Transformative value positioning for service brands: key principles and challenges

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Transformative Value Positioning for Service Brands: Key Principles and Challenges

Abstract

Purpose - The aim of this paper is to integrate insights from service, branding, and communication research to present key principles of a successful transformative value positioning for service brands.

Design/methodology/approach - This paper uses a conceptual approach that is rooted in the service, branding, and communication literature.

Findings - The contribution of this paper is threefold. First, this paper explains why positioning a service brand is different from positioning a product brand and why this is especially challenging in case of transformative value. Second, an organizing framework is used to theorize that a successful transformative value positioning is based on the organizational DNA; is consistently implemented in actions, communications, employee behavior, and servicescapes; and inspires customer engagement. Based on this framework, this paper formulates key principles of a successful transformative value positioning for service brands. Third, this paper provides a research agenda to guide and stimulate future research.

Practical implications - The key principles provide guidelines for managers striving for a transformative value positioning. Not adhering to these guidelines could have severe implications for service brands in terms of washing perceptions ultimately deteriorating the brand image.

Originality - This paper combines insights from service, branding, and communication research to provide a comprehensive and balanced perspective on a successful transformative value positioning for service brands.

Introduction

Service providers are increasingly including transformative value, which "focuses on improving the lives of individuals, families, communities, society or the ecosystem" (Leroi-Werelds, 2019, p. 660), in their brand positioning. Iberostar, for instance, positions itself as a benchmark in responsible tourism and explicitly communicates about its Wave of Change movement focusing on a circular economy, responsible fish consumption, and coastal health [1]. In a similar vein, Marriott promotes itself as a leader in combatting human trafficking in the accommodation industry [2], while ING positions itself as a top employer by offering employees an extensive wellbeing program, known as the Wellbeing Quotient Program [3].

Research suggests that a transformative value positioning can positively influence firm performance in terms of brand equity (Iglesias *et al.*, 2019) and customer loyalty (Markovic *et al.*, 2018). However, with the rise of service providers striving for a transformative value positioning and given consumers' increasing demand for sustainability-focused behaviors, there is also a risk that the promised transformative value is questioned or scrutinized (Schmuck *et al.*, 2018). In such situations, a transformative value positioning may backfire and even result in negative attitudes toward the service provider (e.g., Heiss *et al.*, 2021; Je *et al.*, 2020; Matthes, 2019; Schmuck *et al.*, 2018). These backfire effects may be accelerated by social media through which information spreads quickly, potentially leading to collaborative brand attacks (Pfeffer *et al.*, 2014). Ultimately, such harmful brand perceptions may lead to a rejection of the brand's transformative value and even deteriorate the brand's image (Heiss *et al.*, 2021).

Despite the relevance of this topic for service research, we lack a systematic understanding of the conditions under which a transformative value positioning may work, and importantly, may also fail or backfire. Therefore, the aim of this paper is to integrate insights from service, branding, and communication research to present key principles of a

successful transformative value positioning for service brands. This paper makes three key contributions. First, this paper explains why positioning a service brand is different from positioning a product brand and why this is especially challenging in case of transformative value. Second, this paper presents an organizing framework of a successful transformative value positioning for service brands and proposes key principles service providers should consider when positioning their brand based on transformative value. Third, this paper presents a research agenda to guide and stimulate future research.

Transformative Value Positioning

A brand's positioning clarifies what a brand is all about; how it is similar to competing brands, but especially how it is unique (Keller and Swaminathan, 2020). It has a critical impact on the brand image, i.e., the perceptions customers associate with a particular brand (Iglesias *et al.*, 2019). When a service brand uses a transformative value positioning, it positions itself based on a narrative about how it tries to improve the lives of individuals (e.g., customers, employees), families, communities, and even the larger society or ecosystem (Anderson *et al.*, 2013; Leroi-Werelds, 2019). This is related to concepts such as sustainability (Huang *et al.* 2021), corporate social responsibility (Alhouti *et al.*, 2016), and ethicality (Iglesias *et al.*, 2019).

