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# **Consumer perceived value from Danish grocery**

# retailer's website and the resulting brand resonance

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### Abstract

**Purpose-** The purpose of this study is to propose and test an integrative model of Customer-Based Brand Equity pyramid (CBBE) (Keller, 2001) by conceptualizing that brand resonance is influenced by value, satisfaction and multidimensional aspects of e-service quality.

**Design/methodology/approach-** This research is based on two main frameworks: the CBBE model and Electronic Service Quality scale (Parasuraman et al. 2005). The E-S-QUAL model is the first comprehensive model which goes beyond website functionality or system quality aspects. However, the authors claimed that there is no hedonic aspect in e-service. In the light of substantial empirical studies, I believe both utilitarian value and hedonic value are consequences of brand meaning. Therefore, a consideration of hedonic aspect is added into the journey of e-service in this thesis. Through the empirical study of exploratory sequential design of mixed method, this thesis aims to accomplish the goal of finding consumer perceived value from Danish grocery retailer's website and the resulting brand resonance.

**Findings-** An easy to use, effective website is the core of an e-service experience. The aesthetic appeal of the website is strongly related to the evaluation of the functionality, usability and quality of that website. The tight relationship between the visual appeal of the website design and its efficiency of that website is proved. Furthermore, customers seek for utilitarian benefit (i.e. efficiency) and hedonic benefit (i.e. enjoyful) in this important touch point of Website. Regarding to brand resonance, word-of-mouth, repeat purchase and attitudinal attachment are influenced by value and satisfaction. Irma.dk is used as an example of the application for this thesis. However, findings from other brands will be illustrated as well.

**Research limitations-** The quantitative results have small and non-significant structural coefficients. Therefore, further research is recommended, either to modify the construct of the model or enlarge the sample size. Brand trust and other consideration of further research will be discussed.

**Originality/value** – This thesis provides a new insight into e-service era by emphasizing on the means-end theory, which leads from concrete brand attributes to the higher-level of abstract consequences, and ultimately brand loyalty.

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### Part 1.

## **Chapter 1.** Introduction

The development of new technologies has resulted in dramatic changes in retailing environment over the past two decades. Twenty years ago, purchasing goods through Internet was viewed as novel and trendy, but now, with the advent of new digital techniques, website is not merely an online shopping channel. Take Danish grocery retailing brands as an example. Customers can make online purchase, read digital catalogs, watch advertisements, link to social media, download APPs, make shopping lists (and pick grocery in a physical store) and so forth. The rapid development of e-commerce changes not only shopping behaviors, but also the value that customers/visitors perceived. When web 1.0 was first introduced, it was only designed as a read-only web, which, could also be seen as a system of cognition according to Aghaei and his colleagues (2012). Readers could not interact with Internet. More specifically, it is merely a one-way communication. Therefore, the value of readers back in the old times could be informative or towards the utilitarian approach. The quality requirement might just simply be a fast website. It was until 2004 when web 2.0 was first introduced (Aghaei, et al., 2012), that Internet is designed as a two-way communication tool. Readers or visitors could have impact on the Internet by reading and writing. In other words, they change from passive receivers to active producers. Furthermore, they are not only seeking for utilitarian value, but also emotional gratification. At that time, an enjoyable website quality requirement may add to quality evaluation.

During the same 20 years, the change of customers shopping behaviors and decision journey has impact on brand equity as well. Before the new digital was introduced, customers establish brand awareness and brand recall by experiences with physical stores or online shops, catalogs, mass-communication channels (eg. TV advertising). Now, customers can reach as many brands as they can via Internet beyond any retailers' control and even knowledge. When marketing channels are getting more complicated, the number of touch points between brand and customers increase significantly. Before the Internet was invented, single touch point occurs between customers and physical shops. Nowadays, customers face more touch points when experiencing with a brand. Moreover, these touch points are integrated. For example, customers may read grocery weekly discount information via app, make orders via website, and pick things up in a physical store. It is crucial to find out which attributes are important in related to this experience quality and which touch point(s) generate value to customers.

Brand loyalty is an economic necessity (Reichheld and Schefter, 2000), because company gets benefit from reducing largely in operating cost (Reichheld and Detrick, 2003). In the old days, "*customers were loyal by necessity, not choice*" (Reichheld and Schefter, 2000; 17). Since the power switches from marketers to customers in the virtual world, brand loyalty needs a new evaluation. In Gommans, Krishnan, and Scheffold's (2001) studies of similarity and difference between traditional brand loyalty and e-loyalty, they claimed that there are unique aspects in e-loyalty due to different online shopping behaviors and online marketing. Nevertheless, according to Boshoff (2007), the focus of developing online marketing is shifting from website (production orientation) towards understanding of consumer needs and their interaction with the Internet (customer orientation). Undoubtedly, a need of exists to effectively measure the quality of service offered by Internet retailers is necessary.

Based on the aforementioned description, we come up with two questions: how to evaluate the quality of online shopping/visiting experience and how to explore the brand association with the outcome variables such as value, satisfaction and loyalty. This thesis aims at finding out the answers to these questions in a Danish online grocery context.

In Danish online grocery industry, there are two types of brands: one with only virtual distribution, the other with both e-service and physical stores. This thesis will focus on "brick and mortar" brands, because these two types of brands are different in the following ways: (1) the way they create brand meaning are different, (2) there are alternative buying channel for "brick and mortar" brands (i.e. company's own brand), (3) the history of a "brick and mortar" brand is in general longer than pure virtual distribution brand, (4) customers experience e-service in a different way, (5) customers' feeling and judgment are different, and (6)

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most importantly, "brick and mortar" brands' loyalty would be formed in a different way. With the development of Web 2.0, "brick and mortar" brands are facing a challenge of integrating all the channels and keeping the consistent of brand meaning at the same time. Furthermore, according to Keller (2001), other factors such as competitive actions, consumer shifts, and environmental changes will cause the nature of brand associations to change fairly quickly.

#### 1.1 Brief introduction of Danish grocery retailing

There are more than 20 "brick and mortar" brands in Danish grocery retailing. Most of these brands are Fast Moving Consumer Goods retailers (Meny, Superbrugsen, Daglibrugsen), while other brands fall into category of Larger FMCGs (Fotex and Kvickly). There are also hypermarkets in Denmark, but only located in a few places (18 Bilka stores in whole country). Convenience stores and kiosks (DøgnNetto and 7-11) are also popular in Denmark, and they often have less selection of goods with smaller shopping area, offering fast hot food and a longer opening time. Besides, the price of such brands is higher than FMCGs brands. All brands have websites, but only a few provide online purchasing service.

#### 1.2 Problem statement

According to statistics data from FDIH (FDIH e-handelsanalyse, 2015), in 2015 the amount of Danish online trades of groceries remains the same as in 2014 (6%). However, in the same period of time, the amount of money spends on groceries increases by 1%, from 4% to 5%. This indicates that Danes are most likely spending more money on online groceries per time than earlier. It could be seen as a trend and potential opportunity for companies. Most of "brick and mortar" brands have longer history than pure virtual distribution brands such as nemlig.com. It would be interesting to find out how "brick and mortar" brands can utilize e-service to contribute their brand. Therefore, an up-to-date research needs to be conducted in this area.

#### Research question:

Which brand associations created by marketing communication plan for customers can be perceived as value to customers via online distribution channel? Can these values contribute to satisfaction and brand loyalty?

Sub-question:

- 1. Is segmentation of any importance?
- 2. Define point of parity and point of difference in the case brand (brand association).
- 3. Is there hedonic value involved in experience with the case brand, if yes, in which aspects is the hedonic value perceived?
- 4. Which perceived value(s) will lead to satisfaction, or neutral?
- 5. Does satisfaction lead to loyalty?
- 6. How does loyalty shows in Danish online grocery industry?
- 7. How can the CBBE model apply in a real brand?

#### 1.3 Framework in the thesis

Brand equity has been defined as an added value attached to a certain product or service in customers' mind (eg. Keller, 2013; Gil-Saura et al. 2013; Aaker, 1996). The ultimate goal of marketing is to build strong brand equity, including a high degree of brand loyalty among customers. E-service quality (E-S-QUAL) (Parasuraman et al. 2005) evaluation is to explore what are the important attributes in customers' perceived value and loyalty process to a specific brand. This evaluation process suits well with the Customer-Based Brand Equity (CBBE) model (e.g. Keller, 2013) in this thesis because they both deal with experienced customers with the brand.

Little research has integrated models from brand equity and electronic service quality. This gap has motivated me to conduct this exploratory study.

#### 1.4 Appliance of the thesis

The purpose of this thesis is to improve current business knowledge regarding the e-service quality and brand loyalty. From a customer perspective,I try to get a comprehensive meaning of customers' evaluation process. It is of importance to gain knowledge of the relationship between brand attributes and customer value. More importantly, I will also investigate whether these values will lead to customer satisfaction and brand loyalty.

This thesis will be beneficial to brands wishing to achieve resonance with their customers by identifying and establishing the necessary brand meaning through e-service. The research will study which brand attributes will affect the key dimensions of brand resonance, and confirm whether these brand attributes have an impact on brand judgment and feeling. As there exists little research on the links between customer-based brand equity model and E-S-QUAL model, the studies are designed to be applicable to brands, which would like to build brand equity by superior e-service. Furthermore, as little research on E-S-QUAL model in the Danish online groceries industry have studied, another goal of this thesis is to test whether E-S-QUAL model can be applied for this industry in this particular culture.

#### 1.5 The structure of the thesis

This thesis consists of three parts. In the first part, I will start with literature review of three frameworks: means-end theory, CBBE model and E-S-QUAL model, and illustrate how these theories are integrated into developing a new model. In the second part, an exploratory sequential design of mixed method is employed. Based on the results from the collection and analysis of qualitative data in the first phase (exploratory), I will develop a model and set up research hypotheses. Then the quantitative phase is conducted to test the initial. Therefore, the second part will contain methodology of the first phase, proposed model and research hypotheses, and methodology of the second phase. The last part is composed of discussion, managerial Implications and recommendation, and limitation and further research.

## Chapter 2. Literature review

Drawing upon the CBBE model, the objectives of this exploratory study are, firstly, to identify online service attributes that appear in Danish groceries' online experience, such as browsing, purchasing, using and delivery based on the modified E-S-QUAL scale and, secondly, to evaluate which attribute(s) are strong, favorable, unique and can contribute to value, satisfaction and loyalty. Therefore, the literature review in this section will be divided into two main parts: theory of CBBE model (Keller, 2013; 2001) and theory of E-S-QUAL model (Parasuraman, et al. 2005). In CBBE model (Figure 1), I will focus on brand meaning, brand judgment and band loyalty, due to the fact that the research is based on customers who have brand knowledge and brand experience. According to means-end theory (Gutman, 1982 1997), brand attributes and benefits can be seen as motives or goals in customers' shopping behaviors. These benefits that customer perceived can be either hedonic benefit (fun, pleasure or enjoyment) or utilitarian value (convenience, freedom or control). Furthermore, utilitarian and hedonic benefits can be viewed as the sub-goals that lead to the higher goals (i.e. utilitarian and hedonic values) (Chiu et al. 2014; Parasuraman, et al. 2005).

Thus, brand attributes and benefits will be integrated into brand performance and imagery stage, since brand meaning stage is when marketers shape the brand and form brand knowledge while customers learn from those attributes. Based on means-end theory, value and satisfaction will be seen as customers' evaluation behaviors, therefore, they will be integrated in brand response stage. Value and satisfaction will be illustrated in details, especially e-value and e-satisfaction. Customers tend to evaluate brand performance and imagery based on brand attributes and benefits, thus value and satisfaction will be the outcome from that evaluation stage. The last stage is brand loyalty. If customers perceive value and thus, are satisfied with what the brand offers, they will be willing to form a relationship with that brand ultimately. My literature review will follow a new developed framework as shown in figure 2.



# Customer based brand equity pyramid

(Figure 2)

The second part of this section is E-S-QUAL model, which is the first comprehensive research on electronic service quality measurement written by Parasuraman, Zeithaml and Malhotra (2005).

Value-driven designed website will be first explained because this touch point form the first subjective impression on customers, and it is also the only touch point that marketers can fully control. E-S-QUAL is the first systematic and comprehensive model, which effectively captures the nature of electronic service quality from the perspective of online shopping via website (e.g. Boshoff, 2007). This model has been tested in various cultural contexts and different domains (i.e. not only in online retailer, but also pure online service) (Yaya et al. 2012). Thus, regarding to my case, I will take both online shops (e.g. Føtex, Irma) and online information providers (e.g. Kvickly) into consideration.

#### 2.1 CBBE concept

CBBE is an approach based on customers' perspective of what they have learned, felt, seen and heard about the brand through their experience with a brand over time, and this is also where the power of the brand lies in. The model describes customers' experience with a brand: from learning brand knowledge to evaluating brand performance and eventually, building a strong, hopefully, long term relationship with the brand. Thus, what marketers need to do is to provide the right, desired and pleasant customer experience via product and service. In short, customer-based brand equity is *"the differential effect that brand knowledge has on consumer response to the marketing of that brand* (Keller, 2013; 69)."There are four stages (six blocks) in the model: brand salience, brand performance and imagery, brand judgments and feelings, brand resonance (see figure 1). As I mentioned above, I will only focus on brand performance and imagery, brand judgments and feelings, brand resonance, because the target customers in this thesis are those who have had brand knowledge and brand experience. However, I will briefly introduce brand salience to get a holistic idea of the CBBE model for the readers (see figure 2).

#### 2.1.1 Brand salience vs. Segmentation

According to Keller (2013), there are four elements to be considered by marketers in this stage, namely, target group, nature of competition, performance attributes and association. These elements will be discussed in detailed in the following sections.

#### **Brand salience**

The objective in brand salience stage is to build brand awareness, which consists of brand recognition and brand recall (Keller, 2013). Marketers need to make sure that customers understand the product or service category and either recognize the brand or recall brand name when facing a specific needs.

#### Segmentation

Segmentation is the first and foremost consideration in brand building process since a brand cannot fulfill everyone's need in the market. According to Gallarza and Saura (2006), company strategy of segmentation and positioning policies are strongly related to perceived value evaluation. Therefore, a brand should identify the most important customers who can generate profit for the brand. (eg. Keller, 2013) Different segments have distinct needs and value, thus, they respond to satisfaction and loyalty to a brand in different ways, for example, their confidence of repeat purchasing, interpretation of perceived quality and word of mouth behavior would be different (Aaker, 1996). For example, Irma has a relatively higher price than other grocery brands, and its product assortment focuses on organic food. This means that Irma has a different target group compared with other brands. Customers, who are willing to pay a higher price and prefer organic food, would share the experiences or recommend Irma to those who have the same demand, satisfy with the same quality and perceived the same value (i.e. organic). On the other hand, a frequent buyer of Kvickly might view the large range of product assortment (from food to household products to electronic devices) as a benefit and be loyal to this brand. Therefore, it is important to understand brand's segments to build brand and fulfill needs of each target group. Apart from the traditional way of segmenting customers in the market, Vriens and Ter Hofstede (2000) introduced a segmentation method by means-end chain approach based on previous empirical research. They stated that the advantage of such a method is the combination of the strengths of attribute-based (product-specific) and benefit, value- based (consumer-specific). With regards to the virtual marketing, several authors pointed out that in order to design a simple, ease of use, highly efficient website, segmentation is crucial in business strategy (Reichheld and Schefter 2000; Reichheld and Detrick, 2003).

Keller (2013) pointed out the importance of a clear brand positioning strategy, because targeting to everyone in the market is impossible and more importantly, it will lead to an ineffective positioning. Since marketers should understand and satisfy their target group, it is more efficient to segment a group of customers who share similar needs and behavior. Keller (2013; 79) also stated "*The more finely segmented the market, the more likely that the firm will be able to implement marketing programs that meet the needs of consumers in any one segment*"

#### Nature of competition

It is worth mentioning that in consideration of competitors, both direct and indirect competitors are important. Direct competitors are those who fall into the same product or service category. In Danish grocery retailing market, brands that share the same target group can be seen as direct competitors. For example, Kvickly and Føtex are both hypermarkets that offer a large range of product assortments. Indirect competitors are those who might not fall into the same industry category or product category. Those brands may not share similar performance attributes, but share more abstract association (keller, 2013). Take Danish grocery retailers as an example. Restaurants, fast food chain, pizzeria even bakery can be seen as indirect competitors because both shopping in grocery brand and eat out share the same benefit- i.e. finishing a meal. Other electronic retailers can be seen as indirect competitors of supermarket brands who offer electronic products.

#### 2.1.2 Attributes and benefit vs. brand performance and brand imagery

#### **Brand meaning**

Brand meaning is the second step after brand awareness. According to Keller (2001; 9), "*Brand meaning* can broadly be distinguished in terms of functional, performance-related considerations versus abstract, imagery-related considerations." Brand meanings are meaningful associations created by marketers for customers. In online distribution channel, perceived website usability is part of brand's image (Cristobal et al., 2007).

#### **Brand associations (brand attributes)**

Brand associations are those brand attributes and brand benefits stay in customers' mind of a brand. Brand attributes are those "descriptive features that characterize a product or service." While brand benefits are "the personal value and meaning that consumers attach to the product or service attributes." (Keller, 2013; 77) Brand associations are also the means by which customers find that brand fulfills their needs both functionally and symbolically (ibid). Brand performance refers to tangible aspects of the brand, while brand imagery is related to abstract aspects and fulfills customers' psychological or social needs (ibid). This concept is similar to the "affective and functional quality" (Babin, Lee, Kim and Griffin, 2005). They stated that functional qualities refer to basic services, while affective qualities embody an emotional change, which can "make an experience rewarding in and of itself" (p.134). Note that the product itself is seen as the core of brand equity, because it has the primary influence on consumers' brand experience (Keller, 2013). In the context of Danish supermarket online distribution channel, website interface, delivery service and customer service represent as the core of brand equity, since these brand touch points are accompany customers' brand experience. Thus, reliability, service effectiveness, efficiency, empathy and design are the factors that matter. Affective qualities that involve experience rewarding refer to the design and content of website. According to Mogilner, Aaker and Kamvar (2011), there are two types of happiness, high in arousal (excitement) and low in arousal (calmness). By utilizing light color or relaxing photos, a website provides an atmosphere of calmness and create a low arousal and relaxing feeling. If such situation occurs after a long day of work, a calm, relaxing groceries shopping would be a reward to customers and may lead to hedonic value.

#### Points-of-difference (PODs) VS. points-of-parity (POPs)

When customer talk about a brand, brand attributes they mention can be viewed as brand knowledge, because this information is what they have learnt, felt, seen and heard about the brand. They form the brand knowledge over time by brand experience. In order to convey an impressive, memorable brand knowledge to customers, these brand attributes need to be either better than competitors or unique (differential effect) (Keller, 2013). Therefore, Keller (2013) introduced points-of-difference (PODs) and points-of-parity (POPs). In Keller's book (2013), points-of-difference (PODs) is defined as "*attributes or benefits that consumers*  strongly associate with a brand, positively evaluate, and believe that they could not find to the same extent with a competitive brand." (p.83) On the other hand, points-of-parity (POPs) are associations "not necessarily unique to the brand but may in fact be shared with other brands." (p. 84) A strong POP needs to be satisfied by most of the customers in the target group. The key elements of POPs are necessary, competitive and correlational. It is worth mentioning that category POPs may change over time. Therefore, it is necessary to detect what has changed in customers' needs and behavior or trends over a certain period of time. A strong, favorable, unique POD should fulfill three considerations, namely desirable by customers, deliverable by the brand and differentiate from competitors (ibid). Furthermore, benefit (eg. time saving) and value (eg. reliability, credibility) level PODs can help brand position itself and reach a new height where no other competitors can duplicate (Vrines and Ter Hofstede, 2000). PODs and POPs are equally important in establishing brand meaning: strong, unbeatable POPs can overcome weakness and are easier to achieve than PODs (Keller, 2013), but unique PODs can be of strong competitive advantage.

One way of identifying clear PODs is by design a "brand mantras". A brand mantra is usually three or four words defining what is the core promise or brand essence in the heart of the brand. Within these elements or words, marketers can emphasize on one of them, or some of them, but each element of the brand essence has to be fulfilled to keep a consistent image in the mind of customers. Missing even one of them is not acceptable (Keller, 2013). The essential idea of brand mantras is to ensure that all employees and all external marketing partners understand what the brand is, most fundamentally, in order to represent it with consumers.

#### **Touch points**

Keller (2013) pointed out that there are various ways in which customers can form brand associations. Take online shopping as an example. Website design, delivery service, customer service are the points where that association can form. And these touch points are the places contributing what customers really value. Moreover, social media linking to brand website is also a touch point. That important touch point can affect the customer's choice of brand. Website can be seen as one of the most important touch points during customers' electronic service, because when customers interact with retailers, they perceive that they are dealing with an organization via electronic interface rather than an employee (Wolfinbarger and Gilly, 2003).

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More precisely, an organization can be viewed as the brand of that website. Nevertheless, offline touch point can also influence online touch point such as website perception. Customers' in-store experience includes: interacting with the cashier, in-store atmosphere, seeing brand's logo; or receiving an advertisement in their mailbox with the offers of the given grocery retailer. All of these offline touch points would form brand awareness and brand knowledge and thereby increase familiarity in online shopping of that brand.

All in all, it is important for marketers to ensure that each touch point that customers and consumers may encounter a brand holds a consistent "brand promise", so that the brand meaning can be reinforced and supported consistently. In Danish grocery retailing online distribution channel case, touch points such as websites interface, delivery service (if any), post-purchase service (if any), customer service and linked-social media should in line with "brand essence or promise" and present a consistent image. According to many empirical studies, in case of goods sector's online service quality may become a durable means of differentiation (Zeithaml et al., 2002 cited in Boshoff, 2007). This means that strong, favorable, unique and durable PODs will probably be built up through service quality.

#### 2.1.3 Value and satisfaction vs. brand judgment and brand feeling

#### Brand judgment and brand feeling

Brand judgment is defined as "customers' **personal opinions** about and **evaluations** of the brand, which consumers form by putting together all the different brand performance and imagery associations." (Keller, 2013; 117) He further explained four types of judgment: judgments about quality, credibility, consideration, and superiority.

