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Meaning is in the eye of the beholder: Reconciling business model design with customer meaning-making

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ABSTRACT

To remain competitive in a shifting sociocultural landscape, firms often introduce new meanings—new reasons why customers use their products or services—that must be embedded into their strategy. However, customers are active participants in value creation processes, rather than passive recipients. This is especially true in services, where value is created in the interaction between provider and consumer. When designing business models, firms must thus consider customers' meaning-making activities, which are highly subjective and influenced by cultural frames and personal characteristics. Yet, the business model literature has largely overlooked how firms design business models to articulate new meanings and shape customer perceptions. In this study, we explore the role of business model design in determining how firms articulate new meanings that customers subsequently perceive. We present a comparative case study of two store concepts developed by the same entrepreneur, both introducing the same new meanings. Through in-depth interviews with the founder and CEO, in-store observations, and archival data, we analyze their strategy for introducing new meanings. Additionally, we apply topic modeling to online reviews to examine how customers interpreted these new meanings. Our findings suggest that firms can shape customer perceptions of new meanings through business model design, particularly by leveraging value creation mechanisms tied to value delivery. This study enriches the business model design literature and connects it to the innovation of meaning discourse. It also offers practitioners insights into how to use firm strategy to convey intended meanings to customers.

1. Introduction

Evolving sociocultural trends often prompt firms to reinvent their offerings to remain appealing to existing and prospective customers (Oyserman, 2011; Verganti, 2008). This shift requires firms to develop the ability to innovate products and services to reflect cultural changes and envision how customers will interpret them (Eisenman, 2013; Akaka et al., 2015). Previous studies have explored innovation in the meaning of products and services as the rethinking of the reason why customers purchase and use them (Verganti, 2009; Wang et al., 2022) to align with shifting sociocultural and consumption trends (Candi et al., 2016; Dell'Era, 2010; Verganti and

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Öberg, 2013). For example, Whole Foods transformed grocery shopping by emphasizing organic and locally sourced products, responding to consumers' growing interest in healthy nutrition and supply chain transparency. In contrast, McDonald's has struggled to shift customer perceptions despite introducing healthier menu options, thus facing sales declines and increased competition from healthier fast-casual chains.

Indeed, customers may fail to recognize the new meanings introduced by the firm and attribute alternative ones (Anthony et al., 2016): failure to convey intended meanings to customers can result in negative consequences for the firm (Verganti, 2017). This stems from the high subjectivity of individual meaning-making activities that customers undergo when using or purchasing a product or service, which can make new meanings difficult to comprehend (Wang et al., 2022). As such, guiding customers' individual meaning-making becomes crucial for firms to ensure an accurate interpretation of the new meanings introduced (Akaka et al., 2015).

Previous studies have reported numerous examples of the introduction of new meanings in different industries, including video-games, fitness, and furniture (Dell'Era et al., 2017; Verganti, 2008), digital products (Wang et al., 2022), beauty (Artusi and Bellini, 2020b), music (Anthony et al., 2016; Trabucchi et al., 2017), social media (Sanasi et al., 2022b), book retail (Artusi et al., 2020), and energy (Artusi et al., 2022). Yet, whereas these studies address functional strategies—i.e., innovation and marketing strategies—we argue that innovating meanings has firm-level strategic implications (Battistella et al., 2012) and that firms must carefully design their business models (Afuah and Tucci, 2001; Osterwalder and Pigneur, 2010) to reflect the new meanings and embed innovation into the firm's strategy.

Business models are particularly important for this purpose, as they represent coherent systems of interrelated elements that describe the overarching logic behind the firm's strategy (Baden-Fuller and Häfliger, 2013). Business model design, in turn, consists of determining a value proposition for a target set of customers and articulating how the firm creates and delivers value—representing the activities that firms undertake to materialize products and services, and the processes put in place to provide these to customers—to then capture value back in the form of profits, balancing cost structures and revenue mechanisms (Fjeldstad and Snow, 2018; Teece, 2010). In the service sector, in particular, value delivery mechanisms are an integral element of value creation, as value is produced in the interaction between service provider and user (Vargo and Lusch, 2004) rather than being created solely by the service provider and later consumed by the user.

In line with this perspective, business model research has called for further study on the important role played by customers in value creation activities (Massa et al., 2017). The demand-side perspective of value creation (Priem, 2007) emphasizes the strategic relevance of customers in the firm's value creation activities and the need to account for customer needs in business model research (Priem et al., 2012, 2018). This perspective is even more prevalent in service business models, where value is created *in use* during the service interaction (Vargo and Lusch, 2004). Yet, despite the growing awareness of customers as not merely receivers of value but rather active (co-)creators (Ramaswamy and Ozcan, 2018), the current literature on innovation of meaning views innovations in products and services as 'proposals' made by the firm to their audiences (Verganti, 2008; Dell'Era et al., 2017). We argue that this inside-out view (Magistretti et al., 2022) is incomplete and has so far overlooked how customers make sense of the new meanings introduced and ultimately perceive them. This gap is particularly problematic for firms, as incorrect attribution of meanings by customers could result in negative implications (Anthony et al., 2016; Wang et al., 2022), leading to a significant disconnect between the understanding of firm-level (*macro*) strategy and its individual-level (*micro*) outcomes, and vice versa (Kouamé and Langley, 2018).

Building on these considerations, we argue that the business model literature has yet to fully address how firms can design business models to integrate and articulate new meanings in response to evolving sociocultural trends and to ensure that customers make sense of them as intended. This study examines how firms align their business model design with new meanings to guide customer interpretations effectively. Therefore, this study asks the following research question: *How do firms address the tension between introducing and articulating new meanings in business model design?*

To answer this question, we focus on two paradigmatic cases of the embodiment of a new meaning in a service concept. Services, unlike products, are characterized by a high degree of interaction between customers and the service provider (Payne et al., 2008; Sorescu et al., 2011), and therefore require even more careful attention to ensure new meanings are properly conveyed to customers (Artusi and Bellini, 2020a).

In line with the multidimensionality of services and to account for both the supply side and demand side of business model design, our investigation adopts a dual perspective. First, we draw on interviews, in-store observations, and archival material to understand and describe the new meanings formulated by the founder of two different retail services (i.e., Eataly and FICO) and their implementation through different business model design choices. Second, we examined customer interpretations of these new meanings by analyzing the spontaneous reviews left by visitors of the two store concepts on the online review platform Tripadvisor. In doing so, this study aims to link the meanings that the services intended to convey to customers with the meanings that customers perceived. Through this comparison, we illustrate and analyze how business model design shapes the interpretation of meaning and the critical role of the value creation system, particularly value delivery mechanisms related to the service interaction.

From a theoretical perspective, our study contributes to extending the debate on the link between business model design and demand-side value creation (Priem et al., 2018). Specifically, our findings enrich the business model literature with an empirical account of how firms may bridge the macro- and micro-levels of strategy (Kouamè and Langley, 2018), observing the effects of business model design—specifically focusing on value creation mechanisms—on individual meaning-making. In this sense, our study highlights the need to take customer perception into account in the design of new business models, consistent with the demand-side view of value creation (Priem, 2007). Second, we contribute to the literature on the innovation of meaning (Dell'Era, 2010; Verganti, 2009) by exploring its relationship with business model design as a way to articulate new meanings into a coherent firm-level strategy. Our empirical investigation complements previous conceptual contributions (Battistella et al., 2012) that advocated for connecting the formulation of the vision for new meanings with business model design. Additionally, it advances previous studies on the innovation of

meaning in service businesses (Artusi and Bellini, 2020b; Zasa et al., 2023), highlighting the customer-level perception of meanings as a result of the service experience. Third, our findings extend the current understanding of meaning-making at the customer level (Kazmierczak, 2003; Grace, 2021), showing that the same meanings can be translated into different business model designs and lead to significantly different customer interpretations. From a practical perspective, our study provides managers and entrepreneurs with insights on how to integrate new meanings into the firm's strategy by mindfully designing business models and encourages them to consider how customers' individual perceptions influence the interpretation of new meanings during the service experience.

2. Theoretical background

2.1. Product meanings, innovation of meaning and meaning-making

Research on consumption has long highlighted the role of products as carriers of meanings (Csikszentmihalyi and Rochberg-Halton, 1981). This view originates from understanding consumption as driven by both utilitarian and hedonic factors (Hirschman and Holbrook, 1982): people buy products to feel good, to express themselves, and to experience a particular state—not only for their utilitarian benefit. Product meanings have been described as "important interpretive schemes that actors employ to distinguish a product from other products" (Wang et al., 2022, p. 950). Products thereby embody systems of signs that can be shaped to create meaning (Csikszentmihalyi and Rochberg-Halton, 1981; McCracken, 1986; Venkatesh, 1999) and drive individual or collective understanding of a given product (Anthony et al., 2016; Koçak et al., 2014).

The concept of product meaning has captured the interest of scholars from different disciplines, including innovation management (e.g., Dell'Era et al., 2020), information systems (e.g., Wang et al., 2022; Yoo et al., 2010), design (e.g., Kazmierczak, 2003; Norman and Verganti, 2014), strategic management (e.g., Anthony et al., 2016), and organization studies (e.g., Koçak et al., 2014). The innovation management literature, in particular, has drawn upon this view to establish the concept of innovation of meaning as distinct from technological innovation (Verganti, 2008). Innovating the meaning of a given product or service harnesses emerging sociocultural trends to provide customers with new reasons for their use (Dell'Era, 2010; Verganti, 2009; Verganti and Öberg, 2013), viewing products and services as interfaces that are loaded with meaning rather than self-standing objects (Kazmierczak, 2003) whose hedonic dimension can be a source of innovation in itself (Candi et al., 2016).

This semantic perspective on innovation has been crucial in distinguishing innovation of meaning from technological innovation (Verganti, 2008). It emphasizes how emerging sociocultural trends can create new reasons for the use of products and services (Dell'Era, 2010; Verganti, 2009; Verganti and Öberg, 2013). This perspective views products and services as interfaces loaded with meaning, rather than self-standing objects (Kazmierczak, 2003), whose hedonic dimension can be a source of innovation in itself (Candi et al., 2016). This turn in the view of innovation has gained centrality in the discourse by being interpreted as a set of activities that can work through the styling and aesthetics of an artifact to elicit perceptions of meaning from users (Krippendorff, 1989; Verganti, 2008). This approach has also allowed innovation based on meanings to be positioned alongside traditional innovation frameworks, such as technology push and demand pull (Di Stefano et al., 2012), or the conventional view of new product development (Gemser and Leenders, 2001; Kumar and Noble, 2016).

