HOW TO CREATE A COMMERCIAL EXPERIENCE

Focus on Leadership, Values and Organizational Culture

Pernilla Ingelsson

Supervisors:
Professor Håkan Wiklund, Mid Sweden University
Dr. Pia Sandvik Wiklund

Department of Engineering and Sustainable Development
Mid Sweden University, SE-831 25 Östersund, Sweden

ISSN 1652-8948,
Mid Sweden University Licentiate Thesis 40
Akademisk avhandling som med tillstånd av Mittuniversitetet i Sundsvall framläggs till offentlig granskning för avläggande av filosofie licentiatexamen fredag, den 20 november, 2009, klockan 10.00 i sal Q221, Mittuniversitetet Östersund. Seminariet hålls på svenska.

HOW TO CREATE A COMMERCIAL EXPERIENCE

Focus on Leadership, Values and Organizational Culture

Pernilla Ingelsson

© Pernilla Ingelsson, 2009

Department of Engineering and Sustainable Development
Mid Sweden University, SE-831 25 Östersund
Sweden

Telephone: +46 (0)771-975 000

Printed by Kopieringen Mid Sweden University, Sundsvall, Sweden, 2009
HOW TO CREATE A COMMERCIAL EXPERIENCE

Focus on Leadership, Values and Organizational Culture

Pernilla Ingelsson

Department of Engineering and Sustainable Development
Mid Sweden University, SE-831 25 Östersund, Sweden
ISSN 1652-8948, Mid Sweden University Licentiate Thesis 40;
ACKNOWLEDGEMENT

This thesis would not have been possible to complete if it weren’t for the help and support of many people.

I would like to start by thanking my supervisors Håkan Wiklund and Pia Sandvik Wiklund for the insight you’ve given me regarding the researching journey and for sharing your knowledge and advice. Also a big thank you to Professor Bengt Klefsjö for helping me that last bit of the road to a complete thesis, your experience and vast knowledge has been invaluable. To Ulrika Danielsson for giving me the last comments that help me take those final steps and Gary Watson for bettering my English.

I would also like to thank my colleges at the Department of Engineering and Sustainable Development. There is always someone to share a laugh with over a cup of coffee. In particular I would like to thank Ingela, Maria, Johan, Magnus and Petter for good advice and feedback. For good co-operation in case studies and writing Åsa Wreder, Ingela Bäckström, Maria Eriksson and Johan Lilja deserve special thanks. I would also like to give a warm greeting and a big thanks to Hanz and Bibbi for letting me stay with them and giving me the space I needed to get a good start on the writing process.

Many thanks to the managers at the studied organizations for your co-operation and for taking time to answer our questions and sharing your thoughts about the past, present and the future and for the financial support given from the European Regional Development Fund.

And finally a big thanks you to my friends for showing an interest in what I do and for all the support and encouragement. A special thanks to Hugo and Sigrid, the best parents-in-law you could ask for. And of course my family; my parents for giving me sound values and a basic sense of security, to Patrik for support and new angles. To my children Linnea and Johan for giving me perspective on life and for teaching me what is really important. And Bengt, my love, thank you for being my companion in life and for the support you’ve given me always, no matter what.

Östersund November 2009

Pernilla Ingelsson
ABSTRACT

A new kind of commercial offer is on the rise, that of a commercial experience. It is said to be the next progression of value after a service and that it is distinct from a service in several ways, two important being a) the provider having to create something new or memorable to the customer, i.e. creating attractive quality, and b) the offer being a co-creation between the customer and the provider.

Little has been written though about how creating a commercial experience can affect the way organizations should work. One of the areas that ought to be affected is the way organizations work to shape and coordinate co-workers and leaders behaviors by having a common set of values, or in other words a strong organizational culture. A number of studies show that the leaders in an organization have a strong influence on its culture while others show that working with Total Quality Management (TQM) can enhance the corporate values and lead to profitable organizations.

The purpose of this thesis was to explore and contribute knowledge about how to create a commercial experience. The more specific purpose was to explore this area in relation to leadership, values, organizational culture and TQM.

To fulfill these purposes two case studies were carried out with the intention of finding ways of working. The first focused on how a renowned organization that offers commercial experiences works and the second on organizations offering commercial experiences in the region of Jämtland.

One conclusion drawn from the research is that methodologies and tools that aim directly to enhance the organization’s values and hence its culture might be of even more importance in organizations offering a commercial experience. It seems to be important to be aware that values need to be translated into behaviors to make them understandable in the organization. Storytelling is one tool that can be used as an enhancer of organizational culture, a tool that might be a fairly unrecognized for this purpose. It is also
evident that the leadership practiced within the organization is crucial if a strong organizational culture is to be achieved.

Further, strategies for selecting the right values appear to be important when trying to create a strong organizational culture - a strategy not so evident within TQM. This could be one area where TQM needs to be developed in order to support the creation of a commercial experience but also to implement TQM more effectively.

Keywords: Commercial experience, leadership, values, organizational culture, TQM
SAMMANFATTNING

En ny typ av kommersiella erbjudande är på uppgång, de kommersiella upplevelserna. De sägs vara nästa utveckling av ekonomiskt värde efter service och skiljer sig från service på ett antal sätt, varav de två viktigaste kan sägas vara a) behovet att skapa något som är nytt eller minnesvärt för kunden, dvs. skapa attraktiv kvalitet och b) att erbjudandet (upplevelsen) skapas tillsammans med kunden.

Det finns idag inte så mycket skrivet om hur det interna arbetet i organisationer som erbjuder kommersiella upplevelser kan påverkas. Ett område som borde påverkas är det sätt organisationer arbetar med att forma och koordinera ledarnas och medarbetarnas beteenden genom gemensamma värderingar, dvs. att skapa en stark organisationskultur. Studier har visat att ledarna i en organisation har stort inflytande på kulturen och andra studier visar att arbete med Offensiv kvalitetsutveckling (TQM) kan stärka värderingarna och leda till lönsamma organisationer.

Syftet med avhandlingen har varit att utforska samt bidra med kunskap om hur man kan skapa en kommersiell upplevelse. Det mer specifika syftet har varit att utforska området i relation till ledarskap, värderingar, organisationskultur och TQM.

För att uppfylla dessa syften har två fallstudier genomförts med intentionen att hitta arbetssätt. Den första fokuserade på hur en framgångsrik organisation som erbjuder kommersiella upplevelser arbetar och den andra på hur organisationer i Jämtlands län som erbjuder kommersiella upplevelser arbetar.

En slutsats som dras med utgångspunkt i genomförd forskning är att metoder och verktyg som är direkt riktade mot att stärka värderingar och därigenom organisationskulturen kan spela en ännu större roll i organisationer som erbjuder en kommersiell upplevelse. Det verkar vara viktigt att nå en förståelse att värderingar behöver överföras till beteenden för att göra dem förståeliga i organisationen. ”Storytelling” är ett verktyg
som kan användas för att stärka organisationskulturen, ett verktyg som verkar vara tämligen outnyttjat för detta syfte. Det är också tydligt att ledarskapet som utövas i organisationen är avgörande för att lyckas med att erhålla en stark organisationskultur.

Strategier för att välja de rätta värderingarna verkar vara en viktig del när man försöker skapa en stark organisationskultur. En strategi som inte är så uppenbar inom TQM. Det skulle kunna vara ett område där TQM behöver utvecklas för att stötta skapandet av kommersiella upplevelser men även för att mer effektivt implementera TQM generellt.

Nyckelord: Kommersiell upplevelse, ledarskap, värderingar, organisationskultur, TQM
# TABLE OF CONTENTS

LIST OF APPENDED PAPERS..............................................................................................................XIII

1 INTRODUCTION .................................................................................................................................. 1
  1.1 BACKGROUND ............................................................................................................................... 1
  1.2 PURPOSE AND RESEARCH QUESTIONS ...................................................................................... 3
  1.3 DELIMITATIONS............................................................................................................................ 3
  1.4 CONNECTION BETWEEN RESEARCH QUESTIONS AND RESULTS .............................................. 3
  1.5 THESIS STRUCTURE ...................................................................................................................... 4

2 THEORETICAL FRAME OF REFERENCE ............................................................................................... 5
  2.1 COMMERCIAL EXPERIENCES ..................................................................................................... 5
  2.2 VALUES, ORGANIZATIONAL CULTURE AND LEADERSHIP ...................................................... 9
  2.3 TOTAL QUALITY MANAGEMENT ................................................................................................. 13

3 RESEARCH METHODOLOGY ........................................................................................................... 23
  3.1 RESEARCH PURPOSE AND APPROACH ..................................................................................... 24
  3.2 OVERVIEW OF THE RESEARCH PROCESS .................................................................................. 31
  3.3 VALIDITY, RELIABILITY AND GENERALIZATION ....................................................................... 36

4 RESULTS ............................................................................................................................................ 39
  4.1 SUMMARY OF APPENDED PAPERS.............................................................................................. 39
  4.2 SUMMARY OF ADDITIONAL RESULTS FROM THE CASE STUDIES ............................................ 47

5 CONCLUSIONS ................................................................................................................................... 53
  5.1 RECONNECTING TO THE RESEARCH QUESTIONS ...................................................................... 53
  5.2 CONCLUSIONS ............................................................................................................................. 56

6 DISCUSSION AND FUTURE RESEARCH ......................................................................................... 57
  6.1 FUTURE RESEARCH ...................................................................................................................... 58

REFERENCES ......................................................................................................................................... 60
LIST OF APPENDED PAPERS

This thesis is mainly based on the following four papers, herein referred to by their letter:

**Paper A**

**Paper B**
An earlier version of the paper was published in the Proceedings of 10th QMOD International Conference, Quality Management & Organizational Development, June, 2007, Helsingborg

**Paper C**
An earlier version of the paper was published in the Proceedings of 10th QMOD International Conference, Quality Management & Organizational Development, June, 2007, Helsingborg

**Paper D**
1 INTRODUCTION

The purpose of this chapter is to introduce the reader to the scope of the thesis and present the purpose, the research questions and the delimitations of the research. In this chapter the structure of the thesis will also be presented.

1.1 Background

Commercial experiences as a new kind of customer offer have gained much attention during the last decade. Commercial experiences are claimed to be part of a new economy, far from traditional industry and mass-production, an economy with such diverse titles as, the creative industry, the experience economy, the network society and even the dream society (Pine & Gilmore, 1999; O’Dell & Billing, 2005; Jensen, 1999 and Löfgren, 2003). Pine & Gilmore (1999) claim that “experiences are a fourth economic offering, as distinct from services as services are from goods, but one that has until now gone largely unrecognized”. They even argue that goods and services are no longer enough, that experiences are the foundation for future economic growth.

Even though some people argue that the commercial experience is not distinct from the ordinary service offer, it is a market not to be taken lightly. In Sweden alone the “experience industry” generated 4.8 percent of the total GDP in 2001 and employed 280,000 people, which corresponds to 7 percent of the total Swedish labor market. Its annual growth between 1995 and 2001 was as high as 6.4 percent (Statistik: Upplevelseindustrin, 2008). About 434,000 people were employed in this sector in Sweden in 2005 (Kolmodin et al., 2008) and still today the interest is high given that the 2008 number one Christmas gift in Sweden was rated an experience (Årets julklapp, 2009)

Pine & Gilmore (1999) argue that commercial experiences provide higher customer value than services as they engage customers in an inherently memorable way. One thing needed to create an experience is to offer something new or different to the customer (Mossberg, 2003). Mossberg (2003) claims that the customer’s motives and expectations when he or she purchases a commercial experience differ from those he or she has when buying a service and that the experience must lead to delight rather than just satisfaction. Even though much has been written about commercial experiences (Pine & Gilmore, 1998, 1999; Mossberg, 2003 and Gelter, 2006), there is currently no commonly agreed-on definition. Poulsson & Kale (2004) points out after a review of the existing literature that no attempt has seemingly been made to define what constitutes a commercial experience. After studying the prerequisites of a commercial experience, (Poulsson & Kale, 2004) suggest the
following definition: “an engaging act of co-creation between a provider and a consumer wherein the consumer perceives value in the encounter and in the subsequent memory of that encounter”. This is the primarily definition used in this thesis. That is commercial experiences that are created simultaneously as they are delivered to the customer. Furthermore there is not much written about the organizational aspects of creating a commercial experience of this kind; if and how this might affect the way organizations need to work in order to create a commercial experience.

When it comes to creating a commercial experience two important aspects seem to be a) the creation of higher customer values than in a service and b) that this value is a co-creation between the customer and the organization creating the experience. The need to ensure the “right” behaviors from the members of an organization when interacting with the customer seems to be a crucial factor for creating a commercial experience along with the understanding of how to create customer value. Organizational culture, with its underlying shared values, is a driver of employee and leader behavior in organizations (Pinder, 1998), and the fact that leadership is considered instrumental when it comes to creating the organizational culture is well accepted in the literature (Schein, 2004 and Spencer, 1994). The degree to which leaders exhibit customer focus will affect the employees’ ability to deliver high quality service (Clark et al., 2009).