Prior research indicates that some firms are 'born transformative' and have a transformative value positioning since their inception (Dicuonzo *et al.*, 2020), while other firms view it as a strategic imperative and move from a focus on shareholder value (i.e., Profit) to the creation of value for a broader set of stakeholders (i.e., People, Planet and Profit; Huang *et al.*, 2021; Van Riel *et al.*, 2021). This move is partially urged by the United Nations' Sustainable Development Goals (SDGs) and the Environmental, Social, Governance (ESG) metrics (Huang *et al.* 2021). However, recent research shows that consumers also encourage

firms to focus on transformative value since "consumers' sustainability-focused behaviors drive the market for sustainable products and services" (Van Riel *et al.*, 2021, p. 389) and firms are more likely to change their positioning when consumers change their value priorities (Leroi-Werelds *et al.*, 2021). In fact, consumer pressure for brands to act in a transformative way is growing as the combination of a connected and transparent world with disruptions such as a global pandemic and natural disasters raises awareness of societal and environmental issues (Haller *et al.*, 2020; Iglesias *et al.*, 2020). Overall, more and more service providers opt for a transformative value positioning, which can positively influence their performance in terms of brand equity (Iglesias *et al.*, 2019), customer satisfaction (Van Riel *et al.* 2021), and customer loyalty (Markovic *et al.*, 2018; Van Riel *et al.*, 2021).

However, a transformative value positioning can be a double-edged sword, since it may also backfire and damage the brand. These risks, however, are rarely mentioned in service research. In the advertising and communication literature, they are discussed with terms such as greenwashing, femwashing, healthwashing, pinkwashing, rainbow-washing, or even corona-washing (e.g., Heiss *et al.*, 2021; Je *et al.*, 2020; Matthes, 2019; Sterbenk *et al.*, 2021). The "washing phenomenon" describes a process in which communicated or advertised claims are perceived as false, vague, omitting important (contradictory) information or combined with emotional appeals that should generate positive brand associations without substance (e.g., so called "executional greenwashing"; see Matthes, 2019). Typically, these perceptions occur when there is an incongruency between a communicated claim and an otherwise held observation about the company. When a claim is incongruent with customers' existing schema of or experience with the firm, customers are motivated to process the claim more critically to resolve the incongruence (Mandler, 1982). Ultimately, washing perceptions may lead to a rejection of the brand's transformative value and even deteriorate the brand's image (Heiss *et al.*, 2021).

Challenges for Service Brands

Given these risks, firms have to be cautious when positioning their brand based on transformative value. This is especially the case for service brands because of at least five key reasons. First, "the locus of brand impact differs for services because they lack the tangibility that allows packaging, labelling, and displaying" (Berry, 2000, p 128). This implies that a favorable brand image is of paramount importance for service brands, since – because of the intangibility of services – customers can not try a service before buying it and thus largely rely on the brand's image (Iglesias *et al.*, 2019). This brand image is even more important in case of transformative value, since it creates an additional layer of intangibility. For instance, claims about a brand's value for society (e.g., women rights) or for the planet (e.g., carbon neutrality) are often difficult to verify by customers and other stakeholders (Zhang *et al.* 2014).

Second, a service is a process consisting of a large number of customer-brand interactions and touchpoints that need to be carefully managed to support the brand's positioning (Sierra *et al.*, 2017). However, this service process – including all its touchpoints and interactions – cannot be standardized or homogenized, which makes positioning a service brand more complex than positioning a product brand (Keller and Swaminathan, 2020; Sierra *et al.*, 2017). This makes it more challenging to add transformative value to the brand positioning, since it should be embedded in every customer-brand touchpoint and interaction (Sierra *et al.*, 2017),

Third, while the product is the key brand in packaged goods industries, the company is the key brand in services industries (Berry, 2000). This makes brand positioning less manageable by the firm, because it is not limited to a particular product with predefined product characteristics, packaging, and advertising (Grönroos, 2015). Furthermore, it

broadens the scope of branding to an organizational level, since branding not only involves interactions between the brand and customers, but also involves other stakeholders, such as employees, suppliers, investors, citizens, and governments (Sierra *et al.*, 2017).