As Verganti (2008, p. 443) states, innovation of meaning originates "from the comprehension of subtle and unspoken dynamics in sociocultural models and results in proposing radically new meanings and languages that often imply a change in sociocultural regimes." Based on this definition, Verganti and Öberg (2013) proposed two principles for the innovation of meaning: 1) a hermeneutic approach, where conceiving new meanings is an act of interpreting sociocultural shifts rather than analytical problem-solving based on current needs; and 2) a process based on envisioning, where innovators need to look into the future and understand what will be meaningful to people beyond the current cultural frames (Dell'Era et al., 2020; Verganti, 2008).

As a result, innovation in product meanings is formulated inside the firm and proposed to its audiences (Dell'Era et al., 2017) through the critical interpretation of sociocultural trends (Verganti and Öberg, 2013), as opposed to relying on user-generated insights and problem-solving loops that characterize traditional product development processes (Candi et al., 2016; Gemser and Leenders, 2001; Kumar and Noble, 2016). Several scholars cite examples of innovations of meaning across industries, most notably the Nintendo Wii (Norman and Verganti, 2014; Goto, 2017; Verganti, 2009). Nintendo's Wii game console transformed the videogame market from niche entertainment for tech-savvy players looking for alternative realities, to a mainstream entertainment platform for spending time with friends and letting the "entire family play sports, exercise" (Norman and Verganti, 2014, p. 86). Further elaborations of the concept provided examples of innovation of meaning in technology applications (Dell'Era et al., 2017; Magistretti et al., 2020; Trabucchi et al., 2017), digital products (Wang et al., 2022), and services (Pinto et al., 2017; Artusi and Bellini, 2020a; Korper et al., 2021). Multiple studies have since looked at how new meanings can be translated into new product languages (Dell'Era et al., 2008, 2011; Gasparin and Green, 2018), and how the construction and interpretation of meanings work at the market (Khaire and Wadhwani, 2010) and customer level (Artusi and Bellini, 2020a; Grace, 2021).

This raises the challenge of how innovating firms can control the correct meaning perceived by customers (Artusi and Bellini, 2020a), i.e., their meaning-making process. Meaning-making is understood as a process of decoding signs contained in a given product or service, that induce thought into the receiver and cannot be understood independently of the receiver's interpretation (Kazmierczak, 2003). Meaning-making is a highly subjective process, often driven by culturally determined frames (Geertz, 1983) that make some ways of interpreting signs more likely than others (Arnould and Thompson, 2005).

Context plays a fundamental role in determining how individuals might interpret signs and construct meanings from them. For example, a knife in a kitchen is likely to elicit a very different interpretation than a knife in the hands of a stranger in a dark alley at night (Krippendorff and Butter, 2008). Indeed, meaning-making is subjective, based on past experiences and individual characteristics

(Kazmierczak, 2003; Paradis et al., 2013; Flaskas, 2018). In the knife example, it is enough to know and trust the person holding the knife—a highly individual experience—to stop interpreting the situation as dangerous.

In this sense, meaning-making has been described as a socially constructed activity that is highly situated as the result of interactions and communication between individuals and their context (Cornelissen and Werner, 2014). In this context, the interpretive noise introduced by cultural and individual elements can make it difficult for firms to direct customers' meaning-making toward the desired outcome (Artusi and Bellini, 2020a). To explore this challenge, we build on the idea that meanings have firm-level strategic implications (Battistella et al., 2012) and suggest that the business model construct (Afuah and Tucci, 2001; Osterwalder and Pigneur, 2010) offers an opportunity to connect the articulation of new meanings to firm strategy.

2.2. Business model design for meaning-making

Firms pursue innovation as a way to maintain a competitive advantage despite the continuous process of creation and destruction that takes place in competitive markets (Schumpeter, 1942). These advantage-seeking actions are at the core of strategy-making (Porter, 1985). In line with this, the literature agrees that business models are the realization of a firm's strategy (Richardson, 2005; Casadesus-Masanell and Ricart, 2010), transforming strategic decisions into an actionable framework (Cortimiglia et al., 2016) that, through business model design, translates the firm's purpose (*why*) into execution (*how*) (Bocken et al., 2015).

Business model design involves defining a value proposition for a set of target customers and designing the surrounding mechanisms of value creation, embodied by the activities that contribute to the production and delivery of value to customers, and value appropriation—involving the firm's formula for balancing costs and returns to make it economically viable (Teece, 2010). These mechanisms interact in translating a new meaning or a new reason *why* customers buy and use a given product or service into *how* it is materialized before it reaches customers (Akaka et al., 2015). In this sense, business model design determines how a firm's strategy is articulated, including how its value systems are organized and how they are communicated to customers. This has long been viewed as a unilateral process, as if firms were the sole value creators in the equation, with any impact of their business model choices limited to potential reputational repercussions (Sanasi et al., 2022a). Instead, business model design allows value to be created through the interaction between the firm—the product/service provider—and its customers—the demand side (Massa et al., 2017).

Scholars have also argued that business model design incorporates the end customer's perception of the value created by the firm (San Román et al., 2011). Specifically, studies have described value creation as a co-production process that involves multiple actors, including customers, suppliers and other stakeholders (Fjeldstad and Snow, 2018). This is particularly true for services, where experience becomes the primary means for a firm to engage in a relationship with customers and create value for them (Vargo and Lusch, 2004; Lusch and Nambisan, 2015). Yet, up to now, the literature on service business models has mainly focused on the transformation of manufacturing product business models into service business models—i.e., *servitization* (Oliva and Kallenberg, 2003; Visnjic et al., 2016)—or the business model design of internet-based service businesses (e.g., Afuah and Tucci, 2001; Amit and Zott, 2001). Although these accounts discuss service business model design and innovation, they focus on the firm's end and do not address the specifics of customer meaning-making as a response to business model design choices, particularly how business model design influences customer meaning-making processes.

In line with this view, studies have suggested that customers—the demand side—are active co-producers of value and can play a role in determining strategic choices (Priem, 2007). More importantly, as services involve customers' active involvement in the creation of value (Vargo and Lusch, 2004), the way value is created within service interactions makes customers relevant agents in value creation (Stabell and Fjeldstad, 1998) who need to be considered when making business model design choices. In this context, business model design can help focus value creation on the customer side (Priem et al., 2018) by addressing the evolution and heterogeneity of consumer needs and aspirations, as well as the role they play in shaping the firm's value architecture (Massa et al., 2017). As a result, firms should develop the ability to embed the new meanings they formulate in how they deliver value to their customers (Sorescu et al., 2011).

However, the existing body of business model research has predominantly adopted a meso-level view that sees firms as the primary agents in the creation of value (e.g., Baden-Fuller and Häfliger, 2013; Chesbrough and Rosenbloom, 2002) and presents customers as homogeneous targets who act as mere recipients of the consequences of business model design choices (Massa et al., 2017). This is problematic because it fails to consider the role that meaning-making plays at both ends of business model design, from the perspective of the decision maker and the individual customer making sense of the new value proposition.

In this sense, Kouamé and Langley (2018) call for more research connecting the micro- and macro-levels of strategy, aligning with the need to integrate new meanings into firm-level strategy through business model design while accounting for individual-level customer meaning-making. Building on this understanding and the need to conceptualize how firms can integrate new product and service meanings into firm-level strategy, we argue that business model design can play an important role in articulating new meanings and how customers interpret them, especially in service business models. To answer our research question, we thereby adopt a multi-level perspective and examine how firms can design their business model to embed new meanings—i.e., new reasons for using and buying the product or service—that they formulate for customers, exploring both firms' business model design choices and customer perceptions of meanings.

3. Method

To address our research question, we employ a mixed method based on a paired comparison between two cases (Eisenhardt, 2021; Tarrow, 2010)—two Italian retail concepts founded by the same entrepreneur (i.e., Eataly and FICO). This choice ensured high

comparability between the two cases, giving us the opportunity to compare two services based on the introduction of the same new meanings and check for similarities and differences across the two cases. This allowed us to examine in depth the differences in the firm's meaning integration within the firm's strategy through their articulation into business model design.

To corroborate and integrate these findings with the customers' perspective on the new meanings, we analyzed customer reviews left on the stores' public online pages. This way, we were able to link the outcome of the firm's meaning articulation through business model design with the customers' interpretation of the new meanings. We performed this analysis through topic modeling, which allowed us to study the more subjective level of the experience, such as emotions, personal feelings, beliefs, views, desires, and thoughts. The following sections explain more in detail our research different phases of this research and their objectives, also summarized in Fig. 1.

3.1. Research context

Our case study compares two service firms founded by the same entrepreneur using data collected from in-store ethnography, interviews with the founder, and secondary sources. In particular, Eataly and FICO are two different store formats that aim to deliver the same new meaning through different business models, both characterized by a grocery store/restaurant combination centered around Italian food. We focus on these store concepts because services are characterized by a high degree of intangibility and are heavily influenced by the relationship between front-line employees and customers (Lusch et al., 2007). Unlike products, services have few tangible features (e.g., shape, color, material) that firms can articulate to embed new meanings for customers to perceive. The selected firms represent a critical case in that they were designed to introduce the same new meanings. The two store concepts offer new reasons for customers to visit and formulate new meanings for grocery shopping, but they differ in their business model, leaving room for a different articulation and perception of meanings by customers.

3.2. Data collection and analysis

To address our research question, we collected primary and secondary data about our two cases, the new meanings formulated, the way they were embodied into business model design choices, and customer perceptions. As Fig. 1 shows, we collected information with the goal of understanding the new meanings that were formulated, the business model design in which they were embedded, and customers' perceptions of the new meanings. Specifically, we conducted interviews with the founder and the CEO of Eataly and FICO, in-store observations and collected customer reviews of the stores. Table 1 provides an overview of the sources of data collected and employed in our analysis.

We analyzed the interview and archival data using axial coding (Strauss and Corbin, 1990), clustered the insights from the in-store observations and organized them with the results of the coding into tables (Cloutier and Ravasi, 2021), and analyzed customer perceptions using topic modeling (Hannigan et al., 2019). We analyzed the results conjunctively to facilitate interpretation for the purpose of theory building (Leavitt et al., 2021). Last, we organized our findings into a visual framework.

3.2.1. Interviews and archival data

Our analysis includes an in-depth study of the formulation of new meanings and how they were embedded in the two respective business models. Specifically, we collected data through a set of in-depth interviews with the founder (and former CEO) and his son, the CEO of the company at the time of investigation (and current Chairman), and a large body of archival data (Grodal et al., 2021; Ventresca and Mohr, 2017) regarding our cases, including the founder's public interviews, podcasts, videos, and books. We also triangulated and supplemented the data collected using information gathered from institutional websites, scholarly and practitioner articles, and reports (see Table 1 for more detail about the data sources employed in the study).