Customer focus, leadership and organizational culture are concepts that are well established within Total Quality Management (TQM). TQM is a broad expression and can be referred to as a management philosophy based on a set of core values. One definition of TQM used is the one by Dahlgaard et al. (2002): “A corporate culture characterized by increased customer satisfaction through continuous improvements, in which all employees in the firm actively participate”. Another is the one by Hellsten and Klefsjö (2000) “... a continuously evolving management system consisting of core values, methodologies and tools, the aim of which is to increase external and internal customer satisfaction with a reduced amount of resources”. Connecting this to the creation of a commercial experience an organizational culture based on the core values of TQM seems to be needed to ensure that the whole organization to focuses on the customers and creates value for them. To create customer value in a commercial experience it might be even more important to work with values and culture since the experience is co-created between the customer and the organization.
1.2 Purpose and research questions

The purpose of this thesis is to explore and contribute knowledge about how to create a commercial experience. The more specific purpose is to explore this area in relation to leadership, values, organizational culture and TQM.

With this in mind the following research questions (RQ) were formulated:

RQ 1 How can a commercial experience be defined?
RQ 2 How can organizations work to create a commercial experience, when it comes to leadership, values and organizational culture?
RQ 3 How can TQM possibly be developed in order to support the work to create a commercial experience?

1.3 Delimitations

The study has focused on commercial experiences that are co-created with the customer and not experiences in general or commercial experiences that are experienced after the purchase, like for instance computer games.

1.4 Connection between research questions and results

![Diagram]

Figure 1.1 The relation between the research question, the appended papers and the additional results from Case Study 2 and 3.
1.5 Thesis structure

1. Introduction

2. Theoretical frame of reference

3. Research methodology

4. Summary of appended papers and results not included in the papers

5. Conclusions

6. Discussion and future research

Appended papers

Appendices

|---|---|

Figure 1.2 The structure of the thesis.

In Chapter 1 the reader is introduced to the area of this thesis and the purpose and research questions are presented. The intention with Chapter 2 is to give the reader a theoretical frame of reference relevant to the scope of this thesis. It gives an introduction to commercial experiences, general discussions about leadership, values and organizational culture and finally the concept of TQM is presented. In Chapter 3 the methodology of the research is presented both in general and in relation to the studies carried out. A discussion about validity, reliability and generalization ends this chapter. Chapter 4 is a presentation of the results; a summary of the four appended papers as well as a summary of results not included in the paper from the case studies. In Chapter 5 the conclusions drawn from the studies are presented, both in relation to the research questions and to the thesis as a whole. Chapter 6 contains discussions with regards to the research in this thesis, it also includes some thought about future research and a discussion about methodological choices made in this thesis.
2 THEORETICAL FRAME OF REFERENCE

This chapter aims at giving the reader an understanding of the theoretical frame that forms the basis for the thesis.

In this chapter an introduction of commercial experiences will be given first since this is the offering being studied. After this a general discussions about leadership, values and organizational culture will be presented. The last section presents the concept of TQM and TQM in relation to leadership, values and organizational culture.

2.1 Commercial experiences

A new type of business offering is currently gaining much attention, a type which in some aspects appears to be distinct from traditional goods and services, see (Pine and Gilmore, 1998, 1999; Voss, 2003; Sundbo, 2004 and Poulsson & Kale, 2004). These offerings are often referred to as commercial experiences and Pine & Gilmore (1999) argue that “experiences are a fourth economic offering, as distinct from services as services are from goods, but one that has until now gone largely unrecognized”.

Commercial experiences are even predicted to be the foundation for future economic growth and it is argued that experiences provide higher customer value than services as they engage customers in an inherently memorable way (ibid).

Pine & Gilmore (1999) claim that the offering of commercial experiences is a growing business and a major reason for this is “...the nature of economic value and its natural progression”. They argue that economic offerings differs from each other in fundamental ways (see Table 2.1)
Table 2.1. Economic distinctions between commodities, goods, services and experiences (Pine & Gilmore, 1999).

<table>
<thead>
<tr>
<th>Economic offering</th>
<th>Commodities</th>
<th>Goods</th>
<th>Services</th>
<th>Experiences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economy</td>
<td>Agrarian</td>
<td>Industrial</td>
<td>Service</td>
<td>Experience</td>
</tr>
<tr>
<td>Economic function</td>
<td>Extract</td>
<td>Make</td>
<td>Deliver</td>
<td>Stage</td>
</tr>
<tr>
<td>Nature of offering</td>
<td>Fungible</td>
<td>Tangible</td>
<td>Intangible</td>
<td>Memorable</td>
</tr>
<tr>
<td>Key attribute</td>
<td>Natural</td>
<td>Standardized</td>
<td>Customized</td>
<td>Personal</td>
</tr>
<tr>
<td>Method of supply</td>
<td>Stored in bulk</td>
<td>Inventoried after production</td>
<td>Delivered on demand</td>
<td>Revealed over a duration</td>
</tr>
<tr>
<td>Seller</td>
<td>Trader</td>
<td>Manufacturer</td>
<td>Provider</td>
<td>Stager</td>
</tr>
<tr>
<td>Buyer</td>
<td>Market</td>
<td>User</td>
<td>Client</td>
<td>Guest</td>
</tr>
<tr>
<td>Factors of demand</td>
<td>Characteristics</td>
<td>Features</td>
<td>Benefits</td>
<td>Sensations</td>
</tr>
</tbody>
</table>

Mossberg (2003) also discusses the progression of economic value when offering a commercial experience where the organizations can charge more for giving the customer an experience. The progression of economic value affects the price of the offer, the competitive position and the needs of the customers (Pine & Gilmore, 1999), see Figure 2.1.

Figure 2.1 The progression of economic value (Pine & Gilmore, 1999).
There are currently very few clear definitions of what a commercial experience really is and the classification of business segments varies between different countries. For an experience to be meaningful, it should be perceived as personally relevant and should include elements of novelty, surprise, learning and engagement (Poulsson and Kale, 2004). According to Csikszentmihály (1990), the optimal experience is when we feel a sense of exhilaration, a deep sense of enjoyment that is long cherished and that becomes a landmark in memory for what life should be like.

2.1.1 What constitutes a commercial experience?

Successful commercial experiences seem to have one fundamental characteristic in common: they always leave memories in the mind of the customer. Pine & Gilmore (1999) write, “While commodities are fungible, goods tangible, and services intangible, experiences are memorable”. It is further stated that “the experiences must leave indelible impressions”, which clearly emphasizes that “memorable” in this context means “remembered” rather than “likely to be remembered”. The fact that experiences create memories might also be the key to their ability to provide uniquely high customer value. As stated by Smith et al. (2003) “A moment’s thought should convince you that memory is the most critical mental facility we posses with regard to our ability to operate as humans. We make almost all decisions about what to do based on memory of one sort or another”. A lot of evidence suggests that a truly memorable event is an emotional event. It is not surprising that there is plenty of evidence proving memories of emotional events have a persistence and vividness that other memories seem to lack, see (Christianson, 1992). The Cambridge Advanced Learner’s Dictionary (2009) even defines the noun experience as “something that happens to you that affects how you feel”.

The strong engagement factor then appears to be a critical driver of commercial experiences and the word “engage” is also commonly used by Pine & Gilmore (1999). They describe experiences, for example, as “events that engage individuals in a personal way”. One of the emotions most typically connected to the strong engagement factor is surprise (Watson and Clark, 1997). Surprise is about contrasting with the expectations of the customer and hence closely related to the experience of novel stimuli. The Cambridge Advanced Learner’s Dictionary (2009) defines the adjective novel as “new and original, not like anything seen before”. Stimuli novel to the customer hence appear to be a way of reaching strong engagement. Pine & Gilmore (1999) state that “Actually, experience stagers must constantly refresh their experiences – change or add elements that keep the offering new, exciting, and worth paying money to experience all over again.”
Pine & Gilmore (1999) claim that commercial experiences are as distinct from services as services are from goods. One of these distinctions seems to be that it is strongly emotional. Two other distinctions are also presented; Distinction by quality dimensions and distinction by scope of offer.

**Distinction by quality dimensions**

In order to distinguish commercial experiences from goods and services, it is instrumental to take a closer look at some standardized frameworks of quality dimensions for goods and services. They provide a general description of aspects that relate to how goods and services in general provide value for consumers. Brucks et al. (2000) have for example developed a generalizable typology of six quality dimensions for durable goods that includes ease of use, versatility, durability, serviceability, performance, and prestige. Concerning service quality, research by Parasuraman et al. (1988, 1991) showed that the criteria used by customers in assessing service quality fit ten, later reduced to, five, dimensions: tangibles, reliability, responsiveness, assurance and empathy. Of these dimensions neither memorable nor strongly emotional or engaging appear.

**Distinction by scope of offer**

Services and goods can be seen as props in an experience offer. (Pine & Gilmore, 1999) write, “The newly identified offering of experiences occurs whenever a company intentionally uses services as the stage and goods as props to engage the individual”. In the same way that goods appear as props in service offerings. The commercial experience concept therefore has a wider scope than the concepts of goods and services. It should be noted that experience providers by no means have to be service or goods providers even though this might be a common situation. Experience providers can be seen as organizers of value creation as presented by Normann (2001), that is organizers of memorable events. The crucial competence of an experience provider is then the competence to create memorable events (Pine & Gilmore, 1999 and Mossberg, 2003).

In creating a commercial experience, storytelling is a commonly used key word (Mossberg & Nissen Johansen, 2006). In this context, it more than just “telling a story”. Mossberg & Nissen Johansen (2006) describes three different levels on which storytelling can be of use:

- On a corporate level as an explanation of why the business exists and how value is created for the owners.
- In marketing, the story explains how the organization differentiates itself not only in terms of its products but also in terms of its stories.
• On a level when it is used by management and co-workers to communicate who they are and how they want to fulfill their visions.

Storytelling can be seen as an important ingredient when theming a commercial experience, which is the idea, subject or the main thread that permeates the customer offer (Pine & Gilmore, 1999 and Mossberg & Nissen Johansen, 2006). As stated by Löfgren (2003) “In the experience economy you should not sell an object but a story”.

2.2 Values, organizational culture and leadership

Rokeach (1973) defines a value as “an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to its opposite or converse mode of conduct or end-state of existence”. A value can also be described as a type of social cognition that facilitates a person’s adaptation to his or her environment, and values have implications for his or her behavior (Fishbein, 1975 and Wiener, 1988). A value is consequently something that guides us in our choices, governs our actions and helps us adapt to our environment. Values are something held by us as individuals, thus organizations do not possess values, (Pinder, 1998). So organizational norms and values are a group product; even though all members of the group would not have the same values, a majority of active members would agree on them and members of the group would be aware of the group’s support for a given value (Katz & Kahn, 1978 and Wiener, 1988).

A shared set of values within an organization is often referred to as the company culture or corporate culture. In Pinder (1998), it is stated that organizational culture consists of the shared beliefs, norms, values, knowledge, and tacit understanding held by members of an organization or organization subunit (Sackmann, 1992 and Schein, 2004). In fact, shared values are the very essence of cultures and of organizational cultures in particular (O’Reilly et al., 1991). O’Reilly et al. (1991) also state that “If there is no substantial agreement that a limited set of values is important in a social unit, a strong culture cannot be said to exist”. A strong culture improves the performance of the organization in two ways according to Grönfeldt & Strother (2006). It energizes the employees by appealing to their higher ideals and undefined values, and it shapes and coordinates behaviors and decisions.

In this thesis, company culture, corporate culture and organizational culture will be used interchangeably but with the same meaning, namely a common set of values within an organization.
2.2.1 How to create a common set of organizational values – two strategies

When it comes to creating a common set of core values, one should begin by identifying the organization’s own core values: what should characterize the organization (Hellsten and Klefsjö, 2000)? Once decided there is a need to make these values common throughout the organization to create the desired corporate culture.

Chatman (1989) states that there are two ways of achieving homogeneity of values in an organization: selection and/or socialization. Selection is the set of procedures through which an organization chooses its members. It’s the initial match between individual and organizational values, (Chatman, 1991). Organizational socialization is the process through which an individual comes to understand the values, abilities, expected behaviors, and social knowledge that are essential for assuming an organizational role and for participating as an organizational member (Louis, 1980 and Van Maanen & Schein, 1979). According to Chatman (1989), the strongest results in organizational homogeneity are a combination of the two, first hiring people with the desired values and then maintaining and reinforce them by socialization. Socialization can be done in many ways for instance through training and teamwork, but the important part is that the employee understands and agrees with the values and, consequently the behaviors of the organization.

According to traditional views, selection processes assess job-related characteristics, such as past experience, intelligence, knowledge, skills and abilities, Chatman, 1991) and very little attention is paid to values and behaviors. It helps that people are attracted to organizations with similar values and tend to stay longer with such a company. When our values and priorities match the values and priorities of a particular organization we are happier and more likely to maintain an association with an organization (Meir & Hasson, 1982). Matching the individual value with the organization helps to avoid hiring an employee with contradictory values. Selection processes may also serve the subtle function of selecting individuals whose values are compatible with organizational values and screening out those whose values are incompatible, (ibid).

