



THE SMILING PLATFORM

A Phenomenological Study of Amazon's
Arrival on The Danish E-commerce Market

MASTER'S THESIS

M.Sc. in Business Administration & E-business

Student: Thorbjørn Elmén Pedersen 67105

Supervisor: Abayomi Baiyere

Hand-in Date: 1/8-2019

76 Pages | 139.576 Characters



CBS

COPENHAGEN
BUSINESS SCHOOL

HANDELSHØJSKOLEN

“Longing is the agony of the nearness of the distant.”

- **Martin Heidegger**

Abstract

Keywords: *Amazon, Danish E-commerce, The MSP Business Model, Matchmaking, Search Diversion, Platform Cooperativism, Phenomenological Research Model.*

This master's thesis is a phenomenological study of how three Danish e-commerce companies expect Amazon to influence the characteristics of the Danish market. Amazon's arrival in Denmark is expected in 2019 (Danish web domain) and could potentially transform Danish e-commerce. The Danish market is characterised by being highly fragmented and located in an expanding phase as in opposition to countries where Amazon is well established. The theoretical concepts are formulated based on the notions of the Multi-Sided Platform (MSP) business model, matchmaking and search diversion, in order to conceptualise Amazon as a sales channel. Furthermore, definitions of platform cooperativism are used to conceptualise an alternative to Amazon. Four concepts are defined which is the theoretical essence of how the three Danish companies are expected to experience Amazon's arrival. The methodology applies a three-component phenomenological research design which serves as the basis for how the participants were selected, how the data were collected, and how it was analysed. The analysis is shaped around a 4-level approach: Firstly, phenomena were identified in the transcripts, secondly, grouped in themes, thirdly, objectively/subjectively correlations were analysed in interview quotes, and lastly synthesised in essences of experiences. This master's thesis concludes that the three Danish e-commerce companies experience Amazon as a platform that controls the customer/company interaction and that conventional thinking stands in the way of seeking platform cooperative alternatives. The conclusion calls for further research on how the MSP business model can be expanded and a thorough literature review on how platform cooperativism and e-commerce are compatible.

Table of Contents

Abstract	1
1. Introduction	5
2. Background	7
2.1 CHARACTERISTICS OF THE DANISH E-COMMERCE MARKET	7
2.2 GLOBAL ONLINE MARKETPLACES IN DENMARK.....	8
2.3 THE SALES CHANNELS FOR DANISH E-COMMERCE.....	10
3. Theoretical Concepts	12
3.1 AMAZON AS A SALES CHANNEL	12
<i>Concept 1: The Multi-Sided Platform Business Model</i>	<i>12</i>
<i>Concept 2: Multi-Sided Platforms as Match Optimisers.....</i>	<i>13</i>
<i>Concept 3: Multi-Sided Platforms as Search Diverters</i>	<i>13</i>
3.2 ALTERNATIVE TO AMAZON	14
<i>Platform Cooperativism in E-commerce</i>	<i>14</i>
<i>Concept 4: Platform Cooperativism as an Alternative to MSPs</i>	<i>15</i>
3.3 SUMMATION OF THE CONCEPTS - EXPECTED SWOT	16
4. Methodology	18
4.1 QUALITATIVE METHOD: PHENOMENOLOGICAL APPROACH.....	18
<i>Limitations of The Phenomenological Approach</i>	<i>18</i>
4.2 PHENOMENOLOGICAL RESEARCH DESIGN.....	19
<i>Component 1: Selection of Participants</i>	<i>19</i>
<i>Component 2: Data Collection.....</i>	<i>20</i>
<i>Component 3: Phenomenological Analysis of The Data.....</i>	<i>21</i>
4.3 REFLECTIONS ON VALIDITY AND RELIABILITY OF THE DATA.....	22
5. Data Analysis.....	25
5.1 LEVEL 1: DESCRIPTION OF PHENOMENA	26
<i>Context 1 - Phenomena Relating to Danish E-commerce</i>	<i>26</i>
<i>Context 2 - Phenomena Relating to Amazon's Arrival in Denmark.....</i>	<i>26</i>
<i>Context 3 - Phenomena Relating to The Characteristics of Amazon</i>	<i>27</i>
<i>Context 4 - Phenomena Relating to Alternatives to Amazon.....</i>	<i>28</i>
<i>Sub Conclusion - Level 1</i>	<i>28</i>
5.2 LEVEL 2: IDENTIFICATION OF THEMES	29
<i>Process of Identifying Themes</i>	<i>29</i>
<i>Sub Conclusion - Level 2.....</i>	<i>30</i>
5.3 LEVEL 3: NOETIC/NOEMATIC CORRELATE	30
<i>Theme 1 - Amazon enables a new sales channel for brands</i>	<i>31</i>

<i>Theme 2 - Amazon's arrival is an opportunity to strengthen the Danish e-export</i>	36
<i>Theme 3 - Amazon will transform the technological level of Danish e-commerce</i>	41
<i>Theme 4 - The Danish e-commerce market is moving towards maturity</i>	44
<i>Theme 5 - Amazon sets the terms for the interaction between company and customer</i>	49
<i>Theme 6 - Danish e-commerce is limited from doing platform cooperation</i>	53
<i>Sub Conclusion – Level 3</i>	57
5.4 LEVEL 4: THE ESSENCES OF THE THEMES	58
<i>Essence of Theme 1 - Amazon enables a new sales channel for brands</i>	58
<i>Essence of Theme 2 - Amazon's arrival is an opportunity to strengthen the Danish e-export</i>	58
<i>Essence of Theme 3 - Amazon will transform the technological level of Danish e-commerce</i>	59
<i>Essence of Theme 4 - The Danish e-commerce market is moving towards maturity</i>	59
<i>Essence of Theme 5 - Amazon sets the terms for the interaction between company and customer</i>	60
<i>Essence of Theme 6 - Danish e-commerce is limited from doing platform cooperation</i>	60
<i>Sub Conclusion – Level 4</i>	61
5.5 INTERPRETATION OF THE THEME ESSENCES	62
<i>Essence of Experiences vs. Essence of Expectations</i>	63
<i>Sub Conclusion of The Interpretation</i>	65
5.6 SUB CONCLUSION OF THE DATA ANALYSIS	66
6. Discussion	68
6.1 THE MULTI-SIDED PLATFORM BUSINESS MODEL (REVISITED)	68
6.2 THE POTENTIAL OF PLATFORM COOPERATIVISM IN E-COMMERCE	69
6.3 THE DANISH E-COMMERCE MARKET MOVEMENT TOWARDS MATURITY	70
6.4 SUB CONCLUSION OF DISCUSSION	71
7. Conclusion	72
8. Further Research	74
9. Self-Reflection on The Master's Thesis	75
10. Acknowledgements	76
11. Bibliography	77
11.1 ARTICLES	77
11.2 WEBSITES	78
11.3 RAPPORTS	79
11.4 BOOKS	79
11.5 OTHER	80
12. Appendices	81
APPENDIX 1 - MARKET SHARE IN E-COMMERCE MARKETS	81
APPENDIX 2 - THE LARGEST WEB SHOPS IN DENMARK	82
APPENDIX 3 – NORDIC E-COMMERCE IS IN THE EXPANDING PHASE	83

APPENDIX 4 – MOST POPULAR PRODUCTS ON U.S. AMAZON	84
APPENDIX 5 – RESPONSE FROM CUSTOMER SUPPORT	85
APPENDIX 6 – NO RESPONSE ON LINKEDIN	86
APPENDIX 7 – QUICK AND POSITIVE RESPONSE ON LINKEDIN	87
APPENDIX 8 – ESTABLISHING CONTACT WITH THE ELECTRONICS BRAND	88
APPENDIX 9 – POSITIVE RESPONSE BY EMAIL.....	89
APPENDIX 10 – NO RESPONSE AFTER ESTABLISHED CONTACT	90
APPENDIX 11 – INTERVIEW GUIDE WITH THE ELECTRONICS BRAND.....	91
APPENDIX 12 – INTERVIEW GUIDE WITH ESHOES	95
APPENDIX 13 – INTERVIEW GUIDE WITH GYLDENDAL.....	99
APPENDIX 14 - PHENOMENA RELATING TO DANISH E-COMMERCE.....	103
APPENDIX 15 - PHENOMENA RELATING TO AMAZON’S ARRIVAL IN DENMARK	105
APPENDIX 16 - PHENOMENA RELATING TO THE CHARACTERISTICS OF AMAZON.....	107
APPENDIX 17 - PHENOMENA RELATING TO ALTERNATIVES TO AMAZON	110
APPENDIX 18 – OVERVIEW OF THEMES.....	112
APPENDIX 19 – OVERVIEW OF THEME CORRELATIONS.....	117
13. Interview Quotations	127

1. Introduction

In 1999, on my 10-year birthday, my parents gave me a gift voucher to the local toy store in my home town. Entering the store was not only a matter of entering a psychical space with colourful products. It was a magical sensation. Walking between the narrow shelves surrounded by zombie masks, green slime, action figures and boxes with Lego was like being in a world of endless possibilities. Despite only being 20 years ago, this was the primary way of purchasing products in '99, at least the only convenient way in Denmark. The way which has defined *business-to-customer* (B2C) commerce in the 20th century; entering a space with a physically limited selection of products. However, the rise of the World Wide Web in the '90s was an omen of the future for commerce. Some economists viewed the early e-commerce as a realistic possibility of getting closer to *the perfect market*: The prices on all products would be available for every consumer at any given time (Laudon & Traver, 2016). No more would the consumer be limited by psychical stores, where senses are influenced by colours and smells, and the overview of prices is based on memory and intuition.

20 years later, the e-commerce website Amazon accounts for approx. 40-50 pct. of the market share¹ in the US, the UK and Germany, and is the largest B2C *global online marketplace* (GOMP) in the world (Murtagh, 2018). In relation to Amazon's present market position, history seems to have proven the view on early e-commerce as being naïve. However, to some extent it might be the direction e-commerce is heading for. It is a matter of perspective. Amazon is not only a retailer; it is first and foremost a marketplace platform that connects buyers and sellers. In the scientific literature this phenomenon is described as *platform economy* where *multi-sided platforms* (MSPs) serve as "digital matchmakers"; an intermediary that increases the likelihood of a match between A and B (Evans, 2003b). The common perception is that MSPs reduce the buyer's *search costs* because consumers can gain easy access to an enormous number of companies and products, but other perspectives highlight that MSPs are a new way of diverting the search (Hagiu & Jullien, 2009). Furthermore, there is a dispute about who controls the MSPs and creates the value, the platform participants or the platform owners (Kenney & Zysman, 2016). Critical voices argue that MSPs fail in relation to social responsibilities and democratic fairness and proposes *platform cooperativism* as a more sustainable alternative (Scholz, 2016).

¹ See Appendix 1 – Market Share in E-Commerce Markets

In Denmark, the Danish e-commerce market is preparing for Amazon's arrival² (expected 2019). In terms of e-commerce penetration and growth, Boston Consulting Group (BCG) characterises the Danish market as being located in an expanding phase with a high degree of fragmentation (Poulsen et al., 2018). Furthermore, studies suggest that only 1 pct. of the Danish companies use GOMPs actively as a part of their export strategies (Wilke, 2018). It implicates that Amazon is likely to reshape the Danish e-commerce market which no current alternatives. This master's thesis seeks to research how selected Danish e-commerce companies are expecting Amazon to influence the Danish market and what the alternatives are. The thesis is based on the following research question:

How are three Danish companies expecting Amazon to influence the characteristics of the Danish e-commerce market?

This master's thesis shows that three Danish e-commerce companies experience Amazon as a platform that controls the customer/company interaction and that conventional thinking stands in the way of seeking platform cooperative alternatives. The data suggests that Amazon will enable a new B2C sales channel for brands, strengthen Danish e-export, but also intensify competition and speed up the maturity of the Danish e-commerce market. The data collection of this thesis is based on a phenomenological approach in order to obtain a deeper understanding of how Danish e-commerce companies understand themselves, the world they operate in, and Amazon in relation to this. Qualitative interviews are collected from three Danish companies operating in industries where Amazon are regarded as experts: clothing/shoes, electronics and books. The analysis categorises phenomena from the data in *themes*, and the identified essence of experience suggests that Amazon entails opportunities and threats which are hard to separate from each other. The conclusion of this master's thesis suggests both practical and theoretical implications: The need for further research on the MSP business and how Danish e-commerce companies need guidance and initiatives from a neutral third-party in relation to platform cooperativism.

² All though cross-border transactions are possible for Danish consumers, Amazon does not have a Danish web domain or a physical present in Denmark. Amazon's arrival in Denmark is to be understood as: 1) The creation of a Danish web domain and 2) The establishment of a warehouse (most likely) in Sweden and potentially in Denmark in the longer term (Poulsen et al., 2018).

2. Background

The background chapter provides the context of the Danish e-commerce market. Firstly, it will be explained how the Danish e-commerce market is highly fragmented and why it is seemingly still in an expanding phase. Secondly, the Danish companies' experiences with *global online marketplaces* will be described and, lastly, the present and potential sales channel of the e-commerce market will be presented.

2.1 Characteristics of the Danish E-commerce Market

The Danish e-commerce market is characterised by being highly fragmented, meaning that the market share is distributed in small bits among a large number of companies. Boston Consulting Group (BCG) has collected data on the e-commerce market shares in the US, Germany, the UK and the Nordic countries, and especially the difference between the German and the Danish market are distinctive.³ In Germany (2017) the top 3 e-commerce companies account for 64 pct. of the market, with Amazon as number one with approx. 40 pct. of the market. In contrast to this, the top 3 only make up 9 pct. of the Danish market and the companies below the top 20 holds 69 pct. of the market share. This aligns with a survey conducted (2018) by the Danish trade organisation *FDIH*⁴ that states that the majority of the top 20 companies has a ratio between 0.7 and 1.7.⁵ The exception is *Zalando* ranked as number 1 with a ratio of 3.4 pct., and Amazon ranked as number 2 with a ratio of 2.1 despite only cross-border transitions (on *amazon.de* or *amazon.uk*) are possible for Danish consumers (Willemoes, 2019).

The reason for the degree of fragmentation can be explained by the Danish e-commerce market not having fully matured yet, according to BCG (Poulsen et al., 2018). The revenue has grown 78 pct. from 2013 to 2017 (DIBS by NETS, 201) indicating that Danish consumers are frequent users of e-commerce. However, BCG argues that the Danish market is still in an expanding phase where the e-commerce penetration is medium and still holds potential for growth (Poulsen et al., 2018). Thus, Denmark differentiates from countries e.g. India and Italy located in the nascent phase, and the UK

³ See *Appendix 1 – Market Share in E-Commerce Markets*

⁴ *Forening for Dansk Internethandel* – trade organisation for Danish e-commerce. In their survey they asked 14.544 respondents “What was the name of the online shop where you did your latest purchase?”

⁵ See *Appendix 2 – The Largest Web Shops in Denmark* (Witailer, 2018)

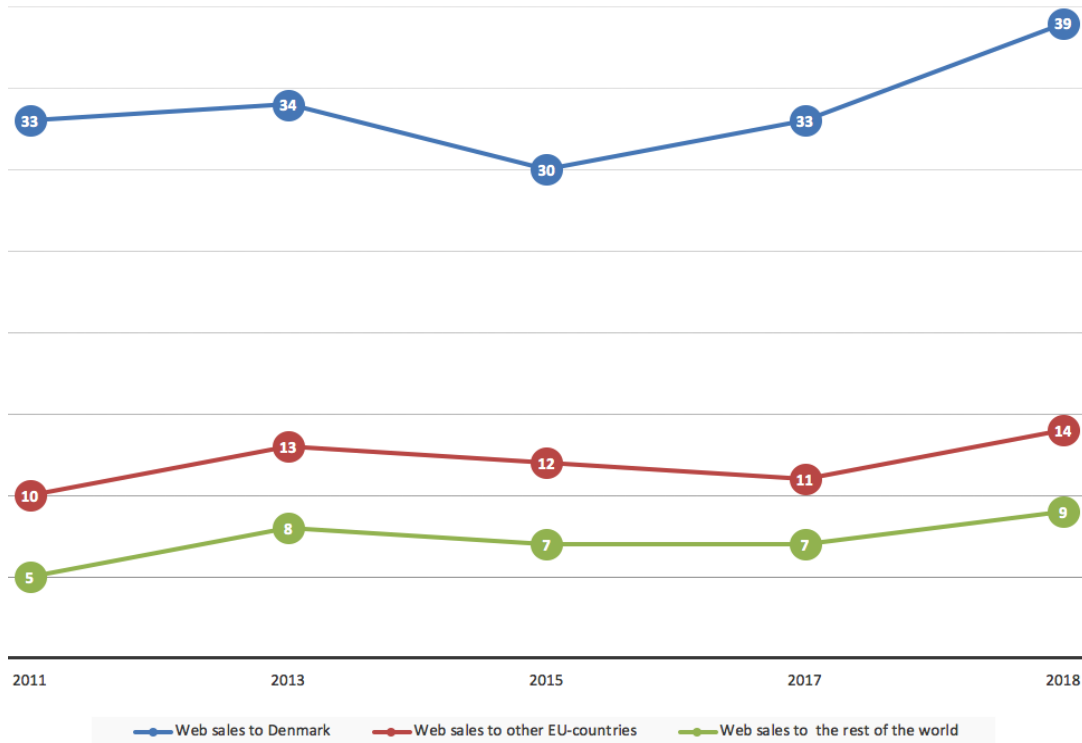
and China in the mature phase.⁶ The reason why the Danish market still holds expanding potential is, among other things, due to “[...] the absence of extensive marketplaces (such as Amazon and Alibaba) that play a key role in mature markets” (Poulsen et al. 2018, p. 3). This indicates that there is a growth incentive for Amazon in terms of penetrating the Danish e-commerce market trying to take the position as the market leader (Poulsen et al., 2018).

2.2 Global Online Marketplaces in Denmark

Amazon is often referred to as being a *global online marketplace* (GOMP). An online marketplace is a “two-sided” e-commerce website facilitating search tools (Witailer, 2018) that connect buyers and sellers more efficiently. In general, Danish e-commerce companies’ experience with selling on GOMPs are limited to a great extent. Some Danish companies have experience with global e-commerce sales. However, figures from *Danmarks Statistik* indicate that the percentage of global web sales are quite low compared to national sales:

⁶ See *Appendix 3 – Nordic E-commerce Is in The Expanding Phase*

Figure 1: *Web sales for Danish commerce and transport industry in pct.*



(Pedersen, 2019)⁷

The stagnation from 2013 to 2018⁸ indicates that the use of GOMPs as an export channel is limited which is supported by a survey conducted by *CBS, DI Handel* and *Wilke*⁹. 10 pct. of the surveyed Danish companies say they have sales experience on GOMPs; only 1 pct. uses it actively to optimise their sales and 90 pct. have not begun using GOMPs yet. Only 24 pct. of the companies selling via GOMPs are using Amazon (Wilke, 2018).

GOMPs, such as Amazon, eBay and Alibaba Group, differentiate from *vertical marketplaces*, which focus on a particular product category and *horizontal marketplaces*, which focus on a particular customer segment by basically selling everything to everyone (Witailer, 2018). This means that the

⁷ The graph is created with statistics gathered from Denmark's statistical bank *statistikbanken.dk*, comparing data from national web sales with sales to other EU countries and the rest of the world (Danmarks Statistik, 2019). Note that commerce and transport are grouped by *Danmarks Statistik*, thus, data is not available for commerce separately.

⁸ In relief Amazon has had a growth rate in revenue on 173 pct. in the same period (Statista (a), 2019).

⁹ Copenhagen Business School, trade organisation *Dansk Industri Handel* and market research institute Wilke. In their analysis they surveyed 800 Danish companies about their experience and knowledge about GOMPs.

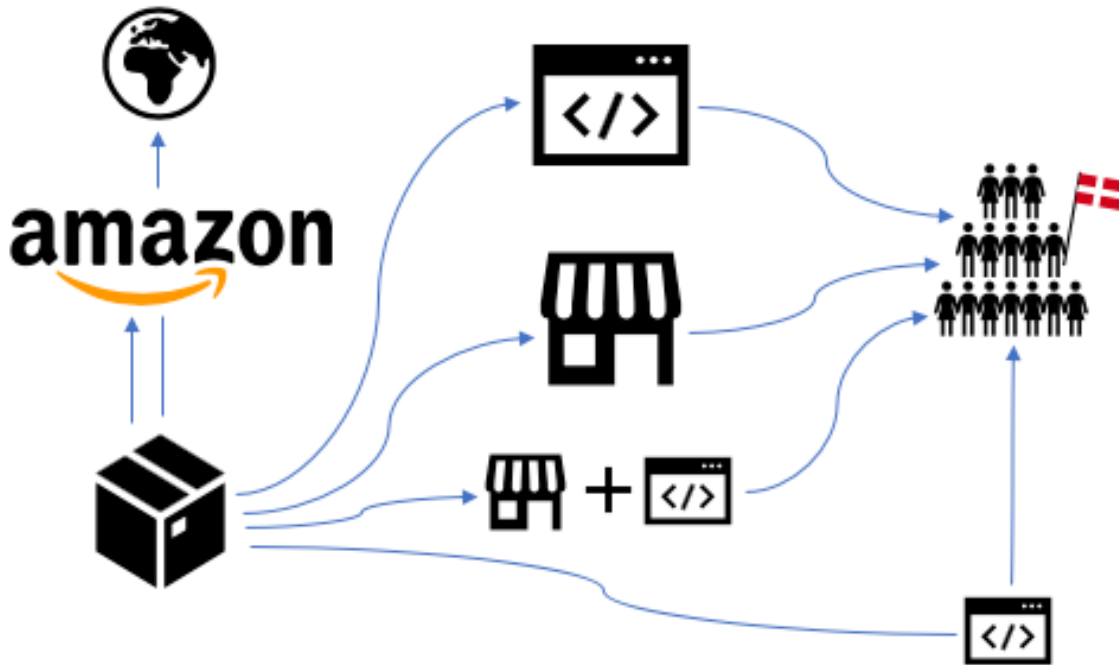
GOMPs have a far broader reach in global web sales and is not limited to the know-how of particular industries, i.e. not excluding any Danish companies per se. Figures from BCG suggest that Amazon has the largest market share in the countries where they have a physical presence (warehouses). Furthermore, the increment in cross-border transactions, Amazon entails, tend to leave a positive mark on the GDP (Poulsen et al., 2018). Thus, the utilisation of GOMPs has the potential to enhance the Danish e-export by fortifying the Danish e-commerce's global web sales.

2.3 The Sales Channels for Danish E-commerce

It seems evident that Amazon has the potential to increase the growth of the Danish e-commerce market. However, it might also add a layer of complexity to the value chain of the companies. Amazon's arrival in Denmark will most likely intensify the competition for retailers and force brands to take control of their products on Amazon. Figures show that 72 pct. of the German consumers prefer to find information about products on online marketplaces rather than on Google (Online Markedspladser (a), 2019). With Amazon's arrival on the Danish market, the fight for the customers' attention will most likely increase significantly. Furthermore, Amazon has a double role in being a platform and a retailer at the same time, so Danish retailers will have to compete with Amazon as well. As a consequence of this, brands will be forced to become "brand owners" on Amazon either by passive registration or actively selling, or they risk leaving the control of the brand value to the retailers. Restricting retailers from selling on e.g. Amazon is possible for brands within the scope of Danish competition law. However, it is limited to highly specialised products (Online Markedspladser (b), 2019).

The current sales channel for Danish e-commerce is visualised in the following model:

Figure 2: *Sales Channels of Danish E-commerce*



(Pedersen, 2019)

Danish e-commerce brands will typically sell to an e-retailer, a physical store, an omnichannel and/or through their own website. In relation to e.g. the German Amazon, they can either sell to Amazon (retailer) or via Amazon (platform). The arrival of Amazon will potentially impose a more direct sales channel for brands. Thus, the question is whether Danish e-commerce is moving towards a direction where retail will become more and more superfluous. BCG argues that Danish e-commerce companies are faced with a “fight vs join” dilemma in relation to Amazon’s arrival where those who choose to fight should focus on Amazon’s weaknesses e.g. lack of personalisation and omni-channel benefits (Poulsen et al., 2018). However, Danish brands who choose to fight will have a hard time competing with Amazon on their own. A possible solution to this could be to seek alternative channels such as a platform cooperativism. Examples of platform cooperativism can be found in e.g. the UK where the governance launched a platform cooperation for fashion brands, and another example is the Danish embassy in China launching a platform on *Tmall* to help Danish brand gain footing on the Chinese market (Ministry of Foreign Affairs of Denmark, 2017).

3. Theoretical Concepts

This chapter provides two theoretical perspectives: Amazon as an MSP sales channel and platform cooperativism as a potential alternative to Amazon. Firstly, three concepts are presented to highlight some of the most important features on MSPs and how they differentiate from traditional sales channels. Secondly, platform cooperativism is defined and formulated as a concept. Finally, the four concepts are structured in a SWOT matrix to present an overview of how the three Danish e-commerce companies are expected to view Amazon influence on the Danish market.

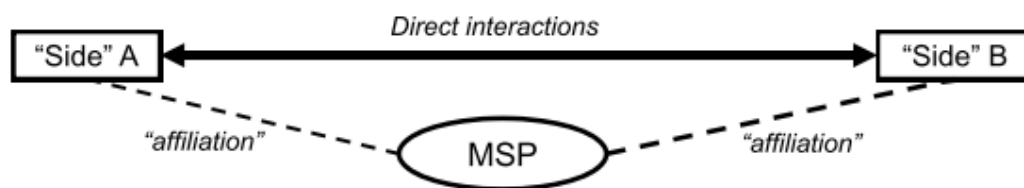
3.1 Amazon as a Sales Channel

In the following subsection, three concepts are presented: *The MSP business model*, *MSPs as match optimisers* and *MSPs as search diverters*.

Concept 1: The Multi-Sided Platform Business Model

Caillaud & Jullien (2003) and Armstrong (2006) explicate the differentiation between traditional e-commerce channels and MSPs with *network effects* and *cross-group externalities* causing externalities in one group to affect another group. Hagiu & Wright (2015) also view these as MSPs attributes but find the definition too broad. Their theoretical model characterises MSPs as an intermediary that enable *direct interaction* between two groups where the groups possess an *affiliation* with the MSP independently of each other:

Figure 3: MSP Business Model



(Hagiu & Wright, 2015, p.6)

The MSP business model will be applied as a framework to examine how the three Danish e-commerce companies (side A) understand their (potential or present) affiliation with Amazon as an MSP, and what advantages they see in *direct interactions* with the customers (side B). The

expectation is that the companies, due to the “direct interactions”¹⁰ element, will be able to interact with the customers independently of the MSP. Thus, they can integrate Amazon as a sales channel. Implicated critique of the model is provided by *constructed preference* and *phenomenological views* on MSPs (Bellman et al., 2006). These perspectives emphasise the *decision environment* as the most crucial factors for “side B’s” choices, indicating that the customers (side B) are actually interacting with the companies (side A) *through* their affiliation with the MSP. Therefore, the weakness of applying this model is that the model does not take the decision environment into account.

Concept 2: Multi-Sided Platforms as Match Optimisers

The notion that MSPs work as a reducer of *buying search cost* for “side B”, measured in *time*, origins from Bakos (1997). It is further devolved by Evans (2003), who argue that MSPs optimise the process of *matchmaking* when “side B” benefits from having his/her demand coordinated by members of “side A”. The design of the *decision environment* is essential for lowering the search cost (Bellman et al., 2006) and the MSP can coordinate the customers’ demand in a trustworthy manner by ensuring an efficient search technology (Colucci et al., 2006). Amazon is well known for search efficiency. Thus, it is expected that Danish consumers will benefit from having Amazon as a “demand coordinator”. Which, in essences, means that Amazon’s arrival in Denmark is expected to optimise the matchmaking between buyer and seller, i.e. it is a growth opportunity for the three Danish e-commerce companies. The main critique comes from the economic school emphasising that whether the search cost is reduced depends on the unit of measurement. The cognitive school argues for a “cognitive search cost” which also should be considered; whether this is reduced using e-commerce is debatable (Bellman et al., 2006). The primary limitation of applying the notion of “matchmaking” is, thus, that the cognitive search costs for “side B” are not considered.

Concept 3: Multi-Sided Platforms as Search Diverters

Hagiu & Jullien (2009) hypothesise that MSPs are diverting search intentionally to optimise the profit of the platform (e.g. transactions costs) and maximise “side B’s” exposing to products. Recommendation systems are an example of this diverting the customer focus towards what they *might* want instead of what they *need* (ibid.), and *pricing algorithms* is a mean to obtain this goal, by

¹⁰ Hagiu & Wright (2015) define “direct interactions” as a type of interaction where side A and B set the terms for the interaction, and not the MSP.

matching competitors prices in real time (Chen, Mislove, & Wilson, 2016). The concept of search diversion will be applied to examine how the three Danish e-commerce companies view Amazon as an MSP with immense technological capacity. It is expected that Amazon's technological efficiency will increase the competition on the market and set new standards for Danish e-commerce. The introduction of recommendation systems, pricing algorithms, and fast delivery will enforce new ways of diverting Danish consumers. The companies will regard this as a threat because it will sharpen the expectations of the consumers. In relation to the critique of the concept of search diversion, one may argue that the concept is of a normative character. Whether it is a descriptive statement to suggest that e.g. recommendation systems are diverting consumers, as suggested by Hagiu & Jullien (2009), or the consumers are following these willingly is debatable. However, this debate goes beyond the scope of this framework, and it is presumed that search diversion is an essential element of MSPs.

3.2 Alternative to Amazon

In the following subsection platform, cooperativism is defined in relation to e-commerce and then formulated as a concept: *Platform cooperativism as an alternative to MSPs*.

Platform Cooperativism in E-commerce

Platform cooperativism, or *collaborative economy*, is often associated with new ways of organising “on-demand” labour (Scholz, 2017), open-source technologies or potential means to reinforce democratic fairness on the internet (Scholz, 2016). Fuster & Espelt (2018) defines collaborative economy as a “[...] digital platform serving as an intermediary between equals, either between organizations or individuals, with or without economic consideration” (p. 2). The idea of “being equals” in platform cooperativism is expected to pose a challenge for how the three e-commerce companies view platform cooperativism. In general, companies operate in a competitive environment and are, thus, to a certain extent, trying to achieve inequality, i.e. gain a competitive advantage over each other. The notion of platform cooperativism will be applied to examine an alternative/supplement to Amazon as an MSP and how this idea of cooperation is viewed by the companies. It is expected that they will not find this suitable for the scope of e-commerce. Platform cooperativism is criticised when associated with transaction-oriented platforms (in relation to *sharing economy*). MSPs operating in this field tend to underpay the actual value creators on the platform to maximize profits (Scholz, 2017). It is presumed, to a certain extent, that platform cooperativism and e-commerce are compatible. However, it is debated in the field of research whether they are.