Fourth, frontline service employees play a critical role in service delivery and can make or break a service brand (Berry, 2000; Markovic *et al.*, 2018). They are a rich source of brand information and are central in companies' brand-building efforts (Siriani *et al.*, 2013). Prior research (Siriani *et al.*, 2013) has shown that branded service encounters – i.e., encounters in which the behavior of the frontline service employee is aligned with the brand positioning of the firm – positively affect customers' brand evaluations. Hence, transformative value should be supported by employee behavior.

Fifth, services are generally produced and consumed at the same time, which means that the customer is "in the factory" (Bitner, 1992, p. 57). Furthermore, customers are part of the service delivery process and experience the brand during customer-brand interactions (Berry, 2000; Markovic *et al.*, 2018). This has two implications. First, "corporate values cannot be faked in service branding. The company's true values emerge in the customer's actual experience with the service" (Berry, 2000, p. 134). Second, adding transformative value can have positive and negative implications for the customer experience. For instance, if customers have to bring their own shopping bags to the store, this can enhance their transformative value perceptions, but it also reduces convenience (Wang *et al.*, 2017).

Organizing Framework and Key Principles

To present the key principles of a successful transformative value positioning for service brands, we propose an organizing framework (see Figure 1). With this framework, we theorize that a successful transformative value positioning is based on the organizational DNA; is consistently implemented in actions, communications, employee behavior, and

servicescapes; and inspires customer engagement. In the next sections, we explain each element of the framework and the accompanying principles.

Figure 1. Organizing framework
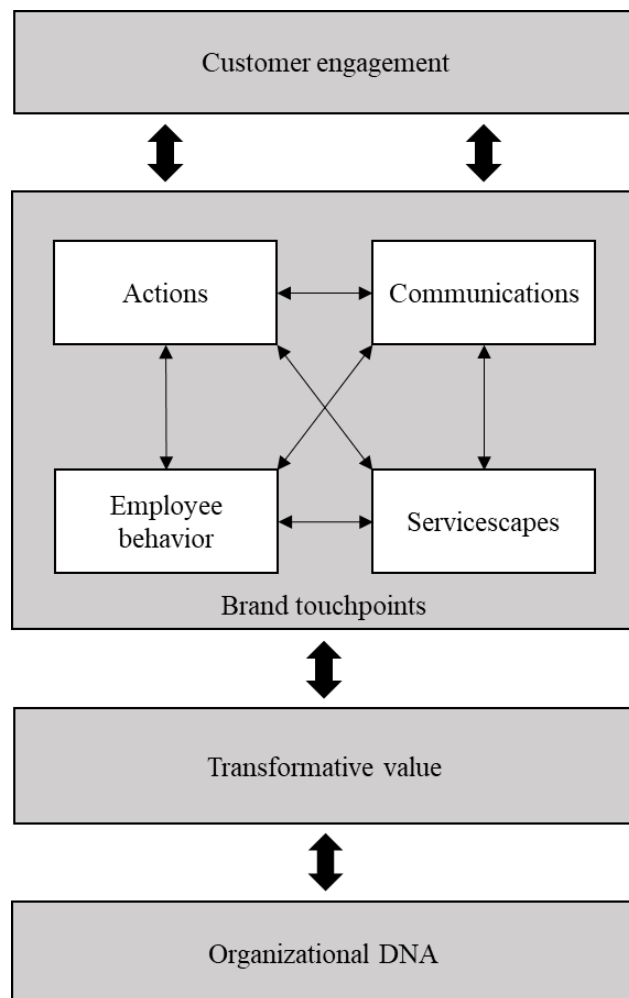
Organizational DNA

To enhance the positioning of the service brand, transformative value creation needs to be perceived as *authentic*, which means that it is perceived as "a genuine and true expression of the company's beliefs and behavior toward society that extent beyond legal requirements" (Alhouti *et al.*, 2016, p. 1243). As shown in Figure 1, the transformative value must follow from the organizational DNA. Service providers should thus build a genuine narrative that is

grounded in their actual transformative beliefs. That is, the transformative value needs to be presented as a core value and even the driving motive of the firm, rather than a strategic or commercial motive. This core value can be transported by pointing, for instance, to the heritage of the brand, personal motives and narratives by owners or employees, or unique actions by a company (Södergren, 2021). For instance, various financial service providers that expressed their support for the Black Lives Matter movement after the death of George Floyd in May 2020 were accused of hypocrisy because anti-racism was not reflected in their corporate values, track records, and daily behaviors [4].