How can values be detected in individuals? Pinder (1998) argues that there is a relationship between the values we hold and the way we behave in different situations, see Figure 2.2.
2.2.2 Leadership and management

The term leadership is frequently discussed by researchers and authors. Yukl (2006) lists a number of definitions of leadership and states that “most definitions of leadership reflect the assumption that it involves a process whereby intentional influence is exerted by one person over other persons to guide, structure, and facilitate activities and relationships in a group or organizations”. He further points out that other than this there seems to be little in common between the definitions. However, there seems to be consensus that leadership is a real phenomenon that is important for the effectiveness of organizations (ibid). Yukl (2006) defines leadership as “the process of influencing others to understand and agree about what needs to be done and how to do it, and the process of facilitating individual and collective efforts to accomplish shared objectives”. A similar definition to Yukl's is formulated by Kotter (1988): “the process of moving a group (or groups) of people in some direction through (mostly) non-coercive means”.

The discussion about the difference between leadership and management is also ongoing. A person can be a leader without being a manager and a person can be a manager without leading (Yukl, 2006). According to DuBrin (2004) leadership deals with the interpersonal aspects of a manager’s job, it deals with change inspiration motivation and influence. He also states that the manager’s job is to lead, plan, organize and control and this can be compared to Yukl (2006) who argues that “manager” is an occupational title.

In this thesis, the term leadership is used to describe traits, values, attitudes, and behaviors possessed and practiced by leaders. The term “leader” is used in a more overarching way which includes managers and all formal and informal leaders. The term “manager” will be used for a person who holds the occupational title.
2.2.3 Leadership behaviors

In the early 1950s researchers began to pay closer attention to what managers actually do at the workplace and leaders’ behaviors started to be the focus of these studies (Yukl, 2006). It was then that a distinction was made between task-oriented and people-oriented behaviors. By 1980s change-oriented behaviors were implicit in some theories of charismatic and transformational leadership although they still were not recognized as a separate dimension. In the 1990s, Yukl & Fu (1999) and Ekvall & Arvonen, 1991) discovered the separate dimension of change-oriented behaviors, a distinct and meaningful metacategory, which extended the earlier research and provided important insights about effective leadership (Yukl, 2006).

According to Kao (2006) the biggest challenge for organizations today is that of unknown unknowns. To manage this, new models of leadership and organizations are needed (ibid). To be competitive in the future, organizations need to develop their business offers towards more experience-oriented products or services (Pine & Gilmore, 1999). This in turns leads to a need for the co-workers to be in an environment where it is possible to create a unique experience for every customer, (ibid). In other words, the importance of creative environments is likely to increase in the future. Eskildsen et al. (1999) concludes that there is a need for a change-oriented environment for the co-workers if an organization wants to achieve business excellence. Mumford & Licuanan (2004) have also established that there is a new research path expressly intended to look at leadership in settings where creative people are working on significant innovations.

KaosPilots is a school with its background in the FrontRunners, an enterprising youth group with the motto “anything is possible” which was active in the 1980s in Århus (Christensen & Kirketerp, 2006). The school has changed over the years and has today evolved into an internationally known institution. The approach to leading organizations taught by KaosPilots focuses on entrepreneurship and creative business. The interest in leadership and training according to KaosPilots has increased during recent years as it focuses on entrepreneurship and creative business (Christensen & Kirketerp, 2006). The KaosPilots think that the concept of superior/subordinate will crumble as we come to understand that everyone must constantly lead and follow (Hock, 2006).

2.2.4 Organizational culture, values and leadership

Schein (2004) states that culture creation and management are the essence of leadership. The leaders have great influence on which culture will be predominant in the organization and how the leader acts and behaves influences the attitudes and behaviors of the rest of the employees. The culture of an organization consists
of the shared norms, values, and beliefs of members. By establishing a strong culture, leaders can indirectly influence the attitudes and behavior of members (ibid). One of the key roles for a leader is to make sure that all employees understand the values underlying the organizational culture. A major pitfall in implementing or changing that culture occurs when management fail to “walk the walk” and just give lip service to these values (Grönfeldt & Strother, 2006). So the leaders have great influence on which culture will be predominant in the organization. How the leader acts and behaves influences the attitudes and behavior of the rest of the employees (Schein, 2004).

Schein (2004) has listed six primary ways how of influencing culture. These are the embedding mechanisms and are major tools that are available to leaders to teach the organization how to behave. They are visible artifacts of the emerging culture and they directly create what would typically be called the “climate” of the organization:

- What leaders pay attention to, measure, and control on a regular basis.
- How leaders react to critical incidents and organizational crises.
- How leaders allocate resources
- Deliberate role modeling, teaching, and coaching
- How leaders allocate rewards and status
- How leaders recruit, select, promote and excommunicate.

2.3 Total Quality Management

Total Quality Management (TQM) is the term used to capture the quality movement although the concept is used in many different ways. In general, TQM is most often defined as a management philosophy based on continuous quality improvement. TQM includes a number of subgroups of quality tools and methodologies. Unfortunately, there is no universally accepted definition of TQM, nor a set of common guidelines concerning the strategies implementing the concept (Zeithaml & Bitner, 1996).

2.3.1 The quality evolution

The word quality raises a lot of different associations and expectations. There are a numerous number of definitions of the concept of quality (see Bergman & Klefsjö, 2003) The definition that forms the basis for this thesis is the one given by Bergman & Klefsjö (2007) “The quality of a product1 is its ability to satisfy, or preferably exceed, the needs and expectations of the customer” because it focuses on the products ability to

---

1 “Product” here refers to an article or a service, or a combination of the two.
not only satisfy but exceed the customer needs and expectations something that is central when it comes to creating a commercial experience.

The evolution over time of quality is often described as taken place in four stages (Dahlgaard et al., 2002 and Bergman & Klefsjö, 2003) see Figure 2.3. The first stage; Quality Inspection lead that faulty products being sorted out after production to be scrapped, reworked or sold at a lower price. The second stage; Quality Control, was developed when statistical tools started to be used in production. The aim was to pick up signs of faulty products earlier in the manufacturing process in order to adjust the process itself. The realization that providing good conditions before starting production to avoid faults led to the third stage; Quality Assurance. The fourth stage, TQM, includes the understanding and implementation of quality principles throughout the entire organization, in every aspect of the business. (Dahlgaard et al., 2002 and Bergman & Klefsjö, 2003)

<table>
<thead>
<tr>
<th>Total Quality Management</th>
<th>...continuous improvement before, during and after production</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality Assurance</td>
<td>...before production</td>
</tr>
<tr>
<td>Quality Control</td>
<td>...during production</td>
</tr>
<tr>
<td>Quality Inspection</td>
<td>...after production</td>
</tr>
</tbody>
</table>

**Figure 2.3** Illustration of the evolution from Quality Inspection to Total Quality Management (Bergman & Klefsjö 2003).

One definition of TQM is: “A corporate culture characterized by increased customer satisfaction through continuous improvements, in which all employees in the firm actively participate” (Dahlgaard et al., 2002). Another is that it is a management system consisting of values, methodologies and tools that together aim to increase external and internal customer satisfaction with a reduced amount of resources (Bergman & Klefsjö, 2003). See Figure 2.4.

My interpretation of TQM used in this thesis is that it is a culture consisting of core values with the aim to increasing customer satisfaction and that the methodologies and tools are used to strengthen the culture.

\[2\] In Paper B the term Quality Management is used with the same meaning as TQM in the rest of the thesis.
Hellsten & Klefsjö (2000) and Bergman & Klefsjö (2003) emphasize the importance of looking upon the management system as an open system, interacting with and being influenced by the surrounding world. Consequently, the meanings of the values will, for instance, change somewhat over time.

Many researchers agree that the philosophy and the principles of TQM are sound (Sebastianelli & Tamimi, 2003), that TQM pays off when it is effectively implemented (Hendricks & Singhal, 1999 and Hansson & Eriksson, 2002). But criticism has also been expressed that effective TQM transformation is difficult and (Sebastianelli & Tamimi, 2003) argues that one reason is a lack of change management. Another obstacle for the success of TQM is according to Hellsten & Klefsjö (2000) the fact that most of the existing definitions are rather vague and that there is an absence of a clear definition of TQM. TQM has also been criticized for having a shallow theoretical framework (Foley, 2005).

2.3.2 Core values within TQM

TQM is generally considered to be based on a number of values. The definition and labeling of these values vary slightly from author to author, a summary can be found in Lagrosen (2006). However the similarities between the values are striking.

In this thesis these values will be referred to as “core values”.

Figure 2.4 Three components of TQM, according to Hellsten & Klefsjö (2000).
The core values or cornerstones, which according to Bergman & Klefsjö (2003) are the base of TQM.

The core values according to Bergman & Klefsjö (2003) (see figure 2.5) are presented briefly below. A deeper description of committed leadership and customer focus will be given since these are more in focus bearing in mind the purpose of the thesis.

**Committed leadership**

Leadership commitment is a requirement for succeeding with quality improvement and as such the most important value in TQM (Dale, 2003; Bergman & Klefsjö, 2003 and Hansson, 2001). Foster (2004) and Deming (1986) stress that Management Commitment is a critical factor for success with quality work. Research shows that top management commitment to service quality leads to empowered employees which in turns impacts on their ability to deliver high-quality service (Clark et al., 2009 and Ugboro & Obeng, 2000).

Leadership within TQM will be further elaborated in Section 2.3.4.

**Focus on processes**

Bergman & Klefsjö (2003) define a process as “a network of activities that are repeated in time, whose object is to create value to external or internal customers”. According to Egnell (1999), the advantages of focusing on processes are: decreased risk of sub-optimizing and discrepancy between different functions in the organization, fewer unnecessary activities, higher work satisfaction, reduced costs, clearer aims and higher inclination to do the right thing from the beginning.

**Base decisions on facts**

It is important not to let random factors rule the way decisions are made so one of the cornerstones is “base decisions on facts”. Bergman & Klefsjö (2003) state that data of both a numerical and verbal nature is needed as well as systematic tools for the structure and analysis of these data. To improve products and processes it is
also necessary to have knowledge of variation and of how to separate random causes of variation from systematic causes.

**Improve continuously**
According to Bergman & Klefsjö (2003), requirements on products constantly change. This leads to a need for continuous improvements to fulfill customer needs and expectations. Deming (1986) states that one should “improve constantly and forever the system of production and service” and advocates the use of “the improvement cycle” (also called “the Shewhart cycle” and “the Deming cycle”) with the four stages: Plan, Do, Study and Act.

**Let everybody be committed**
For a quality strategy to be successful it is essential for everyone in the organization to participate. To create these conditions the keywords are; communication, delegation and training; Bergman & Klefsjö (2003). All of these elements aim to give the co-workers knowledge about their place in the organization, where the organization is going and how capable it is of carrying out the necessary improvements.

An assumption in the TQM philosophy is that people want to take responsibility and participate in the organization’s activities (Deming, 1986 and Hackman & Wageman, 1995).

**Focus on customers**
Focus on customers is a core value in TQM and should be supported by the other core values that work as a system. Here, the concept of customer includes both external and internal customers. Internal customers are, for instance, co-workers at different departments within the organization, the co-workers as a group, or the co-workers as individuals (Bergman & Klefsjö, 2003).

Understanding what the customer really needs and what builds customer value in an organization is essential for business success. Customer value is even considered by some as the source of all other values in an organization (Heskett et al., 1994 and Hammer, 1996). Delivering customer value requires a clear understanding of exactly what kind of value is desired by customers. Importantly, customer value is not inherent in products or services themselves; rather it is experienced by customers as a consequence of using the supplier’s product and services for their own purposes (Woodruff & Gardial, 1996). Customer value is as your customers perceive it, and so every organization must find ways of finding out from customers how they see value, both now and in the future (ibid).
Zeithaml (1988) defines customer value as “perceived value as the consumer’s overall assessment of the utility of a product based on perceptions of what is received and what is given”. Kotler (2000) defines customer value as the difference between total customer value and total customer cost, where total customer value is the benefit the customer expects to get from a given product and service.

Customer expectations are closely linked to the customer’s perception of delivered value. The Kano model (Kano et al., 1984, 1996) (see Figure 2.6) or “the theory of attractive quality” is said to provide an understanding of how customers evaluate an offering (Bergman & Klefsjö, 2003). The model shows that by satisfying the customers’ basic and expected needs, a company can achieve expected quality. If, on the other hand, a company wants to create attractive quality, to satisfy the excitement needs, the customer must be given something extra and unexpected (Bergman & Klefsjö, 2003). Lilja (2005) concludes that attractive quality can be described as “…creating customer value by increasing the customer’s positive affect”. He also claims that within TQM much of the focus is on reducing negative affect and that TQM could benefit from addressing the positive affect perceived by the customer (Lilja, 2005).