Concept 4: Platform Cooperativism as an Alternative to MSPs

Scholz (Scholz, 2016) states that shared cooperation values are imperative in order to build an efficient platform cooperation, which, as stated above, could prove to be a challenge for e-commerce. A solution to this challenge could be to have neutral intermediary, with no financial interests in the companies, to create and run the platform. This could e.g. be a governance organ ensuring that transparency and democratically terms for the companies on the platform. However, another issue with platform cooperativism in e-commerce is a matter of the companies' incentive. The expectation is that Amazon will reduce the incentive for the three Danish e-commerce companies, due to the optimisation of matchmaking Amazon proposes. This can be figuratively illustrated with the *prisoner's dilemma*¹¹. As a thought experiment, one could imagine two Danish companies faced with the strategical "fight vs join" dilemma in relation to Amazon's arrival in Denmark. They can either fight Amazon *grouped* in a platform cooperativism or join Amazon separately. Despite fighting, *grouped* yields the best outcome for the two companies that act in fear of being the only one who chooses to fight causing both companies to choose to join Amazon:

Figure 4: Platform cooperativism dilemma: Fight vs Join

COMPANY A \ COMPANY B		COMPANY B	
		FIGHT	JOIN
COMPANY A	FIGHT	<i>Grouped (2)</i> <i>Grouped (2)</i>	<i>Win (3)</i> <i>Lose (0)</i>
	JOIN	<i>Win (3)</i> <i>Lose (0)</i>	<i>Alone (1)</i> <i>Alone (1)</i>

(Pedersen, 2019)

The expectation is that the growth opportunities for Danish e-commerce companies will be so lucrative that no one will take the initiative to propose a platform cooperativism. Despite scenarios where it might serve as a supplement or an alternative to Amazon, and perhaps more prosperous in the longer term, the companies are expected not to have a sincere wish to participate in a

¹¹ A dilemma in *Game Theory* where two individuals acts in their own self-interest, despite collaboration would yield the best outcome for both parties (Chappelow, 2019).

cooperativism with other Danish companies. Furthermore, it is expected that Amazon will decrease the incentive because the benefits of being on Amazon make up for the negative consequences.

3.3 Summation of The Concepts - Expected SWOT

The four concepts are summarised in a SWOT¹² matrix to provide an overview of the expectations to the results of the analysis. The matrix is divided between internal/external and helpful/harmful, and the concepts are placed in relation to how the three Danish e-commerce companies expect Amazon to influence the Danish market:

Figure 5: *SWOT matrix of theoretical concepts*

		Helpful	Harmful
Internal	S	Concept 1: Enables direct interaction with customers	W Concept 4: <i>Reduces incentive to create/look for platform cooperative alternatives</i>
	O	Concept 2: <i>Optimises the process of matchmaking</i>	T Concept 3: <i>Sharpens the requirements to technological efficiency</i>
External			

(Pedersen, 2019)

Concept 1: Based on the business model for MSPs, it is expected that the Danish companies will be able to establish direct interaction, through their affiliation with Amazon, with customers, independently of Amazon. This is categorised as helpful internally because it allows the companies to launch on Amazon without applying too many resources.

Concept 2: Based on the notion of matchmaking, Amazon is expected to optimise the process of reaching current and new customers for the three companies. Thus, it is categorised as helpful

¹² Strengths, Weaknesses, Opportunities, Threats. The SWOT matrix is an analytical tool to evaluate and plan strategies (Grant, 2019).

externally because the expectation is that they will increase the market share of the companies and force their e-export.

Concept 3: Amazon's technological capacity, in relation to the notion of MSPs as search diverters, is expected to sharpen the requirements to technological efficiency. This is regarded as an external threat because Amazon will most likely challenge the "status quo" in Danish e-commerce, especially in relation to Amazon as a retailer.

Concept 4: Amazon's arrival in Denmark is expected to reduce the three Danish e-commerce companies' incentive to either create or enter a platform cooperation because the benefits of joining Amazon will be too lucrative. This is categorised as internally harmful because it might limit the companies to think in alternatives in relation to Amazon.

4. Methodology

In the following chapter, it is explained how the phenomenological approach is implemented. The research design is presented, which include selection of participants, data collection and phenomenological analysis of the data. Finally, reflections of validity and reliability are presented.

4.1 Qualitative method: Phenomenological Approach

This master's thesis applies qualitative methods based upon a *phenomenological approach* to research. In essences, a phenomenological approach is characterised by the idea that the *essence* of experiences (objects) can be understood by studying how the *experiencer* (subject) interpret these, rather than a division between the subjective and objective, e.g. as in quantitative methods (Birkler, 2010). Sanders (1982) argues that phenomenology is seeking to:

“[...] make explicit the implicit structure and meaning of human experiences. It is the search for "essences" that cannot be revealed by ordinary observation. [...] The point of phenomenology is to get straight to the pure and unencumbered vision of what an experience essentially is” (p. 354)

Phenomenology, as a philosophy of science, is the standpoint of this master's thesis, and, thus, determining how the data is selected, collected and analysed. It is presumed that the phenomenological approach will provide the most productive answers to the research questions because it is investigating how Danish companies are experiencing Amazon and the expected impact on the Danish e-commerce market. Furthermore, it is presumed that the experiences of the participants, qua their roles as CEO's and leaders, can be regarded as representing the structures of the company.

Limitations of The Phenomenological Approach

The phenomenological approach has its point of departure in subjective experiences and is, thus, limited from applying quantitative methods, although such approaches could have been relevant. It entails challenges in relation to both replication and generalisation of this master's thesis results. Interpretation is a central part of analysing phenomena and deduces essences. Thus, it lacks more objective units of analysis which could serve as the basis of replication. Furthermore, generalisation

cannot be achieved in relation to the population, and such an approach will leave it almost impossible to assess the extent of the results in relation to other contexts.

4.2 Phenomenological Research Design

Sanders (1982) is regarded as one of the few researchers to explicate how phenomenology can be applied in organisational theory/business studies (Gill, 2014). Thus, this design seems most accurate for the field of research in this master's thesis. Sanders (1982) recommends that *three components* serve as the basis of the design. Firstly, one should determine what and whom to investigate, where a subject not easily quantifiable is most suitable for “the what”, and persons who can give reliable information on the subject most suitable for “the whom”. Sanders (ibid.) recommends the ideal number of participants to be between three and six, as a rule of thumb. Secondly, semi-structured interviews are one of the best methods to collect data, where transcriptions of the data are essential to ensure that the analysis is based on the exact words of the participant. Lastly, Sanders (ibid.) proposes a 4-level approach to phenomenological analyses of the data:

- 1) Description of the phenomenon as experienced by the participant.
- 2) Identification of the common themes across the descriptions – not in terms of frequency, but rather in relation to commonalities within and between the phenomena.
- 3) *Noetic/noematic correlates*: Identification of the objective statements in the themes and how these are experienced subjectively, i.e. the correlation of “what is experienced” with “how it is experienced”.
- 4) Application of intuition to abstract the essence of themes by asking “why” to the correlation of what and how.

Component 1: Selection of Participants

The first step in selecting participants was to identify relevant Danish e-commerce companies. This was done by trying to find the most popular product categories on Amazon¹³, presuming that Danish companies within these categories would feel most threatened or excited about Amazon's arrival in Denmark. After identifying the relevant companies, the next step was to contact the relevant participants for the interview. An important criterion for the selection of the participants was that they

¹³ See *Appendix 4 – Most Popular Products on U.S. Amazon*

were either CEO's of the company or head of the e-commerce department, to ensure a high degree of knowledge on the topic. One approach was to use the customer support e-mail, which, despite always providing kind answers back¹⁴, did not prove to be productive. The second approach was to search for the companies on *LinkedIn*, contacting the participants directly via LinkedIn in-mail. This either resulted in no response at all¹⁵ or quite quick and positive responses¹⁶.

After establishing contact with the CEO of an *Electronics Brand*¹⁷, who design and create their own electronic products, and *Søren Kipling*, CEO of the shoes/clothing e-retailer *Eshoes* and consultancy *be-ahead*, the email-approach was tried again. With no luck and time running out, an email with a positive response was received¹⁸, and the third participant was found, *Jeppe Mossin* Head of Digital Sales at the publisher *Gyldendal*. It is evident that there was quite a difference in how well the request was received and how motivated the participants were. The Electronics Brand was just about to launch on Amazon, outside of Denmark, Eshoes has had 8 years of experience selling on Amazon in Germany, and Gyldendal's business (as a publisher) is based on publishing knowledge – factors which are all regarded to have been given the companies a high degree of motivation for participating. Contact with a fourth participant from a design brand was established. However, the potential participant ceased to reply. The reason for this could be that the respondent expressed that the company did not have knowledge or experience with Amazon.¹⁹

Component 2: Data Collection

The first step in collecting the data was to prepare interview guides. Semi-structured interviews were regarded as the most suitable interview form because it facilitates indepth conversations with the participants as well as allowing improvised questions. Furthermore, the semi-structured interview gives the participant the possibility to wander in different directions. Five topics were formulated for the interview guide: *the company (brand, vision, strategy)*, *the competitive situation*, *Amazon – strategical considerations*, *alternatives to Amazon* and *the usage of data*. These topics were

¹⁴ See Appendix 5 – Response from Customer Support

¹⁵ See Appendix 6 – No Response on LinkedIn

¹⁶ See Appendix 7 – Quick and Positive Response on LinkedIn

¹⁷ See Appendix 8 – Establishing Contact with The Electronics Brand. The name of the company and the participant are anonymised (participant's wishes). Will be referred to as the CEO of The Electronics Brand.

¹⁸ See Appendix 9 – Positive Response by Email

¹⁹ See Appendix 10 – No Response After Established Contact

formulated to obtain knowledge about how the participants view their company in relations to the surrounding world, how they view Amazon and considerations about potential alternatives. After finalising the interview with the Electronics Brand²⁰, new information about how to trade on Amazon was acquired, and the questions were modified a bit in the interview guides for Eshoes²¹ and Gyldendal²².

The interviews with the Electronics Brand and Eshoes were done over the telephone, due to practical reasons, which gave some limitations in terms of non-verbal expressions and the naturalness in improvising questions. The interviews were recorded in *GarageBand* using a microphone to record the call on speaker and took approx. 45 and 35 minutes. The third interview with Gyldendal was done face to face in a meeting room at Gyldendal's headquarters in central Copenhagen. This allowed for a more natural flow of the conversation which also resulted in a longer interview with a duration of 1 hour and 13 minutes. The interviews were all done in Danish, which will mean some linguistic nuances might be lost in the paraphrasing for the analysis. All the interviews were fully transcribed²³, to ensure a higher validity, using QuickTime player and Word, and the support from an assistant²⁴.

Component 3: Phenomenological Analysis of The Data

The first step, using Sanders' (1982) four-level approach to phenomenological analysis is to describe the phenomena as experienced by the three participants from The Electronics Brand, Eshoes and Gyldendal. This will be done using a *topic-centric* approach, rather than *case-centric*, going through the topics in the transcripts in order to pinpoint the phenomena across the participants' descriptions. Only phenomena that relate to either Amazon and/or Danish e-commerce will be selected, in order to ensure that the data analysis focuses on answering the research question. The second step is to identify patterns within and between the phenomena and unify these in themes, which sum-up the phenomena the participants are experiencing across the interviews. Only themes that relate to answering the analysis questions will be selected. The third step is to identify "the what" and "the how" in the themes and examine how these correlate; paraphrased interview quotes will be used to in order to

²⁰ See *Appendix 11 – Interview Guide with The Electronics Brand*

²¹ See *Appendix 12 – Interview Guide with Eshoes*

²² See *Appendix 13 – Interview Guide with Gyldendal*

²³ See *Attachments – Transcripts of Collected Data*

²⁴ See *Chapter 10. Acknowledgements*

analyse how the *objective* statements are experienced *subjectively* by the participants. The last step is to arrive at the essences of the themes by analysing why the participants are experiencing the themes the way they are. This will be done by asking the question “why” to the noetic/noematic correlation, i.e. removing “the perceived” leaving only “the required”. The data will be summarised in a table to gain an overview of how the analytical process was done. Sanders’ four-level approach implicates an inductive approach to research; thus, it will be supplemented with a theoretical interpretation of the themes. This will be done in order to interpret the essences of the themes in relation to the expectations of the theoretical concepts. The SWOT matrix (3.3) will be revisited to examine whether the themes confirms or disconfirms the theoretical expectations. The analysis is guided by the following analysis questions:

1. How will Amazon’s arrival in Denmark change the characteristics of the Danish e-commerce market?
2. How will Amazon’s arrival in Denmark change the Danish e-commerce companies’ usage of GOMPs?
3. How will Amazon’s arrival in Denmark influence the sales channels of Danish e-commerce?
4. How will Amazon’s arrival in Denmark influence the possibility for platform cooperativism between Danish e-commerce companies?

4.3 Reflections on Validity and Reliability of The Data

Phenomenology entails some challenges in relation to the concepts of validity and reliability. The external reliability (replicability) of this research design is believed to be increased by applying the 4-level approach because it is a fairly straight forward step-by-step guide, and in that matter easy to replicate. However, the subjective interpretation plays a central part in the phenomenological analysis, so it is regarded as unlikely that other observers would arrive at exactly the same conclusions in relation to the observed. Thus, the internal reliability is believed to be low, but this would require an assessment of whether observations and interpretations are consistent across multiple researchers. However, this master’s thesis is not necessarily regarded as suitable for replication, but more as a stepping stone to what would be relevant to further research topics, in relation to Amazon as an MSP and platform cooperativism’s applicability in e-commerce.

Internal validity in qualitative research is generally regarded as quite high (Quinton & Smallbone, 2005) because so much time is spent ensuring that the observed aligns with the concepts. A lot of time was spent finding the right participants, preparing the interview guides and transcribing the collected data, that it is presumed to increase the validity. One issue in relation to internal validity was regarding the language of the collected data. All selected interview quotes from the transcripts are translated from Danish to English and paraphrased, which means that the author of this master's thesis interpretation of the data and the linguistic presentation of the data cannot be separated. E.g. the Danish adjective "voldsom" (violent/heavy/intense) has around 15 possible English words that depends on the context. Choosing the adjective that represents exactly what the participant is experiencing, is a difficult task and nuances may have been lost in the translation process. However, the objective of phenomenology is to arrive at the essence of experience, i.e. to remove what is perceived, leaving only what is required. Thus, loss of linguistic nuances in particular sentences is not believed to decrease validity significantly, and the essence of experiences is expected to remain the same, had the paraphrases been translated slightly differently.

Many qualitative researchers reject the concepts of validity and reliability to be relevant parameters for assessing a qualitative research design, where some suggest the terms *trustworthiness* and *authenticity* to be applied instead (ibid.). Trustworthiness refers to the credibility of the research design, which can be achieved by assessing whether the data can be triangulated (ibid.), i.e. assessing whether it can be transferred to other contexts. The field of research in this master's thesis is not viewed as being strictly limited to a qualitative approach and reflections on how the conclusions can serve as the basis for quantifiable future research, were part of the process²⁵. Authenticity relates to whether the research contributes to the social context (ibid.), which in this thesis could be in relations to the conclusions on platform cooperativism. Trustworthiness and authenticity can be viewed as good supplements for assessing validity and reliability. In terms of the external validity, it is by default seen as none existing in relation to generalising the results to the population of the Danish e-commerce market because a qualitative approach is more a matter of generalising to theory (ibid.). With that being said, some of the participants' experiences cannot be regarded as merely subjective

²⁵ See Chapter 8. Further Research

statements, but also relevant knowledge for other companies. However, assessing this is a matter of interpretation and not objectifiable units of analysis.

5. Data Analysis

The data analysis of this master's thesis is based on Sanders' (1982) 4-level approach to phenomenological analysis. Firstly, phenomena are identified by examining the transcripts of the interviews with the three participants. Secondly, key qualities for each phenomenon are found in order to find commonalities in the phenomena and group them in themes. Thirdly, the objective statements and subjective experiences of the participants will be analysed in paraphrased interview quotes from each of the phenomena within the themes. This will be done to develop what/how correlations of the themes. Fourthly, the essence of the themes will be identified by finding the commonalities in the what/how correlations, asking the question "why" to the correlations. Lastly, the 4-level analysis will be followed by an interpretation of the theme essence. This will be done to interpret whether the essence of the participants' experiences confirmed or disconfirmed the theoretical expectations. Sanders' (ibid.) 4-level phenomenological analysis is a hierarchical structure, illustrated in the following model for the data analysis of this master's thesis:

Figure 6: *Model of the 4-levels phenomenological analysis*



(Pedersen, 2019)

5.1 Level 1: Description of Phenomena

Level 1 serves as a descriptive exposition of phenomena identified in the data. Only phenomena that relate to the context of either Amazon and/or the (currently/expected) Danish e-commerce will be selected, in order to ensure that the data analysis informs the research question of this master's thesis: *How are three Danish companies expecting Amazon to influence the characteristics of the Danish e-commerce market?* The primary purpose of level 1 in the analysis is to account for the identified phenomena, which constitute the themes.

Context 1 - Phenomena Relating to Danish E-commerce

The following subsection is a collection of phenomena, which describes the context of Danish e-commerce. The participants are experiencing this context in its current form and in relation to which direction they see the market move towards. Furthermore, the participants are describing some of the phenomena in relation to previous experiences and some of them in relation to a broader assumption about the Danish e-commerce market and the society as a whole. Seven phenomena were identified within the context of Danish e-commerce, each identified on the basis of the participants' unique description of their experiences²⁶:

P1: E-commerce brands that sell B2C risk competing with their B2B customers.

P2: Retailers selling on GOMPs are basically "physical stores" with an enormous reach.

P3: Audiobooks are transforming the Danish book industry.

P4: Danish e-commerce brands compete across multiple product categories.

P5: The Danish book market is becoming more oligopolistic.

P6: Selling on a GOMP is radically different from selling in Denmark.

P7: Brand loyalty in e-commerce is under pressure.

Context 2 - Phenomena Relating to Amazon's Arrival in Denmark

The following phenomena are about Amazon's expected arrival in Denmark. The participants are experiencing Amazon as an opportunity, especially for the customers, but also as a factor that potentially will transform particular areas of Danish e-commerce. Furthermore, the participants are

²⁶ For full overview of descriptions see *Appendix 14 – Phenomena Relating to Danish E-commerce*

describing some of the phenomena in relation to previous experiences with their companies, and in relation to tendencies, they have experienced in other markets. Six phenomena were identified within the context of Amazon's arrival in Denmark, each identified on the basis of the participants' unique description of their experiences ²⁷:

P8: Small e-retailers will struggle when Amazon arrives.

P9: Amazon can potentially transform the Danish e-commerce for books.

P10: Danish e-retailers are nervous about Amazon's arrival.

P11: Experience with Amazon is an advantage when they arrive in Denmark.

P12: Amazon will start small and gradually expand.

P13: Amazon has transformed the British book industry.

Context 3 - Phenomena Relating to The Characteristics of Amazon

The following subsection is a collection of phenomena that describes some of the particular characteristics of Amazon. The participants are experiencing Amazon to operate significantly differently than other e-commerce companies, which entails both opportunities and threats for the companies' market context. The participants' descriptions of the phenomena are based on their own experiences on the Danish e-commerce market, and their anticipations to Amazon's strategical approach. 14 phenomena were identified within the context of Amazon's arrival in Denmark, each identified on the basis of the participants' unique description of their experiences²⁸:

P14: Amazon is an e-export strategy to enter markets outside Denmark.

P15: Danish e-commerce brands join Amazon to protect their brand.

P16: Amazon's search ranking system depends on your turnover.

P17: Full benefits of Amazon can only be achieved by joining completely.

P18: Customers are loyal to Amazon, not the brand or retailer they buy from.

P19: When you know how to operate on one Amazon market, it is easy to expand.

P20: Brands limit their range of products on Amazon.

²⁷ For full overview of descriptions see *Appendix 15 – Phenomena Relating to Amazon's Arrival in Denmark*

²⁸ For full overview of descriptions see *Appendix 16 - Phenomena Relating to The Characteristics of Amazon*

- P21:** Amazon's price algorithm is a "race towards the bottom".
- P22:** In order to fight Amazon, you have to be highly specialised.
- P23:** Amazon is a search engine for e-commerce products.
- P24:** Amazon is an opportunity to reach more customers.
- P25:** Amazon applies "the long tail concept" to increase their sale.
- P26:** Amazon is a must if you want to reach global markets.
- P27:** Lack of data insights on Amazon is not different from traditional retailers.

Context 4 - Phenomena Relating to Alternatives to Amazon

The following subsection is a collection of phenomena, which describes potential alternatives to Amazon. The participants are experiencing Amazon to be a factor which entails thinking in alternative possibilities, however, despite a willingness towards the notion of platform cooperativism, it is not conceived as a possibility currently available on the Danish e-commerce market. 6 phenomena were identified within the context of alternatives to Amazon, each identified on the basis of the participants' unique description of their experiences²⁹:

- P28:** Platform cooperation could be relevant in China.
- P29:** Amazon will set a new standard for alternative e-commerce channels.
- P30:** A Danish e-commerce platform alternative does not exist.
- P31:** The Danish publisher industry is considering platform cooperation.
- P32:** A third party would have to coordinate a Danish platform cooperation.
- P33:** Platform cooperativism would require brands to be customer oriented.

Sub Conclusion - Level 1

In level 1 of the data analysis, 33 phenomena were identified in the transcripts of the collected data within the context of Danish e-commerce, Amazon's arrival, characteristics of Amazon and alternatives to Amazon:

²⁹ For full overview of descriptions see *Appendix 17 - Phenomena Relating to Alternatives to Amazon*

Table 1: Overview of numbers of Phenomena

Context	Total Number
<i>Danish e-commerce</i>	7 Phenomena
<i>Amazon's arrival</i>	6 Phenomena
<i>Characteristics of Amazon</i>	14 Phenomena
<i>Alternatives to Amazon</i>	6 Phenomena

(Pedersen, 2019)

5.2 Level 2: Identification of Themes

The purpose of level 2 is to group the phenomena in themes, which is based on the commonalities between and within the themes. An overview of all the identified themes will be provided in a table in the sub-conclusion.

Process of Identifying Themes

The first step in identifying the themes was to find the main quality in each phenomenon. This was used as the basis of finding the commonalities between the phenomena across their initial context. Then the commonalities were synthesised into a single sentence summing the theme.³⁰ The 33 phenomena were synthesised into 6 themes.

³⁰ For full overview see *Appendix 18 – Overview of Themes*

Sub Conclusion - Level 2

The following table is an overview of the six identified themes and the phenomena belonging to each theme:

Table 2: Overview of Themes

	Themes	Phenomena
1	<i>Amazon enables a new sales channel for brands</i>	Phenomenon: 1, 4, 7, 9, 15, 27, 29
2	<i>Amazon's arrival is an opportunity to strengthen the Danish e-export</i>	Phenomenon: 2, 6, 11, 14, 19, 26
3	<i>Amazon will transform the technological level of Danish e-commerce</i>	Phenomenon: 3, 12, 16, 21, 22
4	<i>The Danish e-commerce market is moving towards maturity</i>	Phenomenon: 5, 8, 10, 13, 25
5	<i>Amazon sets the terms for the interaction between company and customer</i>	Phenomenon: 17, 18, 20, 23, 24
6	<i>Danish e-commerce is limited from doing platform cooperation</i>	Phenomenon: 28, 30, 31, 32, 33

(Pedersen, 2019)

None of the themes was deselected because they all inform the sub-questions of the analysis. Thus, informing of the characteristics of the Danish e-commerce market, companies' usage of GOMPs, the sales channels and platform cooperativism as an alternative to Amazon.

5.3 Level 3: Noetic/Noematic Correlate

Level 3 is about identifying the correlation between "the what" and "the how". This is done by analyzing the paraphrasing interview quotes in order to reveal how the objective statements are subjectively experienced by the participants. Each theme will be examined with the accordingly

phenomena. The sub-conclusion of Level 3 will provide a table overview of all correlations in the themes.

Theme 1 - Amazon enables a new sales channel for brands

The first theme consists of seven phenomena. The following subsection consists of paraphrased interview quotes for each phenomenon, which describes how the objective statements are correlating with the subjective experiences of the participant.

P1: E-commerce brands that sell B2C risks competing with their B2B customers

In the interview with the CEO of the Electronics Brand, the CEO describes the dilemma between B2C and B2B sales e-commerce brands can have. The CEO says:

“*[ed.]* I believe that approx. 98 pct. of our income comes from retail. If we start to lower the price on our own website we’re starting to compete with our B2B customers. That’s why we can only provide indicative prices on our website and on Amazon, but of course we want to pursue increasing our own B2C online sales. However, the main income will most likely still come from selling to retail in the short-term future” (Interview Quote 1)

Objectively

Approx. 98 pct. of the Electronics Brand’s income comes from retail.

Subjectively

1. If they lower the price, they compete with B2B.
2. Wants to pursue to increase B2C sales.
3. The future main income will most likely still come from B2B

P4: Danish e-commerce brands compete across multiple product categories

Mossin describes how Gyldendal is competing with other streaming platforms about the consumer’s attention:

“*[ed.]* What we are constantly fighting for is how large a portion of the consumer’s time we can get. In the beginning the fight was with *YouTube* and *Facebook* and later on the it was with *Netflix* and *HBO*. However, with the introduction of audiobooks we were

able to extend the amount of time we have with the consumer – you can listen while you do other things. Coming back to play a central role in the life of the consumer means everything to us!” (Interview Quote 4)

Objectively

1. Competing with YouTube and Facebook, then Netflix and HBO.
2. Customers can listen to Audiobooks while they do other things.

Subjectively

1. Fighting for the portion of the consumer’s time.
2. Audiobooks extends the time Gyldendal has the consumer’s attention.
3. Coming back to playing a central role in the life of the consumer

The CEO of the Electronics Brand experiences this phenomenon in a similar way:

“*[ed.]* Often our competitors can be from a completely different product type. Our B2B customers participate in between 14 and 16 trade fairs each year around in Europe. At these fairs they might be interested in our brand, but it always comes down to the current budget; *should we buy design electronics, or should we go with the cheaper poster supplier this time?*” (Interview Quote 5)

Objectively

The B2B customers participate in 14 to 16 trade fairs each year.

Subjectively

The Electronics Brand’s customers have to balance between interests and budget.

P7: Brand loyalty in e-commerce is under pressure

In relation to the notion of brand loyalty, the CEO experiences an overall decline in the customers’ loyalty to brands, when asked about the risk of losing brand loyalty on Amazon:

“*[ed.]* Brand loyalty in general is under pressure, and it has been for the last 5-10 years, because it is so easy shift between brands. Brands have become very alike and can be hard to separate them from each other. It is undoubtedly important to work with loyalty

through the *SoMe* channels, our newsletter and own website. We always share the marketing material with our B2B customers, because the more material they have, the more we are ensuring our visual and graphical identity is applied correctly.” (Interview Quote 8)

Objectively

For the last 5-10 years, brand loyalty has been under pressure because it is so easy for consumers to shift between brands.

Subjectively

1. Brands have become very alike and are hard to separate from each other.
2. Important to work with loyalty through social media, newsletters and the website.
3. Share marketing material with B2B customers to ensure that they represent the company’s brand identity

P9: Amazon can potentially transform the Danish e-commerce for books

The phenomenon relating to the transformation of the Danish e-commerce for books is experienced by Mossin as something which depends on when and how Amazon will enter the Danish market:

“[ed.] In five years’ time I believe we have a market which is different than today. Retailing is constantly moving towards online shopping and physical stores are increasingly losing their value. I don’t believe that bookshops or paper books won’t exist in five years, however, the volume will be much less than it is now. I expect our digital revenue on the private market will increase dramatically. How much depends on when and how Amazon enters the Danish market.” (Interview Quote 11)

Objectively

1. Retailing is constantly moving towards online shopping, and the physical store is increasingly losing value.
2. The effect depends on when and how Amazon enters the Danish market.

Subjectively

1. In five years, the market will be different from today.
2. Bookshops and paper books will still exist, but the volume will be much lesser.

3. Gyldendal's digital revenue is expected to increase.

P15: Danish e-commerce brands join Amazon to protect their brand

Joining Amazon as an e-commerce brand is first and foremost a question of taking control of your brand, according to the CEO of the Electronics Brand. When asked about the strategical considerations regarding Amazon's arrival, the CEO said:

“*[ed.]* By establishing a site on Amazon we can become “brand owner”. In that way we can gain a little more control, not in terms of prices, but by being present and help our own B2B customers. Meanwhile we have the opportunity to exclude third party sellers who might be selling our product without our permission. It's not the primary reason for being on Amazon, but it's clearly an upside. To take back control if a third-party seller on Amazon is trying to downgrade our product.” (Interview Quote 22)

Objectively

By establishing a site on Amazon, The Electronics Brand can become a brand owner.

Subjectively

1. Can gain more control by helping B2B customers.
2. Exclude third-party sellers who sell without the company's permission.

P27: Lack of data insights on Amazon is no different from traditional retailers

Another phenomenon was relating to the question of a potential loss of data insights on Amazon. Kipling experiences this as no different than if a company sells through traditional retailers:

“*[ed.]* I mean it's part of the “football field” we play on that we don't have a particular deep data insight. I don't necessarily regard it as a loss – it's just the way it is... Imagine you were a normal brand selling a normal product to shop – how much data do you think the shop returns to the brand owner? Absolutely zero! On some level we're in the same situation... we have made an agreement on certain terms, and that means we work with over people's customers and that's why we don't have data insights.” (Interview Quote 39)

Objectively

1. It is a part of being on Amazon not to have deep data insight.
2. Traditional retailers do not share data insights with the brand owner.
3. An agreement on certain terms where Eshoes works with Amazon's customers.

Subjectively

1. Not regarded as a loss, it is just the way it is.
2. On some levels, selling on Amazon is similar to a traditional retailer.

The CEO of the Electronics Brand reflected on this phenomenon with a bit uncertainty, however, believing that they might actually end up with more data from their B2B customers:

“*[ed.]* To be honest I'm a little uncertain about how much data we can fetch, but I'm quite confident that we can fetch the sales data... meaning that we can see how well those who sell The Electronics Brand perform – those number are already available today.” (Interview Quote 40)

Objectively

The Electronics Brand can fetch sales data from Amazon in relation to resellers of their brand.

Subjectively

Uncertain about the extension and depth of the data.

P29: Amazon will set a new standard for alternative e-commerce channels

Mossin described the possibilities of Gyldendal establishing themselves on the B2C book market when asked about alternatives to Amazon. He describes how the standard is already high for Danish e-commerce, and the expectation is that it will be even higher once Amazon's arrives:

“*[ed.]* Clearly, we don't want retailers like *Saxo* and the bookshops to be run over! It's important for us to have a Danish player that perhaps understands us a little better than Amazon. In these times, trying to establish ourselves on the B2C market is also part of our considerations, however, if that were to be a real alternative you would have to be as good as *Saxo* – and soon you would have to be as good at Amazon! And that's

incredible hard... if you end up at 6th place, then it's not really an alternative. At *Saxo* they have 50 employees dedicated to e-commerce and we don't! So, you would have to take a deep breath if you actually were to pursue this as an alternative..." (Interview Quote 42)

The phenomenon drives the participant to think in alternatives, relatively far from the company's current role in the market.

Objectively

Saxo has 50 employees dedicated to B2C e-commerce as opposed to Gyldendal.

Subjectively

1. Important to have a Danish player that understands them better than Amazon.
2. B2C e-commerce market is not an alternative if Gyldendal cannot compete with the best.

Theme 2 - Amazon's arrival is an opportunity to strengthen the Danish e-export

The second theme consists of six phenomena. The following subsection consists of paraphrased interview quotes for each phenomenon which describes how the objective statements are correlating with the subjective experiences of the participant.

P2: Retailers selling on GOMPs are basically "physical stores" with an enormous reach

Søren Kipling, CEO of clothing/shoes e-commerce retailer Eshoes, describes the experience with selling on Amazon as, metaphorically, being a "shoe shop" on the internet, selling on a local market like physical stores:

"[ed.] We sell other companies' brands – we don't have our own shoe brand. Technically, we're just a shoe store, which means that we sell in competition with the price levels on the local markets. We're just a very large shoe store on the internet, where over 50 pct. of our revenue comes from selling on Amazon" (Interview Quote 2)

Objectively

1. 50 pct. of Eshoes revenue comes from selling on Amazon.
2. They sell in competition with the price levels on the local market.

3. They sell other companies' brands.

Subjectively

Technical, Eshoes is just a very large shoe store that sells on the internet.