The results of this data collection and analysis are twofold. On the one hand, it allowed us to deeply understand how new meanings were formulated in the founder's mind, given his unique and privileged position as the strategist behind both store concepts (Aguinis and Solarino, 2019). On the other hand, it allowed us to understand how the newly formulated meanings were embedded in the two respective business models. The interviews were coded independently by two researchers in a recursive process aimed at achieving convergence, using axial coding (Strauss and Corbin, 1990). We organized the results of the coding process into tables (Cloutier and Ravasi, 2021), which enabled us to create a customized template to structure data for our qualitative analysis (Bansal et al., 2018;

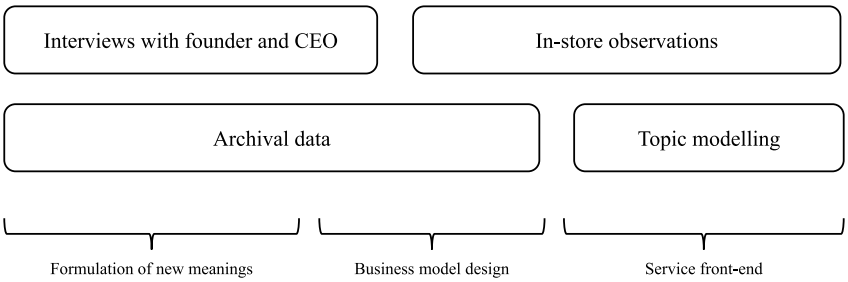

Fig. 1. Research design framework.

Table 1
Data sources.

Data source	Number	Use in the analysis
Semi-structured interviews	3 Interviews with the founder (former CEO and Chairman)	Understanding the meanings intended and the business model choices made by the founder in the two store concepts respectively.
Archival data	384 minutes podcast interviews 286 min video interviews 10 books authored by the founder 2 corporate websites 121 articles 3 reports	Substantiating and corroborating the understanding about business model choices and meanings intended in the two store concepts. Triangulating information from the interviews.
Informal correspondence	4 informal conversations with the founder and CEO and son 10 email exchanges	Coordination and confirmation of information correctness.
In-store observations	Eataly: 66 h (516 insights gathered) FICO: 52 h (437 insights gathered)	Gathering insights about the articulation of meanings into the service front-end and the business model choices.
Customer reviews	Eataly: 22,625 reviews FICO: 4,483 reviews	Capturing customer perceptions of meanings from spontaneous reviews about their experience in store.

Table 2
Themes emerging from interviews, in-store observations and archival data.

Themes	Subthemes and selected supporting evidence
Reinterpretation of the sociocultural context	Vision of society *"The consumer society is an interesting model. However, we need to change the concept of consumption. Moving from commodity to passion […]."* "*I want to target the best. Who's the best for me? The best are those who are curious, who have a sense of doubt, who are available to change their mind, who have no malice. The worst, on the contrary, are those who order 'the usual', you know? […] The non-curious, the repetitive, those who think that who is not like-minded is a fool or dishonest."* Sensing sociocultural shifts *"[…] Their nutritional choices will determine the longevity of this planet, the health of humans, and the well-being of farmers."*
Formulated meanings	Education on the supply chain *"We thought that it was about time to do the simplest thing of all: talking about food starting from its origin, rather than its end."* Consciousness and sustainability *"The consumer is a co-producer. You have to make it clear that everything depends on the demand, and you have to make them feel the enormous responsibility that the end customer has when they choose."* Italian authenticity *"If you had the luck of being born into the most incredible country in the world you have to be grateful, by honoring the products that are produced here!"* Fun and playful communication *"If you don't know the traditional culture of food, you enjoy it less when you eat it. You know that who created us, intelligently put pleasure into the two things that ensure the continuity of our species: love and food."* *"Well, in Eataly everything is sensory. You go through a whole range of scents, of flavors, of colors, of stories."* Discovery and product storytelling "*Our analyses told us that food was missing a narrative. Narrative is what transforms a product like any other, from something edible, to buy, to something worth buying, easy to eat, that creates wellbeing."* "*Just think that everyday there are hundreds—if we put together all the Eataly stores in the world—of producers who personally slice the product, make people feel it, make them taste it, make them touch it, make them try it."*
Business model design	Value proposition *"Our idea at Eataly is always to concentrate the beauty of Italy, namely the food, design, fashion, but also art, literature, and music, into one place."* Value creation and delivery mechanisms *"I thought it would be possible to integrate restaurants, retail and the classroom. One area where you can do the groceries, one area for dining, one area for learning the provenance and the history of the food you are eating, the tradition and the technique of Italian cuisine."* Value capture *"Maybe even regular families will decide to destine less money to things they put outside their body and spend more in things they put inside their body."* *"Each has their own targets. With time, I found out that my target is everybody. And it's true … I try to sell to the rich, to the poor, to the rightwing, to the leftwing, to the tall, to the short, etc. […] Those who are available to spend money for food. No matter if they are rich."*
Service front-end	Store Layout *"There has to be a huge, total integration between storytelling and design, architecture. […] If you go inside Eataly New York or any other Eataly, you see a path of fantastic signs that have to be conceptually embedded in the design."* *"As soon as the idea of the substance is born, I get to work with my architects to decide how to tell it through the environment, through the design, through the form."* Customer experience *"What I have always thought is this: you start with the content and then you design a container to hold that content, and that container has to be fundamental to make the content perceived."*

Köhler et al., 2022) and organize the data into themes and their supporting evidence (Table 2).

3.2.2. In-store observation

To complement the data on how new meanings are embedded in business model design and obtain a first-hand account of customers' experiences during their visit, we conducted 118 h of in-store observation in the five main Eataly locations in Italy (Bologna, Florence, Milan, Rome, Turin) and in the only FICO location active at the time of our study (Bologna). Two researchers conducted the in-store observations with the goal of observing and reporting customer behaviors and design decisions related to the in-store experience. Previous studies have advocated for fieldwork (Van Maanen, 2011), such as in-store observation, as an effective way to study the culture embedded in a place or a group of people (LeCompte and Schensul, 2010). As such, it is particularly useful for gaining insights into how new meanings are perceived and where they come from.

The in-store observations were designed to capture the differences between the two store concepts, better understand their respective business models, and gain insight into how customers perceived the new meanings as they experienced the stores. The main source of data was the direct observation of visitors acting in the selected environments (Angrosino, 2007). This resulted in a significant number of insights: a total of 516 different cues that caught the researchers' attention were collected from the Eataly stores and 437 from FICO (see Table 1 for more detail). The three researchers then independently clustered and analyzed these insights in search of patterns (Sangasubana, 2011). This step of the analysis was guided by the knowledge gathered from the interviews with the founder about the new meanings introduced.

3.2.3. Topic modeling

To fully answer our research question and given the highly subjective and intimate nature of meaning-making, we link the formulation of the new meanings and the resulting business model design with actual customer perceptions of the new meanings. To this end, we "give customers a voice" by analyzing what they had to say on the internet about their experiences (e.g., Ibrahim and Wang, 2019). Feelings express the hedonic dimension associated with the experience (Holbrook and Hirschman, 1982) and can therefore be used to understand the different meanings—i.e., reasons why—customers choose to use or experience a particular product or service.

We thereby collected a large number of online reviews of the Eataly and FICO stores in Italy left by visitors on their respective Tripadvisor pages. We selected this platform based on the following criteria: (1) the reviews are personal and express the inner motivations of customers, and (2) the data are publicly available. The first criterion led us to exclude some platforms from the analysis, such as Google Maps and Twitter, because these platforms are often used by users to evaluate the service level of stores or as a customer service point of contact. The second criterion led us to exclude Facebook reviews, which are inaccessible due to the site's privacy policy. In this way, we were able to collect visitors' unsolicited and unbiased opinions about their visit, allowing for a more spontaneous collection of the perceptions of meaning.

Next, we performed text mining on the collected body of reviews using a machine learning algorithm—latent Dirichlet allocation (LDA). The goal of this step was to search for common meanings characterizing the perceptions of store visitors by analyzing the latent topics discussed in the body of reviews describing their store visit (Hannigan et al., 2019). This approach is called topic modeling (Blei, 2012) and aims to categorize language to collect clusters of recurring words, called topics, according to their semantic similarity (Schmiedel et al., 2019). We separately analyzed English reviews of FICO and all Eataly stores in Italy (i.e., Milan, Rome, Florence, Bologna, Turin, Genoa, Trieste, Piacenza, Forlì, Bari) published between August 2010 and December 2019, resulting in 22,625 reviews for Eataly and 4483 for FICO. The difference in the number of reviews is due to FICO's more recent founding and the single location at the time of the study.

The reviews were parsed, tokenized, and cleaned of stopwords. After parsing, the resulting corpus was subjected to LDA, which we selected as the most widely accepted topic modeling method (Blei, 2012; Hannigan et al., 2019). LDA is an unsupervised learning technique that introduces a set of topics that express the latent semantic concepts embedded in a corpus of text. The method considers documents as a mixture of topics and topics as a mixture of words, resulting in clouds of words grouped by semantic proximity. In this study, we used the Gensim library for Python 3.7 and its LDA function to retrieve the topics.

The number of topics for both models was set to maximize coherence and minimize model perplexity, with λ set to 0.6 (as suggested in Sievert and Shirley, 2014). As a result, six topics were recognized in the Eataly reviews and eight in the FICO reviews. The topics found by LDA were then analyzed and interpreted using the second-order themes and aggregate dimensions derived from the interview and ethnographic data. The results of both analyses are presented in the next section.

In combination with in-store observation, topic modeling was aimed at understanding the more intimate and personal aspects of the customer experience. In particular, we built on the new meanings formulated (as shown in Table 2) to understand whether they corresponded to those perceived by customers. Again, we performed the analysis looking for differences in the perceived values in Eataly and FICO. The LDA provided optimal results in generating six topics for Eataly and eight for FICO. Each topic comes with a list of the most relevant words, the probability that those words should be present in the topic relative to their total occurrences, and a percentage of the impact of each topic on the total number of reviews. Fig. 2 illustrates the topics identified by the algorithm for Eataly and FICO (the red circles correspond to the topics explored in Fig. 3).