Brand quality is the key factor to customer overall evaluation, especially brand attributes and benefit that customers care about. Keller (2013) further stressed the importance of brand quality by saying, it is the antecedent of perceived quality and also to customer value and satisfaction. Brand quality in Danish online grocery service could include: quality of product (e.g. food), delivery service and so forth. There are three aspects of brand credibility: perceived expertise, trustworthiness, and likability. Perceived expertise refers to brand's competence, innovative and a market leader; trustworthiness is defined as whether a brand is seen as

dependable, keeping customers interests in mind; likability relates to emotion aspect of fun, pleasure (ibid). For example, Irma has launched its online shopping service long before Føtex, thus Irma can be perceived to have more expertise. If the brand delivers goods as promised and is able to deliver items on time, then this brand is trustworthy. Campaigns of "food competition" or "wine taste trip" were held by some Danish grocery chain through their social media. These can most likely increase customers' likability, if they feel entertained. It is worth mentioning that trust has been proved as one of the important elements in online service quality, since it is related to privacy and security (eg. Wolfinbarger and Gilly, 2003). Moreover, the strong and favorable brand association can lead to brand consideration, while unique brand associations determine brand superiority.

Brand feeling is an emotional react or response to a brand. This brand feeling can caused by six types of brand-building feeling: warmth, fun, excitement, security, social approval and self-respect (Keller, 2013). Among them, fun and security are two frequently mentioned dimensions in electronic service quality. Fun aspect in Danish online grocery brands service is one of the research purposes of this thesis, and therefore, it will be discussed in later sections in details. Security, which refers to feeling of safety, is high in Danish marketplace because majority of consumers use their credit or debit cards without worrying about the safety of the transactions. On neuromarketing level, it has proved that subjective feeling states associated with past emotional experience and that emotion-related processes can bias judgment and reason (Dolan, 2002).

#### Satisfaction

Walter, Steyrer and Wiesel (2010) stated that customer satisfaction is a result of an evaluation related to perceived performance. Satisfaction is also an evaluation of quality attributes. Therefore, one can understand as satisfaction happens in the brand judgment and feeling stage. It is still in discussion that satisfaction and value have many overlapping aspects (Gallarza and Saura, 2006).

One of the most widely accepted definitions of satisfaction is from Wangenheim and Bayo'n 2004; 212; Geyskens et al. 1999. It defines satisfaction as the difference between consumer's prior expectations and profit from actual performance, while other authors give satisfaction a more specific meaning. For example, Luis and his colleagues (2008; 401) cited a concept from Geyskens, Steenkamp and Kumar's study (1999), saying the concept of satisfaction "can be divided into two distinct perspectives. The first perspective considers satisfaction as an affective predisposition sustained by economic conditions, such as the volume of sales or profit margins obtained. The second vision, known as non-economic satisfaction, considers the concept using more psychological factors, such as a partner fulfilling promises or the ease of relationships with the aforementioned partner." One can understand economic satisfaction as a tangible, effective and productive goal achievement. In everyday grocery shopping case, for instance, individual consumer could achieve their goals by buying what they need at a reasonable price (price saving), or within a relatively short period of time (time saving), or in some other manner that would correspond to their motivation (very high quality / scarcely available item) and the most important utilitarian satisfaction is on a personal level of liking a brand, such as feeling pleasant and joyful when buying certain brands. For example, one likes to browse a certain web page simply because of the color and image on it, or wine lovers enjoy the moment of learning different wine knowledge online.

Interestingly, some authors explained value in a similar way as those who defined satisfaction. Gallarza and Saura (2006) pointed out two pivotal dimensions of value, namely, the economic value (transaction aspects) and the psychological value (emotional aspects).

Based on previous empirical studies and Kano method, Walter, Steyrer and Wiesel (2010) explained five different types of attributes and a relationship between these attributes and brand performance judgment/evaluation (satisfaction, dissatisfaction) (figure 3). These attributes are "must-be requirements", "one-dimensional requirements", "attractive requirements", "indifferent requirements" and "reverse requirements". Among them, the first three requirements are interesting to look at: must-be requirements, as basic requirements, are minimum requirements that do not lead to customer satisfaction if fulfilled or exceeded because it is a necessary but not a sufficient condition for satisfaction. One-dimensional requirements are explicitly demanded by customers and lead to satisfaction if its performance is high. Positive performance on attractive requirements has a greater influence on overall satisfaction. These

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definitions are in line with the description of satisfaction: "satisfaction may be best understood as an ongoing evaluation of the surprise inherent in a product acquisition and/or consumption experience (p.125)" (Oliver, 1997 cited in Anderson and Srinivasan, 2003) Must-be requirements (eg. price seeking, information seeking) are basic attributes that has to be kept in a satisfactory level because customers take them for granted. It is similar with POPs that all brands share the same attribute because it must be required. A strong POP can probably be created through one-dimensional requirement because customer satisfaction is proportional to the level of performance and customers' explicit needs and desires are attached to these attributes. The higher the performance is, the more satisfied customers are, and vice versa. PODs can be created via attractive requirements, due to the fact that these attributes have the greatest influence on customer's satisfaction. More importantly, attractive requirements offer unexpected and surprise to customers, meaning that customers are rewarded the most from these attributes when dealing with the brand.



Source: Berger et al., (1993) cited in Walter et al. (2010), p. 75.

#### **E-satisfaction**

E-satisfaction has been long studied even since the virtual marketing came into the field. Anderson and Srinivasan (2003; 125) defined e-satisfaction as "*the contentment of the customer with respect to his or her prior purchasing experience with a given electronic commerce firm*." Moreover, they defined two levels of factors: individual level and firms' business level, explaining the positive relationship between e-satisfaction and loyalty. Nevertheless, "perceived value" in business level has a significant impact of e-satisfaction on

e-loyalty. Most interestingly, the relationship of e-satisfaction and perceived value is always in intense discussion.

#### Value

Substantial empirical studies have showed that value is held to mediate behavior and is a consequence of a set of perceptual attributes (e.g. Parasuraman et al., 2005; Gutman, 1997). Consumers could be "logical thinkers", who solve problems by using information process when making the purchase decision (Bettamn 1979 cited in Holbrook and Hirschman, 1982;132), and/or an experiential seeker looking for fun and pleasure (Holbrook and Hirschman, 1982). There are different academic names of value in research, among which perceived value and consumer value is the most used. The most common description of perceived value is the trade off of the overall benefit (get) to overall sacrifices (give) (eg. Babin, et al. 1994; Patterson and Srpeng, 1997). According to Patterson and Spreng (1997), it could happen in either pre-purchasing or post-purchasing or in both. In the pre-purchase stage, consumers may refuse to make a transaction simply because of high price or a mismatch of their expectation and sacrifice (cost) (Patterson and Spreng 1997). Avoidance of purchasing could occur in other situation where consumers are affected emotionally, such as dislike the design of a web page. Post-purchase situation is another story, because consumers can evaluate value based on experience with the brand (Patterson and Spreng 1997). Since this thesis aims at how consumer behavior forms loyalty, I focus mainly on post-purchase satisfaction and whether consumer gain perceived value when experiencing with the brand. Therefore, we view customers as individuals who experience with a certain brand and cite Gallarza and Saura's (2006; 439) concept that "perceived value should be understood as synonymous of consumer value." Obtaining value is a fundamental goal and pivotal motive for customers to consume a certain brand (Chui et al. 2014).

A wide range of typologies of value has been found in previous studies. Among them, hedonic and utilitarian value approach was the most commonly used (eg. Overby and Lee 2006; Holbrook and Hirschman 1982). These two dimensions clearly divide functional purpose and affective purpose of consumer behavior. Holbrook has been long studied consumer value consistently and defined eight types of value within three dimensions in his book (1999). According to Holbrook's typology, value can be extrinsic or intrinsic, active or reactive, for self-oriented or other-oriented, more specifically, efficiency (O/I; convenience), excellence (quality), play (fun), aesthetics (beauty), status (success, impression, management), esteem (reputation, materialism, possessions), ethics (justice, virtue, morality) and spirituality (faith ecstasy, sacredness). Among these eight values, the four dimensions in self-oriented value will be utilized in this essay. This is because the two types of value used in this thesis are personal feelings and subjective opinions from the evaluation of the shopping experience.

Everyday groceries shopping could be seen as a task for everyone especially those who have children. People shop for food and commodity, as it is a necessary duty to accomplish. Interestingly, many researchers have found that online shoppers focus on the functional aspect of website store, except pathological Internet users (Bridges and Florsheim 2008; Wolfinbarger and Gilly 2001). But other researchers believe that hedonic value is important in shopping experience and it should not be ignored (Babin et al., 1994; Holbrook and Hirschman, 1982). According to Aastrup, Bjerre, Kornum and Kotzab's (2010) analysis of the Danish retail market, they pointed out that the values that attract customers not only lie in functional quality and low price, but also those brands which can provide more hedonic and self-expressive benefit.

It is worth noting that value perceptions are formed in a post-purchase situation in this thesis. This is because value perceptions from pre-consumption situation are likely differing from post-purchase situation. Due to the familiarity of the brand, service and quality, customers evaluate performance in a different way and get less influence in some aspect such as brand image (e.g. Patterson and Spreng, 1007).

#### Utilitarian value

Utilitarian value, also known as functional value, usually occurs when individual achieves an *intended goal* (Babin et la. 1994) based on practical and rational shopping decision (Lee et al. 2013). This goal could simply meet expectation for one's own sake (convenience, saving time, task accomplished with good quality) or as an acceptance from others (success, reputation) (Holbrook, 1999). With regards to convenience, some author pointed out that some customers are willing to pay more for that convenience, that is, pay more to

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make their lives easier (Reichheld and Schefter, 2000). Such behavior is described as: "*price rational but not price obsessive*" (Reichheld and Schefter, 2000; 11). Patterson and Spreng (1997; 416) employed merely functional aspect of value (perceived quality or performance and perceived monetary sacrifice) in their study and pointed out value is the agency between "*cognitive elements of perceived quality or performance, perceived monetary sacrifice and behavioral intentions*." This is in line with one of value that Zeithaml (1988) defined.

#### E-utilitarian value

It is an interesting question to ask, whether value changes when shopping environment changes, meaning from "brick and mortar" store to machine interactivity? However, many researchers have discovered that consumers are more goal-oriented than experiential needs in an online shopping environment (eg. Wolfinbarger and Gilly 2001). Wolfinbarger and Gilly (2001) listed some possible reasons of this phenomenon. First, they believed people with certain characteristics (Time-starved and/or strong internal locus of control) would prefer online shopping. Secondly, shopping online could dramatically reduce search cost but increase control (see also in Parasuraman et al., 2005; Bridges and Florsheim, 2008) and freedom. They also stressed four specific attributes which goal-oriented shoppers favor for, namely, convenience (eg. Parasuraman et al., 2005; Anderson and Srinivasan, 2003) and accessibility; selection; availability of information; and lack of sociality (Wolfinbarger and Gilly, 2001; p35).

Similarly, Chiu, Wang, Fang and Huang(2014) proved that product offerings, product information, convenience and monetary savings (see also in Parasuraman et al., 2005) are significant utilitarian value dimensions. Among them, monetary saving is a classical utilitarian value dimension because Internet makes it easy to compare price, in other words, it reduces cost and effort for customers (Chiu et al., 2014). Other scholars also listed some examples of utilitarian value in online shopping environment, namely, perception of overall price (Parasuraman et al., 2005), flexible navigation, substitutability of the website visit for personal examination of a product (Childers et al. 2001 cited in Bridges and Florsheim, 2007; 310), ease to use (eg. Yang and Fang, 2004), surfing skill and interactive speed would affect consumer view of utilitarian value (Bridges and Florsheim, 2008). Gommans, Krishnan and Scheffold (2001) claimed value proposition in e-space lies in product customization and interactivity and these two factors can contribute to e-loyalty.

Danish grocery website offers a number of recipes, while customers can make their own food calendar: what to eat on Monday, what to eat on Tuesday and so on. Thus, one can understand this product customization and interactivity can generate value via website. Gommans, Krishnan and Scheffold (2001) go on to stated that the higher this interactivity involved, the stronger affective relationship with the brand will be, and eventually, lead to brand loyalty.

#### Hedonic value

Apart from functional benefit, what gives us pleasure in the experience of online shopping? It could be fun, feeling of safe or simply familiarity. Obviously, this emotional reaction simply occurs when consumer is experiencing with (experiential perspective) a brand (Babin et la. 1994) and it is more personal and subjective for that matter (Holbrook and Hirschman, 1982 cited in Babin et la. 1994). In other words, hedonic value involves "intrinsically enjoyable" (Bridges and Florsheim, 2008).

It is worth mentioning that impulse shopping is a typical example of seeking for hedonic value because it is more a need to purchase than a need for a product (Rook, 1987 cited in Babin et al. 1994) and compulsive shoppers also hunt for the enjoyment of shopping action rather than product they buy (Faber and O'Guinn 1989 cited in Babin et al. 1994)

#### E-hedonic value

As the shopping environment changes from physical store to machine interactivity, the whole experiential of seeking or gain hedonic value is different. Consumer may use most of senses in a physical store, where they could feel (tactioception), hear (auditoception), visual (ophthalmoception), taste (gustaoception), even smell (olfacception) product, however when surfing online shop, they could only rely on sight (ophthalmoception), maybe hearing (auditoception) to connect with product.

While utilitarian value of online shopping is more obvious in the sight of consumer (eg. Convenience, time saving), what could marketers do to create an online environment to provide enjoyment (hedonic value) to consumer? Hennig-Thurau et al. (2010) and some other authors believe that costumers gain hedonic value via online forum (eg. Facebook) where they interact with each other to achieve personal and shared goals

(Dholakia et al. 2004 and Nambisan and Baron 2009 cited in Hennig-Thurau et al. 2010). One of Holbrook's (1996) values is play, which is actively pursued by oneself. Play can lead to fun and is happened in spare time instead of working time. In online shopping context, browser could be emotionally aroused by the color, navigation design and imagery presented of that website. Holbrook and Hirschman described it as *"consciousness with a variety of symbolic meanings, hedonic responses and esthetic criteria."* (Holbrook and Hirschman, 1982; 132) Examples of the associations and imagery could be an attractive meal on an outdoor table under the sunshine, or old French cottage serving the cheese on an antique table.

#### 2.1.4 Loyalty vs. Brand resonance

#### **E-Loyalty**

Parasuraman, Zeithaml and Malhotra (2005) concluded five points to measure consumer's loyalty intentions. The first three behaviors are whether consumers are willing to say positive things or recommend or encourage others to visit their favorite website, while the last two are whether put the brand as top of mind choice and consume repeatedly in the further. So one can understand that Parasuraman, Zeithaml and Malhotra's (2005) content of loyalty to a certain brand involves word-of-mouth and intention to return. Nevertheless, other authors have also proposed that loyalty favors higher intensity in positive word-of-mouth (Hallowell, 1996 cited in Luis et al. 2008) and higher future purchase intention (Luis et al. 2008) or tendency to return to the same brand again (Edvardsson et al. 2000 cited in Luis et al. 2008). Kim and his colleagues (2001) used a similar concept -commitment- in their study and proved a positive relationship between commitment and repeated purchase, word of mouth. Arguably, a relationship is built between consumer and brand when consumers become loyal to that brand.

Customers evaluate online brand performance and imagery in a way different from traditional brand performance and imagery. Based on previous studies, Gommans, Krishnan and Scheffold (2001) pointed out that e-loyalty is all about on-time delivery (fulfillment), compelling product presentations (website design), convenient and reasonably priced shipping and handling (fulfillment), and clear and trustworthy privacy policies. It is also a distribution driven, consumer controlled and technology-facilitated concept (Schefter and Reichheld (2000) and Schultz (2000) cited in Gommans et al., 2001). They further stressed that trust, privacy and security factors become more important in the e-space. Nevertheless, the initial purpose of build brand loyalty is the same in both traditional business model and e-service model, that is, loyalty is still about earning the trust of the target group and creating a consistently superior retention experience (Reichheld and Schefter, 2000).

#### **Brand resonance**

Keller (2013; 120) defined the nature of brand resonance as follow: "*The final step of the model focuses* on the ultimate relationship and level of identification that the customer has with the brand. Brand resonance describes the nature of this relationship and the extent to which customers feel that they are "in sync" with the brand." He further explained two dimensions of loyalty, namely psychological bond and loyal activity. Furthermore, he divides the two dimensions into four types: behavioral loyalty, attitudinal attachment, sense of community and active engagement.

#### Behavioral loyalty

Behavioral loyalty describes the purchase frequencies and volumes (Keller, 2013). Repeat purchasing is one of the most popular behaviors reflecting loyalty. It is of course the most direct impact on company's financial profit. When transaction model changes from offline to online marketplace, both the conceptual and measurement issues become complex and sophisticated (Gommans et al., 2001; 46).

#### Attitudinal Attachment

This dimension refers to a "personal attachment". Keller (2013; 121) pointed out that customers need to be fully satisfied to be attitudinal attach to the brand. It is worth mentioning that Gommans, Krishnan and Scheffold (2001) stressed that trust is a component of the attitudinal loyalty because it reduces brand uncertainty. According to Thomson, MacInnis and Park's (2005) studies, positive feelings of affection, passion and connection are a kind of emotional attachment, which is also strong predictor of loyalty. Drawing on these authors' theory of difference between brand attitude and emotional attachment, I thereby conclude that emotional attachment is a profound and significant brand attitude, which develops through long-term interaction with meaning and invokes strong emotions. Furthermore, customer will commit to preserving this relationship and affectively loaded in memories to attach oneself.

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#### Sense of Community

The sense of community is related to the sense of belonging to a certain brand and/or a certain group. It deals with the fact that customers feel a kinship or affiliation with that group of people associated with the brand. The members of the group could be fellow brand users or customers, or employees or representatives of the company (Keller, 2013). The stronger that sense of community occurs, the more favorable brand attitude and intention will be (ibid). According to Østergaard and Jantzen (2001), members in such a group share certain symbols so that they are recognized by others in the same group. Besides, customers are no longer emotional and narcissistic determined, instead they are metaphysical.

#### Active Engagement

According to Keller (2013; 121), this type of behavioral loyalty is the strongest affirmation, because customers spend "*time*, *energy*, *money*, *or other resources in the brand beyond those expended during purchase or consumption of the brand*." Nevertheless, word-of-mouth falls into this category of brand loyalty, because customers see themselves as brand evangelists and/or ambassadors and "*help communicate about the brand and strengthen the brand ties of others*." word-of-mouth will be discussed in details as below.

#### *WOM*

Word-of-mouth has been defined as a social connection since early last century (Ryan and Gross 1943). Brooks (1957) defined it as an "extremely powerful interpersonal-influence network among consumers". It is an activity that occurs after an experience with a brand (Kotler et al., 2009) and normally involves by one consumer, who sends out messages to others (Kozinets 2010). This message, which contents "product and brand-related marketing message meaning" (Kozinets 2010), could be positive, negative or only communication (Kozinets 2010). Many scholars have described word-of-mouth as the most effective, credible, powerful (e.g. Brooks 1957; Trusov et al. 2009) and unbiased product information (Hennig-Thurau et al. 2004). Meanwhile, the person who spreads out the message is more up-to-date, enjoyable, and reliable (Gretzel and Yoo 2008 cited in Ye et al. 2011) "opinion leader", because they are "friends who recommends a tried and trusted product" (Dichter 1966, p. 165 cited in Kozinets 2010). De Bruyn and Lilien (2008) also found word-of-mouth influences recipients' behaviors during decision-making process, because "*consumers prefer to rely on informal and personal communication sources (e.g. other consumers) in making purchase decisions instead of on formal and organizational sources such as advertising campaigns*" (Bansal and Voyer, 2000 cited in Luis et al. 2008; 402). Lam and his colleagues (2005; 9) stated that word-of-mouth can influence "*a variety of consumer conditions, from awareness, expectation, perceptions, attitudes, behavioral intentions to actual behaviors*." That means word-of-month can affect brand recall and brand recognition. Nevertheless, characteristics like the trustworthiness and reliability has not been changed, (Blackshaw and Nazzaro 2004) because the unbiased message is sent from experienced consumers or friends. Thus, word-of-mouth is a powerful, effective, credible and trustworthy market communication strategy with the purpose of spreading out brand meaning and messages, yet having impact on others behaviors and attitudes.

#### E-WOM

Web 2.0 changes various aspects of consumer behavior, including the word-of-mouth behavior. First and foremost, we need to understand the environment where the new form of word-of-mouth takes places. According to Hennig-Thurau and his colleagues (2004; 39), unique characteristics of Internet communication is directed to multiple individuals *anonymously* and available to other consumers for an unlimited period of time. Online environment also allows marketing messages or meaning exchanged among consumers in the virtual network (Kozinets, et al. 2010) without any physical contact (Cheung et al. 2004). Some scholars redefined word-of-mouth as electronic-word-of-mouth (eg. Hennig-Thurau et al. 2004) and others named it consumer-generated media. (Blackshaw and Nazzaro 2004) It is worth mentioning that in the study of Hennig-Thurau, Gwinner, Walsh and Gremler (2004; 39), they explained that E-word-of-mouth occurs not only in web-based opinion platforms, but also in discussion forums, boycott web sites and new groups. However, in our case, I only investigate Danish supermarket web-based opinion platforms. Electronic-word-of-mouth normally takes place in an environment, where every user normally *writes* words on a website or online forum, some authors call it virtual community (eg. Cheung et al. 2004) others name it user-generated contents (UGC) (Ye et al. 2011). In worldwide Internet, it is not possible for everyone in the same virtual group to know each other. Different from traditional word-of-mouth activity, here they are most likely strangers to each other. However, Cheung and her colleagues stated that because of the nature of demanding knowledge as human (Cheung et al. 2004), we form a weak-tie relationship online even if we do not know well others (Ardichvili et al. 2003 cited in Cheung et al. 2004). The authors also stressed that such a diversity raises the completeness of solutions, therefore it is more efficient and effective (Cheung et al. 2004; 2102). One can argue that, more possibility of getting information and knowledge from a larger number of consumers makes word-of-mouth more powerful because it is even more unbiased. Other authors found out that utilitarian motive is the reason why costumers post EWOM and consume EWOM (Hennig-Thurau et al. 2004; in Hennig- Thurau et al. 2010).

#### 2.2 E-S-Q and E-RecS-QUAL

#### 2.2.1 Service in nature

Based on previous studies, Babin, Lee, Kim and Griffin (2005; 138) stated there are two types of attributes in service attributes: "*Core attributes are task-related and are essentially those that provide the functional quality. Relational attributes, which are more communal and emotional in nature, would include the retail atmosphere.*" In a similar vein, this theory also applies to electronic service quality. According to Parasuraman, Zeithaml and Malhotra (2005), their study only examines the functional aspect of e-service, however, I believe a website, similar to "retail atmosphere", also provides emotional feelings. Details will be discussed in below section.