P6: Selling on a GOMP is radically different than selling in Denmark

Kipling describes the experience of selling on Amazon and how it differs from the Danish market. He describes how Eshoes had to learn to adapt to Amazon's pace the hard way when asked about their experiences with selling on a GOMP:

“[ed.] We have been shut down twice where we lost our entire revenue on Amazon for a short while. The first time it was because we didn't answer our mails within 24 hours and the second time because our packages didn't arrive within 4 days, as agreed, because *DHL* couldn't find 2 pallets... these things have costed a lot of money! I think it has costed me around 1 million...” (Interview Quote 7)

Objectively

Trial and error on Amazon have cost Eshoes around 1 million.

Subjectively

1. They did not answer emails within 24 hours.
2. Packages did not arrive

P11: Experience with Amazon is an advantage when they arrive in Denmark

Kipling describes a phenomenon relating to the question of the benefits of being on Amazon. He experiences it as a clear advantage to have experience with Amazon when they arrive in Denmark:

“[ed.] We will most definitely have a first mover advantage, because we are there from day 1 – we have already started! If Amazon arrives in Denmark, then we basically just have to change our product descriptions to Danish and change a little bit on our web shop – then we're on!” (Interview Quote 15)

Objectively

Eshoes are already on Amazon.

Subjectively

If Amazon arrives in Denmark than Eshoes just have to change their product descriptions.

The CEO of the Electronics Brand experiences this phenomenon in similar ways when asked about potential first mover benefits when Amazon arrives:

“[ed.] I think it would be difficult for us to become first movers, however, there’s no doubt that once Amazon arrives we will react very, very fast and get started with Amazon in Denmark. I actually think we can launch a lot faster than some of our Danish B2B customers, because we already have experiences from being on Amazon in UK and Germany.” (Interview Quote 16)

Objectively

Experience from being on Amazon in the UK and Germany.

Subjectively

1. It would be difficult for the Electronics Brand to become first movers.
2. Once Amazon arrives in Denmark, they will react fast.
3. Will probably be able to launch faster than their B2C customers.

P14: Amazon is an e-export strategy to enter markets outside Denmark

The motivation for launching on Amazon in other countries is clearly related to e-export. Kipling describes how Eshoes experienced this when they were trying to enter the German market:

“[ed.] About eight years ago we discovered Amazon. We launched on the German Amazon as a consequence of a previous unsuccessful export strategy on the German market. Today we have sites on both the German and British Amazon. Our experience with Amazon were limited before launching in Germany; it was simply a matter of building an export strategy because we had a hard time trying to enter the German market with our own web shop.” (Interview Quote 20)

Objectively

1. Discovered Amazon eight years ago.
2. Today Eshoes have sites on the German and British Amazon.

Subjectively

1. Launched on Amazon as a consequence of a failed export strategy.
2. The experience was limited to Amazon before entering the German market.

The CEO of the Electronics Brand has similar views on the motivation for using Amazon in other countries. About the future plans for the company, the CEO says: “[ed.] In five years we want to be rooted on Amazon and not just in the UK. It is the plan that we want to be present on multiple Amazon markets.” (Interview Quote 21).

Objectively

Present on Amazon in the UK.

Subjectively

The Electronic Brand wants to become rooted on Amazon in multiple markets.

P19: When you know how to operate on one Amazon market it is easy to expand

When asked about the advantages of Amazon, the CEO described the phenomenon of being able to enter new markets once you know how to operate on one Amazon market:

“[ed.] When you have learned how to act in one country on Amazon, then it’s easier to multiply to other countries and that’s clearly one of the advantages of being on a global platform. It’s easier to multiply yourself as a company and reach far more customers via a platform like Amazon. When all comes to all, it will strengthen your brand and presents selling on Amazon, who has the muscles to reach millions of people.” (Interview Quote 27)

Objectively

Amazon has the muscles to reach millions of people.

Subjectively

1. When we have learned how to act in one country on Amazon, it is easy to expand.
2. It is easier to multiply yourself and reach far more customers via a platform like Amazon.
3. It will strengthen your brand selling on Amazon.

Kipling also experienced this phenomenon as a way to reach far more customers. However, he also highlighted one of the risks of using Amazon as the only sales channel:

“[ed.] The ultimate advantage is that you are able to reach 140 million consumers, which you don’t have the muscles to reach on your own, and it’s very cheap to upscale to new markets. I actually earn more money when I sell on Amazon compared to my own website. So, it’s a very, very good extra channel to have – and I say extra channel, because I never think you should throw away your own web shop or physical store. The problem is that you lay your company in the hands of Amazon, who has the possibility to press the “shut down button” – which is a very bad parameter! Therefore, you should keep the sale channels you already possess.” (Interview Quote 28)

Objectively

1. Eshoes earn more money on Amazon than their own website.
2. Amazon has the possibility to press the “shut down button” on your company.

Subjectively

1. The ultimate advantage of Amazon is their reach in customers.
2. It is very cheap to upscale to new markets.
3. Amazon is a good extra channel, but the “shut down” possibility is a bad parameter.

P26: Amazon is a must if you want to reach global markets

The CEO experiences Amazon as a GOMP with growth opportunities when asked about whether their arrival in Denmark is a matter of fight vs join:

“[ed.] No I don’t see it that way, I mean... we see it as a must to be on Amazon! Both in terms of protecting your brand and get the potential revenue. For us it has not been an either/or... Amazon is now such an important player if you want to achieve something online and in particular to – I mean, Denmark is still our most important market, but I don’t believe it will be in 1 to 2 years’ time, and then you can’t view Amazon as many retailers have done doing the past year... I believe it’s difficult to fight against them!” (Interview Quote 38)

Objectively

Denmark is still The Electronics Brand's most important market.

Subjectively

1. Amazon is a must in terms of protecting your brand and getting the potential revenue.
2. In 1-2 years, Denmark will most likely not be the company's most important market anymore.
3. It is difficult to fight against Amazon.

Theme 3 - Amazon will transform the technological level of Danish e-commerce

The third theme consists of five phenomena. The following subsection consists of paraphrased interview quotes for each phenomenon which describes how the objective statements are correlating with the subjective experiences of the participant.

P3: Audiobooks are transforming the Danish book industry

In the interview with Jeppe Mossin, head of digital sales in Gyldendal, the experience of how digitalisation is influencing the book industry in Denmark was of great interest. He states that:

“*[ed.]* What we are seeing as the big “game changer” is *digitalisation*. A couple of years ago it was about unit sales of digital products, now it's about streaming of digital books where audiobooks are “the new black”. Audiobooks are growing to such an extent that it's starting to grow on behalf of paper books” (Interview Quote 3)

Objectively

Digitalisation is the big game changer.

Subjectively

1. A couple of years ago, the digital book market was about unit sales; now it is audiobooks.
2. Audiobooks are starting to outgrow paper books.

P12: Amazon will start small and gradually expand

Another phenomenon is relating to the description of the potential way Amazon will enter the Danish market. Mossin expects it to be a process that will happen gradually:

“[ed.] I feel quite convinced that Amazon will follow a “soft launch strategy” – they have bought some land in the middle of Sweden, which is around the middle of Scandinavia. If you look at how they have entered other markets, then this is their approach; slow expansion with more and more distribution centers. They are world champions in distribution... it’s no big deal to create a website and have a sharp price, it’s delivering fast and efficient that’s the hard part – and Amazon knows how to do that. I don’t believe they will have a big impact to begin with, but they will undoubtedly in time!” (Interview Quote 17)

Objectively

In other markets, Amazon has entered with slow expansion.

Subjectively

1. Amazon will follow a soft launch strategy in Denmark.
2. Amazon is world champions in distribution.
3. In time Amazon will undoubtedly have a big impact.

P16: Amazon’s search ranking system depends on your turnover

Kipling describes Amazon’s search ranking system and how it differs from the Google search engine:

“[ed.] We have become quite good at knowing what’s essential for Amazon’s algorithm, if you want to achieve a high sale. There is a big difference between selling on Amazon and on Google. On Google you’re found based on relevance and on Amazon you’re found on – of course also relevance in relation to keywords – but also in relation to how many money *Jeff Bezos* earns on your presence on Amazon... if you’re relevant in relation to certain keywords but never sell anything, you’ll end on page 380 instead of page 1” (Interview Quote 23)

He further elaborates on Amazon’s motivation for making the search ranking system turnover-dependent:

“[ed.] However, if you have turnover, you start to move further and further up... and there’s a lot of different tools you can use to become good and all these tools makes the customers happy – and that’s what “Jeff Bezos” is striving for! (Interview Quote 24)

Objectively

On Google, you are found based on keywords, where on Amazon, it is mainly in relation to turnover.

Subjectively

1. Eshoes has become quite good at knowing the essentials of Amazon’s search algorithm.
2. If a company never sells, they will end up on page 380 instead of page 1.
3. The system is made this way because “Jeff Bezos” is striving for happy customers.

P21: Amazon’s price algorithm is a “race towards the bottom”

Mossin experiences Amazon’s price algorithm as a “race towards the bottom” in the market:

“[ed.] It’s a race towards the bottom... lower and lower price. However, at some point the market has to find a plateau – and this is clearly the biggest risk for us! If you look at the Swedish book market, the digital part has a higher pct. of the market share, but the revenue per sold unit is significantly lower than the Danish market. The volume is quite larger in Sweden, but it doesn’t add up for loss in revenue... So, in relation to the book prices, the Swedish market have really had a race towards the bottom!” (Interview Quote 30)

Objectively

The Swedish book market has a higher digital sale, but a lower revenue per sold unit.

Subjectively

1. It is a race towards the bottom with lower and lower prices.
2. The market has to find its plateau which is a risk for us.
3. The volume in Sweden is larger, but it does not add up.
4. Sweden has had a race towards the bottom.

P22: In order to fight Amazon, you have to be highly specialised

Kipling describes the fight vs join dilemma in relation to Eshoes' choice to join Amazon at an early stage. His experience is that an e-commerce company has to be highly specialized if they fight Amazon standing a realistic chance of winning:

“[ed.] We have clearly chosen to join at an early stage and realized that we were good quite good at it – if you look at USA or China then the primary sales channels are third party platforms... the question is how good you are at selling on these platforms. If you want to fight the world's biggest company when they arrive in Denmark, you have to consider two things: 1 You have to have a niche that Amazon cannot reach and 2 you have to have a service which is so deep or broad that Amazon cannot get involved.”
(Interview Quote 31)

Kipling further elaborates on the benefit/disadvantage about Amazon: “Amazon's benefit is that they have everything you can imagine – the disadvantage is that they have everything you can imagine... so you can't find what you are looking!” (Interview Quote 32).

Objectively

In the USA and China, the primary sales channels are third-party platforms.

Subjectively

1. Eshoes has chosen a join strategy at an early stage.
2. If a company wants to fight Amazon, they have to sell a niche or a specialised service.
3. The disadvantage of Amazon is that customers cannot find what they are looking for.

Theme 4 - The Danish e-commerce market is moving towards maturity

The fourth theme consists of five phenomena. The following subsection consists of paraphrased interview quotes for each phenomenon which describes how the objective statements are correlating with the subjective experiences of the participant.

P5: The Danish book market is becoming more oligopolistic

Mossin describes how Gyldendal is experiencing an increased tendency towards an oligopolistic book market in Denmark:

“[ed.] What we are seeing is a vertical integration on the market. If you take for example the publisher *People’s Press*, they are number 4-5 on the market, they’ve just been bought by the *Storytell Group* - and *Saxo.com* have just been bought by *Politikens Hus*. In Norway the vertical integration has been quite intense; the whole value chain is owned by 4 big publisher houses... and that includes the digital part, the online part and the physical distribution.” (Interview Quote 6)

Objectively

Vertical integration of the Danish book market is in progress.

Subjectively

1. The publisher *People’s Press* has just been bought by *Storytell Group*.
2. *Saxo.com* has been bought by *Politikens Hus*.
3. In Norway, the whole chain is by 4 publisher houses.

P8: Small e-retailers will struggle when Amazon arrives

With the arrival of Amazon on the Danish market, small e-retailers will most likely have a hard time keeping the pace. Kipling sees a clear tendency on the Danish e-commerce market:

“[ed.] What will happen in the nearby future - the way I see it – is that the big online shops will become even bigger and *third-party platforms* will gain ground. The e-commerce brands will increasingly take over on the B2C sales; so, if you’re a small retailer trying to survive this fight you will have a hard time keeping the pace!” (Interview Quote 9)

Furthermore, he describes how Eshoes has experienced this development as something that Amazon is aware of and use to their advantage:

“[ed.] When we launched Eshoes and advertised on Google, we had a *ROI* on 20 Danish kroner each time we invested 1 kroner – now I’m lucky if I get 6 kroner back! If you

look at the mechanisms of Amazon it's clear that they know which way the devolvement is going. They actually give advantages to brands compared to regular retailers - so if you're a brand you'll get a better spot in the algorithm." (Interview Quote 10)

Objectively

Amazon gives advantages to brands compared to regular retailers.

Subjectively

1. In the nearby future, the big online shops and third-party platform will gain.
2. The e-commerce brands will take over B2C sales.
3. Small retailers will have a hard time keeping the pace.
4. When Eshoes launched they had an ROI on 20 kroners on Google, now they only get 6 back.

P10: Danish e-retailers are nervous about Amazon's arrival

A phenomenon that was experienced by all three participants was in relation to the Danish e-retailers nervousness about Amazon's arrival. When asked how the Electronics Brand was preparing for Amazon's arrival, the CEO replied:

"[ed.] I undoubtedly think some online retailers are more nervous than we are. For our part, Amazon's presence will put pressure on the retailing and here among some of the shops that are our customers today. Of course, we're eager to see how large the negative effect will be, because it will be negative to some extent. You're naive if you don't think so... and in particular I think Amazon will "steal" a lot of the online commerce... I have heard some say that they won't take more than 5-10 pct. because they're arriving so late on the Danish market... I would say that's naive to think so as well! Just look at Germany where they account for 55 pct. of whole e-commerce market." (Interview Quote 12)

Objectively

Amazon accounts for 55 pct. of the German e-commerce market.

Subjectively:

1. Amazon will put pressure on the company's B2B customers.

2. Eager to see how negative the effect will be because it will be negative.
3. Saying Amazon will only take 5-10 pct. because they arrive so late is naive.

Mossin also expressed his thoughts about the retailers' nervousness in Danish e-commerce:

“*[ed.]* The industry as a whole is quite nervous of Amazon because of their relatively aggressive approach - in England there has been a lot of discussion about the level on prices. The big American publishers have had some enormous wars with Amazon about what books should cost, and Amazon is so large that they can say: *We don't give a damn about what you think it should cost! We just set the right price and if you don't agree, you can wave goodbye to your revenue...* That is the classical Amazon approach and I don't believe they will do it differently in Scandinavia.” (Interview Quote 13)

Objectively

The industry is quite nervous about Amazon because of their aggressive approach.

Subjectively

1. The American publishers have had enormous wars with Amazon.
2. Amazon is so large that they can set the price, despite objections.
3. The classical Amazon approach will not be any different in Scandinavia.

Kipling describes how Eshoes sometimes have to compete with 34 other suppliers for the same shoe on Amazon:

“*[ed.]* In Germany most “prime members” are receiving next day delivery so Danish companies are upping their game, because they fear that the service level will sky-rocket when Amazon arrives – which I actually think is really positive. I think we will get a really good sale in the beginning, but the competition on the Danish market will become extremely intense – to harm for a lot of the shoe dealers in this country. (Interview Quote 14)

Objectively

In Germany, prime members are receiving next day delivery.

Subjectively

1. Danish companies are upping their game because they fear the service level will sky-rocket.
2. The competition will become extremely intense harming a lot of shoe dealers.

P13: Amazon have transformed the British book industry

Mossin has experienced the phenomenon of Amazon transforming the British book industry:

“*[ed.]* For us it is clearly a join-strategy. The question is how to find the best way to be on Amazon. I have corresponded a lot with our British colleagues, because they have been active on Amazon for 10 years. The CEO for the British publisher association has said: *there is no doubt that Amazon has changed the entire industry of books. The industry has become much more professional in terms of how much metadata you possess, the quality of it and process of handling customers.* In the British publisher industry, you have full time employees only dealing with Amazon” (Interview Quote 18)

Furthermore, the participant relates this experience to Amazon’s arrival in Denmark:

“*[ed.]* When you’re a publisher your core business is the authors and you sell on behalf of the authors. We have to optimize the income for the author. If you have a market where Amazon accounts for 40 pct. of the revenue, you don’t optimize the author’s income by saying: *we won’t deal with Amazon!*” (Interview Quote 19)

Objectively

Amazon has changed the entire British book industry.

Subjectively

1. For Gyldendal, it is clearly a join strategy, it is a question of the best way to join.
2. The core business of a publisher is to optimise the revenue for the author.
3. If Amazon accounts for 40 pct. of the market, a publisher is obliged to join Amazon.

P25: Amazon applies “the long tail concept” to increase their sale

The phenomenon relating to Amazon’s business strategy is described by Mossin. He describes how he has experienced this phenomenon on the Danish book market:

“*[ed.]* We can see with the e-retailer *Saxo* that they sell some of our most popular books to a lower price than what they payed, when they bought the books from us. They use this to drag the long tail... because we can see when we look at some of our older books they have a good profit margin.” (Interview Quote 36)

The participant experiences how this affects the “traditional dealers” and expects that this development will be intensified with Amazon’s arrival:

“*[ed.]* I think this will be the same approach Amazon will have... and this is exactly the same we have tried with the supermarkets, where they dump our prices intensely... and the more traditional dealers are really, really tired of this, but we can’t say anything else than; *it’s not us who sets the prices, it’s them*. But of course, if you have a business partner who does nothing else than dump the prices on your product, then you’re probably not that motivated to come with your most attractive products and say: *you have to be in bringing this new book onto the market!* This is definitely some of the considerations we have regarding Amazon!” (Interview Quote 37)

Objectively

The e-retailer Saxo sells Gyldendal’s popular books below the purchased price.

Subjectively

1. Saxo sells popular books to increase the profit margin on the older books.
2. Amazon will enforce the same approach.
3. Gyldendal’s motivation to sell the most attractive products to Amazon is restricted.

Theme 5 - Amazon sets the terms for the interaction between company and customer

The fifth theme consists of five phenomena. The following subsection consists of paraphrased interview quotes for each phenomenon, which describes how the objective statements are correlating with the subjective experiences of the participant.

P17: Full benefits of Amazon can only be achieved by joining completely

Mossin reflects on the “fight vs join” dilemma many companies are facing in relation to Amazon:

“[ed.] There is this “fight vs. join” dilemma in relation to Amazon; and you only benefit from Amazon if you join and adapt to their way of acting in the market. Of course, there is different ways to be on Amazon, but everything indicates that if you don’t decide to go all the way, you don’t gain anything” (Interview Quote 25)

Objectively

There is a fight vs join dilemma in relation to Amazon.

Subjectively

1. You can only benefit from Amazon if you adapt to their way of acting in the market.
2. If you do not go all the way, you do not gain anything from Amazon.

P18: Customers are loyal to Amazon, not the brand or retailer they buy from

Kipling experiences that customers are loyal to the platform and not the brands and retailers selling on it:

“[ed.] I would never expect to gain customer loyalty on Amazon. The customers are loyal to Amazon and not to us! We are always striving for good reviews as a supplier, so new customers can see that previous customers have been happy with us. However, customer loyalty is created on our website, not on Amazon. If I have a special product, I can get customers to review it or me as a supplier on Amazon, so I can contact the customers in relation to their order, but I can’t send them newsletters and ask them if they would like another shoe.” (Interview Quote 26)

Objectively

Customers on Amazon can only be contacted in relation to their orders.

Subjectively

1. Would never expect customer loyalty on Amazon.
2. Eshoes are striving for good reviews, but customer loyalty is created on their own website.
3. Cannot send newsletters or offers to customers on Amazon.

P20: Brands limit their range of products on Amazon

The CEO experiences that it requires a lot of resources to keep track of all the different markets when asked about the disadvantages of being on Amazon:

“[ed.] It is to have the necessary resources, in terms of staff and money, and it’s time consuming. Every time you enter a new country on Amazon you have to be ready to react on multiple platforms and not just think you put up all the products you want to. It’s very demanding to facilitate your products on Amazon. That’s why you see a lot of companies who choose not to sell their full product assortment on Amazon – and we won’t either.” (Interview Quote 29)

Objectively

A lot of companies choose not to sell their full product assortment on Amazon.

Subjectively

1. Having the necessary resources in terms of staff and money, it is time-consuming.
2. When you enter a new Amazon market, you have to be ready to react on multiple platforms.
3. Very demanding to facilitate products on Amazon.
4. The Electronics Brand will not sell its full product assortment on Amazon.

P23: Amazon is a search engine for e-commerce products

Kipling describes prime membership as something that motivates the customers to start their initial search on Amazon:

“[ed.] Prime is immensely important at Amazon! Prime is the world’s largest customer club with 100 of millions of people – 17 million in Germany alone. The prime members are part of a club and that’s why they start their search for products on Amazon – they only search elsewhere, if they can’t find the product on Amazon.” (Interview Quote 33)

Objectively

Prime is the world’s largest club with 100 of millions of people.

Subjectively

1. Prime is immensely important at Amazon.
2. Prime members are part of an Amazon club, and that is why they start their search there.
3. Customers only search elsewhere if they cannot find the product on Amazon.

The CEO from the Electronics Brand expresses a similar experience in relation to a Danish search engine:

“*[ed.]* Amazon has a build in “price monitor” and I know that the company *Pricerunner* is quite nervous about Amazon’s arrival on the Danish market, because they will be challenged on their core product. It clearly becomes very easy to compare prices when Amazon enters a market and that increases the online commerce, because it gets a lot easier for the customers to compare prices and products.” (Interview Quote 34)

Objectively

When Amazon enters a market, it becomes very easy to compare prices.

Subjectively

1. Amazon has a build in price monitor; that is why Pricerunner fears their arrival.
2. Amazon increases online commerce because it is so easy for customers to compare prices.

P24: Amazon is an opportunity to reach more customers

When asked about the risk of “being lost in the crowd” selling electronics on Amazon, the CEO of the Electronics Brand said:

“*[ed.]* I believe that in the end it is positive to be on Amazon, because you are able to reach far more people, and I think that more customers find your brand than before. When you have more people, who shifts to Amazon... I think you can increase your sales by being on Amazon as well.” (Interview Quote 35)

Objectively

Amazon is a possibility to reach more customers, and more customers can find your brand.

Subjectively

1. In the end, it is positive to be on Amazon.
2. When people start to shift to Amazon, it will increase the sales being on the platform.

Theme 6 - Danish e-commerce is limited from doing platform cooperation

The sixth theme consists of two phenomena. The following subsection consists of paraphrased interview quotes for each phenomenon which describes how the objective statements are correlating with the subjective experiences of the participant.

P28: Platform cooperation could be relevant in China

When asked about platform cooperativism as an alternative to Amazon, the CEO said:

“*[ed.]* It’s not something we have considered, to be honest... The only area where I have thought about is in relation to *Tmall* in China. I have some experience from my former workplace with marketing in China, where we worked together with Danish embassy in China to create a “Tmall setup” where Danish design companies could act under a joint frame. The setup was that when Chinese customers enter this Tmall site they would be entering a Danish “design universe”. However, it turned out not to really have any effect, also because it was a such a new stage, but if we have the resources I think something like that would interesting for us! In terms of cooperation that’s the only thing I could imagine... with the few resources we possess, we have to place them where they have the greatest effect!” (Interview Quote 41)

Objectively

The Danish embassy has created a Tmall cooperation in China.

Subjectively

1. The Electronics Brand has not considered platform cooperation except in relation to Tmall in China.
2. The Tmall initiative in China proved not to be successful because it was on an early stage.
3. If the resources for a cooperation is available, it could be relevant.
4. With the few resources The Electronics Brand possess, they have to maximize the effect.

P30: A Danish e-commerce platform alternative does not exist

When asked about whether Eshoes had considered alternatives to Amazon, Kipling expressed his experiences regarding e-commerce platforms in the Nordic countries:

“[ed.] There are no obvious alternatives in the Nordic countries as far as I know... I know that *Dansk Supermarked* says they are about to make an alternative – but that’s not true, because they don’t include clothes and shoe, which is one of the biggest industries! Perhaps we would consider *eBay*... and then there is 120 different third-party platforms in Germany where some of these could be relevant for us. But then we need some sort of software guiding us, like the sort *Dansk Industry* and *CBS* are making... What they’re making would be a huge advantage! If you look at the Danish “ecommerce export accounts” we are way behind as a country... and why is that? Because once you’re on Amazon in one country it’s damn easy to start up in another! That’s why the countries where Amazon has a strong presence, also do well in terms of e-commerce export...” (Interview Quote 43)

Objectively

No obvious platform alternative exists in the Nordic countries.

Subjectively

1. *Dansk Supermarked* is making an alternative, but it does not include clothes and shoes
2. Eshoes is considering eBay.
3. 120 third-party platform alternatives in Germany, therefore external software support is needed to help guide the Danish companies.
4. Once you are on Amazon in one country, it is easy to expand.
5. Countries where Amazon has a strong presence do well in terms of e-commerce export.

P31: The Danish publisher industry is considering platform cooperation

In relation to the possibilities of alternatives to Amazon, Mossin described the potential of a platform cooperation in the Danish book industry:

“[ed.] Our CEO is actually quite open about this idea, that the publisher industry could also make an initiative... if you realise as a branch that in fact you’re not each other’s

competitors – I mean you are... but soon there's just an even bigger competitor! Then the industry could for example establish a streaming service together. You can find examples where cooperation works. By saying this I mean to say that this what's really exiting about the publisher industry – in the next 5 years I believe we will see some major transformations, both in terms of the players on the market, but also in terms of whether the publisher industry will realise that it will have to cooperate! Of course, I do not mean this in an illegal way, but somehow we will have to be able to cooperate..." (Interview Quote 44)

Furthermore, he has experienced how this notion is challenged by the current law:

"[ed.] We have actually discussed this with *The Danish Competition Authority*, arguing that what we're seeing now is a completely new situation. If *Apple, Amazon, Google, Facebook* – if any of these tech-giants agree they want to change something, they have a pretty good chance at it... but if number one and two in the publishing industry talk, then it's cartel formation! And it is, if you look at traditionally... but what if it's the only opportunity to compete with someone who has more money in the bank than Denmark's GDP?" (Interview Quote 45)

Objectively

The Danish Competition Authority is viewing platform cooperation as potential cartel formation.

Subjectively:

1. Gyldendal's CEO has spoken openly about platform cooperation in the publisher industry.
2. In the next five years, the industry will realise they will have to cooperate.
3. How else can you compete with Amazon, who has more money than the Danish GDP?

The seventh theme consists of three phenomena. The following subsection consists of paraphrased interview quotes for each phenomenon which describes how the objective statements are correlating with the subjective experience of the participant.

P32: A third party would have to coordinate a Danish platform cooperation

Kipling expressed that Eshoes had not considered platform cooperation because such an alternative does not exist in Denmark:

“[ed.] We haven’t considered it, because it doesn’t exist in Denmark... I know there just have made a ... in England, with 120 companies cooperating on a platform. But if it were to take place in Denmark I wouldn’t be one to organize it – it should be organized through *Dansk Industri Handel* or *FDIH* with *Niels Ralund* in charge, or something like that.” (Interview Quote 46)

Objectively

Danish interest groups would have to coordinate a platform cooperation.

Subjectively

1. Eshoes has not considered platform cooperation because it does not exist in Denmark.
2. In England, 120 companies are cooperating on a platform.

P33: Platform cooperativism would require brands to be customer oriented

Mossin describes how a shift in mentality is required if platform cooperation was to work in the Danish publisher industry:

“[ed.] There are clearly a lot of fall pits in establishing something together. One of them is that when you’re a content maker you’re by default product oriented and if you want to achieve a customer relation you have to customer oriented! For example; *this author is really important to us, so we need him on the front page!* Yeah, but if the customers are not interested in him, then you wouldn’t keep the customers on the platform... I mean; so, if you were to have a cooperation you need some sort of company driven with an arm’s length, and those running the company would need room for manoeuvring! It would need to compete on the market’s terms... we might have some special interests in our company, but that shouldn’t be what dictates such a cooperation!” (Interview Quote 47)

Objectively

Platform cooperation has a lot of pitfalls.

Subjectively

1. When you are a content maker, you are a product orientated by default.

2. If you want to have a customer relation, you have to be customer orientated.
3. A cooperation would have to run with an arm's length of the companies involved.
4. The companies' special interests should not dictate the cooperation.

Sub Conclusion – Level 3

The purpose of level 3 was to analyse the objective statements and subjective experiences of the participants in the paraphrased interview quotes from each of the phenomenon within the themes. 154 what/how correlations were identified within the themes. The following table extract exemplifies the correlations. For a full overview of all the correlations please refer to the appendices³¹:

Table 3: Extract of Themes Correlations

	Themes	Objectively (what)	Subjectively (how)
1	<i>Amazon enables a new sales channel for brands</i>	<p><i>The CEO</i> Approx. 98 pct. of the Electronics Brand's income comes from retail.</p> <p><i>Mossin</i> 1. Competing with YouTube and Facebook, then Netflix and HBO. 2. Customers can listen to Audiobooks while they do other things.</p> <p><i>The CEO</i> The B2B customers participate in 14 to 16 trade fairs each year.</p>	<ol style="list-style-type: none"> 1. If they lower the price, they compete with B2B. 2. Wants to pursue to increase B2C sales. 3. The future main income will most like still come from B2B <ol style="list-style-type: none"> 1. Fighting for the portion of the consumer's time. 2. Audiobooks extends the time Gyldendal has the consumer's attention. 3. Coming back to playing a central role in the life of the consumer <p>The Electronics Brand's customers have to balance between interests and budget.</p>

(Pedersen, 2019)

³¹ See Appendix 19 – Overview of Theme Correlations

5.4 Level 4: The Essence of The Themes

The final step in the 4-level analysis is to deduce the essences of the themes based on the commonalities in the correlation between the objective statements and the subjective experiences of the participants. It is done by asking the question “why” to the occurring “what/how” correlation in the theme in order to remove what is perceived and only leaving what is required. → key sentences to level 3:

The essence of Theme 1 - Amazon enables a new sales channel for brands

The essence of the first theme is interpreted in relation to the sales channels of Danish e-commerce. The data suggests that the sales channels of traditional e-commerce are under pressure, and Danish brands are thinking along new lines which involves new risk. Mossin describes how audiobooks are starting to outsell paper books which is seen as an opportunity to extend the length Gyldendal has of the consumer's time. The participants' experience suggest that digitalisation of e-commerce is something that entails new sales channels such as audiobooks streaming platforms which put pressure on the traditional e-retailers. The CEO describes how platforms put further pressure on brand loyalty because the number of brands available increases significantly with Amazon's arrival. The experience indicates that Amazon could be a way for the Electronics Brand to sell directly to the end user instead of through a middleman, however, it also imposes a new risk where the brand could end up “drowning in the mass”.

The essence of Theme 2 - Amazon's arrival is an opportunity to strengthen the Danish e-export

The essence of theme two is interpreted as to Amazon as a potential export channel. From the objectively/subjectively correlation in the data, it can be deduced that Amazon is a sales channel with global potential, but experience comes with a cost; the pace is faster, and Amazon can shut you down. Kipling, who is the participant with the most experience on Amazon, describes how they used Amazon to accomplish a successful export strategy on the German market. However, the requirements to the service level, a reseller has to comply with, resulted in exclusion from Amazon and a substantial loss in income. Thus, the initial phase on Amazon can be critical. The CEO describes Amazon as a stepping stone to expand on global markets, and they expect that other markets apart from the Danish will be more important in the future. The data suggests that the two participants are

viewing Amazon as a sales channel that can help utilise export strategies to new markets, however, one needs to be aware of the fall pits in the way Amazon operates.

