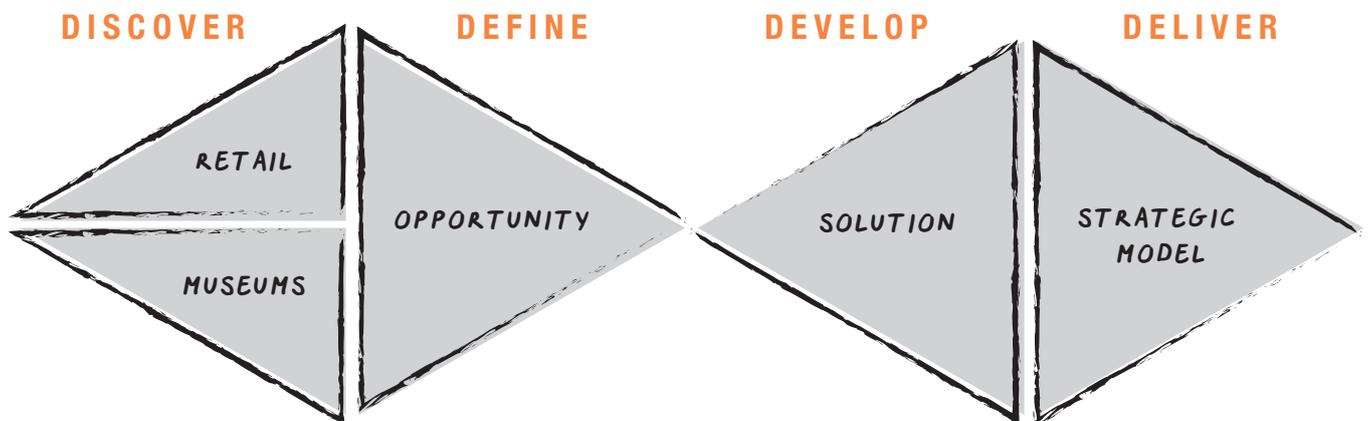


Figure 3: Double-diamond structure of this thesis

DISCOVER

During this part, corresponding with the stage discover, retail and museums are separately explored. Providing insight that remain relevant throughout the thesis and identifying an interesting opportunity.

2.1 RETAIL

The focus on physical fashion retail during this project has been specified before. In this chapter, the aim is to discover and understand the effect of digitalization and the shift towards an experience economy.

2.1.1 THE EFFECT OF DIGITALIZATION

Digitalization has been briefly touched upon in the introduction. It refers to the integration of digital technologies and the restructuring of social life around digital communication and media infrastructures (Bloomberg, 2018). An important transformation affecting the retail sector, requiring flexibility from retailers. The impact of technology is also fuelled by providing digital products and services to consumers, changing their behaviour (Hagberg et al., 2016). Mobile devices are converting technology into a part of the physical store, leading to new physical retail formats. Creating 010 explores the omnichannel opportunities in Lab Fygitel, part of which refers to enriching the physical experience using digital technologies.

With the increasing amount of web-shops (CBS, 2017), part of digitalization, many did not see a future for physical retail. This idea was supported by the visual change in the retail environment: bankruptcies and vacant stores (Epskamp, 2018). But behind the scenes web-shops are struggling to survive. Zalando for example, one of the largest online fashion retailers has been attempting to make a profit for the past years, but investments in service costs, such as free returns, are proving to be too expensive (Sedee, 2018). Of course, this is not the case for every online retailer, there are many success stories. But it is just one example to burst the bubble of the e-commerce fairy tale.

Visiting a store remains essential to retail. Still almost 90 percent of the profit is generated in-store

(Goldberg, 2018). Stores offer sensory dimensions that are not available online. Customers like to be able to see, touch, test and smell a product, it is an important part of the buying experience. Also, a store can be so much more than just its products. It can provide a community and add value for its customers. Some retailers are very aware of this situation, Coolblue for example. The electronics company started solely as an online retailer, but over time they opened physical stores. They state that the only competing factor between online retailers ends up being the price, so to stand out from the competition the service must be excellent (Kok-van Twillert, 2018). This service can be best provided in the physical environment, through human interaction.

 Digitalization creates new (online) retail formats. But the physical store maintains its position in the retail environment. Offering dimensions not available online.

2.1.2 CUSTOMER EVOLUTION

Designing for the future requires understanding the needs and behaviour of the future customers (and employees). An overall judgement can be established on age-based generations. Well-known today are the Millennials. However, the next generation in customer evolution is Gen Z, born between 1995 and 2012. They are expected to cover the largest buying power by 2020 (Fromm, 2018). But that is not the only impact they have. Gen Z is a generation very different from its predecessors due to many political and technological developments happening during their lives. This translates to a greater self-awareness, compared to Millennials, meaning they are aware of their role in the world and their responsibility to improve it (Merriman, 2015).

A number of characteristics can be described about their relation with retail and brands. Gen Z still prefers physical stores over online shops (Accenture, 2017). However, they expect the experience to be technology focused, as they are born digital natives, although it must not replace

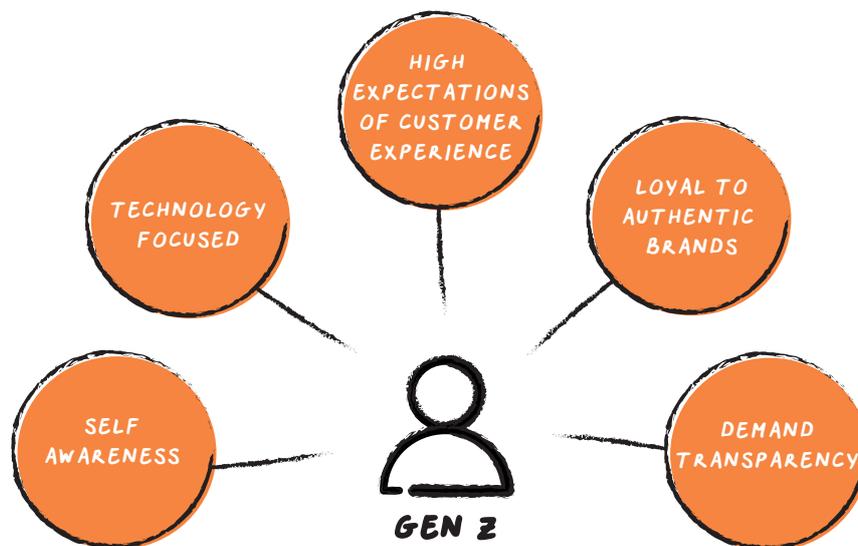


Figure 4: Gen Z characteristics relevant for retail

people. Personalization also plays a big role in the customer experience, demanding personalized attention and interaction every step of the way. In return, they are eager to provide feedback.

In comparison to Millennials, Gen Z has higher expectations. This is a result of their short attention span, which asks for a quick fulfilment of their needs. When these are not fulfilled, by a retailer for example, they easily switch to something else. Loyalty to brands has not yet been established, as they are still growing up (Accenture, 2017). This presents an opportunity, but a challenge as well. To build a successful and meaningful relationship trust must be established. Gen Z considers loyalty as a two-way street. As a retailer, being transparent and genuine are an important contribution. Brands should be clear about what they stand for and establish their position by proving it too, or they will suffer. Gen Z does not care so much about prices but would rather spent their money on something that represents their values, both product and company related.

Growing up surrounded by fake news Gen Z is not easily fooled. Despite the information they gather through friends and social media, they want to make the decision themselves on whether something is real or not. They individually have a strong influence on others as well. Not being easily convinced demands a strong focus on authenticity from brands. Meaning being able to show continuity, credibility, integrity and symbolism (IBM, 2017). Respectively defined as a brand that is original, a brand that is honest, a brand true to its values and a brand that adds meaning to people's lives.



Physical stores remain relevant to Gen Z, the future customers. They expect personal and technological experiences. Also, brands must be transparent and genuine.

2.1.3 EXPERIENCE IN RETAIL

The function of physical retail is changing from a place to buy to a place to be (INretail, 2017). Customers are no longer only looking to buy products; they want an experience. Consequently, not all retail formats are here to stay. Traditional stores will not survive in the fashion industry. Retailers must put a focus on customer experience to differentiate from the competition and answer customer needs.

But what exactly is experience in retail? It is important to understand the difference between services and experiences. A service is an intangible aspect the customer is looking for in a business, for example the service of a taxi driver is transportation. An experience on the other hand is personal and thus different for each customer as they are based on their mind. In the example of the taxi driver and experience could be the added city tour given by the driver while getting to your destination. Already two decades ago Pine & Gilmore (1999) pointed out the emerging

“Experiences are more important than products now. In fact, experiences are products.”

- Brian Solis, futurist (2015)

experience economy. It would be the next step up from services and cover the new competitive battleground for companies.

Let's look at what has happened over the past 20 years. At this point the experience economy is present, but not in the way Pine and Gilmore envisioned it. It is fair to say companies are still struggling to create lasting experiences for their customers, who are very critical, because they cannot make it work or they simply are not aware of it. One of the main reasons is a lack of focus on the customer. For example, because of a focus on the product rather than the customer journey. Or a focus on the results of customer data rather than the purpose of the data in the first place.

A lasting experience is based on personal connections and so different for each customer. Presenting the opportunity for retailers to create intentional curated personal moments that give the chance to feel something. This results in

memorable experiences creating an emotional tie to the brand. The customers' relationship with the brand influences their future behaviour, creating loyalty and word of mouth. A satisfactory experience is merely not good enough for long-term success.

The format of retail spaces is changing. Stores are no longer anchored to a particular place and pop-up stores are still on the rise. During day and night retail spaces can have different purposes. For example, a shop by day and a yoga classroom by night. This all contributes to the experience, which can also be the goal of the store instead of selling products. Van der Grit, De Jong and van Rooden (2016) described this as going from an organized retail space to an exploration space. And move from a one-dimensional space, with predictable interactions, to a multi-dimensional space with room for serendipity.

The model by Van der Grit et al. (2016), Figure 5,

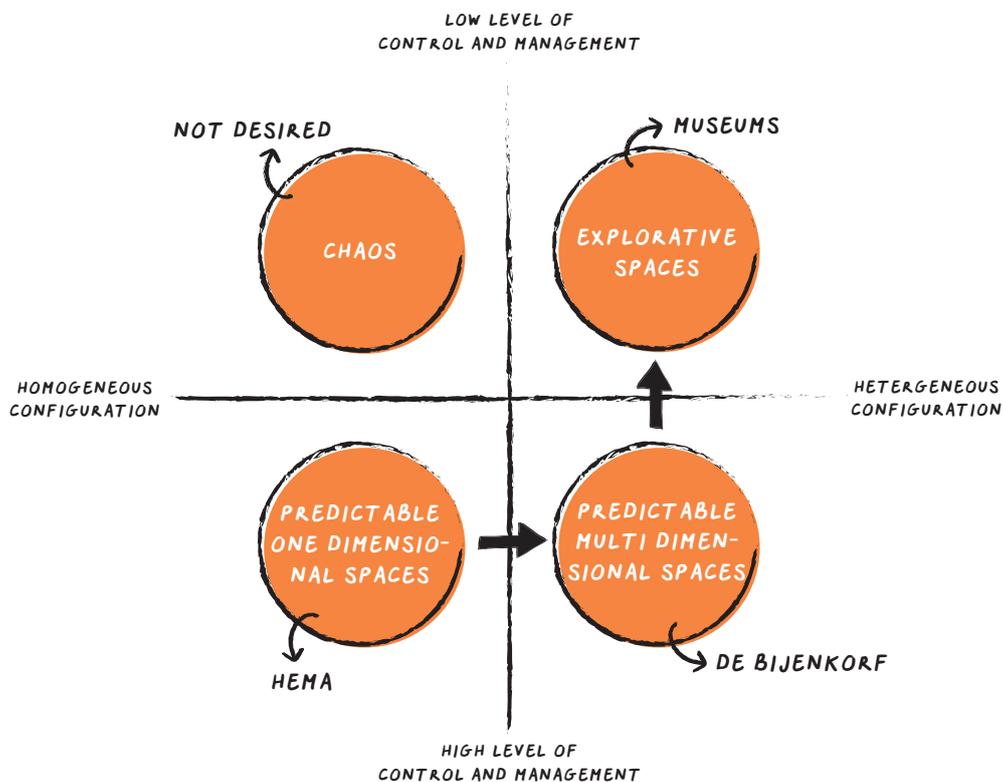


Figure 5: Organisation towards explorative spaces (Van der Grit et al., 2016)

“When all stores would be explorative spaces, people would go crazy.”

- Alexander van der Grit, academic lecturer (2016)

identifies four typologies. The bottom represents retail spaces that are predictable but leave room for ‘finding the unexpected’. The top represents spaces with endless possibilities, where ‘discovering what is not expected’, defined as serendipity, can take place. The first typology, predictable one dimensional spaces, resembles a traditional retail space. Interactions are anticipated, with a focus on the 4 Ps. The second typology describes stores that offer a wide range of products and services. However, the type and offer remains constant. The next type and future step for retailers is harder to realize. For serendipity to take place in an explorative retail setting there must be surprising elements and freedom to explore, i.e. interaction. Overall, predictability needs to be overcome to offer people a reason to come to a physical retail space. This visualizes the movement of retail towards a type of experience closely associated with museums. That represent an explorative space where serendipity can take place.



Physical stores are moving from a place to buy to a place to be. Facilitating personal and memorable experiences through explorative retail spaces.

2.1.4 CONCLUSION RETAIL

Combining the insights from the retail research gives an overall conclusion that will continue to be of importance during the remainder of the thesis.

Physical retail maintains its position in the prospective retail environment. However, the current format does not meet the needs of future customers. Having high expectations, Gen Z counts on a personal and technological experience. When unsatisfied, they easily switch from one brand to another. Their loyalty is conditional upon the transparency and authenticity of a company.

Shifting from a place to buy to a place to be, stores need to move towards explorative spaces with room for serendipity. Providing room for the creation of lasting and memorable experiences. Building an emotional tie between a customer and brand.



Creating memorable experiences through explorative spaces provides the foundation of a meaningful relationship between customer and company.

2.2 MUSEUMS

Museums give us a glimpse of the history that brought us where the world is today. They are reliable sources of information that portray societal and cultural developments (Van Genechten, 2008). People go to museums to learn, to experience and to be inspired. They are a way of connecting people to things, to others or to themselves.

2.2.1 MUSEUMS IN A DIGITAL ERA

The museum sector is influenced by digitalization as well. Making them step into the digital domain. Museums regard it their responsibility to make collections accessible online by creating websites (Meijer et al., 2010). This spreads their knowledge in a way not possible before, making it no longer location bound. Presenting the opportunity to reach new audiences.

However, people no longer just rely on the authority of experts and institutions. Through online orientation they gather information from like-minded people (Raad voor Cultuur, 2014). The Van Gogh Museum responded to this need. Giving the public a chance to read and highlight their favourite quotes from Van Gogh's letters online. And creating the opportunity to share them with others, enabling interaction.

Another step into the digital domain is by creating exhibitions using technology. Enhancing and contributing to the educational and interactive environment of a museum. Different approaches can be identified. Technology can be used to enhance experience, encourage interaction or visualize information. For example, by combining



Figure 6: Online highlights of Van Gogh letters

social media and technology. Museum Boerhaave in Leiden dropped a pill in a large see-through bucket every time someone used the word in a tweet during an exhibition about medicines (Steijaert, 2013).

It is interesting to think about whether technologies can replace objects over time. Many curators will argue that the art or story should be priority rather than innovation. Museums can enrich their exhibitions with technology, but it will never replace it. But with digital solutions becoming cheaper and more accessible, it turns into a standard element to implement while designing an exhibition.

 Museums are preservers of knowledge and inspiration, offline and online. Exploring their way by implementing technology in exhibitions.

2.2.2 EXPERIENCE IN MUSEUMS

Even though experiences have been studied in general, it lacks a translation to museums (Van Vliet et al., 2015). However, the experience is an important topic in the cultural sector and research is initiated. Or copy strategies from the business sector as there are further in their research.

Museums want to unfold a reaction of their visitors through interaction. For example, Museum Boijmans van Beuningen (2018) organizes pop-up restorations and restorations in front of an audience. This results, in a valuable exchange of knowledge between visitor and museum.

Museums have been exploring the possibilities to optimally enhance the visitor experience. For



Figure 7: eBay's Art of Shopping experience

example, by applying neuroscience. Museums are all about triggering emotions, so understanding how the brain reacts to art can reach valuable insights. The Peabody Essex Museum, in the United States, employed a neuroscientist to rethink the museums space and optimize their exhibitions (Goulet, 2017). The results show that by creating multisensory exhibitions visitors feel engaged during the experience. Building a bond that makes them come back.

EBay explored subconscious experiences, by measuring brain waves, in a gallery-inspired shopping experience named The Art of Shopping (Arica, 2017). The emotional reaction of visitors to art resulted in a personalized shopping cart. Touching upon the similarity between fun shopping and engaging with art.