![Figure 2.6 The Kano-model of customer satisfaction.](image)

Customer value is closely connected to building customer satisfaction. Fulfilling the customers’ needs and expectations gives a positive effect when measuring the result of customer satisfaction. Customer satisfaction is, according to Woodruff & Gardial (1996), “a customer’s positive or negative feeling about the value that was received as a result of using an organization’s offering in specific use situations”. This positive or negative feeling can be a reaction to an immediate use situation or an “overall”
reaction to a series of use situation experiences. Too often, organizations conduct customer value research and satisfaction research separately (or even more commonly conduct only one, typically satisfaction) and overlook the opportunity to combine these efforts, (Woodruff & Gardial, 1996).

There is a variety of models for measuring customer satisfaction, many times practiced in order to collect information and learn about what builds customer value. A study by Seth et al. (2005) shows that there does not seem to be a well-accepted conceptual definition and model of service quality or a generally excepted definition of how to measure service quality. However, the majority of models and definitions seem to support the view of evaluating customer expectations by analyzing the quality of service he or she experienced. One acknowledged and well-developed model that also draws much support from other researchers is the Gap-model (Seth et al., 2005).

The Gap-model presented by Parasuraman et al. (1985) describes five gaps that can lead to customer dissatisfaction when delivering a service (see Figure 2.7). Were one of the main actions is to define what is important for the customer, i.e. what creates value. The gaps were originally presented as 1 through 5, but as the model was developed Zeithaml et al. (2009) the gaps were named after what they represented. The key to closing the customer gap (5) is to close the first four gaps and keep them closed. If shortcomings exist in any of the other four gaps within the organization providing the service, hence named “the provider gaps”, the customer will experience service quality shortfalls (ibid). (For more information about the gaps see Appendix I.)

![Figure 2.7 Gaps Model of Service Quality modified from Zeithaml et al. (2009).](image-url)
The studied models are focus on measuring customer satisfaction, or more accurately customer dissatisfaction, and there does not appear to be any models on how to handle and measure attractive quality, i.e. the excitement needs in the form of the unexpected.

### 2.3.3 TQM and value consistency

TQM can be seen as being developed from something like a philosophy to something more like a culture. The philosophy is the foundation for the concept, the culture the desired state, which will be reached when the philosophy is realized, and the strategy is the way to realize the philosophy, (Lundqvist, 1995). Effectively implementing TQM means that the core values are well accepted practiced and deployed within a firm (Hendricks & Singhal, 1999). Not creating a conductive culture is pointed out as a one main contributory factor of failure to implement TQM (Dayton, 2001 and Shin et al., 1998). Many companies that have succeeded in adapting the core values have received quality awards, e.g. the American Malcolm Baldridge National Quality Award and the European award EFQM Excellence Award. These quality awards are based on values that are widely considered to be the building blocks of effective TQM implementation (Hendricks & Singhal, 1999).

Changing the culture is therefore a key element in TQM and this change needs to permeate all levels of the company (Dale, 2003). Dale (2003) furthermore claims not only that TQM provides the opportunity to influence behaviors and attitudes but also that there is a shortage of information and guidance on how to make this cultural change.

There is a variety of criticism towards working with TQM as a successful management system some of which is discussed by Hellsten & Klefsjö (2000). Many organizations have faced difficulties in implementing core values into their work procedures. A model on how to progress with TQM is described by Hellsten & Klefsjö (2000) in Figure 2.8.

<table>
<thead>
<tr>
<th>Total Quality Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Values</td>
</tr>
</tbody>
</table>

**Aim:** increase external and internal customer satisfaction with a reduced amount of resources

![Figure 2.8]
The model suggests starting by defining the company core values. The next step is identifying methodologies that both are suitable to the organization and support the values. The final step is to use suitable tools to support the methodologies\(^3\). All this is done with the aim if increasing external and internal customer satisfaction with a reduced amount of resources.

Bowen & Lawler Iii (1992) emphasize the importance of the selection process when examining how human resources can contribute to quality orientation in an organization. They state that the selection process should include focus on personal characteristics if it is to support TQM throughout the organization. Bäckström (2009) shows that awareness of the significance of recruitment based on values is one of the general values found in successful organizations that have also achieved sustainable health. Nevertheless, very few organizations that are implementing TQM pay the necessary attention to this fact (Snell et al., 2000).

Ahmad & Schroeder (2002) show in a study that behavior traits of employees are equally important, if not more important, than technical skills when it comes to attaining superior plant competitiveness. The study brings into focus the selection of employees based on behavioral traits to ensure successful TQM implementation.

### 2.3.4 Leadership within TQM

When TQM first started to evolve, leadership behaviors were not in focus. Quality Technology had its focus on applied statistics for production control since the main contributors to the quality movement, Walter A. Shewhart and W. Edwards Deming had their background in those areas, (Bergman & Klefsjö, 2003; Garvin, 1988 and Sitkin et al., 1994). Since the mid-twentieth century, Quality Technology and Management has developed to become a multidisciplinary science and includes areas such as social science and economics as well as leadership and management. Although the established English term in the Quality literature for an organization’s approach, way of working or work procedure is methodologies, this has a lot in common with the leadership behaviors within the leadership area.

The TQM literature makes three specific contributions to the leadership literature that can be utilized to build a comprehensive theoretical framework of leadership

---

\(^3\) Methodologies are sometimes referred to as technologies in this thesis but the two terms have the same meaning.
for quality. Firstly, the TQM notion of participation and teamwork is broader and more widespread in the organization than is conceptualized in the leadership literature. Secondly, the TQM philosophy’s concern for customer focus and continuous improvement and its emphasis on recognition of these elements by the organization’s leaders are lacking in the leadership literature. Thirdly, the TQM literature stresses the importance of managers and employees at all levels in the organization, which is also found to be wanting in the leadership literature (Lakshman, 2006).

Although many researchers stress the importance of top management commitment within TQM (Juran, 1989; Bergman & Klefsjö, 2003 and Dahlgaard et al., 2002) not much analysis has been done on the connection between specific leadership styles and TQM policies and behaviors (Sosik & Shelley, 1997). They claim that Deming’s 14 points lists can provide managers with guidance concerning the appropriate leadership style (for a summary of Deming’s 14 points, see Appendix II), i.e. leadership behavior to achieve TQM outcomes, such as high product/service quality or customer satisfaction (ibid). Rahman (2004) describes the soft factors of TQM as essentially human aspects and the behavioral aspects of management. Juran (1989) also stresses that management has to accept and embrace that the TQM transformation is dependent on the behavioral style of management.
3 RESEARCH METHODOLOGY

This chapter describes the research methodology used in the attempt to answer the research questions. The chapter ends with a discussion about validity, reliability and generalization.

My research journey began in 2005 when I was part of a case study at Swedbank with the aim to explore and describe the leadership and methodologies used in an organization that has successfully achieved sustainable health. This was something that sparked my interest since I have always been interested in leadership and values in relation to performance and well-being in organizations because of my background within human resource and my own experiences as a leader and organizational developer. The purpose of the study also to relate the findings to the values, methodologies and tools within TQM. This resulted in a research report with descriptions of how the organization worked and how leadership within TQM was connected to the leadership within the bank. The analysis of the case study at Swedbank led to new questions and when opportunity arose to look into the world of commercial experiences and after studying the phenomenon it became clear that my original aim of focusing on values and leadership was every bit as important in these kind of offerings to the customer. The research questions have thereby over time developed from a more general approach to that of seeing them in the light of creating a commercial experience.

Literature studies have been a part of the entire journey and a deeper literature study was conducted regarding commercial experiences to deepen the understanding and to serve as a base for the forthcoming case studies. This study resulted in Paper A. Some of results from the case study at Swedbank were later used to further investigate leadership behaviors needed to create a commercial experience. The analysis from Swedbank in regards to leadership behaviors within TQM was compared to leadership behaviors from two other approaches. The results of this comparative analysis were described in Paper B. The case study at Disney was carried out by me and two other researchers which together became a research group with the purpose to study commercial experiences from different views. The purpose of this case study was to gain an understanding of how a renowned organization works with creating commercial experiences. This study resulted in Paper C. Together with the literature studies, Case Study I gave me an understanding on what is important when creating a commercial experience and

---

4 The bank was called FöreningsSparbanken AB at the time of the study.
how leadership, values and organizational culture can affect the creation of a commercial experience. With this as an input Case Study 2 was carried out by the research group, at eight organizations in the county in Jämtland to see how they work with their offers. The purpose of this study was to get a broad understanding of how the managers of these organizations looked at their strengths and weaknesses in relation to their offerings to the customers. This resulted in Paper D.

Figure 3.1 An overview of my research journey.

3.1 Research purpose and approach

Research can be classified based on its purpose. The most common classifications are exploratory, descriptive, and explanatory (Yin, 2003 and Saunders et al., 2000). Exploratory studies are particularly useful when you wish to clarify your understanding of a problem (Saunders et al., 2000). The purpose is to progressively narrow the scope of a research topic and transform the discovered problems into defined ones (Zikmund, 2000). According to Yin (2003) this is probably the best strategy when the research questions deal with “how” and “what”. When the research purpose is to describe characteristics of a population or phenomenon, a descriptive strategy is preferred (Zikmund, 2000). The researcher then seeks answers to questions like “what”, “who” and “where”, “why” and “how” (ibid). When studying a situation or problem in order to explain relationships between variables an explanatory study is preferable (Saunders et al., 2000). Common research questions in explanatory research are “how” and “why” (Yin, 2003).

Since the purpose of my research was to explore how to create a commercial experience, an exploratory study was the most suitable choice.
3.1.1 Research approach

The research philosophy chosen depends on how a researcher thinks about the development of knowledge. According to Saunders et al. (2000), two views are found within literature, positivism and phenomenology. If a researcher has a positivistic outlook he or she assumes the role of an objective analyst who makes detached interpretations about data that have been collected in a way that appears value-free (ibid). A phenomenologist on the other hand argues that the social world is far too complex to be theorized based on definite laws in the same way as for instance physical science. Phenomenologists argue that rich insights into this complex world are lost if it is reduced to a series of law-like generalizations (Saunders et al., 2000).

Throughout my academic career I have mainly employed the phenomenology research approach and my starting point is that in order to develop knowledge about the studied phenomenon a phenomenological outlook is to be preferred.

Induction and deduction

Traditionally, a distinction is made between induction and deduction. Induction has its starting point in the empirical and deduction in the theoretical (Alvesson & Sköldberg, 2008), deduction is about testing theory and induction about building theory (Saunders et al., 2000) (see Figure 3.2). Induction means that the researcher draws general conclusions based on empirical facts and gives theoretical explanations based on empirical findings. Deduction, on the other hand, takes its starting point in a general rule and claims that this explains a particular case of interest (Alvesson & Sköldberg, 2008).

![Diagram of research approaches: deduction, induction, and abduction](image)

**Figure 3.2.** The different research approaches; deduction, induction and abduction (Alvesson & Sköldberg, 1994).
These two models are usually considered mutually exclusive but there are other possibilities presented by Alvesson & Sköldberg (2008) namely abduction. Abduction starts from an interpretation of patterns in the empirical material in contrast to deduction which starts from nothing, and to induction, which starts from a theory.

In this research, an inductive approach has been chosen because of the aim of building theory about commercial experiences and finding more knowledge to theoretically describe the phenomenon.

Quantitative and qualitative
A quantitative approach is often proclaimed to the positivistic approach to developing new knowledge and can be described as systematically collecting empirical and quantifiable data, which often yields statistical results (Creswell, 2003). The data can be analyzed by for instance testing hypotheses. Some common ways of conducting quantitative research are experiments, surveys and collecting data on predetermined instruments (Creswell, 2003). Qualitative research is when the researcher studies something in the natural environment and tries to describe and interpret a phenomenon on the basis of a meaning that society has attached to it (Ryen & Torhell, 2004). There is not one standard method of qualitative research but a variety of methods suitable for different research strategies (ibid). Qualitative methods include the interview, observation, analysis of documents/texts and audiovisual material (Creswell, 2003 and Ryen & Torhell, 2004). It is also possible to use a mixed approach of both quantitative and qualitative methods. The purpose of the research and the research questions should always be the basis of the choice of method (Ryen & Torhell, 2004).

The qualitative approach was chosen to collect the empirical data, given it was a study to describe and interpret something in the natural environment.

3.1.2 Research strategy
It is essential to consider the research questions when deciding upon the research strategy i.e. how to fulfill the purpose of the investigation. The research strategies represent different logical ways of collecting and analyzing empirical evidence. According to Yin (2003) the various research approaches can be related to five different strategies, see Table 3.1. They have distinctive characteristics but can indeed be used for different purposes. The ambition is to choose the strategy or strategies most advantageous in a given study. There are three important conditions for differentiating among the strategies: form of research question, the
extent of control the investigator has over actual behavior and focus on past versus contemporary events (ibid).

Table 3.1. Relevant situations for different Research strategies (Yin, 2003).

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Form of research question</th>
<th>Requires control of behavioral events?</th>
<th>Focuses on contemporary events?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experiment</td>
<td>how, why?</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Survey</td>
<td>who, what, where, how many, how much?</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Archival analysis</td>
<td>who, what, where, how many, how much?</td>
<td>No</td>
<td>Yes/No</td>
</tr>
<tr>
<td>History</td>
<td>how, why?</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Case study</td>
<td>how, why?</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Since the research questions in this thesis are "how"-questions all five strategies are plausible. Considering that the aim of the research question is to study contemporary procedures and that the research team had no control over the behavior of events a case study strategy was chosen for all studies.