The essence of Theme 3 - Amazon will transform the technological level of Danish e-commerce

The essence of the third theme is interpreted in relation to Amazon as a data-driven sales channel. The data indicates that Amazon is highly efficient in terms of product search and distribution which makes Amazon hard to fight against. Mossin believes that Amazon will enter the Danish market with a soft launch approach, but undoubtedly impact the market in the longer run. He emphasises how the long tail concept has resulted in a race towards the bottom on the Swedish book market and sees a risk in Amazon applying this strategy to enforce the Danish prices down. Kipling describes how Amazon has a search system which uses a company's turnover as the key parameter and further expresses that fighting Amazon would require either a very specific niche or an extraordinary e-commerce service. The data suggests that Amazon potentially could transform the technical level of Danish e-commerce especially in their ability to apply the long tail strategy, which would make it immensely hard for smaller retailers to compete on prices on popular products. Furthermore, it could also mean an advertisement channel shift from Google to Amazon.

The essence of Theme 4 - The Danish e-commerce market is moving towards maturity

The fourth theme's essence is deduced on the basis that tendencies from more mature e-commerce markets are starting to show in Denmark. The *objectively/subjectively* correlations in the data suggest that the Danish e-commerce market is becoming more centralised, the competition more intense and data-driven business strategies more applied. The CEO regards the expectations about Amazon's potential market share of 5-10 pct. as being naïve, referring to the German market where Amazon holds 55 pct. Kipling expects that big online shops and third-party platforms will increase their market share of Danish e-commerce significantly, while brands increasingly take over B2C sales, and small retailers will struggle. Furthermore, he experiences that Danish companies are upping their service level because they fear the competition will intensify when Amazon arrives. Mossin experiences a rising tendency to centralisation in the Danish book market, where few companies own the entire value chain – similar to what has happened in the Norwegian market. The data suggests that the Danish e-commerce market is moving towards maturity, where fewer companies own a larger share

of the market, and digitalisation plays an even bigger part. Amazon's arrival could potentially speed this process up.

The essence of Theme 5 - Amazon sets the terms for the interaction between company and customer

The essence of the fifth theme was deduced in regard to the participants' experiences of how Amazon's decision environment set the terms for the interaction. The data shows that Amazon is an opportunity to reach more customers, but the customers' affiliation with Amazon determines the interaction. Kipling describes his experiences with customer loyalty as something he would not expect on Amazon because the customers are loyal to Amazon and the brands and retailers selling on it. The communication between the company and customer is e.g. limited to only regarding orders. Furthermore, he emphasises prime membership as being highly important to the way customers interact with Amazon, where prime members use Amazon as their primary product search engine. Mossin expresses concerns about the fight vs join dilemma in relation to Amazon, where companies have to adjust to Amazon's ways completely if they are to obtain full benefits from joining the platform. The *objectively/subjectively* correlations in the data suggest that the interaction between the company and the customer is determined by the way Amazon's decision environment works. In particular, the customer's affiliation with Amazon seems to be determining how they interact with the resellers and brands.

The essence of Theme 6 - Danish e-commerce is limited from doing platform cooperation

The sixth theme's essence is interpreted in relation to experiences of the participants describing interest in platform cooperation as well as highlighting the limitations and challenges at present. The data suggests that Danish e-commerce platform cooperation would need guidance and leadership from a neutral part. The CEO describes that the Electronics Brand has not considered platform cooperation except in relation to the Chinese market. For the Electronics Brand it is a matter of maximising their limited resources. Mossin expresses that the CEO of Gyldendal has spoken openly about potential platform cooperation in the Danish book industry but has been met with insinuations about cartel formation from the Danish Competition Authority. Furthermore, Mossin expresses that platform cooperation would require a shift in mentality from product orientated to customer orientated and that the cooperation would have to be run with an arm's length. Kipling highlights that e-commerce platform cooperation does not exist at present in the Nordic countries. Thus, he has not

considered it as an alternative. The data shows that platform cooperation does not exist as a real alternative on the Danish market. If such an alternative were to take place, it would require a shift in mentality for brands, and a neutral part that takes initiative and coordinates the cooperation.

Sub Conclusion – Level 4

In level 4 of the phenomenological analysis, the essence was deduced for all six themes. The themes and their essences are displayed in the following table:

Table 4: Overview of Themes Essences

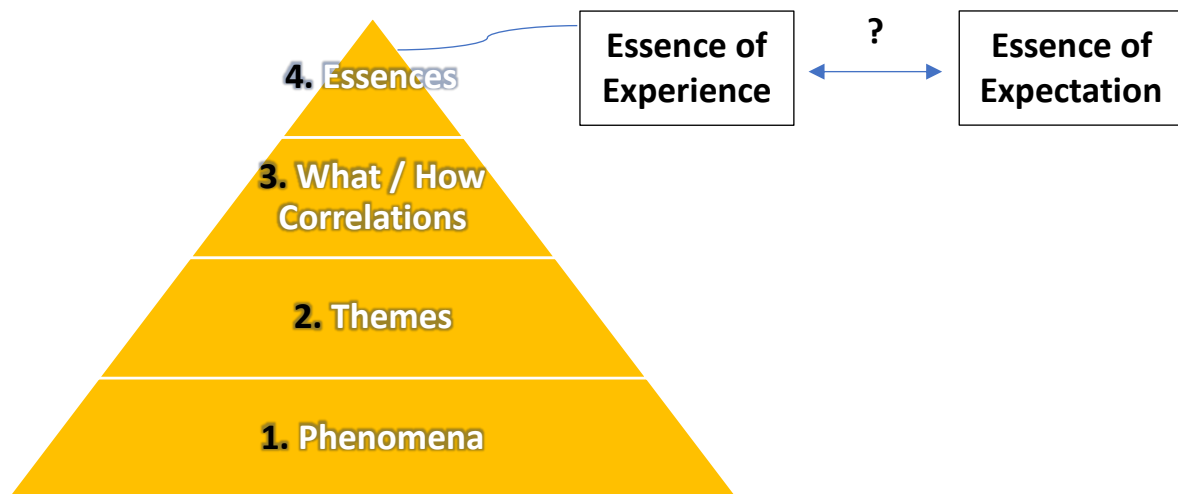
	Themes	Essences
1	<i>Amazon enables a new sales channel for brands</i>	The sales channels of traditional e-commerce are under pressure, and Danish brands are thinking along new lines which involves new risk.
2	<i>Amazon's arrival is an opportunity to strengthen the Danish e-export</i>	Amazon is a sales channel with global potential, but experience comes with a cost; the pace is faster, and Amazon can shut you down.
3	<i>Amazon will transform the technological level of Danish e-commerce</i>	Amazon is highly efficient in terms of product search and distribution which makes Amazon difficult to fight against.
4	<i>The Danish e-commerce market is moving towards maturity</i>	The Danish e-commerce market is becoming more centralised, the competition more intense and data-driven business strategies more applied.
5	<i>Amazon sets the terms for the interaction between company and customer</i>	Amazon is an opportunity to reach more customers, but the customers' affiliation with Amazon determines the interaction.
6	<i>Danish e-commerce is limited from doing platform cooperation</i>	Danish e-commerce platform cooperation would need guidance and leadership from a neutral part.

(Pedersen, 2019)

5.5 Interpretation of The Theme Essence

The purpose of this section is to interpret whether the theme essence confirms or disconfirms the theoretical expectations. The expectations can be understood as the essence of the four theoretical concepts presented in the theory section, illustrated in the following model:

Figure 7: *Model of Theme Essence Interpretation*



(Pedersen, 2019)

The Essence of Experiences vs Essence of Expectations

The following subsection is an examination of how the theme essence fits the SWOT expectations:

Figure 8: *SWOT matrix of theoretical concepts*

		Helpful	Harmful
Internal	S	<p>Concept 1:</p> <p>Enables direct interaction with customers</p>	<p>W</p> <p>Concept 4:</p> <p><i>Reduces incentive to create/look for platform cooperative alternatives</i></p>
	O	<p>Concept 2:</p> <p><i>Optimises the process of matchmaking</i></p>	<p>T</p> <p>Concept 3:</p> <p><i>Sharpens the requirements to technological efficiency</i></p>
External			

(Pedersen, 2019)

The essence of Theme 1 in Relation to Concept 2

The essence of theme one, Amazon's enables a new sales channel for brands, confirms the expectation of concept two that Amazon will optimise the process of matchmaking. It will allow brands to extend their B2C sales and enable them to reach more customers as brand owners. Thus, the essence of theme one can be regarded as an opportunity which is helpful externally, similar to concept two. However, this is only the case for the two brands Gyldendal and the Electronics Brand. For Eshoes it is potentially harmful externally because their position as the middleman, between the customers and the brands, are threatened by Amazon.

The essence of Theme 2 in Relation to Concept 2 and 3

The essence of theme two; Amazon's arrival is an opportunity to strengthen Danish e-export, confirms the expectations of concept two and three; Amazon will optimise matchmaking and sharpen the requirements to technological efficiency. On the one hand, it would enable the companies to utilise Amazon as an export strategy and optimise matchmaking on other markets which would be an opportunity that is helpful externally similar to concept two. On the other hand, Amazon follows a

different distribution pace and service standard than the Danish market so it could potentially also be harmful externally if the companies do not meet the requirements. It is only regarded to be relevant for the Electronics Brand and Eshoes because Gyldendal's products are limited to a Danish segment.

The essence of Theme 3 in Relation to Concept 3

The essence of theme three; Amazon will transform the technological level of Danish e-commerce, confirms the expectation of concept three; Amazon will sharpen requirements to technological efficiency. It will intensify the requirements to distribution pace and could potentially force brands on Amazon if their search engine becomes the most primary product search tool for Danish customers. Furthermore, it could also potentially require a shift in the way companies marketing their products. It is regarded as a potential threat which is harmful externally for all the participants, at least in relation to Amazon's role as a retailer.

The essence of Theme 4 in Relation to Concept 3

The essence of theme four, the Danish e-commerce market is moving towards maturity, aligns to a certain extent with the expectation of concept three, Amazon will sharpen requirements to technological efficiency. Amazon's business strategies could potentially put pressure on the market prices, resolving in a loss in revenue for all the participants. The intensification of competition on Danish e-commerce is a movement towards maturity, but the process is seemingly already in motion. Thus, it cannot be explained by Amazon's arrival alone. However, it could be an essential factor which speeds up the process.

The essence of Theme 5 in Relation to Concept 1

The essence of theme five, Amazon sets the terms for the interaction between company and customer, disconfirms the expectation of concept one; Amazon enables direct interaction with customers. Amazon's decision environment dictates how the interaction takes place between the company and the customer, and the customer's affiliation is especially crucial. It could be a potential weakness that is harmful internally for Danish e-commerce companies if they become too depended on revenue from sales on Amazon who has the potential to exclude the company or change essential parameters in the decision environment. It diverges from the expectation that Amazon, as an MSP, which enables direct interaction between the customer and company, can be regarded as a strength internally.

The essence of Theme 6 in Relation to Concept 4

The essence of theme six, Danish e-commerce is limited from doing platform cooperation, disconfirms the expectation of concept four; Amazon reduces the incentive to create/look for platform cooperative alternatives. The incentive is not reduced by Amazon. However, creating a platform alternative to Amazon would require something that goes beyond the capabilities of a single company. If a neutral third-party would propose a platform cooperation for e-commerce then it could potentially be an opportunity which is helpful externally for the three participants. The essence of theme 6 suggests that it is not a matter of something that can be classified as an internal weakness.

Sub Conclusion of The Interpretation

The interpretation of the theme essence was carried out to examine whether the expectations from the theoretical concepts were confirmed or disconfirmed. Three of the theme essence confirms the expectations, one partial confirmed, and two of the themes disconfirmed the expectations. Thus, the essence of theme four, five and six is the stepping stone for the discussion of this master's thesis.

5.6 Sub Conclusion of The Data Analysis

The data analysis of this master's thesis was based on Sanders' (1982) 4-level approach to phenomenological analysis. Firstly, 33 phenomena were identified by examining the transcripts of the interviews with three participants. Secondly, key qualities for each phenomenon were found in order to find commonalities in the phenomena and group them in themes; 6 themes were identified. Thirdly, the objective statements and subjective experiences of the participants were found in each of the phenomena within the themes; 154 were identified. This was done to develop a what/how correlations of the themes. Fourthly, the essence of the 6 themes was identified by finding the commonalities in the what/how correlations, asking the question why to the correlation. Lastly, the 4-level analysis was followed by an interpretation of the theme essences. This was done to interpret whether the essence of the participants' experiences confirmed or disconfirmed the theoretical expectations. A summation of the data and interpretations are presented in the following table:

Table 5: Overview of Phenomenological Data Analysis

	Phenomena Commonalities	Grouped in Themes	Essence of Experiences	Essence of Experiences vs Concept Expectations
1	Phenomenon: 1, 4, 7, 9, 15, 27, 29	<i>Amazon enables a new sales channel for brands</i>	The sales channels of traditional e-commerce are under pressure and Danish brands are thinking along new lines which involve new risk.	Confirms concept 2: <i>Amazon optimises the process of matchmaking</i>
2	Phenomenon: 2, 6, 11, 14, 19, 26	<i>Amazon's arrival is an opportunity to strengthen the Danish e-export</i>	Amazon is a sales channel with global potential, but experience comes with a cost; the pace is faster, and Amazon can shut you down.	Confirms concept 2 and 3: - <i>Amazon optimises the process of matchmaking,</i> - <i>Amazon sharpens requirements for technological efficiency</i>
3	Phenomenon: 3, 12, 16, 21, 22	<i>Amazon will transform the</i>	Amazon is highly efficient in terms of product search and	Confirms concept 3: <i>Amazon sharpens requirements for</i>

		<i>technological level of Danish e-commerce</i>	distribution which makes Amazon hard to fight against.	<i>technological efficiency</i>
4	Phenomenon: 5, 8, 10, 13, 25	<i>The Danish e-commerce market is moving towards maturity</i>	The Danish e-commerce market is becoming more centralised, the competition more intense and data-driven business strategies more applied.	Partial confirms concept 3: <i>Amazon sharpens requirements for technological efficiency</i>
5	Phenomenon: 17, 18, 20, 23, 24	<i>Amazon sets the terms for the interaction between company and customer</i>	Amazon is an opportunity to reach more customers, but the customers' affiliation with Amazon determines the interaction.	Disconfirms concept 1: <i>Amazon enables direct interaction with customers</i>
6	Phenomenon: 28, 30, 31, 32, 33	<i>Danish e-commerce is limited from doing platform cooperation</i>	Danish e-commerce platform cooperation would need guidance and leadership from a neutral part.	Disconfirms concept 4: <i>Amazon reduces incentive to create/join platform cooperative alternatives</i>

(Pedersen, 2019)

6. Discussion

The following chapter will discuss the theoretical implications of the discrepancy identified in the data analysis. Firstly, between the experience of Amazon setting the terms for the interactions and the MSP business model. Secondly, between the expectation of a lack of incentive for platform cooperativism and the experience limitations in Danish e-commerce. Furthermore, the practical implications of Amazon influence on the maturation of Danish e-commerce are discussed.

6.1 The Multi-Sided Platform Business Model (Revisited)

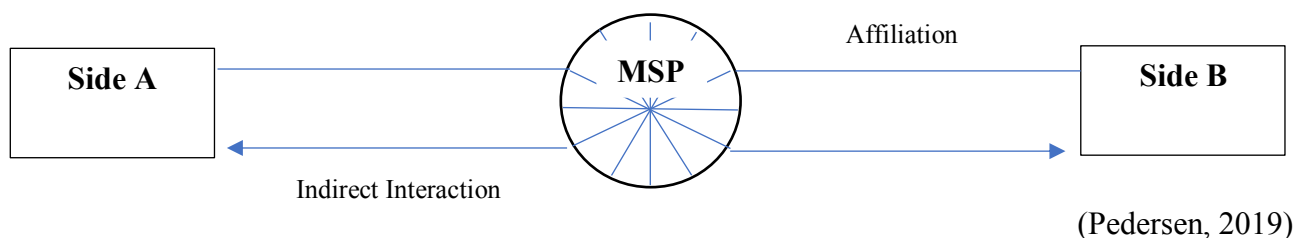
The interpretation of the essence in theme 5 suggested that there is a discrepancy between the essence of the theme and the theoretical concept. The participants describe Amazon as a platform that companies have to adapt to if they want to obtain full benefits, and as the world's largest club where the customers are given privileges if they are members. This does not align with Hagiu & Wright's (2015) MSP business model emphasising that the interaction between side A and B takes place independently of the affiliation with the MSP. Amazon is not merely a neutral platform matchmaker; it is a search engine which set the terms for the company/customer interaction based on particular parameters. A company's turnover is essential for the placement of the company in the ranking results which indicates that the company's affiliation, i.e. how much of their sales takes place on Amazon, determines how much they get to interact with customers. This can be understood in relation to Caillaud & Jullien's (2003) description of MSPs network effects; if a company starts to lose turnover, they start to lose their place in the search ranking which will result in further revenue losses and then search ranking place etc. In that matter, it is "the winner takes it all" axiom that sets the terms for the interaction between company and customer.

It could propose a potential risk for Danish e-commerce companies if their revenue becomes too depended on their affiliation with Amazon, and they end up in a negative spiral in the search ranking system. One of the participants describes how customers are loyal to Amazon and not to brands and resellers selling on it. Companies are restricted from contacting customers. Instead, they are striving for good reviews to stand out in the customer's decision environment. Amazon's double role as an MSP and a retailer also imposes further complexity to the model. Their application of the long tail concept enables them to drop prices on the most popular products which will leave the resellers on Amazon in hard competition with Amazon itself. Furthermore, Amazon's role as a retailer also threatens the brands selling on Amazon if the customers are not per se loyal to the brands but more

interested in finding the best match between quality and price. The participants' experiences do not seem to suggest the expectation that they can continue their current customer interactions on Amazon when they arrive on the Danish market. It seems to point more in the direction that they experience Amazon as a factor that will set the terms for the interaction, not only on Amazon but potentially also on the Danish e-commerce market. Especially in terms of delivery speed and pricing.

Hagiu & Wright's (2015) MSP business model does not seem to take into account the intermediary effects on Amazon's decision environment and ranking system how on the interaction. Thus, it raises the question of whether it can be perceived as "direct interaction". The model might be applicable in explaining MSP in other contexts but seems to fall short in relation to Amazon's ranking system and their paradoxical double role as being both a competitor to side A and an *optimiser* of A's reach inside B. The participants' experiences suggest that the model would require expansion if it was to explain how Amazon works as an MSP. The data indicates that the affiliation and interaction are not separate components but rather something that is connected. A sketch for how the affiliation is influencing the interaction between side A and B through the MSP is illustrated below:

Figure 9: MSP model - Indirect Interaction



6.2 The Potential of Platform Cooperativism in E-commerce

The interpretation of essence in theme 6 indicated discrepancy between the theoretical expectation and what the participant is experiencing. The participants describe platform cooperativism as something that could be relevant in number of instances, e.g. gaining a footing in the Chinese market or as platform cooperation between the Danish publishers. The definitions and conceptualisation in Fuster & Espelt (2018) and Scholz (2016), describing platform cooperativism in relation to fairness and cooperation between equals, lead to the assumption that the three Danish e-commerce companies would experience the incentive for cooperation on the market as low and potential further lowered with Amazon's arrival. However, it is not necessarily a matter of incentive but more a matter of

platform cooperativism not being a real alternative in Danish e-commerce. The participants describe how no platform alternatives exist in the Nordic countries, and that conventional thinking stands in the way for exploring cooperativism as a real alternative. Amazon does not reduce the incentive, but a neutral third party would have to coordinate the cooperation and allocate the resources. One of the participants experienced that the *Danish Competition Authority* regarded it as cartel formation. Thus, the law at present does not seem to be capable of allowing platform cooperativism in e-commerce.

The question is whether Amazon will transform the Danish e-commerce market entailing until now unseen, global intensification of the competition forcing the Danish stakeholders to think in new innovative and cooperative ways if Danish e-commerce companies are to have an alternative or supplement to Amazon. How platform cooperativism and e-commerce are compatible seems to be a bit blurry in the literature, leaving unanswered questions such as what role a neutral third party could have in relation to implementation and coordination. This indicates that a potential research gap is identified in the literature. Thus, an in-depth literature review would be required to fully assess this and to try to find case examples of e-commerce platform cooperativism working in practice.

6.3 The Danish E-commerce Market Movement Towards Maturity

The interpretation of the essence in theme 4 aligns to a certain extent the expectation with the participant's experience. Amazon will most likely speed up the maturity of the Danish e-commerce market by intensifying competition with technological search and delivery efficiency. However, the participants experience that the competition has already started to intensify. This appears in the ROI on the marketing channels but also in relation to growing oligopolistic tendencies in e-commerce where few companies are starting to own a larger share of the value chain. The participants experience how Amazon's arrival is making the retailers nervous about their role in the nearby future of Danish e-commerce. The expectancy is that big online stores and third-party platforms will increase their market share, brands will take over the B2C sales, and small retailers will be put under a significantly larger pressure than today. In relation to BCG's (Poulsen et al., 2018) description of the Danish market as being in the expanding phase it could mean a shift towards maturity. The market has a very high degree of fragmentation. However, the experienced tendencies suggest that this could be changing. Amazon's arrival on the Danish e-commerce market is likely to turn this upside down speeding up the movement towards a matured market. The expected sales channel for Danish e-

commerce, where Amazon acts an intermediary between brands and customers, is visualised in the following model:

Figure 10: *Expected Sales Channels of Danish E-commerce*



(Pedersen, 2019)

6.4 Sub Conclusion of Discussion

The following table summates the interpreted discrepancy between theme 5 and concept 1, and theme 6 and concept 4:

Table 6: *Overview of Interpreted Discrepancy*

Essence of experience	Essence of expectation	Interpreted Discrepancy
Amazon is an opportunity to reach more customers, but the customers' affiliation with Amazon determines the interaction.	<i>Amazon enables direct interaction with customers</i>	Customers are loyal to Amazon not the brand owners or resellers. Amazon's search ranking systems determine which companies the customer sees.
Danish e-commerce platform cooperation would need guidance and leadership from a neutral part.	<i>Amazon reduces incentive to create/look for alternatives</i>	Conventional thinking stands in the way of exploring platform cooperativism as an alternative to Amazon.

(Pedersen, 2019)

7. Conclusion

This master's thesis has shown that three Danish e-commerce companies expect Amazon to influence the Danish e-commerce market in four ways. Firstly, Amazon's arrival is expected to change the characteristics of Danish e-commerce. Amazon's high efficiency in terms of product search and distribution is experienced as factors that could intensify competition and make Amazon hard to fight. Maturity tendencies are starting to show in the Danish e-commerce market, and it is expected that Amazon could speed up this process on the market significantly. Secondly, Amazon's arrival is experienced as a factor that could change the Danish e-commerce companies' usage of GOMPs. Amazon is viewed as a sales channel with a global reach that could fortify the Danish e-export. However, the experiences come with a cost; the pace is radically different than on the Danish market, and Amazon has the potential to exclude companies from the platform. Thirdly, Amazon's arrival is expected to influence the sales channels of Danish e-commerce. Traditional sales channels are believed to be under pressure, and Amazon will provide an opportunity for brands to increasingly take over the B2C sales. Fourthly, Amazon's arrival is experienced to influence the possibility for platform cooperativism. No Danish platform alternative to Amazon exist, and despite cooperation willingness from the three Danish companies a platform cooperation would need guidance and leadership from a neutral third party.

This master's thesis applied a 4-level phenomenological approach in order to analyse the interviews with the three participants. The first step was to identify phenomena, the second step to group them in themes, the third step to analyse objectively/subjectively correlations, and the fourth step to arrive at the essence of experiences by asking the question "why" to the correlation. The phenomenological approach is based on subjective experiences. Thus, the results of this master's thesis cannot be generalised to the population of Danish e-commerce. However, the result can inform the theoretical point of departure. The interpretation of the themes' essence revealed discrepancy between what was expected theoretically and what was experienced by the participants: 1) The MSP business model presumes that the interaction between side A and B is taken place without influence from the MSP. The data suggests that this can be regarded as unlikely in relation to Amazon because their search ranking system directly determines how companies and customers interact on the platform. 2) The theoretical conceptualisation of platform cooperativism leads to the expectations that incentives for platform cooperation in e-commerce would be low. However, the data suggests that it is not a matter of lacking incentives but a matter of need for guidance and initiatives from a neutral third party.

Even though the results are not generalisable to the population, some of the participants' experiences are regarded as relevant for other e-commerce companies as well. Thus, this master's thesis would like to propose four pieces of advice for Danish e-commerce companies who are preparing for Amazon's arrival on the Danish e-commerce market:

- 1) E-commerce retailers should be aware that competition might be moving towards a more intensified phase. Amazon is likely to speed up the process of maturity of the Danish market. Thus, e-retailers are recommended to either specialise in using Amazon as a sales channel in order to have something to offer brands or focus on niches and innovative e-commerce services.
- 2) Brands and retailers are recommended to view Amazon and other GOMPs as a mean to obtain and fortify their export and gain access to new markets. This will also strengthen the know-how on Amazon's sales mechanisms once they arrive on the Danish market. However, companies should be aware that obtaining this know-how can be a costly affair.
- 3) Amazon's arrival will provide direct B2C sales channels for e-commerce brands which is likely to increasingly obviate retailers as the middleman. Brands ought to seek the B2C growth possibilities on Amazon but also be aware of the threats involved. Brand loyalty is likely to decrease further with Amazon's arrival, and it is recommended to supplement with alternative channels in order to strengthen customer loyalty.
- 4) It is recommended that Danish e-commerce companies seek alternatives or supplements to Amazon. One possible way could be to engage in a platform cooperative. However, this would require the aid of a neutral third party such as a governance organ or interest group. Amazon's arrival is not a matter of join or fight, it is a matter of *joining the fight*. The platform economy is likely to reshape Danish e-commerce.

8. Further Research

One of the clear limitations of a phenomenological approach is the lack of generalisability. Thus, for further research it would be productive to try and determine the scope of the discrepancies identified in this master's thesis. One approach could be to apply multivariate statistics to get a full picture of the population of Danish e-commerce. The lack of platform cooperatives in Danish e-commerce could serve as a stepping stone for defining latent variables in a quantitative research design. In order to establish how the majority of Danish e-commerce companies view the possibilities in platform cooperativism, and whether the current laws and policies stand in the way for exploring this possibility. Furthermore, Mossin was the participant who spoke most directly about the potential for platform cooperativism in the Danish publisher industry. Gyldendal could be used as a case study to examine whether certain attributes make it more obvious for some e-commerce companies to seek platform cooperation. Finally, a literature review on platform cooperativism is recommended for further research in order to arrive at a clearer theoretical understanding of how platform cooperativism and e-commerce interact.

9. Self-Reflection on The Master's Thesis

The author of this master's thesis would like to conclude this thesis with self-reflective remarks regarding some of the chapters and the overall learning process. The purpose of the background chapter was meant to provide the reader with the characteristics of the Danish e-commerce market. Public sources, which were regarded as valid, proved to give good insights into the e-export and the (lack) of experience with global web sales. However, it was difficult to find relevant examples of platform cooperation. In the theoretical chapter, it proved to be difficult to "cut to the bone" in relation to the literature on MSPs because a lot of the MSP research is within the economic field of research. Thus, the MSP business model was regarded as being very insightful as a concept because it explains the complexity of how MSPs operates in a clear and simple matter. The biggest challenge in relation to the theoretical concepts was to find relevant literature on platform cooperativism. The literature that was found had very few examples of how platform cooperation can be applied in relation to e-commerce. It was considered to abandon it as a concept. However, the three participants all described experiences somehow relating to cooperation, thus, it was regarded as too important to discard.

In relation to the methodology of the thesis, Sander's 4-level phenomenological analysis (1982) was regarded as a very productive and structured way to process and analyse the data. However, Sanders (ibid.) is not very explicit about how to arrive at the fourth level, the essence of themes. Thus, it leaves a lot of weight on the researcher's ability to interpret the data which is regarded as a weakness in terms of external validity. In terms of operationalising the analysis, the 4-level approach proved to be quite productive and a way to have a stringent framework for analysing the data which can be challenging to obtain in phenomenology. What became evident conducting the analysis was that especially the participant from Gyldendal was interested in platform cooperativism. The publisher industry has some particulate features as an e-commerce company. Features which make it plausible that there are certain reasons for the interest in cooperation in the publisher industry. These nuances were not possible to consider within the scope of the analysis. On a personal level, the process of writing this thesis has been very educational. In particular, in relation to the subject of *platform cooperativism*. If the author was to pursue further immersion, platform cooperativism would set the direction because it raises some very important questions in relation to the core of e-commerce and capitalism in general.

10. Acknowledgements

First and foremost, the author of this master's thesis would like to say thank you to the CEO, Søren Kipling and Jeppe Mossin for sharing their great insights and deep knowledge on Amazon and the Danish e-commerce market. The author would also like to thank Abayomi Baiyere for academical supervision and understanding along the way.

Furthermore, a sincere thanks to the author's mom and dad for personal support, Lærke for creating the front page and Irene for invaluable help with the transcriptions, for always being there and for keeping our home together. Thank you to Philip for friendship and for countless inspiring conversations. A very special thank you to Trine for personal guidance, Birgitte for proofreading, and Jesper for mentoring and motivating the author of this master's thesis. Without you, this process would not have been the same!

11. Bibliography

11.1 Articles

- Armstrong, M. (2006). Competition in two-sided markets. *RAND Journal of Economics*, 37(3), 668–691.
- Bakos, J. Y. (1997). Reducing Buyer Search Costs: Implications for Electronic Marketplaces. *Management Science*, 43(12), 1–27. <https://doi.org/10.1287/mnsc.43.12.1676>
- Bellman, S., Johnson, E. J., Lohse, G. L., Mandel, N., Bellman, S., & Lohse, G. L. (2006). Designing Marketplaces of the Artificial with Consumers in Mind: Four Approaches to Understanding Consumer Behavior in Electronic Environments. *Journal of Interactive Marketing*, 20(1), 21–34. <https://doi.org/10.1002/dir>
- Caillaud, B., & Jullien, B. (2003). Chicken & egg: competition among intermediation service providers. *RAND Journal of Economics*, 34(2), 309–328.
- Chen, L., Mislove, A., & Wilson, C. (2016). An Empirical Analysis of Algorithmic Pricing on Amazon Marketplace. In *International World Wide Web Conference Comittee* (pp. 1–11).
- Colucci, S., Noia, T. Di, Sciascio, E. Di, Donini, F. M., Ragone, A., & Rizzi, R. (2006). A semantic-based fully visual application for matchmaking and query refinement in B2C e-marketplaces. *ICEC*, 1–11. <https://doi.org/10.1145/1151454.1151489>
- Evans, D. S. (2003a). Some Empirical Aspects of Multi-Sided Platform Industries. *Review of Network Economics*, 2(3), 191–209. <https://doi.org/10.2139/ssrn.447981>
- Evans, D. S. (2003b). The antitrust economics of multi-sided platform markets. *Yale Journal on Regulation*, 20(2), 325–381. Retrieved from <http://search.proquest.com/docview/235754361?accountid=9851>
- Fuster, M. F., & Espelt, R. (2018). A Framework for Assessing Democratic Qualities in Collaborative Economy Platforms: Analysis of 10 Cases in Barcelona. *Urban Science*, 2(61), 1–13. <https://doi.org/10.3390/urbansci2030061>
- Gill, M. J. (2014). The possibilities of phenomenology for organizational research. *Organizational Research Methods*, 17(2), 118–137. <https://doi.org/10.1177/1094428113518348>
- Hagiu, A., & Jullien, B. (2009). Why Do Intermediaries Divert Search? In *Industrial Organization Seminar* (pp. 1–39). <https://doi.org/10.2139/ssrn.1342747>
- Hagiu, A., & Wright, J. (2015). *Multi-Sided Platforms*. Harvard Business School.