 Museums are more likely influenced by the retail sector concerning experiences. Cross-overs between sectors illustrate the possibilities.

2.2.3 VISITORS

Related to museum visits the population can be divided into three groups: people who are not interested, people who are interested but do not visit and visitors (Van den Broek, 2013).

Even though a lot of people say to be interested in museums this does not lead to a visit, they are potential visitors. Amongst inhabitants of Rotterdam the most mentioned obstacle is not having the time to go (Rotterdam Festivals, 2015). Other explanations are price, unfamiliarity with the museum, lack of overlap with interests and competing leisure activities such as shopping.

Interestingly, the decision-making process behind a museum visit can be compared to that of choosing a holiday destination. According to professors Fred Bronner and Robert de Hoog (2014), cultural institutions can learn from the research into the holiday sector. In both cases, people want to show who they are and what their status is to their surroundings. Like when buying a car or an expensive watch. It is important for them to share their experiences with the world, for example taking a picture of an art piece and share it via social media. There are many more (personalized) opportunities to be explored.

Museums as well need to respond to the needs of new generations. Millennials and Gen Z, the customers described for retail, also represent the visitors of museums. A 'one size fits all' strategy will no longer suffice and people are constantly looking for meaningful experiences. This is reflected on the cultural sector with a rise of combining related activities, such as 'package deals' offering a diner and a museum visit. This way of experiencing culture shows a shift in the core activity (Raad voor Cultuur, 2014).

 Customer needs are the same across different sectors. During decision-making, museum visitors are guided by their time and the impact on their social status.

2.2.4 THE REPUTATION GAP

A global research by the Erasmus University and Reputation Institute shows that museums have higher reputations than companies (Van Riel & Heijndijk, 2017). The Research Institute defined reputation as the emotional bond between a company and its customers. Because of this bond people want to buy products and services from the company and would recommend it to others.

The study was conducted using the 18 most famous museums around the world. Figure 8 shows the difference between reputation scores of museums and companies on a scale. Indicating the reputation gap between the most reputable museums (Louvre, van Gogh Museum and Rijksmuseum) and brands in the world (Rolex and Lego). On average, museums score far above companies as well. This presents an opportunity for retailers to learn from the reputations of museums and how these are achieved.

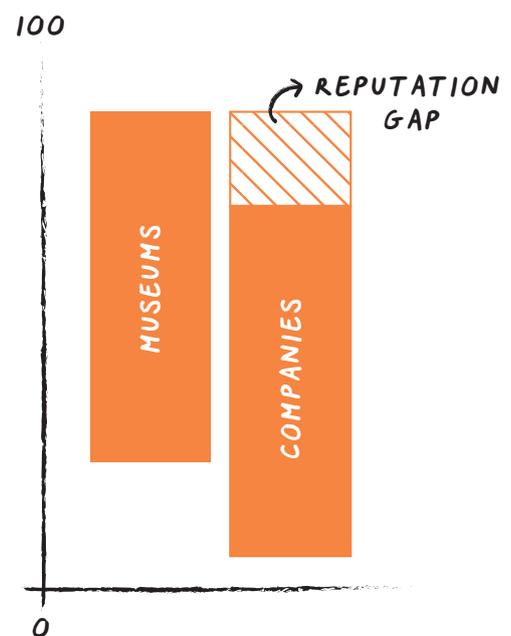


Figure 8: Reputation gap between museums and companies

The study explains that the reputation of museums is influenced multiple factors. Besides creating an attractive and unique collection, one of the main influences on reputation is their contribution to society: they conserve heritage, they have an educational function and they provide entertainment to a wide audience. As stated by Cees van Riel (2017), author of the reputation study and overall reputation expert, “museums have already applied purpose-driven strategies before the word was even discovered in the business world”. Thus, Van Riel pointed out the head start of museums. Confirming that museums are a viable source of inspiration for fashion retail on a strategic level.

Another opportunity for retailers is by directly making use of a museums’ reputation by joining forces. Attaching the company name to a museum can be beneficial for the reputation of the company. Also, it creates the possibility to share knowledge beneficial for both parties. An example is through sponsorship. The telecom company KPN is the main partner of the Rijksmuseum. They contribute to offering digital accessibility and provide financial support to create collections. Tony Chocolonely, a slave free chocolate brand, took a different approach with the Tropenmuseum. They had a one-time collaboration on an exhibition about child labour in the cacao industry, a subject close to the brand.

 In general, museums have a higher reputation than companies. This presents a opportunity for retailers, as inspiration in how this reputation is achieved.

2.2.5 CONCLUSION MUSEUMS

Combining the insights from the museum research gives an overall conclusion that will continue to be of importance during the remainder of the thesis.

Museums are preservers of heritage, education and entertainment. They are exploring the possibilities of creating visitor experiences involving technology, such as online collections and exhibitions. Visitors, among which Gen Z, base their decision on visiting a museum, or not, on their personal values and beliefs. Reflecting their social status.

Most importantly, the sweet spot between retail and museums has been identified. This is: museums have a higher reputation than companies. This strategic opportunity will guide the next stages.

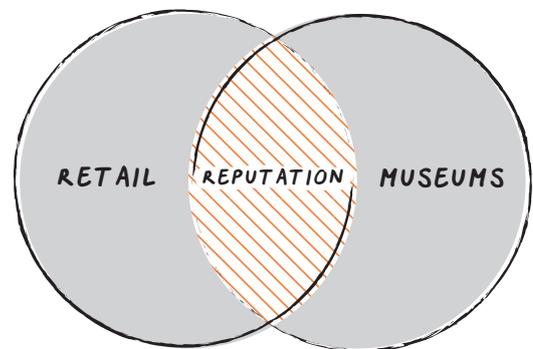


Figure 9: Reputation as sweet spot between retail and museums

 Museums generally have a higher reputation than companies. Presenting an opportunity for retailers on a strategic level.

DEFINE

The next part puts a focus on the discovered opportunity: reputation. Establishing the definition and contribution of reputation related to retail. Further identifying the implications by a research in context.

3.1 REPUTATION

Reputation is intangible, an opinion and a source of strategic competitive advantage that enhances a company's long-term ability to create value (Caves & Porter, 1977). It can be an important source of success. The Research Institute described it as the emotional bond between a company and its customers based on trust (LoBue, 2018). Reputation can take decades to build and only seconds to break. Whether it involves a big scandal or only the relationship with a specific customer.

Controlling and influencing a company's reputation, mostly online, is referred to reputation management. Shaping the perception of customers. However, this control is very low. With increasing digitalization, and the rise of social media, a company's reputation has become even more sensitive. Customers are in the position to share positive and negative experiences online with anyone. Expectations have increased as well, making it harder to fulfil them.

3.1.1 RELATION TO TRUST

Reputation and trust are closely linked together. A trustworthy relationship between company and customer is the foundation for a good reputation. However, the fashion industry is currently experiencing a trust deficit (BOF & McKinsey, 2018). Over the last years, trust in companies has dropped significantly and it is expected to decline even more. This is a result of data breaches, think of Facebook, and dishonest companies, for example about their contribution to sustainability. To regain trust transparency is inevitable, this is especially true for the fashion industry. Customers, remember Gen Z, are demanding to know more about the companies they interact with. Interested in what they do and why they do it. Even though technology is part of the problem it can also be used as a tool for beneficial purposes, such as by sharing this kind of information and enhancing transparency.

The changes in trust are explained by Rachel Botsman (2016). According to her we are moving into an age where reputation will be a companies'

“Real disruption is not technological, it is the trust shift.”

- Rachel Botsman, trust expert (2016)

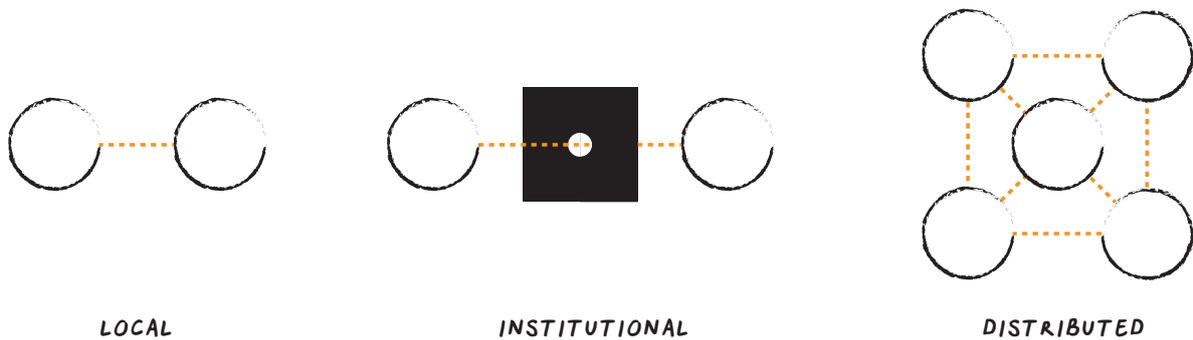


Figure 10: The evolution of trust (Botsman, 2016)

most valuable asset. Throughout history trust has known three stages: local trust, institutional trust and distributed trust, Figure 10. Local trust happens between two individuals. When this trust is damaged, the result is a bad reputation because of which other individuals will not want to do business. In the 19th century small companies, relying on local trust, were replaced by large institutions. Thus, losing the individual relationship. Trust shifted from people to ‘black boxes’ represented by institutional trust. However, this trust relationship is not build for a digital world, because of the dishonesty of many institutions. So, what is happening now is a shift towards a new era: distributed trust. A trust between a network of people, instead of companies, based on accountability.

This latest trust shift, fuelled by technology, triggered change in the entire retail sector. Companies such as AirBnB and Uber have disrupted the industry by enabling trust between strangers. Closer to home, second-hand platform Marktplaats utilizes the same kind network between users. Putting their trust in each other, rather than the company, therefore influencing reputation.

 Trust enables reputation. The current trust deficit in the fashion industry makes transparency important for retailers. Relying on distributed trust.

3.1.2 REPUTATION FRAMEWORK

Thus far, the relevance of the concepts of experience, reputation and trust has been discussed. The interpretation of their connection has been visualized in the reputation framework, Figure 11. The framework is explained in the scenario of a fashion retailer, but it is applicable in the same way to museums.

Before visiting a physical store customers have a certain expectation, the bottom layer of the pyramid. This expectation is based on for example what they have heard from others, what they have read about the store online and campaigns. When

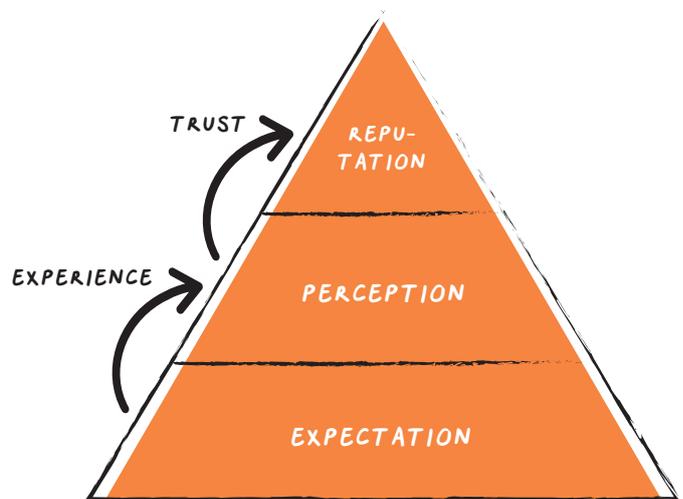


Figure 11: Reputation framework

visiting the store the customer has a complete experience. This experience leads to the next layer in the pyramid: perception. Based on the personal experience a perception, or judgement, is shaped. This perception can conform the prior expectation or not. In the case of confirmation, a level of trust between the customer and the retailer is created. With a high level of trust the reputation will be high. In the same way, with a low level of trust reputation will be low. Indicating a gap between perception and expectation.

An example in practice with a positive experience goes as follows. A new store has opened in Rotterdam, potential customers know about it because one of their friends posted about it on Instagram. Liking what they saw they started following the brand. Also, another friend has already visited the store and had good things to say. So, the next time they are in the city they will check it out. When visiting the store it exceeds the expectations shaped beforehand. It is worth visiting again and they will recommend it to others as well. Through the in-store, and possibly online, experience the customer builds a trustworthy relationship with the brand. Resulting in a high reputation, which is beneficial for the brand as it creates loyal customers and attracts new customers.

The framework does not present a one-time approach. Existing customers revisit the same steps with each store visit or interaction with a brand. The difference being that their expectations are based on prior experiences. Thus, upcoming experiences must live up to these expectations. But to maintain a high reputation customers need to be surprised again during a new visit. As discussed before, Van der Grit et al. (2017) addressed the importance of unexpected elements and room for serendipity in explorative retail spaces. Contributing to a rewarding and personal customer experience. When experiences remain the same, they do not exceed expectations and perception is less likely to be positive. Over time, leading to a decrease in reputation.

 Reputation is reached through experience and trust. To maintain a high reputation, expectations must be exceeded every time a customer visits the store.

3.1.3 RESEARCH IN CONTEXT

Van Riel & Heijndijk (2017) showed that museums have a higher reputation than the best companies in the world. However, this study is not directly transferable to the research scope of this thesis: museums and physical fashion retailers in Rotterdam. Hence a similar study has been conducted in the applied context. Appendix B gives an elaborate description of the complete research.

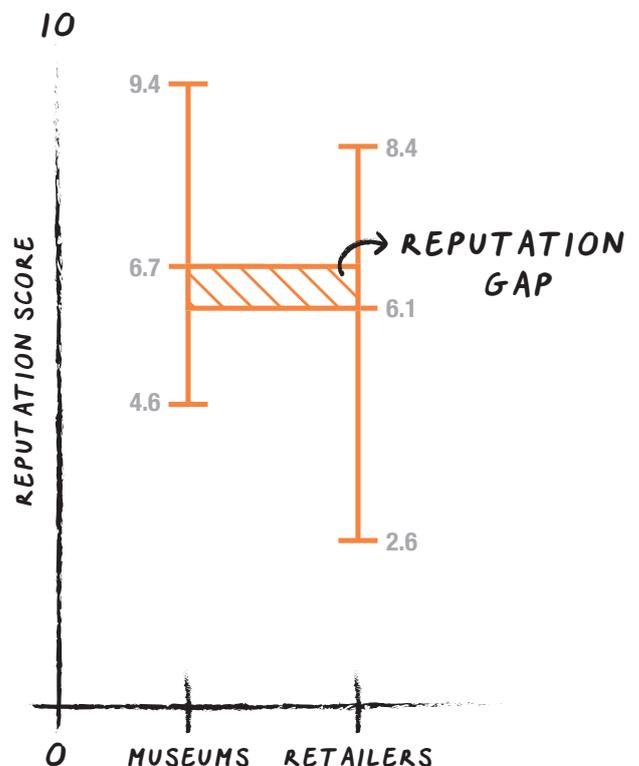


Figure 12: Comparison reputation score of museums and retailers in Rotterdam

Questionnaire

To reach respondents an online questionnaire has been created using the adjusted Reprtrak® model by the Reputation Institute. This model measures the overall reputation based on seven categories: products and services, innovation, citizenship, governance, workplace, performance and leadership. These have been translated to seven statements that are to be graded on a 10-point scale, varying from disagree to agree.

Respondents had to assess the seven statements for three museums and three fashion retailers for Rotterdam specifically. These were: Museum Boijmans van Beuningen, Kunsthal, het Nieuwe Instituut, de Bijenkorf, Hutspot en Susan Bijl. Also, a number of questions related to the background of the participant were to be answered. Covering both general information about their shopping

behaviour and museum visits, and specific information about their relation to each museum and retailer.

Data analysis

A total of 43 respondents completed the questionnaire. Including both citizens and non-citizens of Rotterdam. The majority representing Millennials and Gen Z.

