

MASTER THESIS

- A study of the element of surprise and its effects on customer

loyalty

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Abstract

The aim of this thesis is to study the element of surprise and its effects on customer loyalty using already existing literature, collection of primary data through in-depth interviews and the case company GLOSSYBOX.

Most of what is known about surprise, as an emotion, originates from psychology literature, thus marketing-based research about surprise and the empirical evidence found, suggests that it plays an influential role in customer satisfaction and loyalty (Heilman, Nakamoto, & Rao, 2002) This field of study is limited, therefore this research takes a broad perspective in literature review, but to fully understand what a surprise is and how it is used in marketing, it was found important to begin with an exploration of the literature on experience and emotion, to find out if the element of surprise had been studied to provide a thorough description of what it is and how it could affect customer satisfaction and loyalty. The main findings of the study show that the literature portraits an important relationship between experience, emotion of surprise and how it can relate to customer satisfaction and loyalty.

Furthermore, it was discovered that the factors of experience are similar to factors provided by the element of surprise and customer satisfaction, which are essential factors to gain customer loyalty. Even if the study of the case company GLOSSYBOX was not able to fully confirm if the surprise element leads to customer loyalty, it did indicate that it affects customer emotions and their satisfaction and should be taken into consideration when marketing managers plan new strategies for products or services.

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Introduction

The following sections aim to explain the background, rationale and purpose of the thesis. It will also provide a description of the structure of the paper.

Practical Background

What is a surprise? Is it an emotion? Is it a feeling?

Surprise is a short-lived mental state that is a result of an unexpected experience. Surprise can be described as a feeling that lasts for a very short period of time ("Surprise | Definition of Surprise by Merriam-Webster," n.d.). Many scholars agreed that surprise is a neutral emotion; this means that surprise can have any valence; it can be neutral, pleasant, unpleasant, positive or negative (Ekman & Friesen, 1975 and Joëlle Vanhamme & Snelders, 2003). Surprise can occur in a variety of levels of intensity. Sometimes a surprise can exist for only a short period of time; this means that if the arousal is not strong, a person might not be aware of the fact that they have been surprised.

This paper will focus on the element of surprise provided by brand/company and its effects to customer loyalty. Nowadays the competition for attention from consumers is rapidly growing, everything is becoming commoditized, and therefore marketers are attempting to establish an emotional bond with consumers to drive their revenues. Concept of surprise helps brands approach customers and reinforces messaging ("How surprise and delight amplifies loyalty marketing strategies," n.d.). These activities help differentiate their quality of loyalty and also help to generate word-of-mouth (Bowen & Chen, 2001).

Furthermore, this paper will attempt to study if subscription-based business models and the element of surprise it provides, builds customer loyalty. There is no doubt that the concept of brand

awareness and customer loyalty is of strategic importance for companies in order to obtain a sustainable competitive advantage. There are many ways in which customer loyalty can make a business run smoother and be successful, though this relationship with customers is not an easy task to build and maintain.

The element of surprise is going to be researched through a monthly subscription box business model. Subscription in general is not a new concept; businesses have been selling monthly subscriptions for all sorts of goods and services for years. Though, currently unexpected industries have started experimenting in subscription-based models, offering anything from razors, make-up, toothbrushes, dog treats, cocktail-kits, and coffee for a flat monthly fee. It is a growing community of keen shoppers seeking both the convenience and surprise that every regular delivery brings. It is paving the way for wide-ranging and specialized offerings.

So what if purchasing by subscription combines all the known tactics of how to build customer loyalty? Basically, offering an experience that includes the element of surprise in specialized offering does it actually build a strong and sustainable customer loyalty? A German company of GLOSSYBOX is chosen as a case corporation, and this paper will research if the element of surprise of the unknown contents of the box were to help the afore mentioned company to gain customer loyalty in the Danish market.

Concept and background of monthly subscription box business model

Subscription boxes are a fast growing business model in which companies curate and send everything from prepackaged dinner ingredients to razors and beauty products straight to your doorstep ("The Ultimate List of Subscription Commerce Companies - Cratejoy Blog," n.d.). It is common that companies require new users to complete a survey, some a general; some more in-depth, to determine their personal style, appearance and taste (Hayes, 2014). Once a profile is complete, one receives monthly boxes in the mail with specialty products, depending on the chosen provider, that are handpicked accordingly to one's survey (Hayes, 2014). In a time when consumer can get almost everything they want online, relatively small (or what started as a small company) companies are taking over the market; not by sending consumers exactly what they have ordered, but by surprising them with personalized boxes (Vaamonde, 2013).

In six years since the first subscription box company opened, the industry exploded ("From Socks To Sex Toys: Inside America's Subscription-Box Obsession | Fast Company | Business + Innovation," n.d.). Virginia Lee, senior research analyst with market intelligence firm Euromonitor International says "[Subscriptions] represent a significant retail trend" "With the glut of products available in stores, many shoppers like the curation factor of these subscription boxes"(Hayes, 2014).

As the business model keeps growing and including many more retail categories entrepreneurs hope that there is still opportunities for expansion (Hayes, 2014) (Vaamonde, 2013). Even though, larger players are not making the industry easy to enter for the newcomers (Hayes, 2014). To stand out from the competition, Virginia Lee suggest that the new entrants need to offer cheaper products or attempt to use a celebrity connection as a face for the brand (Hayes, 2014).

The current success of the subscription box business model is the thrill of wondering what you'll receive in the mail each month, says Michael McCall, consumer behavior expert and chair of marketing at Ithaca College (Hayes, 2014). Moreover, Amanda Doman, site manager at the Illinois Institute for Addiction Recovery states that "The chemical reaction our bodies have when we're excited and waiting for that box each month—not knowing what it is, but knowing it's coming—

creates an adrenaline rush" "When something's being handpicked for someone, it's feeding their self-esteem. It makes them feel unique and keeps them continuing to purchase" (Hayes, 2014). The downside to this business model is that if you don't like the items you received more than once, there is high chance that the customer will lose interest, therefore subscription services must focus on maintaining the value of their box (Hayes, 2014). ("The Pros and Cons of Running a Subscription Service | Bplans," n.d.). However, some customers describe the thrill of getting items handpicked for them a reason enough to keep their subscription (Hayes, 2014)

Background of GLOSSYBOX

GLOSSYBOX is a German company founded in 2011 by global CEO Charles von Abercron ("About GLOSSYBOX," n.d.). The company reached a global triumph with over 5 million boxes shipped to three different continents, and are currently undertaking business in locations such as the USA, Japan, UK and France ("About GLOSSYBOX," n.d.). Later in the business time-line, the growth of GLOSSYBOX led to expansions in Austria, Sweden, Norway, Ireland and South Korea ("About GLOSSYBOX," n.d.).

As the homepage of GLOSSYBOX states, it is a leading subscription-based service of Beauty Trend Holding GmbH, specializing in luxury beauty boxes ("About GLOSSYBOX," n.d.). It is one of the most successful ventures of Rocket Internet GmbH, which has been instrumental in the success and sustainable growth of online companies such as eDarling, Zalando and Westwing ("About GLOSSYBOX," n.d.).

GLOSSYBOX is a monthly subscription box business that provides premier brands from the cosmetics industry and delivers to their customers beauty and lifestyle products that are handpicked and delivered straight to their doorstep ("About GLOSSYBOX," n.d.).

This particular monthly box contains products from well-known luxury brands to newcomers' products that are offered via subscription or one-time purchase, with a special edition for men available quarterly ("About GLOSSYBOX," n.d.). The company also offers a variety of limited edition boxes for special occasions including La Praire, Net-a-Porter and Bergdorf Goodman, this does not only differentiate GLOSSYBOX from their competitors, but also increases relevancy and partnership with retailers ("About GLOSSYBOX," n.d.)

The GLOSSYBOX concept

GLOSSYBOX researches beauty trends from all over the world and are partners with more than 500 international beauty brands to ensure a diverse beauty experience ("About GLOSSYBOX," n.d.). Later on the company chooses only the best products that are later selected to be featured in the box ("About GLOSSYBOX," n.d.). The monthly box contains five to six individual beauty and wellness products monthly("About GLOSSYBOX," n.d.)

To make the best beauty product match for the consumers, a beauty profile questionnaire is build to be taken when subscribing to GLOSSYBOX ("GLOSSYBOX - HOW IT WORKS," n.d.).

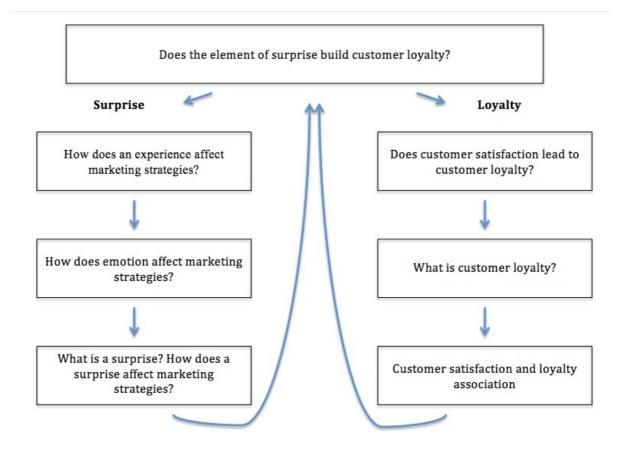
The homepage of GLOSSYBOX states the experience of their business model is based on surprise and delight and that the experience starts from the premium packaging, paper, ribbon that makes it expression of a gift that is completed with high quality products in each box ("About GLOSSYBOX," n.d.). Moreover GLOSSYBOX states that they reinforce marketing channels to improve consumer relationships and provides the customer preference and feedback to their partners ("About GLOSSYBOX," n.d.). GLOSSYBOX states that the gain from their network is valuable to consumer and beauty brands together. This network assists customers by providing them with the newest products and trends with the best price, the value of the box always exceeds the cost of the box, while the brands providing the products receives feedback about their merchandise ("About GLOSSYBOX," n.d.).

Moreover, GLOSSYBOX is a valuable associate to its brand partners since the company provides a marketing platform that helps to increase sales from the help of subscribers, who can be called an early-adopter group ("About GLOSSYBOX," n.d.). The "old school" marketing strategies as offering cosmetic samples as advertising in magazines or other merchants makes it very difficult to reach the potential target group, while GLOSSYBOX and their network of subscribers makes a perfect target group, since they are already interested in beauty products and generally subscribe for the purpose to test and be up to date with the latest products in the market ("About GLOSSYBOX," n.d.). Moreover, GLOSSYBOX saves manufacturers money and work with providing detailed product response, which normally would have to be gained through expensive market research ("About GLOSSYBOX," n.d.).

GLOSSYBOX states that they have more than 200,000 subscribers around the world and has sold more than 6 million boxes since 2011, translating into one GLOSSYBOX sold every 12 seconds ("About GLOSSYBOX," n.d.). Furthermore, GLOSSYBOX is a great presenter a broader category of monthly subscription box businesses. Finally it seems to be an example of a brand performing significantly in the experience economy and therefore provides a suitable context for the research question to be answered.

Research question

The overall purpose of this study is to research if the element of surprise can build customer loyalty. This research will be based on a constructivism-based study of consumer's perceptions and opinions of surprises provided by brands and its importance for retaining customer loyalty as well as reasoning for remaining a loyal customer to chosen brands. The aim of this study is to contribute to the existing uncommon literature about the effects of surprise to retain customers while also enhancing the knowledge about ways to affect customer loyalty. Moreover, the study aims to create a proposition for managers on how brand can use a surprise to their advantage to create a meaningful experience and attract more customers and build customer loyalty. Therefore the research question is as stated at the top of the following graph:



For this particular research a monthly subscription box business model based company GLOSSYBOX was chosen to examine if using the element of surprise in their services were to help them gain new customers and build customer loyalty if they were to enter the Danish market.

Goals and organization of the paper

Since the concept of surprise and its role in customer loyalty is highly unexplored area therefore I have found it necessary to take a broad perspective when constructing the research question as well as the whole research.

As seen in the beginning of the paper, the study starts with the practical background, meaning it looks into the concept of monthly subscription boxes business model, I felt it was important first and foremost to explain where the idea of this particular research came from. Later on, the paper focuses on the case company chosen, which finally lead to the structure of the research question.

To ensure that this thesis is well presented the literature review part had to be quite broad. Since to this point in date a lot of scholars are still debating what is considered a surprise and whether it is an emotion and if it has an impact on the consumers, I found it important to first look into the literature of experience.

Literature based on experience was one of the first attempts to look into the behavior of customers (in terms of business studies) and changing the way companies treats them. These particular studies focus on creating value in the form of experience, since it can have an impact on the competition as well as customer satisfaction and loyalty. Since nowadays price and functionality of the product is not enough, I felt that looking into emotions is important. What is an experience if not an emotion? Moreover, humans are emotional beings; therefore it would make sense that emotions are key for companies to develop a personalized experience and determine behaviors of consumers.

Studying experience and emotion in marketing was a foundation for looking into a surprise. Since one can guess that a surprise is an experience on its own that leads to some sort of emotional reaction. The literature part of surprise will mostly focus on explaining what exactly a surprise is in terms of business, as well as it will study if it leads to changes in consumer behaviors or in other words, if it leads to customer satisfaction.

Many previous studies have stated that a satisfied customer is a loyal customer. After researching surprise and studying if it affects consumers, it was important to look into customer satisfaction. The description and review of the literature of customer satisfaction will be provided as well as previous research of its effects towards customers and their loyalty.

Since the main goal of this paper is to study if the element of surprise affects customer loyalty, reviewing the literature customer loyalty was mandatory. That section of the paper focuses on description of customer loyalty as well as the significance of it to companies and brands.

Additionally the bond between customer satisfaction and loyalty will be reviewed. It will be studied if satisfaction builds a bond with a brand. It will also look into how consistent the satisfaction is desired to be to make a difference to customers' loyalty.

Finally a summarization will be made of all of the abovementioned theories. The summarization will show if the previous literature proves or denies that a surprise has an affect towards consumer.

After the literature review, research design will be described. It will mention the type of ontology and the epistemology chosen for this particular research and the reasoning for it. Moreover, it will describe the methodology and its advantages and disadvantages for this paper. Additionally, methodology will be discussed and the reasoning for choosing a qualitative method analysis.

Later on, the indicators of reliability and validity will be discussed to ensure the quality of the gathered data. Moreover, the chosen sample will be described as well of how it will contribute to the research.

To finish off the research design, a description of data analysis will be provided. First of all secondary data will be measured. This section will explain what kind of secondary data was used for this study and why. Also the risk and opportunities that secondary data contains will be discussed. The description of primary data will also be specified as well as the rationale and explanation for this particular choice. Furthermore, this section will look into the scope of the data as well as its advantages and disadvantages.

The following section "Finding" will contain findings from the questionnaire. It will present the main discoveries from the primary data. More so it will look into the pattern the data provides and its conclusion will be assumed.

One of the final parts of this paper will be discussion. This section will draw out the theoretical and managerial implications of the findings. It will also focus on the contribution of this papers findings to the previous research made.

Furthermore managerial implications will be examined. The section will portray a role that a surprise can have on brand loyalty, and how managers should handle it.

Last but not least limitations will be discussed, this will look back to the quality of the data gathered and the findings that originated.

The paper will end with a suggestion for further research and a conclusion.

Literature Review

This part of the paper will look into the history of literature that studies experience marketing, emotion based marketing, surprise marketing, customer satisfaction and loyalty. It is quite a wide range of literature, but to fully understand what is a surprise and how it is used in marketing I found it important to start from the beginning so that the element of surprise can be thoroughly described and found out from where it originated. Therefore the literature review starts with evaluating the experience in marketing.



