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What drives you?
An exploratory study on the factors influencing consumer experience and loyalty

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Title
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Abstract
In recent years, e-commerce has grown and spread to different markets. One of these markets is the toy market. This growth has created a need of expanding the loyalty research to the context of e-commerce.

The purpose of this thesis is to contribute to the understanding of the concept loyalty by identifying what loyalty building factors in Swedish online toyshops matters to the customer and how the customers utilize the factors.

The collection method was semi-structured group interviews in order to explore the respondents’ experiences with online toyshops in Sweden.

The findings suggest that eight factors influences loyalty in online toyshops. The factors were divided into internal- and external factors. The internal factors consist of convenience and children’s involvement. The external factors are product brand image, website attributes, delivery, service quality and security concerns. These external factors were found to affect company brand image. Depending on the customers’ preferences the factors are playing different roles in the customers’ life.

The limitations of the study are few participants, risk of being biased because of the theory and many interpretations of the empirical material.

The practical implication is that the companies can use the findings to understand their customers and that a theoretical development has been made.

The original value of the study is that this kind of research has not been made in the context of online toyshops before, in the best of our knowledge.

Keywords
Loyalty, consumer experience, online toyshops, e-commerce, external factors, internal factors
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Kristianstad, May 26, 2016

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1. Introduction

To give a background for the topic of this thesis, this section explains how the study emerged and why it is relevant. In the end of the section the purpose and the research questions are presented.

1.1 Background

Marketing has changed its focus from attracting customers to taking care of the customers. This new focus has been labeled *relationship marketing*. Its core is about relations and the maintenance of these relations. The aim with relationship marketing is to create customer loyalty in order to create a stable mutual beneficial relationship (Ravald & Grönroos, 1996). Relationship marketing is built upon three key processes: communication, interaction and value. These processes are a part of a successful marketing that will build up a relationship between the company and its customers (Grönroos, 2004).

Within the field of relationship marketing, *loyalty* is a subject that has been researched a lot about (Dick & Basu 1994; Ravald & Grönroos, 1996; Balbanis, Reynolds & Simintiras, 2006). Loyalty can be defined as the faithful devotion to a duty, cause, person etc. (Aksoy et al., 2015). However, this definition is not what this report is based on but instead the definition of customer loyalty. One overall definition of customer loyalty is that it is something that consumers show towards brands, products, services, stores and activities (Balbanis et al., 2006). The term can further be defined as the relationship between an individual’s attitude and repeat purchase (*ibid*). Dick and Basu (1994) clearly state that customer loyalty has become an objective for companies’ marketing plans and is an important part for developing a competitive advantage. Further, Castañeda (2010) states that customer loyalty is important because it is cheaper to retain customers than attracting them and that, in turn, has a positive effect on a company’s profitability. A loyal customer will stay for a long period of time and will hopefully buy from the company more often. Therefore, it is important for the company to consider what it provides to the consumer in terms of value and takes care of the customer in the best way possible to satisfy their needs (Ravald & Grönroos, 1996).
Due to the rapid growth of the Internet the relation between a company and its customers has transformed. The growth has created new opportunities for marketing and communication activities (Ngai, Xiu, & Chau, 2009). One of these opportunities is electronic commerce (e-commerce). E-commerce can be defined as “the sharing of business information, maintaining business relationships and conducting business transactions using computers inter-connected by a telecommunication system” (Rajaraman, 2005, p. 90). Rajaraman (2005) states that e-commerce is built upon different layers. These layers have functions that are necessary to have an operative e-commerce. For example, the logical layer which function is to communicate between computers that is connected to the physical world (i.e the Internet).

One industry that has been growing massively online during the recent years is the toy industry. In the past few years many firms have started or expanded their business to an online shop. Lekmer (2016a) was one of the first to sell toys online in Sweden when they launched their website 2006. During 2011 Stor & Liten (2016a) re-launched as an online store and Toys R Us expanded to e-commerce 2012 (Toys R Us, 2016a) (see appendix 1 for more launches). One of the largest toyshops in Sweden is BR Leksaker launched their online shop in 2010 (Top-Toy, 2016). Their loyalty program, Club BR, is designed both for the parents and the children. The members receive offerings, invitation to events, gift cards on the children’s birthdays and more (BR, 2016). This highlights that there is another person involved in the purchase of toys, namely the children.

1.2 Problematization

If companies know the main reason for their customers’ loyalty they can use this information as a guideline to improve and invest in the business. Further, the information helps the managers to predict sales and customer retention rates (Clotey, Collier, & Stodnick, 2008). With this guideline the companies can create value for the customers, which is one of the most important factor in relationship building (Ravald & Grönroos, 1996).