Results and insights

The assumption based on the research by Van Riel & Heijndijk can be confirmed: museums in Rotterdam have an overall higher reputation than fashion retailers in Rotterdam. On a ten point scale the average score across the seven categories has a difference of 0.6 between museums and retailers, indicating the reputation gap as visualized in Figure 12. The figure also represents the highest

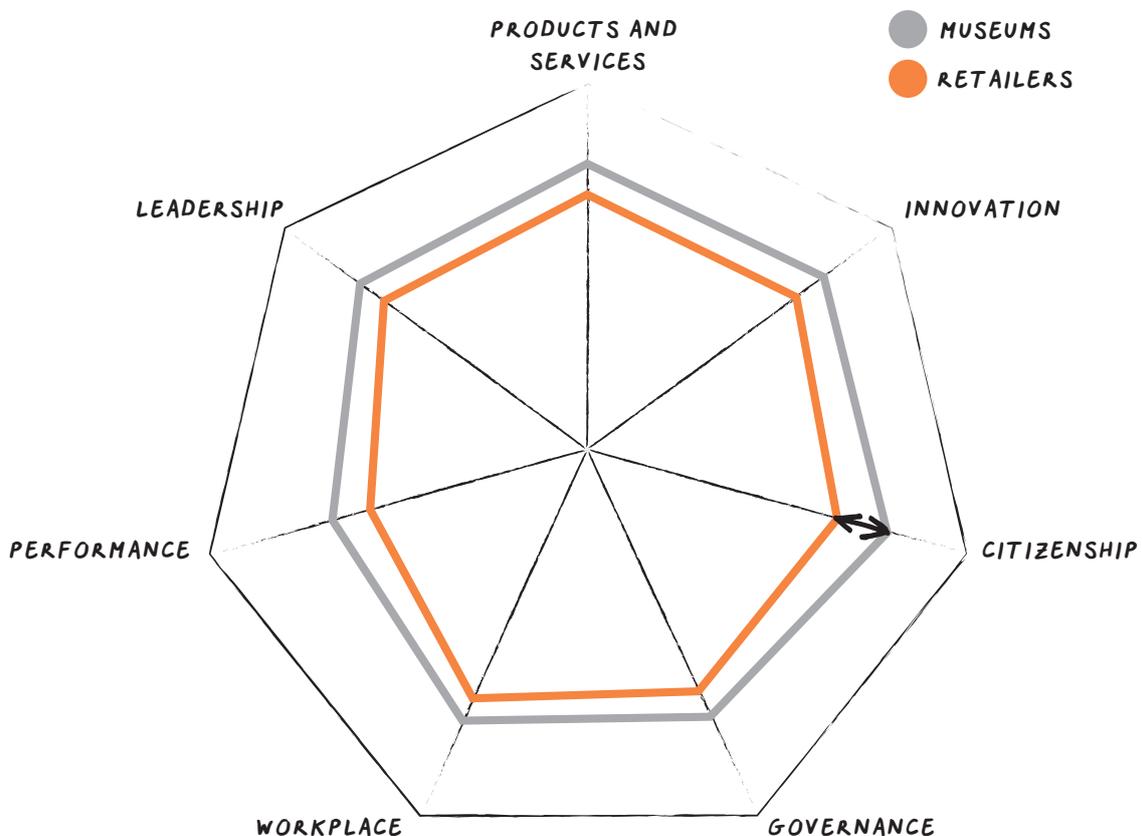


Figure 13: Differences between reputation scores in Reprtrak® categories of museums and retailers

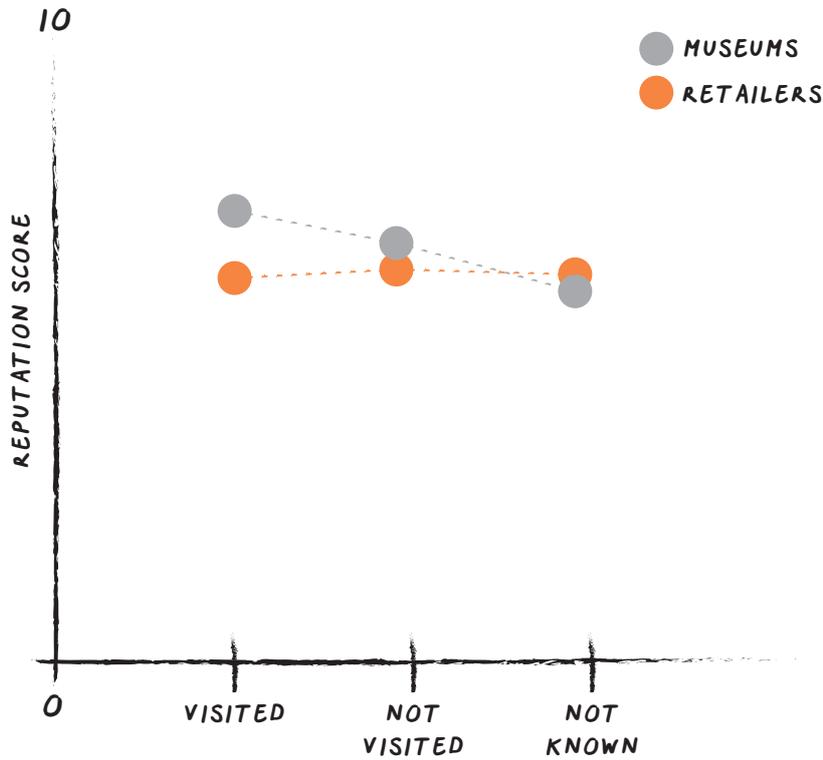


Figure 14: Distribution of reputation scores between different visitors for museums and retailers

and lowest scores by individual respondents. In both cases retailers are below museums.

It becomes more interesting when analysing the categories separately, see Figure 13 for the results in a radar chart. The biggest difference in scoring between museums and retailers is in the category of citizenship. This category is described by the following statement: the museum or retailer has a positive impact on society. As mentioned before, museums conserve heritage, contribute to education and provide entertainment. Acting from a sense of purpose is embedded in their core.

An explanation for the difference between museums and retailers can be based on Maslow's pyramid, representing the hierarchy of human needs (McLeod, 2018). At the bottom of the pyramid are the basic needs, for example clothing. This is the primitive goal of fashion retail. At the top of the pyramid are the self-fulfilment needs, referring to personal growth. Corresponding with

the motive of museum visitors, which can be linked to purpose as well. Over time, the needs of customers, referring to Gen Z, in fashion retail have evolved. The top of the pyramid has become more important, which most retailers currently do not reach. Hence, based on their impact on society retailers reach a lower reputation than museums.

Another result is based on the difference in assessment between people who have and people who have not visited the museum or retailer, shown in Figure 14. On average, people who have visited a museum give the highest scores, next are the people who have only heard of the museum and the lowest scores are from the people who do not know the museum at all. Thus a decrease in reputation. This sounds like the logical order. However, when looking at the retailers a different scenario takes place. People who have visited the store overall give the lowest scores and people who have not visited the store or do not know it give higher scores.

This can be explained by the reputation framework, Figure 11, presenting the hierarchy and relationship between reputation and experience in a retail or museum setting as follows. Through experience in a store the expectation can be confirmed or rejected. To reach a higher reputation, the experience in a store must meet the expectations of its customers. A decrease in reputation by people who have visited the store can have three causes: new customers do not have the experience they expected to have, existing customers are not having the same experience every visit or existing customers are not having a better experience each visit. In each case the focus is on experience. Museums are more likely to meet or exceed expectations of visitors, increasing trust and therefore reputation. Whereas retailers need to live up to high expectations of Gen Z which they do not fulfil during a customer visit, decreasing trust and therefore reputation.

 Museums have a higher reputation than fashion retailers in Rotterdam. As they are driven by purpose and meet expected customer experiences.

3.1.4 CONCLUSION REPUTATION

Combining the insights from the reputation research gives an overall conclusion that will continue to be of importance during the remainder of the thesis.

Continuing with the identified opportunity, reputation is defined as emotional bond between a company and its customer based on trust. Currently, trust is shifting from trust between company and customer, to trust between customers. Therefore, transparency is very important for retailers.

Reputation is built through experience and trust as visualized in the reputation framework. Being the differentiators between a high and a low reputation. By delivering the expected customer experience a trustworthy relationship is developed, resulting in a high reputation.

The reputation research in the context of this thesis, fashion retailers and museums in Rotterdam, confirms the reputation gap. The biggest difference between museums and retailers is on the aspect of their impact on society. Or in other words their purpose-driven approach. Also, familiarity with a museum increases their reputation whereas familiarity with a retailer decreases their reputation. According to the reputation framework, it can be concluded museums meet the expected customer experience. Whereas, retailers lack in this area. Therefore, indicating experience as the differentiator between a positive or negative reputation.

 Having a purpose-driven approach contributes to creating a genuine customer experience. In return, building a trustworthy relationship and high reputation.

3.2 PURPOSE

The directions resulting from the reputation research are purpose-driven and customer experience. They relate to each other and reputation in the following approach. To enhance reputation, retailers must build a genuine experience. The experience Gen Z desires is honest and represents their values. This kind of experience can be delivered once the retailer embraces an authentic purpose. Making it worthwhile for customers to identify with and create an emotional bond, building a trustworthy relationship.

3.2.1 DEFINING PURPOSE

The relation between purpose and reputation has become clear. But what exactly is referred to when speaking about purpose? Many different definitions of purpose can be found. This brings along a lot of uncertainty and miscommunications, both in- and outside organizations. For a company to be truly purpose-driven they must understand what it means to them, despite definitions, among all employees. Hence alignment is a key factor for success.

We proceed with the following interpretation of purpose: the fundamental reason for why a company exists, or raison d'être, beyond financial benefits guiding everything they do (Jones, 2016). It does not change over time and cannot be fulfilled, like an intangible dream. Purpose must not be confused with a vision or mission statement. Even though at first they may seem alike, the reality is they co-exist and have different characteristics

“Yet although purpose itself does not change, it does inspire change.”

- David Packard, co-founder Hewlett-Packard (1960)

and effects. Figure 15 presents an overview of the meanings and relations, including examples.

An important aspect of a company’s purpose in comparison to their vision and mission is that it has a focus on its customers. As it transcends just understanding their needs. Employees need to put themselves in the customers’ shoes and feel it (Kenny, 2014). Connecting with the head and the heart.

A vision states what an organization aspires to be in the near future, possibly set in a particular time frame (Sooy, 2013). It functions as a goal and describes what the difference that is made will look like. Which can translate into a product or service or else. Having a vision keeps a company on track to fulfil their purpose, at least to the extent possible. A company can have multiple visions.

In relation, the mission follows the path a company

sets to arrive at its destination, describing what it does and for whom (Sooy, 2013). Or in other words, the mission is the vision in action. The mission creates a focus, driving and encouraging a company every day, which may change over time (Theydiffer, 2018). A company can have multiple missions as well.

A fourth co-existing term is the strategy, or a concrete plan of action based on the mission on how to achieve the vision. A company can have multiple strategies, short-term and long-term. These evolve and are updated over time according to the situation (Miller, 2014). Metaphorically, the purpose is the reason why a journey starts, the vision is the destination, the mission is the path that is followed to get there and the strategy is the mode of transportation.

An interesting perspective arises from the Golden Circle by Simon Sinek (2010), a model explaining

TERM	DEFINITION	CHARACTERISTICS	EXAMPLE
PURPOSE	the fundamental reason for existence	<ul style="list-style-type: none"> • does not change • not achievable • focus on customer • related to the heart 	Under Armour: “Empower athletes everywhere.”
VISION	where a company aspires to be in the (near) future	<ul style="list-style-type: none"> • acts as a goal • a company can have multiple visions 	Nordstrom: “Giving customers the most compelling customer experience possible.”
MISSION	the path describing how to reach the vision	<ul style="list-style-type: none"> • can change over time • a company can have multiple missions 	Zalando: “Creating fresh ways to connect fashion and people.”
STRATEGY	a concrete plan based on the mission	<ul style="list-style-type: none"> • can change many times • a company can have multiple strategies 	Unknown: “Use local fashion stores to expand customer reach.”

Figure 15: Overview descriptions of purpose, vision, mission and strategy

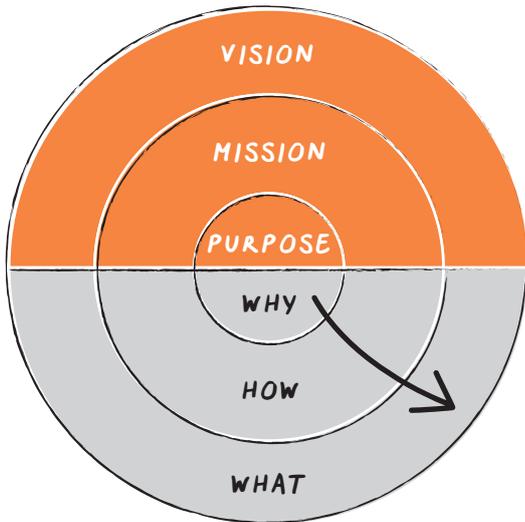


Figure 16: Modified Golden Circle

the approach of inspirational leaders. The Golden Circle consist of three layers, starting from the middle these are why, how and what. Respectively, it has been observed these correspond with purpose, mission and vision, Figure 16. In practice, many companies go inwards, from what to why. However, this way alignment is not reached. Which requires going outwards, from why to what (Gonsette, 2016). This can be explained by the fact that people do not make decisions purely based on facts and figures, the ‘whats’ and ‘hows’, but feelings are always involved.

An example of an inspirational leader adopting the Golden Circle approach is Yvon Chouinard, the founder of the sustainable and environmentally conscious outdoor brand Patagonia. He owes his success to making purpose-driven decisions. Choosing why over what and creating long-term advantages. This kind of leader is likely to inspire its employees (Bono & Judge, 2004).

The relation between the Golden Circle and reputation can be explained by the previously introduced reputation framework. When starting with why, or purpose, trust is built from the beginning embedded in everything a company does. This trust is important to reach a high reputation.

 A purpose is the reason a company exists and guides everything it does. It addresses an emotional level, focused on the customer.

 Purpose, vision and mission describe the reason, goal and path. Or like the Golden Circle: why, what and how. A strategy describes the concrete plan.

3.2.2 PURPOSE-DRIVEN COMPANIES

Being purpose-driven as a company is not a new phenomenon. It has been the natural way of doing business for plenty of companies since forever, with and without attaching any terminology. However, in the future retail environment it becomes ever

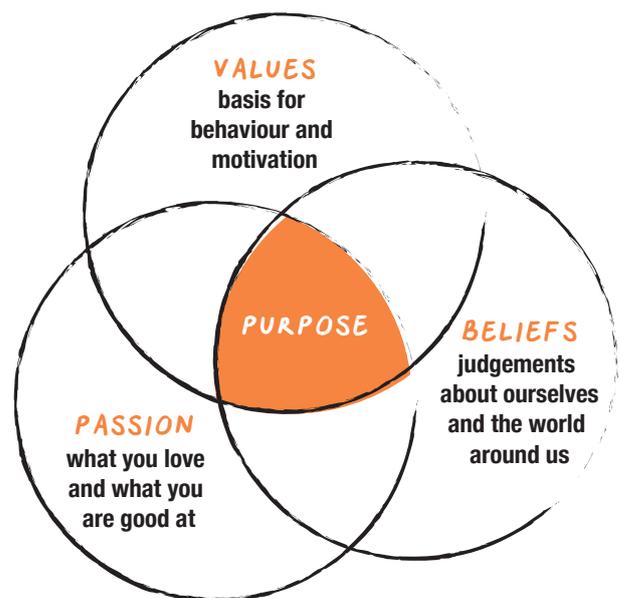


Figure 17: Components of an individuals' purpose

so important for companies as an approach to ensure their existence and competitive advantage. Customers are increasingly interested in brands that stand for something they can identify with, touching upon their emotions, rather than brands just selling products (Armano, 2018).

The purpose affects an emotional level in both your employees and customers. Customers can identify with the company's purpose when it reflects their values and beliefs. Gen Z in particular expects companies to be responsible and also want them to truly care about what they do. Most importantly, a purpose needs to be authentic. But merely knowing the company's purpose is not enough. The purpose needs to be communicated to employees, customers and other stakeholders. It needs to be the thread that links all decisions and actions of the company. Because when what you say and what you do are not in line consumers will notice, leading to unwanted consequences.

Besides serving the customer needs, having a purpose-driven approach contributes to the organizational culture. Enabling innovation so that companies remain relevant (Harvard Business Review, 2015). A purpose acts as something to hold

on to and guide the process of decision-making involved in all business opportunities, and threats.

Every individual has a purpose, including the business owner and its employees. These purposes are based on their personal values, beliefs and passion (Dixon, 2018), Figure 17. Altogether these individual purposes compose the collective purpose that represents an organization. For the company to be successful this purpose needs to be aligned among employees. Getting every individual within the organization to communicate the same message, in the same language. To reach alignment purpose must be a continuous reflective aspect within the company. Therefore, it requires maintenance. People need to be reminded and triggered consistently.

 Customers connect to a brand when the purpose is authentic and it corresponds with their personal values and beliefs.

 The collective purpose of a company is a fusion of the individual purposes (based on values, beliefs and passion) of its employees.



Figure 18: Collective purpose composed of individual purposes

3.2.3 PURPOSE STATEMENT

Discovering the company purpose is like an archaeological dig. It has always been present, however in some cases it needs to be uncovered (was known ones but not anymore) or in others it needs to be found (not explicitly known before). Setting up a purpose statement includes a number of conditions. As the word statement entails; a

purpose will be described as a single sentence. It must be simple, easy to understand and remember, touching upon an emotional level. The statement describes the goal for a specified target audience, which can be as broad or narrow as appropriate.