Process of the literature review

Experience in Marketing

Every company's goal has always been to create some sort of value for their customers. However, every year it is getting more difficult to preserve consumers and ensure that a company develops a hard to copy strategy. In recent years, managers have become increasingly mindful of the importance to create value for their customers in the form of experience (Berry, Carbone, & Haeckel, 2002). Pine and Gilmore (1998) were some of the first writers to address the notion of customer experience (Pine & Gilmore, 1998). It has been made a point by Pine and Gilmore as well as several other authors, that the customer experience may provide a new means of competition (see for example Pine & Gilmore 1998; Shaw & Ivens 2002; Voss 2003; Prahalad & Ramaswamy 2004; Meyer & Schwager 2007), since services are becoming more commoditized, the experiences that brands create will be the most important factor in competition (Pine & Gilmore, 1998).

Providing an experience for customers is important for several reasons, because it affects customer satisfaction (Liljander & Strandvik, 1997) delivers customer loyalty (Yu & Dean, 2001; Pullman & Gross 2004; Mascarenhas, Kesavan, & Bernacchi 2006), influences expectations (Johnson & Mathews, 1997; Flanagan, Johnston, & Talbot, 2005), and also creates emotional bonds with customers or, conversely, leads to emotional alarm (Pullman & Gross, 2004).

The occurrence of all of this research has become essential in the economy at the present time, since it is one of the main elements that is driving and shaping customer demand patterns. Moreover it has been proposed that customer's interpretations of their experiences with the brand affect loyalty behavior (Barsky & Nash, 2003; Berry et al., 2002). Because of this, interest in customer experience is increasing among service executives and service researchers. Holbrook & Hirschman (1982) described an experience as an individual's consumption of and interaction with products or services that involve significant affection. While according to Pine and Gilmore (1998) the experience occurs "when a company intentionally uses services as a stage and goods as props, to engage individual customers in a way that creates a memorable event". Experiences are personal and therefore no person can have the same experience (Schmitt, 1999). Because the experience originates from the individual's state of mind and the staged event (Pine & Gilmore, 1998). Pine and Gilmore (1998), described successful experiences as those that a customer felt were unique, memorable and sustainable over time. Literature about customer experience reveals that many factors, for example emotional, physical, intellectual, or even spiritual ones contribute to a positive customer experience (Pine & Gilmore, 1998).

There are three types of experience-based researches, the first is the emotional type, second one focuses on company's perspective and the third emphases on branding and advertising. The emotional type was firstly mentioned by Holbrook & Hirschman (1982), they explored consumer behavior and remark on cognitive, sensory and novel simulation as motivation behind experience. Furthermore (Richins, 1997) believed that emotions play a fundamental role in consumption experience and classifies it into four types - sensory, social, emotional and intellectual. An emotional experience research examines the whole consumption experiences from the pre purchase stage and considers consumer interaction at the heart of experience (Holbrook & Hirschman, 1982). (Tynan & McKechnie, 2009) emphasized that consumption experiences are shared rather than individual in nature and provide practical value apart from pleasure-seeking, while as mentioned before Schmitt (1999) believed that experiences are personal. Furthermore, some studies were based on application of experience marketing in specific contexts and industries like retailing (Verhoef et al., 2009); arts (Joy & Sherry Jr., 2003); leisure(Arnould & Linda, 1993); fashion (Thompson & Haytko, 1997); and hospitality (Pine & Gilmore, 1998). They found specific

experience circumstances to be valid while exploring the cultural meanings, motives, themes, and theoretical researches.

The second type of experience research is based on a company's perspective and consists of gradual guides to creating and marketing experiences. The research starts with challenges faced in differentiating goods and services (Carbone & Haeckel, 1994) and the acknowledgement of the importance of experiences in developing customer encouragement(Allen, Reichheld, & Hamilton, 2005). This type of research is filled with examples and guidelines for customer experience management like identifying themes to create consistent impressions, making the experiences more tangible with memorabilia, engaging in all five senses and creating memorable events, (Pine & Gilmore, 1998, Schmitt, 2003) be relevant, offer an element of surprise (Joelle Vanhamme & Snelders, 2001), engage the customer (Poulsson & Kale, 2004) and integrate "clues", which are factors that contribute to positive customer experience, and meet or exceed people's emotional needs and expectations in the buying process (Berry et al., 2002). Each clue carries a message, suggesting something to the customer and the sum of all the clues make up the total customer experience (Berry et al., 2002). These mentioned studies emphasize and provide guidelines on how to create memorable services/goods not by improving functionality but by focusing on emotions rather than reason, and creating experiences together with the existing service.

The third type of experience research is established in branding and communication literature, it promotes narrative advertising for communicating experiences(Padgett & Allen, 1997), and the customer knowledge about the brand is based in direct experience with it (Crosby & Lunde, 2008). The research hypothesizes that experience brands send more emotional and complex messages, as customers do not process experience at rational and conscious level. Schmitt (1999) stated that

experience contains five dimensions - sense, feel, think, act and relate. Sensory experiences allows customers to satisfy their need for esthetics, feel refers to customers perceptions of fun and pleasure, think indicates attempts at broadening knowledge, act suggest personal tie with the company and relate involves social networks and interrelationships among customers which then creates feeling of belongingness to society (Schmitt 1999). Based on this research Brakus, Schmitt, & Zarantonello (2009) theorized brand experience into four dimensions - sensory, affective, intellectual and behavioral whilst constructing a scale to measure them. The Brand Experience Scale can be used to assess, plan and track purposes of the experience provided by brand to their customer (Brakus et al., 2009).

The existing literature deals with experiences mostly from a consumer and brand perspective, but it is consequently restricted from the practical side of strategic marketing. Moreover, the empirical research is also limited (Tynan & McKechnie, 2009). Furthermore Tynan and McKechnie (2009) states that the failure of the few scholars who have illustrated approaches by companies in creating customer experiences leads only to a partial understanding in this area (Tynan and McKechnie, 2009).

Even though experience in marketing has not been studied enough, in the current competitive market customer value cannot be reduced to functionality versus price, thus it is important to combine both functional and the emotional benefits that customers receive. Besides that, to gain the full advantage it would be useful to acquire understanding of the customer's expectation before the experience takes place as well as the assessment after the experience. Customers always have some sort of an experience with service or goods; it can be good, bad, or indifferent. The key for any company is to effectively manage the experience (Berry et al., 2002).

The literature concludes that to fully leverage experience as part of a customer value proposition, organizations must manage the emotional component of experiences with the same rigor they bring to the management of product and service functionality (Berry et al., 2002), therefore the next section will focus on the emotion based marketing.

Emotion based marketing

Human being are unique and complex creatures, one of the reasons for that is that they are able to experience and express different emotions, and can interpret complex emotional states in others. Based on emotions people are able to reject social connections, develop, maintain or avoid commitments to social structures and cultures, therefore they play an important role in every dimension of human activity within the society (Gaur, Herjanto, & Makkar, 2014).

It has also been suggested that emotions are key for companies to develop personalized relationships and retain customers(Rust, Zeithaml, & Lemon, 2000). For example Heil, Parker and Stephens (1999) stated that genuinely personal relationships between company and its customers are based "more on feeling than on 'stuff"; on emotions, as well as reason; and on intangibles as well as metrics". More over, (Holbrook & O'Shaughnessy, 1984; Bagozzi, Baumgartner, & Pieters, 1998) also agreed that emotions play a critical role in determining consumer behaviors. As said by Holbrook and O'Shaughnessy (1984) investigating emotions assists advertising agencies and salespeople in recognizing the different aspects of clients' emotions and consequences of these in the decision making. According to Bagozzi at al (1998), emotion can be identified throughout businesses, especially in marketing. To them, emotions influence individuals' information processing, mediate responses to persuasive appeals, measure the effects of marketing stimuli, instigate goal setting, affect goal-directed behaviors and serve as ends and measures of consumer

welfare. Accordingly, emotions in marketing not only help marketers gain insight into customers, but also make it almost impossible to replicate emotional marketing strategies, which establish a powerful competitive advantage (Robinette, Brand, Lenz, & Hall Jr, 2001).

There are plenty of researchers that believe that marketers still know too little about the role of emotions in marketing behavior, for example a quite recent study of Huang, 2001 re-investigated the theory of emotions in marketing. In her view, marketing scholars have not fully identified the specific characteristics of emotions. Bagozzi et al. (1998) argues that the problem is lack of consistent terminology, for example, terms such as "affect", "feelings", "mood" and "emotions" are frequently used interchangeably.

Even though there is still some confusion about emotional marketing, there is consistent correspondence that emotional marketing leads to loyalty. Heil, Parker and Stephens (1999) indicated "what is loyalty if not something that, first and foremost, you feel and experience on an emotional level?". Furthermore the work of Yu and Dean (2001) explores the role of emotions in satisfaction and found that both positive and negative emotions, as well as the cognitive component of satisfaction correlate with customer loyalty. They also found evidence that the emotional component is a better predictor of customer loyalty than the cognitive component.

To conclude, event though the literature is inconclusive in defining what the specific characteristics of emotions are, literature review still shows signs that emotions are important to develop personalized relationships with the customers or to retain new ones. Since we now can see where the experience and emotional marketing originated from, the next section will focus on the literature

around the element of surprise. The next section will define the concept of surprise and how surprises can be used to create a relationship between company and customer.

Surprise in Marketing

Surprise is something that lasts for a very short period of time, sometimes it is extremely short, so short that people might not be aware of the fact that they have been surprised, they are just in a special mood.

Mostly everything that is known about this particular emotion originates from the psychology literature, so research about surprise in a marketing context is still quite limited, though there are empirical evidence that imply that surprise plays a critical role in customer satisfaction (Heilman et al., 2002). The lack of surprise research is quite astonishing since some researchers have urged to study it (e.g., Derbaix & Pham, 1991; Westbrook & Oliver, 1991) and complained about the lack of a theoretical framework for this emotion in the consumer behavior literature (Westbrook & Oliver, 1991).

Based on the very first studies that mentioned surprise (Charlesworth, 1969; Ekman and Friesen, 1975, Izard & Singer, 1977; Plutchik, 1980), numerous more recent researchers describe surprise as a neutral short-lived emotion that is elicited by either unexpected or by the absence of expectation (W.U. Meyer & Niepel, 1994; W.U. Meyer, Reisenzein, & Schutzwohl, 1997; Reisenzein, 1998; Reisenzein, Meyer, & Schiitzwohl, 1996; Schützwohl, 1998). Furthermore, Vanhamme and Snelder (2003) described a surprise as an anomaly, when an occurrence of an incident falls outside of the norm of what s expected. However, there are authors that disagree with this particular view (Ortony, Clore, & Collins, 1988), the reasoning for this is the lack of agreement in psychology on what emotion is. Ortony et al. (1988) states that surprise cannot be an emotion

because it is neutral; accordingly it should either be positive or negative to be recognized. Event though there has been negativity about surprise being an emotion, according to recent studies, surprise will be considered as a short-lived neutral emotion in the present study.

Considering surprise as a neutral emotion, it can have either a positive or a negative effect, depending on the sense that occurs after the surprise. When a surprise is followed by a positive emotion such as joy it becomes positive, and also turns negative when followed by a negative emotion such as anger (Ekman and Friesen, 1975; Meyer et al., 1994; Vanhamme and Snelder,2003). This describes why people have pleasant or unpleasant surprises. For example, when someone who experiences joy after having been surprised will be more joyful compared to someone who had not been surprised, the impact of anger after a surprise would be greater than the impact of anger without a surprise (Westbrook and Oliver, 1991).

Individuals who experience to be surprised, stop their current activity, and instead focus only on the surprise (Hutter & Hoffmann, 2014). It is said, that arousal from a surprise is considerably increased at a psychological level (Hutter & Hoffmann, 2014). This means that individuals are focused on the stimulus they are exposed to, and work on a deeper cognitive level, which means that memory retention is better (Hutter & Hoffmann, 2014). The reason for that is, unexpected and different information substitute the elaboration process (Houston, Childers, & Heckler, 1987). During the attempt of interpreting different elements that are linked to different existing outlines the consumer continuously has to recover information, which leads to superior recall and recognition (Heckler & Childers, 1992) (Lee, 2000) (Lee & Mason, 1999). The idea of interpretation process suggests that the greater the effort required to process the experience the more likely it is that the information is stored in the long-term memory (Solomon, Gary, Søren, & Hogg, 2006). It can be

concluded that if an experience manages to reach the long-term memory, it is more likely that this information will be recalled in similar situation later when similar need arises.

Surprises can be applied before, during or after the purchase was made by the consumer; this is done accordingly to influence different elements in the purchasing decision according to company's needs. If the purpose of the surprise were to attract new customers, a surprising advertising of sorts would generate interest and attention, which could lead to more potential customers entering the store (Hutter & Hoffmann, 2014). If the goal is to increase sales, a surprising discount coupon when entering a store, could be used to surface impulse buying (Heilman, Nakamoto, & Rao, 2002). Surprises can also be used to increase satisfaction and consequently create relationships after the purchase was made (Vanhamme & Snelders, 2003), for example if customers are surprised by the quality of the product, or any type of monthly subscription box fits into this description. Therefore, surprises have a variety of outcomes towards the customers, depending on when during the purchase the client is surprised.

Literature of surprise supports that a positive surprise leads to a certain level of satisfaction (e.g., Vanhamme and Snelders, 2001). The highest level of satisfaction is believed to be delight, and it is said that surprise triggers delight (Vanhamme and Snelders, 2001). Plutchik (1980) was one of the first ones to suggest through his "psycho-revolutionary theory of emotion", that delight is a function and a combination of surprise and joy. Even though some psychologists do not consider surprise as a combination of surprise and joy, they still identify delight as a high-arousal pleasure emotion (e.g., Russell, 1980 and Watson & Tellegen, 1985). Additional studies provide some indirect evidence that positive surprise leads to higher levels of customer satisfaction and increased repurchasing intentions (Westbrook and Oliver, 1991). Oliver and Westbrook using cluster analysis on the emotions that customers experience during a service, discovered cluster with high scores regarding surprise and joy. Further analysis showed that people in satisfaction cluster were more satisfied and had higher repurchase intentions than people from a different cluster. Likewise, the exploratory study of by Oliver, Rust, & Varki (1997) and Mano & Oliver (1993) suggested the existence of a relationship between positive surprise and satisfaction with LISREL(linear structural relations) analysis underlying the path of arousal to positive emotions leading to satisfaction. Research by Vanhamme and Snelders (2003) has established two theoretical mechanisms that underlie a positive impact of positive surprise on satisfaction - response contagion and category contagion. Response contagion contends that a relationship between surprise and satisfaction branches from the arousal, which is created by the emotion of surprise, to be exact, arousal of surprise intensifies reaction from the consumption/purchase experience and in turn intensifies the level of satisfaction (Joëlle Vanhamme & Snelders, 2003). The other mechanism, category contagion, is based on surprise effect to the memory, a surprising event leaves a bigger trace in the memory, some scientists even say that surprise has the same effect as an addictive drug for the brain, which also leads to satisfaction (Sommerfeld, 2015) (Joëlle Vanhamme & Snelders, 2003).

As mentioned before there is a lack of research based between positive surprise and customer delight and retention, there is even less research about the impact of a negative surprise. The empirical work of Plutchik (1980) provides some premises for future research in this area. He found that surprise plus anger results in outrage, and that surprise plus sadness leads to disappointment. Schneider & Bowen (1999) have hypothesized that outrage can be the opposite of customer delight, in other words, the highest level of customer dissatisfaction, and suggested that outrage leads to customer defection and 'terrorism' (i.e., outraged customers share their outrage with other customers with the story being exaggerated with each retelling). The qualitative study of

Vanhamme & Lindgreen (2001) also offers some insights into the consequences that negative surprise has on customer satisfaction and retention, as well as on the customers' perception of the trust in the company and in the company's products. The authors studied the impact of negative surprise elicited by the deceptive gifts that some mail order catalogues companies gave to their customers.