Case studies
Case studies are considered an exploratory research technique and are in general used to investigate a particular and clearly defined phenomenon. They are also likely to rely on multiple sources of evidence (Zikmund, 2000). Case studies are characterized by their focus on the recognizable facts, descriptions that enhance the understanding of the reader and inductive approaches and can be designed as either single-case or multiple-case studies (Yin, 2003). A single-case study is preferred when a well-formulated theory is being tested, when the case represents an extreme or a unique case, or when the case is representative or typical, or when the case is revelatory (Yin, 2003). A multiple-case study has advantages and disadvantages compared to a single-case study (ibid). The results from a multiple-case study can lead to a more robust study and augment external validity as it is regarded as more compelling. The rare, critical and the revelatory case can only be designed as a single-case study since these cases cannot be explored by performing multiple-case studies (ibid). Carrying out a multiple-case study usually requires more resources than a single-case study and the decision to design a multiple-case study has therefore to be considered carefully (ibid).

In this research different designs of case studies have been used and they will be presented as each case study is described in Section 3.2.
3.1.3 Data collection

One characteristic of case studies is that they can rely on many sources of information (Yin, 2003). Yin (2003) discusses six sources of evidence most commonly used in case studies; Documentation, Archival records, Interviews, Direct observations, Participant-observation and Physical artifacts, see Table 3.2.

<table>
<thead>
<tr>
<th>Source of evidence</th>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Documentation</td>
<td>• Stable – can be reviewed repeatedly</td>
<td>• Retrievability – can be low</td>
</tr>
<tr>
<td></td>
<td>• Unobtrusive – not created as result of the case study</td>
<td>• Biased selection, if collection is incomplete</td>
</tr>
<tr>
<td></td>
<td>• Exact – contains exact names, references and details of an event</td>
<td>• Reporting bias – reflects (unknown) bias of author</td>
</tr>
<tr>
<td></td>
<td>• Broad coverage – long span of time, many events and many settings</td>
<td>• Access – may be deliberately blocked</td>
</tr>
<tr>
<td>Archival records</td>
<td>• (same as above for documentation)</td>
<td>• (same as above for documentation)</td>
</tr>
<tr>
<td></td>
<td>• Precise and quantitative</td>
<td>• Accessibility due to privacy reasons</td>
</tr>
<tr>
<td>Interviews</td>
<td>• Targeted – focuses directly on case study topic</td>
<td>• Bias due to poorly constructed questions</td>
</tr>
<tr>
<td></td>
<td>• Insightful – provides perceived casual inference</td>
<td>• Response bias</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Inaccuracies due to poor recall</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Reflexivity – interviewee gives what the interviewer wants to hear</td>
</tr>
<tr>
<td>Direct observations</td>
<td>• Reality – covers events in real time</td>
<td>• Time-consuming</td>
</tr>
<tr>
<td></td>
<td>• Contextual – covers context of events</td>
<td>• Selectivity – unless broad coverage</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Reflexivity – event may proceed differently because it is being observed</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Cost – hours needed by human observer</td>
</tr>
<tr>
<td>Participant-</td>
<td>• (same as above for direct observations)</td>
<td>• (same as above for direct observations)</td>
</tr>
<tr>
<td>observation</td>
<td>• Insightful into interpersonal behavior and motives</td>
<td>• Bias due to investigator’s manipulation of events</td>
</tr>
<tr>
<td>Physical artifacts</td>
<td>• Insightful into cultural features</td>
<td>• Selectivity</td>
</tr>
<tr>
<td></td>
<td>• Insightful into technical operations</td>
<td>• availability</td>
</tr>
</tbody>
</table>

The sources used for information gathering in these studies have been documentation, interviews, direct observations and participant observation to get more than one source of information.
When deciding on collecting qualitative data, the interview is one of the most frequently used methods (Ryen & Torhell, 2004). An interview can be described as a purposeful discussion between two or more people (Kahn & Canell, 1957 in Saunders et al., 2000). The interview as a way of gathering information is suitable when collecting authentic and real knowledge about a phenomenon (Ryen & Torhell, 2004). It is also one of the most important sources of case study information (Yin, 2003). The interview also helps the researcher collect valid and reliable data relevant to the research questions and objectives (Saunders et al., 2000). There are different types of interviews used in research depending on the research purpose and questions. Interviews are commonly categorized as structured interviews, semi-structured interviews and unstructured interviews (Saunders et al., 2000), see Table 3.3. The structured interview uses a questionnaire based on a predetermined and standardized set of questions. In semi-structured interviews, the researcher has a list of themes and some questions to cover, but there are also some questions that may vary from interview to interview. The order of the questions may vary depending on the flow of the conversation, and additional questions may be required to explore the research questions and purpose. The unstructured interview is informal. It is used to explore a general area of interest in depth (Saunders et al., 2000).

<table>
<thead>
<tr>
<th>Type of interview</th>
<th>Exploratory</th>
<th>Descriptive</th>
<th>Explanatory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structured</td>
<td>xx</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Semi-structured</td>
<td>x</td>
<td>xx</td>
<td></td>
</tr>
<tr>
<td>In depth</td>
<td>xx</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

xx=more frequently applied method, x=less frequently applied method

The choice of interview method in Case Study 2 was the semi-structured interview due to the research purpose being exploratory and the need for consistency between the interviews in order to be able to compare the answers.

When analyzing data collected from interviews there are three recommended steps to guide the researcher toward the conclusion. According to Huberman & Miles (1994 (from Ryen & Torhell, 2004)), the analysis consists of: Data reduction; Grouping into categories; and Conclusions. A similar classification is presented by Ryen & Torhell (2004) as: Categorizing data; Systemizing the data; and Interpreting the material. These three steps have also been the guideline for the analyses done in this thesis.
The collection of data from documentation can take many forms such as letters, agendas, minutes of meetings, written reports, newspaper clippings and articles (Yin, 2003). For case studies, the most important use of documents is to confirm and complement evidence from other sources, (ibid). The direct observation can produce a detailed record of event or what people actually do. The researcher has a passive role in the situation and there are no attempts to control or manipulate the situation; an example is observing the direction of a traffic flow (Zikmund, 2000). Participant observation refers to situations in which the observer no longer is passive and therefore gains firsthand knowledge by being in or around the social setting investigated and is generally performed using a combination of observations and interviewing (Zikmund, 2000).

3.1.4 Summary of methodological choices

Table 3.4 presents the considered and performed methodological choices made, shown in bold italics.

Table 3.4. Summary of the considered and performed methodological choices. The choices made are shown in bold italics.

<table>
<thead>
<tr>
<th>Research purpose</th>
<th>Explanatory</th>
<th>Descriptive</th>
<th>Exploratory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research approach</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Positivistic</td>
<td></td>
<td>Phenomenological</td>
<td></td>
</tr>
<tr>
<td>Induction</td>
<td></td>
<td>Quantitative</td>
<td>Qualitative</td>
</tr>
<tr>
<td>Abduction</td>
<td>Deduction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research strategy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Experiment</td>
<td>Survey</td>
<td>Archival analysis</td>
<td>History</td>
</tr>
<tr>
<td>Data collection</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Archival records</td>
<td>Physical artifacts</td>
<td>Documentation</td>
<td>Interviews</td>
</tr>
</tbody>
</table>
3.2 Overview of the research process

3.2.1 Literature study

Throughout the research process and in relation to the purpose of each specific case study, literature studies have been carried out. Book searches have been done in the Swedish national catalogue; Libris and articles have been found in different databases, such as Academic Search Elite (EBSCO), Business Source Premier, Emerald and Google Scholar.

To answer research question (RQ) 1, a deeper literature study was conducted. This study was mainly carried out during the fall of 2006. The primary purpose of this study was to investigate whether there was a common definition of a commercial experience and to serve as a base for the forthcoming case studies. The literature for this study was found via the databases; Academic Search Elite (EBSCO) and Business Source Premier and the search-words used (both in title and abstract) were; "Experience Economy" and "Creative Industries". This search resulted in 80 hits, 12 of which were considered directly relevant to the RQ.

3.2.2 Case Study 1

Case Study 1 was performed in order to answer RQs 2 and 3 as a single-case study at the Walt Disney Company in Orlando, Florida. The study was conducted in November 2006 by Maria Eriksson, Pernilla Ingelsson and Johan Lilja. All three researchers work within the field of Quality Technology and Management at Mid Sweden University.

The purpose of the case study was to explore and find the answer to the research question: “How can organizations work to create a commercial experience?” Searching for an organization renowned for providing commercial experiences that could be seen as a role model, a successful example of a well-known and profitable company with a long tradition of and great knowledge about producing commercial experiences, the Walt Disney Company came to mind - an organization with the vision statement; “We create happiness by providing the finest in entertainment for people of all ages, everywhere”. There were several reasons for this choice. The famous book “The Experience Economy…” by Pine & Gilmore (1999) frequently refers to the Walt Disney Company as a lodestar not only when describing the experience economy, giving examples from their offerings, but also when referring to the theatrical vocabulary the company uses.

The Walt Disney Company is a world-famous company with a long history of providing commercial experiences and the Disney brand is considered one of the ten most valuable and famous brands in the world, up there with manufacturing
companies such as Coca Cola, Toyota and McDonalds (The 100 Best Global Brands 2009, 2009). The activities of the multinational group of the Disney Company range from entertainment, consumer products, to parks & resorts and media networks. The company employed 150 000 people, had a sales revenue of 34 842 billion USD and reported a net income of 4 427 billion USD in 2008 (Company overview, 2009).

Information gathering
During the case study, data were collected from different sources of evidence, in order to obtain a broad understanding of the organization: text documents, written reports and articles, direct observations at Disney-owned organizations e.g. the Rosen College of Hospitality and participant observation at hotels, restaurants and attraction parks. The researchers were also given the opportunity to partake in several open seminars receiving information about the Disney organization and to ask follow-up questions to both present and former Disney employees. The researchers took separate notes and photographs during the entire stay.

The analysis of data
The collected information was examined and read by the researchers separately first and all wrote down answers to the question “How can organizations work to create a commercial experience?”. The researchers then compared the ways of working they each had identified and if everyone agreed, it was documented as a way of working for Disney. A deeper analysis of the identified ways of working was then carried out were they where compared with and categorized according to the cornerstone model by Bergman & Klefsjö (2003) (see Figure 2.5) to see if they correlated to the core values of TQM, focusing mainly on the cornerstones “Committed leadership and “Focus on customer” (see Figure 3.3). Ways of working that were more general ways of enhancing values in the organization were categorized as “General ways of working”.

![Figure 3.3](image-url)  
**Figure 3.3** Description of research in Case Study 1.
3.2.3 Case Study 2

Case Study 2 was performed to answer RQ 2 as a multiple case study in which eight organizations in the county of Jämtland, that were considered to offer commercial experiences, were studied. The county of Jämtland is located in the center of Sweden, with 127,000 inhabitants which is corresponding to 1.5% of Swedish citizens (SCB, 2006). The case study was conducted in 2008 by Maria Eriksson, Pernilla Ingelsson and Johan Lilja.

The decision was made to study local organizations due to the fact that providing experiences is an important and increasing business in the region. Jämtland is pointed out as one of four nodes in Sweden involved in a development project together with the Knowledge Foundation (KK-stiftelsen in Swedish) in order to stimulate the creative industry because of the high and increasing interest in this region (Riksantikvarieämbetet et al., 2009). Furthermore, there is a great amount of mainly small and some large organizations offering their customer a commercial experience in this region. Jonas Persson is the owner of a white water rafting company with 20 years of experience as an entrepreneur in Jämtland. He reports that during 2008 something occurred in his business, an increasing demand, their turnover went up almost 50% (Rosenberg, 2009). Jonas continues "and this year (referring to 2009) our calendar is fuller than ever" (ibid).

The main purpose of the case study was to get an insight into how the organizations work when providing a commercial experience to the customer. Organizations were primarily selected based on their type of experience offering, which was in turn guided by the Swedish definition of the “experience economy”, developed by the Knowledge Foundation (KK-stiftelsen, 2003). A secondary basis for selection was the number of employees, years of experience in their business and geographical location (see Table 3.4).
Table 3.4. The studied organizations in Case Study 2.