What is it that drives customers to become loyal to one particular company? According to Clotey et al. (2008) the main drivers of customer loyalty in a traditional store are product quality, brand image and service quality. Brand image was found to be the
strongest driver, while product- and service quality followed. Clottey et al.’s (2008) research found that the customers that have a high awareness of brand image are more likely to stay and recommend the products to others. The authors also show that higher levels of brand image awareness will have a positive outcome on customer loyalty. Product- and service quality is also proven to have a positive effect on customer loyalty as long as the customer perceives these factors as important (Clottey et al., 2008). Hansen, Samuelsen and Sallis (2013) agree that brand image is one driver of customer loyalty. However, the authors also find that customer satisfaction, value and credibility are important drivers of customer loyalty. Their research found evidence that these variables have a strong influence on customer loyalty in a positive direction (ibid). Balbanis et al. (2006) also highlight the importance of brand image when creating customer loyalty. The authors claim that store loyalty is about to what degree self-image and store-image collaborate.

Due to the growing use of the Internet and e-stores, a need for research about loyalty over the Internet has arisen (Chen, Yen, Pornpriphept, & Widjaja, 2015). Balbanis et al. (2006) have done a research about e-commerce and state that two strategies are available to create loyal e-commerce customers. One strategy is to increase customer satisfaction so the customers want to stay and the second is to make it difficult for the customers to leave by increasing switching barriers. Further, Balbanis et al. (2006) state that the key drivers for customers’ loyalty in e-commerce are similar to the traditional store key drivers. In addition to the traditional key drivers the authors found website design, continuous communication and appropriate reward are important to retain e-commerce customers (ibid). Chen et al. (2015) point out that e-commerce loyalty will also depend on quality customer support, on-time delivery, product presentation, shipping and trustworthy privacy policies. Bagga and Bhatt (2013) add some factors that drive customers to an online shop. These factors are: need for recreation, information searching, security- & private concerns and convenience.

There has been much research about loyalty and its influencing factors (Clottey et al., 2008; Hansen et al., 2013; Balbanis et al., 2006; Chen et al., 2015; Bagga & Bhatt, 2013;) and it is clear that customer loyalty in real life and online stores is dependent on different factors. Therefore, it is not possible to use traditional loyalty models in the electronical context without some kind of adjustment. In an online setting the competition is only a
mouse click away (Anderson & Srinivasan, 2003), which makes it even more important for companies to know how to build loyalty in e-commerce settings. In order to use the benefits of knowing the customers’ drivers, the new phenomenon e-commerce needs to be explored. Additionally, knowing how and why the customers are driven by the factors can provide a better understanding of the source to customer loyalty. To be able to contribute to the understanding of the phenomenon e-commerce loyalty the concepts consumer experience and loyalty will be explored from a customer perspective.

1.3 Purpose
The purpose of this thesis is to contribute to the understanding of the concept loyalty by identifying what loyalty building factors in Swedish online toyshops matters to the customer and how the customers utilize the factors.

1.4 Research questions
What factors drive the customers to be loyal towards online toyshops in Sweden? Why are these factors important to the customers and how do they manifest in the customers’ everyday life?

1.5 Demarcations
To narrow the study down, some demarcations have been conducted. The study is focused on the context of online toyshops in Sweden and the participants are teachers from the same university.
1.7 Outline

**Section 1**
This is the introduction section where background and problematization are presented. These subsections lead to a purpose and research questions.

**Section 2**
Existing theories of consumer loyalty, consumer experience and the factors influencing the two concepts is presented in this section. The section concludes with a compilation of the literature review.

**Section 3**
To recieve an overview of how the study has been conducted, the method section explains and argues for each decision that were made to carry out the study.

**Section 4**
In this section, the empirical material is presented and analyzed. From the analysis, an analytical model was formed and is presented in the end of the section.

**Section 5**
In the last part of this thesis, the research question is answered and a discussion about our observations is presented. The section concludes with practical implications and future research.
2. Literature review

As mentioned in the introduction section, loyalty has several definitions and models. In order to answer which factors that are characteristic for loyalty building in online toyshops in Sweden, this section reviews existing theories and models.

2.1 The concept of loyalty

Loyalty is a complex and multilayered concept, which is important to discuss to receive a better understanding of it. In this subsection, different definitions and models of the concept loyalty is presented.

