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The boundary spanning of managers within service networks

Andrew Alexander^a, Christoph Teller^a, Anne L. Roggeveen^{b,*}

^a Surrey Business School, University of Surrey, Guildford GU2 7XH, UK

^b Babson College, Babson Park, MA 02457, United States

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ABSTRACT

This research examines how managers act as a boundary spanner in two types of boundary-spanning relationships and how their boundary-spanning activities provide support for customer value creation in service networks. Using an embedded case design in three shopping centers, the results from interviews with retail store managers and shopping center managers indicate that store managers span boundaries between both the parent organization and the shopping center and between the shopping center and customers. Analysis reveals six types of boundaryspanning activities. Four serve to represent the organization (service delivery, coordination, guarding, and external communication), while two are informational in nature (outbound information collection and relay, and inbound information collection and relay). This research highlights the wide range of activities a manager can undertake to improve the competitiveness of a company and service network by enhancing customer value.

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1. Introduction

A shopper walks into a retail store in a shopping center and tells the store manager that one of the elevators connecting the parking garage to the shopping area is broken. The manager apologizes to the shopper for the inconvenience and calls the shopping center management to notify them of the problem. The store manager also notifies his retail management so that they are able to track issues in the shopping center.

The store manager described in this vignette undertakes boundaryspanning activities intended to improve the customer experience both at the shopping center and at the store. This research investigates the boundary-spanning activities of retail store managers in shopping centers and their significance for customer value creation. The focus of such activities can be both internal (e.g., for the parent retail organization) and external (e.g., for the shopping center management and the customer). The general goal of this research is to move boundary-spanning literature beyond the dyadic retailer – customer perspective typical of many previous studies. To do so, the present study extends prior research into a service network context by empirically examining how managers act as boundary spanners in two further types of boundary-spanning relationships: (1) between the parent retail organization and the shopping center in which its store is located, and (2) between the shopping center and customers. Previous research has not investigated these two types of relationships, yet they are critical in terms of delivering value to customers, which ultimately leads to the success of the shopping center and the center's businesses.

In today's competitive omni-channel retail environment, brick and mortar retailers increasingly compete on the basis of the customer experience they can deliver. Part of this experience occurs in the store, but part depends on the experience customers have in the surrounding environment. In a shopping center that brings together a wide variety of retail, entertainment, and dining options, the experience that the center offers to customers has the potential to be very rewarding if the network of offerings can collaborate to create a rich and enjoyable customer experience. This study provides an improved understanding of the ways store managers can effectively serve as boundary spanners in this environment and lead to an enhanced customer experience.

2. Theoretical background

2.1. Shopping centers as service networks

This research operationalizes shopping centers as service networks. Shopping centers represent a form of service network in which each organization in the network can contribute to the overall customer experience with the network. By coordinating well (Verhoef et al.,

* Corresponding author.

E-mail addresses: a.alexander@surrey.ac.uk (A. Alexander), c.teller@surrey.ac.uk (C. Teller), aroggeveen@babson.edu (A.L. Roggeveen).

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2009; Windahl & Lakemond, 2006), these networks have the potential to more capably meet the needs of customers than the same organizations operating in a non-unified manner. The approach must be strategic with different organizations in the network taking on specific roles, and with agreed goals (Möller & Rajala, 2007). Yet, research into how service networks actually operate is limited (for exceptions, see Henneberg, Gruber, & Naudé, 2013; Tax, McCutcheon, & Wilkinson, 2013).

The shopping center is a set of interdependent operations located in close proximity to each other that provide a holistic service experience to consumers (Brass, Galaskiewicz, Greve, & Tsai, 2004). Shopping centers represent a commonplace form of a geographically bounded horizontal network that is of significant importance in the retail and service industry. Competitive advantage for the shopping center as a whole and for the businesses that operate within the center can derive from the development of relationships and from collaboration within the network (Lavie, 2006). Although the retail management literature has identified how such relationships can result in benefits and challenges for both retailer and center management (Howard, 1997; Roberts, Merrilees, Herington, & Miller, 2010; Teller, Alexander, & Floh, 2016), the nature of these relationships warrants more thorough evaluation from a network perspective.

Stores in the shopping center represent nodes in the network, while store managers and other store employees are representatives that undertake the role of network actors (Rigopoulou, Theodosiou, Katsikea, & Perdikis, 2012). Importantly, the objectives of parent retail organizations influence the activities of the store managers that participate in the network. Networks often operate by employing people to spearhead efforts on behalf of the network members. In the case of the shopping center, a center management team comes together with store managers to determine how to offer a rewarding experience that will attract customers to the shopping center and to the center's stores. Store managers can share the information they gain about other stores in the network and the network as a whole with the store's customers. Store managers can also share this information to other stores in that intra-company organization.