- Kenney, M., & Zysman, J. (2016). The Rise of the Platform Economy. *Issues in Science and Technology*, 61–69. <https://doi.org/10.17226/21913>
- Quinton, S., & Smallbone, T. (2005). The troublesome triplets: issues in teaching reliability, validity and generalisation to business students. *Teaching in Higher Education*, 10(3), 299–311. <https://doi.org/10.1080/13562510500122099>
- Sanders, P. (1982). Phenomenology: A New Way of Viewing Organizational Research. *Academy of Management Review*, 7(3), 353–360.
- Scholz, T. (2016). Platform Cooperatism: Challenging the Corporate Sharing Economy. *Rosa Luxemburg Stiftung, New Your Office (Magazine Article)*, 1–26.
- Scholz, T. (2017). Big Data and Civic Engagement. In N. Douay & A. Wan (Eds.), *Big Data & Civic Engagement* (pp. 47–55). Milano: Planum Publisher. Retrieved from <https://www.researchgate.net/publication/321777389>

11.2 Websites

- Chappelow, J. (2019, May 23). *Prisoner's Dilemma*. Retrieved from Investopedia: <https://www.investopedia.com/terms/p/prisoners-dilemma.asp>
- Danmarks Statistik. (2019, June 10). *Virksomhedernes e-handel efter branche (DB07), virksomhedsstørrelse, emner og tid*. Retrieved from Statistikbanken: <https://www.statistikbanken.dk/ITAV2>
- Grant, M. (2019, 4 27). *Strength, Weakness, Opportunity, and Threat (SWOT) Analysis*. Retrieved from Investopedia: <https://www.investopedia.com/terms/s/swot.asp>
- Ministry of Foreign Affairs of Denmark. (2017, March 12). *Denmark signs framework agreement with Alibaba Group*. Retrieved from Denmark in China - Ministry of Foreign Affairs of Denmark: <http://kina.um.dk/en/about-us/press/press-releases/newsdisplaypage/?newsid=849b656d-62fb-4ebd-9da6-631f5709f6c0>
- Murtagh, R. (2018, August 2). *Top Online Marketplaces: Where to Sell in 2019*. Retrieved from Neto: <https://www.netohq.com/blog/top-online-marketplaces-comparison>
- Online Markedspladser (a). (2019, March 20). *72 pct. går på Amazon før Google*. Retrieved from E-eksport via online markedspladser: <https://www.onlinemarkedspladser.dk/72-pct-gaar-paa-amazon-foer-google/>
- Online Markedspladser (b). (2019, March 20). *Må producenten forbyde dig i videresalg via Amazon, eBay og Alibaba?* Retrieved from E-eksport via online markedspladser:

<https://www.onlinemarkedspladser.dk/maa-producenten-forbyde-dig-i-videresalg-via-amazon-ebay-og-alibaba/>

Statista (a). (2019, June 10). *Annual net revenue of Amazon from 2004 to 2018 (in billion U.S. dollars)*. Retrieved from Statista: <https://www-statista-com.esc-web.lib.cbs.dk:8443/statistics/266282/annual-net-revenue-of-amazoncom/>

Statista (b). (2019, March). *Leading product categories purchased by Amazon shoppers in the United States as of February 2019*. Retrieved from Statista: <https://www-statista-com.esc-web.lib.cbs.dk:8443/statistics/639155/popular-amazoncom-sales-by-category/>

Willemoes, S. (2019, March 19). *Udenlandske giganter dominerer: Her er de største netbutikker i Danmark*. Retrieved from FDIH: <https://www.fdi.dk/nyheder/2019/marts-2019/udenlandske-giganter-dominerer-her-er-de-storste-netbutikker-i-danmark?type=Analyser&side=2>

Witailer. (2018, March 22). *An Overview of Online Marketplace and The Global Landscape*. Retrieved from Witailer: <https://www.witailer.com/panoramica-dei-marketplace-online-e-dello-scenario-internazionale/?lang=en>

11.3 Rapports

DIBS by NETS. (2017). *Dansk E-Handel - Alt du skal vide om E-handel | Danmark 2017*. Copenhagen: DIBS by NETS.

Poulsen, M.-B., Stamp, E., Gram, A. W., Sperling, J. & Nielsen, K. E. (2018). *Disruption at Our Doorstep - A Strategic Perspective on Nordic e-Commerce and the Imminent Arrival of Amazon*. Copenhagen: Boston Consulting Group, Axcelfuture.

Wilke. (2018). *Virksomheders erfaringer med globale online markedspladser*. Copenhagen: Wilke, DI Handel, CBS, Industriens Fond.

11.4 Books

Birkler, J. (2010). In *Videnskabsteori - En Grundbog* (pp. 103-105). Copenhagen: Munksgaard Danmark.

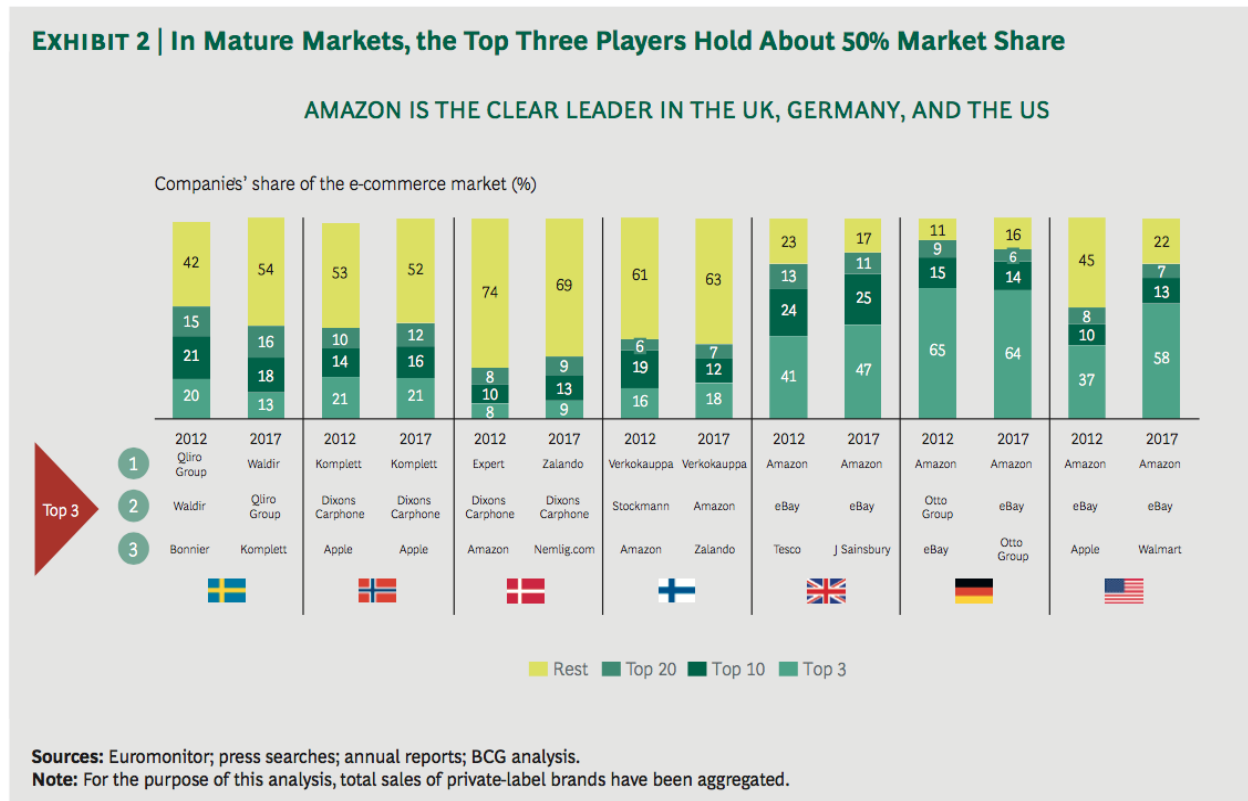
Laudon, C. K., & Traver, C. G. (2016). In C. K. Laudon, & C. G. Traver, *E-commerce 2016: business. technology. society* (pp. 67-69). Pearson Education.

11.5 Other

Pedersen, T. E. (2019). *The Smiling Platform - A Phenomenological Study of Amazon's Arrival on The Danish E-commerce Market*. Copenhagen Business School. Copenhagen: Copenhagen Business School.

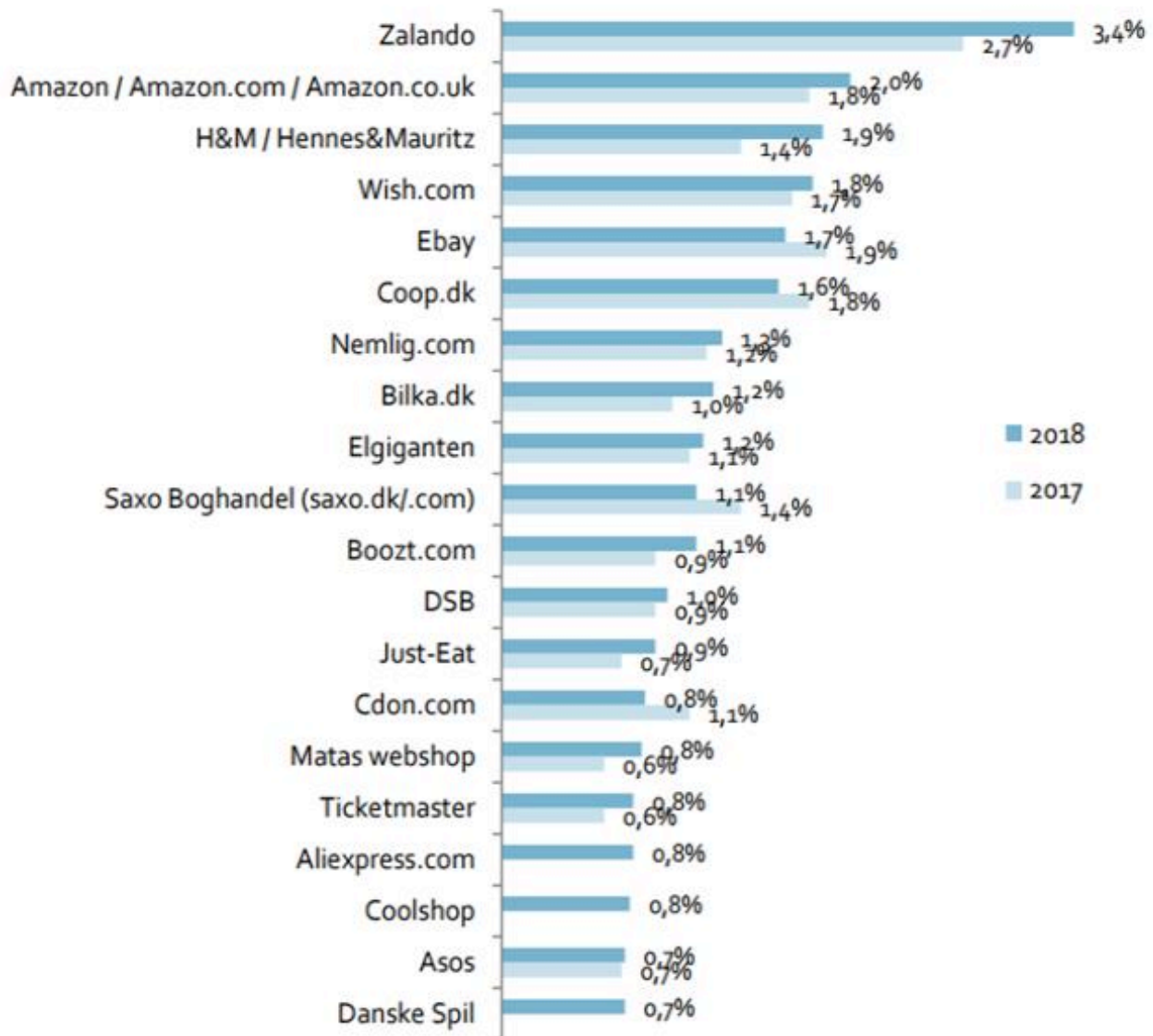
12. Appendices

Appendix 1 - Market share in E-Commerce Markets



Retrieved from: *Poulsen et al., 2018, p. 5*

Appendix 2 - The Largest Web Shops in Denmark



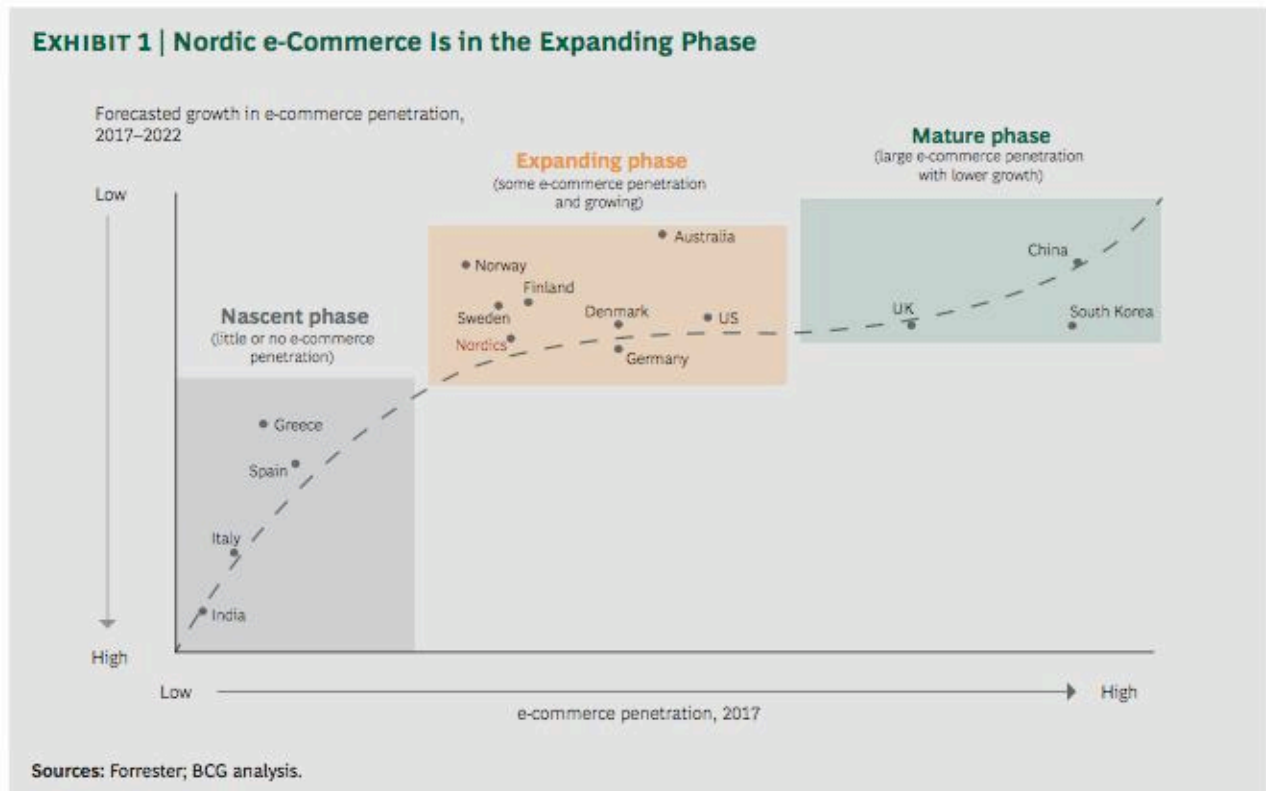
14.544 besvarelser



Hvad hed netbutikken du senest handlede i?

Retrieved from: *Willemoes, 2019*

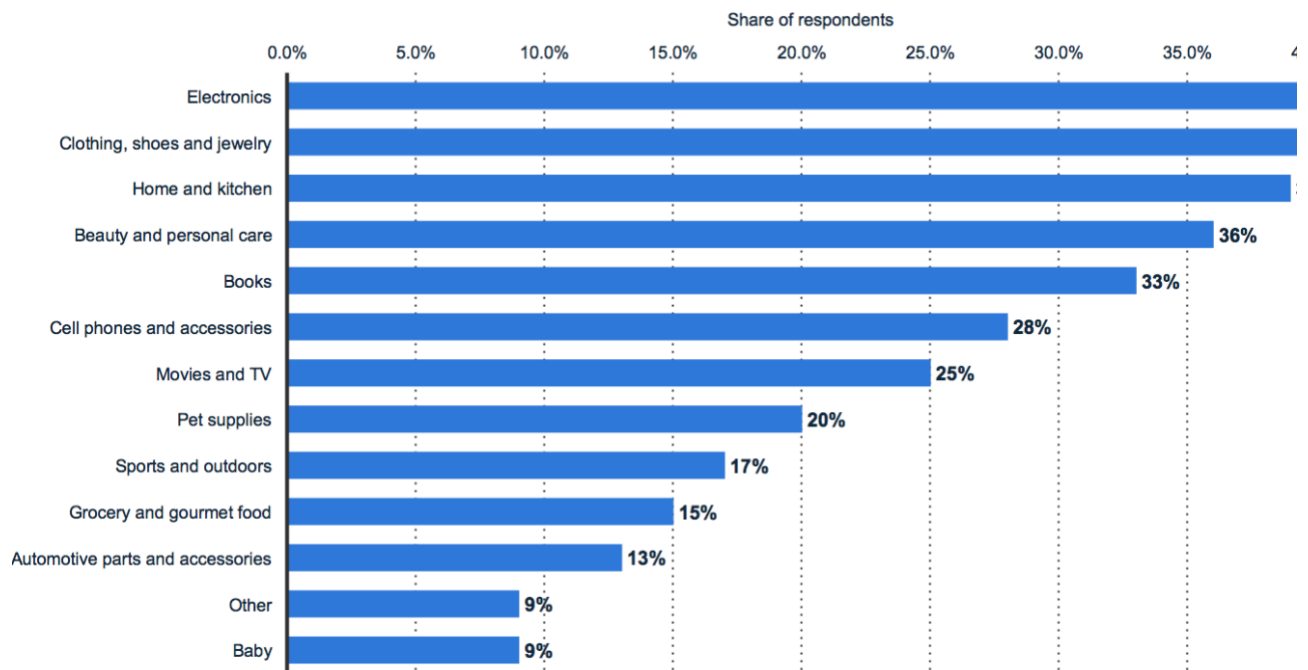
Appendix 3 – Nordic E-commerce Is in The Expanding Phase



Retrieved from: Poulsen et al., 2018, p. 4

Appendix 4 – Most Popular Products on U.S. Amazon

Most popular U.S. Amazon product categories 2019




Retrieved from: (Statista (b), 2019)


Appendix 5 – Response from Customer Support

 @

23. april 2019 kl. 09:21

VS: Interview med  i forbindelse med Speciale på CBS

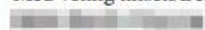
[Flere oplysninger](#)

Til: Thorbjørn Elmén Pedersen, Cc: 

Vi har desværre ikke kapacitet til at medvirke i din opgave for nærværende.

Tak fordi du tænkte på 

Med venlig hilsen/Best Regards


Adm. Direktør/CEO



Appendix 6 – No Response on LinkedIn

in

Search

Home

My Network

Jobs

Messaging

Messaging

Search messages

May 1

Apr 30

Apr 21

Apr 17

Cassie from Linkedl... Mar 5

LinkedIn Offer • Thanks for being an active member

Richard Thelwell Jan 28

Sponsored • Your Data -> Better Decisions


Cassie from L... Dec 30, 2018

LinkedIn Offer • Thanks for making LinkedIn great

E-commerce Project Manager hos

...

APR 17

 **Thorbjørn Elmén Pedersen** • 5:09 PM

Interview med i forbindelse med speciale på CBS

Kære ,

Mit navn er Thorbjørn og jeg er cand.merc studerende på CBS. Jeg skal beklage jeg forstyrrer i en travl hverdag, men jeg har en forespørgsel i forbindelse med mit speciale:

Jeg er i øjeblikket i gang med at skrive speciale om Amazons ankomst til Danmark og hvordan danske e-commerce virksomheder forbereder sig strategisk på dette - specifikt i forhold til det fight vs. join dilemma mange virksomheder står i. Jeg er derfor på udkig efter danske e-handels virksomheder, der ville være interesseret i at sætte ord på deres overvejelser og ville i den forbindelse enormt gerne interview dig eller en af dine kollegaer.

er en yderst spændende case, da jeg mener ' e-commerce strategi er konkurrence dygtig i forhold til 3 af Amazons svagheder: 1) Manglede personlig user experience. 2) Begrænset online community. 3) Ingen omni-channel fordele.

Interviewet vil omhandle ' strategiske overvejelser, have en varighed på ca. 30 min og ville kunne foregå over telefon eller face2face alt efter jeres ønske, og selvfølgelig være komplet anonymiseret.

På forhånd tak og god påske.

You haven't received a response yet.

Appendix 7 – Quick and Positive Response on LinkedIn

[Home](#)
[My Network](#)
[Jobs](#)
[Messaging](#)

[The UCL MBA – Now Online - Earn your MBA online from a top-10 global university. No G](#)

Messaging

Cassie from Linkedi... Jun 22
LinkedIn Offer • Thanks for being an active member

Søren Kipling May 3
You: Ok, så ringer jeg der

Michael Harding May 2
Sponsored • Communicate with Customers on Every...

May 1

Apr 30

Apr 21

Apr 17

Søren Kipling
Amazon Expert | Strategy Advisor | E-commerce | Keynote Speaker | Adv...

Jeg kvitterer med at sende mit færdige speciale, som måske kunne være interessant læsning for jer, i forhold til hvilke overvejelser andre danske brands har omkring Amazons ankomst til DK.

Jeg glæder mig meget til at høre fra dig!
På forhånd tak og god aften.

De bedste hilsner
Thorbjørn Elmén Pedersen
stud.merc.ebuss, CBS


Søren Kipling • 6:50 PM
Hej Thorbjørn

Selvfølgelig vil jeg hjælpe med det - men jeg ønske bestemt ikke at være anonym :)

//Søren Kipling

MAY 2

Appendix 8 – Establishing Contact with The Electronics Brand



Search

Home

My Network

Jobs

Messaging

Messaging

Search messages

May 1

Apr 30

Apr 21

Apr 17

Mar 5

Cassie from Linkedl...
LinkedIn Offer • Thanks for being an active member

Jan 28

Richard Thelwell
Sponsored • Your Data -> Better Decisions

Dec 30, 2018

Cassie from L...
LinkedIn Offer • Thanks for making LinkedIn great

CEO & Co-Owner at [redacted]
[redacted] indenfor en måneds tid, rent faktisk.

Det vil passe mig fint, hvis vi kan gøre det en eftermiddag, hvor jeg kører hjem fra arbejde.
Mit mobilnr. er [redacted]
Lad os se, om ikke tirsdag el onsdag i næste uge, kunne lykkes. ca. ved 16.30 tiden.

Go påske
Bh.
[redacted]

Thorbjørn Elmén Pedersen • 7:10 PM




Hej [redacted]

Mange tak for dit svar!

Det er jeg rigtig glad for at høre :-)) Jeg kan begge dage, så vi kan evt skrives ved tirsdag eftermiddag og se hvad der passer dig bedst.

Rigtig god påske.
Bh.
Thorbjørn

Write a message...



Send

88

Appendix 9 – Positive Response by Email

Jeppe Mossin

20. maj 2019 kl. 13.53

JM

SV: VS: Interview med Gyldendal i forbindelse med speciale på CBS

Til: [REDACTED]

Hej Thorbjørn

Tak for din henvendelse. Jeg har tid til at snakke torsdag morgen/formiddag. Hvis det tidspunkt passer dig kan vi snakke der.

Bedste hilsner

Jeppe

JEPPE MOSSIN
Digital Salgschef
Forlag, Salg

GYLDENDAL



Klareboderne 3
DK-1115 København K
Telefon: 3375 5555

Direkte: [REDACTED]

Mobil: [REDACTED]

E-mail: [REDACTED]

Fra: [REDACTED]

Sendt: 16. maj 2019 13:30

Til: Jeppe Mossin [REDACTED]

Emne: VS: VS: Interview med Gyldendal i forbindelse med speciale på CBS

Kære Jeppe

Se venligst mail nedenfor fra Thorbjørn. Har du tid til at hjælpe ham?

Sig til, hvis jeg skal gøre mere i den forbindelse.

Mange hilsner og god weekend

[REDACTED]

Appendix 10 – No Response After Established Contact

Thorbjørn Elmén Pedersen
Vedr.: Interview med [redacted] i forbindelse med speciale på CBS
Til: [redacted]

8. maj 2019 kl. 14.43

TP

Hej [redacted],

Tak for dit svar! Det dilemma har jeg stødt på før, så det ville stadig være super interessant at snakke med jer.

Interviewet varer ca 30 min, men vi kan godt korte det lidt ned, hvis det er :-)

Hvis du har tid kan vi evt ringes ved imorgen eller fredag eftermiddag?

De bedste hilsner
Thorbjørn Elmén Pedersen
stud.merc.ebuss, CBS
[LinkedIn](#) profil
[Se mere fra \[redacted\]](#)

[redacted]
Vedr.: Interview med [redacted] i forbindelse med speciale på CBS
Til: Thorbjørn Elmén Pedersen, Cc: [redacted]

6. maj 2019 kl. 13.23

Flere oplysninger

Hej Thorbjørn,

Vi deltager gerne i et kort telefoninterview. Vi kan koordinere per mail på [redacted]

For at være helt ærlig, så er det ikke noget vi har gjort os de store tanker om. Så jeg tvivler på, hvor meget vi ville kunne bidrage med.

Vi indtil nu frabedt vores forhandlere at lægge os på platformen - et par ser ud til at have gjort det på trods.

Bedste hilsner / Kind regards
[redacted]
[redacted]

Appendix 11 – Interview Guide with The Electronics Brand

Topic	Questions
Om [REDACTED] (brand, vision, strategi)	<p>(Med egne ord) Hvad er [REDACTED] for en type virksomhed?</p> <p>Hvad karakteriserer jeres brand?</p> <p>Hvad vil du sige er jeres kernekompetencer?</p> <p>Hvordan vil du beskrive [REDACTED] vision?</p> <p>Sælger i jeres produkter i egne fysiske butikker?</p> <p>Går jeres primær salg gennem jeres egen webshop eller videresalg igennem detailhandel?</p> <p>Hvor ser du, at [REDACTED] er om fx 5 år?</p>
Konkurrencesituation	<p>Hvem er jeres største nuværende konkurrenter i Danmark?</p> <p>... og internationalt?</p> <p>Vil du sige at konkurrencen for [REDACTED] er forøget i løbet af de seneste par år?</p> <p>Er det blevet sværere eller lettere at trænge igennem med sine budskaber og skille sig ud digitalt? <i>– her tænker jeg, at der er kommet flere direkte kanaler til jeres kunder, men også mere ”støj”.</i></p>
Amazon: Stratetiske overvejelser	<p><i>Jeg kunne forstå på din besked, at I går i luften på Amazon om en måneds tid.</i></p> <p>- Hvilke strategiske overvejelser lå til grund for denne beslutning?</p>

	<p>Hvordan vil du beskrive jeres erfaringer med at sælge jeres produkter på et <i>global online marketplace</i>?</p> <p>Hvilke overvejelser har I haft ift. Amazons ankomst til DK?</p> <p>Hvilke overvejelser har I som dansk virksomhed gjort jer i forhold til <i>First mover</i> fordele på Amazon?</p> <p>Hvad vil du sige er de største fordele ved at være på en global platform som Amazon?</p> <p>... og hvad med de største ulemper?</p> <p><i>Amazon er blandt andet kendt for deres evne til at anvende automatiseret algoritmer, når de skal prisfastsætte produkter på deres platform.</i> - Hvilke overvejelser har I gjort jer i forhold til Amazons måde at prisfastsætte produkter?</p> <p>... og hvad med specifikt i relation til jer som <i>high quality brand</i> - fx et scenarie hvor en lavere prisfastsættelsen kunne påvirke kundernes opfattelse af jeres brand...</p> <p><i>Kigger på man tallene for de amerikanske forbrugere, så er kategorien "Electronics" den mest sælgende kategori.</i> - Hvordan vil I forsøge at bibeholde jeres kunders <i>brand loyalty</i>, med en potentielt forøget risiko for at "drukne i mængden"?</p> <p>Hvilke overvejelser har I gjort jer i forhold til en exit strategi – hvis I ønsker at forlade Amazons platform eller Amazon ønsker at afslutte samarbejdet?</p>
--	--

	<p><i>Den underliggende hypoteses i mit speciale er, at danske e-retail virksomheder og brands står i et "fight vs. join" dilemma.</i></p> <p>- Har dette også været jeres analyse i forhold til Amazon eller har I anskuet det helt annerledes?</p>
Alternativer til Amazon	<p>Har alternativer til Amazon været en del af jeres overvejelser?</p> <p><i>Jeg kan se i jeres ledelsesberetning for 2017, at I er i gang med at gøre indtog på det kinesiske marked.</i></p> <p>– har I gjort jer overvejelser omkring at sælge jeres produkt på Alibaba?</p> <p><i>I den videnskabelig litteratur diskuterer man konceptet "platform cooperativism" som en form for modbølge i forhold til et gigantisk online marketplace som Amazon. Et eksempel er nogle lokale spanske landmænd, der er gået sammen på en digital platform, hvor de sælger direkte til forbrugerne, uden om supermarkedskæderne.</i></p> <p>- Hvilket overvejelser har I gjort jer om at gå sammen med fx andre danske design brands på en mere specialiseret/eksklusiv digital platform?</p> <p>(... er det fordi fordelene er for store ved at sælge på en global online markedsplads?)</p>
Anvendelse af data	<p>Hvordan anvender I analyser af big data i jeres forretningsudvikling – vil du sige det er direkte eller mere indirekte? – <i>Her tænker jeg fx indenfor marketing, branding og produktudvikling.</i></p> <p>På hvilken måde bruger I analyser af data fra jeres egen webshop til at forstå jeres kunders digitale adfærd?</p>

	<p>Hvordan analyserer I på data i forhold til hvordan jeres kunder interagerer med jeres brand på platforme som ikke er jeres egne?</p> <p><i>– Det kunne fx være anmeldelser på Trustpilot.dk eller Google anmeldelser af butikker og webshops, der forhandler jeres produkter...</i></p> <p>Hvilke overvejelser har I gjort jer vedrørende et potentielt tab af data indsigt, når I sælger jeres produkter på Amazon?</p>
--	---

Appendix 12 – Interview Guide with Eshoes

Topic	Questions
Om Eshoes (brand, vision, strategi)	<p>(Med egne ord) Hvad er Eshoes for en type virksomhed?</p> <p>Hvad karakteriserer jeres brand?</p> <p>Hvad vil du sige er jeres kernekompetencer?</p> <p>Hvordan vil du beskrive Eshoes vision?</p> <p>Sælger i jeres produkter i egne fysiske butikker?</p> <p><i>... sælger I til retailers med fysiske butikker?</i></p> <p>Går jeres primær salg gennem jeres egen webshop eller jeres platform på Amazon?</p> <p>Hvor ser du, at Eshoes er om fx 5 år?</p>
Konkurrencesituation	<p>Hvem er jeres største nuværende konkurrenter i Danmark?</p> <p><i>... og internationalt?</i></p> <p>Vil du sige at konkurrencen for Eshoes er forøget i løbet af de seneste par år?</p> <p>Er det blevet sværere eller lettere at trænge igennem med sine budskaber og skille sig ud digitalt?</p> <p><i>– her tænker jeg, at der er kommet flere direkte kanaler til jeres kunder, men også flere om buddet.</i></p>
Amazon: Stratetiske overvejelser	<p>- Hvor lang tid har I forhandlet jeres produkter på Amazon?</p>