Brand Touchpoints

Given that services comprise multiple customer-brand interactions, the service provider should try to guarantee *consistency* (Iglesias *et al.*, 2019). Specifically, transformative value should be consistently embedded "in every single customer-brand touchpoint" (Sierra *et al.*, 2017, p. 672). This has implications for company actions, communications, frontline employee behavior, and servicescapes.

Actions

Based on prior work (Alhouti *et al.*, 2016; Wang *et al.*, 2017), we can discern several key guidelines for transformative actions. First, actions should be perceived as *impactful* in terms of their ability to address the societal issue, which means that people perceive that (1) the action makes a difference and (2) the firm does enough given its size and profits. Second, actions should be *aligned with the services* provided by the firm. Third, actions should *fit the organizational DNA* and should be consistent with its transformative narrative. Fourth, actions should not only focus on enhancing the firm's bottom line (e.g., reducing water consumption), but should reflect the firm's commitment to and *investments* in transformative

value. For instance, in 2018 Iberostar launched its Wave of Change movement to protect the oceans and take a leading role in responsible tourism. The Wave of Change movement – which focuses on a circular economy, responsible fish consumption, and coastal health – can be considered as impactful since it includes more than 120 hotels and more than 50 initiatives. The movement is an integral part of Iberostar's organizational DNA and is aligned with the services provided by the hotel chain since most of its hotels are located near the coastline. Furthermore, Iberostar not only focuses on actions such as saving energy – which could potentially enhance the organization's bottom line – but also invests in initiatives such as replacing plastic items in hotel rooms; partnering with fisheries; and restoring coral reefs [1].

Finally, actions should *fit the interests and preferences of the target market*. It is even advisable to only target specific segments if this in line with the corporate strategy (Barber, 2014). For instance, with regard to ecological issues, consumers can be segmented into different shades of green since "it may not be a question of whether a consumer is green but rather how green that consumer is" (Barber, 2014, p. 365). These segments differ in terms of preferences and benefits sought as well as the 'sacrifices' they want to make in terms of transformative value creation. For instance, Hays and Ozretic-Dosen (2014) describe the case of a French ecological hotel that expects guests to be highly engaged in transformative actions. They are encouraged to reduce the use of electrical appliances (e.g., hairdryer), to use less dishes, and to accept that their towels and linen are changed only once a week. Furthermore, the temperature in the hotel never exceeds 19 degrees Celsius and guests are asked to wear warm clothes and use blankets. This 'dark green' strategy only works for 'dark green' customers who are willing to go the extra mile and this hotel mainly attracts hikers who share the same ecological values.

Communications

The service provider should not only take transformative actions, but also communicate about them. Based on prior work, we provide several key guidelines. First, the service provider should make clear that it creates transformative value because "*it is the right thing to do*, not because it makes good business sense" (Alhouti *et al.*, 2016, p. 1248, emphasis added). Firms "need to move away from the traditional empty rhetoric of corporate brand and ethics/CSR reports, and instead utilize more authentic communications" (Markovic *et al.*, 2018, p. 732). In other words, the service provider must clearly and credibly communicate that the transformative value is part of the organizational DNA. Otherwise, consumers may question the intentions and claims of the company, leading to washing perceptions. For example, Ecotricity positions itself as "Britain's greenest energy company" and "Founders of the Global Green Energy Movement". It invites customers to join them in order to "replace fossil fuels with green energy". The company communicates in an explicit and authentic way about what makes them different from competitors: "What makes us different is that we have no shareholders. So, instead of paying dividends we invest your bills in building new forms of green energy. And, you can be absolutely certain that the energy we supply will not be greenwashed" [5].