Each of the resulting topics is described and characterized by a list of its thirty most relevant terms. An example of this list for both Eataly and FICO is shown in Fig. 3. In the case of Eataly, given the significantly higher number of English reviews (FICO only opened in November 2017), the topics are characterized by better scores in terms of coherence and perplexity (Table 3), in turn facilitating our interpretive work. We are currently collecting and processing the reviews written in Italian to integrate the results with the current analysis.

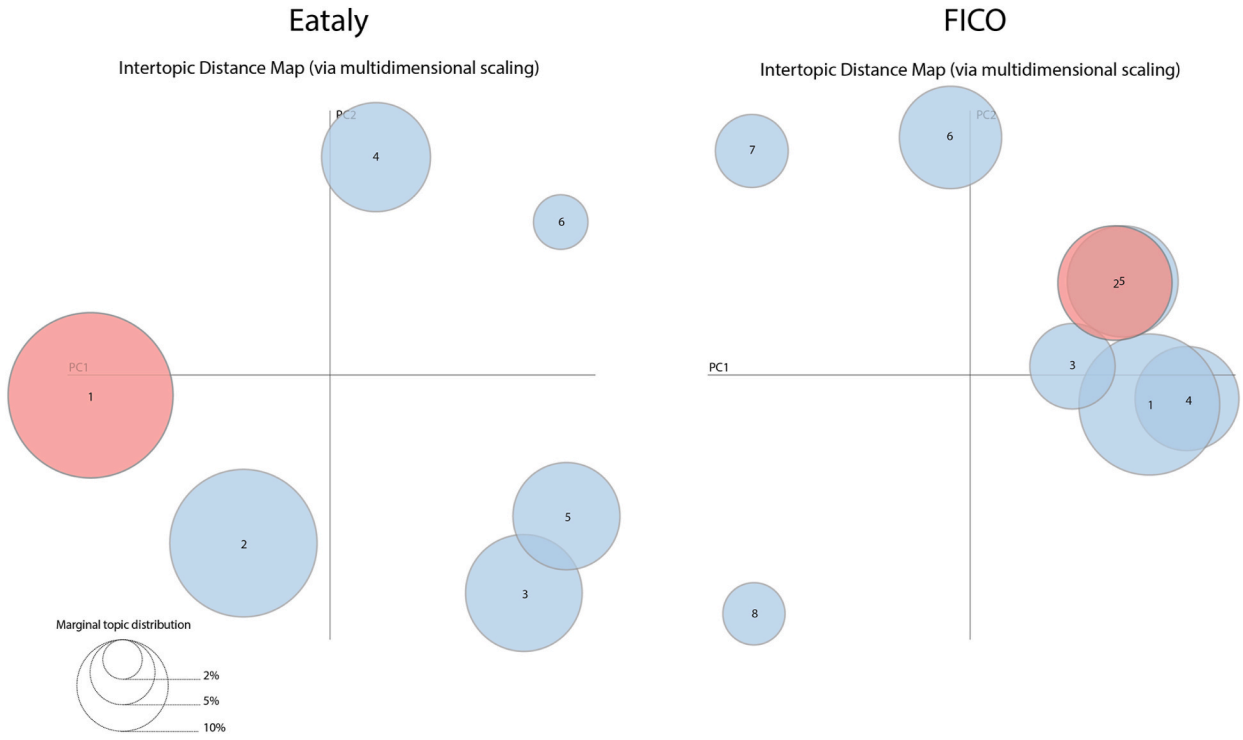

Fig. 2. Map of topics identified through LDA in the Eataly and FICO reviews.

Once the topics were extracted, we proceeded to interpret the most relevant and representative terms. For both Eataly and FICO, we found a direct correspondence between the service front-end dimensions, the values identified in the first step of this study, and the topics resulting from the reviews. We described each topic in terms of the new meaning formulated and the experience of customers in each store format (Fig. 2). We labeled each of these values according to their closeness to the values expressed by the meaning proposed or the front-end dimensions of the service provided. In the case of Eataly, we added a value that emerged from the reviews and was not included in the new meaning proposed by the founder. This iterative process led us to aggregate some of the topics related to the same value, resulting in a smaller set of values: we identified three values for Eataly (i.e., authenticity, service level, sophistication) and five for FICO (i.e., discovery, fun, learning, service level, context). The following sections elaborate on the findings of this multi-level analysis.

4. Findings

Our findings illustrate how the two store concepts, Eataly and FICO, integrated the new meanings in their business model design and the respective customers' perceptions of meanings following their store visits. The following sections describe how the founder of the two store concepts reinterpreted the sociocultural context to formulate new meanings, and how the new meanings were articulated in Eataly and FICO's business models. We then combine these findings with the insights gathered through in-store observations, and juxtapose them with the results of the topic modeling related to customer perceptions of the two store concepts. We then use our findings to present a framework for articulating new meanings through business model design.

4.1. Reinterpreting the sociocultural context

Eataly and FICO were conceived by Oscar Farinetti, the famous Italian entrepreneur and prominent member of the Slow Food movement. In creating the two store concepts, Farinetti said he was inspired by existing situations in customers' daily lives as well as retail concepts around the world. In his words[1]:

> "I find inspiration by serendipity. I have been, for example, in KaDeVe in Berlin, you know … there you can buy and create products in the same space. When I was in Istanbul, I visited the Grand Bazaar: where the history of the retail and restaurant

[1] From the *Italian Wine Podcast* "Ep.1192 - Oscar_Farinetti – On The Road Edition", 10 December 2022. Available at https://www.italianwinepodcast.com/Episodes/ep-1192-oscar-farinetti-on-the-road-edition/.

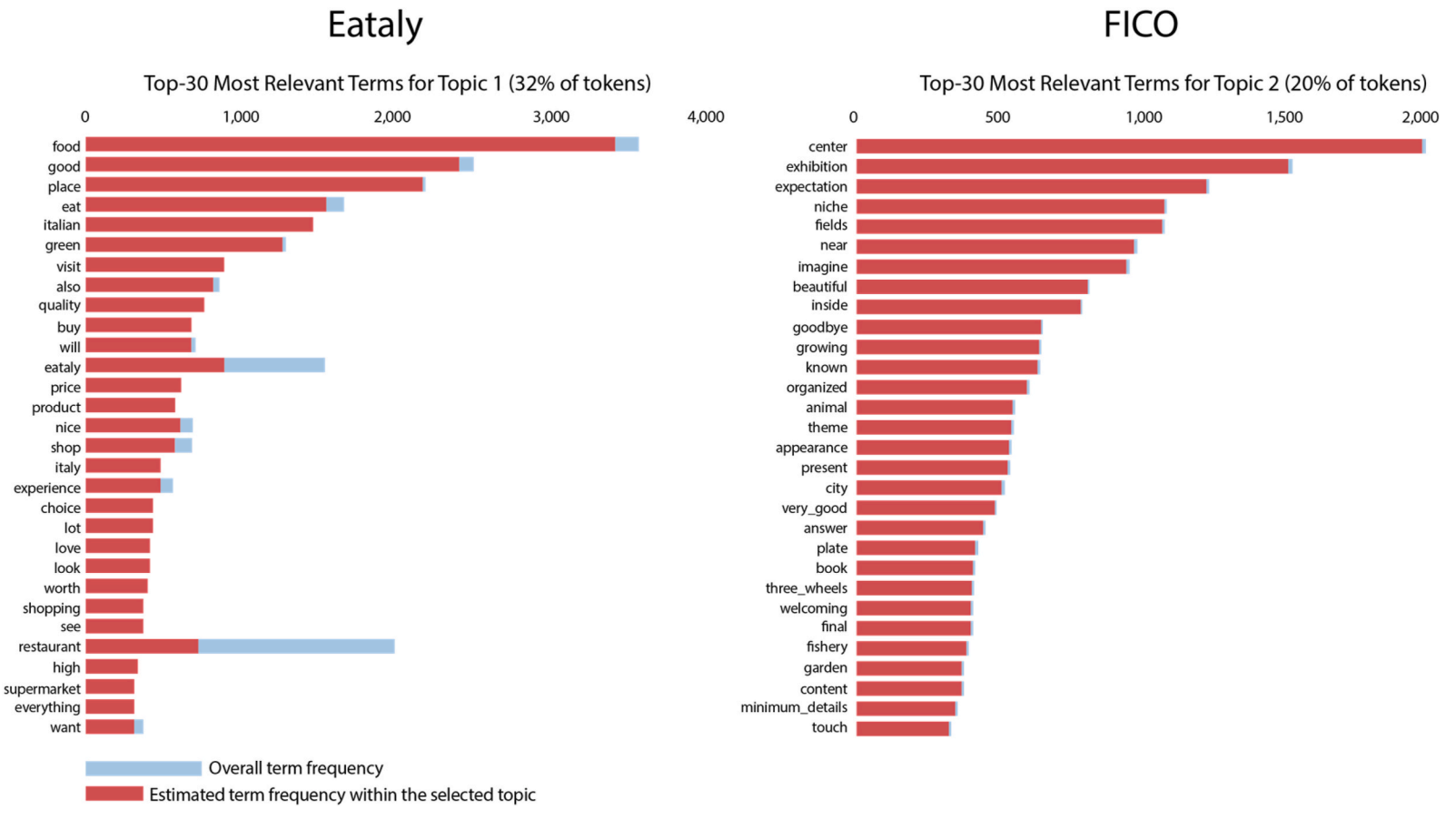

Fig. 3. Thirty most relevant terms in the Eataly and FICO topics #1 and #2.

Table 3
Coherence and perplexity measures.

Measure	Eataly	FICO
Coherence score	0.4427	0.4176
Perplexity	−7.1175	−8.2037

were made, together. In 1996 I was at the first exhibition of Slow food in Turin. That was fantastic, because they also integrated a classroom to educate people about food."

Building on the historical idea of the market, he believes that the commerce experience should be integrated to offer customers a unique and shared place to buy and consume food. In his own words,[2] "*In this society of consumerism, commerce makes places important.*"

Farinetti took stock of the established paradigms in society and reinterpreted them as a source of new meanings to offer customers, building on his own understanding of society and upcoming consumption trends:

> "The consumer society is an interesting model. However, we need to change the concept of consumption. Moving from commodity to passion […] it is clear that this is our task. The way to do it is to try to get the end customer to touch the wonder […]. To make them touch with their own hands that our country, Italy, has a great possibility, the great possibility to be a leading force."