In the book Grow (2011) Jim Stengel identifies five categories based on human values to describe company ideals, which is similar to a company purpose. The purpose statement can be designated to one, or multiple, of these categories. There is no hierarchy, meaning that not one category is more important than another. They are as follows, in Stengel's words:

1. Eliciting joy
 - Activating experiences of happiness and limitless possibility
 - Examples are Coca-cola, Disney
2. Enabling connection
 - Between people and the world in meaningful ways
 - Examples are Nokia, AirBnB
3. Inspiring exploration
 - Helping people explore new horizons and possibilities
 - Examples are Pampers, Diesel
4. Evoking pride
 - To give people increased confidence, strength and security
 - Examples are Mercedes-Benz, Calvin Klein
5. Impacting society
 - Affecting society broadly from challenging the status quo and redefining categories
 - Examples are Dove, Innocent

From observation, museums touch upon every field. Initially, the idea of purpose arose from their impact on society. However, the characteristics illustrate that having a purpose can be based on multiple principles. Hence not only bound to the greater good but to individuals as well. Contributing to the 'everyday existence' can be just as valuable (Aziz, 2017).

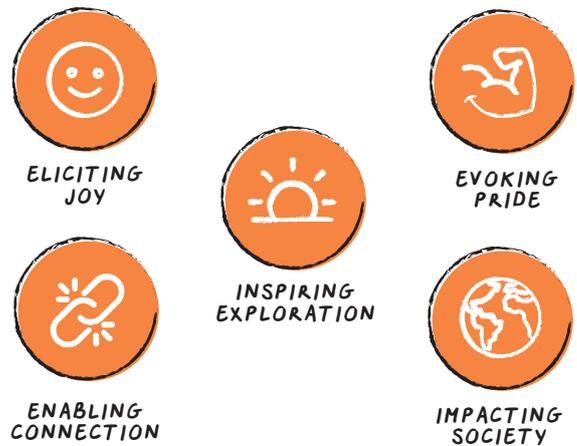


Figure 19: Five categories of purpose (Stengel, 2011)

In fashion retail, developments relate to the different characteristics of purpose. For instance, the importance of creating meaningful experiences for customers elicit joy and inspire exploration. Also, a trust deficit has been identified, resulting in a demand for transparency. Customers are interested in sustainability and want companies to contribute to society. The shift towards distributed trust (Botsman, 2016) emphasizes the demand for connections between individuals. Rather than between companies and individuals.

 A purpose statement can be focused on eliciting joy, enabling connection, inspiring exploration, evoking pride or impacting society. Or a combination thereof.

3.2.4 PURPOSE OF PURPOSE

Possibly, purpose as a change initiator sounds irrelevant and ambiguous. However, several benefits, based on numerous examples in practice, can be specified upfront. Identified in the following paragraphs.

As mentioned before it is important to have an aligned purpose throughout the entire organization. As inspirational leader with a meaningful purpose, starting with why, it is easier to connect employees. In return, employees who find meaning in their jobs are more likely to be more motivated, engaged and satisfied (Cook-Deegan & Bronk, 2018). A win-win situation.

Having a purpose as a guiding compass helps to make better decisions that are true to the core of the company. It helps focusing on what is relevant and what is not, creating authenticity. For example, a certain trend might sound compelling at first. But when checking if it is in line with the purpose the idea might be rejected.

Another benefit of a guiding purpose is that it can help take risks. Having a clear purpose facilitates making decisions that will benefit on the long-term, but feel risky or like a big investment on the short-term. Taking risks can eventually lead to innovation and ensure competitive advantage.

Not only does it create an internal benefit for employees, the company becomes more attractive for new talent as well. Gen Z has a demand for purpose in every aspect of their lives, so in their jobs as well. Having a purpose that resonates with them makes or breaks if they are interested in a company as an employer (Stengel, 2018).

Having a clear, and relatable, purpose makes it easier to connect and align with customers. Whether it be existing customers or new ones. It creates the opportunity to connect and build a meaningful relationship, igniting loyalty among customers (Stauber Brand, 2018). The same goes for stakeholders that are related to the company. To achieve this relationship, the purpose must be clearly communicated outside of the company too. In everything it does, across all channels.

Overall, competitive advantage can be assured when starting with why. In the current competitive environment, both offline and online, of fashion retailers it can be hard to differentiate from competitors. Factors such as price and service are hard to compete on, so what remains is the relationship with your customers.

Everything adds up to growth (Stengel, 2011). When a company is doing well, it is in the position to become bigger financially. But also by contributing to the personal growth of its employees and customers. As long as it stays true to its purpose.

 Having a purpose entails multiple benefits for a company, both internal and external. Overall, ensuring competitive advantage.



Figure 20: Benefits of a purpose-driven company

3.2.5 CONCLUSION PURPOSE

Combining the insights from the purpose research gives an overall conclusion that will continue to be of importance during the remainder of the thesis.

Based on the reputation gap, purpose has been identified as an important influence on customer experience. It is defined as the reason a company exists and presents an unreachable goal. Facilitating decision-making, internal engagement, customer relationship and competitive advantage.

The relation between purpose, mission and vision can be compared to Sinek's Golden Circle, starting with why. Additionally, the strategy describes a concrete plan to reach the vision, guided by the mission.

A company purpose is the the collective of the individual purpose's of its employees. These are based on values, beliefs and passion. Customers connect when the purpose is authentic and it corresponds with their personal values and beliefs.

A purpose statement can be described by different identified categories. Indicating that a purpose can be focused on more than impacting society, contributing to individuals is just as valuable.



The collective purpose of a company guides everything it does. Giving the opportunity for customers and employees to identify and connect with.

DEVELOP

Based on the insights from the previous parts, the direction of the solution is formulated. Leading to an ideation process that results in the desired foundation for a strategic model.

4.1 SOLUTION

The starting point of this thesis came from the influence of digitalization on the retail environment. Nonetheless physical stores remain important, but they are expected to have a focus on customer experience. As a consequence, retailers need to react but many of them do not know how. An opportunity for creating a meaningful customer experience has been identified by using museums as a source of inspiration. This opportunity is based on the concept of reputation.

A high reputation is reached through trust and experience. Figure 21 shows the reputation framework with its corresponding goals. However, this only presents the desired results. To be able to create a meaningful customer experience and build a trustworthy relationship guidance is needed. This guidance can be provided by applying a purpose-driven approach. Establishing the direction for a solution. Purpose, the fundamental reason of existence, is the foundation for everything

a company does. Decision-making based on a purpose leads to authenticity, as desired by customers. Also, it increases employee engagement. Building upon this theory, a strategic model can be developed.

 Purpose presents the solution to create a meaningful customer experience and trustworthy customer relationship, reaching a high reputation.

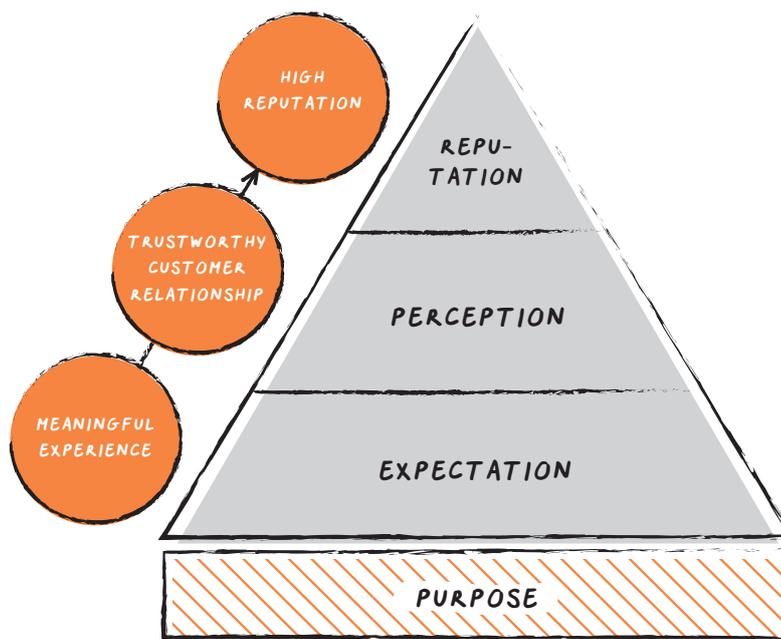


Figure 21: Goals attached to reputation framework

4.2 IDEATION

During the ideation process (Appendix C) based on the presented direction, decisions have been made leading towards the final design solution. Once again diving deeper into the theory. The solution is elaborated upon in the following sections.

4.2.1 CHANGING MINDSETS

Often having a ‘purpose-driven strategy’ is used to describe a company that is guided by purpose. However, my interpretation, based on the definitions and explanations, is that strategy is not the correct term. The preferred terminology is a purpose-driven mindset. Rooted in the DNA of the organization, rather than a temporary plan of action.

Referring to a mindset shift entails a behavioural change, which drives results (Arbinger, 2017). In reverse, a mindset shift is necessary to change behaviour and, more importantly, to make it stick. The desired behavioural change within a company is based on its purpose-driven mindset. Where employees act according to the purpose during every decision-making process. Reaching this mindset requires effort and energy from both

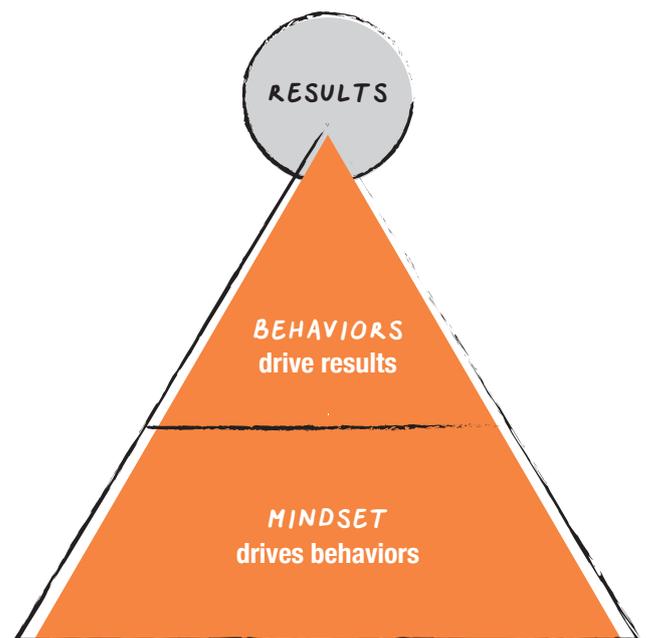


Figure 22: The Arbinger Mindset Model™

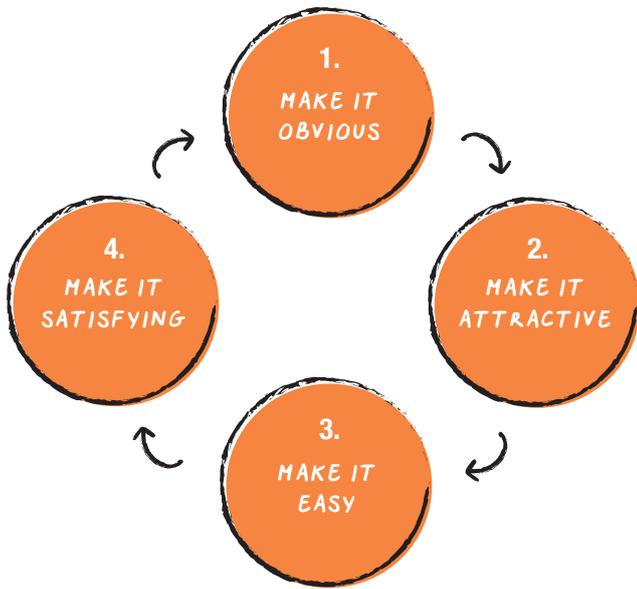


Figure 23: Steps followed when creating a habit

company leader(s) and employees. To maintain behaviour, and create habits, repetition is crucial. Habits can be created following four steps: make it obvious, make it attractive, make it easy and make it satisfying (Clear, 2018).

Since valuable customer experiences are built on genuine purposes, creating a purpose-driven mindset will be priority. Being purpose-driven is a long-term and sustainable approach for retailers reacting to the quickly changing retail environment.

 A purpose-driven mindset changes behaviour among employees, creating habits. Developing a long-term and sustainable position.

“Purpose is not a trend.”

- Thomas Leisen, marketer (2018)

4.2.2 ADOPTING A PURPOSE-DRIVEN MINDSET

Having established that a mindset shift is required to change behaviour, the steps to reach this can be described. Two situations can be identified: a company build from a purpose and an existing company finding its purpose. Since this thesis is focused on how retailers can drive change the latter is addressed.

Before being able to implement a purpose-driven mindset, retailers must be aware of the reasons and benefits. They must embrace and understand that adopting a different mindset does not happen overnight, it is a never-ending journey that requires motivation and investment.

When convinced, the first step is to discover the purpose. Finding the company’s purpose might feel like a daunting task. The best way to approach it is by simply talking to employees. Interviewing everyone and getting to the roots of their needs and feelings. This is an iterative process of sharing and listening. The common denominator amongst their stories leads to the collective purpose.

Once discovered, the purpose must be continuously communicated with absolute clarity. The point of finding the purpose is not to put it on paper and let it catch dust in a corner, but the company must live and breathe it. The magic only happens when everyone in the company is aligned. Creating alignment needs dedication and active engagement from the company leader, acting as an example. The message must be reflected in their behaviour. If this is not the case, it can be harmful instead of helpful.

Repetition and consistency are essential when settling the purpose in the collective conscience

(Quinn & Thakor, 2018). This is a constant process. When the purpose has planted itself in the conscience, the next step for employees is to personally identify with it. They need to find their passion contributing to the collective purpose. Being engaged drives motivation.

Repetition is fundamental in the process of decision-making as well, where the purpose acts as a compass. This means revisiting the purpose with every decision that is faced. To maintain this behaviour reflection is necessary. Both on an individual level and by measuring the impact and results throughout the entire company. Sharing the progress encourages a learning process.

Of course, once adopted the purpose is communicated to the customers through all channels. When rooted in the decision-making process of the company this comes naturally, creating authenticity. Giving customers the opportunity to connect with the brand.



To adopt a purpose-driven mindset companies follow several stages: discover, communicate, identify and revisit.

3.2.5 CONCLUSION IDEATION

Combining the insights from the ideation phase gives an overall conclusion that will continue to be of importance during the remainder of the thesis.

The proposed solution for retailers to create a meaningful customer experience is to adopt a purpose-driven mindset. Referring to a mindset entails behavioural change. Developing a long-term and sustainable position for retailers.

The stages to reach a purpose-driven mindset among employees have been established as: discover, communicate, identify and revisit. These constitute the foundation for a strategic model.



Following the stages a purpose-driven mindset can be adopted by retailers. Changing behaviour and creating long-term and sustainable success.

DELIVER

Guided by the previously described solution a strategic model has been composed, accompanied by a fictional case. Finishing with recommendations, conclusions and a reflection on the complete project.

5.1 THE PURPOSE PARADIGM

The introduction of this thesis started with a quote by Alexander van der Grit: ‘Retailers don’t need to start changing, they need to keep changing.’ This might sound contradictory to the concept of purpose: a reason for existence that does not change over time. However, the purpose guides and encourages change by always striving to reach an unreachable goal. By adopting a purpose-driven mindset, employees are armed with skills to make grounded and confident decisions towards a collective and meaningful goal. Whether it is to follow a technological trend or make a long-term investment. Being flexible is important in the constantly changing retail environment.

The identified stages have been combined into a strategic model for implementing a purpose-driven mindset, represented in Figure 24, and building the desired behaviour among employees. The model will be referred to as the Purpose Paradigm. The definition of a paradigm is as follows ‘a collection of beliefs and concepts held by a group of people, a set of theories, assumptions and ideas that create the framework from which you operate everyday’ (Hensley, 2017).

The purpose is positioned at the core of the paradigm, the foundation connected to all elements. Around the purpose, the model visually represents two intertwined triangles: one related to the stages in adopting a purpose-driven mindset and the other to the operational aspects of the company. The first, in orange, requires active implementation. The latter are the mission, vision and strategy. The reason for the addition of these elements is to visualize the alignment across all aspects, and their relation to the purpose. When one of the elements changes, this affects all the other elements.

Implementing a purpose-driven mindset is a continuous process. Therefore, the described stages are repetitive, this is an important part of implementing the mindset. The first-time use is the most comprehensive, as all elements must be treated extensively.

The stages within the purpose paradigm are further explained.