2.2. Store managers as boundary spanners in service networks

Through their position in the service network, store managers have the capacity to act as boundary spanners and as such can be key individuals (e.g. Bowen & Schneider, 1985; Teller & Alexander, 2014). As boundary spanners they connect their company with external factors: customers, the shopping center management, and representatives of other retail and service providers in the center (Aldrich & Herker, 1977). They represent the human face of the organization to outsiders and act as an organizational representative or brand ambassador (Bettencourt & Brown, 2003). They can have an important influence on firm innovativeness (Woisetschläger, Hanning, & Backhaus, 2016).

Typical perspectives on boundary spanning consider how a frontline employee interacts with a customer, with attention given to the impact on company performance (e.g. Bell, Mengüç, & Widing, 2010; Bettencourt, Brown, & Mackenzie, 2005; Bowen & Schneider, 1985; Netemeyer, Maxham, & Lichtenstein, 2010). Research has focused on the characteristics of boundary spanners that interface with customers to determine how they perceive their role, and what factors may inhibit performance (Rigopoulou et al., 2012).

Boundary-spanning activities have been the subject of multiple definitions. Some define the actual activities, such as filtering, transacting, buffering, representing, and protecting (Adams, 1976), while others distill the activities into categories, such as external representation, internal influence, and service delivery (Bettencourt & Brown, 2003). Yet others describe the activities as focused on representation and coordination tasks and on information search (Ancona & Caldwell, 1992; Marrone, 2010). Discussing the issue from the perspective of the communication of information, Tushman and Scanlan (1981) argue that boundaryspanning activities involve both (1) relaying information in order to represent the organization to individuals outside of the organization and (2) collecting information from outside the organization and disseminating the information gathered within the organization. Based upon this literature, the present paper defines boundary-spanning activities as including both a representational element (e.g. being an advocate of the company and the company's goods and services) and an informational element, with clearly some overlap between the two elements (Aldrich & Herker, 1977).

2.3. Service networks, boundary spanning, and customer value creation

The conceptual model in this study focuses on the informational and representational activities in two types of boundary-spanning relationships: (a) between the parent organization and the service network; and (b) between customers and the service network (see Fig. 1). In the relationship between the parent organization and the service network, store managers convey information between the shopping center and the parent retail organization. Informational activities involve collecting and conveying information from the shopping center to the parent organization, as well as gathering and conveying information from the parent organization to the shopping center. Representational activities are of an ambassadorial nature and involve representing the parent organization and conveying retail information to the shopping center.

In the relationship between the service network and customers, store managers convey information between customers and the shopping center management. This relationship involves collecting and conveying information, this time from customers to the shopping center, as well as from the shopping center to customers. As in the previous case, this conveyance also includes representational activities.

Based on the retail and services marketing and management literature concerned with boundary spanning in the retailer – customer dyad (Bettencourt & Brown, 2003; Bowen & Schneider, 1985), this paper proposes that such activities help to enhance the customer experience and thus create value for customers. Customer-experience management is a "strategy to engineer the customer's experience in such a way as to create value both to the customer and the firm" (Verhoef et al., 2009, p. 38). Customer-experience management involves all the contact points between a customer and retailer (Grewal, Levy, & Kumar, 2009), with the location of the retailer clearly being a moderating factor between the strategy of the retailer and the experience of the customer (Verhoef et al., 2009). This research explores how the boundary-spanning activities of a store manager can help to enhance the customer experience and thus create value for the store, the shopping center, and the parent retail organization.

3. Methodology

This study uses an embedded case design, where the embedded cases are both the stores and the related shopping centers, thus revealing potential differences between shopping centers. The cases include all stores in the shopping centers and the store managers serve as the key informants. Reflecting the embedded case-study design, the researchers also conducted interviews with the respective shopping center management.

3.1. Participants

The sample includes three shopping centers in the South East of England: a regional shopping center with 121 stores (CTR I), a subregional shopping center with 32 stores (CTR II), and an enclosed Factory Outlet Center with 71 stores (CTR III). All three employ a shopping center management team.

The researchers conducted 20 store manager interviews in CTR I, 14 in CTR II, and 15 in CTR III, as well as 3 interviews with the shopping

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