<table>
<thead>
<tr>
<th>Company</th>
<th>Experience offering</th>
<th>Number of employees</th>
<th>Years in business</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Outdoor activity centre</td>
<td>3</td>
<td>3</td>
<td>Mostly summer season</td>
</tr>
<tr>
<td>2</td>
<td>Outdoor activity centre</td>
<td>6+6*</td>
<td>9</td>
<td>Mostly winter season</td>
</tr>
<tr>
<td>3</td>
<td>Outdoor activity centre</td>
<td>80+500*</td>
<td>8</td>
<td>Mostly winter season</td>
</tr>
<tr>
<td>4</td>
<td>Conference, art and crafts</td>
<td>13+17*</td>
<td>38</td>
<td>Year round activity</td>
</tr>
<tr>
<td>5</td>
<td>Indoor activity centre</td>
<td>15</td>
<td>2</td>
<td>Year round activity</td>
</tr>
<tr>
<td>6</td>
<td>Music and culture arrangement</td>
<td>12+13*</td>
<td>24</td>
<td>Mostly summer season</td>
</tr>
<tr>
<td>7</td>
<td>Small scale food production</td>
<td>22</td>
<td>8</td>
<td>Number one tourist attraction in the municipality, mostly summer activity</td>
</tr>
<tr>
<td>8</td>
<td>Hotel, conference and indoor activity</td>
<td>100</td>
<td>3</td>
<td>Year round activity</td>
</tr>
</tbody>
</table>

*seasonal workers

Information gathering

Because of the width of the research purpose, interviews were used to obtain as much information as possible and an insight into the respondents’ views and opinions. The interviews were conducted with top managers in the eight organizations mainly because they frequently exert strong influence on the organization but also because some of the companies were sole proprietorships.

The top managers of the eight companies were contacted and asked to participate in an interview and all those approached accepted. The top managers received a letter before the interview containing brief information about the purpose both of the study as well as the interview to ensure that the same information was given to all the asked managers. The design of the questionnaire (see Appendix III) was semi-opened and based on a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis (Zineldin, 1993), but with the opportunities and threats focusing on the future rather than the surrounding environment. The researchers purposely did not mention the concept of commercial experiences to the respondents since they wanted them to answer as freely as possible. The managers were also asked whether the organization had any overt values and how these values are visible in their day-to-day work. The order in which the interviews were carried out was
determined by the availability of the top managers. There were always at least two members of the research team present at the interviews, one leading and one, or sometimes two, facilitating, intervening to ask complementary questions and taking notes. The interviews were taped and transcribed and the transcripts were then used for analysis of the data. In addition official documents about the organizations were collected, such as annual reports and organizational charts.

The analysis of data
The SWOT analysis (Zineldin, 1993) was used for data reduction and analysis, each one of the research team members read the transcripts individually and identified strengths, weaknesses, opportunities and threats as described by the top managers. The group then discussed the identified strengths, weaknesses, opportunities and threats until the group reached consensus. During this phase of the process, overt values, implied values and ways of working with values were also identified in the same way. The result from the analysis was documented and used when further analysis was carried out.

To obtain an overview of the current situation, and also to see what common and unique strengths and weaknesses the companies had, the results were analyzed further via affinity diagrams. The affinity diagram is one of seven management tools suitable for structuring and analyzing verbal data (Bergman & Klefsjö, 2003). The affinity diagram is used to structure, for instance, ideas and opinions in related groups in order to identify and describe a problem and was therefore selected as an appropriate tool. All statements were written down on post-it notes and then categorized into groups of common statements along with the unique statements. The affinity diagram was created by the researchers together in a workshop. The question to be answered by the affinity diagram was “What common strengths/weaknesses do the organizations possess?” This resulted in two affinity diagrams and the strengths and weaknesses that could not be categorized into a common group were documented as unique or single. Consequently for a strength or weakness to be identified as common, at least two managers from different companies had to have mentioned them during the interviews.

In order to see if the companies focused on the customer throughout the creation of the offering, the answers were compared with the Gap-model. Each gap was translated into a question and the strengths and weaknesses were then placed under the question they matched.
Do top management consider that the organization has strengths or weaknesses regarding:
1. Collecting information about customer expectations?
2. Developing customer offerings based on customer expectations?
3. Working with company employees in order to secure the customer offering?
4. Communicating their offerings in an accurate way externally?
5. Working to investigate how good actual service performance is compared to customer expectations?

Figure 3.4 Description of research in Case Study 2.

3.3 Validity, reliability and generalization

Yin (2003) discusses four different tests for judging the quality of the research design: construct validity, internal validity, external validity and reliability. He also lists a number of tactics available to deal with these tests: tactics that can be used during research design, data collection, data analysis or the compositional phase of the research.
Table 3.5  Case study tactics for four design tests. Original source COSMOS corporation, as referred to by Yin (2003).

<table>
<thead>
<tr>
<th>Tests</th>
<th>Case study tactic</th>
<th>Phase of research in which tactic occurs</th>
</tr>
</thead>
</table>
| Construct validity | • Use multiple sources of evidence  
                    • Establish chain of evidence  
                    • Have key informants review draft case study report | • Data collection  
                    • Data collection  
                    • Composition |
| Internal validity  | • Do pattern-matching  
                    • Do explanation-building  
                    • Address rival explanations  
                    • Use logic models | • Data analysis  
                    • Data analysis  
                    • Data analysis  
                    • Data analysis |
| External validity  | • Use theory in single-case studies  
                    • Use replication logic in multiple case studies | • Research design  
                    • Research design |
| Reliability        | • Use case study protocol  
                    • Develop case study data base | • Data collection  
                    • Data collection |

According to Yin (2003), a concern about case studies is that they provide little basis for generalization from a scientific point of view. This concern covers both single- and multiple-case studies, but is of particular importance in single-case studies. Yin (2003) also claims that case studies can arrive at broad generalizations; it all depends on the motives of the studies and how they are conducted. According to Creswell (2003), generalizability does not carry the same connotation in qualitative research as in quantitative.

In case studies the construct validity is about finding the right measurements for the concepts that will be studied and then being able to give a correct picture of the organization. One effort to guarantee validity was to formulate open-ended interview questions to give the respondents freedom to describe their way of working in their own words. Moreover, the research team tested and reviewed the interview questions and affinity diagram tool in advance in an effort to assure validity.

In all case studies, the members of the research team followed Yin’s (2003) suggestion and used multiple sources of evidence, i.e. triangulation, in order to increase validity.
Reliability in this study is a discussion about whether the data collection procedures and analysis work can be repeated or performed by others, with the same result or not (Yin, 2003). In reality this would be impossible to accomplish because of individual paradigms, perceptions and understandings as well as the research team’s unintentional interventions. Also, the individual personalities of the participants from the studied organizations, the research team, interaction and uncontrollable factors always affect the results in different ways. One precondition for high reliability, which is fulfilled in this study, is that the research methods and procedures should be carefully described. However, another research team and different data collection and analysis tools would certainly come to different results. It is the belief of the research team though; that these results would not necessarily produce a more correct description of the chosen organizations.
4 RESULTS

In this chapter a summary of the four appended papers is presented. In the last section additional results from the case studies will be summarized and finally the main findings from the two case studies will be discussed.

4.1 Summary of appended papers

4.1.1 Paper A


Background

A new type of business offering is currently gaining much attention, a type which in some aspects appears to be distinct from traditional goods and services, see e.g. (Pine & Gilmore, 1998, 1999; Voss, 2003; Sundbo, 2004 and Poulsson & Kale, 2004). These offerings are referred to as commercial experiences and Pine & Gilmore (1999) argue that “experiences are a fourth economic offering, as distinct from services as services are from goods, but one that has until now gone largely unrecognized”. Commercial experiences are even predicted to be the foundation for future economic growth. The same authors argue that experiences provide higher customer value than services as they engage customers in an inherently memorable way. The statements obviously spark interest, including the interest of quality researchers since the very aim of TQM can be described as increasing the ability of an organization to deliver superior customer value, see Lilja (2005).

Purpose

The purpose of this paper was to elaborate and clarify the commercial experience concept from a customer perspective. The paper aimed more specifically at elaborating, defining, and distinguishing the commercial experience concept.

Main results and discussion

The distinctive characteristic of commercial experiences appears to be that they are memorable, they leave indelible impressions. Previous findings then suggest that for something to be truly memorable, “strongly emotional” appears as a key. Finally, the two-factor structure of affect, also known as the “affect circumplex” and supported by an emerging body of evidence, shows that strong engagement is a critical driver of both strong positive and strong negative affect (Watson & Clark, 1997).
In sum, the conclusion is that while “memorable” is the distinctive characteristic, “strongly” emotional is the key and “strong engagement” the critical driver of commercial experiences.

![Diagram showing the flow from Strong Engagement to Highly Emotional to Memorable to Commercial Experience.](Diagram.png)

**Figure 4.1.** How strong engagement drives high affect that is a key to making an event memorable and hence a commercial experience.

Furthermore, the following operational definition of a commercial experience is suggested: “a memorable event that the customer is willing to pay for”. A definition that we believe is an improvement on the one presented by (Poulsson & Kale, 2004) “an engaging act of co-creation between a provider and a consumer wherein the consumer perceives value in the encounter and in the subsequent memory of that encounter” as the definition distinguishes commercial experiences from experiences in general and more clearly accentuates that it being memorable is the distinctive characteristic for commercial experiences.

### 4.1.2 Paper B


**Background**

Criticism has been raised that effective TQM transformation is difficult, the main reason being a lack of change management (Sebastianelli & Tamimi, 2003). According to Kao (2006), the biggest challenge for organizations today is that of unknown unknowns. To manage this, new models of leadership and organizations are needed (ibid). To be competitive in the future, organizations need to develop their business offers towards more experience-oriented products or services (Pine & Gilmore, 1999). This in turns leads to a need for the co-workers to be in an environment where it is possible to create a unique experience for every customer, (ibid).

There seems to be an agreement between most behavioral scientists and practitioners that leadership is a real phenomenon that is important for the
effectiveness of organizations (Yukl, 2006). How leaders act and behave influences attitudes and behaviors of the rest of the employees (Schein, 2004). Although many researchers stress the importance of top management commitment within TQM (see for instance Juran, 1989; Bergman & Klefsjö 2003 and Dahlgaard et al., 2002), not much analysis has been done on the connection between specific leadership styles and TQM policies and behaviors (Sosik & Shelley, 1997).

In summary, it could be necessary to further develop Quality Management in order to meet the future demands. Are there leadership behaviors from other approaches that could be especially suitable for tomorrow’s creativity-based organizations?

**Purpose**

The purpose of this paper was to compare leadership behaviors from two different approaches with leadership behaviors within Quality Management in order to find possible areas for developing leadership behaviors within Quality Management.

**Methodology**

The leadership behaviors from the three different approaches, TQM, Change Management and KaosPilots, were summarized in “The Core Leadership Behaviors” which is the interpretation of what is most important within each approach. “The Core Leadership Behaviors” represent the understanding of what motivates leaders to act in each approach. These core leadership behaviors were compared with each other to analyze similarities and differences.

**Main results and discussion**

There are some lessons to learn regarding the traditional leadership perspective within Quality Management. Firstly, focus on creativity and learning according to the KaosPilots is done by asking questions and searching blind, there is no formal education. The unstructured way of learning by asking questions, as applied by the KaosPilots, could stimulate creativity in organizations and probably complement the more structured approaches of Quality Management and Change-Oriented Leadership. Secondly, the KaosPilots state that everybody in the organization bears personal responsibility, and this is not particularly emphasized within Change Management and Quality Management. Handing over responsibilities from leaders to everyone in the organization, as the KaosPilots argue for, could lead to a more mutual responsibility. This is in line with those who argue that co-worker participation is important to improve organizational outcomes (Eriksson et al., 2003 and Hendricks & Singhal, 1999). Thirdly, in contrast to Quality Management, entrepreneurship is an important aspect in the KaosPilots and in Change
Management. By emphasizing entrepreneurship, traditional organizations could probably better transform themselves into tomorrow’s more creativity-based organizations.

4.1.3 Paper C

Background
Total Quality Management, TQM, is generally considered to be based on six core values, also known as the cornerstones (Hellsten & Klefsjö, 2000). The core values should ideally be conformed to by all employees within an organization working successfully with TQM. A model on how to progress with TQM is described by Hellsten & Klefsjö (2000). According to Ahmad & Schroeder (2002), there is little attention paid to the impact of selection of employees on the effectiveness of quality management. A common set of values within an organization is often referred to as the company culture or corporate culture. A strong corporate culture implies that there is uniformity among the employees regarding, for example, values (Pinder, 1998). In theory we found two strategies, selection and socialization that combined together provide a tactic for working with shared values to attain a strong corporate culture. According to Chatman (1989), the best way is an integration of the two strategies.

Purpose
The purpose of this paper was to discuss the relevance of achieving shared values within an organization and how organizations can work to achieve homogeneity of values. Not homogeneity in the sense of every co-worker being an identical interchangeable clone, but homogeneity in terms of believing in and sharing the same base of core values which in turn leads to desirable behaviors.

Methodology
A case study was performed at the Walt Disney Company in Orlando, Florida, a well-known company operating within in the field of creating commercial experiences. The case study was conducted to find examples of the selection strategy, a strategy with the purpose of achieving common values in the organization.
Main results and discussion

Two examples of selection strategies were found at the studied organization. The first example was the company’s recruitment process which was based on values, behaviors and beliefs rather than on documented skills and education.

Figure 4.2. The Disney casting/staffing process when hiring personnel.