Stage 1: Discover purpose

As explained before, the best way to discover a company’s purpose is by talking to its employees. This is a time-consuming task, but also the most important, that preferably is performed by the company leader(s). However, an external party can

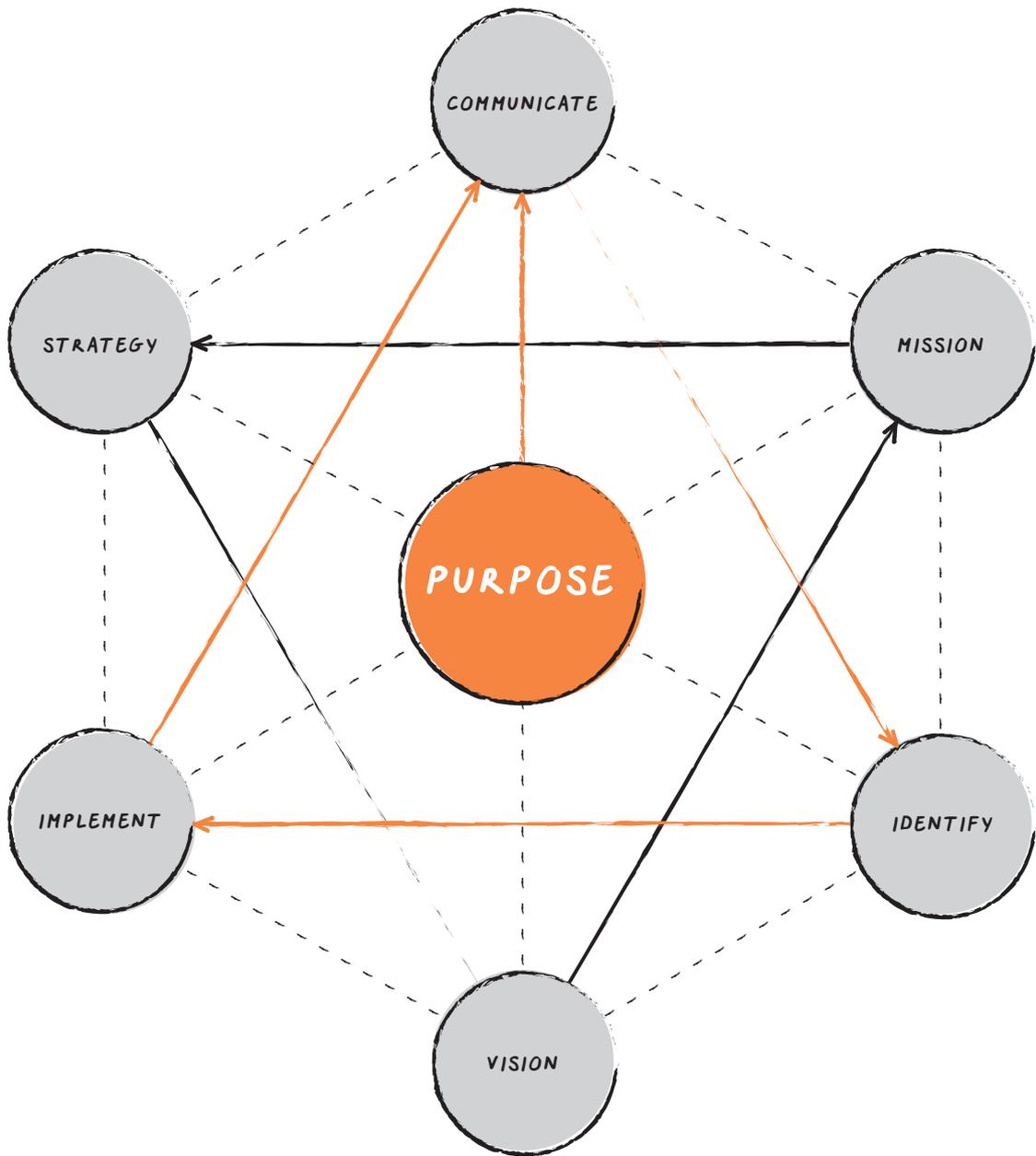


Figure 24: The purpose paradigm

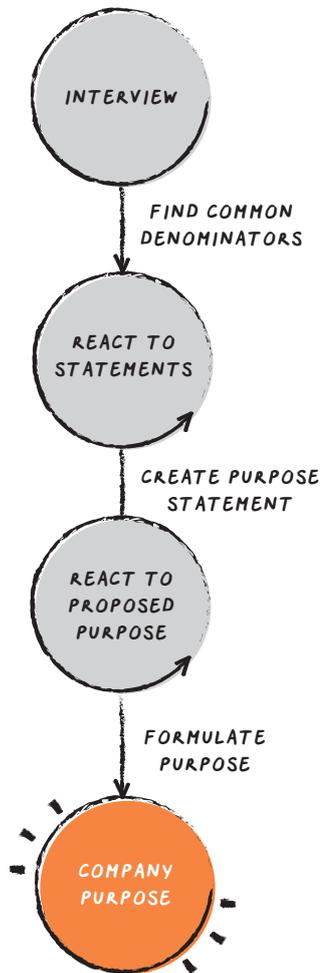


Figure 25: Internal approach discover purpose

also be involved to perform this step. An interview guide will help to unravel the values and beliefs of employees. Once finding commonalities among employees these can be presented for feedback to reach the final purpose, hence an iterative process.

In this stage, the opinion of the customer is evenly as important. Understanding what the brand means to them and why they engage with it. This gives the opportunity to compare the perception of employees and customers, identifying the commonalities and differences. Leading to a purpose that represents both internal and external stakeholders.

At this point the vision and mission are also identified accordingly to the purpose.

Contradictory to the purpose, which remains unchanged, these elements can be revisited and revised.

Stage 2: Communicate purpose

Once discovered, the purpose must be communicated to all members of the company. Time is needed to settle the purpose in the collective conscience. To reach this, a constant and coherent understanding is critical. Clarity is of the essence at this stage and the same message must be communicated across all levels. Even when settled in the conscience, communication must be maintained to remind employees. Different mediums can be used to reach employees, for example by sharing video messages or weekly mails.

Stage 3: Identify with the purpose

Once employees have become familiar with the purpose, they need start interacting by personally identifying with it. By doing so, it captures their individual passion and connects it to the collective



Figure 26: Example template for employee identification

purpose. Increasing engagement and pride in their jobs (Quinn & Thakor, 2018). Since pushing purpose from the top to the bottom does not change the mindset across the entire organization, employees need to be actively engaged and relate to the purpose. Leading to a greater chance of permeating the culture. Meaning that the behaviour of employees has been changed so that they can independently, without guiding supervision, act according to the purpose.

A template answering the question “What do you do at [company name]?” will be helpful for this, Figure 26. Showing the company purpose, room to formulate a purpose-driven headline and a clarifying explanation. When sharing their results, employees can not only identify with the company purpose but with each other as well. Offering a short-term reward to complete this task, such as an extra day off, will contribute to engagement, before the long-term benefits are perceived (Quinn & Thakor, 2018).

Stage 4: Implement the purpose

The final stage unlocks the strength of a purpose-driven mindset: guiding decision-making. Repetition and consistency are key and the purpose must be revisited during every conversation, every decision and every problem that is faced (Quinn

&Thakor, 2018). Asking “Will this [company purpose]?” to guide the decision. In these situations, possibly involving multiple people, purpose should be used as a filter by saying no to everything that does not reflect it. Remaining with valuable and genuine results. In time, mindset will settle and this approach will become a habit.

Also, at this stage strategies based on the vision and mission can be identified, while guided by the purpose.

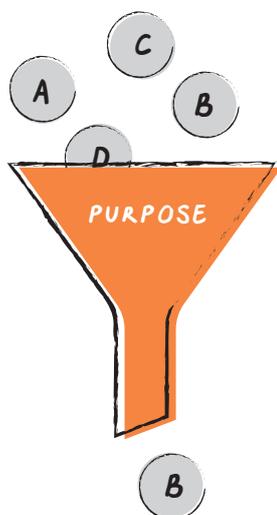


Figure 27: Purpose as a filter for decision-making

5.2 IN PRACTICE

Due to digitalization, a lot of retailers do not have a clear idea of their direction and position in the future retail environment. With the demand for change and many possibilities that are arising they are lost. Making decisions that are beneficial for the company can be challenging. Adopting a purpose-driven mindset does not tell retailers what to do, it helps them set out a direction and make, long-term, decisions by eliminating the possibilities.

5.2.1 CASE: FRED DE LA BRETONIERE

To show and describe the tangible effect of adopting a purpose-driven mindset for fashion retailers, practicing in the Netherlands, a case has been explored. By outlining the course leading to the interest and adoption of the Purpose Paradigm by a fashion retailer illustrates the process in a practice-oriented scenario. This scenario is envisioned in an ideal and thus fictional setting.

The retailer of choice is Fred de la Bretoniere. Founded in 1970, the brand took off with popularity regarding its leather shoes and bags.



Figure 28: Impressions of the brand: store and products

Which are characterized by a handcrafted and timeless look. Since 2004 the company consist of two separate but inseparable brands: Fred de la Bretoniere and Shabbies Amsterdam. The latter was introduced to complete the collection with a casual style. In 2010 a third brand Fretons, featuring sneakers, was added. However, this did not seem to last. Over the years the brand has acquired six brand stores and many dealers, both offline and online.

Fred de la Bretoniere recently filed bankruptcy (March 2019). This spread across the news, affecting the reputation of the company. The inexplicable feeling clearly was in the air, this is a loss for the Dutch fashion industry and it needs to be saved. Currently, it has been released Fred de la Bretoniere is initiating a restart through investments by another firm. But could bankruptcy have been prevented?

The heydays for Fred de la Bretoniere took place around 2012, Figure 29. The founder and name holder Fred de la Bretonière sold the company to an independent investment firm in 2014. Initially he did not want to sell his company, but when the appropriate price was offered it seemed the right time. After the sale Fred remained to have an influencing position in the company, especially in the design department. However, since this major change the red flag started waving. As popularity and sales have been declining since 2014 (Google trends, 2019). Popularity possibly dropped over the years as no renewal, from observation, in both

collection and stores took place. Leaving customers unsatisfied, remember the reputation framework.

The similarity in the dates of the company sale and regression of popularity arise the following question: did selling the company, and in doing so reducing the influence of the original founder, mark a downward success? For this case, let's assume it did.

Often change is only initiated when obviously necessary. The pitfall for fashion retailers is relying on what was once successful. Resulting in a standstill rather than a shift according to their customers. This does not mean that a purpose-driven mindset should only be adopted when business is going downhill. For this case the adoption a purpose-driven mindset ideally would have taken place around 2014, the beginning of regression, or before. The purpose paradigm is not the final lifeboat, implementation takes time. This requires external help. Providing several tools to follow the stages of the purpose paradigm.

Note: The following sections represent a speculative and ideal scenario that is based on facts, assumptions and predictions.

Stage 0: Create awareness

The first step, not described in the Purpose Paradigm, is to create awareness. Before companies are willing to invest their time, energy and money in the adoption of a purpose-driven mindset they must be familiar with the benefits. Therefore,

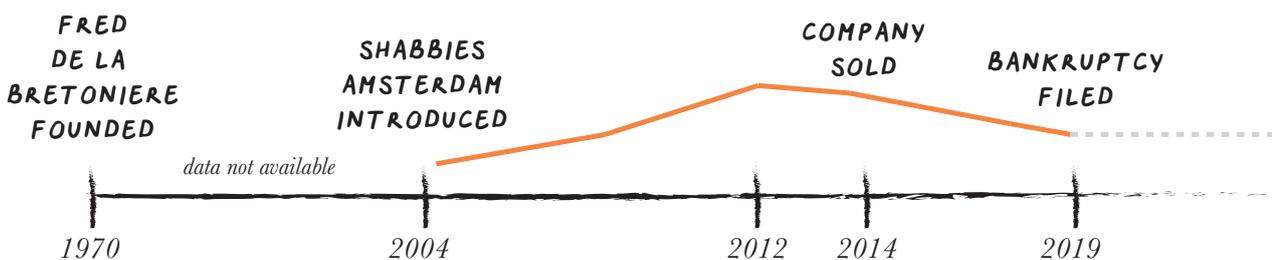
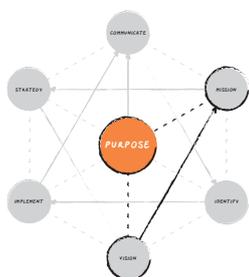


Figure 29: Timeline with simplified representation of online popularity Fred de la Bretoniere (Google Trends, 2019)

the willingness and perseverance of company leaders to drive and inspire their employees must be realized. To reach this mentality they must become aware of the existence and impact of a purpose-driven mindset. Holding up a mirror to their organization, to underpin the importance of reacting to the changes in the retail environment. Stressing the long-term benefits, with the future in mind, are most important.

For Fred de la Bretoniere a purpose-driven mindset might have seemed irrelevant while Fred was still behind the wheel. Business was going well and he had no intention of leaving any time soon. The downfall is marked by an individual that spread his vision throughout the company. Working with a sense of purpose that was not vocalized, but probably always somewhere below the surface. With the leaders' absence employees got lost. To prevent this, a purpose-driven mindset contributes to empowering employees to stand on their own and make suited decisions. Finding consistency across all locations, including abroad. And creating a sustainable environment for ongoing success.

Having a clear purpose contributes to proving authenticity. The foundation for a meaningful customer relationship, resulting in loyalty. Also, it provides guidance in determining outsourced activities and partners. Such as investors, dealers, production, collaborations etc.



Stage 1: Discover purpose

When the decision has been made to adopt a purpose-driven mindset the steps presented in the Purpose Paradigm are followed. This starts with discovering the company's unique

purpose. For Fred de la Bretoniere this entails talking to its approximately 115 employees. Across all departments and teams: from management to shop floor and from design to production. The conversation must be built on genuine interest and



Figure 30: Brand guide for Fred de la Bretoniere and Shabbies Amsterdam by Fabrique (2015)

try to go below the surface. Understanding what the brand means to the employees and what they want to deliver to their customers. This step cannot be rushed and insights must be refined along the way.

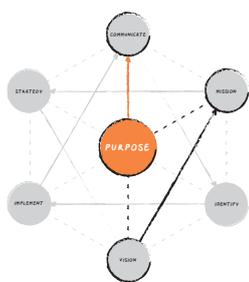
As it happens, this stage has already been addressed by Fabrique, a strategic design company, in a project for Fred de la Bretoniere. Resulting in external and internal brand guide for stakeholders and employees (Fabrique, 2015). Even though described using different terminology it corresponds with the first step of the Purpose Paradigm. This illustrates that an external party proves to be a good partner to complete this stage, taking on an objective perspective.

To involve customers during this stage different approaches can be identified. Engage a conversation in-store, invite loyal customers for a focus group or encourage online interaction and feedback. Fred de la Bretoniere has previously set up a campaign to involve its customers through Instagram (Lems, 2019). Encouraging to share their personal photographs wearing or using the products, using a hashtag, by raffling a reward. The pictures which represented the brand, and products, the best were featured on the webshop.

This in return contributed to the opportunity for identification, and inspiration, for customers. A similar approach can be implemented to make customers share their stories that contribute to the company's purpose.

The result of this stage is the purpose statement. A catching phrase that triggers on an emotional level and is easy to remember. During the next stages the following devised purpose, based on online available information, for Fred de la Bretoniere will be used: Make women feel better. An unreachable goal since it would imply that every woman should be wearing the brands' shoes, or bags. This way, encouraging progress in every decision to get closer to this goal. This purpose statement can be categorized under evoking pride, as previously defined.

Accordingly, at this stage the vision and mission can be formulated. The vision being: Making products that become an extension of your personality. And the mission: Creating high quality products that become better over time.



Stage 2: Communicate purpose

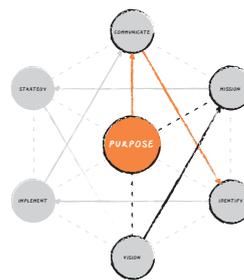
Fabrique delivered a tangible guide to create brand awareness amongst employees as a final result. Instead of letting the paper catch dust in the office

corner, or tuck it on a hidden page on the website, a purpose must be consciously lived. The paradigm proposes an active approach to settle the purpose in the collective conscience. Which is only achieved through constant communication.

The suggested approach for Fred de la Bretoniere involves two directions. The first is on a general level, focused on the entire company. This involves weekly messages, preferably at the beginning of the work week, that create a moment to be reminded of the purpose. Even if it is only for a few minutes.

This can be a fixed and standard moment in everyone's working agenda, functioning as a reminder. The messages are sent by email, think of it as a newsletter focused on employees. A template format can be used to share the purpose, updates and examples. Another possibility is to literally show the purpose everywhere so it unconsciously sinks in. For example, on pens, notepads, presentation templates, screensavers, moodboards, coffee cups and what not.

The second approach is on a specific level within the company. Communication is different for management than it is for design or in-store employees. For this the responsibility lies with the team manager. They need to address the topic regularly and encourage conversation about the purpose, repetition is key.