2.1.1 Loyalty definitions

The term loyalty can be defined as something that consumers express to a certain brand, product, service and/or an activity (Balbanis et al., 2006). Another definition of loyalty is given by Dick and Basu (1994) who state that the term indicate “the relationship between relative attitude and repeat patronage” (p.102). Loyalty can further be defined as a concept that consists of different components (Balbanis et al., 2006). Three of these components are behavioral, attitudinal and situational loyalty. Behavioral loyalty means that the consumer will only keep purchasing from the company as long as they see a benefit from using it (Zeithaml, 2000). Therefore, this type of loyalty is mostly expressed in purchase and usage behavior. Behavioral loyalty is measured by looking at a customers’ purchasing history to a specific brand and its competitors (Mascarenhas, Kesavan, & Bernacchi, 2006). Clotey et al. (2008) state that behavioral loyalty do not only consist of purchasing history but also share-of-wallet and word of mouth referrals. This indicates that the customers will affect other potential customers by expressing their opinion about a company and its products. Dick and Basu (1994) continue to state that the behavioral loyalty is insufficient when you want to explain how and why loyalty is developed and/or modified.

The second component of loyalty, attitudinal loyalty, can be described as the feeling of belongingness that a customer can have towards a product or brand (Zeithaml, 2000). It can also be defined as the ongoing relationship between a customer and a brand (Mascarenhas et al., 2006). This type of loyalty consists of different factors such as commitment, trust and/or emotional attachment (Clotey et al., 2008). When customers
feel belongingness to a brand, they can serve as apostles of the company. This means that the customers who care about the brand will have an ongoing contact with the brand to suggest improvements and constantly talk to others about the benefits with that particular brand (Zeithaml, 2000). Mascarenhas et al. (2006) state that attitudinal loyalty is strongly influenced by family and friends. This could mean that if a significant other have had a bad experience of a brand and communicates that to someone else, there is a huge risk that the brand can lose a potential loyal customer. Further, Clotkey et al. (2008) state that the stronger the attitudinal loyalty is, it is more likely that a customer remain loyal to the company. This indicates that the behavioral loyalty is a part of the attitudinal loyalty since a loyal customer will keep purchasing from the company (ibid).

A third component of loyalty that is mentioned by Mascarenhas et al. (2006) is situational loyalty. It is often expressed as the loyalty type that is dependent on the relationship to the brand; for example, the customer will only buy the product if it is available or on sale. This type of loyalty is determined by the purchasing and shopping situation that the customer is in. All of these three loyalty types are important, even though behavioral and attitudinal loyalty is of more importance when creating market share and long term relationships (ibid).

2.1.2 Models of loyalty

One model within the field of customer loyalty is the loyalty ladder, which origin from the research by Christopher, Payne and Ballantyne (1991). They wanted to show that customer service, quality and marketing are all activities that need to be considered in order to retain customers. Payne (1994) clarifies the model by creating a figure (see appendix 2) based on Christopher et al.’s (1991) research. Payne (1994) defines the model as “the progression of relationships customers can have with an organization” (p. 29). The model shows that customer loyalty starts at the bottom to move up as a company does marketing activities in order to create more loyal customers (ibid).

The first step on the ladder is labeled prospect (Payne, 1994). This is a person that the company believes is a potential consumer of its products. Step two on the loyalty ladder is customer, which means that a company has successfully persuaded the prospect to do a purchase. Client is the next step and is when the customer has done multiple purchases from the company but may have negative or neutral attitude towards the company. Step
four is supporter who is a client that prefers an organization but do not support it actively. When a supporter actively recommends the company to others and in that way do some of the marketing, the consumer is labeled as an advocate. The highest step on the loyalty ladder is the partner, who has a close relationship with the company based on the satisfaction between the company and its customer. This final step is, however, mostly common in a business-to-business situation (Payne, 1994).

The loyalty ladder, since it was created, has been researched on and new expanded loyalty ladders have been suggested. One of these expanded loyalty ladders were created by Mascarenhas et al. (2006). They combined the loyalty ladder as a function of total customer experience. The expanded loyalty ladder implied different things for the authors. The first implication was that loyalty is not a one-step process, but instead a long process that consist of many steps that the original loyalty ladder do not indicate. This implies that it is a long process to get on the top of the ladder and become the ultimate customer. Second, each step of the ladder can be partial loyalty, meaning that a customer may only buy because of a repetitive behavior. The third implication is that a customer can move up and down the ladder depending on how they experience the company. This indicates that the higher the customers is on the ladder the more loyal they are and the further down the ladder the lesser loyal the customer is, similar to the original loyalty ladder. Another implication, that is similar to the original loyalty ladder, was that loyalty is an interactive and accumulative process, which means that it is a step-by-step function. The last implication the authors found was that the loyalty can be a slow or fast process depending on the volatility of the consumers’ preferences (ibid).