In this process of interpreting social trends, the founder also developed his understanding of the meaning of grocery shopping and the actors involved. In this sense, his relationship with the Slow Food movement in Italy led him to conceive the Eataly and FICO stores as an attempt to reconcile consumers with an awareness of the process behind the production of food. In his words[3]:

> "Our relationship with Slow Food enabled us to create a fantastic relationship between mother earth, farmers and consumers, who become co-producers."

In this recombination of store concepts from around the world, Farinetti reinterpreted the sociocultural context around him to formulate his personal idea of what a grocery store should be and the most important values to convey to customers, as reflected in the new meanings he formulated to be embodied in the Eataly and FICO store concepts.

4.2. Formulating new meanings

Farinetti's understanding of the sociocultural context, such as the growing importance of raw material sourcing in food and consumption, provided fertile ground for him to formulate new reasons for customers to shop. When describing the Eataly and FICO store concepts, he stated:

> "At the entrance of all our stores there is a big sign that says: 'Eating is an agricultural act.' It is there to try to convince the final customer that their nutritional choices will determine the longevity of this planet, the health of humans, and the well-being of farmers."

Indeed, some of the crucial new meanings that Farinetti introduced include the importance of knowing the origin and production process of food products, as well as their sustainability and authenticity. Among the most relevant elements, the well-being of all is one of the recurring and fundamental themes. In line with the new meanings Farinetti formulated for his stores, he believes that customers should visit grocery stores to learn and discover the supply chain behind the sourcing of the food they consume. Another pillar of his philosophy is a strong belief in authenticity. This translates into the idea that grocery stores should promote the beauty and products of the territory in which they have been produced[4]:

> "If you had the luck of being born into the most incredible country in the world you have to be grateful, by honoring the products that are produced here! […] Our idea at Eataly is always to concentrate the beauty of Italy, namely the food, design, fashion, but also art, literature, and music, into one place."

4.3. Articulating new meanings through business model design

The meanings formulated by the founder of Eataly and FICO are translated into the choices the firms make in terms of business model design. In both cases, Farinetti decided to implement his vision into a food store concept for retail, hosting food markets, on-site

[2] From a public interview "Intervista a Oscar Farinetti (EATALY): "Mondovì Piazza uno dei due luoghi più belli della Granda" 4 March 2022. Available at https://www.provinciagranda.it/home/2022/03/04/video/video-intervista-a-oscar-farinetti-eataly-mondovi-piazza-uno-dei-due-luoghi-piu-belli-della-granda-8206/.

[3] From "Oscar Farinetti, CEO & Founder of Eataly - An Exclusive Interview", 8 November 2013. Available at https://www.youtube.com/watch?v=CT7ImvKgjf4.

[4] From the *Cheers, il Podcast di Starting Finance* "Conquistare il MONDO Dall'ITALIA - Oscar_Farinetti, founder di Eataly", 27 February 2024. Available at https://youtu.be/UYiHX6T27k0?si=pmRMpKG9dfMXgZhM.

dining (e.g., restaurants, kiosks), and educational activities (e.g., cooking classes, food festivals). When designing the store concepts, Farinetti considers the store layout one of the most important elements for articulating the new meanings to be introduced. The new meanings are embodied in the physical stores, where the store layout plays a central role in conveying them. As reported by Farinetti[5]:

> "My craft is made up of three things: substance, architecture—which is design—and storytelling. These three phases must be absolutely integrated, without design and without storytelling I absolutely cannot express my 'substance', in fact, my substance does not exist because the kind of 'substance' that I produce and sell is and must be enriched with intangible values that make it understood. And so, the environment in which my substance is embedded, the words that we have to use in all ways, analog and digital, de visu, written, are fundamental to give value to everything, therefore to my substance. Architecture is the way and the place where I have to put my content. What I have always thought is this: you start with the content and then you design a container to hold that content, and that container has to be fundamental to make the content perceived. […] And as soon as the idea of the substance is born, I get to work with my architects to decide how to tell it through the environment, through the design, through the form."

The importance awarded to design in Eataly and FICO stores makes the store layout crucial to the embodiment of the meanings formulated. In particular, the Eataly and FICO stores embed the new meanings and try to involve customers by increasing the transparency of the production process. This is particularly visible in both Eataly and FICO stores. In particular, Eataly stores offer cooking classes on a weekly basis, with the purpose of documenting and educate consumers on how food is cooked and made. Eataly stores also include a vast offer of books that revolve around the theme of food. On the other hand, FICO is centered upon educating consumers on the food supply chain. Inside FICO, visitors can learn about production processes in dedicated spaces, meet the producers and learn their techniques, seeing animals and fresh produce first-hand along with the possibility to eat or purchase the products. Farinetti describes this educational relationship with consumers as follows:

> "The consumer is a co-producer. You have to make it clear that everything depends on the demand, and you have to make them feel the enormous responsibility that the end customer has when they choose."

The FICO and Eataly stores around the world seek to articulate the new meanings not only through the content of the displays, but also through the visual cues from the store design that guide customers throughout the experience. The experience is curated step-by-step through suggested paths and visual cues, such as signs, pictures and pathways, that guide the visitors throughout the best possible way to experience food consumption. In the founder's words[5]:

> "There has to be a huge, total integration between storytelling and design, architecture. And that is, the things that I narrate—I use a lot of analog techniques, so the signs—if you go inside Eataly New York or any other Eataly, you see a path of fantastic signs that have to be conceptually embedded in the design. What do I ask of design? I'm asking architecture, I'm asking design, to express my substance, to put together values that may appear to be conflicting with each other, even dichotomous. And this is very complicated, and so architects have to work on it a lot."

Besides the explicit visual cues such as signs and pictures, both stores comprise numerous sensorial cues that provide a more subtle feeling of the meanings to be conveyed. For example, the corner shops at Eataly are decorated like the stands in a fruit market, following the style of traditional Italian food markets; corners serving food to eat on-site resemble typical Italian cafes and kiosks because of their architecture and decoration; and visitors get a chance to taste products as they walk through different parts of the store. According to Farinetti, this variety of sensory cues plays an important role in how customers experience the stores[6]:

> "*Well, in Eataly everything is sensory. You go through a whole range of scents, of flavors, of colors, of stories. Eataly is an experience, so it is pure sensoriality. We can say that we kind of invented this new relationship with food, worldwide. Just think that everyday there are hundreds—if we put together all the Eataly stores in the world—of producers who personally slice the product, make people feel it, make them taste it, make them touch it, make them try it. And so, at the foundation, it is at the core of our business."*

In Eataly, these sensorial cues evoke the idea of the market that Farinetti dreamed of, inspired by Middle Eastern markets, to combine different uses or spaces. Eataly stores periodically host events, seminars, and food festivals, gathering crowds with the purpose of educating people around food and becoming a communal marketplace to discuss and experience food at 360°. In this sense, Farinetti reported that the stores seek to integrate different value propositions for customers, articulated around the learning experience that the founder wants to provide[7]:

> "I thought it would be possible to integrate restaurants, retail and the classroom. On one area where you can do the groceries, one area for dining, one area for learning the provenance and the history of the food you are eating, the tradition and the technique of Italian cuisine."

FICO reflects the same beliefs about society and how food should be consumed, albeit through a different store concept that

[5] From "Intervista a Oscar Farinetti, fondatore di Eataly", 22 June 2020. Available at: https://youtu.be/35-DyQr5s-8?si=84xj9hYLt1Oi5VhI.

[6] From "Intervista a Oscar Farinetti, fondatore di Eataly", 18 December 2019. Available at: https://youtu.be/3IValdMCoLE?si=aMuJ40vNHX9nNgW4.

[7] From "Ep. 1192 Oscar Farinetti | On The Road Edition", 9 December 2022, Available at: https://soundcloud.com/italianwinepodcast/s5e1192-oscar-farinetti-on-the-road-edition.

resembles an amusement park, offering a farm-to-table-themed exhibition. In discussing how the store concept for FICO came to life, he described[8]:

> "In FICO, we thought that it was about time to do the simplest thing of all: talking about food starting from its origin, rather than its end."

Unlike the Eataly stores, FICO seeks to address the agricultural side of food production and consumption, involving producers in the store concept and revolutionizing the on-site customer experience. In particular, FICO features numerous food stands and displays that showcase the entire supply chain behind the production of the products sold and offered in the restaurants. FICO looks like a big entertainment park with animals, farmers, machines, and educational exhibits designed to teach customers about the journey their food has taken to reach them. As they walk through FICO, visitors can see, touch, hear, and smell the produce through numerous sensorial cues that recall country and farm life. As Farinetti explained[8]:

> "The format is different, rich, and complete because it adds the concept of agriculture and raw material transformation to Eataly's traditional areas of expertise (the market, the catering service, and education). However, the value-adding novelty in FICO is the addition of machines that really produce mozzarellas, oil, cookies, etc."

The multiplicity of spaces proposed is intended to articulate meanings that include new reasons for customers to visit the stores, such as discovering how food is made and where it comes from, having fun, and learning. Each of these new meanings—reasons why customers should visit and shop in Eataly and FICO stores—is embodied in the stores and proposed to customers who experience it.

4.4. Integrating new meanings in business model design

Our coding of the interviews and archival data sources resulted in four themes (Table 2). The "reinterpretation of the sociocultural context" theme refers to the interpretive work in the preliminary stages of the new meaning conception. By reinterpreting the sociocultural context, the founder provides insights into the shift in consumption habits and needs he sees in society. The second dimension refers to the formulation of new meanings as intended by the founder from the perspective of the firm and reflecting the reinterpretation of society. The third dimension describes the business model design choices that the firm has made in articulating the new meanings into an actual business model design. In this sense, the observations conducted in-store allowed us to enrich Farinetti's envisioned new meanings with a perspective on how his vision was translated into tangible business model choices. In particular, the stores present peculiar elements in their respective value creation mechanisms, concerning the tangible elements of the service delivery (e.g., store layout, ambiance) and more intangible elements that make up the customer experience (e.g., front-end employee interactions).

Interestingly, the building blocks of the reinterpretation of the sociocultural context and the new meanings formulated are the same for both Eataly and FICO. The new business model design is the truly differentiating element, leading to a different manifestation of the service front-end. As shown in Table 4, the new meanings underlying both store concepts embed the ideas of *authenticity*, *sustainability*, *learning*, *fun*, and *discovery*. This is reflected in the value proposition of the two business models, both seeking to articulate new meanings through store concepts that combine food retail, restaurants, and educational activities aimed at connecting producers and consumers. However, value creation mechanisms, specifically those tied to value delivery, differ between the two concepts (Table 5). In particular, Eataly stores look more like markets, with products organized around different corners, shops, restaurants, and small classrooms where customers can learn about how food is made. FICO, on the other hand, resembles a farm-to-table-themed amusement park, where everything is organized around food and its supply chain, offering customers the opportunity to see exhibits on the origin of food, meet producers and their animals, taste the food at various stands and purchase it.