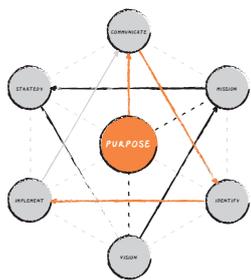
Stage 3: Identify with purpose

Once all employees have become familiar with the purpose they need to identify with it too. Hence a poster template featuring the company purpose and

room for a personal purpose and explanation is created, examples are presented in Figure 31. The aim of the template is to inspire employees to think about their contribution to the purpose through their work. Writing it down helps to formulate it. An employee can have multiple personal purposes, thus multiple posters. Sharing the posters is encouraged to spark conversation, get to know colleagues better and reflect. This can be done actively within teams, presented on a physical bulletin board or by featuring employees in the weekly update mail.

Of course, identifying, creating and sharing posters adds to the workload. To motivate engagement a workshop set-up can be organized. In this workshop employees are guided to draft their personal purpose and complete the template.

At this stage, possible outcasts may become apparent. Rethinking the position of employees and making restructuring a next step. Are they in the right spot to perform according to their connection to the purpose. Or are they even at the right company? The end goal is to get everyone on board towards the same direction. For this reason, with every new employee this steps needs to be revisited. Possibly being part of the job application.



Stage 4: Implement purpose

To make the purpose come alive implementation in everything the company does is of the essence. This means revisiting it during every moment of decision and during every

type of decision: branding, strategy, financial etc. To make sure the purpose is revisited the prior

stages are very important. As explained mindsets, established by communication and identification, drive behaviour. Managers have the responsibility to refer to the purpose, so that over time employees show the desired behaviour independently, becoming a habit.

Following the flowchart in Figure 32 decisions can be made. On which in return strategies can be build. Employees at Fred de la Bretoniere need to ask themselves this question: Do/does [...] make women feel better? Anything can be inserted. Does this bag make women feel better? Do our stores make women feel better? Does our service make women feel better? By doing so the company purpose acts as a filter. When the answer is no, this does not instantly mean the idea should be rejected. It can also mean it needs to be rephrased. For example, Fred de la Bretoniere wanted to increase sales through the webshop. Asking



Figure 31: Example posters of employees identifying with company purpose

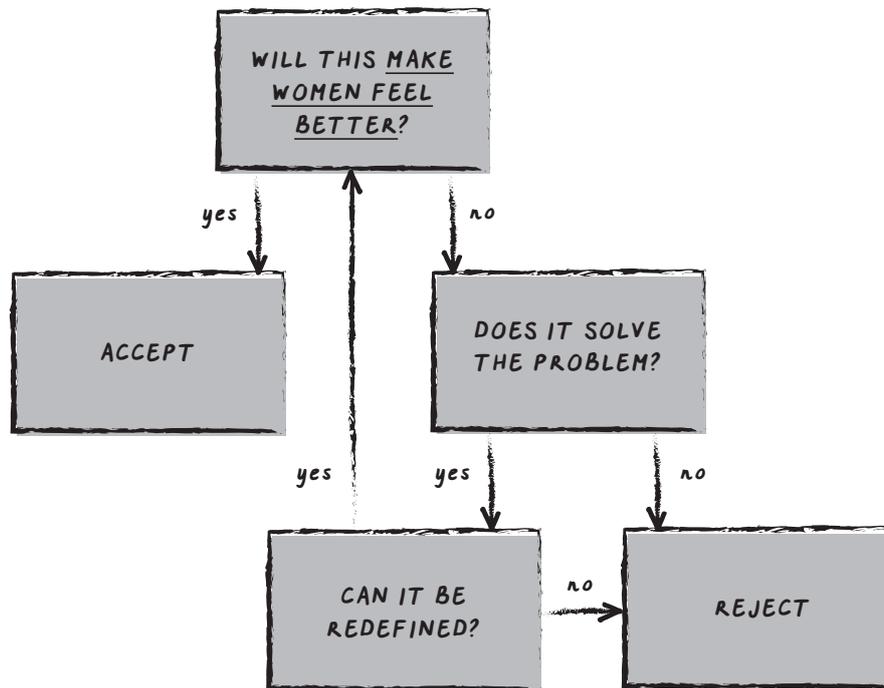


Figure 32: Flowchart structuring the decision-making process

the question ‘Does our webshop make women feel better?’ can influence numerous decisions. However, the question can be further specified. Was the problem an underperforming webshop or did their customers prefer visiting a physical store?

When decisions are made accordingly, the purpose is clearly present in all activities of the company. Whether it are campaigns, the webshop, social media account, customer service or in-store conversations with customers. Some examples from Fred de la Bretoniere, show that possibly different decisions would have been made when applying purpose-driven decision-making.

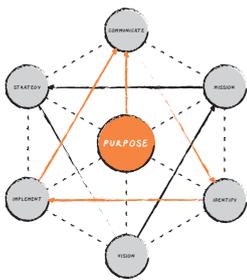
The company’s campaigns mostly have a focus on the product, placed in a studio, rather than the women wearing them. When wanting women to feel better this message should also be communicated towards the customers. This entails showing women that feel good while wearing products from Fred de la Bretoniere, in a context customers can identify with.

Popularity possibly dropped over the years as no renewal, in both collection and stores, took place. Asking ‘do women feel better in our stores?’ puts a focus on the experience, rather than solely the products as it currently is represented. Putting a focus on this element contributes to the purpose. An example to follow is that of Glossier, a beauty brand. Service is personal and genuine and small in-store details can make the difference, such as the mirror in Figure 33.



Figure 33: Mirror at Glossier brand store

The company has initiated multiple collaborations with fashion influencers such as Yara Michels, Jetteke van Lexmond and Lizzy & Charlie van der Ligt. The focus, towards the customer, in these collaborations has been on the product design and craftsmanship. Asking the question ‘how does this make women feel better?’ the design is the only reference point. The influencers could have been used on a more substantial level. Sharing stories about their special moments with their Fred de la Bretoniere products. Explaining why they have created these design. How did they make women want to feel? Confident, happy or comfortable. This way, customers can identify and connect to the brand.



Result

Adopting a purpose-driven mindset is not a guarantee for success. It is not a fool proof plan that delivers innovation and competitive advantage to companies.

It requires commitment

even before results have become visible. The direct results are not innovative retail concepts or products, but the skill to make decisions that lead to innovation. So, to pay-off employees must maintain an active search for innovation. Purpose is merely the foundation.

In several respects Fred de la Bretoniere has remained unchanged for many years. Although it is strong to have a consistent brand image, the pitfall for fashion retailers is relying on what was once successful. Leaving customers unsatisfied, according to the reputation framework. As mentioned before, to remain relevant the company needs to push itself to get closer to their purpose through every decision they make. By doing so, change is initiated. Opposed to the standstill that slowly led to bankruptcy.

For Fred de la Bretoniere the mindset change entails changing from a brand with a focus on

quality and craftsmanship, and therefore its products, to their customers. A brand that women want to wear because it makes them feel good. Whether it is because of the way they feel when wearing it, the comfort, the in-store experience or the story behind it. In this scenario, the customer relationship is based on sincerity. A strong and genuine foundation for loyalty.

The implementation of a purpose-driven mindset is a continuous process. Once each stage has been treated it is permanently revisited, in independent order. Alignment is achieved when the purpose is embedded in every aspect of the company. Referring to the purpose during every decision and reviewing the connection between elements in the Purpose Paradigm.

5.2.2 FEEDBACK FROM RETAILER

Gathering insights from a retailer confirms or rejects assumptions. Therefore, the concept and approach of a purpose-driven mindset is presented to a retailer. For validation of the Purpose Paradigm more retailers need to be questioned. An interview has been set up with Matti Litschka, shop manager at Suitsupply (Appendix D). Suitsupply is a Dutch menswear brand offering high quality tailoring and delivering quickly while keeping the price down. Their formula has proven to be a great success, changing the tailoring segment in the fashion industry.

As shop manager Matti is involved in everything related to the Suitsupply store, such as sales, supplies and styling. Over the years he gathered experience worldwide. He confirms the physical store is, and remains, very important for the brand. Customers like to be able to see, feel and try their products. However, once their sizes are known they might order online.

Suitsupply takes on an active position in innovating their customer experience. After a store visit, and purchase, customers receive an email asking for their feedback. Negative feedback is acted upon by the store manager. Making decisions based upon their professional knowledge and experiences. On a higher level, concepts are created and tested in one or two stores before complete implementation. After which an expert team visits in-store employees to teach them the interaction and desired customer experience.

Also, Suitsupply is aware of the importance of employee engagement to be able to provide a great customer service. Therefore, they have a training programme referred to as Suit School. During this training future employees learn in-depth about suit, fabrics and fitting, and the desired customer service. Suit School is mandatory for every employee within the company, including headquarter positions and ICT, so that their understanding of the brand is aligned.

Matti was not familiar with the concept of purpose. After explaining, he described the founding story of Suitsupply. Fokke de Jong, the founder, opened his first store along the highway near Amsterdam. Focusing on businessmen in need of high quality tailored suits, quickly and for a fair price. Which still drives the company today. Attracting a clear

“I think Suitsupply is very progressive in the engagement of its employees.”

- Matti Litschka, shop manager Suitsupply (2019)

target group, who's needs are translated in products but also store locations and interiors. All Suitsupply employees are familiar with this story, which can be identified with a vision statement. However, as desired from a purpose statement it does not yet touch upon the emotional level. This would require a contribution from employees and customers, as described in the first stage of the Purpose Paradigm.

It presents a comparable situation to the case of Fred de la Bretoniere. The founder of Suitsupply has a large influence within the company. Even though employees are aware of his vision, it is not explicitly stated. His absence can be anticipated upon by communicating a clear purpose. Giving employees across the company the skillset to make decisions true to the company. By changing their mindset and adapting their behaviour.

When presenting the Purpose Paradigm and steps towards a purpose-driven mindset, Matti was very open to the idea. Pointing out that, in his opinion, it actually was something the company already does. He mentioned that communication towards employees has increased over the last years. But was unable to provide a reason. Thus, trying to reach internal alignment. As proposed by the model, the foundation of a meaningful customer experience is a purpose guiding the company.

Overall, what can be taken away from this interview is that as expected there are retailers that are driven by some kind of purpose. However, this is not clearly communicated to either employees or customers. For them to start adopting a purpose-driven mindset, thus making it explicit, can be challenging. Interest and understanding does not seem to be the problem, but the acceptance of a behavioural change can present a challenge. To make the most of their current driving force, i.e. purpose, and secure future customers adopting a purpose-driven mindset will be beneficial. Creating long-term and sustainable results, both internal and external.

5.3 RECOMMENDATIONS

As analysed during the case and retailer feedback, the Purpose Paradigm cannot be directly adopted. Companies need guidance from an external party. Implementation of the mindset is a long-term process requiring determination and consistency. Additionally, this party can conduct the employee interviews, organize workshops, ensure communication and monitor impact.

In small companies this way is expected to suffice as well. However, the strategic model can also be translated into an independent tool. An opportunity is presented in the creation of a digital platform for employees. A digital environment has several benefits related to creating a purpose-driven mindset, explained next.

Throughout this thesis an expected focus on technology has been mentioned related to experiences and Gen Z, either customers or employees. Always being connected, a digital platform presents the most convenient way to gain presence in meetings, everyday jobs and personal moments. Anywhere, anytime with anyone. Creating the possibility to make adjustments and updates whenever needed. Easy access contributes to the willingness to participate.

As a platform interaction is possible between employees. For example, related to the third stage, identify with purpose, employees can share their personal contribution to the purpose. This enhances the understanding and contribution to the collective purpose. Also, other aspects can be discussed, creating an open conversation about the purpose. Participating and contributing as an individual emphasizes the collective nature of a purpose-driven mindset. It also enables room for reflection and feedback. And since the data is recorded, results and progress can be monitored. It also leaves room for a possible interaction

with customers. Gathering their opinions and connection to the purpose. Receiving customer feedback is a valuable asset.

Further research

Undeniably, further research can be performed before implementing the Purpose Paradigm. After deriving purpose from museums as an opportunity for retailers, this thesis has focused on the development of the strategic model. The next step is to take on a design-driven approach, so that the model can be evaluated, tested and improved in collaboration with retailers. Possibly creating a digital platform.

An interesting direction for further focused research is the effect of adopting a purpose-driven mindset on different business elements. For example, as the incentive of this project, on customer experience. But also, on the business model, marketing or hiring procedure.

In this thesis, a model has been developed for an individual retailer. PDNW, the initiator of this project, is interested in shopping areas. Thus, not trying to improve a single retailer but a city area. In this context, the possibilities of a purpose-driven mindset can also be explored as an asset to foster relations between retailers, improving the visitor experience. For example, by creating an area purpose that retailers can connect to.

5.4 CONCLUSION

The project was set out to answer the following research question: *Can museums be used as a source of strategic inspiration, related to customer experience, for physical fashion retailers in Rotterdam?*

A promising opportunity has been discovered in reputation. For museums, high reputation is based on a purpose-driven approach. For retailers to reach a high reputation and create meaningful customer experiences having a purpose proves relevant. Therefore, a model, the purpose paradigm, to adopt a purpose-driven mindset in companies has been constituted.

Adopting a purpose-driven mindset contributes to creating a genuine and meaningful customer experience. Through which customers can build an emotional relationship with a brand, creating loyalty. Also, it increases employee engagement, creating an inspiring and attractive environment. Overall, being purpose-driven is a long-term and sustainable approach for retailers reacting to the quickly changing retail environment. Resulting in behavioural change inside the organization that leads to engagement and innovation.

Discussion

Before starting with the research, several conditions were established to limit the scope. Next is discussed how these have influenced the project and outcome.

The focus on the city centre of Rotterdam has had little effect on the resulting model. Despite using this context in the reputation research, to confirm the difference in reputation between museums and retailers, the Purpose Paradigm will be useful for companies independent of their location. However, it may be possible the outcome of the reputation research may vary across different locations, meaning that the outcome of the project

could have taken a different turn when performed regardless of the context.

The effect of a specific focus on fashion retail during the research has been little. The difference found between fashion retail and other types of retail is related to the trust deficit that is currently experienced. Transparency about sustainability, production and working conditions is demanded by everyone and especially the younger generations. Their engagement in the world must be reflected by the companies they connect to. Hence, purpose is especially valuable in fashion retail.

Targeting physical retail has guided to the final model. Even though it is based on a perspective from physical retail, being purpose-driven is just as important in e-commerce. And nowadays, most retailers perform both. The purpose paradigm is relevant for the entire retail sector.

Discussing the result of this project, a critical question to ask is: what differentiates this purpose based model from everything else out there? It is a difficult question to answer. Even though the research approach, using museums as inspiration, is unique and unexpected. The established stages for implementation are not ground-breaking. The model is a fusion of widespread knowledge, examples in practice and personal experiences. However, not a single model describing the adoption of a purpose-driven mindset is currently available.

5.5 PERSONAL REFLECTION

While searching for a graduation project, I was persistent in finding it in the retail sector. As this is the industry I am most passionate about and want to pursue my career in. I am glad held on and got the opportunity to perform my thesis at Creating 010. This environment has bridged the educational and business approach, which suited me very well. I was given the outmost freedom to shape the project accordingly to my findings and personal preferences. Due to which I have maintained motivation. Also, I really appreciate and enjoyed all meeting within the company Paul invited me to participate in.

Overall, this research has turned out to mainly be literature focused. I would have liked to gain more insights from the industry, by talking to retailers. However, at the time of diverging into the research scope the information at hand was already limitless. Most of which has not made the cut to this thesis as it was not relevant to the result. This was an overwhelming stage and felt like looking for a needle in a haystack. If there even was a needle to be found. Of course, having formulated the research question myself I enjoyed the challenge.

The uncertainty about the result of the project has caused multiple alterations in terms of direction and deliverables. Initially I wanted to deliver a concrete concept of a customer experience for a fashion retailer, evolving into a tangible tool and resulting in a flat strategic model. It is fair to say the outcome is not what I expected and I have been worried it does not portray my abilities as a designer. On the other hand, I realized I was more interested in creating a supported and sustainable model for retailers in general. Instead of a momentary concept for a single retailer. I am satisfied with the result of the project. Based on museums and retail the direction initially is unexpected. Something I can say to strive for in

projects. Rather than the result being obvious, I want to trigger interest in my audience.

During this project I have learned equally as much about myself as the research direction. Mainly because, in contradiction to all other projects during my degree, this has been an individual project. Which meant that tasks that are not my strength and I would otherwise avoid had to be faced, developing my skills. It also provided clarity in my interests as a designer, which beforehand I was not sure about. Also, I am aware of the criticism I hold against my own work, which has limited me at times. But during my graduation this has also taught me to be confident in my abilities and accept it.

Working towards this moment for several months an end is coming to my graduation journey. But I am ready for the next stage in my life!

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APPENDIX

- A. Expert interview: Alexander van der Grit
- B. Reputation research
- C. Ideation process
- D. Retailer Interview: Suitsupply

A. EXPERT INTERVIEW: ALEXANDER VAN DER GRIT

The whitepaper on explorative spaces by Alexander van der Grit sparked my interest. Realizing I had met him before during a meeting at Creating 010. Therefore, I had his mail address and was able to contact him, asking for a moment of his time to do a telephone interview, as he is located in Assen. For this interview, a number of questions are prepared to be discussed based upon reading his published papers and more.