Court, Elzinga, Mulder and Vetvik (2009) developed a loyalty model that is similar to the loyalty ladder. The authors state that consumers are changing the way they search and purchase products. Court et al. (2009) claim that the explosion in the digital channels, product choices and a well-informed customer requires a more sophisticated approach today. The authors named this approach the consumer decision journey. The model has four steps; (1) initial-consideration set, (2) active evaluation, (3) moment of purchase and (4) post purchase experience. At the first step the consumer have a trigger of need and considers brands based on previous experiences. The second step is when the consumer adds and removes brands as possible purchases. At the third stage the consumer knows what he/she wants and do the purchase. On the last stage the consumer builds expectations
that will be of use the next time a trigger of need arises. If a company invests the right marketing efforts at the right moment of the process, the next time the consumer buys he/she will have a shorter buying process and skip step (2). This means that the customer will know immediately what brand to buy and therefore can be considered a loyal customer to the brand (*ibid*).

Another model about loyalty is *Oliver’s four-stage loyalty model* (Oliver, 1999). As with the loyalty ladder it is a step-by-step model where the customer has to be at each stage in a specific order. The first loyalty stage is *cognitive loyalty*. This kind of loyalty is based on brand belief solely and the loyalty is directed towards the brand. If the consumer is satisfied at this stage he/she will move on to the next stage, *affective loyalty*. Here the customer has developed an attitude towards the brand. However, this loyalty is also a subject of switching costs and a deeper loyalty would be preferable. The third stage is *conative loyalty*, which can be explained as behavior intention. A consumer has reached this stage when he/she repurchases due to a specific brand commitment. But the action is more like a habit than awareness about the brand. Therefore, companies should desire to get consumers that are loyal according to the last stage, *action loyalty*. Here the consumers have read about the brand and the purchase is a consciously choice (Oliver, 1999).

Han and Hyun (2012) extended Oliver’s four-stage loyalty model by adding switching barriers and multiple dimensions of cognition. The authors also build a model that clarifies consumers’ loyalty formation. The switching barriers are preference and relational investment. Their research showed that the customers who perceives positive switching barriers are likely to be cognitive loyal (*ibid*). Yen (2010) have done another research concerning the connection between switching costs and loyalty. The author shows also that switching costs influence loyalty positively. The cognitive dimensions that Han and Hyun (2012) added was perceived value, service quality and image. All these dimensions showed to have a positive effect on loyalty.
Dick and Basu (1994) discuss the relationship between relative attitude and buying behavior, which is presented in a matrix (see figure 2.1). This model shows that a consumer can have different kinds of loyalty depending on how high the repeat patronage and the relative attitude of the customer is towards the company. The first type of loyalty, that is labeled no loyalty, has a low repeat patronage and low relative attitude. No loyalty could be present at companies that have not had the time to build a brand or in markets where competing brands is similar that the customer see no difference. Spurious loyalty is the second type of loyalty and occurs when repeat patronage is high and relative attitude low. This is strongly connected to a habit, meaning that the customer chose a particular product because of familiarity. The third type of loyalty is latent loyalty, which is when repeat patronage is low and relative attitude is high. This kind of loyalty is best expressed in terms of an example. Imagine your favorite restaurant where you go many times to have a meal. However, since the restaurant only serves one type of food you must go to another restaurant when your preference is different. The last type of loyalty is just that, true loyalty. This occurs when repeat patronage and relative attitude is high and this is the type of loyalty that is preferable by the companies (ibid).

2.2 Consumer experience

Since loyalty is a multilayered concept it is not surprising that it is dependent on other concepts. One of these concepts is consumer experience, which is defined and discussed in this subsection, to gain a deeper understanding of how loyalty is affected by consumer experience.
2.2.1 Definition

*Customer satisfaction* is a term that is commonly connected to loyalty (Castañeda, 2010; Coker, 2013; Anderson & Srinivasan, 2003). Satisfaction is conceptualized as consumers’ perceptions of a specific product. This concept have, since this definition, developed and is more seen as a function of the consumers’ perceptions of a product compared to a number of standards. Customer satisfaction is considered to be a crucial factor in loyalty building and there is, therefore, a strong relationship between consumer satisfaction and loyalty (Methlie & Nysveen, 1999). Although, Shankar, Smith and Rangaswamy (2003) state that the relationship between satisfaction and loyalty are not that easy. A customer could be dissatisfied and still be loyal to the company (Shankar et al., 2003), which is connected to behavioral loyalty. Due to this complex relationship we do not use the term customer satisfaction but instead *customer experience*.