To conclude, from a theoretical point of view, the notion that negative surprise enhances customers' dissatisfaction is likely to be based on the same two mechanisms that underlie the relationship between positive surprise and customer satisfaction (Joëlle Vanhamme & Lindgreen, 2001). The literature review demonstrates that surprise is an emotion, which can be influenced by positive or negative valences. Even though some researchers do not combine a positive surprise and joy (satisfaction) together, they all agree that it is still a high-arousal pleasurable emotion.

Customer satisfaction

As previously mentioned, the effects of experience, emotions or to be precise the emotion of a positive surprise, can be a great driving force of delight, which is the highest form of satisfaction. This section of literature review will focus on customer satisfaction since satisfaction is an essential element in creating customer loyalty (Oliver, 1980).

Customer satisfaction became of interest since Cardozo (1965) initial study of customer effort, expectations and satisfaction. Just as the explanation of emotion or surprise, satisfaction does not have an agreed description. Usually customer satisfaction is said to be a post consumption evaluation and judgment of specific product or service Gundersen, Heide, & Olsson (1996). Furthermore, Oliver (1980) stated that it is a consumer evaluation of the performance of purchase, pre consumption, during and after. In this perspective, customer satisfaction can be summed up as the consumer's evaluation of products or services that meet or fail the customer's expectations (Oliver & Swan, 1989; Yi, 1991). Luo & Homburg (2007) concluded that business profitability could be positively affected by customer satisfaction. There is a great deal of studies that have investigated the relationship of satisfaction with customer behavior patterns (Dimitriades, 2006; Olorunniwo et al., 2006; Chi and Qu, 2008; Faullant et al., 2008). Agreeing to these findings, customer satisfaction increases customer loyalty, impacts repurchasing and leads to positive wordof-mouth.

Oliver (1999) supports that overall satisfaction is more appropriate for an analysis of the satisfaction-loyalty relationship. While Johnson, Gustafsson, Andreassen, Lervik, & Cha (2001) state that the overall satisfaction formulation is better at predicting consequent behaviors and economic outcomes.

There are many characteristics and factors that can affect customer satisfaction. Satisfaction as itself can be determined by subjective (e.g. customer needs, emotions) and objective factors (e.g. products and services). Moreover, many academics (Anderson, 1994; Anderson & Sullivan, 1993; Bryant & Cha, 1996; Fornell, 1992; Fornell & Johnson, 1993; Fornell, Johnson, Anderson, Eugene W. , Cha, & Bryant, 1996; Homburg & Giering, 2001; Mittal & Kamakura, 2001) can identify differences in customer satisfaction across individual customers and competitive surroundings (product or service categories and firms). Moreover, Oliver & DeSarbo, (1988) argue that the greatest satisfaction can be achieved through a combination of high expectations and high performance. Kim, Ferin, & Rao (2003) specifies that the level of satisfaction depend, if individuals are met with the performance expected. While on the other hand Churchill & Surprenant (1982)

argues that there should be a difference between expectations and performance until the satisfaction level is changed.

Customer satisfaction is of great importance for any company, since it evaluates the effectiveness of their business and it's profitability in regards to how satisfied the customer is (Luo & Homburg, 2007)). In addition, customer satisfaction is a measurement between customer expectations, customer loyalty and the firm's product. Furthermore, customers are always aiming to get maximum satisfaction from the products or services that they buy. To succeed in today's business world it is required to not only focus on the product but also build a relationship with the customers and deliver superior value over competitors to the target consumers (Kotler, Armstrong, Saunders, & Wong, 2005). The feedback of the product/service depends on the customer's feedback on the satisfaction they get from consuming the product, because higher levels of quality lead to higher levels of satisfaction (Kotler & Keller, 2009).

Furthermore satisfaction can be perceived in two ways: transaction specific satisfaction and cumulative satisfaction (Boulding, Kalra, Staeling, & Zeithaml 1993; Yi & La 2004). Transaction-specific satisfaction is a customer's evaluation of the given experience and particular service (Cronin & Taylor, 1992; Boshoff & Gray, 2004). While the cumulative satisfaction, is an evaluation of the overall consumption experience (Jones & Suh, 2000). Consequently, it is important for organizations to implicate customer satisfaction as a measurement in their business, because customer satisfaction is an adaptable valuation based on experiences with products and service one receives.

To conclude, customer satisfaction can help companies drive their business towards the most profitable direction, if the perceived performance exceeds expectations, customers will be satisfied which leads to good word-of-mouth and customer loyalty.

Customer Loyalty

As previously stated, customer satisfaction could have a positive effect towards customer loyalty, which can be said to be one of the main goals of any company. Oliver (1997) describes customer loyalty as "a deeply held commitment to re-buy or re-patronize a preferred product or service consistently in the future, despite situation influences and marketing efforts having the potential to cause switching behaviors". Later on, Oliver (1999) defined it as a buyer's guarantee to be loyal user of a product, service or brand in the future, despite any situations or competitors encouraging switching. This is a similar description by (Anderson & Weitz, 1992 and Gundlach, Achrol, & Mentzer, 1995) they state that customer loyalty is a committed relationship between buyer and seller, where consumers aim to maintain a long-term relationship. Even though customer loyalty or loyalty in general has a lot of description, they all finalize it as a future target to retain a relationship with products/services of a particular brand or company (Dick & Basu, 1994 and Fornell, 1992).

The importance of customer loyalty is realized by a lot of researchers and companies. For instance authors Rosenberg & Czepiel (1983) and Cavana, Corbett, & Lo, 2007 all summarize that obtaining a purchase and the cost of serving a loyal customer are less than the serving cost of a new customer, this is because loyal customers are less price-sensitive, reduce marketing expenditures for attracting new customers and improves organizational profitability (Rowley, 2005). The additional literature also points out the positive influences on the profitability, because customer loyalty has a positive effect on a firm's product-marketplace performance (Anderson & Mittal, 2000; Fornell, 1992) and financial performance (Anderson, 1994; Gupta & Zeithaml, 2006). Besides that, Bowen & Chen,

2001) stated that, loyal customers serve as a "fantastic marketing force" by providingrecommendations alongside spreading positive word of mouth. Moreover, loyal customers cost lessto serve, in part because they know the products and require less information (Bowen & Chen,2001).

Customer Satisfaction and Loyalty Association

The involvement between customer satisfaction and customer loyalty is one of the most essential relationships in marketing theory and practice, since loyalty impacts firms' strategies, financial performance and even marketing tactics. Therefore, there has been a significant amount of research based on the relationship between customer satisfaction and customer loyalty and how one affects the other. However, not everyone agrees with this statement, it has been demonstrated that customers claiming to be satisfied or highly satisfied may still fail to be loyal (Reichheld, 1994). Thus, loyal customers are not necessarily the satisfied ones although satisfied customers do tend to be loyal (Fornell 1992; Gommans, Krishnan, & Scheffold, 2001; Oliver 1999). Oliver (1999) concluded that even though it has been said that customer satisfaction and loyalty is intertwined, though not particularly in an even manner (Oliver 1999). There are numerous studies that report a strong connection between customer satisfaction and customer loyalty (Anderson and Sullivan, 1993; Heskett, Jones, Loveman, Sasser, & Schlesinger, 1994; Mittal, Ross, & Baldasare, 1998; Oliver, 1980; and Rust, Zahorik, & Keiningham, 1995). Several find that satisfaction is the reason to long-term commitment (Ganesan, 1994 and Geyskens, Steenkamp, & Kumar, 1999). Consequently, while most agree at a general level that satisfaction leads to loyalty, is still a hard question to answer of how and to what extent. The reason for that is that satisfaction is a sum-up of positive emotions, and to this day consumers have a hard time expressing their reasoning based on emotions.

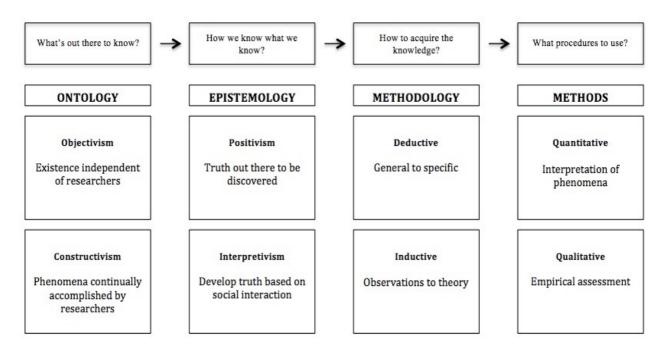
Experience of surprise, customer satisfaction and loyalty association

The summarization of literature suggest that customers who experience frequent satisfaction that comes from experience provided by a brand, is invested in retaining the relationship with a supplier and is less likely to look somewhere else. Oliver (1997) stated that this particular relationship occurs in phases, that loyalty is built over time from the first positive experience leading to loyal bond. Nevertheless, the research is lacking evidence to confirm or deny if that the relationship is linear. While Mittal and Kamakura (2001) describe satisfaction as a critical stone mile in the beginning, it can become less important as loyalty establishes through other mechanisms, for example switching barriers or personal characteristics. On the other hand Oliver and Rust (1997) shows that a customer experiencing constant rising satisfaction until they reach "tremendously satisfied" or "delighted" is more likely to stay loyal than a customer that is simply "satisfied" (Oliver et al., 1997). Correspondingly, there is a possibility that customers who are already loyal are less aware to any negative information therefore may experience greater satisfaction than customers who are not loyal and already have a negative idea about the brand/company (Shankar, Smith, & Rangaswamy, 2003).

Additionally, making customers feel good about the relationship they have with a brand/company is a necessity, therefore a special attention should be paid to user needs (Oliver et al., 1997). Before loyalty and customer satisfaction the product should be treated as the embodiment of the brand, without the right product features it will be difficult to meet customer expectations. As the literature review shows, for customers to have a good relationship with the brand they need to have a good relationship with the product. As Mittal and Kamakura (2001) states, a relationship should start with a positive experience with the consumer. Since the literature review already established that experience provides emotion, thus the experience of a positive surprise provides a pleasurable emotion. We can therefore state that the element of surprise does have an effect towards customer satisfaction and loyalty.

Research design

This section will take a look at ontology, because it determines the choice of the research design. Table 1. Types of research design ("Ontology - Resarch Methodology," n.d.)



Ontology is the science or theory of being ("Ontology | Definition of Ontology by Merriam-Webster," n.d.). It concerns the nature of reality, which is important for this particular paper because as mentioned before, there is still no real consensus between scholars in agreeing what an emotion is, or if a surprise can be considered an emotion. Ontology is a system of belief that reflects an interpretation of an individual (in this particular case the interpreter is me) about what can be constituted as a fact. Ontology centers on the nature and structure of "things", independently of any considerations, and even not minding their actual existence (Nicola, Daniel, & Staab, 2009). Furthermore, there are two aspects of ontology (See Table 1.). For this study the aspect of constructivism has been chosen, since surprise is continually researched by academics.

Additionally, epistemology is described as theory of knowledge ("Epistemology | Definition of Epistemology by Merriam-Webster," n.d.). As shown in Table 1 epistemology reflects the view of "How we know what we know?". The same as ontology, epistemology has two aspects of positivism and interpretivism (also called relativism), this paper follows interpretivism, as mentioned above the reason for that is, it has not been proven if a surprise is an emotion, which means this study will have to interpret the given literature and research to find an answer. Interpretivism allows to use interviews, focus groups and other qualitative methods to get a thorough prospect of the subject (Marsh & Furlong, 2002).

The choice of this particular research design is influenced by the research question and the degree of knowledge that already exists (Saunders, Lewis, & Thornhill, 2009). The research question in this thesis is broad and relatively open, because the goal is to extend the knowledge of the literature, since it is quite scarce.

Furthermore, this particular thesis does not involve a thorough analysis of a single company or a case, instead a monthly subscription business model of GLOSSYBOX is chosen as an exemplifying case. This allows to study the main objective of this paper- does the element of surprise build customer satisfaction and loyalty. Therefore the main concern is to study the density of the experience provided by the element of surprise.

Methodology

Together with constructivism and interpretivism an inductive methodology corresponds, this choice shows how the knowledge was acquired (see Table 1). Inductive reasoning follows an outline of discovery, from observations to general truths (Donald, Jacobs, Razavieh, & Sorensen, 2010). Later on these generalizations need to be tested, in other words some will be verified some denied (Zalaghi & Khazaei, 2016).

Furthermore, induction is a qualitative method for building up instrumental explanations of a phenomena from a close examination (Bernard, 2006). The findings tend to have a writer's opinions and observations. This particular method is more open ended and helps to reach innovative conclusions. Moreover it is beneficial because it provides an opportunity to analyse a phenomenon that has not been fully considered or documented before (Saunders, Lewis, & Thornhill, 2009).

Literature of inductive approach, confirms that inductive research usually begins with a detailed observations of the world, later moves towards a more general ide and final theories are constructed. (Zalaghi & Khazaei, 2016). This means, that when following inductive approach, one begins with an observation, a detailed observation of patterns, then a researcher develops empirical overview and eventually identifies a relationship between the two (Zalaghi & Khazaei, 2016). Inductive approach basically opposites the process found in deductive research (Zalaghi & Khazaei, 2016).

Method

Usually when applying inductive approach, qualitative method is chosen for collecting and analyzing the data (Zalaghi & Khazaei, 2016). Therefore, since there is a scarce amount of literature that proves that experience of surprise leads to customer satisfaction and loyalty, a qualitative

analysis will be used to interpret and provide the depth of understanding. Qualitative methods are based on words, perception and feeling rather than number and as mentioned before they include interviews and focus groups (Marsh & Furlong, 2002). Qualitative research is suited for certain types of questions, those that help to understand and explain a social phenomena, in this casesurprise, and its context and complexity that can be understood and collected form particular individuals (Brower, Abolafía, & Carr, 2000; Ritchie, 2003; Snape & Spencer, 2003). When using a qualitative method the goal is to find out the meaning of social behavior, with this comes a problem that researchers have to face, the finding could be very general as well as hard to measure in terms of reliability, validity. For this particular study, as a qualitative research, a form of interview was chosen to retrieve primary data

Ensuring the quality of the research

Reliability

As mentioned above using qualitative method to study a subject can be quite risky since the finding can be open ended. According to Bryman (2012)"reliability is concerned with the question of whether the results of a study are repeatable". To be more exact, reliability refers to "weather or not you get the same answer by using an instrument to measure something more than once" (Bernard, 2006). Like any other research instruments, some questions can be more reliable than other when retrieving information (Bernard, 2006). Furthermore, qualitative research is very individual and hard to replicate, because the researcher is the research tool (Daymon & Holloway, 2011). Additionally the researcher's background and interest in the studied subject can make him/her biased towards the findings.

Validity

Since this is a qualitative research, it is said that validity is of higher importance (Daymon & Holloway, 2011). "Any research can be affected by different kinds of factors which, while extraneous to the concerns of the research, can invalidate the findings"(Seliger & Shohamy, 1989). Furthermore, as stated by Bryman (2012) "validity is concerned with the integrity of the conclusions that are generated from a piece of research". There are many kinds of validating factors, but one of the most important for this paper, are the internal validity and especially the external one. The internal validity can be jeopardized if it is affected within the study itself, for example if there are problems with the research instrument or data collection. Furthermore, Seliger and Seliger & Shohamy (1989) stated that "Findings can be said to be internally invalid because they may have been affected by factors other than those thought to have caused them, or because the interpretation of the data by the researcher is not clearly supportable". Internal validity reflects the social surroundings of the participants in the research (Daymon & Holloway, 2011). Therefore, keeping in contact with interviewees of the questionnaire and comparing interpretation with their insights, should ensure the internal validity of this study.