The interview took place on November 12, 2018. Not all questions proved to have a relevant outcome. Therefore, questions have been left out and answers have been condensed.

Wat are current developments in the retail environment?
The trend we connect to is the creation of meaningful ecosystems. Any shape of relations, fun and appreciation and other human values we try to encourage. Shopping is a social occasion. If not, it can as well be done online, which is much quicker and more efficient. This kind of shopping is not for everyday occasions, I am talking about people who visit the city centre to get inspired.

Retailers need to create an ecosystem together, since they all need each other. So instead of being each others competition, the reality is different. Retailers need to connect to each other and create a seamless experience, where one experience supports the other experience.

Often a retailer can not do it on its own. So they need to connect with companies. Letting go of the idea that they are at the end of the line, just selling products. But thinking about their position in an ecosystem and how can I may it better everyday. For explorative spaces we assume these ecosystems are already build. But in reality this is not the case, retailers do not understand it. However, we need to move in the direction of networks.

What is the goal of explorative spaces?
Retailers need to ask themselves why people visit the city they are in, what do they like. And in particular why do they come to us. Innovation is needed to create exciting spaces and situation. Innovation is not only creating faster services, more products and more space. We mean creating

fantastic combination that have the wow-factor, and make customers remember. All the time. Not every store is suited for this. For example Kruidvat should not create explorative spaces, or Action. We do not have the illusion every store should become an explorative space, because they do not need to.

What is the role of technology in an explorative space?

For us the most important innovation is in social innovation. Technology can help by for example developing apps. But technology also leads to an enormous loneliness. We are active towards technology, it can be used to give directions specified to certain target groups. But what matters to us is that people meet each other in the city, influence each other and move on.

During which time frame do you expect change to take place?

You should formulate this differently. Change need to keep going, not start. We assume a constant change, and some retailers have paused this change. They are not retailers anymore, just sellers. So change has to keep going. I cannot give a clear answer on the time frame. Some retailers already are moving in the right direction, knowing what they are doing. Whereas other retailers do not have a clue.

What is the influence of different customers and target groups?

You have your local inhabitants, a stable group. But you also have a group of people who add creativity to society. Such as architects, marketers, teachers and such. This group is needed to make a city interesting. If a city does not have this group of people, you need to make it interesting by focusing on other groups. And make sure the creatives have a place to go. They need something to feel comfortable. Thus a fair distribution of spaces is needed. Museums can contribute to the creation of a specific area.

Would you define museums as explorative spaces?

Store have explorative spaces build up of a common mass, another mass and on top of that is the unexpected. Customers look for that unexpected element in a store. Museums have it too, for example through interactive collections. But not every museums has this. But as I said before, city centres can have this characteristic as well.

B. REPUTATION RESEARCH

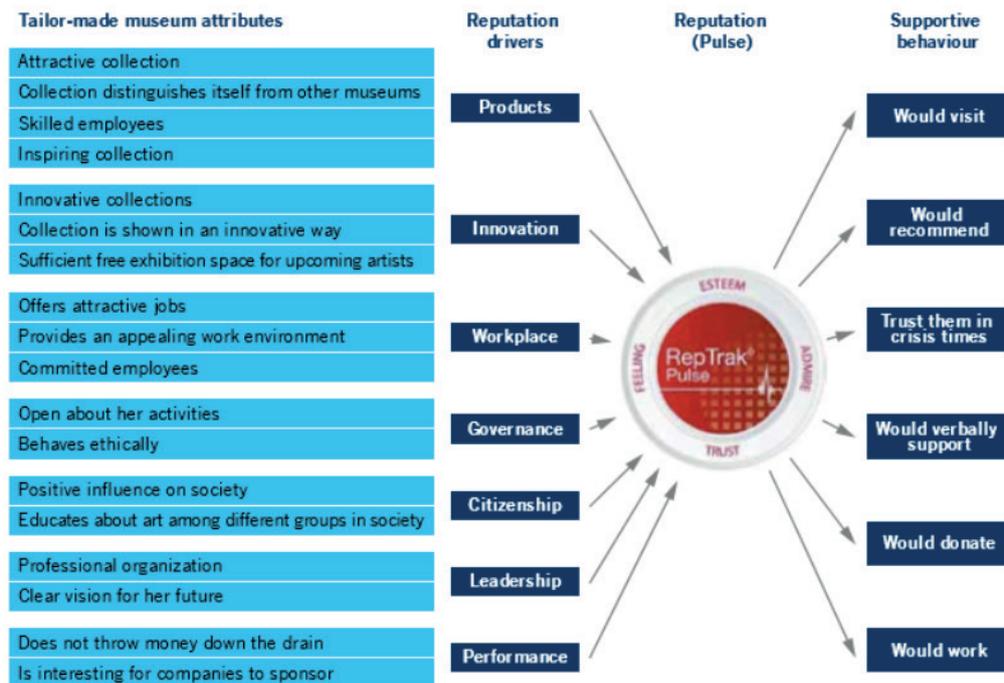
Based upon the study performed by the Research Institute (Van Riel & Heijndijk, 2017) a simplified research has been conducted. The reason for this is to verify the results transferred to the scope of this thesis: museums and fashion retailers in Rotterdam. The medium of the research is an online questionnaire, using Google Forms, spread among Dutch respondents.

Questionnaire

The questionnaire starts with multiple choice questions related to general information such as age and place of residence. Followed by multiple choice questions on behaviour related to shopping and museum visits.

The next sections focus on reputation. For the set up of the questionnaire the Reptrak® model was used, in the figure below. This model indicates seven drivers that represent the overall reputation. These are: products, innovation, workplace, governance, citizenship, leadership and performance. Each driver consists of several attributes. For this research the drivers have been condensed into a single statement:

- The museum/store is attractive, inspiring and differentiates itself from other museums.
- The museum/store has innovative collections and shows these in an innovative way.



Adjusted Reptrak® model

- The museum/store has an appealing work environment and committed employees.
- The museum/store behaves ethically and is open about its activities.
- The museum/store has a positive influence on society.
- The museum/store is a professional organization with a clear vision for the future.
- The museum/store does not throw money down the drain.

These statements are assessed on a 10-point scale, ranging from disagree to agree. See an example in below. Respondents have to assess the seven statements for three museums and three retailers in Rotterdam, so six times in total. The museums are Museum Boijmans van Beuningen, Kunsthal and het Nieuwe Instituut. The retailers, in the city centre of Rotterdam, are de Bijenkorf, Hutspot en Susan Bijl. For each scenario, an image of the museum or retailers was accompanied with a short discription. Respondents were also asked if they were familiar with the museum or retailer beforehand or not. When respondents were not familiar with a museum or retailer, they were asked to assess the statements based on their expextations.

Data analysis

A total of 43 respondents completed the questionnaire. This number is lower than desired. The respondents include both citizens (70 percent) and non-citizens (30 percent) of Rotterdam from different generations, based on corresponding age categories, but mostly Millennials (50 percent) and Gen Z (37 percent). The distribution men and women 40 percent versus 60 percent.

Results

A number of respondents entered unusable answers, therefor these have been eliminated during the analysis of the results. Also, not all questions showed to provide relevant results. Therefore, these will not be discussed in this section.

Half of the respondents has no preference for visiting a museum or a store. A quarter prefers shopping and the final quarter prefers museums. The majority of respondents (70 percent) goes shopping either alone or with family and friends. Whereas the same percentage only goes with family and friends to a museum.

The results of the statement assessments have been visualized in spider web graphs. The figure on the next page shows the overall reputation of museums and retailers alongside each other. Confirming the expectation: museums have a higher reputation than retailers. The biggest difference is for the driver citizenship, which correspond with the statement 'The museum/retailer has a positive influence on society'.

Individually, Kunsthal has the highest rating with a 7. Followed by Museum Boijmans van Beuningen (6,7)and Het Nieuwe Instituut (6,4). For retail, Susan Bijl has the highest score with a 6,6. Followed by Hutspot (6,1) and De Bijenkorf (5,8).

The overall reputation scores differentiating between the familiarity with museums and retailers are presented on the same page. Showing three types of respondents that have been to the museum or store, heard of it or do not know it

De Bijenkorf is aantrekkelijk, inspirerend en anders dan andere winkels. *

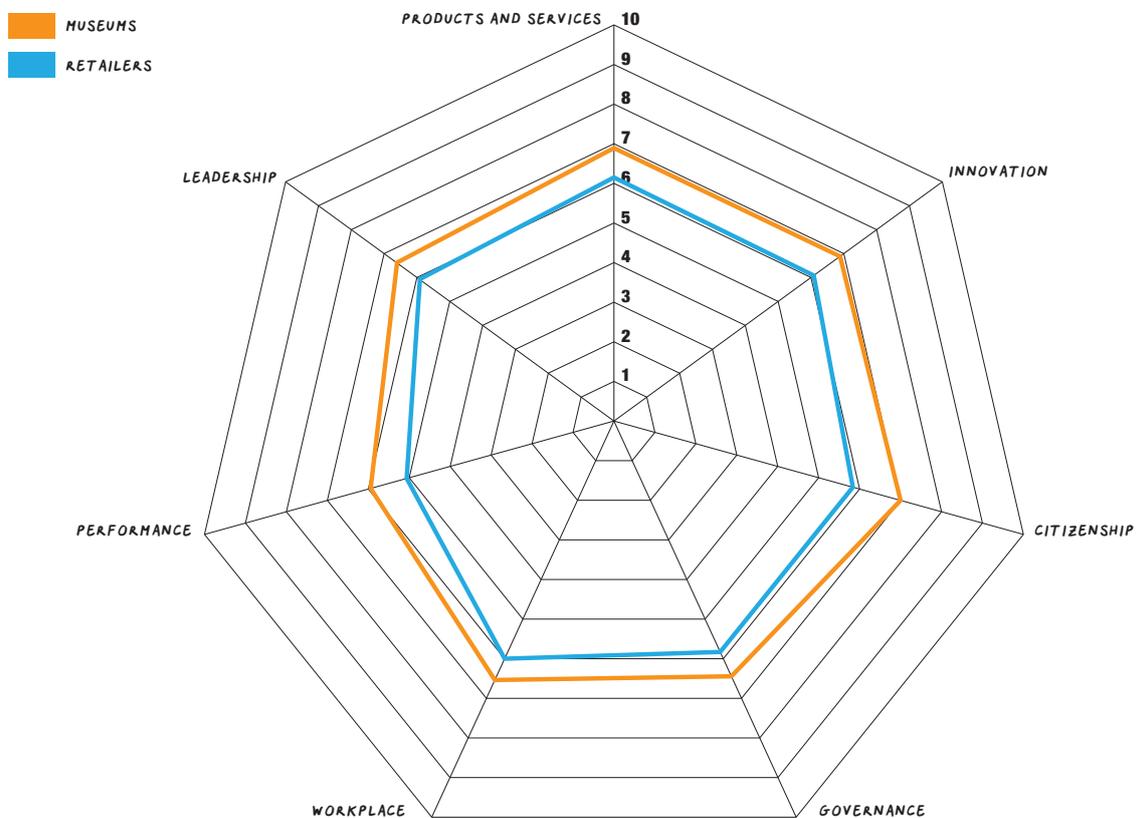


Example statement from questionnaire

- APPENDIX B -

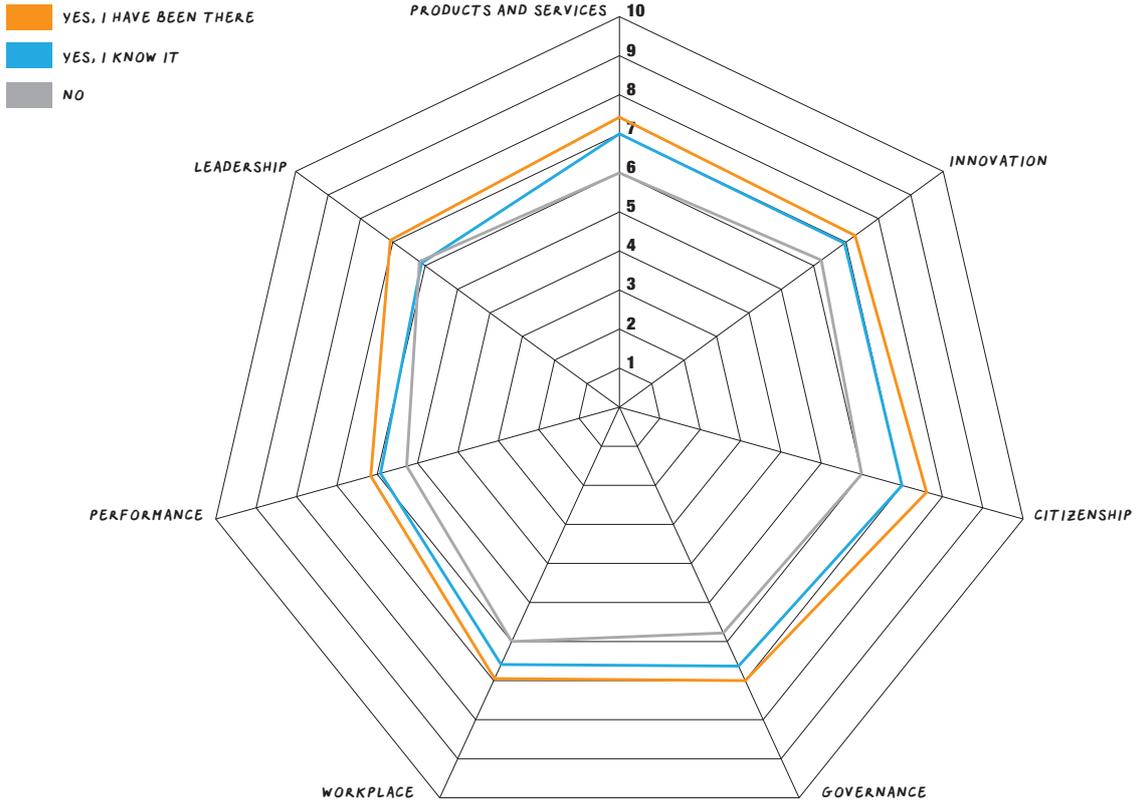
at all. Museums show a decrease in reputation. Retailers show a more dynamic distribution. Where the categories product and services, workplace, performance and leadership show a decrease. The categories innovation, citizenship and governance show an increase.