Before the personal interview, all the applicants are shown a short film which gives them an indication of what to expect. This is essential information and leads to about 15 percent walking out of the door, feeling that their individual values differ from those of the company, which helps the Disney Company in finding the ones that do fit. During the personal interview, the Casting Center meets with the applicant and can form an opinion on values and behavior. The questions mainly focuses on behavioral aspects, both regarding examples of past-shown behaviors in situations the applicants had encountered and hypothetical questions on how the applicants think they would act in given situations. The key here is to find out the applicant’s behavior and values.

The second example of the selection strategy is the company’s “Leadership Accountability Matrix”, see Figure 4.3, which was used during a period of weak results. All managers were measured by means of a graph with their business results on the x-axis and their behaviors on the y-axis. They were given one year to improve and the goal was to end up in the upper-right corner of the matrix, where they both achieved positive results and had the desired behaviors. The business result was easily measured for each of the leaders and in order to demonstrate the desired behaviors stories were told to exemplify these. When the year had passed, the leaders who did not live up to this mission, did not keep their position as a leader, they were either dismissed or more likely transferred to another position of the company.
Since Hellsten & Klefsjö’s (2000) model seems to focus on working with the socialization strategy, a development of the model is suggested in Figure 4.4. The proposed development is adding a strategy for selecting members of the organization, with the intention of helping the organization to select people sharing the defined core values. This includes planning which new members to recruit and how to use existing co-workers in a better way, by putting the right person in the right place. This might even include dismissing members of the organization who do not share the selected values.

In order to develop and improve the implementation of TQM in organizations we suggest a strategy of selection based on defined organizational values. This strategy should be used both as guidance when recruiting new members and when selecting among already existing employees. Since values are difficult to change, we want to point out the importance of beginning by hiring members possessing the desired values.
4.1.4 Paper D

Eriksson, M. and Ingelsson, P. Closing the customer gap to increase customer value in a commercial experience (2009) Submitted for publication.

**Background**
Understanding what the customer really wants and what builds customer value in an organization is essential for business success. Delivering this value requires a clear understanding of exactly what kind of value is desired by customers - both now and in the future (Woodruff & Gardial, 1996). Customer expectations are closely linked to the customer’s perception of delivered value which also is closely connected to customer satisfaction.

There is a growing interest worldwide in the experience sector in both the media and scientific studies and maybe more significantly there is increased business focus due to the opportunities commercial experiences provides for greater profitability (Lilja et al., 2007; Pine & Gilmore, 1999; Voss, 2003; Sundbo, 2004 and Poulsson & Kale, 2004). Some argue that an experience differs from an ordinary service offer, others that there is no distinction; whatever the case this is a market not to be ignored.

**Purpose**
Even though the area of commercial experiences is both of financial importance and of great interest for many customers, it is still poorly explored. The purpose of this paper was therefore to study how customer value is created, especially when offering commercial experiences.

**Methodology**
Eight Swedish companies were studied to gain an insight into how they work with their offerings to their customers. Interviews were conducted with top managers in the eight organizations mainly because of the top managers, frequently, strong influence on an organization but also because some of the companies were sole proprietorships. The construction of the questionnaire was semi-open and based on a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis (Zineldin, 1993), with Opportunities and Threats focusing on a future state. The SWOT was then used for data reduction and analysis and the results were documented and used when further analysis was carried out. To gain an understanding of the current state, and also to see what common and unique strengths and weaknesses the companies had, the results were further analyzed. This was done via an affinity diagram where the question to answer was “What common strengths/weaknesses do the companies have?” In order to see if the companies focus on the customer
throughout the creation of the offer the answers were compared with the Gap-model developed by (Zeithaml et al., 2009).

Main results and discussion
The majority of all the statements from all the eight companies, both strengths and weaknesses, are situated within Gap 3, “The Performance Gap”. This shows that the main focus of top management, when describing the offer to the customer, is how the delivery to the customer is secured. There are hardly any strengths and no weaknesses mentioned by the top management concerning Gap 1, “The Listening Gap”. The statements we found that matched Gap 5 “The Customer Gap” only described measuring the result of customer satisfaction in accordance with performance; nothing was mentioned about fulfilling customer expectations. Gap 5 is particularly important to focus on due to the fact that it corresponds to the sum of all the other gaps, the provider gaps, (Zeithaml et al., 2009) and the aim is therefore to minimize these other four gaps. If the provider gaps are closed, the customer should theoretically be satisfied with the offer given by the organization. The organizations therefore need to become aware of the necessity to work with all gaps and that leaving one unattended lessens the chance of satisfying the customer.

Since the leaders in an organization need to be committed to a customer-centered culture and are the bearer of values, the results indicate that these organizations could fail to deliver what the customer expects along the entire chain of offering the customer an experience. The seemingly great attention given to Gap 3 leads us to believe that the other four gaps are not in focus and there is a risk that customer expectations are dealt with too late in the customer offering. This could in turn lead to resources being used to “put out fires” instead of working more proactively towards the customers.

The almost total lack of focus on “listening” to the customer, i.e. closing the first gap, and thus discovering their expectations could lead to increasingly bigger gaps the closer you get to the customer encounter. When it comes to commercial experiences, one of the keys to satisfying these is the element of surprise that makes this gap even harder to fill. If you ask a current or potential customer what they expect and deliver this impeccably this still does not live up to the premise of an experience since it is lacking in the element of surprise. Thus an interesting question arises: - Is closing all the gaps enough in order to deliver the attractive quality needed when offering something extra, a memorable experience to the customer? To work with experience offerings, the first gap needs to include working with both expected and attractive quality and of finding ways of working with creating novel stimuli in order to make the experience memorable.
4.2 Summary of additional results from the case studies

In this section additional results from the two studies, not addressed in the appended papers, will be summarized. The last section contains the main findings and discussion regarding the two studies.

4.2.1 Results from Case Study 2

Case Study 2 was performed at the Walt Disney Company in Orlando, Florida, with the purpose to see how a successful organization, that offers commercial experiences, works.

Primarily it can be said that almost all of the ways of working found, after analyzing the collected data, can be connected to the enhancement of values within the organization: values that lead to behaviors that fulfill the corporate vision: “We create happiness by providing the finest in entertainment for people of all ages, everywhere”. Since these ways of working were categorized in accordance with the cornerstone model by Bergman & Klefsjö (2003) and in connection to the purpose of my research, the results will be presented under the core values “Committed leadership” and “Focus on customer”. Initially, however, ways of working that were considered more universal ways of enhancing the values in the organization will be presented as “General ways of working”.

General ways of working

Disney uses storytelling to enhance all values in the organization. It is used internally between leaders and co-workers in order to tell stories about something positive that has happened, they spread the good word and the purpose is to reinforce the values and enhance the corporate culture. If a co-worker or a manager has done something in line with the values, this story will be told and the behavior will be rewarded. Storytelling is of course also used towards the external customer to create and enhance the customer offer; this might be one of the things the Disney Companies is most famous for.

Disney uses a common language as a part of enhancing the corporate culture “The Language of Disney”. The purpose is to create a sense of belonging and a clear understanding on how their co-workers and customers are perceived by the company. For instance, customers are referred to as guests and employees as cast members. The company also talks about the co-workers as working “on stage” i.e. meeting and interacting with the guests, or “off stage” enabling the guests experiences but not interacting with them. Both these roles are considered and treated as equally important.
Disney has a clearly defined business model which it claims is the foundation for their business success. The base consists of the vision/mission and values which in turns build the company culture and creates loyalty leaders. The pillars consists of employee experience, customer experience and business practice. All of these parts lead to employee loyalty + customer loyalty + business practice = profit and growth.

**Committed Leadership**

Leaders are mostly recruited from within the organization and have already displayed the behaviors demanded. Leaders are required to practice “Management By Walking Around”. All managers are obliged to do at least one week as a “trainee” in the day-to-day operations of the company a year in order to assure that gain an understanding of their co-workers daily “struggles”. When there is high pressure on the business during peak periods, managers and administrators are out in the parks or hotels working. This is called “cross U” which stands for cross utilization.

The leaders are considered key players when it comes to building the culture at Disney; their main assignment as managers is to train the culture. They are expected to be role models and “Walk the talk”.

> “Leaders will get the behavior they demonstrate and tolerate”.
> Valerie Oberle, former Vice President at Walt Disney World

**Focus on customers**

Disney describes its organization as being built on customer focus. They listen to the customer and work with measuring customer satisfaction, trying to exceed customer expectations by working continuously with improvements. One example is when, after studying their customers, they discovered that after a day at a Disney park some of them did not remember where they had parked their car. They found a solution by sending customers to park in special areas at certain hours of the day. For example if you arrived at 10.30, your car was in section D. This worked well since almost everyone remembered approximately what time they arrived.

> “…There are really two words that make it work around here… quality and pride. If you design, build, operate, and maintain with quality, people will take pride in what they do”
> Dick Nunis, former chairman of the Disney Theme Parks and Resorts
It is of great importance that the co-worker (internal customer) at Disney is happy and satisfied in order to satisfy the customer. The Golden rule at Disney is: “Cast members are treated as they are expected to treat the guest”. The front-line personnel are very important, co-creating the experience with the customer, but also the co-worker behind the scene, off stage, is in focus. One example of letting the co-worker understand their role and importance is to deploy the values of the company and describe them for every individual. For example, creating happiness is the vision at Disney. What is providing happiness for the guests for a person in the basement of a hotel ironing the bed linen? The answer is smooth, clean and even bed sheet as this will make the customer happy. Every co-worker knows how important they are and their contribution in the organization. The leaders follow up on performance and co-worker satisfaction monthly with personal development discussions. When measuring co-worker satisfaction, they take the word pride as a starting point, i.e. if the co-worker is proud of working at Disney and feels pride in what they do, most other things ought to be in order. If, on the other hand, the sense of pride is low Disney sees it is a sign that this part of the organization needs to be more closely examined.

“Quality and pride goes hand in hand”
Walt Disney

Rewarding good behavior and performance of the co-workers is important for Disney. This is a way of strengthening both the individual co-worker as well as displaying to others what will be rewarded. But Disney is also very clear on what they expect from their cast members. If they do not perform despite being given the opportunity, they will be removed from their positions. This goes for managers as well as co-workers.

“Attention to detail and exceeding guest expectations”
Definition of Quality at Disney

4.2.2 Results from Case Study 3
Case Study 3 was performed at eight organizations in the region of Jämtland with the purpose to gain an insight into how the organizations work when creating a commercial experience for the customer. In all eight organizations, interviews with the top managers were used as the main source of information. The results from the interviews will here be presented as they were categorized during the analysis; “Strengths and weaknesses”, followed by “Overt and implied values”. The summary will mainly focus on leadership, values and organizational culture.
Strengths and weaknesses

Most of the strengths and weaknesses found when analyzing the interviews were linked to delivering the customer offer, how they work with the actual service performance. Few of the managers mentioned leadership, values or organizational culture as either strengths or weaknesses when describing how they create and deliver their customer offers. Seeing the co-worker as an important resource was mentioned as a strengths by five of the eight organizations. Both the realization that the co-worker is an important asset for creating the customer offer as well as the need for the co-workers to be able to meet the customer in a personal way were mentioned.

One manager mentioned that the organization had a special leadership program where all managers were trained to accomplish a common frame of reference on how the organization defined leadership and what was expected of the managers in the organization. The same manager also described that the organization has a clearly defined vision, mission and goals and worked systematically with management by objectives. Two additional organizations had a mission, goals and strategies and worked in accordance with stated mission.

Storytelling was found in three of the organizations. In two of these, storytelling was used to enhance the offer to the customer and only one manager mentioned storytelling as a way of strengthening the culture. The same manager also described that the organization had a structured way of translating the organizational values into behaviors within different groups in the organization. This was done on a yearly basis since the organization has a lot of seasonal workers. The organization had also developed a recruitment process based on values and behaviors rather than documented skills and academic qualifications. Recruitment based on values was also mentioned by another manager.

“We work with a common model for recruitment … where we don’t really recruit on knowledge but more on values and attitudes.”

Manager Organization 3

Overt and implied values

All managers of the eight organizations answered that they had one or several overt values as a result of a direct question but only two of them mentioned them when describing creating and delivering customer offers. In six of the studied organizations the research team also found implied values when analyzing the interviews.

When asked how these values could be noticed in the organization most of the managers could not concretize ways of working with values. The recruitment
process and translating values into behaviors were mentioned by the manager who had already described this as strength and one additional manager mentioned that they had at one occasion translated values into behaviors together with the co-workers but this was not a common way of working.

4.2.3 Main results and discussion

In the study conducted at Disney, the results indicate that values and organizational culture make up one of the most important building blocks when it comes to giving the customer a memorable experience when visiting the company’s facilities. The identified ways of working could be linked to the core values within of TQM (Bergman & Klefsjö, 2003). It seems like most of the identified ways of working aims to reinforce the right behaviors in the organization, thereby enhancing the underlying values as argued by Pinder (1998). It was also clear that Disney considered a manager’s main task to be the bearer of values. According to Schein (2004), this is the very essence of leadership. The leaders at Disney are expected to act as role models all the time, they need to spend time out in the organization and be a part of the performance given to the guests. This could be seen as “walking the walk” which is an important aspect when implementing or changing organizational culture (Grönfeldt & Strother, 2006). All of the interviewed managers in the studied organizations in Jämtland said they had overt values in the organization when asked. But only two of the companies mentioned values earlier in the interview when they were asked to describe how they work with their offers to the customer. The majority of the managers asked could not describe how they worked with the values in the organization in a concrete way, how the values were manifested in everyday life in the organization. This could indicate that the stated values are not established in the organization, which is the first step in creating a shared set of values (Hellsten & Klefsjö, 2000).