Second, service providers should make their impact *tangible* by communicating evidence, such as facts and figures, showcasing the transformative value. Specifically, the company can list its goals for its transformative actions and communicate the progress it has made to accomplish these goals (Alhouti *et al.*, 2016, p. 1248). The presented evidence should not be vague or directed to future actions, but concrete, ideally verifiable or observable by customers during service encounters. This is decisive for the credibility of the communicated evidence and will prevent washing perceptions (Schmuck *et al.*, 2018). Hilton, for example, measures, reports, and communicates about its ecological and societal impact through LightStay, i.e., an award-winning ESG management platform that has been formally

recognized by the Global Sustainable Tourism Council. The aim is to provide a transparent and credible account of progress towards its sustainability goals [6].

Third, and closely related to the former, service providers should make their actions *visible* since customers want proof of the company's 'real' transformative value (Iglesias *et al.*, 2019; Wang *et al.*, 2017). "Visibility to consumers clearly is a continuum but even 'back-office' functions can be better highlighted. While consumers do not typically see the eco-friendly laundry detergent a hotel uses, a firm could make such use more salient to its patrons by talking about it or by placing a small sample in the room" (Wang *et al.*, 2017, p. 492).

Fourth, since not all evidence may be directly observable, the transformative value should be additionally *testified or certified* by independent bodies to enhance credibility. Certificates or labels can provide credible signals about the providers' transformative practices when they are granted by an independent entity that conducts an audit to verify whether standards are met and has no self-interest in the outcome of this audit (Zhang *et al.*, 2014). For instance, universities can communicate about their ranking in the Times Higher Education Impact Rankings which evaluate universities based on the United Nations' SDGs [7].

So far, we theorized that communications should be authentic, tangible, visible, and credible. These aspects can be summarized as functional attributes, that is, they *explain* how a service provider creates transformative value with respect to company actions (Matthes *et al.*, 2014). Yet service providers should attempt to make an emotional connection when communicating about transformative value (Berry, 2000). That is, service providers should create emotional states, such as happiness, hope, or pride. This is the fifth guideline related to communications. Emotional states can be created by using emotionalized verbal and visual cues. Particularly the visual side is important (Matthes *et al.*, 2014). For instance, in case of ecological value, the visual representation of pleasant natural scenery can create virtual nature experiences, enhancing the persuasive appeal of a message (Hartmann and Apaolaza-Ibáñez,

2009). But again, the visual component should only be used when it is authentic, substantiated with the company's true beliefs and actions.

Finally, service providers need to embrace the idea of integrated marketing communication, defined as a "concept and process of strategically managing audience-focused, channel-centered, and result-driven brand communication programs over time" (Kliatchko, 2005, p. 21). In a nutshell, it is important that all communication activities are integrated into one core strategy (Kitchen and Burgman, 2010), ensuring consistency of all messages and communication channels (Caywood and Ewing, 1991). This means that the principles of communication identified here – authenticity, tangibility, visibility, credibility, and emotional appeal – should be consistently applied when reaching out to customers, including advertising, public relations, or social media. Iberostar, for instance, consistently communicates about its Wave of Change movement through various channels (e.g., website, Facebook, Instagram, Twitter, press releases) always building on the same narrative (i.e., saving the oceans and leading responsible tourism) [1].

Employee Behavior

Frontline service employees are a powerful medium for building a brand, as their actions and interactions with customers transform the values of the brand into real brand experiences (Sierra *et al.*, 2017). Since customers' actual experiences with the service prevail in defining what the brand means to them, frontline service employees can make or break a service brand (Berry, 2000; Sierra *et al.*, 2017). It is thus important that *the brand – and its transformative value – is 'internalized'*, which means that the firm has to explain, promote, verbalize, and visualize it to employees (Berry, 2000). Service providers should transfer their transformative value positioning to the daily behavior of their employees and assure that they understand and embody this positioning when interacting with customers (Sierra *et al.*, 2017). As such,

communications about the brand and its transformative value should not only be targeted at customers, but also at employees in order "to be embedded into employee behavior" (Iglesias *et al.*, 2019, p. 454). This also implies that the transformative value positioning needs to be supported by *human resource policies and practices* in terms of recruitment, training, promotion, and daily routines (Markovic *et al.*, 2018). Royal Bank of Canada, for instance, positions itself based on diversity and inclusion. The firm is constantly working on an inclusive organizational culture and takes multiple initiatives to accomplish this in daily practice, including 'Unconscious Bias' training for all employees and the 'That Little Voice' initiative that encourages employees to speak up when noticing non-inclusive behavior of employees or clients [8].