External validity is the degree to which one can generalize research findings to a larger group or other settings. If the research lacks external findings, it cannot be related to any other research than to the one carried out. "Findings can be said to be externally invalid because [they] cannot be extended or applied to contexts outside those in which the research took place" (Seliger & Shohamy 1989). In a way the findings may be invalid in this particular research. The reasoning for this is the fact that this research is based on interpretivism, therefore it is difficult to make it generalized. Furthermore, another reason could be that the focus group involves only females, however the interviews included general questions as well as context specific ones. Therefore, the findings

should be relevant for other situations as well. Unfortunately, the size and time given to write this research does not aloud to test it thoroughly, therefore this should be established trough further research.

Sampling

The sample that was chosen to contribute to this research consists of young adults who currently live in Denmark, and most of them are students in their twenties. All of the examinees have a diverse background ranging from business students, medicine students and employees in the service industry. The reason they were chosen is because they are in the investigator's network, which makes it possible to maintain communications if any further information was needed even after the interviews were conducted.

The aim of this research is to get as precise information as possible about the experience of surprise from a specific group of individuals. This was achieved through sampling since it is nearly impossible to collect data from the entire population as well as time consuming and very expensive. Moreover, to obtain appropriate samples and stay relevant to the research question a purposive sampling was chosen (Bryman, 2012). Purposive sampling is known, as selective sampling that is not based on probability technique, therefore the sample chosen was based on researchers personal judgment and included examinees from the personal network. The sample size was ten females in their twenties.

Description of data collection

This section will explain what kind of data was selected, where from and why. The data consists of secondary and primary sources.

Secondary data

Secondary data is research that has already been collected and is available from other sources. Even though this helps to outcome expenditures in resources such as time and money (Saunders, Lewis, & Thornhill, 2009), one must be aware of the limitations that come with it. First of all the data may have been collected for other purposes and may not be relevant to the researcher. Furthermore, one needs to be aware that the data may be out of date, therefore withdrawing the explanatory influence.

The collection of secondary data for this research mainly consists of articles, journals, books and information online. The advantage of this data is that there are many easily accessible sources, which are used to obtain information. Furthermore it provides different perspectives from a number of scholars, and helps to gain understanding of the background practicalities of experience, emotion, surprise and customer satisfaction and loyalty. Though, one should always be mindful when choosing information from the Internet as it can be biased and sometimes incorrect.

Primary data

When the research objectives cannot be met because of the lack of secondary data, primary data must be collected (Hair, Celsi, Money, Samouel, & Page, 2003). The researcher collects the primary data; therefore it is original, reliable and focuses on the research question.

As mentioned in the section "Sampling" the collection of primary data consists of ten semistructured interviews with females in their twenties that currently live in Denmark. As explained previously they have diverse backgrounds. They are currently using makeup products and are willing to share their opinion. As stated by Daymon and Holloway (2011) "in-depth interviews are a major source of data in qualitative research and a way of exploring informant perspectives and perceptions". Furthermore, to develop an understanding of viewpoints provided by examinees this particular type of questionnaire seemed fitting. Since this study is based on interpretation of studied literature and collected interviews together, the interviewees are encouraged to share their personal experiences and opinions. The interviews collected are expressed just as the interviewee communicated them, which means each of them is individual and personal.

As mentioned earlier the interviews were not strictly based and were conducted as a personal faceto-face conversation (see Appendix 1.The interview guide) though it did endorse a significant topic. This means "questions are contained in an interview guide with focus on the issues or topic areas to be covered" (Daymon & Holloway, 2011). The structure of the questionnaire made sure that the collected information had a similar type of data.

The conducted interviews were thorough and explored the experience of surprise in general, customer loyalty and the surprise of not knowing what's inside the prearranged monthly subscription box. Furthermore the questionnaire explored the understanding of interviewees' perception of the GLOSSYBOX and the surprise experience that comes with it. In addition interviews tried to expose important factors of the surprise provided by brands as well as emotional reaction to it. Moreover, the interview focused on reasons for being loyal to one brand over the other.

Findings

The following section will present the main findings from the interviews conducted. The first part will start with the general information of the consumers and their views on surprise in terms of companies and brands.

The second part involves customer loyalty and pursues to explore factors that are of importance for a consumer to become loyal towards a brand. Findings regarding the connection between loyalty and the surprise experience will also be presented. Finally, findings concerning the consumer's perception of GLOSSYBOX and its brand experience will be presented.

Consumers' opinion of a surprise

Initially the questionnaire was designed to get insight about the term "surprise" in the context of a brand or company and see if it matches the literature. The literature suggests that an arousal (the unexpected) of surprise intensifies reaction from the consumption/purchase experience and in turn intensifies the level of satisfaction (Joëlle Vanhamme & Snelders, 2003), because a surprise stops customer's current activity, and instead one only focuses on the surprise (Hutter & Hoffmann, 2014). This means individuals are more focused on the stimulus they are exposed to, and work on a deeper cognitive level, which means that memory storage strengthened, which can lead to satisfaction and then later loyalty if the surprise was positive. It came into view that interviewees had a fairly similar perception of the surprise experience, and it was perceived that an element of surprise would help them to become more loyal. It seemed that most of the interviewees agreed that a surprise is something unexpected and if a positive one occurs it does make than feel good or happy.

According to Agne experience of surprise makes her feel happy. "If the surprise is physical- extra candy, extra samples, etc., then of course the better it is and the bigger the more pleasant you feel about it."

Shoushan seemed to agree stating that "I think if you are a person who likes surprises, no matter what kind of surprise it is, small or big; it just makes you fell happy and excited..."

It became clear that the element of surprise makes everybody feel something and it is a great part of the experience. According to Pamela "Well, the unexpected for me can a little scary and make me feel a bit more cautious than I would normally be. But in general I am always happy to experience a surprise because it gives me something that I may have not tried before. Even if I don't like it, it will give me an experience I didn't have before."

Helga added that a surprise "Mostly just makes me feel happy and makes my day better."

To conclude a surprise leaves a customer with some sort of impression, which could lead to a good word-of-mouth, as Karolina said "*The experience of surprise makes me feel happy for a moment. If I'm receiving a package from a shop- smell and the aesthetics packaging can affect me very positively, so it is very likely that I will share my experience with friends.*".

Consumers' perception of surprise in relation to brands and essential elements for creating a positive and memorable experience

Furthermore it was of interest to explore how the interviewees perceived surprise in relation to brands, and to get an understanding if brands already provide surprises. Moreover, it was explored

which elements were of most importance in order to consider a surprise a memorable experience and a valuable one.

Both positive and negative answers were received when asked if they believe that a lot of brands provide surprise.

For example Helga and Julie stated, "I don't think that a lot of brands provide suprises".

Moreover Agne "...on practical terms, on the basis of what I personally experience everyday, I could not say that I experience a lot of surprises from brands and companies that I often use. " and Sarah agreed "Not that I am aware.".

While on the other hand Lucie stated "Surprise might be a big word I eould rather say they try to be different. Although it does positively surprise me when certain brands go full eco or animal friendly...".

Shoushan believed that a lot of brands provide surprises "I would say yes.".

Even though most of the interviewees agreed that not a lot of brands provide surprised all of them could mention an advertisement, brand or company that has surprised them, the reason for the surprise was mostly because it affected them emotionally. This agrees with the studied literature, it has been suggested that emotions are key for companies to develop personalized relationships (Rust et al., 2000) because it creates memorable services/goods not by improving functionality but by focusing on emotions rather than reason, and creates experiences together with the existing service which helps to retain customers.

For example Shoushan remembered an advertisement from a card company about mother days and how being a mother was the hardest job in the world. "*I remember watching that add and crying*. *It was truly a surprising and emotional advertisement*..."

Furthermore, Lucie and Gerda both chose a certain brand because they were surprised and pleased that by buying this particular product they would be helping somebody.

Lucie stated "I picked Axa as my (oats) brand solely because they advertised that 75 øre of the price of the product would be denoted to a good cause."

Gerda was surprised by MAC "MAC cosmetics surprise me with their HIV fund, which is the only fund by makeup brand and not by a medical organization."

Besides that, Pamela also had an emotional reaction to a commercial by Dove, "*I really liked the campaign Dove did a couple of years ago with using "normal" women instead of the super skinny model. It made them more approachable*...".

The next questions asked, have also concluded the same argument, a memorable surprise is either something that moved you emotionally or unexpectedly.

When asked Julie said that for a surprise to affect her "*I think for me it has to be something that I didn't expect and would not event think about it...*"

Helga also added "... any surprise, anything that I didn't expect is a good surprise for me..."

In Sarah's opinion "I think the unexpected quality and convenience of a product is a great surprise to receive.".

Shoushan corresponded with both proclamations "*I think a good surprise is something unanticipated, creative and new. Also could be emotional...*"

The emotional element occurred again in the interview with Lucie "I would remember if a brand hosted a campaign with a greater cause..." and Gerda "Usually a memotable surprises are those that are connected with values-love, care of parents or humanity, but sometimes, getting a desert after a course in a restaurant could be a very nice surprise."

Just like Gerda, Karoline also mentioned that a memorable surprise for her could be receiving free treats "Memorable surprise…huge discount, small presents for free, additional services they can provide…"

Supplementary, Agne made a great point, that even though she realizes free treats are not actually free, they still make a change in ones feelings "*I always remember high quality service*. ...*Also, if I get something "for free" from a brand*... *Even though I logically understand that all the "extras"* are included in the price, still...It doesn't matter. Extras can do miracles indeed!".

To conclude, the interviewees appeared to share the same opinion, that a memorable surprise is unforeseen and includes being affected emotionally. However, most could not pinpoint exactly how they were affected, but instead believed that they were affected subconsciously. Some mentioned that they could become really happy if they were positively surprised, some became more emotionally aware of a cause portrayed in a surprise. On the other hand, Agne stated that a negative experience could lead to a bad mood if a customer's expectations were not met "On the other hand, DAO365 surprised me in a very negative way, for failing to deliver my parcels for the last three times, though it had never been a problem before.".

What makes customers loyal?

In order to discover if surprise builds customer loyalty it was essential to ask interviewees to elaborate if they were loyal customers to any brand and why. Apple was repeated a few times, clothing and make-up brands were also of importance. Interesting insights surfaced when the interviewees tried to explain the reason for their loyalty. Quality was one of the main reasons mentioned as well as the convenience of knowing what will you get. Some of the interviewees seemed to be willing to pay a premium price due to perceiving a brand/product as a quality one. Furthermore it became apparent that the brand's products also define people in some way, they feel it is part of their style, lifestyle and perceptions.

Sarah was a true Apple user, as the brand provided her user-friendly system and convenience "*I* have been using Nokia my whole life, and I was quite judgmental about Apple products but I was surprised by the iPhone, it was so comfortable to use. The same happened with my Apple computer. When I started using Apple products never went back to using anything else". She furthered emphasized "...it is very convenient, all of my gadgets are synched. Also I like what Apple production says about me, I feel it makes a statement". When asked what is essential for her to be loyal customer she answered "Quality, that's the most important thing for me".

Another interviewee was also loyal to Apple. Agne called them her "daily friends" "*Can't imagine my day without them. ... Those brands became part f my routine, even unavoidable*". She explain

that the reasons she is loyal to some brands instead of the other "Because those brands match well with my lifestyle, needs, taste, style, perception, attitudes etc. also by consuming them I express myself in some way, sometimes even make a statements. Moreover, the mentioned brands are all time-proven and I find them the most "time efficient" in terms that it's the highest chance that I will find what I need as quick as possible by starting from looking at those brands' products".

Agne was not the only one who felt that the brands that she is loyal to help her express herself. Shoushan said that her favorite brands were in a way making a statement that she is in her word "LA girl" "*And of course like any other real LA girl Havaianas, best flip flop brand*". When asked what is the reasoning for being loyal to her chosen brands she said "*I think all those three brands* (Jo Malone, Converse, Havaianas) *are now a part of me; they define me in a way. I am always happy with the quality and they don't disappoint*".

Additionally there were a few interviewees that were loyal to their favorite brands even if it meant willing to pay a premium price. Lucie identified Benefit Cosmetics as the brand she is loyal to, the reason for this "Because it has been my favorite makeup brand for approximately five years, and it is a luxury experience when I purchase a new item from them. It has been a goal to gather at least one product from each category ... so that I can complete my makeup routine exclusively using Benefit cosmetics".

On the other hand Julie's favorite product was not a luxury one, but she still empathized on not caring what the price of the product is or will be *"I love the mascara, I don't care how much it costs I will buy it no matter what, I know how it works … nothing is as good as this one".*

Pamela was the only one who mentioned a service/product provider as the brand she is loyal to and also good service as reason why "*I am loyal to the brand Mikkeller and usually drink the new beers that they come out with. I know the people there and would say I have strong bond with them*".

Is the element of surprise relevant to become a loyal customer?

Most of the interviewees agreed that if a brand were to provide a surprise it would be simpler to develop a loyal customer and that the element of surprise is not irrelevant for their experience. This development does agree with the studied literature, as Pine and Gilmore and several other authors made a point that since services are becoming more commoditized, the experiences that brands create will be the most important factor in competition (Pine & Gilmore, 1998). Moreover, there are several reasons that interviewees and literature agreed, one of them being that it affects customer satisfaction (Liljander & Strandvik, 1997), creates emotional bonds with customers (Pullman and Gross 2004) and delivers customer loyalty (Yu and Dean 2001, Pullman and Gross 2004, Mascarenhas et al. 2006).

Lucie elaborated "I believe if a brand offers something that is different than what other brands in the same category provide, then it is easier to identify with the brand and therefore become a loyal customer" she continued to say "Surprise leads to emotion, and personal emotions make you feel "connected" to whatever brought up said emotion. I think there is a big link in surprises and brand loyalty".

Gerda explained that according to her perception "...*it depends how much the customer will be affected emotionally and how memorable it will be. Attention to small details and nice customer service can sometimes be not enough; this is the gap where a surprise could be useful.*"

Julie agreed to an extent, depending on the type of surprise "It depends on the surprise, if it's a positive or negative. Positive one can be helpful, especially, if I get something for free that is useful. But lets say I get something that I don't like or don't need, or smell bad, I would not buy the products again" she also thought "I think it can be helpful for any companies to surprise customers, but in a positive way".

Pamela also emphasized on the positivity of the surprise "Yes, if it's a positive surprise, something that will give me a positive feeling or sensation...once in a while it is really nice to surprised..."

Consumer knowledge about monthly subscription boxes and insight of GLOSSYBOX

The focus group interviewed included only females, because GLOSSYBOX products are mostly suited for females who use makeup and beauty products. All of the interviewees use makeup and to some extent are interested in it.

Monthly subscription boxes

When asked if one has heard about monthly subscription boxes some said yes and some said no. There were few who actually are currently subscribed to any. Helga was subscribed to Aarstiderne (is a subscription of organic groceries complemented with recipes) and FelineBox (monthly subscription box of cat treats and toys). Agne was subscribed to Goodiebox (Danish company providing beauty product in monthly subscription box, much like GLOSSYBOX). Shoushan, raised in United States of America was the only one who was very much aware of subscription based business model "Yes, in the States there is a boundless amount of monthly subscription boxes, from razors to wine and dog treats. But I have not heard about this kind of service in Denmark" She is not currently subscribed to any subscription-based companies, but she used to use Birtchbox (one of the first monthly subscription box providers in the industry, they are luxury beauty product provider) services.

Insight of GLOSSYBOX

None of the interviewees have heard about the brand GLOSSYBOX or even knew that they will get to experience it during the interview (See Appendix 3. GLOSSYBOX). The feedback about the box and its contents varied.

Helga, already a user of subscription-based services was pleased with GLOSSYBOX "*I think this is so amazing*! *I can't believe I haven't heard of this before*". When asked if she was surprised by the contents of the box, or if she felt any emotions towards it, her answer was I feel "*Excitement, a bit overwhelmed, because I want to try everything in the box. Especially the makeup stuff*".