It is noticeable that consumer experience is a term that is hard to define since it is a multidimensional concept. Nasermoadeli, Ling and Severi (2013) highlight this issue and have in their article mentioned a few definitions of customer experience from different academic disciplines. From the economic and marketing perspective the concept is defined as the total outcome that the customer receives from a combination of environment and products. The utilitarian definition states that customer experience is the transformation of products into value that is perceived by the customer. Another definition is that customer experience occurs when the consumer has a sensation or knowledge acquisition that will result in creating interactions with elements that are formed by the company (Nasermoadeli et al., 2013). As can be seen when looking at these three definitions there are both similarities and differences. This, in turn, leads to that the concept is difficult to make a concrete definition of. To try to overcome this issue we have combined the definitions of consumer satisfaction and consumer experience to make it more tangible. We define customer experience as “the customers’ perception of how much value they receive from the overall interaction with a company”.

2.2.2 Customer experience and the connection to loyalty

Shankar et al. (2003) state in their research that customer experience may take a different form in e-commerce stores than in traditional stores. However, this does not mean that customer experience is lower online than in traditional stores. In fact, the authors’
research shows that the overall customer experience enhances customer loyalty and it is, therefore, a strong positive relationship between customer experience and loyalty in online stores. E-commerce stores even show a stronger relationship than what the traditional stores have. Shankar et al. (2003) suggest that the difference between consumer experience in traditional- and online stores could be because customers in online stores can more easily express their loyalty through bookmarks, search features and hot links that are associated with the specific website. The authors conclude that customer experience create loyalty which, in turn, reinforces experience. Coker (2013) supports Shankar et al.’s (2003) research by showing that customer experience in e-commerce stores have a strong positive impact on a consumer’s loyalty. However, Coker (2013) states that there is not only a strong positive impact on loyalty but also on the likelihood that the consumer would recommend the online store to others is major. This can be seen as the advocate step on the loyalty ladder (Payne 1994).

Some researchers state that true loyalty can only be achieved when other factors are considered and, therefore, will customer experience and loyalty vary depending on these conditions (Anderson & Srinivasan, 2003). Anderson and Srinivasan (2003) consider this in their research and conclude that the impact of customer experience on loyalty in e-commerce stores can be moderated by individual factors. The factors that the authors used in their research were inertia, convenience and purchase size. One example on how one of these factors affect loyalty is when a customer, who is driven by the convenience to buy online, is less likely to spend time on searching for new online stores. Therefore, the customers will exhibit higher levels of loyalty to the online store (Anderson & Srinivasan, 2003). Mittal and Kamakura (2001) state that since different consumers have different preferences, they also have different repurchase probability. The authors found, for example, that women that are over 60 years old will have a higher repurchase rate and thereby be more loyal.

Lin and Wang (2015) found that customer experience have a positive influence on customer loyalty towards the online seller. Hansen et al. (2013) also found that customer experience has a positive effect on customer loyalty. However, they did see that the connection between customer experience and customer loyalty was stronger if the need-for-cognition levels were high and weak if the levels were low. Need-for-cognition means
that the authors have studied a trait that address differences in preference (Hansen et al., 2013).

To obtain a better view on how the link customer experience-loyalty is created, the authors Homburg and Giering (2001) investigated moderating factors in order to see if there is a connection between customer experience and loyalty. The moderating factors were product, sales process and after sales service. The result showed there is a strong link between the two concepts, customer experience and loyalty. They saw a particular strong connection with the variable product and sales process, but all the factors have an effect on the link between customer experience and loyalty (ibid).

2.3 Factors influencing consumer experience in e-commerce stores

To be able to find what factors are characteristic for loyalty building in online toyshops it is important to investigate what other authors have found and how their findings affect consumer experience and, in turn, consumer loyalty. This subsection discusses the main factors for loyalty building in e-commerce.

2.3.1 Brand image

*Brand image* can be defined as the “mental representation of the firm’s perceived overall appeal compared to that of other rivals” (Hansen et al., 2013, p. 1161). The term is identified both by Clottey et al. (2008) and Hansen et al. (2013) as a key driver to why customer keep repurchasing from a specific company. Brand image is further something that companies work very hard with and put a lot of resources into building it strong (Clottey et al., 2008).

Another part of brand image that is important is the brand’s reputation online. Social networking is one tool that can be useful when establishing brand image. Bagga and Bhatt (2013) state that social networking will help the companies to spread information and creating awareness about the company and its products. One way of networking is by word-of-mouth. Zeithaml (2000) claims that word-of-moth is one of the most effective marketing efforts since the company must not put that much of an effort in it, the customers do it themselves. Bagga and Bhatt (2013) further states that consumers are affected by what is said in different forums about a company, both online and in real life,
and that will in turn influence the consumer’s choice if he/she will purchase or not. This also shows that brand image is important when creating customer experience.