#### 2.2.2 Value-driven designed website

The first stream of research relevant to e-service quality is from website studies literature. Website is the only touch point that marketers can fully control and it is also the first touch point from which customers get information about the brand. Retailers can fully control the content, color, graphic design and information/brand meaning through the design of website. Mathwick, malhotra and Rigdon (2001; 6) claimed that online shoppers are "*responding to entertainment dimension of the aesthetic response*". Besides, according to substantial empirical studies, those factors such as simplicity; ease of understanding the

structure of a system, its functions, interface and contents are a core determination of satisfaction, loyalty (eg. Cristobal et al., 2007; Wolfinbarger and Gilly, 2003; Bai et al., 2008). It does not mean that other touch points of this online experience are less important, but they are just largely beyond the control of marketers. System technology can sometimes depend on signal or a third party such as bank system, while delivery service relies on post service and other human involved activity. Another important reason is that website is a crucial place to arouse customers' emotional feeling (eg. Bauer et al., 2006; Babin et al., 1994). This will be discussed in details in the later section. Due to the above reasons, even if there is no "website design" dimension in E-S-QUAL model, the relevant literature of value-driven website design will be shown as follow.

Based on many empirical studies, the aesthetic appeal of the website strongly relates to the evaluation of the functionality, usability (Bauer et al., 2006) and quality (Wolfinbarger and Gilly, 2003) of that website. Moreover, they emphasize on the tight relationship between the visual appeal of the website design and *efficiency* of that website. Furthermore, one of Szymanski and Hise's (2000) results on *e-satisfaction* factors is site design, which means that website design has influence on satisfaction in online environment. Website design involves customers' initial learning experiences, therefore it is a crucial touch point and can become a competitive advantage and keep customer retention (Mittal and Sawhney, 2001). If that knowledge from the website design becomes a unique brand association to customers, it is likely to create customer *loyalty* (ibid). In Yang and fang's (2004) studies, website quality was defined as information system quality.

Grocery online surfing could be seen as an experiential service provided from retailer to consumers. Retailers provide information and/or messages which carry brand meaning (Bolchini et al., 2009) to consumers via website, while consumers utilize mainly visual sense (Johnson, 2010) during this experiential journey. Therefore, the goal of designing a website should be clear. Some scholars state that this goal is to allow companies to sell products or services; to allow users to purchase products or services (Handbook of Human Factors and ergonomics, by Salvendy, Kim-Phuong, John Wiley & Sons, Inc., 2012 "Website design and evaluation" p,1324). Others state that the value-carrying message or information from a website is a way to communicate brand (Bolchini et al. 2009). It is a kind of 'self-service' when consumers browser in a website, because customers receive information directly from website instead of from an employee

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((Zeithaml et al., 2002 cited in Cristobal et al., 2007). If retailers cannot draw attention or catch visual of consumers to that specific message or information, the design of that website fails. This is because human's attention is limited, and we only search for relevant information instead of scrutinize every single word and corner of that screen (Johnson, 2010). Brand message and information is represented as concrete cues on website, and more importantly, these cues are antecedents to website satisfaction and eventually brand loyalty (Cyr, 2008).

What are the key elements of concrete cues of an effective website? A user-friendly website should be *terse* and *structured way* (Johnson, 2010; 25) and consider the following factors: the ability to control of what (am I doing), where (am I in the website), when (I want to get onto the website) (Cristobal et al., 2007). Additionally, according to Johnson, (2010; 25), these points eventually increase user's browser speed: *non-repetition* could highlight the important information, *easy to understand and scan*, easy to find what customer is looking for. Utilitarian users go for useful information or messages when browsering website. Poor information design, for example too much unnecessary text, difficulty in finding information can decrease audient's reading speed and comprehension, therefore it is not acceptable. As McKinney and colleagues (2002; 308) state, "Customers dissatisfied with web site information contents will leave the site without making a purchase". These groups of consumers browser website based on their goals and expectations. Therefore, it is essential for marketers and website designers to understand their potential target group's need and goal, and to place the right information in the right place and prominent.

#### 2.2.3 Website design quality

Perceived quality is one of the important dimensions in brand building pattern. It is also the key determinant of perceived value (eg. Parasuraman et al. 2005), brand usage, price premiums, price elasticity and stock return (Aaker, 1996). In many empirical studies, perceived quality is named as electronic service quality and falls into three main categories, namely, technical quality of Web sites, Web site service quality and dimensions that affect customer satisfaction (eg. Akinci et al. 2010). From previous studies, Keller (2013) pointed out that style and design are general dimensions of perceived quality and sometimes consumer evaluation may be formed by less thoughtful decision making based on product characteristics (eg. color). One can understand that customer evaluate perceived quality based on the color or the theme of a

website, which is design of that website. Website design helps customers to form a brand image in mind, because customers obtain intangible benefit from browser website (Merz, 2012). This could be that customers affect by the atmospherics of that website design.

Website design quality plays a pivotal role in online distribution channel marketing communication strategy, especially for those informational websites such as "Kvickly.dk". This is because customers examine service and product assess values based on the information shown on that website (Kim and Niehm, 2009). In other words, information from website is important because it is seen as one of the concrete cue (attribute), it will probably lead to a higher order abstraction (i.e. value) in the mind of customers (eg. Parasuraman, 2005; Kim and Niehm, 2009; Vrines and Ter Hofstede, 2000).

All in all, the antecedents of e-SQ are specific concrete cues (color, navigation design, search bar design) that trigger perceptual attributes. Website interface is a key touch point in e-service and it can affect the choice of brand. Moreover, it is an important touch point that customers seek for utilitarian benefit (i.e. efficiency) and hedonic benefit (i.e. entertainment).

#### 2.2.4 E-S-QUAL model

Customers perceive quality not only from website design quality, but also from other touch point quality. It has only been less than twenty years ago, when researchers started to notice the online shopping is not only about the quality of the site, but also the service behind the screen. Parasuraman, Zeithaml and Malhotra (2005) conducted a comprehensive method of electronic service quality measurement, which explains the whole experience that customers deal with a brand through online distribution and how customers evaluate service. They suggested that customers' assessment of a Web site's quality includes not only experiences during their interactions with the site but also post interaction service aspects (i.e., fulfillment, returns). Unlike some of the other studies, this model provides a holistic view of pre- and post-website service. The reliability and validity of this scale have been verified in several studies in more than 12 different culture contexts (eg. Yayaa, Marimonb and Fa, 2012). According to Akinci, Atilgan-Inan and

Aksoy's (2010) study of pure-service website, E-S-QUAL's four dimensions enable brand to differentiate themselves and thereby, become a sustainable competitive advantage.

Before we look into E-S-QUAL model, we shall get an overview look of the empirical studies in the field of electronic service quality. Yoo and Donthu (2001) developed SITEQUAL with four dimensions: ease of use, aesthetic design, processing speed, and security. Furthermore they found that website with higher quality was rated higher in a variety of customer attitudes and behaviors. Wolfinbarger and Gilly (2003) introduced eTailQ, which has 14 attributes scale, and four distinct factors, namely, Web site design, customer service, fulfillment/reliability and security/ privacy. The authors found that reliability/ fulfillment ratings are the strongest predictor of customer satisfaction and quality, and the second strongest predictor of intentions to repurchase at a site. Apart from concrete cues, the other three elements are abstract and will not change easily even technology changes. Both Wolfinbarger and Gilly (2003) and Parasuraman, Zeithaml and Malhotra (2005) eliminate the fact of hedonic aspects of online shopping. Drawing upon Parasuraman, Zeithaml and Malhotra's (2005) four dimensions configuration, Boshoff (2007) extented this model into a six-factor configuration where "fulfillment" dimension split into two, namely "delivery" and "reliability". An additional dimension, named "speed", was introduced.

E-S-QUAL model consists of four dimensions, namely, efficiency (eight attributes), fulfillment (seven attributes), system availability (four attributes) and privacy (three attributes). Besides, Parasuraman, Zeithaml and Malhotra (2005) claimed that these perceptual attributes are more enduring evaluative, more experiential and more scalable than are concrete cues.

#### Efficiency

The efficiency dimension is related to the design of the Web site and user interface (eg. Parasuraman et al., 2005; Kim et al., 2006). It is defined as "the ease and speed of accessing and using the site" (Parasuraman et al., 2005; 220) In Kim, Kim and Lennon's (2006;62) study of online apparel retailers, those attributes fall into efficiency dimension are: "facilitate easy access to the web site, simple and easy search for information, and fast checkout with minimal effort." Chiu, Wang, Fang and Huang(2014) pointed out that convenience is the most compelling benefit in online shopping experience and should be categorized in

efficiency dimension (see also in Holbrook, 1996), moreover, efficiency dimension is the core in utilitarian value seeker.

#### Fulfillment

The fulfillment dimension covers the Web site's behind-the-scenes infrastructure. Fulfillment is related to reliability of the brand, because it measures the brand's ability to keep promise accurately and deliver that promise via service (eg. Akinci et al., 2010; Kim et al., 2006; Wolfinbarger and Gilly, 2003; Reichheld and Schefter, 2000). Moreover reliability also includes merchandise availability (Beneke et al., 2012). It is noteworthy that reliability is the strongest predictor of value perceptions (Boshoff, 2007).

In most of website service quality studies, efficiency and fulfillment play a more important role than the other two dimensions. Akinci, Atilgan-Inan and Aksoy's (2010) result is in line with Parasuraman, Zeithaml and Malhotra's (2005) outcome, saying that efficiency and fulfillment dimensions (also Wolfinbarger and Gilly, 2003) demonstrate stronger direct impacts on the overall perceived value construct. Moreover, Szymanski and Hise (2000) claimed that convenience, which includes saving time and making browsing easy, plays a more prominent role in consumer e-satisfaction. Convenience, to some extent, is similar to efficiency dimension. Yang and Fang (2004) claimed that speedy and accurate, which refer to efficiency and fulfillment, completion of a transaction can lead to customer satisfaction.

#### Privacy

Security aspect should be categorized as "assurance" and involves privacy and other elements of reliability. According to Yang and Fang (2004), one of the key factors customers concern within the information system quality is security. Their range of security includes secure browsers, to ensure account and transaction security, which are similar to Parasuraman, Zeithaml and Malhotra's (2005) privacy dimension.

#### System availability

According to Yang and Fang's (2004) studies, most factors leading to dissatisfaction are tied to systems quality. They go on to explain that superior performance of systems quality will not delight customers, but failure of that performance will definitely cause dissatisfaction.

#### 2.2.5 E-RecS-QUAL

Unlike other author, Parasuraman, Zeithaml and Malhotra (2005) separate customer service recovery issues by introducing E-RecS-QUAL. E-RecS-QUAL consists of responsiveness (five attributes), compensation (three attributes), and contact (three attributes) dimensions. Findings from Akinci, Atilgan-Inan and Aksoy's (2010) E-RecS-QUAL scale shows that responsiveness and compensation dimensions have a significant and positive effect on customer loyalty. Yang and Fang (2004) claimed that superior solution of any problem incurred will lead to customer satisfaction. Failure of performing certain factors can lead to dissatisfaction. Among them, responsiveness can lead to both satisfaction and dissatisfaction.

#### 2.2.6 Model concerns

Even though E-S-QUAL has been proved to be the most comprehensive electronic service quality measurement so far, there are still some concerns with regard to hedonic aspects of electronic service. Parasuraman, Zeithaml and Malhotra (2005; 229) believed experiential aspects such as hedonic value are *"distinct benefits that may not be relevant in all contexts or to all customers."* I therefore, argue that it is a major omission to ignore hedonic aspects such as fun, pleasure or enjoyment in online experience. Other empirical researches have found that emotional affect is aroused at the same time of retailing website browsing (eg. Bauer et al., 2006; Babin et al., 1994) and this intangible aspect of motives plays an important role (Bauer et al., 2006).

Thus, emotional elements need to be examined as well. In other words, customer's online experience with brand can arouse emotional outcome.

I suggest a modified conceptual framework in order to capture all relevant electronic service quality aspects.

### Part 2.

## Chapter 3. Research design

In the light of Cameron (2009), Johnson (2015) and Creswell and Plano Clark (2011), I will employ a mixed method in this thesis. Mixed method research usually combines both qualitative and quantitative approaches, either concurrently, sequentially or embedding one within the other (Creswell and Plano Clark, 2011). An interactive level of mixed method interaction is one strand, which may be implemented within a framework based on the other strand type (Creswell and Plano Clark, 2011; 65) Although mixed research is more expensive and more time-consuming than pure qualitative or quantitative methods, it possesses advantage from both methods (Johnson and Onwuegbuzie, 2004). It means that researchers are able to utilize all of the tools for data collection rather than being restricted by either qualitative approach or quantitative approach. In short, there is no "EITHER, OR" in the plan of research method, but "AND".

Utilizing mixed methods not only benefits from both qualitative and quantitative approaches, it also improves validity or generates triangulation findings; offers a more comprehensive account of the area of inquiry; helps to explain findings generated by the other method; receives fruitful unexpected results; enhances the integrity of findings; provides contextual understanding; confirms and discovers ("*refers to using qualitative data to generate hypotheses and using quantitative research to test these hypotheses within a single project*" (p. 63)) (Bryman, 2006 cited in Creswell and Plano Clark, 2011).

Multiphase combination timing occurs when the research implements multiple phases, which include sequential and /or concurrent timing. Sequential timing refers as two distinct phases, when "*the collection and analysis of one type of data occurring after the collection and analysis of the other type*" (Creswell and Plano Clark, 2011; 66). While concurrent timing refers to a single phase, where both the quantitative and qualitative strands are implemented (ibid). The exploratory sequential design is one of the methods that use sequential timing. This method begins with the collection and analysis of qualitative data in the first phase.
Based on the results from the first strand (exploratory), researchers will conduct the second, quantitative phase to test the initial findings (ibid). Compared with quantitative method, it is more difficult for qualitative research to test hypotheses and theories (Johnson and Onwuegbuzie, 2004). According to Vriens and Ter Hofstede's (2000) study of means-end chain theory and Keller (2013), a qualitative research is suggestive, because all the potential salient associations can be identified and the relationship between product concrete attribute and benefit could be found in such a research method. Therefore, I will employ a qualitative method in the first strand (phase), and utilize quantitative method in the second strand (phase) to test my hypotheses and theories. Based on E-S-QUAL and CBBE model, I utilize a qualitative approach in the first strand (phase) for five reasons: (1) to confirm the perceptual attributes in Parasuraman, Zeithaml and Malhotra's (2005) conclusion; (2) to test if their four dimensions would work similarly in the Danish grocery online distribution; (3) to find out whether emotional feeling or hedonic value could possibly be generated in such a cultural context; (4) to select case brand(s) which has (have) relatively high satisfaction level and (5) finally, to develop a new model in this case. Results from the first phase, therefore, can be used as an inference for the second phase. According to Cameron (2009), inference in mixed method can either complement or confirm each other. Considering the results from the first phase as variables, I thereby develop a quantitative instrument and use it to assess the overall prevalence of these variables (together with previous empirical studies of electronic service quality studies) for a large number of selected brand(s) experienced online distribution users.

# Chapter 4. The first phase

# 4.1 Methodology of the first phase

In the first phase of research, qualitative interviews and netnography were conducted. In particular, netnography method studies online interaction only with no participation because such research is to uncover themes that are derived from the threads in the online discussions (Bryman and Bell, 2015). However, to ensure research ethics, I will identify myself after my observation and will tell informants about the observation. In order to get insight into customers' point of view and to get a comprehensive understanding of e-service, a qualitative interview method is employed as well. By conducting these two methods, we can confirm each other's results and view them as a triangulation method.

#### 4.1.1 Qualitative interview

According to Bryman and Bell (2015), there are two types of qualitative interview: the almost totally unstructured interview and the semi-structured interview. The former uses at most an aide-mémoire as a brief set of prompts within a certain range of topics while in the latter method, researcher has a list of questions (an interview guide) on fairly specific topics to be covered. Moreover, the authors state that if the researcher has a fairly clear focus at the beginning of the investigation and therefore a semi-structured method is more suitable in the situation and more specific issues can be addressed.

## 4.1.2 Qualitative interview vs. quantitative interview

In order to have a clear and comprehensive picture of qualitative interview and select the most appropriate method for this thesis, a comparison of qualitative interview and quantitative interview (structured interview) will be uncovered.

The aim of structured interview (sometimes called standardized interview) is, for all interviewees to be given *exactly* the same context of questioning and offered a *fixed* range of answers. The goal of this method is to ensure the results from each interviewee can be aggregated (Bryman and Bell, 2015). Due to the nature

of compromising the standardization of the quantitative interview process, new questions that follow up interviewees' replies and vary the order or wording of questions should not occur. However, the above phenomenon is allowed to occur in qualitative interview (ibid). There is an emphasis on greater generality in the interviewees' own perspectives in qualitative approach and further questions can be asked based on significant replies (ibid). Qualitative interviewing enables the interviewer to vary the sequence of questions. There is much greater interest in the interviewee's point of view, while quantitative interview reflects the researcher's concerns. Tangential conversation is allowed in qualitative interview, because it gives insights into what interviewee sees as important and necessary, at the same time, researchers also get new ideas from that perspective (ibid).

In short, even though structured interview can maximize the reliability and validity of measurement of key concepts compared with qualitative method, the qualitative interview will be chosen in this phase. This is because firstly, I can get greater insight into interviewees' opinions of website design and receive rich, detailed answers; secondly, it has flexibility. The purposes of this method are looking for brand(s), (1) that is (are) the most chosen in interviewees daily life (brand awareness); (2) which has (have) positive judgment of website design, for further investigation.

## 4.1.3 Conducting qualitative interviews

Vriens and Ter Hofstede's (2000) stated that important and preferred attributes can be defined from such qualitative interview and how customers verbalize their values as well. Drawing upon a semi-structured interview method, the same structure of questions will be asked and similar wording will be used from interviewee to interview. Questions, which are not included in the guide, may be asked if interesting points are mentioned by interviewees. The interviews cover a range of issue, including a brief introduction of the topic, and generate information about the interviewee and their online shopping habit (if any), opinions about their familiar brand(s). An interview guide is attached in appendix 1. According to Bryman and Bell (2015; 487), showing photo in an interview can help interviewee "*recall events from the past articulate abstract concepts, or express complex emotions* (...) *overcoming interviewees' discomfort in being interviewee and can encourage them to discuss issues in more detail*". Then, six Danish online supermarkets

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(all with physical stores) websites will be shown to interviewees and both points of favorite and points of reluctant for each website will be asked. In this method, I focus on interviewees' opinion of the design of website. This, hopefully, can form a basis idea of whether users can be emotionally affected by website design. Therefore, qualitative interview of 10 potential customers (including one test interview) are studied. At the same time, the interviews are recorded. The transcripts are shown in appendix 2.

## Code and coding

According to Saldana (2008; 3), coding is primarily an interpretive act: it is most often a word or a short phrase that symbolically assign "*a summative, salient, essence-capturing, and/or evocative attribute for a portion of language-based or visual data*" in a qualitative inquiry. Coding is also an exploratory problem-solving technique that links the data and the idea generated from that data (ibid). There are two types of codes: descriptive code, which summarizes the primary topic of the excerpt and in vivo code, which quotes words or phrases directly from excerpt. The most important notion that researcher needs to be aware of is that interviewees' individual value, attitude and belief systems might have dramatic differences and variations, but the core meaning behind their words might have something in common (ibid). For instance, each interviewee had their favorite website in terms of navigation and color (things in common), even if some like Irma while others prefer Føtex. Thus, navigation and color should be an element of their evaluation, and be seen as one of the codes. The details of code and coding involve both data analysis and data interpretation will be discussed in the later section.

## 4.1.4 Netnography

The netnographical study offers an initial step toward exploring and gaining a preliminary understanding of the discourse and interaction of people through computer-mediated communication in a particular culture context (e.g. Kozinets, 2002; Bryman and Bell, 2015). The nature of netnography includes that "*they occur through computer mediation, they are publicly available, they are generated in written text form, and the identities of conversants are much more difficult to discern.*" (Kozinets, 2002; 64)

## 4.1.5 Strength and limitation

In general, netnography method is a unique combination of naturalistic and unobtrusive (Kozinets, 2002). In some areas, netnography has its unique strength better than other qualitative research methods as well as traditional and market-oriented ethnography methods. Firstly, netnography is far less obtrusive compared with focus groups and qualitative interviews, because it utilizes observations of consumers in a context that is "not fabricated" by the marketing researchers (Kozinets, 2002). Secondly, contrary to traditional and market-oriented ethnography, netnography is much less time-consuming, costly and elaborate (Ibid). All in all, by conducting netnography, researchers are able to have insights into naturally occurring behaviors and gain information by communal WOM between consumers (Ibid).

The limitations of netnography draw from its "more narrow focus on online communities, the need for researcher interpretive skill, and the lack of informant identifiers present in the online context that leads to difficulty generalizing results to groups outside the online community sample." (Kozinets, 2002; 62).

## 4.1.6 Conducting netnography

According to Kozinets (2002; 62), information from netnography research is used to identify and understand the needs and decision influences of relevant online consumer groups. Therefore, netnography method is conducted in this thesis for several reasons: in particular to explore what is of importance in e-grocery shopping experience, for example, are there any emotional perceptual attributes of the brand performance and why customer spread out positive and/or negative WOM via Internet, as well as their behavioral intentions in the form of online shopping. The aspect observed was the marketing campaign topics that were posted on Brand's Facebook and homepage as well as how they presented it, comments and responses posted by consumers, in addition to the customers' evaluation (WOM) on website such as Facebook and "trustpilot.com". "Trustpilot.com" is a webpage where customers can leave a review of a brand while other viewers can share on their social media, agree with the comment by click a "thumb up" button or notify compliance by clicking a flag button. Besides, the brand can reply the review as well. This means, "trustpilot.com" is a platform that concerns a large source of information and customers' evaluations. Therefore, the favorable, strong and unique brand attributes can be found here as well as the response ability from the brand. Facebook, on the other hand, is a social medium in which brand's followers can express

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their opinions and interact with brands. Since grocery brands often post events, which generate sizable response from followers, it is believed that there is possibility to find out the hedonic aspect of e-service. This research follows Kozinets's (2002) steps of conducting netnography method, which will include making cultural entrèe; data collection; analysis and ensuring trustworthy interpretation as well as ethics and member checks. The first two steps will be discussed in the section below while the following two will be discussed in the later section. Ethics and member checks are organized in the second phase (survey) where respondents from netnography method will be informed about the observation and asked to consider of doing a survey. Furthermore, an offer of the final research report could be sent to respondents if they are interested (member checks).