Agne, also a user of a very similar subscription service Goodiebox had this response "I think it's pretty nice, the concept itself is identical to Goodiebox, I think. The contents are 50/50. Some nice, some not so much. But it's usually like that. I think that we, consumers, order these kind of boxes not only due to contents, but also due to "surprise factor" and "a small treat" approach". Even though she was not surprised by the box and its contents she still felt some emotions towards it "As I already knew the concept, I knew what to expect more or less. So I was not very surprised. But I was of course excited to open I, see new stuff, etc.".

Lucie also was exited about the contents of the box "First of all I love that there is Banefits Cosmetic (the brand she is loyal customer to) product, especially since I don't have this one in my collection". She was surprised to find her favorite brand in the box "The Benefit Cosmetics product definitely surprised me, also the price and the amount of items that you get surprised me! I feel happy opening this; it's like opening a gift". Malin was pleasantly surprised with the box and its contents, and found it very convenient "*The* whole concept surprised me! This is genius, especially for me, since I really don't go or like shopping very much. As I said I feel like a kid receiving a Kinder egg and being excited to find a toy. Let's be honest, make up is toys for women". When asked if she would be surprised receiving this box every month Malin answered: "Yes, I think it would also be very convenient for me. The price is nice, it looks like you get a decent amount of products to try, and this could be really fun".

For Shoushan this box gave positive feelings as well, not only did she like the products it gave her a sense feeling of home "*This reminds me very much of the box I used to subscribe when I lived in The States, it was called Birchbox. This is very similar to that*""...first it made me feel like I'm back home for a little and also it is always fun opening subscription boxes and seeing what's inside".

Two of the interviewees did not have a positive response to GLOSSYBOX. Sarah, who was also the oldest one in the focus group, did not find the box or the items containing it exiting whatsoever "...*I already have cosmetics that work for me and I use them, don't feel the need to try new thing*".

Gerda did not indicate much interest as well "*The box is really pretty, I like how it is packages, I am not too excited about the products*". She continued to say, "*I don't think this is for me personally. Since I work in the makeup industry I have so much makeup and beauty products that are already available for me, I don't think I need more*".

The last question asked was if the interviewees would purchase the box themselves. Only two of ten examinees said no, and their reasoning was that they do not need more products and they already know what like. Three of the interviewees would give it a try for a couple of months.

Pamela said "I think I could be able to afford this for a trial period of maybe 3 months, and if I like what I am getting then consider to getting a more permanent membership".

Agreeing to Pamela, Karolina considered a trial period as well "I would give it a couple of months try to see if it's worth it for me". Moreover Lucie believed "*I would* (purchase). At least to try it for a couple of months and to see if the products I get next moth will delight me as much as these ones did".

Agne's answer was particularly interesting since she would use GLOSSYBOX instead of Goodiebox, the box she currently subscribed to "*If it would be available in Denmark I would purchase it. So far it seems that they give better products than Goodiebox, so I would exchange my Goodiebox for Glossybox*".

Moreover Julie made an observation, that the price of GLOSSYBOX is the same or less then their monthly budget for beauty products, and they would happily order GLOSSYBOX. Julie said *"Considering the price. That's about as much as I spend on makeup every month, so I think this would be a good buy, since this would allow me to find new stuff, like the eyebrows gel".*

Finally, Helga and Shoushan both decided that they would gladly purchase GLOSSYBOX.

Summary of findings

The previous section suggests that customers recognize that the element of surprise is of importance, and that it indeed may affect customers' loyalty.

It came into light that interviewees had a fairly similar perception of what a surprise experience is for them. The most important factor of a surprise was that it is unanticipated and positive. Moreover, even though the majority of the examinees believed that brands currently do not provide many surprises, all could mention an advertisement, brand or company that has surprised them in the past. It appeared to be the main reason why they remembered being surprised because it affected them emotionally and unexpectedly, and the affect was positive.

When talking about customer loyalty, quality turned out to be a crucial factor to convey trustworthiness, even surpassing premium price. Furthermore, it came across that convenience of knowing what you receive and how the product defined a person was of importance. While asked about if the interviewees think that the element of surprise would make it simpler to become a loyal customer the answer was yes, and the reasoning was that the surprise creates an emotional bond with the product, brand or company. This is in accordance with what was found in the literature review as previously stated.

In relation to the business model of monthly subscription boxes, 7 interviewees were familiar with the concept; only 2 of them were actually subscribed to selected companies. Furthermore, nobody has heard about the case company GLOSSYBOX, though after inspecting most of the participants agreed that it would make them happy and surprised to receive this particular monthly box and only two interviewees said that they would not repurchase after seeing the box that was presented to them.

Discussion

In the following section the theoretical and managerial implication of the findings of this thesis, will be drawn out. They will be discussed mostly on a general level, however, since the monthly subscription box business model and GLOSSSYBOX has been chosen as a case company, it will also be emphasized in the discussion.

This thesis aims to contribute to the research of surprise and its effects on customer loyalty; it adds academic value by building on existing literature. Since the aforementioned is very scarce, it has been interesting to conduct this particular research.

The importance of providing an experience

Since the knowledge about what a surprise is and its affects is very scarce it was important to study the literature of experience first, to be able to thoroughly describe surprise and its origins. While the description of surprise is causing disagreement between scholars it was significant to look into theoretical backgrounds of experience.

The provided experience of the brand to the consumer essentially becomes the brand itself (Joseph, 2010) This research confirms this by showing the existence of a craving for brand experiences among customers. The interviewed consumers agreed that if a brand were to provide an experience, it would be easier for them to become loyal to a brand. Moreover, consumers appreciated brands that combined functionality and the emotional benefits. This agrees with Pine and Gilmore's (1998) description of an experience that occurs when a company uses services as a stage and goods as props to retain customers. GLOSSYBOX is a fitting example of Pine and Gilmore's description; service of personalized monthly subscription box is a stage, and its surprise contents are props.

As mentioned in the literature review, currently there are three types of experience based research, the first emotional type, examined consumption experiences from the pre-purchase stage and considers consumer interaction at the heart of experience. This paper attempted to research the consumption experience, but based on the emotion of surprise. The second type of experience research is based from a company perspective, even though the internal mechanism of GLOSSYBOX was not studied, the company fits the given guidelines for customer experience management. For example identifying themes to create consistent impressions (Pine and Gilmore 1998) most of the beauty boxes have a theme, for example festival themed products, winter vacation, summer vacation, Christmas and so forth. Moreover, it is suggested by Joelle Vanhamme & Snelders (2001) for the company to be relevant, which GLOSSYBOX is, since most of its beauty products are new merchandise in the market. The company perspective research also suggests offering an element of surprise, which is the basis of subscription based business models and the case company GLOSSYBOX.

The third type of experience research is established on branding and communications and promotes brands to send more emotional and complex messages (Padgett & Allen, 1997). The finding from interviews promotes this statement. There were a few interviewees that remembered advertisements that affected them emotionally, or campaigns that included customer in doing a good deed, for example your purchase funds HIV-research, or a less fortunate individual gets a pair of free shoes because of your consumption. The literature, states that these particular charitable acts from companies suggest personal ties with brands, which in turn creates that feeling of belongingness to society (Schmitt, 1999).

To conclude, the academic findings and the research done in this paper supplement each other and show that combining functionality and emotional experience is of a great importance to create value for the customer. This particular strategy not only helps the marketers gain insight into customers,

but also make it very difficult to replicate emotional marketing strategies, which can lead to a dominant competitive advantage (Robinette et al., 2001).

The importance of customer satisfaction and loyalty

Many previous studies have stated that a satisfied customer is a loyal customer. After experience and emotions it was mandatory to look into customer satisfaction and loyalty. Customer satisfaction is of importance for any company especially subscription based ones. The reason for that is that monthly subscription based companies are based on a thrill of receiving handpicked products that you do not know about, therefore if one does not like the items received, especially if it happens more than once, there is a high chance that the customer will lose interest and will unsubscribe. Consequently, companies that provide an experience as a service have to work especially hard on providing satisfaction to their customers. Oliver and Rust (1997) state that customers that are simply satisfied is not enough of an arousal to become loyal, they suggest that a customer should experience a constant rising of satisfaction until they reach "delight".

Additionally, making customers feel good about the relationship they have with a brand is a necessity. This is also proven by the data gained from the interviews, some of the interviewees stated that it is important for them to use a brand that is socially responsible and promotes a good cause.

Customer loyalty is one of the main goals for any company or brand, not only it is cheaper to serve a loyal customer than a new one it also reduces marketing expenditures since loyal customers usually spread the positive word of mouth it also improves organizational behaviors (Rowley, 2005) (Bowen & Chen, 2001).

Customer loyalty was researched through the questionnaire, since the goal of this study is to see if there is a pattern between surprise and customer loyalty. The interviewees were asked to elaborate if they were loyal customers to any brands and why. Apple was mentioned a few times, clothing and makeup brands were also declared. Quality and the convenience of knowing what one will receive were the main reasons of loyalty. Examinees and their answers indicate that serving a loyal customer is more advantageous, since the data received revealed that people are willing to pay a premium price due to perceiving a brand or product as a quality one.

Moreover, the answers from the interviews exposed that there were quite a few individuals who stated that the brand that they are loyal to provide them with an emotional bond of sorts. These brands were perceived as a part of their lifestyle as well as help them express themselves. Additionally, the consumers believed that they were time efficient, in terms that these particular brands had a higher chance of providing what was needed and wanted than other brands.

Nowadays customers are not only seeking the perfect balance between price and quality, they are seeking for personalized relationships. Therefore brands and companies need to combine functionality and price of the product together with emotional reimbursements and personalization to attract and retain loyal customers.

The importance of surprise as an emotion

As mentioned before emotions are a key part of gaining customer awareness and later on customer loyalty, therefore one would think that the emotion of surprise would have a great affect towards a customer. Even though most of the interviewees stated that they do not think that a lot of brands surprise them, or if it does they are not able to recognize it.

When talking about the description of surprise, scholars call it a neutral short-lived emotion that can have many valences and is elicited by an event that is either unexpected or by the absence of expectation (Meyer and Niepel 1994; Meyer et al, 1997; Reisenzein 1998; Reisenzein et al.1996; Schützwohl, 1998). The data from the interviews corresponded with the description of surprise; examinees stated that a memorable surprise for them was an unforeseen event that included being affected emotionally.

Holbrook and O'Shaughnessy (1984) stated that investigating emotions assists advertising agencies and salespeople in recognizing the different aspects of clients' emotions and consequences of these in the decision making process. This was also found in the research conducted in this paper, that consumers are aware of certain campaigns and advertisements that affect them passionately. There is also some disagreement in emotional marketing, an example being Bagozzi et al. (1998) who argues that the problem is the lack of consistent terminology of what an emotion is, that is the reason why studying experience, emotions, surprise is difficult, the same problem was realized in this research, examinees had trouble expressing themselves exactly how they were affected, it was a feeling that was hard to explain in words.

This paper focused mostly on the emotion of surprise, the majority of what is known about this particular emotion originates from psychology literature, and there is a great lack of information about the surprise element from a marketing perspective. Even though, there are empirical findings which indicate that surprise plays a critical role in customer satisfaction (Heilman et. al., 2002). The description of a surprise was verified by this research just the same as numerous researches described it. It is a neutral short-lived emotion that is prompted by either unexpected or by absence

of expectation (Meyer and Niepel 1994; Meyer et al, 1997; Reisenzein 1998; Reisenzein et al.1996; Schützwohl, 1998).

Since surprise is neutral, it becomes positive when followed by a positive emotion, and also turns negative when followed by a negative emotion (Ekman and Friesen, 1975; Meyer et al., 1994; Vanhamme and Snelder, 2003). The same was found when conducting interviews, when a negative surprise emerges from a company that you never had problems with, like in the case of Agne's example of a delivery company, the impact of a negative surprise can be accordingly robust making it hard to trust that company again.

There are studies that provide some evidence, that a positive surprise leads to higher levels of satisfaction and increased repurchasing intentions (Westbrook and Oliver, 1991). Interviewees also agreed that a positive surprise, even a little one would provide them some sense of satisfaction and an interest in the brand. Even though a lot of studies attempt to prove that surprise does lead to customer satisfaction and encourages companies to surprise their customers, most of the examinees did not think that there are a lot of companies that surprise them, or that they would consider it as a surprise. Though, everybody agreed that an element of surprise would be helpful to become a loyal customer, or at least become aware of the brand as long as the surprise is positive and it brings positive emotions.

Joëlle Vanhamme & Snelders (2003) states that surprising events leave a bigger trace in the memory, and therefore leads to customer satisfaction and loyalty. In the data provided by the interviews, we can see that consumers that experienced an emotional advertisement, were left with

a trace of it in their memory, even though at that point they were not aware or even considered that it was surprising.

To conclude, according to the literature and data collected through in-depth interviews, a surprise can be a great driver for emotional reaction that could lead to customer loyalty, though companies need to endorse it more often as well as make their gestures more prominent so consumers can realize that they are being affected.

The case of GLOSSYBOX

This research chose GLOSSYBOX as a case company to study if the box and its unknown contents are surprising, and if so, does it bring joy to consumers, therefore can it lead to customer loyalty?

As mentioned before subscription boxes is a fast growing business model, currently the biggest popularity it receives is in the USA and UK, though it has some presence in the Scandinavian countries, more so in Sweden than in Denmark. GLOSSYBOX is currently one of the leading companies worldwide that provides monthly beauty subscriptions.

Only half of the interviewees had heard about this particular business model, though there were only a few who actually were subscribed to any. None of the interviewees had heard about GLOSSYBOX or were aware that they will experience opening one during the interview.

Two of the interviewees did not have a positive response toward GLOSSYBOX, but they were both already loyal consumers of other beauty brands and did not felt the need to try anything new.

The other girls were pleased with the contents of the box; they were pleased since every single one of them found one or two products that they were excited to try, had not heard about before or they were the brands that they are currently loyal to. When asked if any of them were surprised or felt any emotions towards the box itself or the products there were a variety of answers. Helga who was already a subscriber to other brands was very exited as well as overwhelmed with the content provided. Moreover, Lucie was mostly surprised to see that the box held a product from a brand that she is already a loyal customer to, she was pleasantly surprised with the price and the number of items it contained.

GLOSSYBOX had the strongest emotional impact on Shoushan. The box and the concept of it presented positive feelings, since it reminded her sense of feeling like home since it was similar to a box that she used to subscribe while living in the USA. Furthermore Agne's response was the most surprising in the context of the subscription business gap in Denmark. Agne is already a subscriber of a monthly beauty box; Danish based company Goodiebox, yet she indicated that GLOSSYBOX seemed to provide better content than the Danish company.

Besides the two girls who were not interested in GLOSSYBOX, all the interviewees agreed that they would repurchase GLOSSYBOX themselves or either give it a trial period to see if they will be continually satisfied with the products every month.

To summarize, the data received from the interviews is not quite enough to prove that surprise influences brand loyalty. The reason for that is that the chosen case company and its products did not provided an arousal of a surprise high enough for the examinees to be shocked. Moreover, to fully understand the concept if one does get surprised by the contents of GLOSSYBOX a monthly observation of interviewees should be studied. On the other hand all of the interviewees agreed that an element of surprise would help them to become more aware of a brand. Moreover, even though they may not have used the term "surprised" when receiving a box, they all felt some sort of excitement and joy. Some of the girls would repurchase the box without any questions asked, while others would like to attempt a trial period to see if they are excited each month, which correlates with the literature of customer satisfaction and loyalty association. Oliver and Rust (1997) stated that customer should experience a constant rising in satisfaction to reach delight, which later on leads to loyalty.