	<p>- Hvilke strategiske overvejelser lå til grund for jeres beslutning om at komme på Amazon?</p> <p>Hvordan vil du beskrive jeres erfaringer med at sælge jeres produkter på et <i>global online marketplace</i>?</p> <p>Hvilke overvejelser har I haft ift. Amazons ankomst til DK?</p> <p>Hvilke overvejelser har I som dansk virksomhed gjort jer i forhold til <i>First mover</i> fordele på den danske Amazon?</p> <p>Hvad vil du sige er de største fordele ved at være på en global platform som Amazon?</p> <p>... og hvad med de største ulemper?</p> <p><i>Amazon er blandt andet kendt for deres evne til at anvende automatiseret algoritmer, når de skal prisfastsætte produkter på deres platform.</i></p> <p>- Hvilke overvejelser har I gjort jer i forhold til Amazons måde at prisfastsætte produkter?</p> <p><i>Kigger på man tallene for de amerikanske forbrugere, så er kategorien "Tøj og sko" den næstmest sælgende kategori.</i></p> <p>- Hvordan forsøger i at bibeholde jeres <i>customer loyalty</i>, med en potentielt forøget risiko for at "drukne i mængden"?</p> <p>Hvilke overvejelser har I gjort jer i forhold til en exit strategi – hvis I ønsker at forlade Amazons platform eller Amazon ønsker at afslutte samarbejdet?</p> <p><i>Den underliggende hypoteses i mit speciale er, at danske e-retail virksomheder og brands står i et "fight vs. join" dilemma.</i></p>
--	--

	<p>- Har dette også været jeres analyse i forhold til Amazon eller har I anskuet det helt anderledes?</p>
Alternativer til Amazon	<p>Har alternativer til Amazon været en del af jeres overvejelser?</p> <p><i>Lidt omkring det kinesiske marked.</i> – Hvilket overvejelser har I gjort jer omkring at sælge jeres produkt på Alibaba?</p> <p><i>I den videnskabelig litteratur diskuterer man konceptet "platform cooperativism" som en form for modbølge i forhold til et gigantisk online marketplace som Amazon. Et eksempel er nogle lokale spanske landmænd, der er gået sammen på en digital platform, hvor de sælger direkte til forbrugerne, uden om supermarkeds kæderne.</i></p> <p>- Har I gjort jer overvejelser om at gå sammen med fx andre danske e-handels virksomheder på en mere specialiseret/eksklusiv digital platform?</p> <p>(... er det fordi fordelene er for store ved at sælge på en global online markedsplads?)</p>
Anvendelse af data	<p>Hvordan anvender I analyser af big data i jeres forretningsudvikling – vil du sige det er direkte eller mere indirekte? – <i>Her tænker jeg fx indenfor marketing, branding og produktudvikling.</i></p> <p>På hvilken måde bruger I analyser af data fra jeres egen webshop eller Amazons platform til at forstå jeres kunders digitale adfærd?</p> <p>Hvordan analyserer I på data i forhold til hvordan jeres kunder interagerer med jeres brand på platforme som ikke er jeres egne?</p>

	<p>– <i>Det kunne fx være anmeldelser på Trustpilot.dk eller Google anmeldelser af butikker og webshops, der forhandler jeres produkter...</i></p> <p>Hvilke overvejelser har I gjort jer vedrørende et potentielt tab af data indsigt – nuværende og fremtidigt - når I sælger jeres produkter på Amazon?</p>
--	--

Appendix 13 – Interview Guide with Gyldendal

Topic	Questions
Om Gyldendal (brand, vision, strategi)	<p>(Med egne ord) Hvad er Gyldendal for en type virksomhed?</p> <p>Hvad karakteriserer jeres brand?</p> <p>Hvad vil du sige er jeres kernekompetencer?</p> <p>Hvordan vil du beskrive Gyldendals vision?</p> <p>Sælger i jeres produkter i egne fysiske butikker?</p> <p>Går jeres primær salg gennem jeres egen webshop eller videresalg igennem detailhandel?</p> <p>Hvor ser du, at Gyldendal er om fx 5 år?</p>
Konkurrencesituation	<p>Hvem er jeres største nuværende konkurrenter i Danmark?</p> <p>... og internationalt?</p> <p>Vil du sige at konkurrencen for Gyldendal er forøget i løbet af de seneste par år?</p> <p>Er det blevet sværere eller lettere at trænge igennem med sine budskaber og skille sig ud digitalt?</p> <p><i>– her tænker jeg, at der er kommet flere direkte kanaler til jeres kunder, men også flere om buddet.</i></p>
Amazon: Stratetiske overvejelser	<p>Sælger i allerede jeres produkter på Amazon i fx Tyskland eller England?</p> <p><i>- Her tænker på oversættelser af jeres værker...</i></p>

	<p>Hvordan vil du beskrive jeres erfaringer med at sælge jeres produkter på et <i>global online marketplace</i>?</p> <p>Hvilke overvejelser har I haft ift. Amazons ankomst til DK?</p> <p><i>Der er jo grundlæggende to muligheder i forhold til Amazon som salgskanal: Man kan sælge sine produkter direkte til Amazon eller sælge via sit eget site på Amazon.</i></p> <p>Har I overvejet at sælge jeres bøger enten til Amazon eller på jeres eget site på Amazon?</p> <p>Hvilke overvejelser har I gjort jer i forhold til <i>First mover</i> fordele på den danske Amazon?</p> <p>Hvad vil du sige er de største fordele ved at være på en global platform som Amazon?</p> <p>... og hvad med de største ulemper?</p> <p><i>Amazon er blandt andet kendt for deres evne til at anvende automatiseret algoritmer, når de skal prisfastsætte produkter på deres platform.</i></p> <p>- Hvilke overvejelser har I gjort jer i forhold til Amazons måde at prisfastsætte produkter?</p> <p>... og hvad med specifikt i relation til jer som forlag — fx et scenarie hvor en lavere prisfastsættelsen på nettet kunne påvirke kundernes købsvilje i de fysiske butikker...</p> <p><i>Kigger på man tallene for de amerikanske forbrugere, så er kategorien "Books" i top-5 for de mest sælgende produkter på Amazon.</i></p> <p>— Hvordan vil I forsøge at bibeholde jeres kunders købsvilje, med en potentielt forøget risiko for intensiveret konkurrence?</p> <p><i>Amazon har jo også deres eget forlag og udgiver blandt andet også danske forfatters værker...</i></p>
--	--

	<p>- Indgår det i jeres overvejelser omkring Amazon og hvordan tror du, at det indgår i Amazons overvejelser i forhold til at lade Gyldendal sælge på deres platform?</p> <p>Hvilke overvejelser har I gjort jer i forhold til en exit strategi – hvis I ønsker at forlade Amazons platform eller Amazon ønsker at afslutte samarbejdet?</p> <p><i>Den underliggende hypoteses i mit speciale er, at danske e-handels virksomheder og brands står i et "fight vs. join" dilemma.</i></p> <p>- Er dette også været jeres analyse i forhold til Amazon eller har I anskuet det helt annerledes?</p>
Alternativer til Amazon	<p>Har alternativer til Amazon været en del af jeres overvejelser?</p> <p><i>I den videnskabelig litteratur diskuterer man konceptet "platform cooperatism" som en form for modbølge i forhold til et gigantisk online marketplace som Amazon. Et eksempel er nogle lokale spanske landmænd, der er gået sammen på en digital platform, hvor de sælger direkte til forbrugerne, uden om supermarkedskæderne.</i></p> <p>- Hvilket overvejelser har I gjort jer om at gå sammen med fx andre danske forlag på en mere specialiseret/eksklusiv digital platform?</p> <p>(... er det fordi fordelene er for store ved at sælge på en global online markedsplads?)</p>
Anvendelse af data	<p>Hvordan anvender I analyser af big data i jeres forretningsudvikling – vil du sige det er direkte eller mere indirekte? – <i>Her tænker jeg fx indenfor marketing, branding og produktudvikling.</i></p>

	<p>På hvilken måde bruger I analyser af data fra jeres egen webshop til at forstå jeres kunders digitale adfærd?</p> <p>Hvordan analyserer I på data i forhold til hvordan jeres kunder interagerer med jeres brand på platforme som ikke er jeres egne?</p> <p>– <i>Det kunne fx være anmeldelser på Trustpilot.dk eller Google anmeldelser af butikker og webshops, der forhandler jeres produkter...</i></p> <p>Hvilke overvejelser har I gjort jer vedrørende et potentielt tab af data indsigt, når I sælger jeres produkter på Amazon?</p>
--	--

Appendix 14 - Phenomena Relating to Danish E-commerce

	Phenomenon	Description
1	<i>E-commerce brands that sell B2C risks competing with their B2B customers.</i>	The CEO of the Electronics Brand describes the dilemma between B2C and B2B sales, e-commerce brands can have. The Electronics Brand primarily use their web shop to display indicative prices.
2	<i>Retailers selling on GOMPs are basically “physical stores” with an enormous reach.</i>	Søren Kipling, CEO of clothing/shoes e-commerce retailer Eshoes, describes the experience of selling on a GOMP as something that has similarities with being a physical store on a local market. Selling on Amazon depends on the country one is selling in. The experience is that one has to take the local market conditions of the country, region or local city into account in terms of e.g. price.
3	<i>Audiobooks are transforming the Danish book industry</i>	Jeppe Mossin, head of digital sales in Gyldendal, is experiencing how the digitalisation is affecting the book industry, providing new market opportunities but also a need to be adaptable. It is described as something that has an effect on what was previously the core products of company.
4	<i>Danish e-commerce brands compete across multiple product categories</i>	A phenomenon experienced across two of the interviews is how brands are competing with product categories seemingly far from their own. Mossin describes how Gyldendal is competing with other streaming platforms about the consumer's attention. The CEO of the Electronics Brand describes how trade fairs influence their B2B customers.
5	<i>The Danish book market is becoming more oligopolistic</i>	Mossin describe how Gyldendal is experiencing an increased tendency towards an oligopolistic book market in Denmark. The participant highlights the tendencies in Norway to exemplify how Danish e-commerce for books is moving in the same direction.
6	<i>Selling on a GOMP is radical different than selling in Denmark</i>	Kipling emphasizes how costly the trial and error approach can be on Amazon. He describes how Eshoes had to learn to adapt to Amazon's pace the hard way, when asked about their experiences with selling on a GOMP. The tempo of

		Amazon's support and delivery is experienced by the participant as significantly different than the Danish market.
7	<i>Brand loyalty in e-commerce is under pressure</i>	The CEO experiences an overall decline in the customers' loyalty to brands, when asked about the risk of losing brand loyalty on Amazon. The participant expresses the importance in insuring that their B2B customers presents the Electronics Brand's identity for the end user. The CEO's experience is that Amazon will not necessarily change, for better or words, the decline customers' brand loyalty.

Appendix 15 - Phenomena Relating to Amazon's Arrival in Denmark

	Phenomenon	Description
8	<i>Small e-retailers will struggle when Amazon arrives</i>	Kipling describes that small e-retailers will most likely have a hard time keeping the pace, with the arrival of Amazon on the Danish market. The participant describes Amazon as being aware of this development in other markets, which they use to their advantage.
9	<i>Amazon can potentially transform the Danish e-commerce for books</i>	The phenomenon relating to the potential transformation of e-commerce for books is experience by Mossin as something, which depends on when and how Amazon will enter the Danish market. The participant perceives Amazon as a factor that potentially will set the direction of furthering digitalization of the Danish e-commerce market.
10	<i>Danish e-retailers are nervous about Amazon's arrival</i>	A phenomenon that was experienced by all three participants was in relation to the Danish e-retailers nervousness about Amazon's arrival. When ask about how the Electronics Brand was preparing for Amazon's arrival, the CEO replied that some of their B2B customers are nervous. Mossin also expressed his thoughts about the retailers' nervousness in relation to Amazon as being a highly aggressive player in similar markets as the one Gyldendal operates on. Kipling describes how he expects the competition to become extremely intense, which will harm a lot of Danish shoe dealers.
11	<i>Experience with Amazon is an advantage when they arrive in Denmark</i>	Kipling describes a phenomenon relating to the question of the benefits by being on Amazon and describes it is a clear advantage to have experience with Amazon when they arrive in Denmark. The CEO of the Electronics Brand experiences this phenomenon is similar ways, when asked about potential first mover benefits when Amazon arrives. Both participants describe their experiences with selling on Amazon as beneficial in relation to Amazon's arrival on the Danish market.
12	<i>Amazon will start small and gradually expand</i>	Another phenomenon is relating to the description of the potential way Amazon will enter the Danish market. Mossin expects it to be a process that will happen in gradual steps.

		He expects that Amazon will start with a Danish domain and then have their warehouse in Sweden, gradually reacting to how their position on the Danish market develops.
13	<i>Amazon have transformed the British book industry</i>	Mossin describes how Amazon has transformed the British book industry and relates this experience to Amazon's arrival in Denmark. He expresses that Gyldendal, first and foremost, has an obligation to authors they publish, and if Amazon becomes a major player on the Danish market Gyldendal is obliged to sell on their platform.

Appendix 16 - Phenomena Relating to The Characteristics of Amazon

	Phenomenon	Description
14	<i>Amazon is an e-export strategy to enter markets outside Denmark</i>	The motivation for launching on Amazon in other countries is clearly related to e-commerce export. Kipling describes this in relation to Eshoes' experience when they were trying to enter the German market. The CEO of the Electronics Brand has similar views on the motivation for using Amazon as an export tool. E-commerce export is a clear motivator for both the participants in relation to launch on Amazon.
15	<i>Danish e-commerce brands join Amazon to protect their brand</i>	Joining Amazon as an e-commerce brand is first and foremost a question of taken control of your brand, according to the CEO of the Electronics Brand. When asked about the strategical considerations regarding Amazon's arrival, the CEO said that it is not merely a financial matter. It is also a matter of controlling the content of the brand and which retailers are using Amazon to sell their brand.
16	<i>Amazon's search ranking system depends on your turnover</i>	Kipling describes how Amazon's search ranking system works and how it differs from Google search engine. The participant further elaborates on Amazon's motivation for making the search ranking system turnover-depended.
17	<i>Full benefits of Amazon can only be achieved by joining completely</i>	Mossin reflects on the "fight vs. join" dilemma many companies are facing in relation to Amazon. He experiences the join scenario as something you have to do all the way, in order to benefit from Amazon, i.e. you have to join on Amazon's terms.
18	<i>Customers are loyal to Amazon, not the brand or retailer they buy from</i>	The phenomenon about customer loyalty in relation to being on Amazon was described by Kipling and his experiences with Eshoes. He states that customers are loyal to the platform and not the brands and retailers selling on it. The participant experiences that it is hard to create customer loyalty on Amazon. As a company you are restricted from using classical e-commerce marketing tools on Amazon, such as a newsletter, because all the customers' emails are encrypted.

19	<i>When you know how to operate on one Amazon market it is easy to expand</i>	When asked about advantages of Amazon, the CEO described the experience of being able to enter new markets once you know how to operate on one Amazon market. Kipling also experienced this phenomenon as a way to reach far more customers, however, he also highlighted one of the risks of using Amazon as the only sales channel.
20	<i>Brands limit their range of products on Amazon</i>	Another phenomenon is related to how brands limit their products assortment when they sell on Amazon. The CEO experiences this as a strategy brands have to consider when using Amazon as a sales channel. Despite the similarities across the different Amazon platforms, it still requires quite a lot of resources to keep track on all the markets.
21	<i>Amazon's price algorithm is a "race towards the bottom"</i>	Mossin describes Amazon's automated price algorithm, which he experiences as a "race towards the bottom" in the market. The participant is associating Amazon's price algorithm with a risk, that potentially could turn the Danish book industry up-side down in terms of the revenue.
22	<i>In order to fight Amazon, you have to be highly specialised</i>	Kipling describes the fight vs. join dilemma in relation to Eshoes' choice to join Amazon at an early stage. He says that an e-commerce company has to be highly specialized if that have to fight Amazon with a realistic chance. Kipling further elaborates on the benefit/disadvantage about Amazon.
23	<i>Amazon is a search engine for e-commerce products</i>	Another phenomenon has to do with Amazon becoming a search engine for products. Kipling describes this phenomenon as correlating with Amazon's prime membership, motivating the customers to start their initial search on Amazon. The CEO from the Electronics Brand expresses a similar experience, relating the phenomenon to the Danish search engine where the consumer can compare prices on products.
24	<i>Amazon is an opportunity to reach more customers</i>	When asked about the risk of "being lost in the crowd" selling electronics on Amazon, the CEO of the Electronics Brand expressed optimism. Despite electronics being one of the most selling categories on Amazon, the CEO experiences Amazon as an opportunity to reach more customers.

25	<i>Amazon applies “the long tail concept” to increase their sale</i>	The phenomenon relating to Amazon’s business strategy, is described by Mossin. He describes how he has experienced “the long tail concept” on the Danish book market. The participant experiences how this affects the “traditional dealers” and expect that this development will be intensified with Amazon’s arrival.
26	<i>Amazon is a must if you want to reach global markets</i>	Another phenomenon is about Amazon being a must if an e-commerce company wants to reach global markets. The CEO experiences Amazon as an GOMP with growth opportunities, when asked about whether their arrival in Denmark is a matter of fight vs. join.
27	<i>Lack of data insights on Amazon is no different than traditional retailers</i>	Another phenomenon was relation to the question of potential loss of data insights on Amazon. Kipling experiences this as no different than if a company sells through traditional retailers. The CEO expressed this phenomenon with a bit uncertainty, however, believing that they might actually end up with more data from their B2B customers.

Appendix 17 - Phenomena Relating to Alternatives to Amazon

	Phenomenon	Description
28	<i>Platform cooperation could be relevant in China</i>	The CEO expresses that the Electronics Brand have not considered platform cooperativism as a profound alternative to Amazon. However, the participant sees possibilities in Tmall in relation to a joint frame for Danish e-commerce companies in China.
29	<i>Amazon will set a new standard for alternative e-commerce channels</i>	Mossin described the possibilities of Gyldendal establishing themselves on the B2C book market, when asked about alternatives to Amazon. He describes how the standard is already high for Danish e-commerce, and the expectation is that it will be even higher, once Amazon arrives. The participant describes difficulties in examining alternatives, relatively far from the company's currently role in the market.
30	<i>A Danish e-commerce platform alternative does not exist</i>	Another phenomenon was in relation to the Danish e-commerce market not having a real alternative to Amazon. Kipling described that no e-commerce platforms in the Nordic countries exists, when asked about whether Eshoes had considered alternatives to Amazon.
31	<i>The Danish publisher industry is considering platform cooperation</i>	In relation to the possibilities of alternatives to Amazon, Mossin described the potential of a platform cooperation in the Danish book industry. The participant experiences that Amazon is a factor that forces the need to think in cooperation alternatives, such as platform cooperativism. Furthermore, he has experiences how this notion is challenged by the current law.
32	<i>A third party would have to coordinate a Danish platform cooperation</i>	When asked about platform cooperativism, Kipling expressed that Eshoes had not considered it, because such an alternative does not exist in Denmark. He describes that a stakeholder from an interest group would have to lead such a cooperation.
33	<i>Platform cooperativism would require brands to be customer oriented</i>	Mossin experiences that a cooperation in the book industry would require a shift in content producers' orientation towards products. In order for a cooperation to work, some sort of neutrality would have to established, to ensure that the

		companies' special interests do not dictate how the platform cooperation is managed.
--	--	--

Appendix 18 – Overview of Themes

Context	Phenomena	Main Quality	Commonalities	Synthesised as a Theme
Phenomena Relating to Danish E-commerce	Phenomenon 1: <i>E-commerce brands that sell B2C risks competing with their B2B customers</i>	The Danish e-commerce market restrict brands' sales channels	Describing Danish e-commerce brands' threats and opportunities	Theme 1: <i>Amazon will be a new sales channel for brands, however, brand loyalty is expected to decrease further</i>
	Phenomenon 2: <i>Retailers selling on GOMPs are basically "physical stores" with an enormous reach</i>	GOMPs extend Danish e-commerce sales channels	Connects GOMPs with export in Danish e-commerce	Theme 2: <i>Amazon's arrival is an opportunity to strengthen the Danish e-export</i>
	Phenomenon 3: <i>Audiobooks are transforming the Danish book industry</i>	Technology is transforming Danish e-commerce products	Describes technological transformation	Theme 3: <i>Amazon will transform the technological level of Danish e-commerce</i>
	Phenomenon 4: <i>Danish e-commerce brands compete across multiple product categories</i>	Competition across the Danish e-commerce product categories is complex	Describing Danish e-commerce brands' threats and opportunities	Theme 1: <i>Amazon will be a new sales channel for brands</i>
	Phenomenon 5: <i>The Danish book market is becoming more oligopolistic</i>	Danish e-commerce is moving towards an oligopolistic market	Describes the tendencies of Danish e-commerce and Amazon's impact	Theme 4: <i>The Danish e-commerce market is moving towards maturity</i>
	Phenomenon 6: <i>Selling on a GOMP is radical different than</i>	GOMPs follow different market standards than Danish e-commerce	Connects GOMPs with export in Danish e-commerce	Theme 2: <i>Amazon's arrival is an opportunity to strengthen the Danish e-export</i>

	<i>selling in Denmark</i>			
	Phenomenon 7: <i>Brand loyalty in e-commerce is under pressure</i>	E-commerce MSPs make customers less loyal to brands	Describing Danish e-commerce brands' threats and opportunities	Theme 1: <i>Amazon enables a new sales channel for brands</i>
Phenomena Relating to Amazon's Arrival in Denmark	Phenomenon 8: <i>Small e-retailers will struggle when Amazon arrives</i>	Amazon is likely to outmatch small Danish e-retailers	Describes the tendencies of Danish e-commerce and Amazon	Theme 4: <i>The Danish e-commerce market is moving towards maturity</i>
	Phenomenon 9: <i>Amazon can potentially transform the Danish e-commerce for books</i>	Amazon is likely to transform the sales opportunities of Danish e-commerce brands	Describing Danish e-commerce brands' threats and opportunities	Theme 1: <i>Amazon enables a new sales channel for brands</i>
	Phenomenon 10: <i>Danish e-retailers are nervous about Amazon's arrival</i>	Amazon is likely to transform the characteristics Danish e-retailing	Describes the tendencies of Danish e-commerce and Amazon	Theme 4: <i>The Danish e-commerce market is moving towards maturity</i>
	Phenomenon 11: <i>Experience with Amazon is an advantage when they arrive in Denmark</i>	Companies with GOMP sales experience will have an advantage when Amazon arrives	Connects GOMPs with export in Danish e-commerce	Theme 2: <i>Amazon's arrival is an opportunity to strengthen the Danish e-export</i>
	Phenomenon 12: <i>Amazon will start small and gradually expand</i>	Amazon's market strategies are data-driven	Describes technological transformation	Theme 3: <i>Amazon will transform the technological level of Danish e-commerce</i>
	Phenomenon 13: <i>Amazon have transformed the</i>	Amazon is an e-commerce market disruptor	Describes the tendencies of Danish e-	Theme 4: <i>The Danish e-commerce market is</i>

	<i>British book industry</i>		commerce and Amazon	<i>moving towards maturity</i>
Phenomena Relating to The Characteristic of Amazon	Phenomenon 14: <i>Amazon is an e-export strategy to enter markets outside Denmark</i>	Amazon can strengthen Denmark's e-commerce export	Connects GOMPs with export in Danish e-commerce	Theme 2: <i>Amazon's arrival is an opportunity to strengthen the Danish e-export</i>
	Phenomenon 15: <i>Danish e-commerce brands join Amazon to protect their brand</i>	Amazon forces e-commerce brands to join Amazon	Describing Danish e-commerce brands' threats and opportunities	Theme 1: <i>Amazon enables a new sales channel for brands</i>
	Phenomenon 16: <i>Amazon's search ranking system depends on your turnover</i>	Amazon's ranking system enforces "the winner takes it all"	Describes technological transformation	Theme 3: <i>Amazon will transform the technological level of Danish e-commerce</i>
	Phenomenon 17: <i>Full benefits of Amazon can only be achieved by joining completely</i>	Amazon dictates the interaction between the companies and customers	Describes the customers' and the companies' affiliation with Amazon	Theme 5: <i>Amazon sets the terms for the interaction between company and customer</i>
	Phenomenon 18: <i>Customers are loyal to Amazon, not the brand or retailer they buy from</i>	The customers' affiliation with Amazon is determining the company's interaction with them	Describes the customers' and the companies' affiliation with Amazon	Theme 5: <i>Amazon sets the terms for the interaction between company and customer</i>
	Phenomenon 19: <i>When you know how to operate on one Amazon market it is easy to expand</i>	Amazon can be applied as a part of Danish e-commerce's export strategy	Connects GOMPs with export in Danish e-commerce	Theme 2: <i>Amazon's arrival is an opportunity to strengthen the Danish e-export</i>
	Phenomenon 20: <i>Brands limit their range of</i>	Amazon is a resource	Describes the customers' and the companies'	Theme 5: <i>Amazon sets the terms for the</i>

	<i>products on Amazon</i>	demanding sales channel	affiliation with Amazon	<i>interaction between company and customer</i>
	Phenomenon 21: <i>Amazon's price algorithm is a "race towards the bottom"</i>	Amazon's market technologies are impactful	Describes technological transformation	Theme 3: <i>Amazon will transform the technological level of Danish e-commerce</i>
	Phenomenon 22: <i>In order to fight Amazon, you have to be highly specialised</i>	Fighting Amazon require extraordinary technological services	Describes technological transformation	Theme 3: <i>Amazon will transform the technological level of Danish e-commerce</i>
	Phenomenon 23: <i>Amazon is a search engine for e-commerce products</i>	Amazon is likely to change Danish e-commerce customers' search habits	Describes the customers' and the companies' affiliation with Amazon	Theme 5: <i>Amazon sets the terms for the interaction between company and customer</i>
	Phenomenon 24: <i>Amazon is an opportunity to reach more customers</i>	Amazon is likely to increase Danish e-commerce companies' reach	Describes the customers' and the companies' affiliation with Amazon	Theme 5: <i>Amazon sets the terms for the interaction between company and customer</i>
	Phenomenon 25: <i>Amazon applies "the long tail concept" to increase their sale</i>	Amazon's market strategies are impactful	Describes the tendencies of Danish e-commerce and Amazon	Theme 4: <i>The Danish e-commerce market is moving towards maturity</i>
	Phenomenon 26: <i>Amazon is a must if you want to reach global markets</i>	Amazon, as a GOMP, is likely to increase Danish e-commerce export	Connects GOMPs with export in Danish e-commerce	Theme 2: <i>Amazon's arrival is an opportunity to strengthen the Danish e-export</i>
	Phenomenon 27: <i>Lack of data insights on Amazon is no different than traditional retailers</i>	Loss of data insights is not like to be significant for Danish e-commerce brands on Amazon	Describing Danish e-commerce brands' threats and opportunities	Theme 1: <i>Amazon enables a new sales channel for brands</i>

Phenomena Relating to Alternatives to Amazon	Phenomenon 28: <i>Platform cooperation could be relevant in China</i>	Platform cooperation could be relevant as an export strategy for Danish e-commerce	Describes platform cooperativism as an alternative	Theme 6: <i>Danish e-commerce is limited from doing platform cooperation</i>
	Phenomenon 29: <i>Amazon will set a new standard for alternative e-commerce channels</i>	Amazon is likely to restrict brands own B2C channels	Describing Danish e-commerce brands' threats and opportunities	Theme 1: <i>Amazon enables a new sales channel for brands</i>
	Phenomenon 30: <i>A Danish e-commerce platform alternative does not exist</i>	Danish e-commerce platform cooperation alternatives do not exist	Describes platform cooperativism as an alternative	Theme 6: <i>Danish e-commerce is limited from doing platform cooperation</i>
	Phenomenon 31: <i>The Danish publisher industry is considering platform cooperation</i>	Platform cooperativism is considered as a real alternative to Amazon	Describes platform cooperativism as an alternative	Theme 6: <i>Danish e-commerce is limited from doing platform cooperation</i>
	Phenomenon 32: <i>A third party would have to coordinate a Danish platform cooperation</i>	Platform cooperation would have to be run by an unaffiliated unit	Describes platform cooperativism as an alternative	Theme 6: <i>Danish e-commerce is limited from doing platform cooperation</i>
	Phenomenon 33: <i>Platform cooperativism would require brands to be customer oriented</i>	Danish e-commerce platform cooperation would require a shift in mentality	Describes platform cooperativism as an alternative	Theme 6: <i>Danish e-commerce is limited from doing platform cooperation</i>

Appendix 19 – Overview of Theme Correlations

	Themes	Objectively (what)	Subjectively (how)
1	<i>Amazon enables a new sales channel for brands</i>	<p><i>The CEO</i> Approx. 98 pct. of the Electronics Brand's income comes from retail.</p> <p><i>Mossin</i> 3. Competing with YouTube and Facebook, then Netflix and HBO. 4. Customers can listen to Audiobooks while they do other things.</p> <p><i>The CEO</i> The B2B customers participate in 14 to 16 trade fairs each year.</p> <p><i>The CEO</i> For the last 5-10 years brand loyalty has been under pressure, because it is so easy for consumers to shift between brands.</p>	<p>4. If they lower the price they compete with B2B. 5. Wants to pursue to increase B2C sales. 6. The future main income will most like still come from B2B</p> <p>4. Fighting for the portion of the consumer's time. 5. Audiobooks extends the time Gyldendal has the consumer's attention. 6. Coming back to playing a central role in the life of the consumer</p> <p>The Electronics Brand's customers have to balance between interests and budget.</p> <p>1. Brands have become very alike and are hard to separate from each other. 2. Import to work with loyalty through social media, newsletters and the website. 3. Share marketing material with B2B customers to ensure that they represent the company's brand identity</p>

	<p><i>Mossin</i></p> <ol style="list-style-type: none"> 1. Retailing is constantly moving towards online shopping and the physical store are increasingly losing value. 2. The effect depends on when and how Amazon enters the Danish market. <p><i>The CEO</i></p> <p>By establishing a site on Amazon, The Electronics Brand can become brand owner.</p> <p><i>Kipling</i></p> <ol style="list-style-type: none"> 1. It is a part of being on Amazon not to have deep data insight. 2. Traditional retailers do not share data insights with the brand owner. 3. An agreement on certain terms where Eshoes works with Amazon's customers. <p><i>The CEO</i></p> <p>The Electronics Brand can fetch sales data from Amazon, in relation to resellers of their brand.</p> <p><i>Mossin</i></p> <p>Saxo has 50 employees dedicated to B2C e-commerce, as opposed to Gyldendal.</p>	<ol style="list-style-type: none"> 1. In five years, the market will be different than today. 2. Bookshops and paper books will still exist, but the volume will be much lesser. 3. Gyldendal's digital revenue is expected to increase. <ol style="list-style-type: none"> 1. Can gain more control by helping B2B customers. 2. Exclude third party sellers who sell without the company's permission. <ol style="list-style-type: none"> 1. Not regarded as a loss, it is just the way it is. 2. On some levels, selling on Amazon is similar to a traditional retailer. <p>Uncertain about the extension and dept of the data.</p> <ol style="list-style-type: none"> 1. Important to have a Danish player that understands them better than Amazon. 2. B2C e-commerce market is not an alternative, if Gyldendal cannot compete with the best.
--	--	--

2	<p><i>Amazon's arrival is an opportunity to strengthen the Danish e-export</i></p>	<p><i>Kipling</i></p> <ol style="list-style-type: none"> 1. 50 pct. of Eshoes revenue comes from selling on Amazon. 2. They sell in competition with the price levels on the local market. 3. They sell other companies' brands. <p><i>Kipling</i></p> <p>Trial and error on Amazon have costed Eshoes around 1 million.</p> <p><i>Kipling</i></p> <p>Eshoes are already on Amazon.</p> <p><i>The CEO</i></p> <p>Experience from being on Amazon in UK and Germany.</p> <p><i>Kipling</i></p> <ol style="list-style-type: none"> 1. Discovered Amazon eight years ago. 2. Today Eshoes have sites on the German and British Amazon. 	<p>Technical, Eshoes is just a very large shoe store that sells on the internet.</p> <ol style="list-style-type: none"> 1. They did not answer emails within 24 hours. 2. Packages did not arrive. <p>If Amazon arrives in Denmark than Eshoes just have to change their product descriptions.</p> <ol style="list-style-type: none"> 1. It would be difficult for the Electronics Brand to become first movers. 2. Once Amazon arrives in Denmark they will react fast. 3. Will probably be able to launch faster than their B2C customers. <ol style="list-style-type: none"> 1. Launched on Amazon as a consequence on a failed export strategy. 2. Experience were limited with Amazon before entering the German market.
---	--	--	--

		<p><i>The CEO</i> Present on Amazon in the UK.</p> <p><i>The CEO</i> Amazon has the muscles to reach millions of people.</p> <p><i>Kipling</i> 1. Eshoes earn more money on Amazon than their own website. 2. Amazon has the possibility to press the “shut down button” on your company.</p> <p><i>The CEO</i> Denmark is still The Electronics Brand’s most important market.</p>	<p>The Electronic Brand wants to become rooted on Amazon in multiple markets.</p> <ol style="list-style-type: none"> 1. When have learned how to act in one country on Amazon, it is easy to expand. 2. It is easier to multiply yourself and reach far more customers via a platform like Amazon. 3. It will strengthen your brand selling on Amazon. <ol style="list-style-type: none"> 1. The ultimate advantage of Amazon is their reach in customers. 2. It is very cheap to upscale to new markets. 3. Amazon is a good extra channel, but the “shut down” possibility is a bad parameter. <ol style="list-style-type: none"> 1. Amazon is a must in terms of protecting your brand and get the potential revenue. 2. In 1-2 years, Denmark will most likely not be the company’s most important market anymore. 3. It is difficult to fight against Amazon.
3	<p><i>Amazon will transform the technological level of Danish e-commerce</i></p>	<p><i>Mossin</i> Digitalisation is the big game changer.</p>	<ol style="list-style-type: none"> 1. A couple of years ago the digital book market was about unit sales, now it is audiobooks.