#### Entrèe in Danish supermarket online community

I choose "Irma.dk" from the list of online supermarkets in "trustpilot.com" because it has by far the most reviewed (1087 reviews) as well as the highest rate (7.8) among all the Danish supermarkets and therefore contains the most amounts of data. It also contains a core of insiders who spread out their opinions (both positive and negative) about the brand's performance. Apart from "trustpoilt.com", Facebook is a social medium that is regarded as a platform for customers to interact with each other as well as company. It would be prospective to investigate brand message, brand performance that is posted in such a platform. The online presence of three brands, Føtex, Kvickly and Irma, was examined in the social media platform. Facebook page of Føtex and Kvickly were finally chosen because they have more than 70,000 followers. Thus, hopefully, a large number of followers bring more intense discussion. These insiders usefully conceptualize their satisfaction and value in the Danish cultural context of this particular online forum.

#### Data collection

According to Kozinets (2002; 62), netnography is based on the participation and observation in particular cultural arenas, because it is "grounded in knowledge of the local, the particularistic and the specific". Therefore, observations from trustpilot.com can fulfill my purposes, which is to find out whether E-S-QUAL model is suitable in the context of Danish culture. Besides, an understanding of consumer satisfaction process, value and customer loyalty intention from Danish online grocery shopping experience

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was gleaned from this method, because this understanding process is the key aspect to achieve the market orientation (Ibid). The empirical data consists of natural occurring text on "trustpilot.com", hence the information is conducted in an unobtrusive way. The aspect observed is the service attributes that customers mentioned when they have either a positive or a negative evaluation. A total of 43 pieces of reviews were taken into account during the period from November 24<sup>th</sup>, 2015 to February 28<sup>th</sup>, 2016 on Irma's page of trustpoilt.com. It is believed that the conducting period of time is valid due to the long time of more than three months and the quantity of posted stories.

The aim of research on social media is to find out whether there is any hedonic aspect in e-service. Brands usually post their news, events on website and link to their social media for more information and details. Therefore, social media is not only a brand touch point but also a platform to investigate customers' opinion. A total number of 41 posts from Kvickly Facebook and 26 posts from Føtex Facebook were investigated. The researchers read and interpret postings covering the period mid November 2015 to mid February 2016. The website marketing campaign topics and Facebook posts analyzed were selected with the aim to find out the emotional interaction between the brand and customers. The result will support the form of hypotheses and self-created model in the second phase.

Analysis and interpretation as well as ethics and member checks will be discussed in the later sections.

#### 4.2 Analysis and discussion of the first phase

The result from the first phase identifies the range of possible points of parity/brand association/benefit in customers' mind for this particular service category. It is merely rough indication of relative strength, favorability, and uniqueness of brand associations (Keller, 2013). This purpose will be achieved via netnography and qualitative interviews method.

## 4.2.1 Analysis of netnography-trustpilot.com

The coding of the data involves data analysis and data interpretation (Kozinets, 2002). More than half of the reviews were rated as five stars, while 8 pieces were one-star-rate reviews. As the investigation narrowed

onto the meaning of value, repeated words and phrases such as "easy", "fresh" and "on time" were kept as evidence. The importance of delivery and ease of use websites was also evident as the investigation narrowed. These threads were chosen because of their rich content, descriptiveness, and relevant topic matter. Then, in order to get a clear overview of the posts, posts from Irma page in "trustpilot.com" will be categorized into different themes (Ibid) under the four dimensions from Parasuraman, Zeithaml and Malhotra's (2005) theory, including delivery service, ease of use websites, quality (freshness of food and package), effective website, utilitarian value evaluation, emotions of loving the brand, word of mouth, satisfaction (including problem solving satisfaction) and intention of repeat purchase. Details can be found in appendix 3.

### Efficiency

In five-star-rate reviews, those related to high performance of the website were repeatedly mentioned (6 times), including "easy (to navigate)", "good", "well functioning" and "easily understood when you view it". This aspect is related to, according to Parasuraman, Zeithaml and Malhotra (2005), "Efficiency", which refers to the ease of use of the website and ease of understanding of the website. Moreover, statements such as "well functioning of ordering and payment", could be seen in line with "It enables me to complete a transaction quickly" of "Efficiency" from E-S-QUAL model.

## Fulfillment

There are 12 reviews, which mention quick and accurate delivery. More specifically, customers emphasize on "orders as promised". Phrases such as "... came exactly as agreed" and "orders were just like it should be" were used. The above-mentioned information is validity to "fulfillment" in Parasuraman, Zeithaml and Malhotra (2005), which is related to delivery service quality.

#### Value

The utilitarian value that refers to economic was mentioned twice among these 26 reviews: "price is also fine when you choose the offers"; " our food budget does not rise just because we change from Rema1000 to Irmar.dk".

#### Satisfaction

Two reviewers clearly stated that they were satisfied (by using word "satisfied"), while others used "a strong positive experience", "happy customer" and "favorite shop" to express their satisfaction.

#### Repeat purchase

There were five reviewers who stated that it is definitely not their last time to shop on Irma.dk and "will order again as soon as possible". This confirms again Parasuraman, Zeithaml and Malhotra's (2005) theory that the right attributes will lead to intended repeat purchase (loyalty).

#### Attitudinal attachment

The attitude of loving a brand ("I just love Irma") and willingness to pay price premium ("(I) would like to pay more for the exciting new products") is seen as a type of loyalty and commitment to the brand.

#### Word of mouth

Although none of reviewers stated that they would recommend the brand to others, one customer claimed that this brand was recommended from his or her neighbour. This indicates that when customer has a positive opinion about a brand, they will most likely recommend the brand to others around.

# Quality of goods

Nevertheless, quality of goods, especially freshness, is one of the most important aspects in the whole online shopping experience. During the period of observation time (middle of November 2015 to end of February 2016), 10 positive reviews about good quality of foods were posted and 5 of them emphasized on the "freshness". Besides, two complaints of goods that are not fresh enough were found in one-star-rate reviews area. Customers also claimed that this unsatisfied aspect would lead to shifting to other brands.

## Package

Feb-09

Package seems to be another important aspect in request of service quality. Six positive reviews were mentioned, while negative comments were also posted. In the opinions of these customers, package is related to the safety of goods ("Nothing was dry or broken; The items were undamaged and properly packed for keeping low temperature") and convenience ("packed in a way that it is so easy to stand in place"). If this need cannot be fulfilled, the customer will change to another brand even if other important need was satisfied ("I'm considering changing supplier because of this even if I am admit that your quality are the best").

## 4.2.2 Analysis of netnography-Facebook

All posts in the investigation period from Kvickly and Føtex were categorized respectively. Forty-one posts from Kvickly were categorized into six themes: discussion, advertising, promotion, news, event, and weekly discount newspaper (see details in appendix 4). Apart from event, the other five themes are related to price promotion and knowledge of nature of food. Event is where customers generate affective response to the brand. For instance, Kvickly held a campaign named "Make your smiles" (Figure 4) in January 2015, which generated sizable traffic in terms of customers' participation. Informants post their outcome on Facebook, telling their stories behind the picture as well as relationship with the brand. Besides, they show their enjoyments by naming their "smiling face" and share a lot of funny emojis (see appendix 5). Moreover, Kvickly posted another hot event (Hvad hedder MGP 2016 fællessangen?) on the 6<sup>th</sup> of February (Figure 5), which also generated substantial participants. In this music related event, informants enthusiastically discussed about their favorite song and hoping to win the ticket of "MGP-FINALE".

A MARKET A BAR	VIND CYALER FOR 25.000 KR. TIL HELE FAMILIEN. Trans Mayoon (Victor Lashella) har lawet denne flotte ko. og har var, smile eentice keker tip 600 Kan du gøre det bedre? Law et smil af dine krickly varer og uplond dit billede som kommentar til dette ogslag - så deliager du både i konkurrencen om cykler og tilheher til en værdi 0.25.000 kr. og om et gavekert til Kvickly på 500 kr. i						
	Kh Rasmus fra Kvickly	Event	469 1	46 36	Fun	N/A	(Figure 4)
							(1 18010 1)

Furthermore, Føtex's Facebook posts were categorized into five themes: food information (knowledge of food), event, news, promotion, and weekly discount newspaper (see details in appendix 6). For instance, figure 6 illustrates an event of winning toy was held right before Christmas time in 2015 where more than 4,000 participants.



# 4.2.3 Analysis of qualitative interviews

The results from qualitative interview show that most of respondents have positive opinions on Irma website for its color and navigation site (positive feeling of design), followed by Føtex and Kvickly. This shows that these brands have the most brand awareness (in Danish cultural context).

# Code and coding

Repetitive patterns of action and consistencies in interviewees' affairs were found in this research. Thus, a pre-coding process was used. Codable moments of rich or significant participant quotes or passages were highlighted, colored as key pieces of the evidentiary warrant for later discussion (Saldana, 2008). Ten codes were summed: "delivery system"; "price and discount"; "link with offline experience"; "convenience and easy"; "assortment"; "design"; "feeling"; "App"; "informational" and "men's behavior".

A second cycle coding could be employed with a more attuned perspective. Rearrangement and reclassification of coded data were used in this thesis. The results are "delivery system"; "price and discount"; "convenience and easy"; "assortment"; "design"; "App" and "informational" were grouped into utilitarian value, while "design"; "feeling" were grouped into hedonic value. "Link with offline experience" is related to brand salience, and "men's behavior" refers to customers' behavior.

## 4.2.4 Interpretation

In mixed method, data analysis interpretation refers to inferences, regarded as conclusions or interpretations based on separated quantitative and qualitative strands and/or across the quantitative and qualitative strands. In some studies, it is also called "meta-inferences" (Cameron, 2009). Netnographic data was compared and integrated to the qualitative interview data, inquiring into their similarities and difference.

### Utilitarian aspect

The research implications of these postings laid in the way those customers describe their satisfaction of the e-service quality through Danish online grocery shopping. The result (numbers of factors mentioned by satisfied and unsatisfied customers) is in line with E-S-QUAL model's four dimensions that the factors representing efficiency and fulfillment have the most powerful effects, followed by the factors representing system availability and privacy. Among them, three dimensions (i.e. "efficiency", "system availability" and "fulfillment") are obviously suitable in Irma's online distribution channel. As I mention above in POP section, "A strong POP needs to be satisfied by most of the customers in the target group. The key elements of POPs are necessary, competitive and correlational." Thus, according to the number of customers' satisfaction, with regards to the fourth dimension "privacy", no comment has mentioned anything in this area. Therefore, I infer that brand attributes related to "privacy" are "must-be requirement", which are basic attributes that have to be kept in a satisfactory level because customers take them for granted. Because of that, customers will not mention it if it is fulfilled, but will definitely complain about it if they encounter problems in this area. It is similar with POPs that all brands share the same attribute because it must be

required. Since in Irma's page in "trustpoil.com" no complaint that refers to "privacy" was posted, I therefore infer that customers are satisfied with the brand in this area.

The validity of Parasuraman, Zeithaml and Malhotra's (2005) theory that three dimensions (i.e. "efficiency", "system availability" and "fulfillment") have positive effects on the quality, utilitarian value and loyalty (i.e. WOM, repeated purchase and brand attitudinal attachment) is examined in one of Danish online grocery brand (i.e. Irma). In addition, the findings also include that package and freshness of food are two important elements of brand performance, which can generate value and lead to customer satisfaction in customer evaluation. More discussion about these two aspects will be written in details in later chapter.

#### Hedonic aspect

Emoji was widely used, which could be inferring that informants were emotionally involved (i.e. having fun and playfulness). Words such as "fun" could also be found in the comment from the event posts (see in Appendix 5). "Event" posters create an experience or a source of memories rather than goods or promotions. This is a co-created value stage where the company (Kvickly) provides a platform and raw material, which customers will use to obtain his or her own experience (Gentile et al. 2007). The motivation of participating in such events is from the intrinsic benefit that derives from ones own sake rather than from "task completion". Nevertheless, results from qualitative interviews show that when visiting website, the design, especially the photos, will affect visitors. One of the interviewees stated that "it make me feel closer to me" (appendix 2; 4).

According to the aforementioned discussion, it can be concluded that, obviously, the hedonic aspect of value exits in customers' e-service experience in Danish culture.

# 4.3 Validity, Reliability and Triangulation of the first phase

Validity of netnography is defined as "trustworthiness" in Kozinets's (2002) study. He explained that data analysis from posting of computer text (linguistic turn) is a social action that is capable of being trustworthy. In order to generalize the findings of netnography, I employ multiple methods for triangulation

(Kozinets, 2002). Interview was conducted with a purpose of increasing the reliability of the results and selecting the brand, which is mentioned most by interviewees. According to Jick (1979) and Cameron (2009), a combined level of triangulation involves crosschecking tests internal consistency and reliability (within one phase) or the degree of external validity (between two phases) (see also Bryman and Bell, 2015). Triangulation is especially necessary because it allows more confident interpretations when I develop hypotheses after the first phase. Besides, it also allows more unpredicted, context-related (Jick, 1979) and confident (Bryman and Bell, 2015) findings.

# Chapter 5. Proposed model and research hypotheses

#### Perceptual-attribute and satisfaction

Apart from the above literature that has proved the positive relationship between attributes and satisfaction (also see Aaker, 1996; Bai et al., 2008), other theories examined how e-service dimension has influence on e-satisfaction from different angles. For example, Anderson and Srinivasan (2003; 127) claimed that trust (related to security and privacy in internet business), is "*a confidence in the exchange partner's reliability and integrity and the perceived credibility and benevolence of a target*" The stronger that customers trust a brand, the more satisfaction they obtain. Moreover, satisfaction plays a mediator role between the perceived quality and loyalty (Cristobal et al., 2008; Bai et al., 2008). Therefore, I hypothesize as follows:

Hp1. Perceptual attributes has positive impact on satisfaction

Hp1a. Functional perceptual attributes has positive impact on satisfaction

Hp1b. Emotional perceptual attributes has positive impact on satisfaction

### Perceptual-attribute and perceived value

As mentioned above, customers are most likely satisfied with the value that generated from attractive requirement (attributes). According to Walter, Steyrer and Wiesel (2010; 90), psycho-social performance attributes could be classified as "attractive requirement" and it could also enhance customers' perceived value, because it makes customers feel like preferred customers. For example, Kvickly's "Coop kort" membership card allows members to participant in special events and get special discount that non-members cannot get (Appendix 4 concluded events that only for members). This could be seen as such attributes that can affect customers' emotional value, therefore, arouse their feelings. Nevertheless, as mentioned above, efficiency dimension is a significant characteristic for utilitarian value seeker (Chiu et al., 2014). Holbrook (1996) also explained "excellence"- a self-oriented, utilitarian emphasized value -is closely related to quality.

## **Means-end theory**

Means-end theory is used to support the connection between brand attributes/association, brand benefit and higher-level abstraction. In line with the concept of Zeithaml's, (1988) means-end model, Parasuraman, Zeithaml and Malhotra (2005) claimed that both perceived quality and perceived value are higher-order abstractions. More specifically, based on Zeithaml, Parasuraman, and Malhotra's (2000) study, Parasuraman, Zeithaml and Malhotra (2005) stated that perceptual attributes are consequences of higher-order abstractions (i.e. perceived value) (A Means-End Framework for Understanding the Domain and Consequences of e-SO is shown in figure 7). In Gutman's (1997; 1982) studies of means-end chain, he stated physical/concrete or abstract attributes could lead to functional and psychosocial consequences (perceived value). Other evidence such as Vriens and Ter Hofstede's (2000) study of means-end chain theory is shown in figure 8 below.



NOTE: e-SQ = e-service quality.

Parasuraman, Zeithaml and Malhotra (2005; 6)



Vriens and Ter Hofstede (2000; 6)

Hp2. Perceptual attributes has positive impact on value

Hp2a. Functional perceptual attributes has positive impact on utilitarian value

Hp2b. Emotional perceptual attributes has positive impact on hedonic value

## Value-satisfaction

Besides, many empirical researches have revealed these two dimensions (satisfaction and value) can lead to a final outcome of loyalty (eg. Gallarza and Saura 2006; Babin et al., 2005; Patterson and Spreng, 1997; Petrick and Backman 2002; Petrick et al. 2001). On the other hand, these two higher abstraction outcomes are closely related, because "even satisfied customers are unlikely to patronize an e-business, if they feel that they are not getting the best value for their money." "The relationship between e-satisfaction and e-loyalty appears strongest when the customers feel that their current e-business vendor provides higher overall value than that offered by competitors" (Anderson and Srinivasan, 2003; 128). As mentioned in literature review section, one of Holbrook's (1996; 139) value- "excellence" is defined as a utilitarian emphasis related closely to satisfaction, based on a comparison of performance and quality. Zeithaml (1998) also stated that one type of value can be defined as a subjective measure of "the usefulness satisfaction" of the results from consumption. Kim, Han and Lee (2001) introduced a similar concept with satisfaction-"relationship quality", which "refers to customers' perceptions and evaluations of individual service employees' communication and behaviors such as respect, courtesy, warmth, empathy, and helpfulness." (Kim et al. 2001; 273) Furthermore, they explained, "This involves inducing feelings and emotional states through customer-employee interactions (ibid)". Moreover, they have proved a positive relationship between relationship quality and repeat purchase and positive relationship between relationship quality and word-of-mouth in Korean luxury hotel context (ibid). Moreover, Chiu, Wang, Fang and Huang (2014) pointed out that perceived enjoyment is a form of experiential value and an antecedent to satisfaction.

Hp3. Value has a positive impact on customers' satisfaction

Hp3a. Utilitarian value has a positive impact on customers' satisfaction

Hp3b. Hedonic value has a positive impact on customers' satisfaction

Hp3c. Both satisfaction and perceived value are mediator between brand attributes and brand loyalty, and perceived value is positively related to satisfaction

### Satisfaction-Loyalty

Drawing upon literature reviews, satisfaction is a factor that contributes to the formation of loyalty pattern (eg. Gil-Saur et al. 2013; Cristobal et al., 2007; Aaker, 1996). Edelman (2010) cited one of his colleagues' results, when customers are satisfied with a purchase, they will advocate for it by WOM (also see in Oh, 1999; Babin et al., 2005). Furthermore, Edelman stated that if a strong relationship is established between a brand and a consumer, this consumer will enter an "enjoy-advocate-buy" loop in which consideration and evaluation stages do not matter. Aaker (1996) suggested loyalty is often result from cumulative satisfaction via experience with the brand, especially within the service industry. Other authors also pointed out that satisfaction is one of the powerful indicators to loyalty, because high level of customer satisfaction leads to high level of loyalty (Walter et al. 2010). It is worth noting that Walter, Steyrer and Wiesel (2010) stated that certain brand performance can create an emotional bond, which enhances customer commitment (loyalty). Thomson, MacInnis and Park (2005) stated that satisfaction is an evaluative judgment, while emotional brand attachment is formed with interaction over time. The research conducted by Kuikka and Laukkanen (2012) said that brand satisfaction has an effect on brand loyalty, both on attitudinal brand loyalty and behavioral brand loyalty in the chocolate industry. In keeping with the above arguments, a propose of the following hypothesis shall be address:

Hp4. Customer satisfaction has positive impact on loyaltyHp4a. Customer satisfaction has positive impact on e-WOMHp4b. Customer satisfaction has positive impact on attitudinal attachmentHp4c. Customer satisfaction has positive impact on repeated purchase intention

#### Value-loyalty

Substantial empirical studies have proved that perceived value, which is one of higher level of abstraction, will influence loyalty intention and repeat purchasing (Chui et al. 2014; Parasuramanet al., 2005; Oh, 1999) and WOM (Oh, 1999). More specifically, Anderson and Srinivasan (2003) claimed, that if perceived value is high, the likelihood of switching to competing brand would be declined, thereby, increase brand loyalty. In contrast, if perceived value is low, customers are most likely to switch to other brand in

order to increase that value. Moreover, Parasuraman, Zeithaml and Malhotra (2005) claimed that higher-order abstraction (perceived value) is the antecedent that influences behavioral intentions and actual behaviors. A practical research of online distribution channel from a retailing brand, Dell, has shown that order fulfillment, product performance and post-sale service and support are the three key derivers of loyalty (Reichheld and Schefter, 2000). Apart from the above theory that supports this positive relationship between hedonic value and loyalty, Kuikka and Laukkanen (2012) suggest that hedonic value can be a significant moderator between brand satisfaction and attitudinal loyalty only when hedonic value is high. Babin, Lee, Kim and Griffin (2005) introduced "Customer Service Value", which covers the utilitarian and hedonic value received from a service experience. They further emphasized the two dimensions of value leading to WOM in restaurant industry in Korea.

Hp5. Value has positive impact on loyalty

Hp5a. Utilitarian value has positive impact on WOM.

Hp5b. Utilitarian value has positive impact on attitudinal attachment.

Hp5c. Utilitarian value has positive impact on repeat purchase.

Hp5d. Hedonic value has positive impact on WOM.

Hp5e. Hedonic value has positive impact on attitudinal attachment.

Hp5f. Hedonic value has positive impact on repeat purchase.

Inspired by cbbe, e-s-qual and means-end model, I developed the model as below (figure 9).



# Chapter 6. The second phase

## 6.1 Methodology of the second phase

Quantitative method of survey and interview with brand managers will be applied in this phase. A survey is utilized for testing all of the hypotheses and the new model from the first phase. According to Creswell and Plano Clark (2011), quantitative data analysis refers to addressing the questions or hypotheses based on the type of the questions or hypotheses and appropriate statistical test. A survey research is defined in Bryman and Bell's (2015; 63) book, saying it "comprises a cross-sectional design (...) by questionnaire (...) on more than one case (...) and at a single point in time in order to collect a body of quantitative or quantifiable data in connection with two or more variables (....), which are then examined to detect patterns of association." The purpose of the survey is to find out (1) do brand attributes support brand resonance dimensions, and (2) the extent of the service affect the key dimensions of brand resonance (i.e. repeat purchase, WOM and attitudinal attachment).

At the same time, some interviews with brand managers will be also employed. The aim of interview with brand managers is to get a holistic picture of the examined case brand's positioning strategy and target group, and test if the manager's answer would be the same as the results of my study.