To conclude, the data does agree with the findings from the literature, experience has an impact on satisfaction and therefore customer loyalty. Even though, GLOSSYBOX did not provide as big of a surprise as expected, it did present a positive experience with positive emotions which leads to interviewees being excited and willing to repurchase the box for future use.

Managerial implications

The theoretical findings of this research do indicate that the element of surprise does have a significant role in customer satisfaction and loyalty. Therefore, the concept of surprise should be given an important significance and not be overlooked by managers. A positive element of surprise will provide an experience that leads to positive emotions, which in turn make customers satisfied and later on loyal. Moreover, benefits such as competitive advantage, possibility of premium pricing strategies, positive marketplace performance and positive word-of-mouth can be expected (Rowley, 2005) (Anderson and Mittal 2000; Fornell 1992) (Bowen & Chen, 2001).

Since surprise is a neutral emotion, when followed by a positive one such as joy it becomes positive and also turns negative when followed by a negative emotion such as anger, the same is regarding the experience it provides (Ekman and Friesen, 1975; Meyer et al.; 1994; Vanhamme and Snelder,2003). Therefore, before exploiting the element of surprise, managers should do a research of their customer's expectations before the purchase and the feedback after the surprise was hosted. With using this strategy, managers will be able to use this newfound data about their consumers to create personalized surprises for the targeted market group.

Furthermore, managers should still be aware that expectations vary depending on industries as well as products, therefore the research before using an experience should be precise and consistent as well as relative to the supply. Even though this study focuses on the experience of surprise that comes with the purchase, one should not neglect the product itself. Every business and every strategy starts with a quality product, this statement corresponds to the data found from interviews, first and foremost the important quantity of any product is its quality, even though the current industry requires more, managers should not exclude the basic elements in their strategy.

Limitation

There are a number of limitations that can be recognized in this study. Firstly, the sample was small and limited only to females; therefore it is hard to generalize the finding for the whole population. Therefore it is challenging to summarize whether the insights, emotions and experiences retrieved are relevant only to the sample group chosen or can be a demonstrative example for a larger population. Since the sample was only females in their twenties it would be incorrect to state that the same finding would be retrieved from other age groups and males. Moreover as mentioned before, the chosen case company and its product did not prove to be the best example of the element of surprise. The reason for that is that GLOSSYBOX did not provide a high enough arousal of a surprise to provide with a full examination of customers reactions and perception of the surprise.

Additionally, to fully gain an understanding of the monthly subscription based model, monthly questionnaires and reactions should be collected to see if the excitement of receiving a box stays the same, increases or decreases from month to month.

Further research

Firstly, to answer the research question of this study fully it would be interesting to study GLOSSYBOX customers' reactions on a monthly basis with a bigger sample group.

As stated in the description of GLOSSYBOX, the company also provides quarterly boxes for men, it would not only be interesting but also valuable to study their perceptions towards such business model.

Moreover, to fully answer the question "If GLOSSYBOX can build customer loyalty using surprise in the Danish market" a Danish market and competitive analysis should be conducted.

In future research the element of surprise should be investigated with a different case company and product. A product or an element of purchase that has a high arousal point of surprise, in order to determine if the theoretical findings of this research were correct and applicable to other industries.

Moreover it would be interesting to investigate why brands and companies are not emphasizing more on the element of surprise in their businesses.

Conclusion

In todays market focusing only on the product and its quality is not enough to contain a sustainable advantage. Consumers are no longer content with the functional benefits of products; they are in demand for something more meaningful. Therefore companies' should make it a goal to create some sort of value to their customers. The experience of surprise can be a great driver to create emotional bonds with customers.

The purpose of this research was to explore if the element of surprise can build brand loyalty since it has been stressed by the literature that consumers crave emotional value in their services. The literature background of the research does portrait an important relationship between experience, emotion of surprise and customer satisfaction and loyalty. Even though the case study cannot fully confirm if surprise builds customer loyalty, it does indicate that it provides some sort of satisfaction that eventually leads or could lead to customer loyalty; therefore managers should engage this practice deeper.

Furthermore, it was discovered that the factors of experience are similar to factors provided by the element of surprise and customer satisfaction, which according to literature are the essential factors that lead to customer loyalty. If managers were to employ the experience and emotional factors found in this study to their strategies, it would help them securing customers and building their brand loyalty. This is especially advantageous since it is cheaper to care for loyal customers that come together with word-of-mouth marketing and that is hard for competitors to compare with.

Finally, it can be concluded the even though GLOSSYBOX does not provide a big arousal of surprise, it still affects customers' emotions. The emotional affect of GLOSSYBOX does influence 80% of the sample group of consumers to repurchase the product. Therefore with the current data gathered by this study we can state that GLOSSYBOX and its emotional affects could lead to customer loyal y in the Danish market.

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Appendix

Appendix 1. The interview guide

General information

- 1. What is your nationality?
- 2. Where do you currently live?
- 3. How old are you?
- 4. What is your background?

Experience of surprise

- What is a surprise to you? Has any brand ever surprised you and how? And I am thinking in connection to brand and also maybe shopping. I would like to know what you put in the expression "surprise".
- 2. Do you believe a lot of brands provide surprises? Are there any brands that come to your mind?
- 3. What would you consider a memorable surprise from a brand? How can a brand create a good surprise experience that would be valued by you as a consumer?
- 4. Does the experience of surprise make you feel any different? That can imply that it makes you feel something, or it stimulates you through sound, smell, visual effects etc.

Customer Brand loyalty

- 1. Are there any brands that you are currently a loyal customer to? You believe you have a strong bond with them?
- 2. If so, why do you think that is?
- 3. Do you believe, that if a brand provides a surprise, it will be easier to become a loyal customer?
- 4. Or maybe you believe that the element of surprise is irrelevant?
- 5. What is essential to you to become a loyal customer to a brand?

Monthly subscription.

- 1. Have you ever heard about monthly subscription boxes?
- 2. Do you currently use any monthly subscriptions?
- 3. Do you use make-up?
- 4. Are you interested in make-up?

GLOSSYBOX

- 1. What do you think about the box itself and its contents?
- 2. Have the contents and the box itself surprised you? Did you feel any other emotions that were influenced by the box/contents?
- 3. Do you think that receiving this box every month and seeing all of its new contents would surprise you?
- 4. Would you repurchase?

Appendix 2. Transcripts of interviews

Interview with Julie

Viktorija: What is your nationality?

Julie: Danish.

Viktorija: Where do you currently live?

Julie: Copenhagen, Denmark.

Viktorija: How old are you?

Julie: 22

Viktorija: What is your background? What do you study?

Julie: Medicine.

Viktorija: Now will I ask you a few questions about the experience of surprise.

Viktorija: What is a surprise to you and I am thinking in connection to brand and also maybe shopping? Has any brand ever surprised you and how?

Julie: Let me think for a while. I think the only think that I can think of right now is a commercial, I don't even know what the commercial was promoting, but the commercial showed a lady forget her bag in a train, then an iffy looking guy walks to her lost bag, and instantly in my head I think of course he was eyeing it for awhile and he will steal it, but then the guy runs after the lady to give her bag back, and in my head I hate myself for thinking bad about the guy, while he was actually nice. That was surprising, the fact that I jumped to judgment so fast.

Viktorija: Do you believe a lot of brands provide surprises? Are there any brands that come to your mind?

Julie: I don't think that a lot of brands provide surprise. Though, I can think of a plastic surgery advertisement that shocked and surprised me, it was two breasts on the side of a bus. I was surprised how naked an open the advertisement was. Oh, also I remember when I was younger like 14 years old, I used to buy a Glitter surprise bag, it was a bag with accessories and jewelry, and you never knew what was in the bag, as a kid I loved it, it was like birthday and Christmas in one. Viktorija: What would you consider a memorable surprise from a brand? How can a brand create a good surprise experience that would be valued by you as a consumer?

Julie: I think for me it has to be something that I didn't expect and would not even think about it, like breast on the side of a bus.

Viktorija: Does the experience of surprise make you feel any different? That can imply that it makes you feel something, or it stimulates you through sound, smell, visual effects etc.

Julie: Definitely makes me feel something. The commercial about a guy the bag, made me feel mad at myself for judging him, but also feeling good that there is hope in humanity (laughs). While the breast advertisement made me feel shocked.

Viktorija: Are there any brands that you are currently a loyal customer to? You believe you have a strong bond with them?

Julie: Yes, L'Oreal and their mascara in a gold bottle, and a hand cream from The Body Shop. Viktorija: If so, why do you think that is?

Julie: I love the mascara, I don't care how much it costs I will buy it no matter what, I know how it works, it makes my lashes look good. I've tried so many different ones but nothing is as good as this one. For the hand cream, I have very sensitive skin and this hand cream is the only one that doesn't give me a rash or irritates my skin.

Viktorija: Do you believe, that if a brand provides a surprise, it will be easier to become a loyal customer?

Julie: It depends on the surprise, if it's positive or negative. Positive one can be helpful, especially if I get something for free that is useful. But lets say I get something that I don't like or don't need, or smells bad, I would not buy the products again.

Viktorija: Or maybe you believe that the element of surprise is irrelevant?

Julie: I think it can be helpful for any companies to surprise customers, but in a positive way.

Viktorija: What is essential to you to become a loyal customer to a brand?

Julie: The right balance between price and quality.

Viktorija: Have you ever heard about monthly subscription boxes?

Julie: Not really, I've babysat for a family that had Aarstiderne, the food grocery box.

Viktorija: Do you currently use any monthly subscriptions?

Julie: No

Viktorija: Do you use make-up?

Julie: Yes

Viktorija: Are you interested in make-up?

Julie: I think I am.

GLOSSYBOX. The interviewee receives the box.

Viktorija: So imagine this box is your and you receive this each month for around 140 Danish kroner.

The interviewee inspects the box

Viktorija: What do you think about the box itself and its contents?

Julie: So I don't like everything, but the eyebrows gel was a big surprise, I have never heard of that before and would definitely use it. Also would love to use the nose pore strips, just always wanted to try these. I really like the bronzer, don't know what it is exactly but I'm intrigued. The hair spray and facemask don't really interest me; I have a lot of these myself and don't feel like I need more. Viktorija: Have the contents and the box itself surprised you? Did you feel any other emotions that

were influenced by the box/contents?

Julie: Yes, especially the eyebrows gel. I am very interested to try that.

Viktorija: Do you think that receiving this box every month and seeing all of its new contents would surprise you?

Julie: I think it would depend what is in it, if I like the contents or not, but this box remind me of the Glitter accessories surprise bag and it makes me very excited. I feel like I want more stuff now. Viktorija: Would you repurchase?

Julie: Considering the price. That's about as much as I spend on makeup every month, so I think this would be a good buy, since this would allow me to find new stuff, like the eyebrows gel.

Interview with Sarah

Viktorija: What is your nationality? Sarah: Danish. Viktorija: Where do you currently live? Sarah: Denmark, Copenhagen. Viktorija: How old are you?

Sarah: 29

Viktorija: What is your background?

Sarah: Currently I'm studying Social Studies.

Viktorija: Now will I ask you a few questions about the experience of surprise?

Viktorija: What is a surprise to you and I am thinking in connection to brand and also maybe shopping? Has any brand ever surprised you and how?

Sarah: Yes, I remember the first time I received an iPhone, I have been using Nokia my whole life, and I was quite judgmental about Apple products but I was surprised by the iPhone, it was so comfortable to use. The same happened with my first Apple computer. When I started using Apple products never went back to using anything else.

Viktorija: Do you believe a lot of brands provide surprises? Are there any brands that come to your mind?

Sarah: Not that I am aware of.

Viktorija: What would you consider a memorable surprise from a brand? How can a brand create a good surprise experience that would be valued by you as a consumer?

Sarah: I think the unexpected quality and convenience of a product is a great surprise to receive.

Viktorija: Does the experience of surprise make you feel any different? That can imply that it makes you feel something, or it stimulates you through sound, smell, visual effects etc.

Sarah: If we are talking in terms of the surprises I received, it did make me feel very pleased with Apple products and their esthetics.

Viktorija: Are there any brands that you are currently a loyal customer to? You believe you have a strong bond with them?

Sarah: Apple products.

Viktorija: If so, why do you think that is?

Sarah: As I said before it is very convenient, all of my gadgets are synched. Also I like what Apple production says about me, I feel it makes a statement.

Viktorija: Do you believe, that if a brand provides a surprise, it will be easier to become a loyal customer?

Sarah: Definitely.

Viktorija: Or maybe you believe that the element of surprise is irrelevant?

Sarah: I don't think it's very relevant but definitely helpful.

Viktorija: What is essential to you to become a loyal customer to a brand? Sarah: Quality, that's the most important thing for me. Viktorija: Have you ever heard about monthly subscription boxes? Sarah: Yes, I've heard about the cosmetic boxes. Viktorija: Do you currently use any monthly subscriptions? Sarah: No. Viktorija: Do you use make-up? Sarah: Yes. Viktorija: Are you interested in make-up? Sarah: Not really, I have products that I like and stick to them. GLOSSYBOX. The interviewee receives the box. Viktorija: So imagine this box is your and you receive this each month for around 140 danish kroner. The interviewee inspects the box Viktorija: What do you think about the box itself and its contents? Sarah: Honestly, I don't really care about any of them, I would just give this to my mom or somebody else. Viktorija: Have the contents and the box itself surprised you? Did you feel any other emotions that were influenced by the box/contents? Sarah: No. Viktorija: Do you think that receiving this box every month and seeing all of its new contents would surprise you? Sarah: No, I already have cosmetics that work for me and I use them, don't feel the need to try new things. Viktorija: Would you repurchase? Sarah[.] No

Interview with Helga

Viktorija: What is your nationality? Helga: German. Viktorija: Where do you currently live? Helga: Denmark, Copenhagen. Viktorija: How old are you?

Helga: 24.

Viktorija: What is your background?

Helga: I work in service industry.

Viktorija: Now will I ask you a few questions about the experience of surprise.

Viktorija: What is a surprise to you and I am thinking in connection to brand and also maybe shopping? Has any brand ever surprised you and how?

Helga: A surprise for me is to get something unexpected, like when you get samples or free candy from companies. A lot of brands have surprised me, but I guess I am very easy to impress (laughs). A free sample at a coffee shop, candy at a store, discount. I am always surprised and happy to receive little thing like that.

Viktorija: Do you believe a lot of brands provide surprises? Are there any brands that come to your mind?

Helga: I wouldn't say that brands provide a lot of surprises; I think shops with new products make surprises by giving free samples. But I think Matas does a good job of surprising me, they always have some sort of offer in their stores, or they give out a lot of samples.

Viktorija: What would you consider a memorable surprise from a brand? How can a brand create a good surprise experience that would be valued by you as a consumer?

Helga: The current most memorable surprise for me was getting cat cookies in my cat box. I didn't know one could make cookies for cats. But any surprise, anything that I didn't expect is a good surprise for me to give a company a shot.

Viktorija: Does the experience of surprise make you feel any different? That can imply that it makes you feel something, or it stimulates you through sound, smell, visual effects etc.

Helga: Mostly it just makes me happy and makes my day better. It's usually just for a little time that I am excited, but it is still nice.

Viktorija: Are there any brands that you are currently a loyal customer to? You believe you have a strong bond with them?

Helga: Yes. Apple, clothing store COS I always shop there, Aarstiderne I have been their customer for years now.

Viktorija: If so, why do you think that is?