View the complete questionnaire at https://docs.google.com/forms/d/e/1FAIpQLSeTUswoeotQER0dpTQbDmWvZ5PvMk1kAgPmpky_nClGSnejlQ/viewform?usp=sf_link

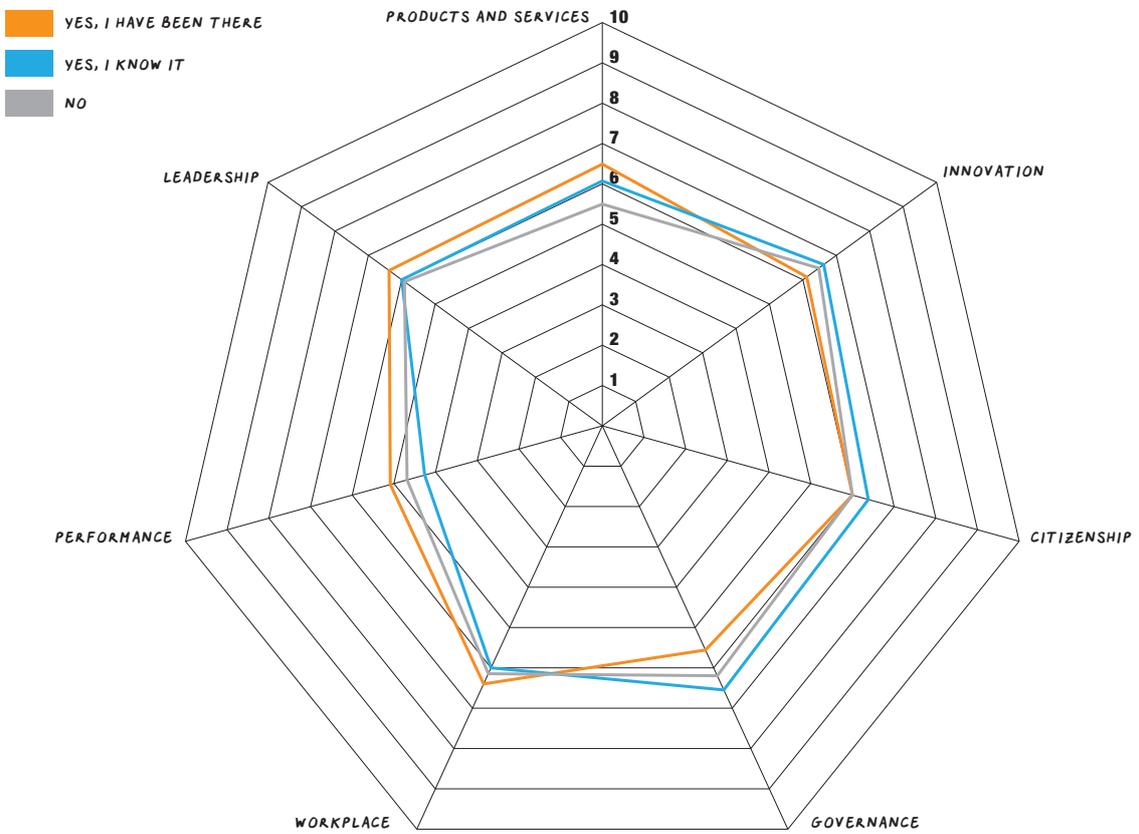


Overall reputation score museums and retail

-APPENDIX B-



Reputation museums based on familiarity

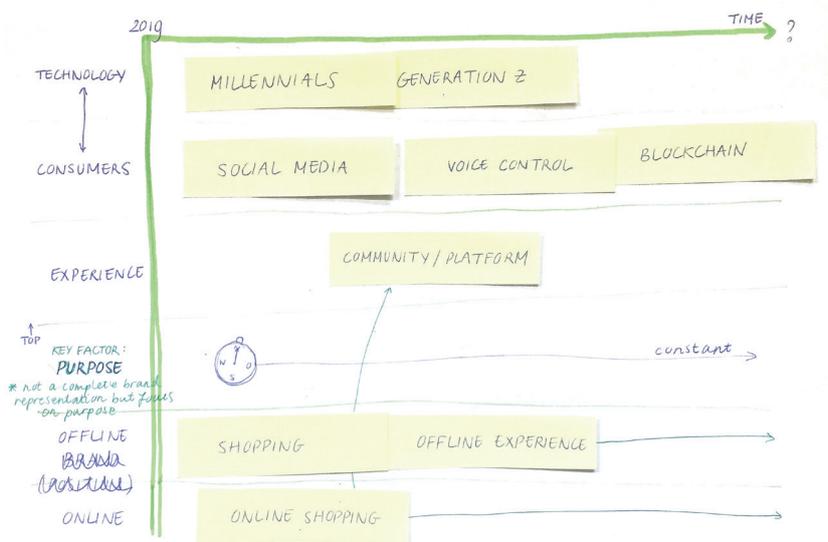


Reputation retail based on familiarity

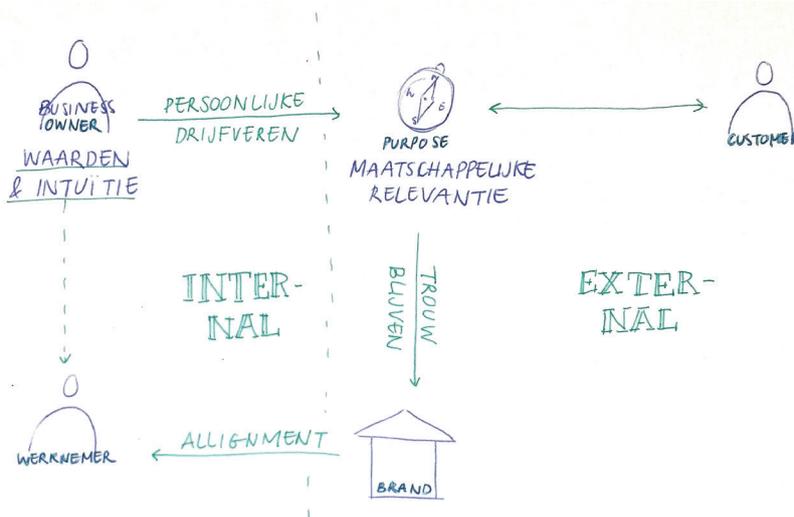
C. IDEATION PROCESS

The insights required during the research are to be translated into a strategic model. Therefore, the possible formats have been explored through individual ideation. The evolution of the strategic model is visualized in this appendix (a selection out of countless drawings and ideas).

Inspiration has been gathered from other models, by searching the internet and from my own knowledge. The model was required to include (and contribute to): experience and purpose. Finding the connections and applications for retailers. The main challenge during the ideation process has been to simplify and connect the information. Making it accessible for many retailers without limitations.

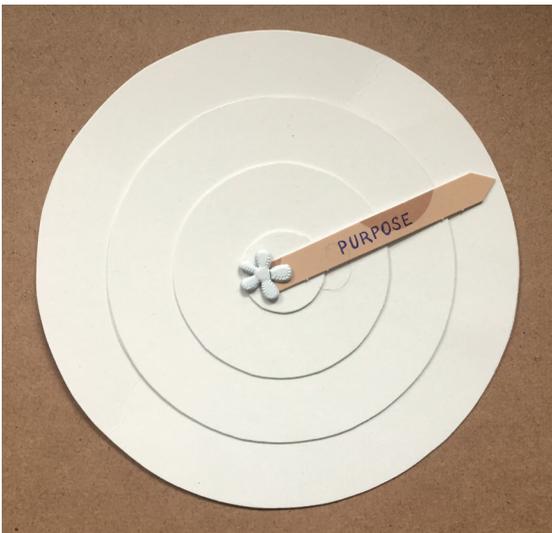
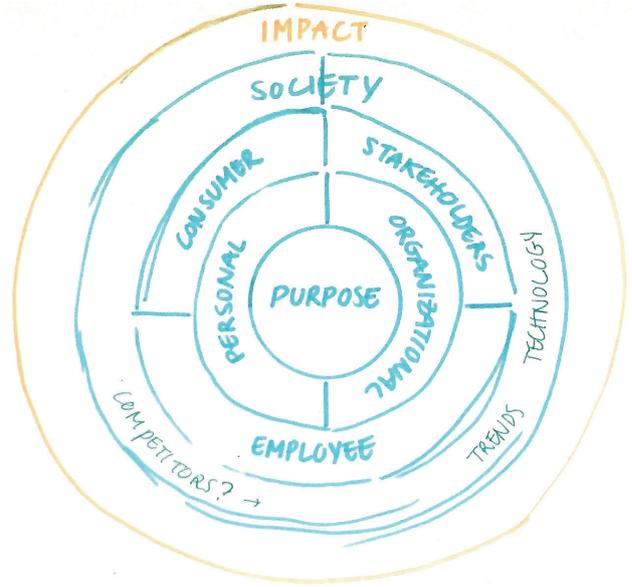
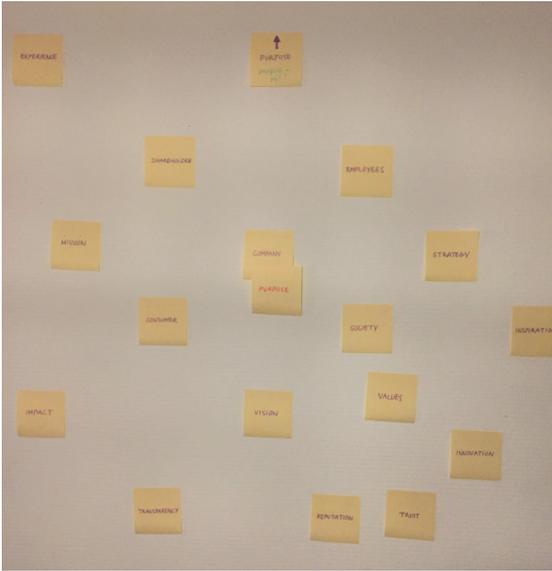


Starting with the idea of a roadmap template, possible elements to be included have been identified. However, this idea seemed too limited in the possibilities for a retailer. Not representing the essence.



By creating a stakeholder map, the relations between elements were identified. Realizing which aspects are of most importance.

-APPENDIX C-

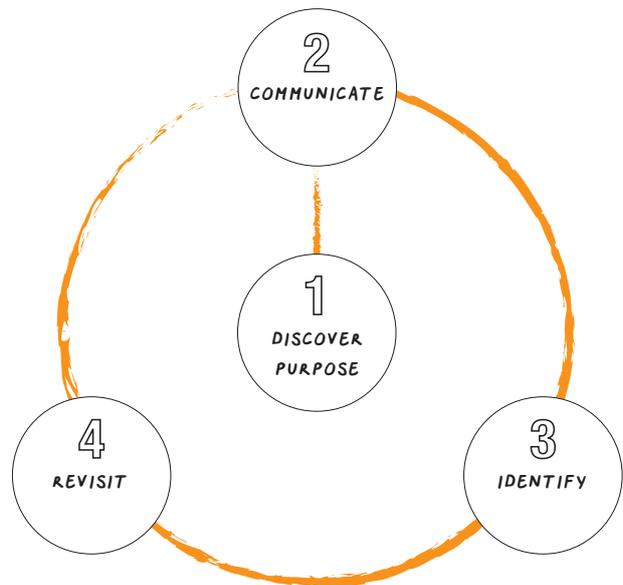


At this stage I realized the most important aspect was the purpose, and thus centre of the model. Based on the principle of purpose as a north star of compass. And as an influence of every element.

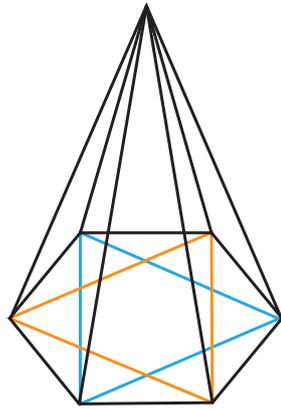
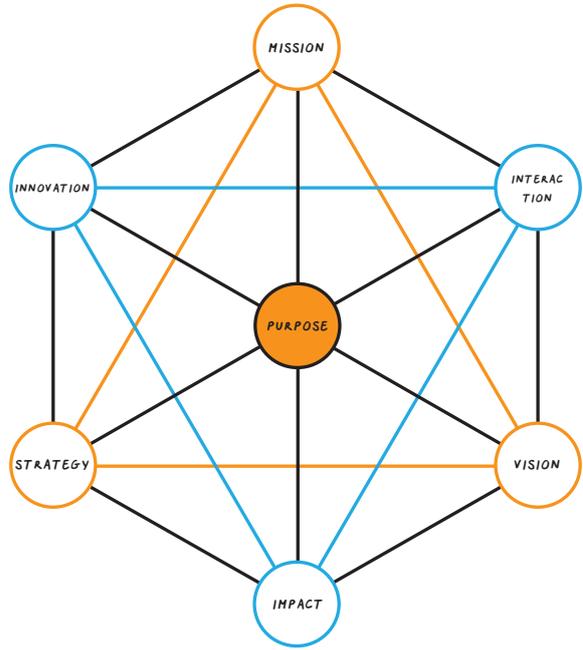
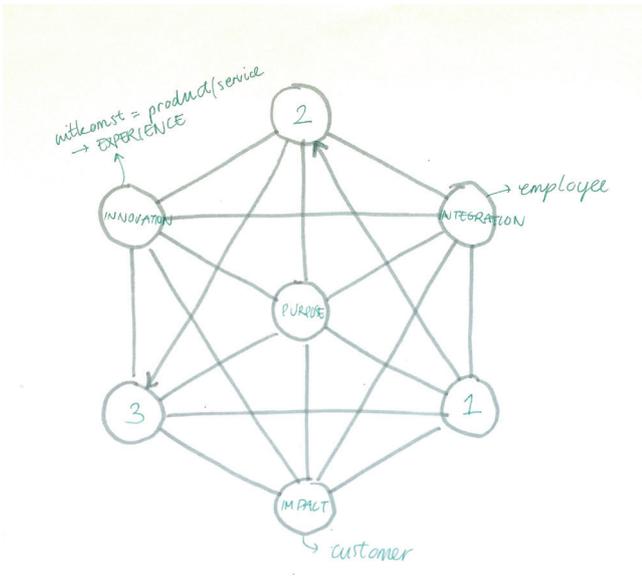
Next was to discover how the elements were to be arranged around the purpose. The first exploration was interactive model with purpose as a pointer.

However, all these model were to abstract for retailers to implement. They were a combination of terms without a clear goal, or usage.

At this stage the idea of adopting a purpose-driven mindset arose. Thus, the steps were developed.



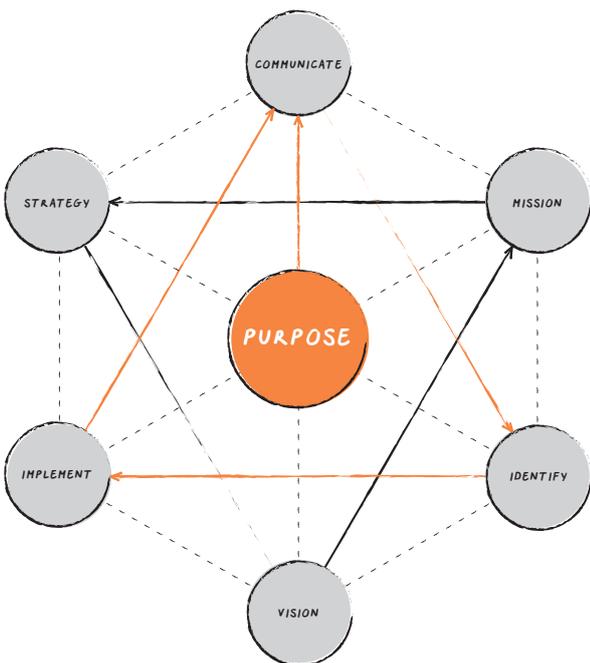
-APPENDIX C-



Based on the identified steps, the model has been created. The final design has been inspired by the McKinsey 7s model (the shape).

I also explored the possibilities of a 3D version of the model (digitally). To enhance the characteristics and possibilities.

The Purpose Paradigm presents two interconnected triangles, with purpose as the centre. The model visualized the influence of purpose throughout an organization and also shows the steps needed to implement a purpose-driven mindset.



D. RETAILER INTERVIEW: SUITSUPPLY

To gather the opinion on the Purpose Paradigm a retailer has been interviewed. Presenting the approach and accompanying tools in an open conversation. Despite trying, making an appointment with a fashion retailer in Rotterdam failed to succeed. Therefore, an employee of the Dutch brand Suit Supply has been contacted for an interview. A fashion company with many physical stores.

The interview took place on April 18, 2019. Not all questions proved to have a relevant outcome. Therefore, questions have been left out and answers have been condensed.

Can you tell something about your role at Suitsupply?

I am shop manager of the Suitsupply store in Den Bosch. But I have worked at various locations worldwide, also outside of Europe. As shop manager I do everything related to sales, parcels, styling and more in the store.

Is the physical store important to Suitsupply?

Yes the store is very important, especially for our products. People want to feel the fabrics and try the suits. What does happen is that when customers know their sizes, so they have visited the shop before, they order online. That is just for convenience. But yes, in that case a sort of combination between online and offline.

Does Suitsupply have a focus on innovation in customer experience?

We are very active in that area. When you start working at Suitsupply you go to Suit School. This is a five-day training with an exam at the end. During these days you learn all about suits, fabrics, sizing, but also about the service towards the customer.

When a customer has bought something they receive an email for feedback. So they can indicate if they are satisfied about our service or not.

When they are not, it gets communicated to me so I can look what we can do about it in the store. Where we have to pay attention to. And they also monitor the feedback at the headquarters. So they can improve the customer experience. When something new is come up with they test it in one or two stores at first, and we hear about it in an

email. If it is a success they implement it in other stores. So a styling team comes by and teaches the employees about it. An expert training.

Are you familiar with purpose-driven?

No I am not, you have to explain it to me.

After explaining the definition of purpose: could you identify the purpose of Suitsupply?

Well Fokke (the founder of Suitsupply) started near the A4, close to Amsterdam and Schiphol. There he made suits voor businessman in a day. That actually is what we still do today, we have an in-store tailor. We still have a clear target group we attract. And they do not only come to our store for the products, but we also make the interior as they like. And of course the store locations.

Do you think Suitsupply is driven by a purpose?

Yes I think we do. Like I said we do the same since the beginning.

Does it contribute to the employees that are hired?

People who come to work here (in-store) do not especially have knowledge about suits and stuff. That's why we have the Suit School as I explained. Literally everybody in the company needs to follow the training. So not just the staff in the shops, but also the people at the headquarters and the guys from ICT. They need to know what they are talking about, what they do it for.

How is alignment throughout the company achieved?

Now they communicate changes via email. That has increased the last years. But I would not know why, probably they have talked about it at the headquarters and implemented it. The company keeps growing so communication is important.

After presenting the Purpose Paradigm: do you think Suitsupply would be open to the adoption of a purpose-driven mindset?

Yes for sure, actually I think that is what we do already. I think that Suitsupply is very progressive

in the engagement of its employees. This is what they have always done, for example with Suit School. Which you need to repeat once in a while to stay on top.

Do you think the company is willing to invest in adopting a purpose-driven mindset?

Yes of course, they already do it but it can always make a difference. They attach a lot of value to their products and employees. And communication can be a lot clearer.

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