## 6.1.1 Conducting quantitative method

A cross-sectional research design survey is employed in this thesis based on the aforementioned reason. According to Keller (2013; 327), researchers can "discern even favorability, to some extent, on the basis of how consumers phrase their associations. Comparing associations with those elicited for competitive brands can also tell us about their relative uniqueness." With the purpose of identifying the favorability and/or the uniqueness of brand associations, I integrate relevant E-service quality scales from previous empirical studies and Keller's measurement to form my survey.

According to Aaker (1996), only customers (i.e. those who have had experience with the brand) can participate in the measurement of satisfaction and loyalty. Therefore, the survey was sent out on case brand's social media, such as Facebook, based on the assumption that the respondents have had experience with the brand. By sending survey to such social media, the data is able to represent the online users in the geographical area of Denmark, and each unit of the population has an equal probability of inclusion in the sample. It is worth mentioning, these respondents were also the members from pervious netnography study, therefore it can be view as member checks, which ensure trustworthy interpretations and validity. Thus, the survey was sent out to these members with a message that identify myself and my observation. Survey webpage was also sent to friends and they further sent to their colleagues and others in the network. Compensation is promised to friends and their colleagues and others in the network. A pretest of the survey was conducted using 5 friends to test its logical consistency, ease of understanding, sequence of items and contextual relevance.

## 6.1.2 Procedures and measures

This cross-sectional research design survey consists of three parts. The first part adapts E-S-QUAL, the second part with E-RecS-QUAL scale and the third part is nomological validity (i.e. to measures value (utilitarian and hedonic), satisfaction and loyalty (WOM, repeated purchase and attitudinal attachment)).

## E-S-QUAL scales

Most measures come from existing scales, adapted to fit the study. The survey starts with the question "Have you made any transaction in the following websites?" If the answer is "yes", respondents will be sent to the questions with full Parasuraman, Zeithaml and Malhotra's (2005) scales. If they choose "None", they will be lead to "Which of these websites are you most familiar with?" Hereafter, the scales are different from the ones with "yes" answer. This is because if customers have no experience with online shopping but only use the website for experiencing any events with the brand. They are still seen as experienced customers and therefore, can evaluate the service.

The difference between the two scales system is that the later one will not involve any scales that are not suitable in the shopping situation, such as: "This site makes items available for delivery within in a suitable

time frame", "It quickly delivers what I order", "It sends out the items ordered", "It has in stock the items the company claims to have", and "It is truthful about its offerings".

## Hedonic aspects

Since there is no hedonic aspect measurement in E-S-QUAL scales, I therefore, borrowed scales (Visual Appeal) from Charla, Malhotrab and Rigdon (2001).

## E-RecS-QUAL scale

A control question was added in the end of part one to ensure part two will be only asked to those customers who had encountered a service problem with the brands. With regard to the E-RecS-QUAL scale, the survey of the two situations is also different. In the shopping situation, all attributes from Parasuraman, Zeithaml and Malhotra's (2005) will be used. While in the visitors' situation, four items except "This site compensates me for problems it creates" from responsiveness as well as compensation are unused. Original three items of contact were kept. The adapted items from E-S-QUAL and E-RecS-QUAL were both measured on five-point Likert scales (1 = strongly disagree; 5 = strongly agree). As mentioned above, the purpose of the third part of the survey is to measure the value and loyalty and the items are also measured on five-point Likert scales (1 = strongly disagree; 5 = strongly agree).

#### Nomological validity

Like all the e-service quality measurement empirical studies, I evaluated the nomological validity of the scale by examining the relationships between the e-SQ evaluative process (i.e. attributes and benefit level/ brand performance and imagery) and its consequences (i.e. value and satisfaction level/brand judgment and feeling). Furthermore, the effects of attributes and benefit level and value and satisfaction level ratings on endogenous constructs of loyalty (brand resonance) will be examined. The loyalty construct was borrowed and modified other measures from previous studies. With regard to value scales, both utilitarian value (Parasuraman et al., 2005) and hedonic value (Hassanein and Head, 2006) will be examined. An overall satisfaction will be employed as well. Based on the theory of Keller's (2013) three categories of brand resonance, loyalty will be measured through: two-item behavioral loyalty (repeat purchasing) scale

(Parasuraman, Zeithaml and Malhotra, 2005); six-item attitudinal attachment (prior to competitors) scale (Yoo and Donthu, 2001; Chaudhuri and Holbrook, 2001 in Kuikka and Laukkanen, (2012)); three-item active engagement (word-of-mouth)(Parasuraman, Zeithaml and Malhotra, 2005). The survey could be found in appendix 7. Regarding to the fourth loyalty dimension from Keller (2013), that is sense of community. Fieldwork is required for such consumption research, therefore, interaction among customers is what researchers observe for. The motivation is derived from social aspects. Due to the need of a symbolic related research method and a need of an in-depth insight of a brand community, sense of community dimension is not included in the methodology part of this thesis. Therefore, a related further research could be suggested.

#### Structured interview

Based on the definition of structured interview (mentioned in qualitative interview section), questions of exactly the same words and the same order will be asked to respondents, and a range of answers is expected. In order to get an idea of the reason why customers pick up a certain score, "Why did you pick up that score?" will be asked in some questions in the survey. All of these questions are in nomological validity part.

#### Control variables

Gender, age, nationality, educational lever, annual household income, shopping/visiting frequency, and purpose of visiting website have taken into account. These considerations can form a more comprehensive view of brands' segmentation, target groups and motivation in visiting websites. Moreover, the data from the control variables also supports the reliability and validity of the interview of brand manager.

## 6.1.3 Interview with brand managers

Primary data of positioning and segmentation strategy could not be presented, due to the reason that no employees from the company have time for such an interview. However, the questions of interview for brand manager are shown in the appendix 8. The interview consists of three parts: questions related to the target group, questions related to positioning, and questions related to the way of market communication.

Since it is hard to get primary data, I will use data from other sources, such as website, Facebook page, customers' feedback and online news. Irma's positioning and segmentation strategy will be presented in latter section.

### 6.2 Analysis of the second phase

#### 6.2.1 Quantitative approach analysis

Minimum sample size of 200 respondents (same as in Parasuraman Zeithaml and Malhotra's (2005)) was set for each case brand. However, the final sample sizes of shoppers for Irma and Føtex were 112 and 12, respectively (this finding is not surprising in view of the fact that Irma.dk had been in existence a few years longer than Føtex.dk); the final sample sizes of visitors for Føtex were 1 and no respondents of Kvickly and Irma. Due to the lack of samples, ONLY analysis of Irma shoppers is applied. Regarding to E-RecS-QUAL scale, the response rate is 17.6% (22 respondents). This sample sizes were even smaller than Parasuraman Zeithaml and Malhotra's (2005) E-RecS-QUAL scales (51 and 34). The authors claimed that the recommended minimum observations-to-variables ratio for meaningfully conducting such analyses is five. Therefore, analysis of E-RecS-QUAL scale cannot be studied due to the insufficient sample.

Thus, the analysis of Irma shoppers with E-S-QUAL scales was conducted and shows in the following section.

## 6.2.1.1 Assessment of the measures for the E-S-QUAL scale

Based on the theory bearing on the E-S-QUAL model and other empirical studies, a new model and hypotheses was developed. Confirmatory factor analysis (CFA) was conducted to verify the factor structure of the E-S-QUAL model. All the items were tested in the same model and were restricted to load on their respective factors. Appendix 7 provides the items used to measure the latent constructs in the model.

## Table 1

	Reliabilities and Intercorrelations										
	EFF	SYS	FUL	PRI	VA	UV	HV	CS	RPI	WOM	AA
EFF	.950	.840	.518	.564	.656	.651	.570	.642	.650	.628	.654
SYS	.840	.778	.433	.505	.581	.572	.490	.586	.602	.534	.582
FUL	.518	.433	.968	.507	.607	.835	.602	.844	.776	.822	.801
PRI	.564	.505	.507	.695	.542	.556	.569	.616	.658	.613	.626
VA	.656	.581	.607	.542	.864	.720	.751	.667	.698	.657	.679
UV	.651	.572	.835	.556	.720	.934	.724	.933	.894	.906	.917
HV	.570	.490	.602	.569	.751	.724	.845	.707	.762	.713	.747
CS	.642	.586	.844	.616	.667	.933	.707	.997	.943	.959	.942
RPI	.650	.602	.776	.658	.698	.894	.762	.943	.978	.934	.955
WOM	.628	.534	.822	.613	.657	.906	.713	.959	.934	.992	.952
AA	.654	.582	.801	.626	.679	.917	.747	.942	.955	.952	.967

EFF= Efficiency, SYS= System Availability, FUL= Fulfillment, PRI= Privacy, VA= Visual Appeal, UV= Utilitarian value, HV= Hedonic value, CS= Customer Satisfaction, RPI= Repeat purchasing Intentions, WOM= Word-of-month, AA= Attitudinal attachment.

#### Table 2

#### Table 3

Re	liability Statistics		_				
	Cronbach's Alpha Based on			Hotelling's	s T-Squared	Test	
Cronbach's	Standardized		Hotelling's				
Alpha	Items	N of Items	T-Squared	F	df1	df2	Sig
.925	.962	11	20573.752	1890.561	10	102	.000

# Table 4

ntraclass Correlation Coefficient
-----------------------------------

	Intraclass	95% Confidence Interval		F Test with True Value 0			
	Correlation <sup>b</sup>	Lower Bound	Upper Bound	Value	df1	df2	Sig
Single Measures	.530ª	.459	.606	13.393	111	1110	.000
Average Measures	.925°	.903	.944	13.393	111	1110	.000

Two-way mixed effects model where people effects are random and measures effects are fixed.

a. The estimator is the same, whether the interaction effect is present or not.

b. Type C intraclass correlation coefficients using a consistency definition. The between-measure variance is excluded from the denominator variance.

c. This estimate is computed assuming the interaction effect is absent, because it is not estimable otherwise.

These results are indicative of the predictive validity of each scale's component dimensions. Table 1 presents coefficient alpha values for, and inter-correlations among, the four E-S-QUAL dimensions, and the measures of visual appeal, utilitarian value, hedonic value, customer satisfaction, repeat purchasing intentions, Word-of-month, attitudinal attachment. Because the coefficient alpha values for almost all measures in this sample exceed the minimum standard of .7 except privacy having .695 (still very close to .7), the measures are reliable (Nunnally and Bernstein, 1994). Table 2 presents the global Cronbach's alpha reliability is 0.925 for all measures, implying this sample is reliable. Hotelling's T-square test and

interclass correlation coefficients both show that the result is significant (Table 3 and Table 4). The four dimensions of E-S-QUAL have consistently strong and positive correlations with utilitarian value (.556 to .835), repeat purchasing intentions (.602 to .776) and Word-of-month (.534 to .822). These results attest to E-S-QUAL's predictive validity.

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#### CFA Results for the E-S-QUAL Scale

	Entimeter/Londiner)	S.E.( standard error)	C.D. (an Assolut)
EFFO - FFF	Estimate(Loadings)	S.E.( standard error)	C.R.(or t-value)
EFF8 < EFF	.887		
EFF7 < EFF	.792	.072	12.810
EFF6 < EFF	.731	.056	18.350
EFF4 < EFF	.752	.070	14.713
EFF3 < EFF	.557	.066	15.245
EFF2 < EFF	.503	.066	11.693
EFF1 < EFF	.874	.074	10.030
SYS3 < SYS	.948		
SYS2 < SYS	.876	.207	5.322
SYS1 < SYS	.953	.280	4.808
FUL7 < FUL	.900		
FUL6 < FUL	.887	.072	15.910
FUL5 < FUL	.875	.068	13.246
FUL4 < FUL	.811	.071	16.138
FUL3 < FUL	.732	.076	14.062
FUL2 < FUL	.455	.077	13.606
FUL1 < FUL	.753	.081	13.203
PRI3 < PRI	.884		
PRI2 < PRI	.836	.232	4.075
PRI1 < PRI	.856	.259	3.700
VA1 < VA	.887		
VA2 < VA	.792	.124	8.641
VA3 < VA	.731	.124	8.538
SYS4 < SYS	.752	.161	6.611

Goodness-of-fit statistics Chi-square = 1043.447 Degrees of freedom = 252 CFI= .719 NFI= .662 RFI= .630 TLI= .692 RMSEA= .168 NOTE: CFA = cor

immutory factore analysise (27) = Comparative Fit Index; NFI = Normed Fit Index; RFI = Relative Fit Index; TLI = Tucker-Lewis Index; dired loading estimates from (CFA using the Amos software package. ed texts, tvalues greater than 1.63 are significant at p < 0.5; tvalues greater than 2.33 are significant at p < 0.1.

Table 5 presents CFA results for the E-S-QUAL items. The loadings generated are all high and significant (p < .01) in this sample. These results, along with the high coefficient alpha values for the four dimensions in this sample (Table 1), offer support for E-S-QUAL's convergent validity. However, values for the various fit indices do not meet the standard criteria (Hu and Bentler, 1999) for good fit. This is probably due to the fact that our sample size is not large enough to fit the E-S-QUAL model. Nevertheless, these results reinforce the support obtained in the scale development phase for the psychometric soundness of E-S-QUAL model (Parasuraman, et al. 2005). These results also confirm the relation between the brand performance and imagery, and brand judgment and feeling in CBBE model.

The hypothesized model is tested by employing structural equation modeling (SEM). The numbers on arrows are the structural coefficients of SEM.

The relationship between brand response and brand resonance could not be presented due to the inability of analysis program. Therefore, I only present and illustrate the interrelation of brand meaning and brand response (as in figure 10). Emotional perceptual attributes (Visual Appeal) did not have a significant effect on satisfaction (=-.09), therefore, H1b is rejected, opposing my initial expectation and other empirical studies (e.g. Wolfinbarger and Gilly, 2001). However, the path between visual appeal and hedonic value (=1.00) is found to be significant, supporting H2b. The paths between privacy (.62) and fulfillment (.75) and satisfaction are found to be significant. Therefore, the finding partially supports H1a. Fulfillment (.83), privacy (.49) and efficiency (.24) show the different levels of impact on utilitarian value. Thus, H2a is partially supported. It is different from the initial expectation and many other studies, which suggest fulfillment and efficiency to have a significant impact on value (e.g. Parasuraman et al., 2005). The analysis system was unable to estimate the paths between utilitarian value and hedonic value to satisfaction. This may due to the complexity of the model and/or the insufficient sample size.



# 6.2.1.2 Control variables

When looking at the respondents' gender, women make up 60.7% of the total number of respondents (135). This statistic indicates that women do more online shopping than men. The majority of respondents (43%) in the survey are in the age group 25 to 39. Respondents at age of 40 to 50 years old constitute one third of the total respondents. Only 20% of respondents are older than 50 year old and the rest respondents are youth (under age 25). The fact that such a high amount of the respondents was between 25 and 39, had to be taken into account, as age group is closely related to segmentation strategy.

When looking at educational lever, 53.4% of online shoppers claim that they have a bachelor degree and alike, 30.1% have longer education than bachelor, followed by 15% of respondents finish their high school. Regarding to household income, most of respondents chose rather not to say. Respondents whose income is between 250,000 and 350,000 Danish kroner annually, and those whose income is above 350,000 Danish kroner each year have taken up, 28.6% and 21.8%, respectively. It is assumed that most of online shoppers in Denmark have a relatively high education and high income. Furthermore, 120 out of 132 respondents are Danish.

Regarding to shopping frequency, most of respondents are new buyers (only tried less than three times) to the online groceries shopping (44.4%). Followed by one quarter of the respondents stated that they purchase online depend on situation. Some respondents have relatively routine of online shopping: once a week (14.5%) or twice a month (7.3%). The rest are infrequent shoppers who shop once a month and more frequent shoppers who shop twice a week. On the other hand, 4 out of 9 visitor respondents claim that they visit websites depend on situation and 2 of them visit website once a month. Their motivations of visiting supermarket websites are looking for opening hours, location and discount price.

## 6.2.1.3 Structured interview

Question as: "why did you pick up the score?" were asked in some questions. Evidences of what gives value and why customers do word-of-mouth could be indicated as follow.

- Why did you pick up that score? (The overall value you get from this site for your money and effort.)
  Key words: Quality, Time (delivery)
- ♦ Why did you pick up that score? (I would be willing to pay a higher price for this brand over other brands.)

Key words: Freshness, Quality, Organic product, Good service, Satisfied

Why did you pick up the above three scores on recommend this brand to others? (The above three WOM questions)

Key words: Good delivery service, Appropriate delivery time, Fresh products, Large assortment, Good price, Ease of use website, Satisfied, Bad service

## 6.2.1.4 Segmentation

This section includes the finding of some target group in Danish grocery industry, as well as target group avoidance.

#### Vegetarian

Føtex has launched new product for vegetarian on their Facebook page; moreover, respondents who participant in survey also mentioned the importance of product selection. The rise of attention of vegetarian customers shows a great opportunity of such an easy-defined segment.

#### Organic lover

From structured interview questions, respondents claim that their choice of the brand is its large selection of organic food (20%). Furthermore, the substantial comments on Føtex's Facebook page of organic news (20% off of organic food every Tuesday and Thursday) show the demand and enthusiasm of organic foods (see in appendix 6).

# 6.2.3 Irma's positioning and segmentation strategy

Irma has special goods that offer both in physical stores and online shops. Besides, their own brand items and a large choice of organic food are the reason of some customers' choices. "Irma believe in organic" stated on their website (Irma, n.d.). These brand attributes are also reflected on their Facebook page and customers feedback on trustpilot.com. According to the results from first phase's comments, Irma's customers claimed that the price is not much more expensive than other players in the market, at the same time, they perceived a higher quality. Thus, one can infer that Irma position itself has slightly higher price and higher quality (which refers to organic products). In short, Irma is a brand that target niche market (e.g. organic users) and offering relatively higher price than other Danish grocery brands.

## 6.3 Validation and Reliability of the second phase

It is essential to evaluate the reliability and validity of the research in order to guarantee the quality of this research. Quantitative reliability refers to "*the scores received from participants are consistent and* 

stable over time" (Bryman and Bell, 2015; 211). According to Creswell and Plano Clark (2011), validity has both similarity and difference in quantitative and qualitative research: the purpose of validity in both approaches is to check on the quality of the data, the results, and the interpretation. In quantitative validity, researchers should look for evidence of content validity, criterion-related validity procedures or construct validity procedures. However, my qualitative research of validity increase the account of the trustworthy and credibility of this research. Triangulation strategy in this research, which is multiple observers, theoretical perspectives, and sources of data, enable in order to increase confidence in findings. In this study, qualitative interviews and netnography increase confidence in the finding of the first phase. Quantitative survey was conducted to check outcome from the first phase and E-S-QUAL model. Furthermore, member check also increases validity of netnography method, as it checks whether there is misunderstanding from the observation method. The overall structure of this thesis increases reliability.

Nevertheless, based on previous studies, Bryman and Bell (2015) quoted Scandura and Williams' (2000) example of an analysis of all articles published in three top-ranking American journals and stated that substantial number of articles, which reviewed one certain method, can compromise triangulation. Therefore, I can argue that, E-S-QUAL model has tested in more than 12 countries and several different online retailers and services. This also increases the reliability and triangulation of my thesis.

All in all, triangulation refers to a crosschecking findings process, which emerges the most valid and reliable way to understand the complex social reality.

# Part 3

# **Chapter 7. Discussion**

The purpose of this study is to propose and test an integrative model of customer-based brand equity by conceptualizing that brand resonance is influenced by value, satisfaction and multidimensional aspects of e-service quality. All the sub-questions (p.4) will be answered in this chapter and some of them will be illustrated more in the next chapter. Moreover, certain aspects related to grocery industry in this particular cultural context will be pointed out as well. Even if the data from quantitative method is not able to support my initial expectation and pervious empirical research, the triangulation method supports the validity and reliability of these findings. The cause of the weak and non-significant structural coefficients may due to the insufficient sample size and/or complex structure of the new model (figure 9).

As my results show, the trend in the market for certain target group is organic food. It become more popular and always generates huge discussion. Thus, a clear target group is easily defined. Certain group avoidance is as important as defining target group. Due to the limit of resource, a company cannot target to all the segments in the market. Those respondents who do not have any shopping experience or visiting experience online claimed that high expense or shipping cost is the reason of their choices. On the other hand, most of respondents who have online shopping experience are at their age above 25. Thus, one can infer that most of students will not choose to shop grocery online due to the extra cost that may occur. Therefore, online distribution channel campaigns that aim to students or youth can be avoided. Easy, effective website; high quality goods and delivery service are the three dimensions that respondents mentioned the most. This result has been validated through both qualitative and quantitative methods above. This finding is in line with E-S-QUAL model's four dimensions that the factors representing efficiency and fulfilment have the most powerful effects.

An easy to use, effective website is the core of an e-service experience. This factor is a POP for brand. On the other hand, the PODs lie in the details of each touch point, for example, "to the door" in delivery service or a gift. This will be discussed in details as recommendation in the following chapter. My results

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proved that the aesthetic appeal of the website is strongly related to the evaluation of the functionality, usability and quality of that website, and the tight relationship between the visual appeal of the website design and *efficiency* of that website. This finding is also in line with Szymanski and Hise's (2000) results that good site design lead to e-satisfaction. It also proved the literature in the website design section, customers seek for utilitarian benefit (i.e. efficiency) and hedonic benefit (i.e. enjoyful) when visiting website. Furthermore, the results are in line with the previous literature that hedonic value does exit in online shopping, however, it is not the main motivation customers seek for. The reasons for these results may lie in the characteristics of the industry and may differ from other industries.

Loyalty is the ultimate goal in both CBBE model and E-S-QUAL model. Thus, more discussion of loyalty will be shown as follow.

## 7.1 Loyalty

According to the results, customers express their opinion in online evaluation website (e.g. trustpilot.com). Customers' satisfaction and dissatisfaction were detected from such WOM messages. Normally satisfaction will lead to repeat purchase intention, whereas serious dissatisfaction will lead switching in brand. Customers express their "love" to the brand show that they have attitudinal attachment to the brand. More details are attached in appendix 3.

#### **Price premium**

According to Aaker (1996; 106), price premium is defined "*a basic indicator of loyalty is the amount a customer will pay for the brand in comparison with another brand (or set of comparison brands) offering similar benefits.*" Customers tend to be pleased by **higher quality** with a discount price, even if this price is slightly higher than other brands (finding from Irma's trustpilot.com). One can argue that it is difficult for grocery brand to charge price premium, because customers will only pay higher price when they get better quality (higher benefit).