The strategies proposed by (Chatman, 1989, 1991) when it comes to attaining a common value base in an organization are very evident at Disney. They work both with the selection strategy, through the recruitment process but also through screening out those who do not fit and develop and reward those who do. In the eight local organizations studied only two of the managers mentioned recruiting based on values and of these one described having a documented process for this.

A strategy found at Disney that seems to be more used to strengthen the culture used by is storytelling. One of the ways new managers are taught the values are by stories being told by older managers, where examples from good leadership behaviors are passed on. Watching the leaders do the right thing as well as hearing stories about both right behaviors from managers and other cast members,
strengthens the organizational culture. In Case Study 3, three of the managers mentioned that they worked with storytelling but only one mentioned it as a way of working to enhance the values via desired behaviors within the organization. The other two used it to enhance the customer offer and differentiate themselves from others (Mossberg & Nissen Johansen, 2006).

When looking at the eight organizations in Jämtland one of them stuck out as they worked very similar to Disney. A recruitment process based on values and behaviors were described by the manager as well as a way of working to translate the values within the organization to behaviors for each of the co-workers. In the other studied organizations the managers seemed to mostly focus on securing the offering to the customer and there seemed to be a lack of seeing the connection between the values, organizational culture and the creation of a commercial experience.
5 CONCLUSIONS

In this chapter the conclusions drawn from the studies both in relation to the three research questions and in relation to the overall purpose of the thesis are presented and discussed.

The purpose of this thesis was to explore and contribute knowledge about how to create a commercial experience. The more specific purpose was to explore this area in relation to leadership, values, organizational culture and TQM. This purpose was further limited by the three research questions (RQs) and it has been the intention to answer these by means of the conducted studies. In this chapter I will first reconnect to the three RQs and present the conclusions drawn from the studies in relation to them. At the end of the chapter drawn conclusions will be summarized in relation to the overall purpose of the thesis.

5.1 Reconnecting to the research questions

5.1.1 Research question 1

My first RQ: “How can a commercial experience be defined?” is mainly answered by Paper A.

Based on what is written about commercial experiences it seems that them being memorable is the distinctive characteristic, being strongly emotional is the key and strong engagement the critical driver of commercial experiences. In order to create an experience for the customer the organization providing it needs to give the customer something new or unexpected to make it memorable. This is in line with the term of attractive quality in the model developed by (Kano et al., 1984). To achieve attractive quality the organization needs to fulfill the excitement needs of the customer. When comparing a commercial experience with a service, one difference noticed is; when looking at the quality dimensions of a service it being memorable, emotional or engaging are not mentioned. A commercial experience also differs from a service in that it needs to be personal instead of customized and is revealed over duration, or delivered gradually over a period of time, instead of delivered in demand (Pine & Gilmore, 1999). The aspect of revealing it over time shows that a commercial experience could be considered even more of a co-creation between the customer and the provider than a service. Time is also a key aspect in that he customer wants to spend time when buying a commercial experience in contrast to wanting to save time when buying a service (Dhar & Wertenbroch, 2000 and Kemp, 1999 in Jiang & Wang, 2006).

The only definition of a commercial experience found took into account the fact that it is a co-creation between the customer and the provider and that the value
perceived by the customer is determined by this encounter as well as in the memory of that encounter (Poulsson & Kale, 2004). The study showed that being memorable is a distinct characteristic in an experience and that this is a major difference from a service. Furthermore, the definition of a commercial experience, as something a customer is willing to pay for, lacked this distinction from an experience in general. The fact that commercial experiences are distinguished from experiences in general and the need for them to be memorable could be more accentuated. The conclusion is therefore that the definition could be developed further to strengthen the commercial side and be even more explicit about the need for a commercial experience to be memorable.

5.1.2 Research question 2

The second RQ: How can organizations work to create a commercial experience, when it comes to leadership, values and organizational culture?” is mainly answered by Paper C and D and the additional results presented in Section 4.2

Many of the identified ways of working are aimed directly at reinforcing the right behaviors in the organization, hence enhancing the underlying values as argued by Pinder (1998). This is in order to create the security needed for the co-workers to be able to create a memorable experience and to shape and coordinate behaviors and decisions (Grönfeldt & Strother, 2006).

Looking at leadership, the main task for a manager is to constantly work to enhance the values and desired behaviors in an organization as confirmed by Schein (2004). In order for the managers to gain an understanding of what their co-workers face when creating the commercial experience together with the customers, they need to spend a lot of their time “on stage” - to work as much as possible alongside the co-worker and to act as role models for how to behave and interact with the customers. This is also emphasized by Grönfeldt & Strother (2006). The frontline personnel need to know what behavior is needed to enhance the customer offer and since the leaders are the bearers of these values, they need to be clear about what they expect from the co-workers. Managers are also expected to disseminate the vision and mission to everybody in the organization to make them understand how they contribute to the “bigger” picture. This methodology is also evident in how Bergman & Klefsjö (2003), among others, describe the way organizations should work to enhance the core values of TQM.

Another way of strengthening the culture is by recruiting people based on values; i.e. focus on applicants’ previous behaviors as well as hypothetical future behaviors in an interview is of more importance than documented skills and
academic qualifications. This is an example of the selection strategy presented by Chatman (1989) as one of two ways to create a common set of organizational values. It is also of importance to be clear on what to expect from co-workers and leaders and “screen out those who do not fit”. Storytelling to describe desired behaviors can be used to lift individuals as well as reinforce the values and strengthen the culture.

When creating a commercial experience the organization need to focus on the entire process for delivering offerings: finding out customer needs and expectations; securing the offerings in the organization; and finally investigating how well the organization performed. This calls for ways of finding out the excitement needs of the customer.

5.1.3 Research question 3

The third and final research question: “How can TQM possibly be developed in order to support the work to create a commercial experience?” is mainly answered by Paper B and C.

In an organization creating commercial experiences, the need to create a culture to allow the co-workers to handle the unknown in the encounter with the customer and be creative in that meeting appears to be important. There seems to be a need to make it easier for all co-workers to create a memorable experience together with the customer (Pine & Gilmore, 1999 and Kao, 2006). Earlier research has pointed out a lack of change management within TQM as a factor leading to unsuccessful implementation (Sebastianelli & Tamimi, 2003), so leadership according to TQM would perhaps benefit from other leadership behaviors in order to generate more creative environments and thereby more competitive organizations. When examining leadership behaviors from Change Managing and KaosPilots a suggestion is that TQM could be extended with innovation and entrepreneurship from Change Oriented Leadership and with playfulness and creativity from the KaosPilots.

The two strategies presented by Chatman (1989) to create a common set of values in an organization are to some extent present in TQM. The methodologies and tools that are used to enhance the values of TQM (Bergman & Klefsjö, 2003) seem to focus mainly on socialization, in spite of studies showing the importance of recruiting based on values for the successful implementation of TQM in an organization (Bowen & Lawler lli, 1992; Ahmad & Schroeder 2002 and Bäckström, 2009) and that the focus on recruiting by values has not been given sufficient attention within TQM (Snell et al., 2000). In order to reach the desired
organizational culture, a conclusion is that there might be a need to add a strategy, based on defined organizational values, for how the organization intends to select members, thereby improving the implementation of TQM in organizations - a strategy that should be used both as guidance when recruiting new members and when selecting among already existing employees. Since values are difficult to change it is important to begin by hiring members holding the desired values.

5.2 Conclusions

The definition of a commercial experience needs to be developed and more specific. There also seems to be a need to look at ways of working to support the creation of a commercial experience.

One conclusion from this research is that methodologies and tools that directly aim to enhance the culture might be of even more importance in organizations offering a commercial experience. It looks as if there is a need for these organizations to develop ways of working to enhance the values of the organization. It seems to be important to be aware that values need to be translated into behaviors to make them understandable in the organization. For example, storytelling is used as an enhancer of the organizational values at Disney and might be a fairly unrecognized tool for this. This is also reinforced by one of the local organizations studied.

It is also evident that the leadership practiced within the organization is crucial if a strong organizational culture is to be achieved. Further, strategies for selecting the right values seem to be important when trying to create a strong organizational culture, mostly notably at Disney. The selection strategy does not seem to be so evident within TQM. This could be one area where TQM needs to be developed in order to support the creation of a commercial experience but also to more effectively implement TQM in general. The way Disney and at least one of the eight studied companies worked with the selection strategy as a way of recruiting based on behaviors rather than documented skills and academic qualifications can be a powerful tool to enhance the culture of an organization.
6 DISCUSSION AND FUTURE RESEARCH

In this chapter a broader discussion is presented based on the findings in addition to suggestions for future research as well as a methodological discussion.

The new economy of commercial experiences could be the next after services and even though some argue that this is nothing new in relation to services, it is a market that is on the rise. The difference lies mainly in the extended co-creation of the experience between the customer and the organization creating it and in the fact that an experience needs to create something novel for the customer in order constitute an experience. The effect that creating a commercial experience might have on the organization and their leaders has not been discussed so much in the literature on commercial experiences. There are articles written about the use of storytelling as an enhancer of values and organizational culture (see for instance Boyce, 1995) but not much in relation to commercial experiences. This might be because most of what has been written about commercial experiences has been in the field of marketing and therefore the focus has been on the commercial aspect.

When studying Disney, one thing that stood out was the way they focused on positive feedback and positive role modeling. This is also evident in the concept of Appreciative Inquiry (AI) (Cooperrider & Whitney, 2005) as a way of focusing on and strengthening positive pictures and positive behaviors as supported by Lilja (2005). In TQM most of the methodologies and tools are focused on identifying areas of improvement i.e. where are we going wrong and how can we improve instead of focusing on what we do right and how we can work to spread this. Perhaps a shift in focus from possibilities for improvement to positive storytelling is the key to success when working with the core values of TQM.

Values are essential for guiding the behaviors of everyone in an organization and also one of the main elements of TQM. Today, many of the methodologies and tools used to enhance the values in an organization focus on the socializing process and not so much on the selection process. It is my firm belief that if an organization, irrespective of what it offers, is to succeed in with reaching a common set of values, there is a need to actively work to select the right people. This includes matching the right person to the right job and screening out those who do not fit. The top managers in organizations need to have the courage, tools and insight to “hire and fire” in order to reach the desired organizational culture.
Methodological choices and consequences

One reflection from Case Study 1 is that obtaining correct information from an organization may be difficult, they generally like to keep secrets of success to themselves and researchers may therefore have limited access to valuable information (Zikmund, 2000). The provided information is controlled by the studied organization, selecting what to reveal. The research group was aware of this and as an attempt to verify the data we used several sources of evidence, for instance asking co-workers follow-up questions confirming the data.

Another reflection is that the interviewed managers in Case Study 2 might not give accurate information to the interviewer due to a variety of causes. This phenomenon is theoretically described by Zikmund (2000). The result can therefore be considered to be controlled by the managers and have an effect on the results and drawn conclusions. This risk could have been lessened if the interview had been followed by investigating how the customers both, internal and external, perceived the situation but given the time this was not possible within the case study. Also selecting another eight organizations in another region might or might not lead to different results.

Since the studied organizations have been from USA and from Sweden the cultural aspect is of relevance. On one hand between the cases, what works in America might not work in Sweden. On the other hand these results might not be applicable in other parts of the world.

In sum, the methodological choices during the research process have doubtlessly affected the outcome.

6.1 Future research

This thesis has mainly focused on exploring the concept of commercial experiences and this exploration has provided some food for thought regarding possible future areas of research. The purpose has also been to explore the area in relation to leadership, values and organizational culture, provoking ideas for further research even in this area.

Working to create a strong organizational culture based on shared values within an organization is one area that has been researched on, but it would be of interest to look more closely at the tools used to achieve this. The research shows that storytelling is one tool that can be used to enhance the organizational culture and even though there already seems to be some research on this, it would be
interesting to look further at storytelling as a tool to enhance the “toolbox” used to implement TQM.

Adding positive reinforcement to implementing core values within an organization is an area worth further investigation and storytelling is one tool that can be used for this. The concept of AI could also be further explored for this purpose, to study organizations that have used positive reinforcement and compare the results with organizations that have used a more improvement-oriented approach.

The way leadership is portrayed by Disney as a manager needing to spend a lot of their time “on stage” has a lot in common with leadership according to Lean and the term “Gemba”. It would be very interesting to investigate what core leadership behaviors Lean advocates and to further analyze leadership within TQM and commercial experiences in relation to Lean.
REFERENCES


Personal communication
Valerie Oberle, Former Vice president, Walt Disney World, November 17, 2006