4.5. Customer perceptions of new meanings

Customers make sense of the cues provided by the Eataly and FICO stores individually and independently, interpreting the business model design choices of Farinetti and his team in their own personal way. Among their perceptions, customers report that their experience in Eataly stores is true to the ultimate foodie experience. As reported in some of reviews:

> "*Anyone who is a foodie, enjoys food (yes, you must, or else why would you be in Italy?) should come here. Wish I spent more time.*" (December 2018, Eataly Turin)

> *"This is my fav place for food. If you are a foodista, you'll be happy here. A lot of very tasty choices!"* (January 2019, Eataly Milan)

Indeed, food lovers from over the world flock to the stores to discover the delights of Italian cuisine, taste typical dishes, or buy products to take home.

> "*The store is big with lots of different sections, and a great place to buy excellent quality Italian produce to bring back home. After shopping around, we sat down for dinner, and we had two lovely dishes served quickly without fuss at a decent price. […]. Wonderful place for foodies*!" (September 2017, Eataly Turin)

[8] From "Farinetti presenta Fico: luogo vero, racconta cibo dall'origine", 9 November 2017. Available at: https://youtu.be/TstjzLfMfmU?si=S4nacQk2EnoE5ndj.

Table 4
Differences in Eataly and FICO's articulation of meanings.

Themes		Eataly	FICO
Reinterpretation of sociocultural trends		Society is experiencing a shift towards more conscious consumption. Eating requires greater awareness of the origin and source of products.	
Formulated meanings		Learning, sustainability, authenticity, fun, discovery	
Value proposition		Bringing customers closer to the production value chain and local producers, to experience authentic Italian cuisine and food culture.	
Value creation and delivery	*Store layout*	*Food market* Different floors organized in corners where you can taste and buy different product categories	*Amusement park* A large amusement park where different producers showcase the entire value chain, from animals to machines to final products
	Customer experience	*Sensorial experience* A series of experiences through restaurants, books, workshops, texts explaining the products	*Informed shopping* A series of experiences through talking to producers, tasting their products, understanding how they are made
Value capture		Revenues from retail, restaurants, and educational activities. Premium pricing.	

Table 5
Differences in Eataly and FICO's shaping of the value creation and delivery mechanisms.

Dimensions	Categories	Eataly	FICO
Store layout	Organization of spaces	Division into corners dedicated to a specific product category	Division in spaces dedicated to a producer or network of suppliers
	Physical touchpoints	Focused on providing information about the food	Focused on providing directions and information about the food chain
	Environment	A local market where you can supply food from the smaller shops and corners located around the store	A food exhibition that creates an amusement park centered around the concept of farm-to-table
Customer experience	Engaging the five senses	Cooking classes Products to taste Seminars Bookshop Informational material available around the store Food events and festivals	Meet the producers Seminars Quizzes Theatre shows Cooking classes Informative exhibition corners
	Front-line employee behavior	Facilitating product "try-on"	Providing directions and explanations
	Customer behavior	Quick visits focused on buying a specific product or longer visits to eat at a restaurant	Long visits focused on exploring all the spaces in the store

Customers appreciate the opportunity to experience different aspects of Italian cuisine in the same place and report being fascinated by the combination of different types of products and experiences under one roof:

> "*Interesting combination of restaurant as well as a store for Italian delicacies and a bookstore in one roof*." (August 2018, Eataly Bologna)

> "*Turin's Eataly is a paradise for people who love cooking Italian food. Everything is here, and all under one roof*." (May 2017, Eataly Turin)

> "*If you are an intellectual foodie, this is the place for you. The food is good, but most of all, you can buy some ingredients, and BOOKS!!! In the same place. I was in heaven. Go there for the experience, stay for the books*!" (June 2018, Eataly Bologna)

In this sense, the reviews show how Farinetti's idea to integrate different types of educational activities—such as cooking classes and a bookshop—into Eataly stores, helped customers perceive like they found a foodie's haven. More specifically, besides the availability of typical Italian products of the highest quality, the reviews also highlight the strong perception for the Italian character that pervades Eataly's stores, resembling Italian cafes and market stalls.

Nevertheless, though customers appreciate the store concept and enjoyed their experience, our analysis of customer reviews revealed the meanings they perceived did not always correspond with the founder's intended meanings and expectations.

4.6. Eataly: authenticity and sophistication

Topic modeling revealed that the customer reviews of Eataly stores touched on two main topics that differed from the meanings articulated by the firm in the business model design (a summary of the topics observed in Eataly's reviews is provided in Fig. 4). Along with some complaints and praise about the service, customers focused their reviews on the perception of *authenticity* and *sophistication* in Eataly stores. Of the five values that form the new meaning, only authenticity was originally included in Eataly's business model design. Sophistication, on the other hand, was not originally included in the values to be conveyed through the experience: the way the business model was designed, particularly its value delivery system, allowed for this additional interpretation. For example, reviews focused on the wide range of regional Italian products available at Eataly:

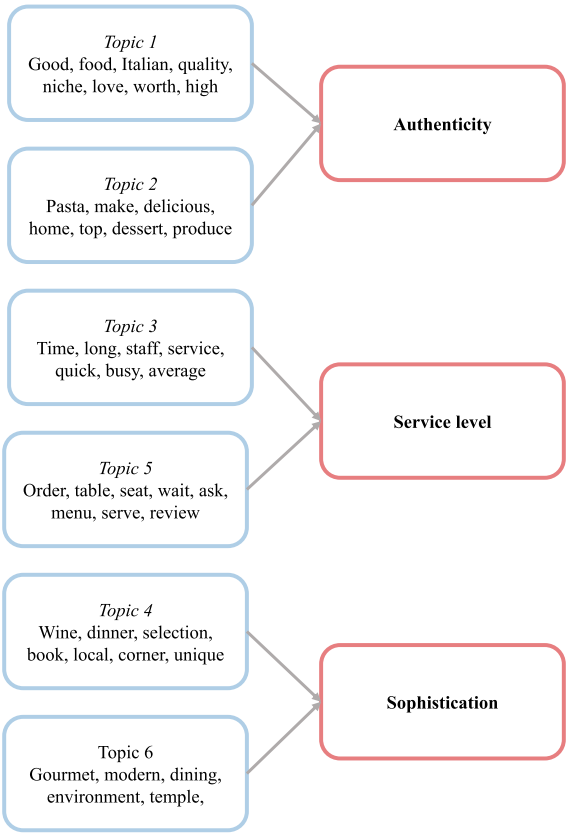

Fig. 4. Topics emerging from Eataly's customer reviews.

> "*Eataly is the place to go if you want to experience a medley of products and flavors typical to the Italian gastronomy—in particular Puglia. Products vary from cookbooks to fresh herbs and spices, cheeses, olive oils, meats, fish, fresh pasta, etc. One can also dine at Eataly. There is a rosticceria, a pizza stand, a pasta stand, fritteria, salumeria—spoilt for choice basically! At the ground floor there is also a cafeteria and a gelateria for those who prefer something light*." (August 2014, Eataly Bari)

> "*You can find all the regional food in this wonderful location. You can eat simple food all the way up to more extravagant dishes, all in the same building. Culinary items from Calabria to Lombardia, just so magical*." (February 2019, Eataly Milan)

> "*If you like 'La Dolce Vita' then you'll love Eataly. Direct on the water on the top floor of the building, not only does Eataly have a fantastic 360° view of Genoa, but it also has great food, drinks, and service. It's an Italian gourmet grocery store with typical Italian products and has several shops, bars, and restaurants that serve hot and cold food as well as a specialty beer bar*." (April 2017, Eataly Genoa)

These examples show that the availability of a wide variety of regional, genuine and high-quality products, and the possibility to dine in at the numerous corner shops offering different cooking methods that resemble those that one would be able to find roaming through the streets of Italian cities are what led visitors to perceive Eataly's authenticity.

However, as the reviews also testify, this sense of authenticity was often accompanied by an aura of sophistication, thanks to the gourmet products offered and showcased in the stores, their high prices, and the exclusive locations of the Eataly stores in strategic positions in the most important Italian cities.

> "*The place spoils food lovers with a brilliant mix of high-quality retail and gastronomy*." (February 2019, Eataly Rome)

> "*Wanted to purchase good quality chocolate which Torino is famous for. Excellent selection of a broad range of local Piemontese delicacies. Pricey though*." (December 2018, Turin)

> "*It is a mix of (a fancy) open market, a high-end supermarket mixed with some restaurants.*" (December 2018, Eataly Rome)

> "*Like a gourmet supermarket. We had a very good pasta there and enjoyed the whole place. Located in a very nice part of Genoa*." (August 2018, Eataly Genoa)

In fact, although authenticity was one of the meanings that Farinetti wanted to articulate in Eataly stores, sophistication was not a word he used to describe them. In his words[5]:

> "My fixation of putting together informality and authority is difficult. […] That's the challenge I face with my architects every day."

In the case of Eataly, the way the stores are set up, some of the value delivery elements of their business model, the value proposition they offer to customers, and the value capture choices in terms of premium prices are sometimes filtered through the customer's individual meaning-making and misinterpreted as sophistication. The combination of traditional Italian products, elegant and exclusive locations, and premium prices led customers to perceive authenticity and sophistication as the core meanings present in Eataly stores, different from the meanings intended by the firm, and almost entirely omitting the dimensions of fun, discovery, and sustainability.

4.7. FICO: fun, discovery, and learning

Similarly, in FICO, the topic modeling of customer reviews revealed that the meanings customers perceive during their visit to FICO include experiencing food in a *fun* way, fostering a sense of *discovery*, and *learning* about food and its production process (see a summary of FICO's topics in Fig. 5), along with some comments about the level of service and the context. Similar to Eataly, compared to the founder's words when describing FICO, the intended meanings articulated do not fully correspond to those perceived by customers, leaving out the perceptions of sustainability and authenticity.