Helga: Well Apple is pretty and good quality. COS I just really like the clothes they sell. Aarstiderne, I work a lot but I like a home cooked meal, so they provide me with the convenience and quality. Viktorija: Do you believe, that if a brand provides a surprise, it will be easier to become a loyal customer? Helga: I think so. Viktorija: Or maybe you believe that the element of surprise is irrelevant? Helga: I think it is relevant. Viktorija: What is essential to you to become a loyal customer to a brand? Helga: Quality, convenience, something that I did not expect. Viktorija: Have you ever heard about monthly subscription boxes? Helga: Yes. Viktorija: Do you currently use any monthly subscriptions? Helga: Yes, as I mentioned I used Aarstiderne and FelineBox, which is a cat's treats and toys subscription box. Viktorija: Do you use make-up? Helga: Yes. Viktorija: Are you interested in make-up? Helga: Yes. GLOSSYBOX. The interviewee receives the box. Viktorija: So imagine this box is your and you receive this each month for around 140 Danish kroner. The interviewee inspects the box Viktorija: What do you think about the box itself and its contents? Helga: I think this is so amazing! I can't believe I haven't heard of this before. Viktorija: Have the contents and the box itself surprised you? Did you feel any other emotions that were influenced by the box/contents? Helga: Excitement, a bit overwhelmed, because I want to try everything in the box. Especially the makeup stuff. Viktorija: Do you think that receiving this box every month and seeing all of its new contents would surprise you? Helga: I believe so; you should see how excited I get to receive my cat's box.

Viktorija: Would you repurchase? Helga: Yes, definitely.

Interview with Shoushan

Viktorija: What is your nationality? Shoushan: Born Armenian but raised American. Viktorija: Where do you currently live? Shoushan: Denmark. Viktorija: How old are you? Shoushan: 27 Viktorija: What is your background? Shoushan: Just finished marketing studies.

Viktorija: Now will I ask you a few questions about the experience of surprise.

Viktorija: What is a surprise to you and I am thinking in connection to brand and also maybe shopping? Has any brand ever surprised you and how?

Shoushan: A surprise is something unanticipated. About a year ago I saw this video, it was called the world's hardest job interview. A company created a fake job and hosted real job interviews. The job involved unlimited hours, no breaks and no pay. The interviewees all say that this is an impossible job, then the interviewer says that there is actually a person who does all of this work, and its moms. I remember watching that add and crying. It was truly a surprising and emotional advertisement for a card company to remind people to say happy mother's day to their mothers. Viktorija: Do you believe a lot of brands provide surprises? Are there any brands that come to your mind?

Shoushan: I would say yes. While I was studying in CBS everyday I would find a company surprising students with all sorts of stuff. Like charging your phone with a bike, free pancakes from Telia, all sorts of things. Each day we had a new company surprising with something.

Viktorija: What would you consider a memorable surprise from a brand? How can a brand create a good surprise experience that would be valued by you as a consumer?

Shoushan: I think a good surprise is something unanticipated, creative and new. Also could be emotional, like the advertisement I mention before.

Viktorija: Does the experience of surprise make you feel any different? That can imply that it makes you feel something, or it stimulates you through sound, smell, visual effects etc.

Shoushan: I think if you are a person who likes surprises, no matter what kind of surprise it is, small or big; it just makes you feel happy and excited or even grateful for your mom as the commercial made me feel. Also the Telia pancake example I gave before, the surprise of free pancakes and the smell was a good combination.

Viktorija: Are there any brands that you are currently a loyal customer to? You believe you have a strong bond with them?

Shoushan: Of course. Jo Malone perfume, I don't use any other kind. Converse Tom Taylor sneakers; have them in all the colors. And of course like any other real LA girl Havaianas, best flip-flop brand.

Viktorija: If so, why do you think that is?

Shoushan: I think all those three brands are now a part of me; they define me in a way. I am always happy with the quality and they don't disappoint.

Viktorija: Do you believe, that if a brand provides a surprise, it will be easier to become a loyal customer?

Shoushan: I don't see why not.

Viktorija: Or maybe you believe that the element of surprise is irrelevant?

Shoushan: I think if companies would put honest effort to surprise their customers it could be very relevant.

Viktorija: What is essential to you to become a loyal customer to a brand?

Shoushan: If quality and price are equivalent.

Viktorija: Have you ever heard about monthly subscription boxes?

Shoushan: Yes, in the States there is a boundless amount of monthly subscription boxes, from

razors to wine and dog treats. But I have not heard about this kind of service in Denmark.

Viktorija: Do you currently use any monthly subscriptions?

Shoushan: Not right now.

Viktorija: Do you use make-up?

Shoushan: Yes.

Viktorija: Are you interested in make-up?

Shoushan: Not particularly.

GLOSSYBOX. The interviewee receives the box.

Viktorija: So imagine this box is your and you receive this each month for around 140 danish kroner.

The interviewee inspects the box Viktorija: What do you think about the box itself and its contents? Shoushan: This reminds me very much of the box I used to subscribe when I lived in The States, it was called Birchbox. This is very similar to that. Viktorija: Have the contents and the box itself surprised you? Did you feel any other emotions that were influenced by the box/contents? Shoushan: Yes, first it made me feel like I'm back home for a little and also it is always fun opening subscription boxes and seeing what's inside. Viktorija: Do you think that receiving this box every month and seeing all of its new contents would surprise you? Shoushan: Definitely, when I used to live back home, opening my Birchbox every month was like a little Christmas Viktorija: Would you repurchase? Shoushan: Yes.

Interview with Pamela

Viktorija: What is your nationality?
Pamela: Swedish.
Viktorija: Where do you currently live?
Pamela: Copenhagen, Denmark.
Viktorija: How old are you?
Pamela: 28
Viktorija: What is your background?
Pamela: I study Service Management
Viktorija: Now will I ask you a few questions about the experience of surprise.
Viktorija: What is a surprise to you? Has any brand ever surprised you and how? And I am thinking in connection to brand and also maybe shopping. I would like to know what you put in the expression "surprise".

Pamela: A surprise for me is the unexpected. I really liked the campaign I believe Dove did a couple of years ago with using "normal" women instead of the super skinny models. It made them more approachable and like they were in tune with their customers.

Viktorija: Do you believe a lot of brands provide surprises? Are there any brands that come to your mind?

Pamela: Not really. It seems like it is most in the packaging but I am always skeptic when something looks too good to be true. I like when brands branch out and do things that may seem to not be connected to what they do but that gives them goodwill in the public eye instead of obviously being for their profit. Mikkeller did a beer in collaboration with the Danish Refugee council where all the proceeds went to helping Syrian Refugee children in Lebanon.

Viktorija: What would you consider a memorable surprise from a brand? How can a brand create a good surprise experience that would be valued by you as a consumer?

Pamela: There was a viral video a while back called "Love has no labels", which showed people as skeletons behind an X-ray screen kissing. And theme was that love is universal and we shouldn't be biased. Doing some research I found out that the Ad Council in the U.S funded it, to inform the public about these issues. And I found that add very memorable.

Another is an ad that I saw yesterday about a new hearing aid that can translate languages in realtime, which for me is amazing as I don't speak my the language of my partner or his family. Seems like a game-changer for me.

Viktorija: Does the experience of surprise make you feel any different? That can imply that it makes you feel something, or it stimulates you through sound, smell, visual effects etc.

Pamela: Well, the unexpected for me can be a little scary and make me feel a bit more cautious than I would normally be. But in general I am always happy to experience a surprise because it gives me something I may have not tried before. Even if I don't like it, it will give me an experience I didn't have before.

Viktorija: Are there any brands that you are currently a loyal customer to? You believe you have a strong bond with them?

Pamela: I am loyal to the brand Mikkeller and usually drink the new beers that they come out with. I know the people there and would say I have a strong bond with them.

Viktorija: If so, why do you think that is?

Pamela: I know the people and know it's a high quality product.

Viktorija: Do you believe, that if a brand provides a surprise, it will be easier to become a loyal customer?

Pamela: Yes, if it is a positive surprise, something that will give me a positive feeling or sensation. Viktorija: Or maybe you believe that the element of surprise is irrelevant? Pamela: No, once in a while it is really nice to be surprised and some other times you really want to get something familiar that you know works.

Viktorija: What is essential to you to become a loyal customer to a brand?

Pamela: Good quality products, awesome customer service, once and a while surprise me with the unexpected.

Viktorija: Have you ever heard about monthly subscription boxes?

Pamela: Yes.

Viktorija: Do you currently use any monthly subscriptions?

Pamela: No.

Viktorija: Do you use make-up?

Pamela: Yes.

Viktorija: Are you interested in make-up?

Pamela: Not particularly.

GLOSSYBOX. The interviewee receives the box.

Viktorija: So imagine this box is your and you receive this each month for around 140 danish kroner.

The interviewee inspects the box

Viktorija: What do you think about the box itself and its contents?

Pamela: The box looks nice, could've maybe chosen a better material for the outside box.

Viktorija: Have the contents and the box itself surprised you? Did you feel any other emotions that were influenced by the box/contents?

Pamela: It surprised me how different are all the products, there is a good variety of things. Seems like the contents are worth more than what it costs. And looking at the leaflet included I can see that it does. That is a nice surprise.

Viktorija: Do you think that receiving this box every month and seeing all of its new contents would surprise you?

Pamela: Definitely! If it is completely different every month, than for sure yes.

Viktorija: Would you repurchase?

Pamela: I think I could be able to afford this for a trial period of maybe 3 months, and if I like what I am getting then consider to getting a more permanent membership.

Interview with Lucie

Viktorija: What is your nationality? Lucie: Danish. Viktorija: Where do you currently live? Lucie: Denmark, Copenhagen Viktorija: How old are you? Lucie: 22 Viktorija: What is your background?

Lucie: Studying to be a teacher.

Viktorija: Now will I ask you a few questions about the experience of surprise.

Viktorija: What is a surprise to you? Has any brand ever surprised you and how? And I am thinking in connection to brand and also maybe shopping. I would like to know what you put in the expression "surprise".

Lucie: When something unexpected happens. I can't recall a certain incidence brand-related. Viktorija: Do you believe a lot of brands provide surprises? Are there any brands that come to your mind?

Lucie: Surprise might be a big word I would rather say they try to be different. Although it does positively surprise me when certain brands go full eco or animal friendly when you didn't except them to. Can't think of a certain brand though.

Viktorija: What would you consider a memorable surprise from a brand? How can a brand create a good surprise experience that would be valued by you as a consumer?

Lucie: I would remember if a brand hosted a campaign with a greater cause, example H&M are trying to make their clothes production sustainable. That is a happy surprise.

Viktorija: Does the experience of surprise make you feel any different? That can imply that it makes you feel something, or it stimulates you through sound, smell, visual effects etc.

Lucie: I feel satisfied with myself and the shopping experience if I know I bought something that contributed to a greater cause, when I didn't expect it to. For instance, I was going to buy some oats the other day, and I picked Axa as my brand solely because they advertised that 75 øre of the price of the product would be donated to a good cause. That stimulates the relations I have towards the certain brand positively.

Viktorija: Are there any brands that you are currently a loyal customer to? You believe you have a strong bond with them?

Lucie: Benefit cosmetics.

Viktorija: If so, why do you think that is?

Lucie: Because it has been my favorite makeup brand for approximately five years, and it is a luxury experience when I purchase a new item from them. It has been a goal to gather at least one product from each category (example: eyes, brows, foundation, lips, moisturizer, etc.), so that I can complete my makeup routine exclusively using Benefit products.

Viktorija: Do you believe, that if a brand provides a surprise, it will be easier to become a loyal customer?

Lucie: I believe if a brand offers something that is different than what other brands in the same category provides, then it is easier to identify with the brand and therefor become a loyal costumer. Viktorija: Or maybe you believe that the element of surprise is irrelevant?

Lucie: Surprises leads to emotions, and personal emotions make you feel 'connected' to whatever brought up said emotion. I think there is a big link in surprises and brand loyalty.

Viktorija: What is essential to you to become a loyal customer to a brand?

Lucie: The brand has to give a full experience while purchasing their goods; the luxurious feeling has to be present. Branding is essential as well, you have to feel like your world will become 10% better if you bring home one of their products, and that you simply cannot live without it. It furthermore has to appeal to you in such a personalized way that you feel like you are part of a gang when you own their products, rather than just being a regular customer.

Viktorija: Have you ever heard about monthly subscription boxes?

Lucie: No.

Viktorija: Do you currently use any monthly subscriptions?

Lucie: No.

Viktorija: Do you use make-up?

Lucie: Yes.

Viktorija: Are you interested in make-up?

Lucie: Yes

GLOSSYBOX. The interviewee receives the box.

Viktorija: So imagine this box is your and you receive this each month for around 140 danish kroner.

The interviewee inspects the box

Viktorija: What do you think about the box itself and its contents?

Lucie: First of all I love that there is Benefit Cosmetics product, especially since I don't have this one in my collection.

Viktorija: Have the contents and the box itself surprised you? Did you feel any other emotions that were influenced by the box/contents?

Lucie: The Benefit Cosmetics product definitely surprised me, also the price and the amount of items you get surprised me! I feel happy opening this; it's like opening a gift.

Viktorija: Do you think that receiving this box every month and seeing all of its new contents would surprise you?

Lucie: Yes! Especially that the price of the box is less than my monthly budget for beauty products. Which means I can get more things for less of a price and try new stuff as well.

Viktorija: Would you repurchase?

Lucie: I would. At least to try it for a couple of months and to see if the products I get next moth will delight me as much as these ones did.

Interview with Agne

Viktorija: What is your nationality?

Agne: Lithuanian.

Viktorija: Where do you currently live?

Agne: Copenhagen, Denmark.

Viktorija: How old are you?

Agne: 24

Viktorija: What is your background?

Agne: MSc student at CBS, part-time student assistant at Indivior

Viktorija: Now will I ask you a few questions about the experience of surprise.

Viktorija: What is a surprise to you? Has any brand ever surprised you and how? And I am thinking in connection to brand and also maybe shopping. I would like to know what you put in the expression "surprise".

Agne: The word "surprise" associates with (usually) positive amazement for me. When something good or pleasant but unexpected happens.

Yes, many brands have surprised me in different ways.... Gucci surprised me with their new collection. Vetements surprised me for managing to sell DHL t-shirts for 300 dollars. Louboutin's "5 shades of nude" surprised me very positively! Palace Theatre London surprised me for making

Harry Potter play, etc. On a more regular daily basis.... SAS surprised me for their customer service availability- very long hours and also in weekends! A small cafeteria in Vesterbro surprised me when gave me for free amazingly delicious and healthy (!) candy when I purchased coffee from them. Facebook/Messenger surprised me for offering flower decorations on your messages in the period before the mother's day. Halifax surprises me every time I go there – such a freedom to design your own burger! Host surprises me every time I go there, because of their innovative meals and because of the amazing experience they offer for a very fair price. CBS library surprises me – so elaborated and also efficient!

When it comes to shopping, so Zara surprises me over and over again – every time you go there it's a new floor-set! Nike surprises me for their innovativeness and unstoppable development and improvements of the training gear. Netto often surprises me because they have so many different products, but they never come back again though. Topman and Topshop surprised me and my boyfriend with their wide range of sizes available. River Island surprised me for exceptionally friendly service, especially having in mind that they are just a busy fast-fashion store. L'oreal's new nail polishes surprised me because they looked... Different and very fancy.

On the other hand, DAO365 surprised me in a very negative way, for failing to deliver my parcels for the last three times, though it had never been the problem before. But most of the times, as I mentioned before, I associate word "surprise" with positive things. A typical surprise could be unexpected gift, or unexpected but dear guest. Often it's when you get better experience than expected.

Viktorija: Do you believe a lot of brands provide surprises? Are there any brands that come to your mind?

Agne: On a "high level"- in terms of ideas, creativity, innovations and even concepts- many brands surprise me all the time starting from giants as Apple, Nike, Coca-Cola, etc., but also including small brands as tailor4less or Sputnik1985. But on more practical terms, on the basis of what I personally experience every day, I could not say that I experience a lot of surprises from brands and companies that I often use... Maybe my gym – because they often renew themselves. And Goodiebox- because that's just their concept basically.