		<p><i>Mossin</i> In other markets Amazon has entered with slow expansion.</p> <p><i>Kipling</i> On Google you are found based on keywords, where on Amazon it is mainly in relation to turnover.</p> <p><i>Mossin</i> The Swedish book market has a higher digital sale, but a lower revenue per sold unit.</p> <p><i>Kipling</i> In USA and China, the primary sales channels are third party platforms.</p>	<ol style="list-style-type: none"> 2. Audiobooks are starting to outgrow paper books. 1. Amazon will follow a soft launch strategy in Denmark. 2. Amazon are world champions in distribution. 3. In time Amazon will undoubtedly have a big impact. 1. Eshoes have become quite good at knowing the essentials of Amazon's search algorithm. 2. If a company never sells they will end up at page 380 instead of page 1. 3. The system is made this way, because "Jeff Bezos" is striving for happy customers. 1. It is a race towards the bottom with lower and lower prices. 2. The market has to find its plateau, which is a risk for us. 3. The volume in Sweden is larger, but it does not add up. 4. Sweden have had a race towards the bottom. 1. Eshoes have chosen a join strategy at an early stage. 2. If a company wants to fight Amazon they have to sell a niche or a specialised service.
--	--	---	--

			<ol style="list-style-type: none"> 3. The disadvantage of Amazon is that customers cannot find what they are looking for.
4	<p><i>The Danish e-commerce market is moving towards maturity</i></p>	<p><i>Mossin</i> A vertical integration of the Danish book market is in progress.</p> <p><i>Kipling</i> Amazon gives advantages to brands compared to regular retailers.</p> <p><i>The CEO</i> Amazon account for 55 pct. of the German e-commerce market.</p> <p><i>Mossin</i> The industry is quite nervous about Amazon because of their aggressive approach.</p>	<ol style="list-style-type: none"> 1. The publisher People's Press have just been bought by Storytell Group. 2. Saxo.com have been bought by Politikens Hus. 3. In Norway the whole chain is by 4 publisher houses. 1. In the nearby future, the big online shops and third-party platform will gain. 2. The e-commerce brands will take over B2C sales. 3. Small retailers will have a hard time keep the pace. 4. When Eshoes launched they had an ROI on 20 kroners on Google, now they only get 6 back. 1. Amazon will put pressure on the company's B2B customers. 2. Eager to see how negative the effect will be, because it will be negative. 3. Saying Amazon will only take 5-10 pct. because they arrive so late is naive. 1. The American publishers have had enormous wars with Amazon.

		<p><i>Kipling</i> In Germany prime members are receiving next day delivery</p> <p><i>Mossin</i> Amazon has changed the entire British book industry.</p> <p><i>Mossin</i> The e-retailer Saxo sells Gyldendal's popular books below the purchased price.</p>	<ol style="list-style-type: none"> 2. Amazon is so large that they can set the price, despite objections. 3. The classical Amazon approach will not be any different in Scandinavia. <ol style="list-style-type: none"> 1. Danish companies are upping their game, because they fear the service level will sky-rocket. 2. The competition will become extremely intense, to harm for a lot of shoe dealers. <ol style="list-style-type: none"> 1. For Gyldendal it is clearly a join strategy, it is a question of the best way to join. 2. The core business of a publisher is to optimise the revenue for the author. 3. If Amazon accounts for 40 pct. of the market, a publisher is obliged to join Amazon. <ol style="list-style-type: none"> 1. Saxo sells the popular books to increase the profit margin on the older books. 2. Amazon will enforce the same approach. 3. Gyldendal's motivation to sell the most attractive products to Amazon is restricted.
--	--	--	---

5	<p><i>Amazon sets the terms for the interaction between company and customer</i></p>	<p><i>Mossin</i> There is a fight vs. join dilemma in relation to Amazon.</p> <p><i>Kipling</i> Customers on Amazon can only be contacted in relation to their orders.</p> <p><i>The CEO</i> A lot of companies choose not to sell their full product assortment on Amazon.</p> <p><i>Kipling</i> Prime is the world's largest club with 100 of millions of people.</p>	<ol style="list-style-type: none"> 1. You can only benefit from Amazon if you adapt to their way of acting in the market. 2. If you do not go all the way, you do not gain anything from Amazon. <ol style="list-style-type: none"> 1. Would never expect to customer loyalty on Amazon. 2. Eshoes are striving for good reviews, but customer loyalty is created on their own website. 3. Cannot send newsletters or offers to customers on Amazon. <ol style="list-style-type: none"> 1. Having the necessary resources in terms of staff and money, it is time consuming. 2. When you enter a new Amazon market you have to be ready to react on multiple platforms. 3. Very demanding to facilitate products on Amazon. 4. The Electronics Brand will not sell their full product assortment on Amazon. <ol style="list-style-type: none"> 1. Prime is immensely important at Amazon. 2. Prime members are part of an Amazon club, and that is why they start their search there.
---	--	---	--

		<p><i>The CEO</i></p> <p>Amazon is a possibility to reach more customers and more customers can find your brand.</p>	<ol style="list-style-type: none"> 3. Customers only search elsewhere if they cannot find the product on Amazon. 1. In the end it is positive to be on Amazon. 2. When people start to shift to Amazon it will increase the sales being on the platform.
6	<p><i>Danish e-commerce is limited from doing platform cooperation</i></p>	<p><i>The CEO</i></p> <p>The Danish embassy has created a Tmall cooperation in China.</p> <p><i>Mossin</i></p> <p>The Danish Competition Authority is viewing platform cooperation as potential cartel formation.</p>	<ol style="list-style-type: none"> 1. The Electronics Brand has not considered platform cooperation, except for in relation to Tmall in China. 2. The Tmall initiative in China proved not to be a successful, because it was on an early stage. 3. If the resources for a cooperation is available, it could be relevant. 4. With the few resources The Electronics Brand possess they have to maximize the effect. 1. Gyldendal's CEO has spoken openly about platform cooperation in the publisher industry. 2. In the next five years the industry will realise they have will have to cooperate. 3. How else can you compete with Amazon who has more money than the Danish GDP?

	<p><i>Kipling</i> No obvious platform alternative exists in the Nordic countries.</p>	<ol style="list-style-type: none"> 1. Dansk Supermarked are making an alternative, but it does not include clothes and shoes 2. Eshoes is considering eBay. 3. 120 third-party platform alternatives in Germany, therefore external software support is needed to help guide the Danish companies. 4. Once you are in one country on Amazon it is easy to expand. 5. Countries where Amazon has a strong presence do well in terms of ex-commerce export.
	<p><i>Kipling</i> Danish interest groups would have to coordinate a platform cooperation.</p>	<ol style="list-style-type: none"> 1. Eshoes have not considered platform cooperation, because it does not exist in Denmark. 2. In England 120 companies are cooperating on a platform.
	<p><i>Mossin</i> Platform cooperation has a lot of pitfalls.</p>	<ol style="list-style-type: none"> 1. When you are a content maker you are a product orientated by default. 2. If you want to have a customer relation you have to be customer orientated. 3. A cooperation would have to run with an arm's length of the companies involved. 4. The companies' special interests should not dictate the cooperation.

13. Interview Quotations

Table of Contents

INTERVIEW QUOTE 1	129
INTERVIEW QUOTE 2	129
INTERVIEW QUOTE 3	130
INTERVIEW QUOTE 4	130
INTERVIEW QUOTE 5	131
INTERVIEW QUOTE 6	131
INTERVIEW QUOTE 7	132
INTERVIEW QUOTE 8	132
INTERVIEW QUOTE 9	133
INTERVIEW QUOTE 10	133
INTERVIEW QUOTE 11	133
INTERVIEW QUOTE 12	134
INTERVIEW QUOTE 13	135
INTERVIEW QUOTE 14	135
INTERVIEW QUOTE 15	136
INTERVIEW QUOTE 16	136
INTERVIEW QUOTE 17	137
INTERVIEW QUOTE 18	137
INTERVIEW QUOTE 19	138
INTERVIEW QUOTE 20	138
INTERVIEW QUOTE 21	139
INTERVIEW QUOTE 22	139
INTERVIEW QUOTE 23	140
INTERVIEW QUOTE 24	140
INTERVIEW QUOTE 25	141
INTERVIEW QUOTE 26	141
INTERVIEW QUOTE 27	142
INTERVIEW QUOTE 28	142
INTERVIEW QUOTE 29	143
INTERVIEW QUOTE 30	143
INTERVIEW QUOTE 31	144
INTERVIEW QUOTE 32	145
INTERVIEW QUOTE 33	145
INTERVIEW QUOTE 34	145
INTERVIEW QUOTE 35	146
INTERVIEW QUOTE 36	146

INTERVIEW QUOTE 37147

INTERVIEW QUOTE 38147

INTERVIEW QUOTE 39148

INTERVIEW QUOTE 40148

INTERVIEW QUOTE 41149

INTERVIEW QUOTE 42150

INTERVIEW QUOTE 43150

INTERVIEW QUOTE 44151

INTERVIEW QUOTE 45152

INTERVIEW QUOTE 46153

INTERVIEW QUOTE 47153

Interview Quote 1

Transcript Extract:

”[...] jeg tror 7-98 procent af vores omsætning kommer igennem, altså øh... detailhandel [...] Og det gør det fordi, at vi kan ikke konkurrere på prisen på webshoppen, fordi hvis vi begynder og konkurrere på prisen på vores webshop, så begynder vi at skabe konkurrence med vores egne kunder [...] Så derfor kan vi kun komme med vejledende udsalgspriser på vores egen hjemmeside og det kan vi også kun på Amazon [...] selvfølgelig håber vi [...] at vi løfter vores omsætning online-mæssigt, men altså, [...] langt størstedelen af vores omsætning... øh... kommer fra detailhandel og det vil det også forblive” (Attachment – Transcripts of Collected Data, 7p.)

English Paraphrasing:

“[ed.] I believe that approx. 98 pct. of our income comes from retail. If we start to lower the price on our own website we’re starting to compete with our B2B customers. That’s why we can only provide indicative prices on our website and on Amazon, but of course we want to pursue increasing our own B2C online sales. However, the main income will most likely still come from selling to retail in the short-term future”

Interview Quote 2

Transcript Extract:

”[...] vi sælger jo andre folks brand – vi har jo ikke vores eget skomærke (...) Så vi sælger jo, øh, vi er jo teknisk set bare en skobutik [...] Øh... og det vil sige vi sælger, øh, i konkurrence med, øh, prisniveauer, der lægger rundt omkring i, på forskellige lokalkæder [...] Vi har jo ikke noget brand... nej, vi sælger andres brand, så vi sælger ikke til nogen – vi er bare en butik [...] Vi er bare en stor butik og vi ligger bare på nettet [...] Øh, over halvtreds procent af, øh, vores omsætning går på, øh, bliver solgt via Amazon” (ibid., 27p.)

English Paraphrasing:

“[ed.] We sell other companies’ brands – we don’t have our own shoe brand. Technically, we’re just a shoe store, which means that we sell in competition with the price levels on the local markets. We’re just a very large shoe store on the internet, where over 50 pct. of our revenue comes from selling on Amazon”

Interview Quote 3

Transcript Extract:

”[...] det vi jo ser som den s n’ store for ndring, det er jo naturligvis digitalisering,  h... hvor (...) For nogle  r siden var det styksalg af digitale produkter, nu er det streaming af digitale b ger [...] lydb ger er det helt store dyr i  benbaringen lige nu [...] nu vokser det s  meget, s  det til dels ogs  vokser p  bekostning af papirb gerne” (ibid., p.45)

English Paraphrasing:

“[ed.] What we are seeing as the big “game changer” is *digitalisation*. A couple of years ago it was about unit sales of digital products, now it’s about streaming of digital books where audiobooks are “the new black”. Audiobooks are growing to such an extent that it’s starting to grow on behalf of paper books”

Interview Quote 4

Transcript Extract:

“[...] med ”YouTube” og ”Facebook” i begyndelsen, [...] Det vi k mper om, er hele tiden, hvor stor en del af forbrugerens tid, kan vi f . [...] Og,  h, s  kom der senere ”Netflix” og ”HBO”, da det blev stort. [...] Men s  sker der det med de der lydb ger nu, som UDVIDER m ngden af tid, vi har hos forbrugeren, kan lytte/l se, samtidig med man laver andre ting, [...] Og det, det betyder meget for os, at vi bliver, alts , kommer tilbage i den der central,  h, rolle i forbrugerens liv [...]” (ibid., p.45)

English Paraphrasing:

“[ed.] What we are constantly fighting for is how large a portion of the consumer’s time we can get. In the beginning the fight was with *YouTube* and *Facebook* and later on the it was with *Netflix* and *HBO*. However, with the introduction of audiobooks we were able to extent the amount of time we have with the consumer – you can listen while you do other things. Coming back to play a central role in the life of the consumer means everything to us!”

Interview Quote 5

Transcript Extract:

”[...] men tit nogle gange så kan en konkurrent til [os, red.] også godt være en helt anden produkttype... [...] Og nogen gang så når de går på messer... og mange af vores [kunder, red.] de deltager på mellem 14 og 16 fysiske messer om år, rundt omkring i Europa... og øh... når de går ud og køber ind, jamen så kigger de jo på det budget de har og nogle gange, så kan det være de opdager [os, red.], okay, men er det [os, red.] vi skal betale eller er det en plakatleverandør, for eksempel” (ibid., p.9)

English Paraphrasing:

“[ed.] Often our competitors can be from a completely different product type. Our B2B customers participate in between 14 and 16 trade fairs each year around in Europe. At these fairs they might be interested in our brand, but it always comes down to the current budget; *should we buy design electronics, or should we go with the cheaper poster supplier this time?*”

Interview Quote 6

Transcript Extract:

“Når det, altså vi ser jo, at et forlag som ”Peoples Press” for eksempel, er jo blevet købt, de er nummer 4-5 stykker i markedet, de er blevet købt... af Storytell koncernen. [...] Politikens forlag har jo nu, øh, i hvert fald Politikens HUS, har købt SAXO.com. [...] Så... den der, eh, vertikale integration, begynder jo at ske. [...] i Norge, der har den der vertikale integration været meget voldsom - længe. Så det er i virkeligheden de store, FIRE store forlagshuse, som ejer HELE KÆDEN. Og her taler vi både, altså, den digitale del af det, online delen af det og den fysiske distribution.” (ibid., 48p.)

English Paraphrasing:

“[ed.] What we are seeing is a vertical integration on the market. If you take for example the publisher *People's Press*, they are number 4-5 on the market, they've just been bought by the *Storytell Group* - and *Saxo.com* have just been bought by *Politikens Hus*. In Norway the vertical integration has been quite intense; the whole value chain is owned by 4 big publisher houses... and that includes the digital part, the online part and the physical distribution”

Interview Quote 7

Transcript Extract:

”Jamen, øh, vi er blevet lukket to gange, hvor vi mistede hele vores, øh, vores, øh, vores omsætning derinde, øh, i en kortere periode – den ene gang fordi vi ikke svarede vores mails indenfor 24 timer, [...] og anden gang var, øh, fordi vores pakker ikke kom frem, øh, inden for 4 dage, som det, øh, skulle til Amazons kunder, fordi, øh, DHL ikke kunne finde 2 halvpaller, øh... og de ting har kostet mange penge – jeg tror det har kostet mig 1 million, stort set” (ibid., p.31)

English Paraphrasing:

“[ed.] We have been shut down twice where we lost our entire revenue on Amazon for a short while. The first time it was because we didn’t answer our mails within 24 hours and the second time because our packages didn’t arrive within 4 days, as agreed, because *DHL* couldn’t find 2 pallets... these things have costed a lot of money! I think it has costed me around 1 million...”

Interview Quote 8

Transcript Extract:

”[...] loyalitet generelt er jo generelt under pres på samtlige brands[...] Kan sige – og det har den jo været i løbet af de sidste 5-10 år, fordi det er så nemt som () og skifte mellem brands og brands ligger sig op af hinanden... og nogle gange kan det være svært at adskille hinanden, øh (...) Men jeg tror der er ingen tvivl om, at det er vigtigt at fastholde vores arbejde på SoMe kanalerne, vores nyhedsmail til vores egen hjemmeside, [...] marketingsmaterialer vi laver, dem deler vi jo med vores, øh... vores B2B kunder, altså alle vores direkte kunder, fordi jo mere de får af vores marketingsmaterialer jo glattere er vi, fordi det gør jo også, at vores visuelle og grafiske identitet, at den bliver brugt rigtigt [...]” (ibid., 18p.)

English Paraphrasing:

“[ed.] Brand loyalty in general is under pressure, and it has been for the last 5-10 years, because it is so easy shift between brands. Brands have become very alike and can be hard to separate them from each other. It is undoubtedly important to work with loyalty through the *SoMe* channels, our newsletter and own website. We always share the marketing material with our B2B customers, because the more material they have, the more we are ensuring our visual and graphical identity is applied correctly.”

Interview Quote 9

Transcript Extract:

“[...] der sker det, at, øh... som jeg ser det; de store net butikker bliver større og tredjemandsplatform vinder mere og mere frem og brands er inde og tage over, øh... så hvis man sidder som en, øh, mindre, øh, detailhandel [...] Og prøver at klare sig i, i, øh, den kamp, så vil man have svært ved at følge med” (ibid., p.28)

English Paraphrasing:

“[ed.] What will happen in the nearby future - the way I see it – is that the big online shops will become even bigger and *third-party platforms* will gain ground. The e-commerce brands will increasingly take over on the B2C sales; so, if you’re a small retailer trying to survive this fight you will have a hard time keeping the pace!”

Interview Quote 10

Transcript Extract:

”[...] da vi startede og lavede annoncering på Google, da hver gang jeg investerede 1 krone, så fik jeg 20 ind igen, nu skal jeg være heldig, hvis jeg får 6 ind igen [...] Og hvis man ser på så’ en, øh, mekanisme som Amazon, så har de godt fundet ud af det og det betyder, at de giver faktisk brands fordele i forhold til almindelige forhandlere, så hvis du er et brand, så ligger du bedre i Algoritmen” (ibid., 28p.)

English Paraphrasing:

“[ed.] When we launched Eshoes and advertised on Google, we had a *ROI* on 20 Danish kroner each time we invested 1 kroner – now I’m lucky if I get 6 kroners back! If you look at the mechanisms of Amazon it’s clear that they know which way the devolvment is going. They actually give advantages to brands compared to regular retailers - so if you’re a brand you’ll get a better spot in the algorithm.”

Interview Quote 11

Transcript Extract:

“Altså, om fem år, så tror jeg vi har et marked, [...] som ser anderledes ud end, øhh... end den gør i dag. Altså der er jo selvfølgelig hele den der udvikling, som gælder hele detailbranchen, som rykker mere og mere online. Så en del af de fysiske butikker, vil jo, [...] [*miste, red.*] hvad skal vi sige, værdi

eller placering. Så, så, jeg tror ikke, så, at, det er sådan, at om fem år, er der ikke nogle boghandlere, fordi det er der HELT sikkert Øh.. og der er også stadigvæk papirbøger. Øh.. Det fylder bare mindre... væsentligt mindre, end det gør nu. Altså jeg forventer at, vores digitale omsætning på privatmarkedet [*stiger, red.*] [...] og [...] at vi ser, at onlinehandelen med bøger, vil vokse kraftigt. Og... HVOR kraftigt, afhænger af... hvornår og hvordan Amazon kommer ind” (ibid., p.50)

English Paraphrasing:

“[*ed.*] In five years’ time I believe we have a market which is different than today. Retailing is constantly moving towards online shopping and physical stores are increasingly losing their value. I don’t believe that bookshops or paper books won’t exist in five years, however, the volume will be much less than it is now. I expect our digital revenue on the private market will increase dramatically. How much depends on when and how Amazon enters the Danish market.”

Interview Quote 12

Transcript Extract:

”[...] jamen, der er ingen tvivl om, at, øh, at jeg tror der er nogle online handlere som er mere nervøse end vi er over det, [...] Amazon tilstedeværelse vil, øh, vil også komme til at presse detailhandelen [...] og blandt andet også de butikker vi som, øh, som er vores kunder i dag... [...] vi [*er, red.*] selvfølgelig spændte på at se, hvor [...] stor negativ effekt kan det få, for der ingen tvivl om, at det vil det få, i en eller anden størrelsesorden [...] Man er naiv hvis man ikke tror det [...] og i særdeleshed tror jeg, at Amazon kan komme til at stjæle rigtig meget online handel, og øh... jeg har hørt nogen, der tror, at de ikke vil tage mere end 5-10 procent, fordi de kommer så sent ind på markedet, som de gør, [...] det vil jeg også sige er også naivt og tro det, fordi du kan bare se Tyskland, hvor de står for 55 procent af den samlede onlinehandel i Tyskland” (ibid., p.13)

English Paraphrasing:

“[*ed.*] I undoubtedly think some online retailers are more nervous than we are. For our part, Amazon’s presence will put pressure on the retailing and here among some of the shops that are our customers today. Of course, we’re eager to see how large the negative effect will be, because it will be negative to some extent. You’re naive if you don’t think so... and in particular I think Amazon will “steal” a lot of the online commerce... I have heard some say that they won’t take more than 5-10 pct. because

they're arriving so late on the Danish market... I would say that's naive to think so as well! Just look at Germany where they account for 55 pct. of whole e-commerce market."

Interview Quote 13

Transcript Extract:

"[...] branchen har jo været, samlet set, meget ner-nervøs for dem, fordi den måde, altså de er jo, de er jo relativt, kan man sige, aggressive i deres, øh, tilgang. [...] I England ligeså. Øh... Og, og, der har jo været RIGTIG store diskussioner om, øh... prisniveauet og sådan noget, altså de store amerikanske forlag, har jo haft nogle gevaldige krige med Amazon om, hvad ting skulle koste, hvor Amazon jo er så store, så de kan sige: jamen vi er sådant skide ligeglade med hvad I synes de skal koste [...] at I tilpasser vores indkøbspris og ellers så er I bare ude, så kan I sige farvel til den omsætning. Det er jo en... en sådan, klassisk måde at gøre det på. Og øh... Jeg har ikke nogen forventninger om, at de kommer til at gøre det anderledes, øh, i Skandinavien" (ibid., p.59)

English Paraphrasing:

"[ed.] The industry as a whole is quite nervous of Amazon because of their relatively aggressive approach - in England there has been a lot of discussion about the level on prices. The big American publishers have had some enormous wars with Amazon about what books should cost, and Amazon is so large that they can say: *We don't give a damn about what you think it should cost! We just set the right price and if you don't agree, you can wave goodbye to your revenue...* That is the classical Amazon approach and I don't believe they will do it differently in Scandinavia."

Interview Quote 14

Transcript Extract:

"[...] i Tyskland, der får de fleste "prime members", de får sendt seneste "next day"... så, så alle virksomheder i øjeblikket, de upper sig jo helt vildt [...] Fordi de er bange for, at Amazon kommer, så serviceniveauet for kunderne bliver skruet op; det er jo super positivt, synes jeg[...] Så jeg tror jo, at vi vil få et sindssygt godt salg i starten og vil der, øh, så vil der blive, øh, rigtig hård konkurrence på det danske marked – til skade for, øh, for mange af de skohandlere, der er her herhjemme" (ibid., 33p.)

English Paraphrasing:

“*[ed.]* In Germany most “prime members” are receiving next day delivery so Danish companies are upping their game, because they fear that the service level will sky-rocket when Amazon arrives – which I actually think is really positive. I think we will get a really good sale in the beginning, but the competition on the Danish market will become extremely intense – to harm for a lot of the shoe dealers in this country.

Interview Quote 15**Transcript Extract:**

“Ja, det vil vi jo få, for vi er der fra ”day 1” – vi er jo i gang! Hvis Amazon kom til Danmark, så skulle vi jo stort set bare, øh, smide vores danske tekster på, på vores webshop og lave det en lille smule om, så er vi i gang!” (ibid., p.34)

English Paraphrasing:

“*[ed.]* We will most definitely have a first mover advantage, because we are there from day 1 – we have already started! If Amazon arrives in Denmark, then we basically just have to change our product descriptions to Danish and change a little bit on our web shop – then we’re on!”

Interview Quote 16**Transcript Extract:**

”[...] vi vil have svært ved at være first mover, men der er ingen tvivl om, at vi vil gøre når Amazon først er der, jamen så vil vi reagere meget, meget hurtigt og få startet Amazon op i Danmark, [...] jeg tror på vi kan komme hurtigere i gang end mange af vores danske kunder, fordi vi allerede er i gang i UK og Tyskland, og gjort os nogle erfaringer” (ibid., p.14)

English Paraphrasing:

“*[ed.]* I think it would be difficult for us to become first movers, however, there’s no doubt that once Amazon arrives we will react very, very fast and get started with Amazon in Denmark. I actually think we can launch a lot faster than some of our Danish B2B customers, because we already have experiences from being on Amazon in UK and Germany.”

Interview Quote 17

Transcript Extract:

”[...] Jeg føler mig også ret sikker på, at de laver sådan en Soft Launch... Øh, strategi, altså det tyder det jo på, med at de har... opkøbt noget jord, øh, sådan cirka midt i Sverige, så det passer meget godt med, at det er midt i Skandinavien.[...] fordi når man kigger på, hvordan de er gået ind i markeder i øvrigt, så ER det deres måde og gøre det på. Og så udvider de langsomt med flere og flere distributionscentre [...] de er jo verdensmestre i distribution, øh... [...], det er jo ikke nogen sag og lave et website og sætte en skarp pris – det der er sagen det er om du kan levere, øh, hurtigt og effektivt, og billigt, ikk’. Og det kan de godt finde ud af. Så jeg tror det vi kommer til at se er, når de starter, at de ikke har så stor impact, til at begynde med... men man skal ikke være i tvivl om, at de kommer til at få det.” (ibid., 60p.)

English Paraphrasing:

“[ed.] I feel quite convinced that Amazon will follow a “soft launch strategy” – they have bought some land in the middle of Sweden, which is around the middle of Scandinavia. If you look at how they have entered other markets, then this is their approach; slow expansion with more and more distribution centers. They are world champions in distribution... it’s no big deal to create a website and have a sharp price, it’s delivering fast and efficient that’s the hard part – and Amazon knows how to do that. I don’t believe they will have a big impact to begin with, but they will undoubtedly in time!”

Interview Quote 18

Transcript Extract:

”Så for os er det helt klart en, en, join-strategi. Og så er det et spørgsmål om, at finde den bedste måde, at ligge der på. Og jeg har snakket en del med [...] nogle af vores engelske, øh... kollegaer. Fordi der har de jo været, Amazon har været aktiv der i 10 år, [...] den engelske direktør fra, fra, forelægger foreningen derovre, som sagde: jamen der er ikke nogen tvivl om, at de har jo forandret hele branchen – altså bogbranchen, i den måde, at man er blevet meget mere professionel i hvordan, hvor meget metadata har man, hvor god kvalitet er det, øh... hvordan er hele dit, [...] proces setup, i forhold til at kunne, øh... håndtere en kunde som Amazon. Og der øh... altså der har man simpelthen medarbejdere som ikke laver andet end det.” (ibid., 62p.)

English Paraphrasing:

“[ed.] For us it is clearly a join-strategy. The question is how to find the best way to be on Amazon. I have corresponded a lot with our British colleagues, because they have been active on Amazon for 10 years. The CEO for the British publisher association has said: *there is no doubt that Amazon has changed the entire industry of books. The industry has become much more professional in terms of how much metadata you possess, the quality of it and process of handling customers*. In the British publisher industry, you have full time employees only dealing with Amazon”

Interview Quote 19**Transcript Extract:**

“[...] når man er et forlag, vi lever af, når en forfatter kommer med sin bog, så skal vi gøre det så godt, som muligt, på vegne af den forfatter – vi skal jo søge og optimere indtjeningen for den forfatter. Hvis man så har et marked, hvor Amazon står for 40 % af omsætningen, så optimerer man ikke den forfatters indtjening, ved at sige: vi handler ikke med Amazon” (ibid., 63 p.)

English Paraphrasing:

“[ed.] When you’re a publisher your core business is the authors and you sell on behalf of the authors. We have to optimize the income for the author. If you have a market where Amazon accounts for 40 pct. of the revenue, you don’t optimize the author’s income by saying: *we won’t deal with Amazon!*”

Interview Quote 20**Transcript Extract:**

”[...] for ca. 8 år siden, at, øh, jeg, øh fik øje på Amazon og [...] vi startede op på Amazon som konsekvens af en forfejlede eksportstrategi på, øh, på det tyske marked... i dag ligger Eshoes – udover i Norden [...] så har vi også sites i Tyskland og i England [...]Ja, men de var faktisk begrænset, da vi gik på, øh... og det var bare en måde og, øh, lave en eksportstrategi på og komme ind i Tyskland, fordi vi havde, øh, svært ved at gøre det selv” (ibid., p.26, p.31)

English Paraphrasing:

“[ed.] About eight years ago we discovered Amazon. We launched on the German Amazon as a consequence of a previous unsuccessful export strategy on the German market. Today we have sites on both the German and British Amazon. Our experience with Amazon were limited before launching

in Germany; it was simply a matter of building an export strategy because we had a hard time trying to enter the German market with our own web shop.”