Servicescapes

The servicescape – i.e., the physical environment in which the service takes place – should be designed in line with the firm's transformative value positioning since it may be very influential in conveying the organization's narrative to its customers as well as employees (Bitner, 1992). Specifically, servicescapes influence customers' perceptions about the brand (Arrigo, 2018; Grönroos, 2015) as well as employee and customer behavior (Bitner, 1992). Against this backdrop and based on existing research (Arrigo, 2018; Bitner, 1992; Pecoraro, 2021), the following guidelines can be formulated.

First, *atmospheric design factors* such as materials, decoration, and colors should support the transformative narrative of the company. For instance, unpainted wooden floors, natural colors, no plastics, and a plain décor can support an ecological value positioning. Second, the *layout and functionality* of the servicescape can encourage transformative employee and customer behavior. The service provider should make it easy for customers as well as employees to perform transformative behavior such as sorting waste (e.g., placing

recycling bins at hand reach) or reducing energy consumption (e.g., energy-saving lightbulbs). Third, *artifacts, signs, and symbols* in the servicescape can be used to convey the transformative narrative or explain transformative actions. For instance, the aforementioned labels and certificates can be exhibited explicitly in the servicescape (e.g., a Green Key at the entrance of a hotel) or the service provider can display pictures and infographics about its transformative actions (e.g., an infographic about how the company strives for gender equality). Fourth, *technologies* such as videowalls, kiosks, or even Virtual Reality (VR) can be used to share the transformative actions and/or narrative of the service provider. For example, Belgian fashion retailer JBC is testing a new store concept which is completely focused on sustainability and uses technologies to communicate about the firm's transformative actions and narrative. An in-store kiosk provides information about how clothes are recycled; interactive screens educate children about sustainability; and smart mirrors provide information about the origins and ecological details of products [9].

Overall, it is important to note that servicescapes should be designed to focus on *cognitive as well as sensorial cues*. While cognitive cues such as labels and infographics can be used to explain how the company is trying to create transformative value, sensorial cues can enhance the emotional bond with the brand (Yoganathan *et al.*, 2019). With regard to the latter, multisensory marketing can be valuable since "customers can develop deep connections with brands when their brand-experiences stimulate and engage multiple senses, leading to stronger cognitive brand-associations retained in their memory" (Yoganathan *et al.*, 2019, p. 387). For instance, JBC's sustainable store concept not only embraces technologies allowing an interactive and educational shopping experience, it also uses sustainable materials and greenery to design and decorate the store. The store has a sitting corner with recycled wooden furniture and cushions made from waste materials. For the kids, there is a wooden playground

and a recycling machine that they can power themselves by cycling. Overall, the store aims to provide a stimulating and multisensory brand experience [9].

Customer Engagement

In light of a transformative value positioning, service providers should stimulate customer engagement which involves a customer's motivationally-driven, voluntary investment of resources in brand interactions (Hollebeek *et al.*, 2019). Customer engagement is a multi-dimensional concept that includes cognitive (i.e., thoughts and mental elaborations), emotional (i.e., sentiment), and behavioral (i.e., energy, time, and/or effort) aspects (Behnam *et al.*, 2021). To encourage customers' engagement in transformative value creation, the service provider can stimulate (1) *cognitive engagement* by offering authentic, credible and even thought-provoking information; (2) *emotional engagement* by using a transformative narrative that touches the heart of customers; and (3) *behavioral engagement* by offering clear and easy-to-follow guidelines for customers (Behnam *et al.*, 2021). Marriott, for instance, tries to engage customers in its efforts to stop human trafficking in the accommodation industry. The company's 'A Million Eyes' video was launched as a public service announcement to explain the role hotel employees as well as guests play in the fight against human trafficking. The video contains thought-provoking information about the problem as well as sentimental testimonials to engage customers at a cognitive as well as emotional level. Furthermore, the video provides a list of human trafficking warning signs and guidelines for hotel guests who suspect human trafficking [10].