#### Brand-as-organization (organizational associations)

According to Aaker (1996), one dimension of brand associations is the brand –as- organization perspective. In this perspective, an organization including its people, values and programs lie behind the

brand will create a differentiation from other brands. "*This perspective can be particularly helpful when brands are similar with respect to attributes, when the organization is visible (as in a durable goods or service business), or when a corporate brand is involved.* (Aaker, 1996; 113)" Føtex is in corporate with DanChurch Aid and crowdfunding to bring up a concept of concerning the amount of food waste (Payton, 2016; Haynes, 2016). The message was sent on Føtex's Facebook page and generated comments, shares and discussion dramatically. When a brand represents more than just product and service, this brand would be viewed as an innovative, successful, and high quality brand. This commitment to innovation would make a brand a reliable, up-to-date brand personality (Aaker, 1997). In Føtex's case, a down-to-earth, honest (sincerity) brand personality is therefore formed.

# 7.2 Customer-Based Brand Equity model application on Irma

The importance of the Customer-Based Brand Equity model is that it provides guidance for brand building. Thus the purpose of this section is to have a clearly view that whether Irma's brand meaning include sufficiently strong, favorable, and unique brand associations based on the results. And the value behind those brand meanings. Figure 11 displays a CBBE pyramid for Irma.dk that reveals how they first achieved brand salience and a strong brand image and brand performance on their way to achieving resonance with consumers.

It is worth to mention that Irma has a long history of more than 125 year-old and most of their products are organic and their own "Irma" brand. In other words, it is a storytelling (Keller, 2013; 1993) and unique brand. Evidence of this brand association could be found in customers' comments on trustpilot.com where they use "Irmapige"(a nick name of logo) to refer to the brand (evidence see in appendix 3).



CBBE model provides marketers guidance for brand building. The application of this model lies in planning, implementing, and interpreting brand strategies (Keller, 2001). In such a low involvement nature of grocery industry, the low switching cost makes it difficult to build brand loyalty. The CBBE model can be used to interpret this weakness. By using CBBE model, strong, favorable, and unique brand associations were sufficiently defined and brand resonance, therefore, can be achieved. Moreover, brand potential or possible ways to create additional meaning with consumers can be realized as well. Recommendation of brand potential will be discussed in details in the following chapter.
# **Chapter 8. Managerial Implications**

#### 8.1 Hooked customer

As the results show, most of respondents are new buyers (only tried less than three times) and some of the others only buy products in online supermarket if there are special occasions. One can infer that certain shopping habits of Danish online grocery shopping are **not** yet formed. According to Eyal and Hoover (2014; 12), habit-forming companies link their services to the users' daily routines and "internal triggers" (emotions). The authors described habit like: "*many of our daily decisions are made simply because that was the way we have found resolution in the past.*" Let's take an example to explain what is a habit. When a dinner plan is needed, before customers searching their brains or design that dinner, they search on supermarket's website for recipes. This priority of choices is called first-to-mind solution (ibid). By using this "first-to-mind" solution, users show up without any external prompting. If a brand can profoundly change behaviors by guiding users through a series of experiences, this is called "hooks" (ibid). The authors then introduce a "Hook model" and further state that hooks can be found in virtually any experience that implanted in our minds (and often our wallets).

Hook model consists of four parts: trigger, action, variable reward and investment (ibid). Ultimately, by cycling through a sound hooks circle, customers begin to form associations with internal triggers (stored automatic responses) that will attach to existing behaviors and emotions.

What can brands benefit from habits? Firstly, habits create first-to-mind choices and unprompted user engagement. Ignoring advertising and interference from competitors. Secondly, word-of-mouth would be generated by those who continually find out value in online service of a particular brand. These hooked customers are viewed as brand evangelists who bring more customers to the brand at little or no cost. Thirdly, habits give brands greater flexibility to increase price, since customers form routines around the brand and become less-price sensitive. Caution: price strategy need to be taken care of since customers are quite price sensitive towards grocery shopping in generally. Lastly, to some extent, hooked customers equal to loyal customer, therefore, a strong brand equity is established.

#### 8.2 PODs and POPs

As mentioned above, key POPs may change over time, so my results are on current basis. POPs and PODs are foundations and core elements of building customer loyalty. They are important brand attributes, which carry meaningful brand messages. Furthermore, they are also the determining factors of customer satisfaction and customer value, and eventually brand loyalty.

For online service providers, efficiency and fulfillment dimensions demonstrate stronger effects with the overall perceived value construct. This gives marketers a clue for prioritizing their firm's resources to improve electronic service quality. According to my results, delivery service (e.g. to the door service; delivery time remainder), product quality (freshness, package) and ease of use website are attributes that mentioned the most by customers, therefore, details in these three aspects need to be focused.

#### Attractive requirement

1. There is a tendency that customers becoming unsatisfied with the "gift", which companies add in the delivery package. However, complains of such a "surprise" happen sometimes. For example, one of respondents said that their family has issue of gluten allergies, but the company sends a gift that might cause everyone sick in the family. Another customer got a bag of candy when he/she only eats low sugar food. Thus, if managers could be a little more careful and able to deliver "right surprise" to customers, this will become a POD (attractive requirement), which add value to customer; gain customers' satisfaction and probably lead to loyalty. Although it sounds impossible to please customers with a "right surprise", one of the solutions recommended is to create a customer database. This can be done by the following steps: (1) Build customer profiles. In this step, customers' basic information such as name, age, website browser behavior, telephone number, family statues can be enter in such a database. (2) Based on the information from step one, customer's life stage, shopping patterns, product preference or avoidance could be detected. It is worth mention that promotional campaigns inspiration can also be formed based on this database. (3) Integrate and maximize the usage of all channels (omni-channel). For instance, an SMS of precise deliver time in delivery service process would defiantly increase customer satisfaction. A remaining message that saying your favorite or frequent purchasing product is in-short storage would be thoughtful.

To sum, brand benefits from such a customer database by (1) gain value-based marketing management; (2) create favorable, strong and unique brand attributes; (3) leverage business through customer analytics; (4) the most important is to build a strong brand equity via customer loyalty. In short, benefit from establishing such a customer database is, to find the right time to carry out the right brand message (by promotional campaigns) for the right customers (by segmentation).

2. In order to improve delivery service, an SMS of precise deliver time and "to the door" delivery could be PODs (attractive requirement) brand attribute. So far, it is rare that company provide customers a SMS of precise deliver time. Thus if the brand is able to reach this service, it would be a surprise and point of high performance.

3. Details determine differentiation. Managers can also consider send out paper recipes, instructions on how some of the goods should be cooked together with the products. To make customers life easier.

#### **One-dimensional requirements**

1. The creation of one type of one-dimensional requirement relies on brand's internal exercise (employee). Customer's shopping experience is not only dealing with the quality of product, but also the quality of employee (e.g. delivery worker; packaging workers and selecting product workers) and sometime customer service employees. A concept named "positioning the brand internally" was mentioned by Keller (2013). The author claimed that building strong brand equity not only relies on the marketers but also on positive way that each employee contributes. Brand essence and core brand promise will be kept when all employees and external partners understand what the brand most fundamentally is. Then they should adjust their actions accordingly and represent to consumers. Thus, a high standard of training quality to every employee that is involved in the process of providing a high, impressive e-service journey to customers. For e-service providers, it is critical that delivery worker, packaging workers and other employees have an up-to-date and deep understanding of the brand. It is also these employees that can improve details in the service that directly deliver to customers.

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In particular, a short waiting time on customer service phone call and well trained customer service employees is recommended, because if this performance is higher than other brands, it could become a **core** POP and keep customer satisfaction high and probably lead to loyalty.

Companies can also engage in continual open dialogue with their employees, let them be part of decision-making in branding strategy. Furthermore, companies can provide B2E (business-to-employee) programs (Keller, 2013). This idea is related to "brand mantra" in the earlier section of POPs and PODs.

2. From the results of structured interview in quantitative method, one can infer that whether customers are willing to pay for a higher price is closely related to quality. Customers tend to be pleased by higher quality at a discount price, even if this price is slightly higher than other brands. If the brand can find a balance between high quality and good offer (price), it would be a one-dimensional requirement (core POP).

3. According to results of survey, customers who have product problems will only get the refund of what they paid for, which means no compensation is given. Appendix 9 shows the results of 22 cases which most of them got no compensation. In the studying case brands, refund the total price is how company makes up the problem, but compensation would be a point to gain a higher reputation and happy customers. This aspect is a one-dimensional requirement that leads to satisfaction if performance is high and to dissatisfaction if performance is low (not even refund the price would lead to dissatisfaction).

#### 8.3 Segmentation recommendation

#### Sports trainees

One of my qualitative interviewees (see appendix 2; 5) is working in fitness world. He claimed that sometimes, he uses the website recipe if it contains calories information. On the other hand, it seems that many people do not have the knowledge that supermarket website offering recipes (according to my qualitative interviews). It would be a target group that values websites' recipe function.

#### 8.4 Choice switch concern

Brand extension from offline to online should be concern of cannibalization, but on the other hand, the brands enjoy instantaneous brand recognition (Gommans et al., 2001). Thus the marketers need to ensure that customers may gain more benefit in online shop than physical stores. Special offer is usually what customers looking for, as well as special products (e.g. organic food). Managers need to take good care of customers' satisfaction, because the cost of switch to offline shop is much easier in Denmark when there are stores just around the street corner.

#### 8.5 Increase brand salience

The insufficient sample size may indicate a lack of brand salience with regard to e-service. Føtex and Irma are well-known grocery brands in Denmark and have high brand awareness and brand recall in customers mind. However, the brands may have problems of failing to link their online service to the corresponding business, creating brand recall problem.

#### 8.6 Brand meaning consistent

*"Customers' tolerance for inconsistency and mediocrity is rapidly disappearing"*, suggested by Reichheld and Schefter (2000). This indicates that stay consistent and being innovative is crucial to remain that loyal relationship. An example of being innovative is mentioned in brand-as-organization section above. It suggests that staying consistent needs a comprehensive view of touch points so that each touch point will deliver the same brand meaning. Furthermore, professional employees training will enhances brand meaning consistent as well.

#### 8.7 Language concern

Denmark is such an internationalized country that 8.5% of foreigners (Indvandrere I Danmark, 2014) live in the country, besides English is a common used language. However, all the supermarket websites are in Danish. This language of barriers lowers the number of users (see how interviewee's response this area in appendix 2; 4 and 9). If Danish grocery brands consider targeting international users, a language option on website is recommended.

## Chapter 9. Limitation and further research

#### Quantitative research

As I show in the earlier chapter, the quantitative results have small and non-significant structural coefficients. Hu and Bentler (1999) stated that by given the limited sample sizes, estimating such a complex model was problematic. Therefore, further research is recommended, either to modify the construct of the model or enlarge sample size. Regarding to E-RecS-QUAL Scale, the sample shows that the chosen brands had a low incidence of problem encounters, probably because the brand were among brands of high reputation. Therefore, a need to further examination of the model in the context of more diverse brands that have a higher incidence of problem encounter is necessary.

### Modification of items and dimensions

Further research of a new, up-to-date item and dimension list needs to be developed. This idea is due to the aforementioned nature of POPs and PODs, which may change over time. Items in E-S-QUAL model such as "Pages at this website do not freeze after I enter my order information", "This website does not crash", may not be a problem that customers concerned in Danish online grocery purchasing process or other cultural context as well. Another consideration of modifying the items is: from my investigation, brand attributes such as product quality (freshness), package quality, and delivery to door service are probably customers' evaluation core points. Thus such items could be included in the scales for grocery industry. Since I am lack of time for validity test of such items, I utilized all the items from pervious empirical studies that have been tested for validity and reliability.

Regarding to E-RecS-QUAL scale, only one possibility of retuning goods was considered. In grocery situation, food will probably not be requested to return. Other problems (e.g. missing goods, unqualified delivering employee or customer service employee) should be considered. It also requires research of each touch point thoroughly. However, due to the lack of enough respondents on E-RecS-QUAL scale, further research is suggested.

All in all, the purpose of develops E-S-QUAL scale and E-RecS-QUAL scale is to produce a general scale for assessing service quality of a variety of sites (Parasuraman el al. 2005). However, little modification of items could be applied to adjust with a particular industry.

#### Trust

Substantial empirical studies have investigated the important role of trust in online shopping experience. Apart from what I mentioned in e-loyalty section, loyalty is also about earning the trust of the target group and creating a consistently superior retention experience (Reichheld and Schefter, 2000), "*Brand trust is the relationship between the confident expectations of the consumer and the resulting responsibility of the brand or retailer* (Lau and Lee, 1999; Chaudhuri and Holbrook, 2001 cited in Jones and Kim, 2010; 628)". The authors stress a positive relationship between brand trust and brand satisfaction and brand loyalty (ibid). Moreover, Hahn and Kim (2009) found that the attitude of trust of certain brand can possibly lead to customers' repeat visiting to that brand's website for more information. Based on Wolfinbarger and Gilly's (2003) findings, security/privacy is related to professional look, functionality, and feeling of the website, as well as company reputation, and therefore can affect trust. Nevertheless, I also mention in attitudinal attachment section, Gommans, Krishnan and Scheffold (2001) stressed that trust is a component of the attitudinal loyalty because it reduces brand uncertainty.

Due to the limitation of my framework line and the limit of space in this thesis, I could not investigate trust in details. However, further research is suggested.

#### Satisfaction

Notice that I only briefly explain different types of attributes and their relationship with satisfaction. As Yang and Fang (2004; 309) stated in their studies "Some service quality attributes may not be critical for customer satisfaction but can significantly lead to dissatisfaction when they are performed poorly." It would be interesting to investigate this type of service quality attributes in order to avoid it in practice.

#### **Touch point**

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In this thesis, brand touch point has only been touched little upon. A recommendation of possible way of new research direction could be: consider categorize each touch point of online shopping experience as construct, look deeply into the customer value in each touch point and thereby, build brand loyalty. For practical implication, marketers can determine and emphasize on the important touch points and work with them more effectively. According to Keller (2013), brand building should also be established from inside of the company. Thus one effective means of achieving that goal clearly defines customer value in each touch point within online shopping experience.

#### **Geographical concern**

Situations and customers shopping behaviors may be different from smaller cities and countryside, due to the number of stores, density and distance. Therefore, further research on different regions from country is suggested.

#### **Other considerations**

1. This thesis focuses on the grocery brands that have brick-and-mortar stores. The aim of such a brand consideration is that the brand salience (brand knowledge and brand awareness) and brand touch points would be different from those pure virtual groceries brands in Danish market. However, in order to have a holistic picture of virtual grocery shopping behavior and evaluation, further studies of pure virtual groceries brands such as "nemlig.com" should be taken into consideration. Moreover, because of time limits, this thesis does not consider those online customers who may need pre-purchase customer service (Wolfinbarger and Gilly, 2003). Thus, possible further research direction could include pre-purchase customer service and/or pure online brands.

2. Another limitation is that I could not find any one who is a frequent user of website recipes and website food calendar, which means the potential value, loyalty and behavior intention from those attributes are uncertain and need to be studied by further research.

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# Appendices

## Appendix 1. Qualitative interivew guide

How long have you been lived in Denmark?

How often do you do grocery shopping? Which supermarket do you usually choose?

Is there any special occasion that you would use certain brand of grocery store? For example,

furniture-Bilka, kvickly. Food –Netto

Have you ever shopped online?

Do you visit their (whichever) web site?

If yes, how often?

Do you think their website has the same identity with their physical store?

If more than one brand, could you tell me what do you think the differences of these website? Eg. Nettocolor is too dark, Irma- clean.

What is your purpose of visiting? Which category are you looking for?

Do you like their website, regarding the color, design, navigation, content? Why?

Do you think you can always find what you need?

Do you have experience that this web site surprises you? Make the experience different from any other times?

Will you constantly use this website? Will you advice other people around you to use the same website? What do you suggest for an improvement of this website?

If no, (show the interviewee's favorites grocery store website-Meny, Føtex, Kvickly, Netto, Rema 1000 and Irma)

Do you like the design? Colour, navigation, content What is you first choice of visiting? News, tilbudsavisn, company information etc. Do you think their website has the same identity with their physical store?

Will you start to constantly use this website? Why (not)?

Will you advice other people around you to use the same website?

What do you suggest for an improvement of this website? Or what can they develop to draw your attention/interest?

## Appendix 2. Qualitative interview transcripts

1.

Date: 13.11.15 Interviewee: Wu Gender: male Nationality: Chinese

Interview summary: He has tried to buy things online. He mentioned the offline brand affect on online website. He will "go for the thing, which I already know it is there." (straightforward). In his opinion, Irma has special product but more expensive. Moreover, he would compare different shops for the cheapest price.

How long have you been in Denmark?

Wu: Been here...7,8 year

I: Have you had any experience of online shopping?

W: it is very convenience. Normally, I will look for the websites, which have "safety" sign. The sign looks like an "eye".

I: What do you usually buy? Electronic product? Or...

W: yes.

I: how about food?

W: That too.

I: Did you also buy food online?

W: My business is dealing with food, so.... Normally, many things could be delivered from supermarket website, except frozen food....but for example, for children and non-frozen food, etc.

I:ummm

W: Big supermarkets all have their own websites. OH, there is a new online grocery store...called....

I: nemlig.com

W: Exactly! Nemlig.com

I: How often do you shop online?

W: For me, as I am not completely a consumer. Because I have my business. So, I am not sure, whether my opinion will be fulfilling your request.... I have some partners who are also doing online business with me.

I: So, do you mean, you won't visit supermarkets like Irma, Fotex?

W: No. I have my own online supplers.

I: How about your everyday grocery shopping?

W: Oh...then I buy them myself.

I: Will you consider buying them online?

W: Seldom. Not everything is good from Internet. Because I would like to look around when I buy food. This is difficult to do online.

I: But now supermarket like Irma is work hard on attract people visiting or buying things from their website. And they have had this campaign for almost half a year now. Do you know that?

W: Yeah...I know....I just bought a lot of diapers.(laugh...)

I: Can you names some websites you have visited before?

W: Irma, bilka, Eldigant.

I: What have you bought from these webistes? W: Ink.

I: Which website did you buy that?

W: Print.com....

I: Not any supermarket websites?

W: No.

I: Now, I will show you some websites pages? Like this Irma page, and please tell me do you like it, and why...in relate to the colour and navigation...

W: Irma...Good. The online theme is quite the same as the offline theme.

After SOME MINUTERS...

W: No doubt all the websites will look good. I guess they all have a template. That's why they look similar.

I: But this one...fotex... the color is similar.....

W: Fotex.... Isn't it link to bilka if people want to buy something?

I: Yes. But they just create their independent online web shop.

W: Well... they are the same company....and Netto.

I: So, speaking about the color and navigation. Which one do you prefer.

W: It doesn't matter. But their online theme is really the same as offline. Yes, similar. Not much different.

I: how do you usually do online shopping? Like, you go for the goal directly, or just browser....

W:I don't have time to browser for no reason. I will go for the thing, which I already know it is there.

I: How do you think the website should improve? How to attract you to visit or buy from supermarket website? Compare with the physical store.

W: There is one thing. If you buy little amount of products, plus the shipping....mm... it doesn't worth it. Then I would prefer the physical stores. For example, no matter how much you buy, it cost 29kr shipping fee in Irma.

I: But sometime you get free shipping....

W: Yes, but not all condition. So, you really need to count that.(laugh...)

I:...yes.

W: But some supermarket has good delivery system. You can choose to doors, or pick up, or something like that. That is very good.

I: Flexible.

W: Exactly! But other supermarkets don't have this option.

I: Will you read information other than shopping, like recipe, news (company news)

W: No, if I am bored. (Laugh ..)

I: Will you recommend the website to others, if there are, for example, special offer?

W: yeah...Normally, it is too expensive in Irma.

I: But with better quality, maybe?

W: Because they are many own label. They produce themselves. When you go to the store, everything is their own label, everything....maybe ....better.

I: So, does that mean you would choose Netto compare with Irma?

W: If the same product, Netto is cheaper. But Irma has special product, where you won't find elsewhere. But everything depends on my needs. For the same product, why do I go to Irma instead of Netto. But if I want better quality, I would go to Irma.

I: So, you would prefer offline shopping than online shopping, right?

W: Not necessity. Do you know, different physical store has different product assortment? For example, the Irma in my neighborhood has no diaper, but the one in Amager center has. So, sometimes, I order them online, because I need to buy a lot.

I: Ok, I don't know that.

W: Fotex, Netto are the same. Same product, but not in every stores.

I: How about price? Same?

W: No, Same product may have discount in this shop, but full price in other shops.

I: Do you have to visit shops all the time for promotion?

W: No, I have my suppliers. But I get use to compare prices...everywhere.

2.

Date: 16.11.15 Interviewee: Anne (A) Gender: female Nationality: Danish

Interview summary: She is a heavy online shopper (no physical groceries shopping at all), but she only uses "nemlig.com". She is quite favor of online shopping because it is ease and convenient. She believed that Delivery service is good, it is cheapest, super easy and smart, and large assortment. Within the given brands, she prefers Irma. Even if she thinks it is expensive, she would like to use it in special time. Moreover, she is willing to recommend this way of shopping to others.

I: How long have you been living in Denmark?

A: 23 years.

I: So, how long have you have the knowledge of online shopping? I mean grocery shopping?

A: I do it a lot.

I: Do you think online grocery shopping is more convenient compare with the physical stores?

A: Yeah.

I: More convenient.

A: Yeah, a lot.

I: But don't you need to wait for the delivery?

A: I don't need to wait, because I order them the day before I need them. Then I buy for a week. So I get a lot every time.

I: So you buy groceries once a week. And you don't need to go to the shop.

A: No. I don't go to shops at all.

I: Really!

A: Yeah, it is nice.

I: Yeah, actually, you get all you need with some clicks.

A: Yeah, and then sometimes the shipping fee only costs 4kr. So...it is very very cheap.

I: Like meat, milk....

A: yeah, yogurt, fruits.

I: Which website ?

A: I pick it up at Nemlig.com or ... what do you call it, First price. The cheapest one.

I: How about Netto, fotex?

A: umm....no.

I: Irma.

A: No.

I:Kvakly.

A:No.

I: purely online shops.

A: Only nemlig.com

I:Ok. Have you visit any of brands I just mentioned?

A: No.

I: Ok. Why do you favor Nemlig.com?

A: effective. It is very very easy. I can do it on my phone.

I: Only phone? How about computer?

A: Yeah.

I: Why do you like shop online?

A: I think it is very smart. Sometimes if I say, now, ok, we need to remember milk on Sunday. So I can put it in... what do you say?

I: list?

A: Yes. So, Ok, today I put some in, and tomorrow I say, I need these things also. I could pay there, so it just like a list I put there. So.