2.3.2 Website attributes

Bagga and Bhatt (2013) identify websites attributes as one factor that will influence customer experience and customer loyalty. They state that a website that is not attractive or easy to navigate through will result in lower visitors and thereby reducing the number of potential customers. A personalized website with multi-layered information increases the positive customer experience (Shankar et al., 2003; Kassim & Abdullah, 2010). Chen et al. (2015) state that information quality in an e-commerce store is of great importance. Information quality is when the website have relevant and accurate information for the customer. The authors further state that information quality and customer experience have a strong relationship, meaning that if the quality of the websites information is high, so will customer experience. It is also argued by Chen et al. (2015) that information quality effect customer loyalty. Further, they write that if information quality is high, the customers will be more willing to return to the online shop. Therefore, it is very important for e-commerce stores to have an easy, interactive and attractive website in order for the customer to receive a positive consumer experience.

2.3.3 Delivery

The quality of the delivery is an important factor when creating customer experience (Chen et al., 2010; Bagga & Bhatt, 2013; Balbanis et al., 2006). For example, if the delivery is on time, fast and cheap it is a higher probability that the customer will return and if the delivery is late, slow and expensive it is a lower probability that the customer will return. An increase in the quality of the delivery will increase the benefits for the customer, which, in turn, affects customer experience. A shorter delivery will also decrease the customer’s indirect costs (Ravald & Grönroos, 1996). Rajaraman (2005) states that updating the customer is one of the most important requirements in e-commerce. All of these different aspects on delivery quality indicate that it is important to consider when discussing consumer experience.
2.3.4 Service quality

There are several authors that have found a positive connection between customer experience and service quality (Chen et al., 2015; Zeithaml, 2000; Balbanis et al., 2006; Kassim & Abdullah, 2010). Zeithaml (2000) states that high service quality is not easy to duplicate and can, therefore, be a unique strength of the firm. Kassim and Abdullah (2010) state that the quality of the service is not only dependent on the outcome of the service but also on the process of the service delivery. This indicates that service quality is an important factor when creating a positive customer experience.

2.3.5 Privacy

One factor that influences customer experience and loyalty is privacy (Bagga & Bhatt, 2013; Balbanis et al., 2006; Chen et al., 2015; Rajaraman, 2005). This concern is mainly about online payments and storage of personal information, which will influence the consumers’ intention to purchase. In some online stores, the shopper’s personal information will be saved for marketing purposes, such as mail offerings and more (Lekmer, 2016b; Stor & Liten, 2016b; Toys R Us, 2016b). However, depending on the preferences of the consumer the privacy aspect may be more or less important (Bagga & Bhatt, 2013). Lin and Wang (2015) found that if the customer perceives online shopping as risky it will affect customer experience and, in turn, loyalty in a negatively way.

2.3.6 Convenience

Another factor that affects customer experience and loyalty is convenience (Bagga & Bhatt, 2013). This means that the customer can easier make comparisons and save both time and effort to shop online. In turn, these benefits will attract the consumer to return to the online platform (ibid). Anderson and Srinivasan (2003) have found several studies that find a positive relation between convenience and customer loyalty. The authors state that customers who are motivated by convenience are more likely to be loyal at a higher stage than the customers who are motivated by, for example, price (ibid).

2.4 Compilation of the literature review

From the literature review above, we can create a model that will be the basis of the data collection (see figure 2.2). The model shows that the six factors (brand image, website attributes, delivery, service quality, privacy and convenience) will affect consumer
experience, which in turn will affect consumer loyalty in online toyshops. The factors may affect consumer experience both positively and negatively depending on what the consumer finds important to be loyal to an online store (Anderson & Srinivasan, 2003).

Figure 2.2 – Compilation of the literature review
3. Method

In order to gain an understanding of consumer loyalty, consumer experience and what factors influence the two concepts the study needs to be properly formed to get relevant results. This part of the paper argues for our choice of method, empirical context and selection of participants. Further, the practice of the method is presented. The section concludes with a discussion about data analysis methods and ethical considerations.

3.1 Research philosophy and design

To be able to sample and analyze the empirical data it is of great importance to know which research philosophy is suitable for the research purpose (Saunders, Lewis & Thornhill, 2012; Bryman & Bell, 2015). Saunders et al. (2012) state that a research philosophy helps the researcher to develop and understand the nature of the knowledge. Knowing the research philosophy will thus help the researcher interpret the findings.