In general, customers appreciate the opportunity to learn about the food consumption experience. As reported in one of the reviews:

> *"I am not sure this is what is meant to be, but FICO is the next generation supermarket, where you see the food production process, you can stop to eat excellent food, you enjoy the outside orchard, you learn in the exhibitions, you enjoy the labs … Farinetti is a genius of marketing and I was happy to buy because FICO made me feel I was responsible consumer (true or not)."* (April 2019, FICO Bologna)

The multiplicity of signs and experiences seem to appear at times confusing to visitors, who have a hard time relating to the space and its numerous original features. Nevertheless, customers seem to enjoy the discovery experience that allows them to understand how ingredients are made and then taste what they have just learned. For instance:

> *"The place is enormous and fantastic! A comprehensive overview of where food comes from, how it is produced and served. We did the grand tour to get a good overview of the place and then did a pasta production class. […] Everything seems to be of the highest quality and the foods we sampled walking around were great representations of the best Italy produces. Our lunch was some wonderful pastas that were all produced onsite with some of the best gnocchi and orecchietti ever. Looking forward to a return visit."* (June 2018, FICO Bologna)

Consistently with what Farinetti had envisioned, visits to FICO seem to stimulate visitors' interest in food production and the different characteristics of food, as well as learning about the origins of the food they consume. Customers report the visit as a learning and entertaining experience, for example:

> *"A very interesting food hall with lots of information about the origins of food and food production along the way. It is vast—you can rent a bike to tour the whole store and see the different meats, pastas, etc. I enjoyed seeing the animals (even though I don't eat them) as they seemed to have sufficient grounds and looked healthy. They have fruit and nut trees which are also interesting. Lots of classes to take if you choose, and probably worth checking out the entertainment and map in advance to decide what you want to see in particular as just*

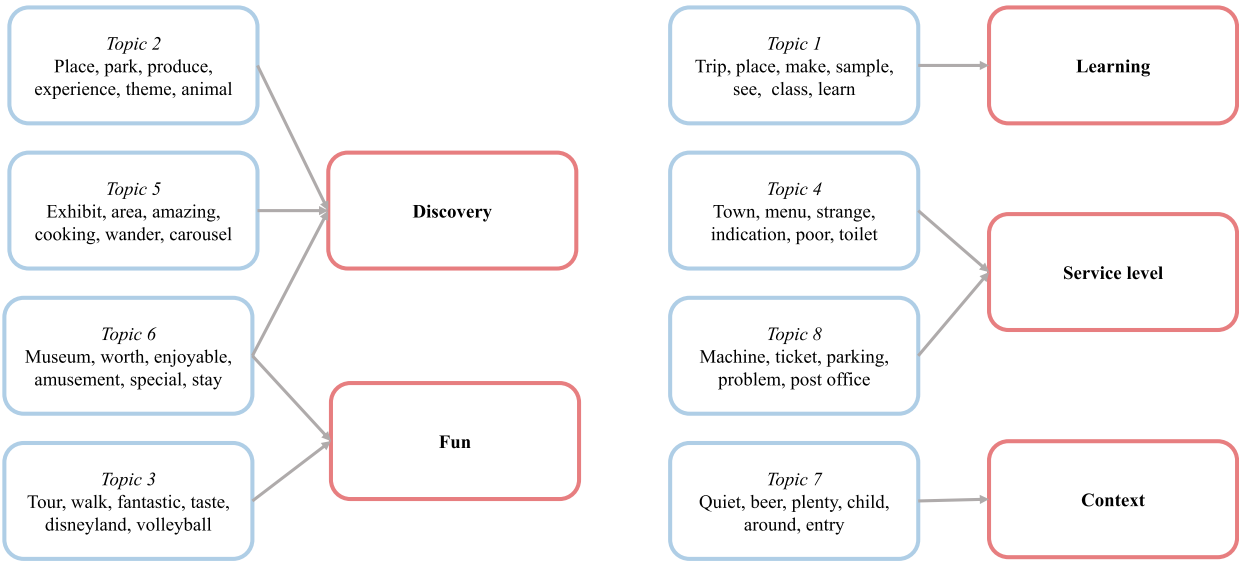

Fig. 5. Topics emerging from FICO's customer reviews.

walking around can feel overwhelming. A well-planned education space that is probably worth planning ahead for to get the most out of rather than just dropping in." (September 2018, FICO Bologna)

Customers also reported that FICO provides a fun experience for the whole family, similar to an amusement park, thanks to the variety of activities they can experience during their visit:

"*Italian food lovers paradise. Must be the world's biggest supermarket with loads of restaurants and eateries. Try before you buy comes to mind. You want to try the food, then see how it's made or visit the farm animals. There is entertainment for the whole family. […] Good day out.*" (April 2019, FICO Bologna)

In this sense, FICO's visitors seem to view FICO as an amusement park where to encounter unexpected experiences revolving around the concept of food. In the reviews, however, visitors do not seem to discuss the sustainability of the food supply chain, as the founder had envisioned. Differently from Eataly stores, visitors also do not discuss authenticity of Italian food, focusing instead on the surprising elements of the store and the opportunities to learn with the entire family.

Overall, FICO also failed to convey to customers all the new meanings that Farinetti and his team sought to articulate in the store concept. However, some of the intended meanings came through in the customer reviews, as they perceived and then spontaneously shared the idea of discovery, learning, and fun after their FICO experience. In particular, the configuration as an amusement park centered on the origins of food, rich in exhibits and unusual opportunities to witness the farm-to-table process, allowed customers to perceive some of the meanings intended by the firm.

4.8. A process of meaning integration and articulation

Our findings illustrate how new meanings are integrated and articulated into the firm's strategy and proposed to customers through business model design. According to our multi-level analysis of interviews, archival data, in-store observations, and customer reviews, firms begin the process of articulating new meanings by interpreting the sociocultural context, picking up insights and cues from society, and reinterpreting them to formulate the new meanings to be embedded in the business model. An example is the growing trend toward more conscious food consumption and different food experiences offered in the market.

Triggered by reinterpretation, firms formulate a new set of meanings to convey to customers. As these meanings are translated into business model design choices, they shape value creation and value delivery mechanisms. In the context of services, value creation and value delivery mechanisms are intertwined, as value is created in-use during the interaction between the service provider and the customer (Vargo and Lusch, 2004; Ramaswamy and Ozcan, 2018). The Eataly and FICO cases also showcase that the process of delivering the service is integral to the creation of value, generated in the interaction between firm and customers. Our findings highlight the importance for firms to work on the store layout and the customer experience in a way that enables them to convey the intended meanings to customers effectively.

This translation of the formulated meanings sets the guidelines for the design of the service front-end, with particular emphasis on the way value is delivered to customers. The service front-end, embodied by the store layout and customer experience, must be meticulously designed and comprise a system of signs to ensure the effective articulation of the intended new meanings, as our findings show. At this stage, meanings are fully translated into signs, allowing customers to engage in the meaning-making process during their interactions. This process, strongly informed by the signs from the service front-end, leads customers to perceive the new meanings as inherently embedded in the business models of the two store concepts. Our findings are synthesized in Fig. 6.

5. Discussion

Our findings shed light on how firms engage in business model design to integrate and articulate new meanings as part of their overall strategy. We found that meanings begin as vague and intangible concepts, shaped by a reinterpretation of the sociocultural context, and are later embedded in specific business model design choices. These choices—particularly those related to value creation and delivery—play a central role in influencing customers' meaning-making activities. Through a multi-level analysis, our research revealed three key insights: (i) there is often a mismatch between the intended meanings as formulated by firms and customer perceptions of such meanings; (ii) store design and sensory cues play a crucial role in effectively conveying meanings to customers; and (iii) firms must carefully design business models, especially value creation and delivery mechanisms, to ensure that intended meanings align with customers' individual meaning-making.

These findings lead to three main contributions to the ongoing theoretical debate: first, they bridge the macro- and micro-levels of strategy-making by demonstrating how business model design choices influence individual customer perceptions; second, they extend the literature on articulating new meanings through business model design by showcasing the role of tangible and sensory elements in conveying these meanings; and third, they highlight how firms can work with signs in business model design to express and communicate new meanings to customers. The following sections elaborate more on this study's three theoretical contributions.

5.1. Bridging the macro- and micro-level of strategy-making through business model design

Bridging the meso-level of firm decision-making and the micro-level of individual perceptions, our study demonstrates how specific business model design choices in the cases of Eataly and FICO significantly influenced customer meaning-making activities. Our findings reveal that elements of value creation, especially value delivery mechanisms such as store layout and customer experience,

Fig. 6. Articulation of new meanings through business model design and customer meaning-making.

played a crucial role in shaping customers' perceptions. By carefully designing these elements, the two businesses were able to filter and convey the intended meanings, resulting in customers perceiving these meanings during their store visits. Our complementary analysis of the founder's formulation of meanings, business model design choices, and customer reviews revealed that customers strongly perceive and link these meanings to their in-store experiences.

Building on our findings, our study offers insights for the emerging debate on the connection between micro-level processes taking place at the individual level, and the macro- and meso-level outcomes of such processes (Kouamé and Langley, 2018). In doing so, our study extends the current debate by proposing a novel methodological approach that pairs two complementary methods of inquiry: on the one hand, we conducted inductive firm-level research through interview and in-store observation, devoted to unveiling strategic decision-making processes and business model design choices. This analysis was paired with the investigation of customer meaning-making activities to account for the demand side of value creation (Priem, 2007). We gathered a large body of user-generated data and analyzed it using the machine-learning technique of topic modeling, that allowed us to unveil latent and otherwise concealed patterns in the data (Hannigan et al., 2019), disclosing the customer's perceptions of meanings.

By using this dual perspective, the implications of our findings importantly extend the current understanding of value creation in service systems (Vargo and Lusch, 2004), particularly highlighting the relevance of value delivery mechanisms for value creation in this context. Our study also highlights the agency that individual customers have in affecting the firm's ability to create value (Priem, 2007; San Román et al., 2011) through their meaning-making activities. Our findings also present an empirical account of the connection between business model design and demand-side value creation, responding to recent calls for research bridging the gap between business model design and demand-side value creation (Massa et al., 2017; Priem et al., 2018), putting the customer "front and center" in the business model literature as a co-creator of value (Fjeldstad and Snow, 2018) that needs to be considered during business model design. In this sense, our findings highlight the importance of evaluating the demand-side perception of the firm's strategic intentions, which may often result misunderstood.

Additionally, our findings provide insights on the interpretation of business model innovation as a sequence of meaning articulation cycles (Sanasi et al., 2022b). In other words, considering business model innovation as "the search for new logics of the firm and new ways to create and capture value for its stakeholders" (Casadesus-Masanell and Zhu, 2013, p. 464), our findings illustrate that, every time the firm introduces significant changes in its underlying logics of value creation and capture, these changes also affect the way their customers perceive meanings. This could lead firms to rethink business model innovation as a recursive approach to innovating the meaning of their services and products in response to shifting sociocultural trends (Verganti and Öberg; 2013), rather than merely reacting to sudden changes in consumer needs and preferences (Sanasi and Ghezzi, 2024).