I: Can you easily find what you want?

A: Yes, it is very easy. There is a, what you call it, a searching thing. Then I just write, for example, "Potato", then I got all the potato out. From the cheapest to...

I: really! Actually, I have never tried that.

A: It is very easy!

I: How long it the delivery time? Usually?

A: umm...I pay before 12 today, they come tomorrow morning 12 am. If I do it after 12, they can come after 12 tomorrow.

I: It is fixed time. So, do you feel that you can control it? Control it in your way.

A: Yeah. Also if I take a vacation, I can pay today, then I can choose maybe, next week (Tuesday) for the delivery. It will be ready when I come home.

I: Do you need to be home?

A: Yeah, I need to. But I can make the order in that way.

I: I should try that. Now, I will show you some websites, please tell me which one or ones that is the more similar to Nemlig.com.

A: Ok.

I: In relate to color, the layout, navigation. This is Fotex, they just got their own online store, before they share the online store with Bilka....And the Netto...

A: I don't think you can buy things from Netto, but they have a very very smart shopping list, I have used it before. You can check it out when you pick it up in Netto. It is just a list. I have this "Tilibudavis" app, so if you go to Netto, you just click this app, then you know what you want to buy.

I: Now Irma.

A: Yeah, but it is the expensive...

I : Yeah, but they have unique things where no one else have.

A: Yeah. Irma is a good store, but it is very expensive for everyday. I only use it in the weekend if I need relax...

I: Treat myself.(Laugh) Which one do you like the most among these websites?

A: Irma

I: Will you read other information other than food, like news or "recipe"?

A: Yeah, you also get it in Nemlig.com. It is very very smart. There will be a list. These things you will need to pick up. If you make this food. You just buy it all. Then.

I:But you only check recipe on Nemlig.com, not others?

A: No. No.

I: Does Nemlig.com also have events, like this one, Christmas theme?

A: yeah. Gift for kids,etc.

I: all their products are food, right?

A: also other small things.

I: no electrical products?

A: No. Only small things. Just normal things they also got in stores.

I: Any difference between Nemlig.com and these brands?

A: No, I don't think so. In nemlig.com, they have cheap things and also expensive things. Like organic things. The nice thing is you can get cheap things, like milk and also expensive things, organic fruits. You can get it all.

I: So the different things are convenience and price.

A: Yeah.

I: Will you recommend your shopping experience to others?

A: (Laugh) Yeah... I think my mom is starting to do it also. It is really really smart. Maybe when you want to hold a party, you don't need to carry beer home all by yourself. Also here for Christmas, you don't need to carry all the meat, potato cola. They just deliver them. The cheapest shipping fee is just 4kr and I think the most expensive one is 30kr. But this expensive one is when you buy very much. I do once time a week, I pick a lot up. And they go all the way up to your door.

I: Is that a Danish royal post delivery system?

A: No. Their own.

I: That's very smart.

3.

Date: 18.11.15 Interviewee: Judy Gender: female Nationality: Danish

Interview summary: She never has any experience with website, not even consider about it because she lives so close to a Netto. She might use "weekly discount newspaper" if she has to visit a website. She prefer Irma's website for its ease of use and style.

I: How long have you been living in Denmark?

Judy: 40 years. I am a Dan.

I : When was the first time you heard about online shopping?

Judy: I don't know. 10 years ago, maybe.

I: Do you have any grocery online shopping experience?

Judy: No, not groceries.

I: Not groceries. Ok.

Judy: I know it is possible to do that. But I never did that.

I:Is there a reason for that?

Judy: Because I live in town and it is very easy to go to Netto and Irma and those things.

I : Does that means you prefer to see or enjoy of going to store personally?

Judy: No. yeah, a little. But it is cheaper to buy in the store and not online.

I: You mentioned Netto is the one you visit the most.

Judy: Yeah, I live almost next to a Netto.

I: Yeah, that is convenience.

Judy: Yeah, it is easy.

I: Here is the Netto homepage. Do you think it form the same image or almost the same image as their physical stores.

Judy: Yeah. I recognize it.

I: By what element? Navigation, color?

Judy:By color.

I: ok. Apart from buying things online, is there any thing that could attract you to visit their websites?

Judy: No. maybe this one. (She pointed at "Tilbudsavis")Ummm.... And that's it. I don't use other things.

I: How about "opskrift"?

Judy: No.

I: How about any events, like social responsibility. Will you use that? Like if you saw any information in the physical stores, will you come back and check that out?

Judy: I could do that. I work very ofter with the computer. It will be easy to do that.

I: The other brand you mentioned was Irma.

Judy: Yeah.

I: Here is the Irma website. Compare with Netto, which one do you like better?

Judy: I prefer Irma.

I: Why?

Judy: It is more classical. It is ... it is more... and it is easier to follow the menus. It is more developed.

I: So you think it's faster?

Judy: Yeah.

I: What do you think about the pictures?

Judy: It looks more expensive.(Laugh) I like the style better.

I: The style.

Judy: The style, yeah. The blue, white, etc.

I: Will you check any other information?

Judy: No. I don't think so. No.

I: Yeah.

Judy: Yeah, I live close to a Irma, too. So.

I: It is easier just to visit...

Judy: Yeah.

I: Then, if there is anything you think is interesting on the website, will you recommend to others, like will you talk about it to others?

Judy: Yeah, I will do that. I: Have you ever used their Face book? Judy: No. I: Never? Judy: No. Irma or Netto? No. I: Any other brand? Judy: No. I: That's it. Thank you so much for the interview.

4.

Date: 14.12.15 Interviewee: Yong (Yong) Gender: male Nationality: Chinese

Interview summary: He has no shopping experience, but has visited some website for discount promotion. He thought that the online websites have some relationship or link with the physical stores. His feeling was really affected by photos on the website, besides, he claimed that due to the language barrier, he can only use websites with large amount of pictures.

I: How long have you been living in Denmark?

Yong: About 10 years. From 2004.

I:Have you had any online grocery shopping experience?

Yong: Not really.

I: Have you heard about these experience from others?

Yong: Yes.

I:How did they describe it?

Yong: They usually buy heavy and maybe more valuable things.

I: What do you mean by that?

Yong: things like electronic devices and house hold like TV. In Elgiganten.

I: Elgiganten is not a supermarket.

Yong: Electronic supermarket! Why not?

I: What I mean here is everyday consuming grocery supermarket.

Yong: If you talking about shop food online, then I never heard anyone did this.

I: When did you hear this experience?

Yong: 2013. Yeah...I think.

I: Which brand(s) do you usually go? Daily shopping.

Yong: Fotex, Netto, Bilka.

I: I am interest to know, have you visited Fotex and Netto's websites?

Yong: Yes.

I : Why? For what information?

Yong: Their weekly discount information.

I: Anything else?

Yong: No. Nothing.

I: Any interesting news? Adversiting? Anything recall?

Yong: Normally...no. Only their front pictures, if anthing. But mainly discount information.

I: Anything like donation for developing countries, fair trade?

Yong: (Laugh)...No.

I: Can you recall any design from the websites you have visited? Like can you remember the color, navigation, easy to use?

Yong: Not much. But they basically have the same theme and color with their offline stores. Like Netto has yellow and black. Fotex with green, Bilka with blue.

I: How about navigation? Is it easy to find what you want?

Yong: Yeah...easy. They are huge companies. They must use good database. I can remember Elegigent has fast searching engine.

I: Anything else?

Yong: Not recall.

I: Now, do you recall any headache while your visiting? Like unable to find what you want.

Yong: Not, because I seldom do this. Not much experience. I won't buy food online, if any, electronic things.

I: Ok, now I am going to show you some websites. Please tell me why or why not like the websites, in relate to design, navigation etc. Here is the website of Meny.

Yong: Never heard about it. Never visit this website. New shop?

I: This brand was Superbest.

Yong: Never heard about it after they changed the name.... Well, it looks nice.

I: So, you like it?

Yong: Yes. I like this website.

I: Next, Rema 1000. What kind of impression? Have you visited this shop? Offline.

Yong: Yes. Good with money. Worth the money.

I: How do you think about the their website?

Yong: I like Meny better.

I: Why?

Yong: Because Meny has more picture. Therefore, it is simple and easy to find what I want. Just clink on the pictures. It looks like app, with a lot of pictures.

I: Next Irma.

Yong: Too much writing, context. (Browsing) Irma is not bad.

I:Why?

Yong: First, a big, easy to find searching bar. (Pointing it) It is easy. And this on the left. All the categories. So detailed. Easy to find.

I: Anything else? Color?

Yong: Color. It got something to do with their Logo. (Browsing)

I: Kvickly.

Yong: (Browsing) I really like this kind of websites. Because they have more pictures. Pictures with some words aside. You find what you need in a blink of an eye. For immigrant specially. For others whose Danish are not good. The pictures make it straight forwards. Functional. Also good for elder, if they cannot see well.And the quality of these

picutres are really high. Pictures are important. High quality pictures bring out the desire of shopping. Look at these pictures. High skills with excellent light.

I: So, the picture is crucial.I

Yong: I think....for example, when you look at a beautiful model with beautiful clothes, I will forget whether this clothes suit me or not. When you look at these pictures, you have that desire to buy the product. You look all the bright side from the pictures. You will only know whether it suit you after you buy it. So, the picutres bring the best out. Words will not work out like that. Not matter how hard you try on words, it work little, or less than picutres.

I: Ok. Next Netto.

Yong: Same color with their Logo. Same idea of their brand image. Well, the website fits their discount store image. Simple and everything is a mass. They can not make their website more classy. This is why Apple's homepage give you a exquisite feeling. Look at the letters on this webpage. It is just normal. You can see this font everywhere. But it make me feel closer to me. I guess the idea of this homepage is to hold the consistency with their offline shops.

I: So, what you mean is....

Yong: What I mean is, regarding the design, that is nothing, not attractive at not. But people will remember the Logo and form a "cheap" concept in mind.

I: What do you think of the information on this website expect "tilbudsavis"?

Yong: They have no connection with our life. I think it is a "Danish culture" to go though "tilbudsavis". Compare with Denmark, there is almost no such thing in Sweden. Sometimes less than 10 pages.

I: Because they don't have discount?

Yong: They have discount, but not as much as Denmark. Different marketing. They have more advertising than Danish. This got something to do with the TV advertising policy. (Then, he explain some TV advertising policy between these two countries).

I: The last, Fotex.

Yong: Fotex also has the "simple" design, where things are come front you. The products with heavy discount are at front. It is the last months now. A lot discount.

I: Did you notice that every website has a universal department, "opskrift".

Yong: Yes, this is a "convenience offer".

I: What do you think about it?

Yong: I think it is good. When every website has it, it become a default part.

I: Do you think it is necessary?

Yong: I think it is useful. But this one won't work for me. (He pointed on Netto's opskrift, where there is no picture but words) But look at this one, with picture. I will be attractive. Just like every film need posters.

I: What you mean is, you will have the desire of check things out because of the pictures.

Yong: That's right. When I look through this website, I see this picture, I will click on it. But when I want to make a certain dish, I might not thinking about visiting this website, instead I Google it. This is an incidental visit.

I: Ok, That is it. Thank you for having this interview with me.

5.

Date: 07.12.15 Interviewee: Christian (Ch) Gender: male Nationality: Danish Interview summary: He has shopped on Bilka before for paining item. He felt it was just standard website buying process, nothing special. He usually compare with prices in different places and looking for discount. He likes website that he is familiar with and is easy to find things, and it needs to be "right there". Moreover, he prefer Irma website.

I: Let's start with, how long have you been living in Denmark?

Ch: umm....for all my life, 23 years.

I: 23 years. Since when you heard anything about online grocery shopping?

Ch: Shopping online for groceries?

I: yeah

Ch: umm...if I know anything about it?

I: Yeah, like when was the first time you heard about it? Like heard some one who do it, or...

Ch: uh.. Acutally, I guess it is like two years ago. I heard about a friend who...

I: Have you done anything like...?

Ch: Never groceries.

I: Never groceries. Then, which supermarket do you use daily?

Ch: Mostly use Rema 1000.

I: For what reason? Is it closed to where you live or ..?

Ch: It is closer to work.

I: So, have you consider about other brands, like Fotex with larger assortment?

Ch: Sometimes I use them because Rema 1000, where I go don't have all the things I need, then I go. But I don't use them because they are bit expensive.

I: Ok. Yes. Have you ever visited their websites?

Ch: Kvikly, Fotex?

I: Any one, any supermarket.

Ch: Yeah, yeah. I have used Bilka before, to buy some kanvas, I believe it was. Yeah.

I: Some what?

Ch: Kanvas. That's, uh, your painting. Painting kanvas. Yeah.

I: anything else?

Ch: Not I can recall. Never groceries.

I: Do you remember anything from that experience with Bilka website. What was your feeling of it? From color, navigation, etc.

Ch: ummm.... Bilka. I don't recall color or anything. But I recall it was pretty standard layout for websites shop. I don't seem it being bad; I don't recall it being good either. I guess it is just fine.

I: How about other things, like whether the browsing is smooth, any problem of payment, or any misunderstanding, or anything you think, uh, this is not good enough.

Ch: Yeah, yeah. Not that I feel....(Some one interrupt) Sorry...uh. But...you asking?...sorry.

I: You experience when you visiting Bilka.

Ch: Yes. It was fine. I can't really say anything very good about it, but I can't think anything very negative about it either. And I didn't feel like it was anything that I confused to fining the items. So, It works smoothly. Yeah.

I: What make you lead to Bilka homepage?

Ch: When I want to buy something, I use the "Price runner".

I: Ah, Price runner.

CH: yeah, and "can go"too. Yeah, it is the same, site.

I: So, it was a link.

Ch: Yeah. The link to the site.

I: Was everything fine with the delivery and receive goods?

CH: Yeah.

I: So, which means offline and online cooperate smoothly.

Ch: Yeah.

I: Ok. Do you use application to shop grocery?

Ch:Oh, I have application called "minitildbud"-"my offers"

I:oh,yeah.

Ch:Yeah, which is like, it connects all the sales in the grocery each week. So I can easily find them there.

I: Ok. I use that also. Now I am just going to show you some websites. And then you just choose the one or many,

which you think looks nice or your favorite, in terms of colour, navigation. OK, first is many.

Ch: Yeah.

I: This is Irma...(time to broswer) If you want me to stop, just tell me.

Ch: Yeah, it is fine.

I: Now is, Kvcikly. Darker colour. By the way, do you use any recipe information?

Ch:uh, sometimes. Yeah. You mean on these websites?

I: Yeah.

Ch: Sometimes...but it is mostly, if I want to make some kind of dinner.

I: special occasion.

Ch: But then I search online, just on Google. And sometimes, it leads me to those sites. So I never go to those sites, specifically.

I:uh, I see. So, there were two kinds of situations where something lead you to those grocery websites. First is when you bought painting, which through a link to Bilka, and this is the recipe. Is there any more similar situations?

Ch:uh, yeah. Mostly when I want to know the opening hours, when it opens when it closes. And...yeah, the location. Mostly is not that common, but sometimes, I want to go to those specific place. Like, do they have anything(Bilka) near by.

I: Ok. Since you do sports, will you pay more attention of how much the calories in the food, like, such information when you shop online? Or organic food, for example.

Ch: Yeah, yeah, I would. Personally I don't use that much, but sometimes I guide people. Yeah, in work, what you call it. Dairy. If I need to guide people losing weight, then I use it. Like sometimes some web has information.

I: Ok, now Netto. And Fotex. It is all about Christmas. So, 1,2,3,4,5,6, which one or ones do you like the most?

Ch: Can I just double check? I am pretty sure there is....(He browser again) Yeah, Irma.

I: For what reason?

Ch: Because...umm...compare to those, like Meny, where they have a lot of thing I don't really care like, join in the Facebook, uh, some random news. If I want to go to one of the website, if I want to check something, (I want it to be) *right there. It is very easy to find.* Ok. I can find, (for example) where is the close nearby shops. Or the things they have; or do they have that and that, where the other sites are more hidden. The things I need to know when I go there. It s on the front page. It is very easy to reach.

I: More specific.

Ch: Yeah.

I: so, you just want to "Get in, get something and get out."

Ch: Yeah. Exactly! Where Meny, for example, I don't... when I go to one of the website, I am not interested in some random videos or something about a new app I can download. I am not that interested in that.

I: ok. That's man's shopping thing, always straight.But how about the color?

Ch: uh, I notice Netto, I hope it is not a problem with the site, but ...uh, it is like black here, it is very hard to see, uh, but I don't think the sites are too much... but netto is a bit more yellow, but yeah, that is the color for them. But that, again, Irma, I like the most. It's because it is easy to look at. Its more pleasing for eyes.

I: If they have special "tilbud" ONLY on their web shop, will you choose to shop online?

Ch: Yeah, I would.

I: If they have something good, will you recommend to others?

Ch: Do you mean good offer?

I: Yeah, offer or anything you think it is interesting, like news?

Ch: Yeah, sure.

I: You mentioned you only use one or two brands, will you also go visit other brands?

Ch: Yeah, I would.

I: So, you mean you are flexible.

Ch: Yeah, but I would also say that, I guess I am pretty good at, you know, like stick with what I know. So, I would have problem with looking at a lot of website. But if I think, oh, Irma works for me, I would probably stick with it. I am not flexible in that way.

I: Ok, I think that s pretty much everything. Yes, prefect.

Ch: I am glad to help.

6.

Date: 13.12.15 Interviewee: Mette (M) Gender: female Nationality: Danish

Interview summary: She has shopped in a pure virtual brand before and she focus on the quality of the goods. She like Føtex, Irma and Kvickly's website. When visiting website, she focuses on ease of use.

I: How long have you been living in Denmark?
M: Uh, 46 years.
I: Have you tried any online grocery shopping?
M: Just recently?
I: No, anytime, ever.
M: Yeah, I have.
I: When was it the first time?
M: 4 years ago.
I: When was the first time you heard about such thing as online shopping?
M: 10 years? 7,8 years.
I: Which homepage did you use?
M: "Aarstiderne". People get like a case, and can buy meat, vegetable and fish. Everything.

I: So, you never used page like Fotex, Iram..

M: No.

I: Why?

M: (For those brand) I prefer physical stores, because I would like to personally see what I buy.

I: Why did you use "Aarstiderne" where you cannot see what you buy?

M: Their physical store is too far out. They have no such a store like Fotex or Irma near by.

I: Why did you like to use "Aarstiderne"?

M: Because there were so many others tried that online shop, so I wanted to, too.

I: Ok, so you got this information from other people.

M: Yeah, they had organic vegetable, and back then, there were not that many organic goods in the supermarket.

I: Really? Ok, can you still remember their homepage? Could you like it at the time?

M: Yeah, it was easy. But I don't visit that web any more, because their goods were getting worse and worse.

I: Do you mean quality or other service?

M: Yeah, quality. Compare with the price, the quality is too low.

I: Same question as before, why don't you like to shop online in Fotex, Irma, such kind of brands?

M: I tried before, but they have a minimum amount request. Both Fotex and nemlig.com, also Irma. So, it is easier to go to physical shop. I think that minimum amount is 500 kr.

I: Have you bought anything other than food in online supermarket? Like furniture.

M: No, I don't think so. At lease, not in supermarket.

I: Now I am going to show you some of websites, (M: Which websites?) Please tell me what you think about them in terms of color, navigation, information and so on. First is Fotex. (You can just help yourself to browser)

M: It looks fine.

I: What do you think about color, picture, navigation, and information?

M: It is easy to find information.

I: Netto. Tell me your opinion in terms of news, advertising and so on.

M: It looks a bit in a mass.

I: In a mass?

M: Yeah, it looks not easy to find things around. The other one (Fotex) was easier.

I: Here is Kvikly.

M: Is that a duck?

I: Yeah... and here...

M: It looks also good. Look! It is also a lot content. <u>Different department. Bakery, butcher, vegetable and things</u> like that. Just like Fotex and so on. That's a good idea.

I: You mean it is good to show people their employees' faces?

M: Yeah, it is more the categories. To see which department they have in supermarket. It is the advantage.

I: Do you have membership's card of Kvickly?

M: No.

I: okay. So, the next here is Irma.

M: So people can see here (Left navigation roll) which kind of thing they will buy. It is also ok. (She is viewing..) This web is also fine.

I: Yeah.

M: Yeah, they always have recipe.

I: Christmas recipes.

M: Yeah.

I: The last one, Rema1000.

M: Ok. It looks a bit...how can I see. Uh, I can see the assortment there. Compare with the others, this one looks a bit boring. But it is ok to use. It is just the colour, which looks a bit boring, compare with Irma or Fotex. But the assortment navigation is fine.

I: So, after all these webs, which one or ones do you like the best?

M: I think I like Fotex and Irma the best. Uh, Kvickly was also fine, right? Yeah.

I: Why?

M: Because it is easy to use.

I: Easy?

M: Yeah, easy. Especially, when you need to search for things, they are just there.

I: How about colour?

M: Irma and Kvickly's colour are fine. Rema1000's colour is not so...it is bit boring. But the navigation is fine, but just not the colour. The white part, here.

I: Will you consider use online shopping service in the future?

M: No, not everyday grocery.

I: But if there are some special discount those only offers online, what do you say? I mean, in what circumstance will you consider to shop on supermarket's website?

M:I will not buy everyday grocery online. That's the thing.

I: Ok, Thanks for your time, and that's all.

7.

Date: 13.12.15 Interviewee: Birgit (B) Gender: female Nationality: Danish

Interview summary: She has shopping experience (Brugsen), and only heavy stuff. She thought it was easier when she needed to work back then. She mentioned "to the door" service and think the ordering system was good. She also thought it was good to be a member and get discount price. Furthermore, she talked about pictures quality and layout of website.

I: How long have you been living in Denmark?

B: For 72 years, all my life.

I: When was the first time you heard about online grocery shopping, like shop for vegetable and food?

B: I think it was 8, 10 years ago, where people can buy everyday grocery online.

I: Which homepage was it?

B: I need to think about it. Maybe Brugsen. I also used one, that has already closed now. It was something just like Superbest.

I: Online?

B: Yes, also online.

I: Was it SuperBrugsen or Brugsen?

B: I think it was just Brugsen as that time.

I: Was it a good experience? Can you remember anything from your previse experience?

B: it was good. They delivered goods all the way to the doormat. If I was not home, I could get them when I come back.

I: In which year was that?

B: Many years ago, 6, 7years ago?

I: Why don't you buy goods online now?

B: Because I used it only for those heavy stuff. For other things, I prefer to see them in the shop myself.