When discussing which research philosophy to choose in business studies it is common to talk about positivism and interpretivism (Saunders et al., 2012). One part of interpretivism is hermeneutic, which tries to understand something in order to make interpretations of the gathered material. On the other hand, positivism refers to the laws that create society and seeks to find proof rather than an understanding (Bryman & Bell, 2015). Since our study aimed to find the factors that affects consumer experience and, in turn, consumer loyalty it is an understanding of the phenomena we searched for. Because consumer behavior and consumer experience differs from person to person it is not possible to create a law in that sense. Our study have thus used a hermeneutic perspective.

In order to collect interpretable data we have used a qualitative design. A qualitative design gives the opportunity to emphasize words rather than quantification of the data. Another reason for the choice of using a qualitative design is that it takes the shifting dynamic into consideration and focuses on seeing the world from the respondents’ view. A qualitative study also focuses on finding the story behind the choices and is flexible in the manner of both preparation and execution. A qualitative study is, however, difficult to replicate, generalize and may be regarded as subjective (Saunders et al., 2012; Bryman & Bell, 2015). These downsides of a qualitative study have been taken into consideration and an attempt to decrease them has been made.
An exploratory study can be defined as “a research that aims to seek new insight into phenomena, to ask questions, and to assess the phenomena in a new light” (Saunders et al., 2012, p. 670). Since the aim of our research was to gain a greater understanding of the phenomenon e-commerce loyalty, an exploratory study is the most suitable method. As the quotation states, it is used to clarify question marks that have arisen within a phenomenon. It is also a method that highlights flexibility and adaptability, which is something that is necessary for our research since we sought additional factors.

3.2 Collection of empirical data

To be able to collect relevant empirical material for the study it is important to use a suitable collection method. A semi-structured interview helped us keep the collection methods informal and let the participants have an unrestricted discussion. This can be conducted on a group basis, e.g. as group interviews (Saunders et al., 2012), which will be discussed below.

A group interview is similar to a regular interview but consist of more than one participant and, therefore, opens up for discussion between the participants (Saunders et al., 2012). Since there are more participants the variation in experiences and opinions are larger within each group (Denscombe, 2009). It can be both unstructured and structured but tends to be more unstructured, which opens up for new insights. These new insights can be gained through a discussion between the participants. A group interview is, therefore, very similar to a focus group, but with fewer participants (Saunders et al., 2012). Because of that, it is important to consider risks and possibilities from both an individual- and a focus group interview when conducting a group interview.

As mentioned above, one of the benefits of having more people in an interview is that the participants can discuss the questions with each other (Saunders et al., 2012; Bryman & Bell, 2015). These discussions can sometimes be difficult to control and for inexperienced interviewers it is, therefore, more suitable to have smaller groups (Saunders et al., 2012). However, with smaller groups there is a risk of fewer discussions. On the other hand, it gives the interviewers a chance to get a more in depth understanding about each respondent’s preferences (ibid). Another advantage of discussions is that the participants
challenge each other and are forced to listen to others’ perspective and can even change their opinion about a subject (Bryman & Bell, 2015). One risk is that one or more participants might take over the discussions. In cases like this it is the interviewers’ skills that are put up to a test; they must control the situation and involve all of the participants. But, as said before, it is easier to control a smaller group than a larger one (Saunders et al., 2012).

The main reason why we chosen to conduct group interviews was because we wanted to receive a deeper understanding of why people feel the way they do, which is one of the benefits of group interviews (Bryman & Bell, 2015). Another reason for this choice was that we wanted to hear and bring out the participants stories in order to gain a deeper insight into how they experienced a particular situation (Czarniawska, 2014). The discussions that group interviews create are desirable since the participants can trigger each other’s memories and give us unexpected stories (Saunders et al., 2012). Further, it is even more important that a discussion takes place in order for us to possibly identify additional factors influencing loyalty. It was also important that we, as moderators, did not ask direct questions about each factor since that decrease the discussions where additional factors could be discovered. Therefore, group interviews were an effective method.