5.2. *Articulating new meanings through business model design*

Our findings show both the strategic conception of new meanings and how they can be articulated into tangible attributes. Regarding the conception of meanings, we extend the work of Verganti (2008, 2017) and Verganti and Öberg (2013) by identifying sociocultural changes as trigger points for envisioning new meanings. At this stage, the meanings envisioned by the firm are still vague and consist of a set of value propositions offered to customers. This intangibility is consistent with recent studies exploring the nature of meanings (Artusi and Bellini, 2020a; Zasa et al., 2023).

Our findings also reveal how meanings are further developed and made tangible at the business model design level. In particular, we show the role of value creation mechanisms, especially those tied to delivering value to customers, as a way to bring tangible representations of the envisioned meaning to customers for interpretation. This is a first step toward closing the "implementation gap" for meaning innovation, as suggested by Eling and Herstatt (2017). Moreover, by identifying specific aspects of business model design, we extend Battistella et al.'s (2012) exploratory study on working on business models as a way to orchestrate new meanings. Thus, we argue that business model design serves as a way to build a system of signs that articulate the new meaning to customers, with a particular focus on value creation, especially the value delivery system. This is similar to what happens with physical products, where the new meaning is embodied in elements of the product language (signs) that 'speak' about it to customers (Dell'Era et al., 2011; Venkatesh, 1999; Gasparin and Green, 2018).

Our findings also show that in more complex service systems, such signs need to be embodied into all elements and activities at the service front-end that come into contact with customers and encapsulate most of the value in the service interaction (Vargo and Lusch, 2004; Ramaswamy and Ozcan, 2018) and that can drive competitive advantage (Candi et al., 2013). This way, our study also makes a first step in the reconciliation of the inside-out—i.e., firm-to-customer—view that characterizes the innovation of meaning, with other approaches to innovation adopting the core principles of design to promote rather outside-in views of innovation (Magistretti et al., 2022). In summary, our study makes a first contribution to understanding how meanings are developed in practice in complex product-service systems and meaning articulation as a process of reconstructing meanings into tangible signs through business model design.

5.3. *Expressing new meanings by working with signs*

Our findings are in line with Kazmierczak (2003), that identifies three main stages in the articulation process: a first stage where new meanings are formulated, a second stage where meanings are encoded in the business model design, and a final stage where meanings are reconstructed at the customer level based on the interaction with the system of signs derived from the business model design choices. Based on this reasoning, we can interpret meaning articulation as a process of communication with and through signs.

This view has gained prominence in the product literature (Csikszentmihalyi and Rochberg-Halton, 1981) and in the global market perspective as a system of signs (Venkatesh, 1999). Our study extends this view to the product-service system level and identifies the

relationship between intended meanings, signs, and perceived meanings. Our findings are in line with the product language literature, in that they are consistent with the idea that signs at the product level (i.e., any physical characteristics that can be perceived by customers' senses) are what allows products to drive customers' understanding (Dell'Era et al., 2008; Van Rompay and Pruyn, 2011). Drawing on this parallel, our study identifies signs in broader business model design as key pieces of information that enable product-service systems to speak to customers.

Furthermore, our findings highlight the role of customers as meaning interpreters and sense-givers. In particular, we provide a first empirical investigation of how meaning perception works at the customer level and how individual meaning-making may differ from the firm's intentions. Our study highlights that business model design can create "a platform of possible meaning for interpretation" (Verganti and Öberg, 2013, p. 89), where firms can provide cues to customers through sings. In this process, cultural frames introduce external disturbance by making some interpretations more likely than others (Arnould and Thompson, 2005). At the same time, disturbance due to customers' individual characteristics may also be responsible for perceiving different meanings (Grace, 2021).

Additionally, future research could build on the growing body of literature on purpose in for-profit firms (George et al., 2023) to identify the relationship between corporate purpose, business model design, and the innovation of meaning. Future studies may investigate product and service meanings as vehicles able to embed an abstract corporate purpose within a firm's business model and translate it into tangible business model design choices, that will in turn ensure that customer perceptions are aligned with the firm's purpose.

To conclude, the articulation of meaning in tangible attributes and the perception of meaning involve multiple steps of translation and communication. Ultimately, enabling customers to perceive the intended meaning depends on the careful design of the business model, particularly the value delivery system, which includes the careful selection of signs and understanding how cultural frames and individual customer characteristics may cause deviations in their meaning-making and perceptions.

6. Conclusion and implications

Our research emphasizes that new meanings should be articulated with careful business model design in order to effectively convey the meanings intended by the firm to customers. Specifically, three key insights emerged: (i) meanings firms intend to convey and those that customers actually perceive do not always overlap; (ii) the service front-end and its elements, such as store design and sensory cues are critical in conveying intended new meanings to customers; and (iii) business model design that considers this potential mismatch, especially design of value creation and delivery mechanisms, can help firms ensure that the meanings they intend to convey to customers are effectively perceived.

Business model design shapes the way customers interpret the new meanings through their interaction with the delivery mechanisms of the firm's business model, embodied by the service front-end. In the case of Eataly and FICO, we observed that customers engage in meaning-making of the new service based on their interaction with the system of signs proposed by the firm, including the store layout and in-store customer experience. These findings led us to identify a series of contributions and subsequent implications for both research and practice.

6.1. Implications for research

Research has predominantly studied the concepts of innovation of meaning and business model design separately, focusing mainly on the firm's perspective. However, our findings indicate that the introduction of new meanings within a product or service is closely linked to specific business model design choices. These choices significantly influence how customers perceive and make sense of new meanings. Business model design thus provides firms with an opportunity to shape customers' meaning-making activities by clearly articulating these new meanings. This is particularly crucial for service firms, where designing the value delivery system, including key elements of the service front-end such as store layout and overall customer experience, is essential.

Building on this understanding, we advocate that research on innovation of meaning should consider business model design, particularly the choices related to the service front-end, to understand how to integrate new meanings into the firm's broader strategy. In this sense, our study has implications for strategy research as it promotes a more holistic understanding of how a macro-level strategic direction (e.g., reinterpretation of cultural trends) influences the firm's meso (e.g., business model design) and micro-level (e.g., firm-customer touchpoints, customer perceptions) strategy. Future research should pay more attention to the demand-side perspective of value creation when designing business models (Priem et al., 2018), considering not only the business model choices made by firms but also how they are perceived and interpreted by customers and other stakeholders.

Contrary to the existing understanding of innovation of meaning as an inside-out approach (Magistretti et al., 2022), our findings suggest that articulating new meanings within the firm's strategy strongly depends on firm-customer touchpoints and how customers experience them. The interactions between firm and customer act as an interpretive layer that influences the transmission of intended meanings. This is consistent with findings from the literature on innovation in product languages (Dell'Era et al., 2011), which underline the role of tangible product characteristics in shaping product meanings. We argue that future research in this domain should overcome the understanding of the innovation of meaning as an inside-out approach to innovation that is disconnected from customer reactions, and bridge this view with other prominent views of innovation that also take into account customer reactions to new products and services.

Additionally, in line with the understanding of meaning perception at the individual level (Kazmierczak, 2003; Grace, 2021) and individual meaning-making (Akaka et al., 2015), we argue that meaning perception in service businesses is strongly shaped by the service front-end that customers experience during their store visit, encompassing both intangible elements of the customer experience and tangible elements of the store layout. Building on our findings on customer perceptions of meanings, we argue that business model

design choices significantly influence how customers interpret intended meanings propose by firms. In services, value creation choices, especially those related to value delivery, are crucial in shaping customer perceptions. Our findings confirm previous research (Artusi and Bellini, 2020a; Zasa et al., 2023) that highlights the importance of specific elements of the service experience for conveying meanings to customers. Consequently, when innovating, strategists should carefully design their business model, paying particular attention to how they create and deliver value to customers to better guide how specific touchpoints translate into customers' meaning-making. Future research in business model design should further examine how value delivery mechanisms impact customer perceptions of new value propositions and assess alignment with the firm's intended values.

6.2. Practical implications

From a practical perspective, our study provides managers with actionable insights on how to effectively design their value delivery mechanisms to convey intended meanings to customers. This includes recommendations on carefully designing the store's layout and the system of signs (e.g., designing spaces, colors, and signs within the stores), and enhancing the customer experience by carefully planning different touchpoints (e.g., front-end interactions, planning activities to be conducted on-site, engaging multiple senses). A more mindful design of the service front-end can lead managers and entrepreneurs to better align the meanings they intend to convey to customers with the meanings their customers ultimately perceive as they are going through the service experience. This can translate into a more mindful design of specific spaces within the store (e.g., Eataly's corner shops that resemble Italian cafes), or by designing the touchpoints of the customer experience to convey specific meanings (e.g., FICO's direct interaction with producers for informational purposes). These considerations can also provide important lessons for education in strategy and innovation management, as they highlight the importance of designing the firm's strategy from 360°, going well beyond the simple design of a new product, service or value proposition.

6.3. Limitations and future research avenues

Our study presents three main limitations. First, we compare two cases—Eataly and FICO—operating in the same industry, namely food retail. Although this homogeneity has ensured strong comparability between our two cases and minimal interference from contextual factors, future studies could extend our findings through broader, cross-industry studies in different service domains. Second, our study focuses on the B2C setting, where customers' meaning-making is relatively easy to observe. Although this served the purposes of our study, we encourage further research in B2B industries, where meanings may be more utilitarian in nature and customer perceptions may be based on different dynamics. Third, our choice of research design has provided an opportunity to trace the interpretation of new meanings formulated by a firm in customers' meaning-making process. Nevertheless, our study cannot infer performance implications of different business model choices or the matching between formulated meaning and perceived meanings. Future studies may address this limitation by inquiring whether a match between formulated meanings and perceived meanings leads to a positive performance for firms, in terms of financial performance or customer satisfaction levels. We hope our study provides fertile ground for further research in this direction.

CRediT authorship contribution statement

Silvia Sanasi: Writing – review & editing, Writing – original draft, Visualization, Software, Project administration, Methodology, Investigation, Formal analysis, Data curation, Conceptualization. **Federico Artusi:** Writing – review & editing, Writing – original draft, Visualization, Project administration, Methodology, Investigation, Formal analysis, Data curation, Conceptualization. **Emilio Bellini:** Writing – review & editing, Writing – original draft, Supervision, Investigation. **Antonio Ghezzi:** Validation, Supervision, Conceptualization.

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Data availability

The data that has been used is confidential.

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