I: What did you buy online?

B: I bought washing power. And those thing that take a lot of space. Otherwise, when I drive to shop, I can just take everything home. It was only because I was working, and it is easier for me.

I: Can you remember anything from the website back then?

B: No, but I can remember it worked well, as least.

I: In which way? Informational, functional or?

B: Ordering system.

I: Do you visit groceries brands' websites now? For news or just browser?

B: I visit Brugsen's website, because I am a member of Brugsen, so I can get discount there. If there is any discount, so I visit their website and get cheaper price than other places.

I: Do you mean the memership of Coop?

B: Yeah, I can actually also use in Irma and Kvickly.

I: Have you also tried in Irma and Kvickly websites?

B: No, actually, I go visit Coop's homepage. And use the link to Brugsen.

I: Now, I am going to show you some websites. Afterwards, I would like to ask you which one or ones you like, and why?

B: (I need to sit closer).

I: Here is Meny.

B: Yes, the advertising, it looks good. If I want to order anything, I need to ...it looks a bit unclear. It looks fresh and everything. But I will be tired soon. It need to be more precise, not too broad.

I: Next Rema 1000.

B: You see, this one looks clearer. People can see thing. I think it looks more clear, maybe not that exciting and lack of freshness.

I: Next Irma.

B: It also looks clear. Yeah, all the discount information. It looks like those advertising in Newspapers. But it should have these. I think it looks clear. Instead of buying online, I can also go in the shop and buy there.

I: Do you mean, there is nothing online that can attract you more than going to the shop?

B: Well, buying online has a service of delivery, but you cannot get this service in the shop. The website is good enough.

I: Next Kvickly.

B: The membership thing. The discount just like ... I like this webpage a lot. I think it is clear and, at the same time, looks good.

I: color?

B: Yeah, color and size. I think layout is nice. There is something that I don't understand why they need to be here. But...

I: Which ones?

B: These pictures with employees. If people visit for goods, they don't want to see persons' images.

I: Let's try to see what's in it. (So, I click into webpage of employee's of fruit and vegetable)

B: It is also discount. They use so much space for discount; yet, others (brands) do this, too. They all do. So, here comes recipe. It looks not so bad. These pictures look nice. Food looks delicious. It looks pretty.

I: Next Netto.

B: It is not a lot here. But people get more discount in the shop than other places (brands). But the webpage looks boring. But it doesn't mean anything, I think. If people want to buy things here, it doesn't matter whether the website if boring or not.

I: The last one, Fotex.

B: It looks easy. And all the discount. They also have employees' pictures. Not so many things. It also looks easy and clear. Is there any "searching" place? Yes.

I: What do you want to search for?

B: "Have gras". Then we can see what they have... No, they don't have any.

I: No.

B: But it at least works.

I: That's right. Well, do you use their recipe?

B: umm....no, not theirs. I will use other websites. Recipe websites.

I: Only recipes.

B: Yes, so I can go in and search for a dish, if there is anything I will specifically make. Then I can see them all. I will not use this. But I know that they write what to eat on the package.

I: You mean if you buy anything in the shop, there will be a recipe on the package?

B: maybe not a recipe on the package, but only "you can visit our website and find the recipe there", things like that.

I: Will you do that?

B: No, I don't think so.

I: Yes, I think that's all.

B: yeah.

I: Yes, thank you for the interview.

8.

Date: 15.12.15 Interviewee: shan (sh) Gender: male Nationality: Chinese

Interview summary: He has visited Føtex and Bilka websites. He thought supermarket website is more functioning as an information website (introduction of company). Furthermore, he thought the website design is closely related to gender visitor. Men like "straightforward" and time saving website, while women may like "window shopping" and prefer more pictures. He prefer Føtex and Bilka for large assortment.

I: How long have you been in Denmark?

Sh: More than 10 years.

I: When was the first time you heard about shop groceries online?

Sh: Cannot remember it precisely. Some years. 2 or 3 years.

I: Have you any such experience?

Sh: No, not online groceries.

I: Have you had any circumstance that you browser groceries websites?

Sh: Supermarket websites?

I: Yeah.

Sh: I should have, but not recall any. Uh, there is one called SuperBrugsen. And German boarder supermarket.

I: I will give you some brands. Then you can tell me whether you know anything of these brands. Kvickly, Irma, Føtex, Meny, Netto...

Sh: I have visited Føtex, Bilka. But I have not bought anything.

I: Can you remember anything from your visiting?

Sh: um... Yeah. But what do you mean? Anything?

I: Color, design.

Sh: Design... mostly similar. Since I have not tried to purchase via them. It is difficult to say.

I: Can you recall anything else except the purchasing function.

Sh: advertising, service delivery information.

I: Have you heard anybody's experience:

Sh: You mean groceries shopping? No. But other goods, yes.

I: I will show you some websites. Tell me your opinion of why you like them, or why don't you like them.

Sh: (Meny)This website, the category bar is too small. Too (much) advertising on the other side. It is not so clear. (Føtex) It is not only a online shop, it is also a website which content the company's information. So, it is a bit... do two things at the same time. So, too much information. It is not as clear as the pure shopping website. Look at this, there are advertisings, information of Føtex, local Føtex.

I: You mean, if the company is aim to sell things, they should design the website as more straightforward. Shopping is just for shopping.

Sh: Yes, if you want people come for shopping, then design it as a pure shopping website. If you want the website to be more functional, location and so on. Then, it is better to make a link, or buttons- online shopping or "know more about Føtex". Everyone has different needs, thus it easier at start.

I: Why do you want such a design?

Sh: Maybe...man. As man, task completion. I would think, men visit this website for either seek for information or shopping. We don't know visit this kind of website for "window shopping". For example, I will visit this website either for "where is the location shop" or "shopping online". Men know what to do or what to look for before visit the website. So, straightforward, no wasting time.

I: Ok. The next one, netto.

Sh: Is it online?

I: It is not an online shopping.

Sh: ok. It is just for information, introduction and (if you want to read) weekly discount news.

I: Yes, here, they have a shopping list.

Sh: You have to be a member, because you need to sign in first. Then, I would say, I don't want to waste my time on this. As a man, I don't think we like to do grocery shopping.

I: How about Irma website?
Sh: I think some female user will like to see pictures on the front page. They may be inspired by these photos first, and decide what to eat, and shop to those food. But for men, I would just choose what I want. So, to inspire what to eat is good, because sometime, we don't know what to eat!

I: So, what you said is Irma is more a website for women?

Sh: No, it is all the same.

I: Because for me, the color is more feminized.

Sh: That's right. But Irma is more a groecries store, while Kvickly and alike have household goods. If you have more categories, the more difficult to design. If you go to a physical store, it is better to have huge assortment. But for online shop, due to the limit of space, it is more difficult to make a clear site for viewers. (Looking at Kvickly website) You can see here, clothing, kitchen stuff and...everything.

I: difficult to design.

Sh: Yes, difficult to find what I want. (Looking at Meny) It does not have online shopping function. I thought it has. Ok, You can write what you will buy. (I: Just like Netto.) You can add (goods) here, and pick up. I think online shopping (website) is not aiming for shopping, but a place to spread something, a place of marketing. That's my opinion.

I: What do you think you can start to shop online if there is something changed.

Sh: I think it needs more advertising and more discount. And the habit. If people are used to buy things in the stores, then nobody wants to shop online. And who is the potential customers. Maybe old people. They cannot go far. On the other hand, they may not be able to use internet.

I: Which one of those websites is your favor?

Sh: I like Fotex or Bilka normally. So, maybe one of these. I can get all I want.

I: ok, Thanks for your time. It was helpful.

9.

Date: 16.12.15 Interviewee: Mari (Ma) Gender: female Nationality: Japanese

Interview summary: Mari has never tried online shopping or visiting the websites unless she look for opening hours. However, when she visited the websites (Meny, Irma and Føtex), she first surprised that there is no English option, and saying "That's annoying"(twice) for international people. She likes the "Nordisk" feeling from Meny website and the possibility of getting "Nodisk" inspiration of recipes. But she also think being a supermarket website, price and discount information should be there clearly (just like Irma), because it is "much much easier". Furthermore, she prefer Irma if she has the need on the webpage.

I: how long have you been living in Denmark?Ma: Five years.I: During these five years, have you had any online grocery experience?Ma: I have, but I have myself used.I: um? What do you mean?Ma: I never use.

I: You never used?

Ma: No.

I: ok. But why did you say you have used this shopping experience?

Ma: No, No, I thought you said I have had such online groceries shopping. Yes, I have heard.

I: ok.

Ma: I know such a thing exits. But I never self shopped.

I: Have you heard anyone else used?

Ma: Yes.

I: Then, what did you heard from them?

Ma: I have had...because she is one of my friends. She just lives near Nørreport station. And she thinks there is a not really good grocery-shopping place, other than this "Torvehallerne".

I: Ok.

Ma: yes. Everyday shopping in "Torvehallerne" is too expensive, so she starts to use this online thing. She is really happy about it.

I: Do you know which website?

Ma: I don't know.

I: Ok. Then, have you visited, like have you looked through any online...supermarket website?

Ma: Yes, I have looked the website of groceries shopping in Denmark, but just because to check the opening hours.

I: then, which brand (did you check)? Can you remember?

Ma: Which brand? Whatever, Føtex, Kvickly, Meny. Whatever when I want to find out the...Irma, it's opening hours.

I: oK. Do you have any...can you recall anything from this looking through the information you want. Was it easy, or did you like the website? Do you like the color, the navigation or the searching? Can you remember anything like that?

Ma: Um... Not yet. I usually just looking through the opening hours. You know, at night. I wanna be sure I can be there. And if it is still open or not. Something like that. Or on the weekend, you know, because sometimes the opening hour is different. Only such an occasion I use, so um.. I don't really go though other things, on internet, on the homepage. So, I am not sure what's the content.

I: Can you remember where is this opening hour, this information on the homepage? Is it on top, is it on the left, right...

Ma: umm...

I: Or, is it not on the front, that you need to go to some page, or some specific page to get the opening hour. How did you find it?

Ma: Well, I don't remember. But I think usually on the right hand side. But sometimes they do have a different side. Sometimes it is hard to find it. But usually on... because if the store is more famous. Then, just type on the searching engine, you know, just type on the opening hours of meny or something like that. Instead of going to the homepage, you just directly coming (come) into the "opening hours". Or sometimes you don't have to open the link. Just read opening hours. Do you understand?

I: Yeah. Just on Google page, right?

Ma: Yeah. So I don't really open the homepage. Because I just need to know the opening hours.

I: Why did you said Meny? Do you have a Meny in your ...

Ma: Yes, Meny, as a Meny, like Fotex. Meny.

I: Yeah, I know Meny. Do you have one near by?

Ma: yeah. The one that close by? Yes.

•••

I: do you have your computer by your side? Can we look at some websites now?

Ma: Yeah.

I: First, can we look at your favorite Meny....So, just go to Meny and see...look at the pages and anything you are interested to check out. Later, just tell me, what do you think about it. Is the picture good, it is easy to reach any information you might want, and things like that.

Ma:Ok. First of all. It is Danish. (Laugh...) It is all Danish, and you don't have a click to English, exactly. I am so surprise(d) (about) that. They cannot buy.... I just go though all the way to the end, But I still cannot find the bottom that change to English. That's really really interesting. That is not friendly to international people.

•••

I: Ok. Anything else?

Ma: Only the first page, right?

I: Yes, or anything. If you are interested in checking something else. Anything ...like they have this, or why they have it here. Or, the color. Anything.

Ma: Well, since it is a Christmas time. It's focusing on the Christmas. It is interesting, because I can see …recipes. For the Christmas. Maybe you can get some kind of inspiration. This is thing interesting. And you can learn how to cook Danish food. Danish Christmas things.

I: So, is that all.

Ma: I can click on anything or what?

I: Anything. You can go anywhere in the page, just tell me your experience of this. What do you think about.

Ma: But it is really annoying, if you don't understand. Cause it's not in English what so ever.

I: Yeah. I do put you in the category of understanding Danish.

Ma: Yeah. I do understand the words. But if it is international...it is really really annoying. I think...but what ever it is on the internet, ...it is "nodisk" because the way they present the table and anything, I can see whatever the food is on, it's a "nodisk", so ...I just know it is a "nodisk" or Danish homepage.

I: Yeah. Ok. Can I say, it's because of the picture, (that make) you feel that.

Ma: Yeah. "Nodisk". The way they show the picture of the food, and anything. That is really "donisk".

I: When you have this feeling, can it help you to visit it more often, or will it help you to find out the interesting things in this website.

Ma: Yeah, I think it is interesting because we are living in Denmark and nodisk country. So, which means, if they are focusing on the Nodisk inspiration, then maybe I feel like, (you know) they are carry more local food. What that. Umm...local food or vegetable. And offering the the customers, which means more fresh and ...

I: If you think this is good, will you recommend it to people around you?

Ma: According to seeing the homepage, or visiting the Meny.

I: Visiting the homepage.

Ma: Just the homepage, um.

I: Like "I found some interesting recipe". Will you talk about it? Because you found this online.

Ma: Yeah, of course. Because I found the recipe. It is interesting.

I: Yeah, can we look at another homepage, Irma.

Ma: Yes.

I: Tell me your feeling about this website.

Ma: Ok. Actually, I think Irma is more supermarket website, compare to Meny. Because, Meny's homepage comes like nothing related to supermarket. Here, the first thing that come to my eyes is the price, the product and the price. Which is really showing that this is the supermarket, where you can buy everyday stuff.

I: Ok. Which one will you prefer if you want something from the supermarket, if you need something. (For example,) you need to know some information from the homepage, which type of homepage you prefer?

Ma: For the grocery shopping, right?

I: Yeah. Or anything they have.

Ma: Maybe Irma, because Irma actually carry more things than Meny. So far...let me go back to Meny. You cannot buy (things) online.

I: No.

Ma: If you want to do something with websites, then Irma is much easier because I can see the price and everything. Whatever they care carry, I can see the price, instead of on sale.

I: How about the color and navigation?

Ma: I think it is Irma. It is better. Because much much easier.

I: In relate to search or find or....

Ma: I think it is easier to find and easier to get the idea of "this is supermarket". Meny is ...nice...it is more...Instead of more traditional supermarket, they are focusing on more, like, more modern. Just like you can see the idea of Nodisk. You get the idea or inspiration of Nodisk, but Irma. You see that you are in the supermarket website. Maybe for the groceries shopping, Irma's homepage is easier to search on.

I: The last one, Føtex homepage.

Ma: It is more ...??

I: Instead of supermarket, Føtex is the one that carrying everything, right? According to ...Don't feel like a supermarket, but it's more like a...just...I see that I get feeling of that, this is US, the big supermarket that carries everything.

I: You have this feeling it's because you can see everything on the homepage, or it's because you know Føtex has everything.

Ma: No, No, No. just in the first page and the first inspiration. Because I can see that the grass ??? they are selling...and iphone and ???? Insteading of , I don't see any everyday food and toj (clothsing). So if I don't know the Føtex, I don't have any idea of this is a food supermarket or not. Groecry supermarket or not because I don't feel, yeah. It is hard to see this is a supermarket. I mean supermarket as grocery shopping.

I: In the furture, will you consider visiting the website.

Ma: Yeah, actually Irma. Maybe I will visit the Irma as a homepage, I didn't know they have food goods they are carrying online. I didn't know that. Maybe it is easier to go through. Maybe once in a while go through of what they have, instead of going to the store.

I: Ok, Yes. We are finished.

# Appendix 3. Evidence on Irma's trustpilot.com page



De bedste hilsner fra os alle! Irmaholdet







Published Monday, April 11, 2016

## Altid irmapige!!

Har altid været Irmapige og handler med glæde i min Irma. I 90-erne da Coop overtog Irma og gjorde sine hæderligste anstrengelser for at kvæle Irma, stemte vi Irma-kunder med vore indkøb, og Irma bestod. Så oprettede Irma Irmatorvet.dk med sædvanlig formidabel

kundebetjening.



# Appendix 4. Netnography of Kvickly Facebook page

This appendix includes all the post in the examining period. In particular, it includes: post pictures, content, category, and the number of shares, comments, likes. Furthermore, comment keywords and brand manager reply are also considered. Please send an email to ahxing20032003@yahoo.com if you are interested in the electronic file of this appendix.

## Appendix 5. Hedonic evidence on Kvickly and Føtex Facebook pages

Kvickly Facebook pages

111

Denne lavede min mand til vores datters frokost (2). Tænderne er føta, ørerne er halve fiskefrikadeller, ørevoksen er remoulade, skægstubbene er hummerhaler, øjnene er æg og vindruer(2). Og vi er glade Kvickly kunder i Valby.



Like · Reply · 🖒 84 · January 29 at 10:26am · Edited

# 😉 1 Reply

Fra en glad fan af Kvickly i 5450

Otterup () Supergodt personale! Har tryller lidt med mit sidste indkøb ()... See More





See Translation

n Hils på den gladeste Kvickly kunde i Ringkøbing.



Kvickly





## Facebook page



Appendix 6. Netnography of Føtex Facebook page

This appendix includes all the post in the examining period. In particular, it includes: post pictures, content, category, and the number of shares, comments, likes. Furthermore, comment keywords and brand manager reply are also considered. Please send an email to ahxing20032003@yahoo.com if you are interested in the electronic file of this appendix.

## Appendix 7 Survey items

Parasuraman, Zeithaml and Malhotra (2005) Efficiency EFF1 This <u>site</u> makes it easy to find what I need. EFF2 It makes it easy to get anywhere on the <u>site</u>. EFF3 It enables me to complete a transaction <u>quickly</u>. EFF4 Information at this <u>site</u> is well organized. EFF6 This <u>site</u> is simple to use. EFF7 This <u>site</u> enables me to get on to it quickly. EFF8 This <u>site</u> is well organized.

### System Availability

SYS1 This site is always available for what I need.

SYS2 This site launches and runs right away.

SYS3 This site does not crash.

SYS4 Pages at this site do not freeze after I enter my order information.

#### Fulfillment

FUL1 It delivers orders when **promised**.

FUL2 This site makes items available for delivery within **<u>a suitable time</u>** frame.

FUL3 It quickly delivers what I order.

FUL4 It sends out the items ordered.

FUL5 It has in stock the items the company claims to have.

FUL6 It is truthful about its offerings.

FUL7 It makes accurate promises about delivery of products.

Privacy

PRI1 It protects information about my Web-shopping behavior.

PRI2 It does not share my personal information with other sites.

PRI3 This site protects information about my credit card.

Visual Appeal(Charla Mathwicka,\*, Naresh Malhotrab, Edward Rigdon, 2001)

VA1. The way the site displays its products is attractive.

VA2. This site is aesthetically appealing.

VA3. I like the way this site looks.

Have you had any problems in your online shopping experience (for example, need to return the goods and so forth) ?

Responsiveness

RES1 It provides me with convenient options for returning items.

RES2 This site handles product returns well.

RES3 This site offers a meaningful guarantee.

RES4 It tells me what to do if my transaction is not processed.

RES5 It takes care of problems promptly.

Compensation

COM1 This site compensates me for problems it creates.

COM2 It compensates me when what I ordered doesn't arrive on time.

COM3 It picks up items I want to return from my home or business.

Contact

CON1 This site provides a telephone number to reach the company.

CON2 This site has customer service representatives \available online.

CON3 It offers the ability to speak to a live person if there is a problem.

Utilitarian value (Parasuraman et al., 2005)

1. The prices of the products and services available at this site (how economical the site is).

2. The overall convenience of using this site.

3. The extent to which the site gives you a feeling of being in control.

4. The overall value you get from this site for your money and effort.

Published Tuesday, November 24, 2015-Priserne er også fine, når man plukker lidt i tilbuddene.

Hedonic value (Source: Hassanein and Head, 2006)

HV1: I found my visit to this website interesting.

HV2: I found my visit to this website entertaining.

HV3: I found my visit to this website enjoyable.

Customer Satisfaction

Overall, how do you feel about your Internet-shopping experience?

1, Very dissatisfied (= 1) Mo very satisfied (= 5)

2, Very displeased (= 1) to very pleased (= 5)

### Loyalty

Repeat purchasing Intentions (Parasuraman et al., 2005)

How would you likely to ....

RPI 1.Consider this site to be your first choice for future transactions

RPI 2.Do more business with this site in the coming months

Attitudinal attachment (Yoo and Donthu, 2001) AA1.It makes sense to buy on this site instead of any other site, even if they are the same. AA 2.Even if another site has the same features as this site, I would prefer to buy on this site. AA 3.If there is another site as good as this site, I prefer to buy on this site. AA 4.If another site is not different from this site in any way, it seems smarter to purchase on this site.

(Chaudhuri and Holbrook, 2001 in Anna Kuikka Tommi Laukkanen, (2012))AA 5.I am committed to this brand.AA 6. I would be willing to pay a higher price for this brand over other brands.

Word-of-month (Parasuraman et al., 2005)WOM 1.Say positive things about this site to other peopleWOM 2.Recommend this site to someone who seeks your adviceWOM 3.Encourage friends and others to do business with this site

## Appendix 8. Interview with the brand manager

### Questions related to the target group

1.Who are your brand (eg. Irma) target group?

2.In which situation does your customers make the purchase?

3. Which kind of preferences or specific shopping behaviours do your customers have (frequency of shopping, preference for low price / high price items)?

4. What kind of similar needs do your consumers share?

### Questions related to positioning

1.What is this brand about?

2.Which brand(s) is(are) your competitor(s) in the market?

3. How is your brand unique in the market? (Intended PODs, in terms of performance attributes, performance benefits or imagery association)

4. How do you deliver these brand meanings (message) to the target group? (feasibility of delivering that POD)

5.Do you think these PODs are difficult to achieve by other competitors? If not, why?

6.Do you think these brand meanings will be changed over time, because of changes in customers' interest, trends or technology development?

#### Questions related to the way of market communication

1. Who are the brand external marketing partners? (eg. Ad agency)

Mark: the aim of this question is to investigate, how much power does the agency have, and how much is the brand manager involved.

2. What is the cooperation between them and the brand?

3.In order to keep most salient and being top-of-mind brand, what are the crucial considerations of the brand?

4. How did you claim that message explicitly and forcefully through market communication?

Mark: a similar question was asked above, but hopefully the brand manager will give an answer on a different perspective.

5.What is the challenge that the brand is facing now?

# Appendix 9. Results of survey



## The website takes care of problems promptly. (22 responses)

## This website compensates me for problems it creates. (22 responses)



## It compensates me when what I ordered doesn't arrive on time. (22 responses)