It is noteworthy that behavioral engagement offers some interesting avenues for transformative value creation, since customers can be engaged in transformative actions and communications. First of all, customers can be *engaged in transformative actions*. For instance, a hotel can request guests to forgo housekeeping, reuse their towels, or pay attention

to signals of human trafficking. However, when engaging customers in transformative actions, this often implies an individual 'cost' to customers since they have to change their behavior and even invest effort and/or time (Wang *et al.*, 2017). Hence, the firm should carefully think about its targeted segments since customers differ in terms of preferences and benefits sought. For instance, 'dark green' customers are more inclined to engage in transformative actions and are willing to accept the costs of transformative value creation (Olson, 2013). Furthermore, the service provider should clearly communicate and show – by means of tangible and visible cues – the firm's own commitment to and investments in transformative actions (Wang *et al.*, 2017). In addition, service providers can offer something in return for customers' efforts, such as a voucher (Wang *et al.*, 2017), or allow guests to actively express their interest in joining the firm's transformative programs (Baca-Motes *et al.*, 2013).

Second, customers can be *engaged in communications of transformative value* by sharing their personal experiences on social media. This, on the one hand, creates recognition benefits – in terms of status and self-esteem – for the customer, and, on the other hand, creates positive word-of-mouth for the firm (Iglesias *et al.*, 2019). Furthermore, by encouraging customers to engage in the transformative narrative of the brand, firms can enhance the authenticity of its transformative value positioning (Markovic *et al.*, 2018). An ecological service brand can, for instance, run a social media contest where followers have to post videos of their ecological life hacks, including a hashtag related to the brand.

Conclusion

Theoretical Implications

Following MacInnis (2011), this paper makes two conceptual contributions. First and foremost, it offers a *revised perspective* on a transformative value positioning for service

brands. Specifically, this paper builds on insights from service, branding, and communication research to provide a comprehensive perspective on the key principles of a successful transformative value positioning for service brands. Furthermore, this paper offers a more balanced perspective, by also including potential backfire effects of a transformative value positioning.

Second, our organizing framework *delineates various elements* that should be considered and – more importantly – should be aligned in order to build a strong and positive transformative value positioning. It is important to note that the brand touchpoints depicted in Figure 1 do interact, and these interactions should be considered more carefully. For instance, actions and communications are closely related and mutually reinforcing. Thus, when researchers examine the effects of communications, they need to consider the complex interrelations with actions, employee behavior, and servicescapes.

Managerial Implications

The key principles provide guidelines for managers striving for a transformative value positioning (see Table I). For a successful transformative value positioning, *all of them* should be met, regardless of the type of service. In particular, some principles are fundamentally conditional for transformative value positioning to work (indicated with an asterisk in Table I), while the others may increase the success of it. Not adhering to the conditional guidelines could have severe implications for service brands in terms of washing perceptions ultimately deteriorating the brand image.

Table I. Key principles of a successful transformative value positioning

Key element		Key principle
Organizational DNA	1	Strive for authenticity by building your transformative value positioning on the organizational DNA.*
Brand Touchpoints	2	Guarantee consistency across all brand touchpoints including all actions, communications, employee behaviors as well as servicescapes.*
Actions	3	Make sure that your actions are impactful and reflect the firm's commitment to and investments in transformative value.*
	4	Ensure that your actions fit the services provided by the firm, the organizational DNA as well as the interests and preferences of the target market.*
Communications	5	Make clear in your communications that you invest in transformative value because it is the right thing to do.*

	6	In your communications, make your impact
		   a) tangible by communicating evidence such as facts and figures*
		   b) visible by showing to your customers what you are doing*
		   c) credible by using labels or certificates*