Viktorija: What would you consider a memorable surprise from a brand? How can a brand create a good surprise experience that would be valued by you as a consumer?

Agne: I always remember high quality service. So if all of sudden Zara would give me that, I would definitely not forget it. Also, if I get something "for free" from a brand… Even though I logically

understand that all the "extras" ARE included in the price, still... It doesn't matter. Extras can do miracles indeed!

Viktorija: Does the experience of surprise make you feel any different? That can imply that it makes you feel something, or it stimulates you through sound, smell, visual effects etc.

Agne: I feel special if I know it's not for everyone. I.e. if a shop assistant goes to warehouse to check for my size even though they don't do that usually and this time is an exception she does ONLY for me.

If the surprise is physical – extra candy, extra sample, etc., then of course the better it is and the bigger (because size matters!) the more pleasant you feel about it.

Viktorija: Are there any brands that you are currently a loyal customer to? You believe you have a strong bond with them?

Agne: Gmail, Google, Facebook, Danske Bank, Netto, different news portals and apps (Delfi, BBC, Business Insider, Man Repeller, etc), Windows, Apple, Microsoft, Movia, and Fitness World are my daily friends of course. Can't imagine my day without them. Not even talking about grocery brands or FMCG. Those brands became part of my routine, even unavoidable. Next to that there're COS, &other stories, Zara, Asos, Billi Bi, Norr, Current Obsession – where I usually shop for clothes or shoes. SAS (Youth) – my usual choice of airlines. Goodiebox- my monthly subscription. Kiehl's – my skincare products. Crème-del-la-crème – my favorite perfume retailer. And so on. These are all well known to me brands in which I trust and know what to expect from them. Viktorija: If so, why do you think that is?

Agne: Because those brands match well with my lifestyle, needs, taste, style, perceptions, attitudes, etc. also by consuming them I express myself in some way, sometimes even make statements. Moreover, the mentioned brands are all time-proven and I find them the most "time efficient" in terms that it's the highest chance that I will find what I need as quick as possible by starting from looking at those brands' products.

Viktorija: Do you believe, that if a brand provides a surprise, it will be easier to become a loyal customer?

Agne: If that surprise is something relevant, then yes- it gives you a positive experience and you memorize the brand in a positive way.

Viktorija: Or maybe you believe that the element of surprise is irrelevant?

Agne: As long as the surprise itself is relevant to a person (i.e. if I buy a dress, and get free samples of screws, it's not a relevant surprise), then surprise factor can contribute a lot to increasing customers' loyalty.

Viktorija: What is essential to you to become a loyal customer to a brand?

Agne: Met expectations, consistent level of service/products, innovativeness, and that the brand would be matching my current state- i.e. Balenciaga, as much as I like them, are just simply too expensive and too fancy for my current state of life; McDonald's – is no go for me, because I choose to eat healthy.

Viktorija: Have you ever heard about monthly subscription boxes?

Agne: Yes.

Viktorija: Do you currently use any monthly subscriptions?

Agne: Goodiebox (make-up subscription based service in Denmark).

Viktorija: Do you use make-up?

Agne: Yes, almost daily.

Viktorija: Are you interested in make-up?

Agne: I think I know only what I need to know to manage my daily procedures and choose my daily products. No additional interest or passion for it.

GLOSSYBOX. The interviewee receives the box.

Viktorija: So imagine this box is your and you receive this each month for around 140 danish kroner.

The interviewee inspects the box

Viktorija: What do you think about the box itself and its contents?

Agne: I think it's pretty nice, the concept itself is identical to Goodiebox, I think.

The contents are 50/50. Some nice, some not so much. But it's usually like that. I think that we,

consumers, order these kinds of boxes not only due to the contents, but also due to "surprise factor" and "a small treat" approach.

Viktorija: Have the contents and the box itself surprised you? Did you feel any other emotions that were influenced by the box/contents?

Agne: As I already knew the concept, I knew what to expect more or less. So I was not VERY surprised. But I was of course excited to open it, see new stuff.

Viktorija: Do you think that receiving this box every month and seeing all of its new contents would surprise you?

Agne: Some level of surprise and excitement would always be involved.

Viktorija: Would you repurchase?

Agne: If it would be available in Denmark I would purchase it. So far it seems that they give better products than Goodiebox, so I would exchange my Goodiebox for Glossybox.

Interview with Karolina

Viktorija: What is your nationality?

Karolina: Lithuanian

Viktorija: Where do you currently live?

Karolina: Copenhagen

Viktorija: How old are you?

Karolina: 24

Viktorija: What is your background?

Karolina: I study design.

Viktorija: Now will I ask you a few questions about the experience of surprise.

Viktorija: What is a surprise to you? Has any brand ever surprised you and how? And I am thinking in connection to brand and also maybe shopping. I would like to know what you put in the expression "surprise".

Karolina: Surprise - unexpected and most importantly pleasant gesture from the company towards its future or already existing customers. As a "future loyal customer" I was surprised in the Lloyds shoe shop, where they asked me (just before paying for the shoes) to throw dices and get the discount, so I got 60% discount. That was a great surprise!

Viktorija: Do you believe a lot of brands provide surprises? Are there any brands that come to your mind?

Karolina: I don't remember any brands that constantly provide surprises to their b2c (business to consumer), so I guess there are not many out there or the surprises they are providing are already considered as usual (e.g giving testers).

Viktorija: What would you consider a memorable surprise from a brand? How can a brand create a good surprise experience that would be valued by you as a consumer?

Karolina: Memorable surprise in retail industry - huge discount, small presents for free, additional services they can provide (e.g. home delivery wrapped in present paper).

Viktorija: Does the experience of surprise make you feel any different? That can imply that it makes you feel something, or it stimulates you through sound, smell, visual effects etc.

Karolina: The experience of surprise makes me feel happy for a moment. If I'm receiving a package from a shop - smell and the aesthetics packaging can affect me very positively, so it is very likely that I will share my experience with my friends.

Viktorija: Are there any brands that you are currently a loyal customer to? You believe you have a strong bond with them?

Karolina: Yes, I am loyal to several fragrances, cosmetics brands and electronic devices. I do think I have a strong bond with them.

Viktorija: If so, why do you think that is?

Karolina: I am picky when it comes to quality, so I am more loyal to the quality, than to the brand. As long as brand satisfies me with its quality - I am loyal but at the same time I am also willing to try something new in addition.

Viktorija: Do you believe, that if a brand provides a surprise, it will be easier to become a loyal customer?

Karolina: I don't think so; I have never become loyal for the brand Lloyds.

Viktorija: Or maybe you believe that the element of surprise is irrelevant?

Karolina: Yes, it is irrelevant for me.

Viktorija: What is essential to you to become a loyal customer to a brand?

Karolina: Quality, quality and once again- quality!

Viktorija: Have you ever heard about monthly subscription boxes?

Karolina: Yes.

Viktorija: Do you currently use any monthly subscriptions?

Karolina: No.

Viktorija: Do you use make-up?

Karolina: Yes, daily basis.

Viktorija: Are you interested in make-up?

Karolina: Yes.

GLOSSYBOX. The interviewee receives the box.

Viktorija: So imagine this box is your and you receive this each month for around 140 danish kroner.

The interviewee inspects the box

Viktorija: What do you think about the box itself and its contents?
Karolina: I like it! I like the variety of products.
Viktorija: Have the contents and the box itself surprised you? Did you feel any other emotions that were influenced by the box/contents?
Karolina: I felt some excitement, since I didn't know what to expect.
Viktorija: Do you think that receiving this box every month and seeing all of its new contents would surprise you?
Karolina: I don't know if I were to use the word surprise, but I can see the appeal, the excitement of receiving something you didn't expect.
Viktorija: Would you repurchase?

Karolina: I would give it a couple of months try to see if it's worth it for me.

Interview with Gerda

Viktorija: What is your nationality?

Gerda: Lithuanian.

Viktorija: Where do you currently live?

Gerda: Copenhagen, Denmark.

Viktorija: How old are you?

Gerda: 24

Viktorija: What is your background?

Gerda: I study retail marketing.

Viktorija: Now will I ask you a few questions about the experience of surprise.

Viktorija: What is a surprise to you? Has any brand ever surprised you and how? And I am thinking in connection to brand and also maybe shopping. I would like to know what you put in the expression "surprise".

Gerda: I guess for me a surprise is a gift or a service that is given extra or for free when you didn't expected or knew it is available. Brands have surprised me with their events, generosity or the way they treat they workers. As I work in makeup industry, I was surprise to know how much some brands invest in their artists. They don't only train the just to sell, but more about being creative and innovative.

Viktorija: Do you believe a lot of brands provide surprises? Are there any brands that come to your mind?

Gerda: Depends what industry the brand belongs to. MAC cosmetics surprise me with their HIV fund, which is the only fund by makeup brand and not by medical organization.

Also, usually it is more of impressive than surprising for me. Surprise is something like Copenhagen airport giving ice cream to all the workers to celebrate summer.

Viktorija: What would you consider a memorable surprise from a brand? How can a brand create a good surprise experience that would be valued by you as a consumer?

Gerda: Usually memorable surprises are those that are connected with values – love, care of parents or humanity, but sometimes, getting a desert after a course in a restaurant could be a very nice surprise.

Viktorija: Does the experience of surprise make you feel any different? That can imply that it makes you feel something, or it stimulates you through sound, smell, visual effects etc.

Gerda: It depends. If the surprise is connected with values it makes me feel emotional. If it's a treat from a restaurant it just makes me happy.

Viktorija: Are there any brands that you are currently a loyal customer to? You believe you have a strong bond with them?

Gerda: The brand I work for, because you learn the history and values of the company in training. Despite that I try not to connect to one brand for specific reasons but for example I would rather buy Toms shoes than any other brand because I know that with my purchase another, less fortunate, person will get a free pair of shoes. But it doesn't mean I only wear Toms or buy them without a reason.

Viktorija: If so, why do you think that is?

Gerda: I think it is not a bond, but my values match some brands statements and then I feel more appreciative about their products and ideas behind them.

Viktorija: Do you believe, that if a brand provides a surprise, it will be easier to become a loyal customer?

Gerda: Yes, but it depends how much the customer will be affected emotionally and how memorable it will be. Attention to small details and nice customer service can sometimes be not enough, this is the gap where a surprise could be uselful.

Viktorija: Or maybe you believe that the element of surprise is irrelevant?

Gerda: I think it can be helpful.

Viktorija: What is essential to you to become a loyal customer to a brand?

Gerda: Generosity of the company usually surprises and makes me more willing to buy from that particular brand, but if you don't like the products or values they stand for- I guess you wouldn't care how generous they are. For me it's about the quality of product and the values company has. Viktorija: Have you ever heard about monthly subscription boxes?

Gerda: No.

Viktorija: Do you currently use any monthly subscriptions?

Gerda: No.

Viktorija: Do you use make-up?

Gerda: Yes.

Viktorija: Are you interested in make-up?

Gerda: Yes, since I also work in the industry.

GLOSSYBOX. The interviewee receives the box.

Viktorija: So imagine this box is your and you receive this each month for around 140 danish kroner.

The interviewee inspects the box

Viktorija: What do you think about the box itself and its contents?

Gerda: The box is really pretty, I like how it is packages, I am not too excited about the products.

Viktorija: Have the contents and the box itself surprised you? Did you feel any other emotions that were influenced by the box/contents?

Gerda: Not really.

Viktorija: Do you think that receiving this box every month and seeing all of its new contents would surprise you?

Gerda: I don't think this is for me personally. Since I work in the makeup industry I have so much makeup and beauty products that are already available for me, I don't think I need more.

Viktorija: Would you repurchase?

Gerda: No.

Interview with Malin

Viktorija: What is your nationality? Malin: Swedish Viktorija: Where do you currently live? Malin: Århus Viktorija: How old are you?

Malin: 28

Viktorija: What is your background?

Malin: I work in the service industry as a bartender

Viktorija: Now will I ask you a few questions about the experience of surprise.

Viktorija: What is a surprise to you? Has any brand ever surprised you and how? And I am thinking in connection to brand and also maybe shopping. I would like to know what you put in the expression "surprise".

Malin: I'm not sure what would be a surprise for me when I go shopping. And I'm not sure I would appreciate it. If I go shopping for something, I normally know what I want to buy so I just go straight for that. But some brands can surprise me in a good way. For example, if I am buying shoes and I try a pair and they are just really comfortable. Like when I first bought a pair of Nike Free. That's 5 years ago now and they still work. They are a bit broken and worn out but I still wear them at work. That is pretty impressive quality. They have also joined me for two Roskilde festivals. I think that if there is a surprise for me when I go shopping, I want it to be quality. Better quality than expected is always a good surprise. I don't need the extra stuff.

Viktorija: Do you believe a lot of brands provide surprises? Are there any brands that come to your mind?

Malin: I don't think so. Can't think of any right now.

Viktorija: What would you consider a memorable surprise from a brand? How can a brand create a good surprise experience that would be valued by you as a consumer?

Malin: I honestly can't come to mind of this ever happening to me. I guess if there would be some surprise in form of a lottery ticket combined with a purchase or if there was a surprise sale on that day. That would surprise me. It would be a surprise, but you can't really expect anything from it. The prizes from the lottery could be anything; a trip, products or something like that. I think if it did happen then I would really enjoy it, but since I never really go shopping I am not sure if this happens or not.

Viktorija: Does the experience of surprise make you feel any different? That can imply that it makes you feel something, or it stimulates you through sound, smell, visual effects etc. Malin: I like the feeling of being surprised. Like when you were a kid and you got a little toy in the cereal packages. I think McDonald's are clever with their Happy Meals, Kinder with their Kinder Eggs and all that. But I guess it's easier to please a child through small surprises that it is to please an adult.

Viktorija: Are there any brands that you are currently a loyal customer to? You believe you have a strong bond with them?

Malin: Not really, well I have bought the same eyebrow pencil for twelve years but that is only because a friend said that the color looked good on me. I should probably change it soon.

Viktorija: If so, why do you think that is?

Malin: Well like I said it is mostly because of habit now in that particular example.

Viktorija: Do you believe, that if a brand provides a surprise, it will be easier to become a loyal customer?

Malin: It could be definitely.

Viktorija: Or maybe you believe that the element of surprise is irrelevant?

Malin: No, I think surprises are very important and I guess that if I found a brand that could find ways to surprise me every time I buy their product that I would stick with them.

Viktorija: What is essential to you to become a loyal customer to a brand?

Malin: That they have what I need and at a good price and quality and that it is accessible to me.

Viktorija: Have you ever heard about monthly subscription boxes?

Malin: No

Viktorija: Do you currently use any monthly subscriptions?

Malin: No

Viktorija: Do you use make-up?

Malin: Yes

Viktorija: Are you interested in make-up?

Malin: As I said I have been using the same eyebrow pencil for years, so I guess I wouldn't think of myself as very interested.

GLOSSYBOX. The interviewee receives the box.

Viktorija: So imagine this box is your and you receive this each month for around 140 danish kroner.

The interviewee inspects the box

Viktorija: What do you think about the box itself and its contents?

Malin: This looks like a kinder egg, but for grown women.

Viktorija: Have the contents and the box itself surprised you? Did you feel any other emotions that were influenced by the box/contents?

Malin: The whole concept surprised me! This is genius, especially for me, since I really don't go or like shopping very much. As I said I feel like a kid receiving a Kinder egg and being excited to find a toy. Let's be honest, make up is toys for women.

Viktorija: Do you think that receiving this box every month and seeing all of its new contents would surprise you?

Malin: Yes, I think it would also be very convenient for me. The price is nice, it looks like you get a decent amount of products to try, and this could be really fun.

Viktorija: Would you repurchase?

Malin: Yes, for sure.

Appendix 3. GLOSSYBOX