Interview Quote 21

Transcript Extract:

”[...] vi vil gerne være om 5 år, være stærkt rodfastet på Amazon og ikke kun på UK [...] så er det jo planen, at vi, vi skal være til stede, hvor øh... øh, på flere Amazon markeder” (ibid., p.8)

English Paraphrasing:

“[ed.] In five years we want to be rooted on Amazon and not just in the UK. It is the plan that we want to be present on multiple Amazon markets.”

Interview Quote 22

Transcript Extract:

“[...] så ved at vi kan gå ind og oprette et site og vi bliver ”brand owner”, jamen så kan vi få lidt mere kontrol over, over – ikke over priserne – men, øh... men at vi er til stede derinde, [...] kan hjælpe vores egne kunder, øh... [...] så har du jo også muligheden som brand owner, at hvis der er [...] nogle tredjepartshandlere, der sælger vores produkter derinde, som vi ikke kender og det ikke er nogen vi har solgt dem til, jamen så kan du jo egentlig bede Amazon om, at udelukke dem [...] det har ikke været, øh, den vigtigste årsag til det, men det er jo klart det er en af de [...] ”upsides” du har ved at være brand owner på Amazon, det er jo, at der er nogle tredjepartshandlere derinde, som der forsøger lidt at ”down grade” dit brand” (ibid., p.11)

English Paraphrasing:

“[ed.] By establishing a site on Amazon we can become “brand owner”. In that way we can gain a little more control, not in terms of prices, but by being present and help our own B2B customers. Meanwhile we have the opportunity to exclude third party sellers who might be selling our product without our permission. It’s not the primary reason for being on Amazon, but it’s clearly an upside. To take back control if a third-party seller on Amazon is trying to downgrade our product.”

Interview Quote 23

Transcript Extract:

”[...] vi blevet dygtige til at, øh, vide hvad der er væsentligt for, øh, Amazons algoritme, hvis du vil opnå et højt salg – der er stor forskel på at sælge på Amazon og på Google; på Google der bliver du fundet, øh, i form af relevans [...] Og på Amazon der bliver du fundet på – selvfølgelig i form af relevans, hvis du nu søger på en T-shirt – men også i form af, øh, hvor mange penge ”Jeff Bezos” tjener på du ligger derinde; hvis du er, øh, relevant med ”hvid T-shirt”, men aldrig nogensinde sælger nogen ting, så gider han jo ikke ligge dig på placering 1, når han får en procentsats af dit salg, så derfor ryger du ned på side 380 [...]” (ibid., 31p.)

English Paraphrasing:

“[ed.] We have become quite good at knowing what’s essential for Amazon’s algorithm, if you want to achieve a high sale. There is a big difference between selling on Amazon and on Google. On Google you’re found based on relevance and on Amazon you’re found on – of course also relevance in relation to keywords – but also in relation to how many money *Jeff Bezos* earns on your presence on Amazon... if you’re relevant in relation to certain keywords but never sell anything, you’ll end on page 380 instead of page 1”

Interview Quote 24

Transcript Extract:

”Men, øh, hvis der er noget ”turnover”, så, øh, rykker du længere og længere frem... og det er der, øh, en masse forskellige redskaber man kan anvende til at blive god og det er alle sammen redskaber som gør, at kunderne [...] bliver glade for det – så han er jo ude efter glade kunder, hver gang de finder et produkt [...]” (ibid., p.32)

English Paraphrasing:

“[ed.] However, if you have turnover, you start to move further and further up... and there’s a lot of different tools you can use to become good and all these tools makes the customers happy – and that’s what “Jeff Bezos” is striving for!

Interview Quote 25

Transcript Extract:

“[...] altså fordi det der jo er med Amazon, det er... at, altså i det der dilemma med... altså ”join or fight”, øh... der kan man sige, du for KUN noget ud af Amazon som salgskanal, hvis du joiner, altså hvis du, hvis du, tilpasser dig deres måde at agere i et marked på. Så det vil sige, altså der er jo forskellige måder man kan være... være HOS dem på. Men der... kan man sige, alt peger i retning af, at hvis du ikke bestemmer dig for, fuldt og helt og være der, får du ikke noget ud af det.” (ibid., p. 58)

English Paraphrasing:

“[ed.] There is this “fight vs. join” dilemma in relation to Amazon; and you only benefit from Amazon if you join and adapt to their way of acting in the market. Of course, there is different ways to be on Amazon, but everything indicates that if you don’t decide to go all the way, you don’t gain anything”

Interview Quote 26

Transcript Extract:

“[...] Så jeg ville aldrig forvente at få ”customer loyalty” derinde – de har loyalty til Amazon, øh, ikke til os, øh... [...] vi gør meget ud, øh, at få anmeldelser som leverandør, sån’ så, at, øh, nye ”customers” kan se, at tidligere ”customers” har været glade for os [...] så hvis jeg har et specielt produkt, så kan jeg få dem til at anmelde produktet eller de kan anmelde mig som leverandør derinde [...] Altså, jeg kan ikke lave et nyhedsbrev til dem, men jeg godt komme i kontakt med dem [...] I forbindelse med, øh, deres ordre, men jeg kan ikke sende ud om de også vil have en anden sko” (ibid., 35p., p.42)

English Paraphrasing:

“[ed.] I would never expect to gain customer loyalty on Amazon. The customers are loyal to Amazon and not to us! We are always striving for good reviews as a supplier, so new customers can see that previous customers have been happy with us. However, customer loyalty is created on our website, not on Amazon. If I have a special product, I can get customers to review it or me as a supplier on Amazon, so I can contact the customers in relation to their order, but I can’t send them newsletters and ask them if they would like another shoe.”

Interview Quote 27

Transcript Extract:

“[...] når du har lært at agere i et land på Amazon, så er det noget nemmere og, øh, multiplicere det til andre lande og [...] det er klart det er en af fordelene ved at agere på sån’ en, øh, verdensomspændende platform [...] du når ud til mange flere kunder lige pludselig hos, via de platforme [...] Som i sidste ende også vil styrke din brand tilstedeværelse generelt set også [...] Så det er klart med sån’ en platform, så kommer man langt, langt hurtigere ud, øh... til tusinde-millioner vis af mennesker” (ibid., p.15)

English Paraphrasing:

“[ed.] When you have learned how to act in one country on Amazon, then it’s easier to multiply to other countries and that’s clearly one of the advantages of being on a global platform. It’s easier to multiply yourself as a company and reach far more customers via a platform like. When all comes to all, it will strengthen your brand and presents selling on Amazon, who has the muscles to reach millions of people.”

Interview Quote 28

Transcript Extract:

“Altså, den ULTIMATIVE fordel er du får, øh, kontakt med nogle forbrugere, som du ikke selv har muskler til at nå, fordi det er de her 140 millioner jeg snakkede om tidligere, øh...[...] Det er enormt billigt at skalere endnu et marked op [...] jeg [tjener, red.] faktisk flere penge, når jeg sælger på Amazon end når jeg sælger på min egen, øh, platform, øh... så på den måde er det en, øh, en rigtig god, øh, ekstra kanal at tage – og jeg siger ekstra kanal, fordi jeg synes aldrig man skal smide sin egen webshop væk eller sin egen fysiske butik væk, [...] Men problemet er, øh, du lægger hele din virksomhed over i hænderne på nogle andre, som har mulighed for at trykke på sluk knappen og det er jo et dårligt parameter, så man skal holde, øh, salgskanaler som du bestrider i forvejen [...]” (ibid., p.34)

English Paraphrasing:

“[ed.] The ultimate advantage is that you are able to reach 140 million consumers, which you don’t have the muscles to reach on your own, and it’s very cheap to upscale to new markets. I actually earn more money when I sell on Amazon compared to my own website. So, it’s a very, very good extra

channel to have – and I say extra channel, because I never think you should throw away your own web shop or physical store. The problem is that you lay your company in the hands of Amazon, who has the possibility to press the “shut down button” – which is a very bad parameter! Therefore, you should keep the sale channels you already possess.”

Interview Quote 29

Transcript Extract:

“[...] jamen det er jo at ha’, øh, ressourcerne til det, både i form af personale og i form af kroner og øre, øh (...) Og så, det, det tager jo tid, for hver gang du entrerer et ny land med Amazon, så skal du jo være klar [...] [og, red.] reagere på de forskellige platforme og ikke bare tro, at du kan smide alle de produkter op du gerne vil [...] det kræver rigtig meget og, øh, facilitere [...] produkter [...] på Amazon - derfor ser du også mange virksomheder, der ikke går ind med deres fulde sortiment og det kommer vi heller ikke til at gøre, vi går ind med en del af vores sortiment til at starte med.” (ibid., p.15)

English Paraphrasing:

“[ed.] It is to have the necessary resources, in terms of staff and money, and it’s time consuming. Every time you enter a new country on Amazon you have to be ready to react on multiple platforms and not just think you put up all the products you want to. It’s very demanding to facilitate your products on Amazon. That’s why you see a lot of companies who choose not to sell their full product assortment on Amazon – and we won’t either.”

Interview Quote 30

Transcript Extract:

“Altså det bare et Race to the Bottom, øh... lavere og lavere pris. Så på et eller andet tidspunkt, så skal man jo finde et plateau for de der ting, øh... og det klart, at det er jo... det er jo den største... hvad skal man sige; FARE der ligger for os – det er det. Når vi kigger på... på Sverige hvor det digitale har en noget større markedsandel, end det har her, og kigger på hvad de får for deres bøger derovre, så får de, øh... altså de får virkelig ikke ret meget for det, altså, øh, de får måske det halve af hvad vi får. Og så kan man jo så sige: joo, men volumen er større; ja. Men I får det halve... og jeres forlags – altså jeres butiksomsætning... den, den, følger altså ikke med den der volumen

udvikling. Så der kan du virkelig sige, at du har sådan en, et, Race to the Bottom... i forhold til pris” (ibid., p.66)

English Paraphrasing:

“[ed.] It’s a race towards the bottom... lower and lower price. However, at some point the market has to find a plateau – and this is clearly the biggest risk for us! If you look at the Swedish book market, the digital part has a higher pct. of the market share, but the revenue per sold unit is significantly lower than the Danish market. The volume is quite larger in Sweden, but it doesn’t add up for loss in revenue... So, in relation to the book prices, the Swedish market have really had a race towards the bottom!”

Interview Quote 31

Transcript Extract:

“[...] vi har helt klart valgt at ”joine” et tidligt tidspunkt og så tilkendegav vi, at vi er gode til det, sådan så det blev vores kanal – hvis du ser på USA eller på, øh, Kina, så er det primært tredjemand platforme man sælger på, hvor spørgsmålet er hvor god er du til at sælge via de her platforme [...] hvis du vil ”fighte”, øh... verdens største virksomhed med verdens rigeste mand, øh, når det kommer herop, øh, så, så skal, så er der nogle ting, der gør sig gældende; 1. du skal have en niche, øh, som Amazon ikke kan få fat i, 2. du kan også ha’ en service, som er så dyb, øh, eller bred så Amazon aldrig kan involvere sig i [...]” (ibid., p.37)

English Paraphrasing:

“[ed.] We have clearly chosen to join at an early stage and realized that we were good quite good at it – if you look at USA or China then the primary sales channels are third party platforms... the question is how good you are at selling on these platforms. If you want to fight the world’s biggest company when they arrive in Denmark, you have to consider two things: 1 You have to have a niche that Amazon cannot reach and 2 you have to have a service which is so deep or broad that Amazon cannot get involved.”

Interview Quote 32

Transcript Extract:

“[...] fordelene ved Amazon det er, at de har alt du kan forestille dig at købe, øh, og bagdelen ved Amazon det er de har alt, hvad du kan forestille dig at købe, så du kan ikke finde det du leder efter [...]” (ibid., p.37)

English Paraphrasing:

“Amazon’s benefit is that they have everything you can imagine – the disadvantage is that they have everything you can imagine... so you can’t find what you are looking!”

Interview Quote 33

Transcript Extract:

“[...] prime er sindssygt vigtigt hos Amazon, [...] fordi at prime er jo verdens største kundeklub med 100 millioner mennesker, der er 17 millioner i Tyskland alene, [...] det er en klub de er med i og det er klart; [...] Så derfor går man ind DER først og søger og det er først, hvis Amazon ikke kan opfylde, øh... du går hen et andet sted og det kan de i så høj grad (...) ” (ibid., p.38)

English Paraphrasing:

“[ed.] Prime is immensely important at Amazon! Prime is the world’s largest customer club with 100 of millions of people – 17 million in Germany alone. The prime members are part of a club and that’s why they start their search for products on Amazon – they only search elsewhere, if they can’t find the product on Amazon.”

Interview Quote 34

Transcript Extract:

“Amazon i sig selv de har jo en indbygget ”price monitor” [...] jeg ved at ”Pricerunner”, som virksomhed, de er faktisk også nervøse for, øh, Amazon, fordi de, de bliver faktisk udfordret på deres produkt, når først Amazon træder ind på et marked [...] Det er klart når Amazon træder ind på et marked, så er det langt nemmere for en, øh, () at sammenligne priser [...] Og det, øh, det er også med til at øge online handlen i det pågældende land, fordi det gør det meget, meget nemmere at sammenligne produkter og priser (ibid., 17p.)”

English Paraphrasing:

“*[ed.]* Amazon has a build in “price monitor” and I know that the company *Pricerunner* is quite nervous about Amazon’s arrival on the Danish market, because they will be challenged on their core product. It clearly becomes very easy to compare prices when Amazon enters a market and that increases the online commerce, because it gets a lot easier for the customers to compare prices and products.”

Interview Quote 35**Transcript Extract:**

“Jeg tror i sidste ende, så tror jeg egentlig, at der er noget positivt i at være på Amazon, fordi du når ud til langt flere mennesker... [...] [flere kunder, red.] der lige pludselig møder dit brand på Amazon også, i langt højere grad end de har gjort tidligere, [...] Og når du har, når du har kunder som “shifter” mere over på at bruge Amazon, hvis de møder dine produkter derovre, eller det kan være, det kan være du egentlig bare øger de samlede salg, kan man sige, fordi, at du, øh, lige pludselig står derovre også” (ibid., 18p.)

English Paraphrasing:

“*[ed.]* I believe that in the end it is positive to be on Amazon, because you are able to reach far more people, and I think that more customers find your brand than before. When you have more people, who shifts to Amazon... I think you can increase your sales by being on Amazon as well.”

Interview Quote 36**Transcript Extract:**

“Altså en ting, og det, vi kan jo se det med Saxo i dag os’ at... de har jo også, på nogle af vores populære bøger, dem kan vi jo se de sælger til priser, der er lavere end de giver os. (...) Og det bruger de til at trække... den lange hale, men vi kan jo også godt at, at når vi så går ind og kigger på nogle af vores ældre bøger – dem har de en fin avance på.” (ibid., p.66)

English Paraphrasing:

“*[ed.]* We can see with the e-retailer *Saxo* that they sell some of our most popular books to a lower price than what they paid, when they bought the books from us. They use this to drag the long tail... because we can see when we look at some of our older books they have a good profit margin.”

Interview Quote 37

Transcript Extract:

“[...] Og det tænker jeg også er Amazons, øh, tilgang til det, så de vil jo... og det her det’ NØJAGTIG det samme vi har prøvet med supermarkederne, hvor de os’ prisdumper vores produkter HEFTIGT og... de mere traditionelle forhandlere er jo voldsom trætte af det og vi kan ikk’ sige så meget andet end at... det er ikke os der sætter prisen – det er dem der sætter prisen. [...] hvis man har en... en, samarbejdspartner, som ikke laver andet end at prisdumpe dine produkter, så gør du jo ikke så meget ud af og komme med dine mest attraktive ting og sige: skal I være med i lanceringen af det her. Det er klart. Og s-sådan nogle overvejelser vil der jo også være i forhold til, øh, Amazon” (ibid., p.67)

English Paraphrasing:

“[ed.] I think this will be the same approach Amazon will have... and this is exactly the same we have tried with the supermarkets, where they dump our prices intensely... and the more traditional dealers are really, really tired of this, but we can’t say anything else than; *it’s not us who sets the prices, it’s them*. But of course, if you have a business partner who does nothing else than dump the prices on your product, then you’re probably not that motivated to come with your most attractive products and say: *you have to be in bringing this new book onto the market!* This is definitely some of the considerations we have regarding Amazon!”

Interview Quote 38

Transcript Extract:

“Nej, altså vi har set på det som værende, at, øh, at det er et MUST efterhånden at være til stede på Amazon [...] Både i forhold til og beskytte dit brand, i forhold til at være stede, og få den omsætning, der ligger derinde... for os har det ikke været et, øh, enten/eller, det har egentlig bare været at se på det som [...] at Amazon er efterhånden så vigtig en spiller, at hvis du vil noget online, øh... og i særdeleshed også i forhold til, at Danmark er, det er STADIGVÆK vores vigtigste marked, men, øh, jeg tror om 1 år eller 2, så er Danmark ikke det største marked for os længere, men det gør jo, at man er nødt til, at, øh (...) Og lade vær med at anskue som, som mange detailhandlere har gjort gennem årene [...] jeg tror det er svært at begynde at kæmpe imod dem” (ibid., 20p.)

English Paraphrasing:

“[ed.] No I don’t see it that way, I mean... we see it as a must to be on Amazon! Both in terms of protecting your brand and get the potential revenue. For us it has not been an either/or... Amazon is now such an important player if you want to achieve something online and in particular to – I mean, Denmark is still our most important market, but I don’t believe it will be in 1 to 2 years’ time, and then you can’t view Amazon as many retailers have done doing the past year... I believe it’s difficult to fight against them!”

Interview Quote 39

Transcript Extract:

”(...) Øh, altså, det jo, det jo en del af ”fodboldbanen”, at vi ikke har speciel dyb data indsigt, øh... [...] Så derfor, øh - det er jo noget vi har fraskrevet os for at få muligheden for at ramme rigtig herfra () øh... så derfor anser jeg det ikke som et, øh, TAB, øh... det er bare sån’ det er – hvis du var et normalt produkt, eller en normal producent, der solgte et normalt produkt til en butik, hvor meget data tror du den butik afleverer tilbage til ”brand owner” – ABSOLUT nul! [...] Og vi står jo bare i samme situation, på en eller anden måde, at vi er i, øh, vi har indgået en aftale på nogle betingelser og vi arbejder med nogle andre folks kunder og derfor har vi ikke data på ()” (ibid., p.42)

English Paraphrasing:

“[ed.] I mean it’s part of the “football field” we play on that we don’t have a particular deep data insight. I don’t necessarily regard it as a loss – it’s just the way it is... Imagine you were a normal brand selling a normal product to shop – how much data do you think the shop returns to the brand owner? Absolutely zero! On some level we’re in the same situation... we have made an agreement on certain terms, and that means we work with over people’s customers and that’s why we don’t have data insights.”

Interview Quote 40

Transcript Extract:

“Øh... Så... hvis jeg skal være helt ærlig, så er jeg lidt usikker på, hvor meget data vi kan hive ud, men altså jeg er RIMELIG sikker på, at vi kan hive salgsdata ud [...] Øh... det vil sige, hvordan sælger vores – dem der sælger [REDACTED] i dag på Amazon, hvor godt sælger de [REDACTED], de tal kan man faktisk hive ud af systemet, som det er i dag, det er derinde (ibid., p.24)”

English Paraphrasing:

“[ed.] To be honest I’m a little uncertain about how much data we can fetch, but I’m quite confident that we can fetch the sales data... meaning that we can see how well those who sell The Electronics Brand perform – those number are already available today.”

Interview Quote 41

Transcript Extract:

“(…) Øh... for at være ærlig, så er det slet ikke noget som vi, vi har overvejet eller tænkt i [...] Øh... det eneste punkt, hvor, hvor jeg har tænkt i det, det er i forhold til Kina [...] Og i forhold til Tmall og det fordi... øh... min daværende arbejdsplads, hvor jeg har været tidligere [...] og, øh, jeg havde ansvaret for marketing [...] Og der brugte - der arbejdede vi blandt andet sammen med den danske ambassade i Kina, der, de har lavet et ”Tmall setup” for, hvordan skal design virksomheder, eller virksomheder generelt, agere under den, under en samlet paraply ude i Kina [...] Øh... så når kinesiske kunder entrerer, øh, det her Tmall site, så bliver det sån’ lidt et dansk univers og ind i, kan man sige [...] Det viste sig, det viste sig ikke at have så stor effekt, fordi jeg tror det var på et relativt nyt stadie, men altså det er der ingen tvivl om, at det er noget som jeg selv har tænkt i, at, øh, hvis vi har ressourcerne til det, så kunne det godt være noget, der KUNNE være interessant for [os, red.] i Kina [...] På Tmall... og, øh, agere som under en fælles paraply derude, men ellers er det ikke noget vi har tænkt i og – UMIDDELBART ser jeg heller ikke noget, som ville være relevant for os, fordi med de få ressourcer vi har, jamen så er vi nødt til at placere dem hen, hvor de har den største effekt” (ibid., 22p.)

English Paraphrasing:

“[ed.] It’s not something we have considered, to be honest... The only area where I have thought about is in relation to *Tmall* in China. I have some experience from my former workplace with marketing in China, where we worked together with Danish embassy in China to create a “Tmall setup” where Danish design companies could act under a joint frame. The setup was that when Chinese customers enter this Tmall site they would be entering a Danish “design universe”. However, it turned out not to really have any effect, also because it was a such a new stage, but if we have the resources I think something like that would interesting for us! In terms of cooperation that’s the only thing I could imagine... with the few resources we possess, we have to place them where they have the greatest effect!”

Interview Quote 42

Transcript Extract:

“Det er det helt klart, og vi ønsker også at, øh... (...) Sådan nogle som SAXO og sådan nogle, har... ligesom vel med boghandleren, så ønsker vi ikk’ at SAXO bare skal blive kørt over, altså det os’ vigtigt for os og have en dansk aktør, som forstår os, måske lidt bedre end Amazon gør. (...) Øh... og som sagt... overvejelser om selv og, og etablere sig på markedet, er jo også en del af vores tankeværk, ikke MINDST i disse år, øh... men vi er klar over, at... hvis du skal, hvis det skal være et reelt alternativ, så skal du jo... hvis du vil være en online forhandler; du skal være ligeså gode som SAXO. (...) og lige om lidt så skal du være ligeså gode som Amazon. [...] Det er SVÆRT at være ligeså gode som - altså hvis du ikk’ er ligeså gode som dem og ender som en sløv nummer seks... så ER det jo ikk’ et alternativ. [...] Øh... Og det er, som jeg sagde, som jeg startede med at sige: det er jo bare en meget anden disciplin, ikk? - De sidder 50 mennesker ude på SAXO og laver ikke andet. (...) Det gør vi ikk’! Så, så, det er, øh, på den måde, en dyb indånding, man ska’ ta’, når man gør det.” (ibid., 73p.)

English Paraphrasing:

“[ed.] Clearly, we don’t want retailers like *Saxo* and the bookshops to be run over! It’s important for us to have a Danish player that perhaps understands us a little better than Amazon. In these times, trying to establish ourselves on the B2C market is also part of our considerations, however, if that were to be a real alternative you would have to be as good as *Saxo* – and soon you would have to be as good as Amazon! And that’s incredible hard... if you end up at 6th place, then it’s not really an alternative. At *Saxo* they have 50 employees dedicated to e-commerce and we don’t! So, you would have to take a deep breath if you actually were to pursue this as an alternative...”

Interview Quote 43

Transcript Extract:

”Øh... der ligger ikke nogen andre sån’ oplagte muligheder i Norden, så vidt jeg, øh, kender på nuværende tidspunkt – jeg ved godt, at Dansk Supermarked () siger, at de er ved at lave et alternativ – det er ikke SANDT! De har ikke sko og tøj, som er en af de største brancher [...] Så der er ikke andet end den [...] Som er væsentlig – måske kunne vi også finde på at gå på ”Ebay” også [...] Og så i Tyskland er der jo 120 forskellige tredjemandsplatforme, som kunne være relevante alt efter hvad du sælger – for os inden for sko og tøj, der kunne () være, øh, være, øh, væsentlig og () kunne også

være væsentlig – men der har vi brug for noget software, der hjælper os med at bære det og så noget er der jo ved at blive lavet af ”Dansk Industri” og, hvad hedder det, CBS [...] Det er en KÆMPE fordel! Øh... eksport, øh, eksport – for den danske eksport, tror jeg – for det er jo sjovt, hvis du kigger på, øh, på, på vores... E-COMMERCE eksport regnskab, hvis der er noget, der hedder det, så er dansk handel SINDSSYGT dårlig til at lave det [...] Og, øh... og, øh, et af de lande, hvor der er sån’ en stor tredjemandsplatform, som Amazon, de er jo noget bedre – og hvorfor er de nu det? Fordi det er SKIDE nemt bare og tage endnu et land ind, når du først er gået i gang [...] Så hvis Danmark fik Amazon herind, så ville vi også blive bedre til at eksportere varer på, øh... ud af Danmark, øh, når det er kommet” (ibid., 39p.)

English Paraphrasing:

“[ed.] There are no obvious alternatives in the Nordic countries as far as I know... I know that *Dansk Supermarked* says they are about to make an alternative – but that’s not true, because they don’t include clothes and shoe, which is one of the biggest industries! Perhaps we would consider *eBay*... and then there is 120 different third-party platforms in Germany where some of these could be relevant for us. But then we need some sort of software guiding us, like the sort *Dansk Industry* and *CBS* are making... What they’re making would be a huge advantage! If you look at the Danish “ecommerce export accounts” we are way behind as a country... and why is that? Because once you’re on Amazon in one country it’s damn easy to start up in another! That’s why the countries where Amazon has a strong presence, also do well in terms of e-commerce export...”

Interview Quote 44

Transcript Extract:

“Og det man kan overveje – det taler vores direktør om, det siger han jo også højt: at branchen kan jo også lave et tiltag... altså at, hvis man indser som branche, at man, i virkeligheden ikke er hinandens konkurrenter – det ér man, men, men, der er nogle andre, som lige om lidt bliver nogle større konkurrenter. Øh... Så kan man jo GODT etablere, både streaming tjenester og andet – sammen. Det ER der eksempler på, og der er også eksempler på at det godt kan fungere. Øh... Så, altså, så, med det mener jeg også, altså, det for ALVOR nogle spændende år i vores branche, fordi indenfor... de næste fem år, så tror jeg, altså, at vi kommer til og se nogle store forandringer – både i, hvem er aktørerne derude, og også i forhold til, om branchen faktisk forstår det der med... vi bliver

egentlig nødt til at arbejde lidt sammen her. Ikke på nogen ulovlig måde [...] Men vi bliver nødt til og arbejde sammen.” (ibid., p.73)

English Paraphrasing:

“[ed.] Our CEO is actually quite open about this idea, that the publisher industry could also make an initiative... if you realize as a branch that in fact you’re not each other’s competitors – I mean you are... but soon there’s just an even bigger competitor! Then the industry could for example establish a streaming service together. You can find examples where cooperation works. By saying this I mean to say that this what’s really exiting about the publisher industry – in the next 5 years I believe we will see some major transformations, both in terms of the players on the market, but also in terms of whether the publisher industry will realize that it will have to cooperate! Of course, I do not mean this in an illegal way, but somehow we will have to be able to cooperate...”

Interview Quote 45

Transcript Extract:

”[...] Og vi har faktisk diskuteret det lidt med konkurrencestyrelsen også, fordi, man siger: det en ny situation... Hvis Apple, hvis Amazon, hvis Google, hvis Facebook, hvis nogle af de der Tech-giganter BESLUTTER sig for, og ville noget, så har de ret god chance for, at gøre det. Og så kan man sige: amen nummer et og nummer to på forlagsmarkedet må ikk’ snak sammen, fordi det jo karteldannelse. [...] Ææ, ja det er det. Jo. I hvert fald, hvis man ser på det traditionelt. Men er det det også, hvis man siger, at det er den eneste mulighed, for og lave en reel konkurrence til nogen... altså, som har flere penge i banken, end Danmarks BNP er.” (ibid., 73p.)

English Paraphrasing:

“[ed.] We have actually discussed this with *The Danish Competition Authority*, arguing that what we’re seeing now is a completely new situation. If *Apple, Amazon, Google, Facebook* – if any of these tech-giants agree they want to change something, they have a pretty good chance at it... but if number one and two in the publishing industry talk, then it’s cartel formation! And it is, if you look at traditionally... but what if it’s the only opportunity to compete with someone who has more money in the bank than Denmark’s GDP?”

Interview Quote 46

Transcript Extract:

“Nej, det findes ikke, øh... – jeg ved der lige er lavet et, øh, modstykke til Amazon, netop på grund af det, øh - jeg ved ikke om det var detailhandlen – i England er der blevet lavet, øh, 120 virksomheder, der er gået sammen, øh – men hvis så noget skulle organiseres, så er det jo ikke mig, der kan organisere det, så skal det organiseres gennem Dansk Industris handel eller [...] FDIH med Niels Ralund i spidsen eller noget i den stil [...] Hvor man har... på DEN måde gik ind og tog ejerskab – så alle kommer ind her og så kæmper man mod Amazon, på de betingelser ikk’ [...] Øh... øh, men, men det findes ikke, øh” (ibid., 40p.)

English Paraphrasing:

“[ed.] We haven’t considered it, because it doesn’t exist in Denmark... I know there just have made a... in England, with 120 companies cooperating on a platform. But if it were to take place in Denmark I wouldn’t be one to organize it – it should be organized through *Dansk Industri Handel* or *FDIH* with *Niels Ralund* in charge, or something like that.”

Interview Quote 47

Transcript Extract:

“Der kan man sige, jamen, øh... kunne det ikk’ godt være... at man kunne etablere, noget sammen. Altså det der jo, der jo... virkelig, virkelig, mange faldgruber i det, ikk’, fordi at når man er... indholdsproducent, så er man jo... per default meget PRODUKT orienteret. Og hvis du vil ud og ha’ en kunderelation, så ska du helst ikk’, så skal du være KUNDE orienteret – du skal ikk’ være PRODUKT orienteret, og d - med det mener jeg, at, vi har altid, jamen den her forfatter er rigtig vigtig for os, han skal på forsiden... Ja det er super, men hvis, øh... kunderne ikke er interesseret i det, så skal han ikk’ på forsiden, fordi så fastholder du dem ikk’ derinde. (...) SÅ, hvis man skal gøre noget sådan, så skal man jo gå sammen og stifte et eller andet se – et selskab som, som, drives med noget armlængde. Og at de mennesker der sidder og driver det selskab skal have noget handlefrihed. Fordi DET de skal, det er at de skal ud og konkurrere på DET markedsvilkår. Så ka’ det godt være, at VI herinde har nogle særlige interesser – dem må vi så forsøge og få dem, med på, men det’ ikke os der kan diktere dem.” (ibid., p74)

English Paraphrasing

“[ed.] There are clearly a lot of fall pits in establishing something together. One of them is that when you’re a content maker you’re by default product oriented and if you want to achieve a customer relation you have to customer oriented! For example; *this author is really important to us, so we need him on the front page!* Yeah, but if the customers are not interested in him, then you wouldn’t keep the customers on the platform... I mean; so if you were to have a cooperation you need some sort of company driven with an arm’s length, and those running the company would need room for maneuvering! It would need to compete on the market’s terms... we might have some special interests in our company, but that shouldn’t be what dictates such a cooperation!”