	7	Use cognitive as well as emotional appeals when communicating about transformative value.
	8	Embrace integrated marketing communication when communicating about transformative value.*
Employee Behavior	9	Ensure that the brand and its transformative value are internalized by explaining, promoting, verbalizing and visualizing it to employees.*
	10	Make sure that human resource policies and practices support your transformative value positioning.*
Servicescapes	11	Design the servicescape in such a way that a) atmospheric design factors support the transformative narrative*

		b) the layout and functionality encourage transformative employee and customer behavior*
		c) artifacts, signs, and symbols convey the transformative narrative and/or explain transformative actions*
		d) technologies share the transformative actions and/or narrative.
	12	Use cognitive as well as sensorial cues in your servicescape and strive for multisensory marketing.
Customer Engagement	13	Stimulate customers' cognitive, emotional as well as behavioral engagement.
	14	When engaging customers in transformative actions
		a) think carefully about your target segment
		b) communicate about your own commitments
		c) motivate customers by means of incentives
		d) allow customers to actively join a transformative program
	15	Try to engage customers in transformative value communications.

Note: *These principles are fundamentally conditional for transformative value positioning to work.

Research Agenda

Based on the organizing framework and key principles, several avenues for further research can be formulated (see Table II). We hope that this research agenda offers a foundation and impetus for further research on this highly relevant topic.

Table II. Research agenda

Theme	Research avenues
Interconnectedness	How are the elements presented in Figure 1 connected to each other? (e.g., what is the impact of communications on employee behavior?)
	How do the different elements interact and evolve over time? We specifically call for longitudinal studies to explore this issue.
	How do companies deal with all these elements in practice? We specifically call for case study research to explore this issue.
Balanced perspective	Which positive and negative brand perceptions should be examined when considering a balanced perspective?
	What is the impact of the different elements on positive and negative brand perceptions?
	Is there some kind of flipping point for some or all elements at which washing perceptions occur?
Organizational DNA	How can we measure the fit between transformative value and organizational DNA for service brands?
	What is the influence of service or industry characteristics on the fit between transformative value and organizational DNA?
	Is authenticity possible in every industry (e.g., an ecological value positioning for airline travel which is inherently polluting)?
Brand Touchpoints	How can we assess the consistency of the transformative narrative across all brand touchpoints?
	What is the impact on customer perceptions if just one piece of the puzzle is missing? (e.g., if only the servicescape is not in line with the transformative narrative).
Actions	How can we assess whether actions are perceived as impactful and reflect the firm's commitment to and investments in transformative value?
	How can we assess the fit between actions and the services provided by the firm?
	How can we assess the fit between actions and the organizational DNA?

	How can we assess the fit between actions and the interests and preferences of the target market?
Communications	How can a service provider communicate the idea that transformative value is part of the organizational DNA in authentic and credible ways?
	What is the impact of communicating a transformative program that has its own name (e.g., "Wave of Change") on customer perceptions?
	What are the factors that drive skepticism and "washing perceptions" and what communicative errors may foster such perceptions?
	How can a service provider create an emotional connection with customers when communicating about transformative value?
Employee Behavior	How can we measure if employee behavior is in line with the transformative narrative?
	Does the customer blame the employee or the firm if an employee's behavior is not in line with the transformative narrative?
Servicescapes	What is the relative impact of different atmospheric design factors (e.g., furniture, materials, colors) on positive and negative brand perceptions?
	How can a service provider design its servicescape to encourage transformative behaviors of employees and/or customers?
	Which artifacts, signs, and symbols are most effective to convey the transformative narrative and/or explain transformative actions?
	Which technologies are most effective to convey the transformative narrative and/or explain transformative actions?
	How can a service provider optimally combine cognitive and sensorial cues in the servicescape?
Customer Engagement	What is the influence of the various elements of the framework that are – to a large extent – 'under control' of the organization (e.g., actions, communications, employee behavior, and servicescapes) on customer engagement?

Under which circumstances can a service provider's initiatives to engage customers backfire?

What is the influence of service or industry characteristics on customer engagement in transformative actions and communications?

What kind of incentives are most effective when trying to engage customers in transformative actions?

How can a service provider design a program that allows customers to actively join transformative initiatives?

[1] www.iberostar.com

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