3.3 Selection of empirical context

The empirical context of this thesis is online toyshops. This market is relatively new since several toyshops either expanded or opened online during the 21th century in Sweden (see appendix 1). The need for the parents to choose the most appropriate toy for a child is essential since playing with toys is an important part of learning and psychological development for the child (Gardner, Golinkoff, Hirsh-Pasek & Heiney-Gonzalez, 2012). Gardner et al. (2012) claim that parents use great institution and knowledge when choosing toys for their children. The authors further state that the toy market has an opportunity to embrace this great awareness. This can, for example, be embraced when marketing towards parents in order to convince them to purchase from a particular toyshop and return to the shop (ibid).
The choice of investigating about loyalty in online toyshops was decided because we believed that a purchase in a toyshop differs from another purchase since there is another person involved, namely the child. Bennet (2006) states that because of the growing use of the Internet it is not surprising that children are spending more time online. One problem with children browsing online is that it is difficult for companies to detect them. Often it is the children that browse the online toyshop while the parents pick up the bill, indicating that the companies only see the parents’ presence on the webpage (Bennet, 2006). Further, Ray et al. (2013) state that toys are a way for the children to express themselves, just like adults use words to express themselves. This indicates that there is reason for the parents to involve the children to a greater extent in the purchase of toys.

Children have become a segment that the market cannot ignore (Sharma & Dasgupta, 2009). For many products it is the children who are the end consumers, meaning the ones that use the product. Therefore, it is possible to believe that the toy industry has a special marketing strategy that attracts both children and parents. However, we could not find any evidence that this have been investigated in the context of toyshops. But we did, however, find studies in the context of food. Miyamoto (2015) found that food companies are greatly influenced by how much parents worry and how conscious they are about which knowledge their children receive from marketing. The author further states that companies are sensitive to the parents change in concern or consciousness and cannot ignore the changes in order to have an optimal marketing strategy (ibid). We think that these findings could also be considered in the context of online toyshops. Just like the food industry, it is the children who are the end consumer but it is the parents who purchase, which indicates that a special marketing strategy should be formed.

Children can influence their surrounding enormously, for example, adults feel forced to respond when the children request something (Davidov, Knafo-Noam, Serbin & Moss, 2015). Serbin, Kingdon, Ruttle and Stack (2015) highlight that different studies have given different results on what effect children have on parents. The authors claim that some studies have found that there is a negative effect on parents while other studies claim there is a positive effect. The negative effect on parents could, for example, be not showing warmth towards others. On the other hand, the positive effect could be gaining a higher quality of parenting. But most of the studies do seem to agree on that there is some effect between children and parents (Serbin et al, 2015; Daviodov et al, 2015).
Therefore, it is safe to assume that children may influence their parents’ purchase intention and experience of the purchase.

Some studies have been investigating the toy industry (Gardner et al., 2012; Dinaky & Ghazizadeh, 2013) and some on how children affect parents (Davidov et al., 2015; Serbin et al., 2015). But the subjects have not been combined even tough children, parents and the toy market have a strong connection since they are all players in a toy purchase. Further, we could not find any evidence that the subject loyalty had been studied in the toy industry in an online setting that included the child’s possible influence on the parents. Therefore, online toyshops are a new and intriguing context that we chose to investigate in order to help online toyshops understand their customers.

3.4 Selection of participants

In order to find factors influencing loyalty in online toyshops the participants of the group interviews were parents who have purchased toys online. Saunders et al. (2012) claim that the participants of a study should have common characteristics that relate to the topic. To reach these people we consulted our teacher, who sent out an invitation by e-mail. The invitation was sent out to teachers at a university where a Doodle-link was attached. The participants could sign up for the session that suited them best. Once a group was formed a confirmation e-mail was sent to them.

The choice to send the invitation by e-mail to teachers was relatively simple. One reason was that the teachers might be more willing to participate since they know how difficult it is to find participants for a study. This assumption was right since many teachers answered; many could not participate, however, since they had not purchased toys online. When only reaching out to people that are geographically close to each other it was easier to book the sessions since none of the participants did not have to travel somewhere. Another reason for only include university teachers was because the study will be easier to replicate. An additional benefit with solely university teachers in the groups was that they already have a relationship with each other. This means that there was no need for any unnecessary time to break the ice between the participants (Czarniawska, 2014). However, because of the established relationship between the participants there was an increased risk that they already had a particular role in the group, meaning that someone
might take over the discussion while someone sits back and do not raise their opinions. These situations test our skills as moderators and it was our responsibility to make sure that everybody’s voice was heard (Saunders et al., 2012).

3.5 The collection method

From the invitation e-mail, six people responded that they were willing to participate. Therefore, three group interviews with two participants in each group were created (see appendix 3). Once the groups were formed and booked the preparation begun.

A semi-structured question template was created in order to give us guidance during the group interviews (see appendix 4). The interview started with a few opening questions so that we could become acquainted with the participants. This differs from the traditional opening questions that have a purpose of helping the participants getting to know each other (Denscombe, 2009). This was not necessary for our group interviews since they already had an established relationship to each other. Further, Czarniawska (2014) states that a rewarding interview captures a narrative view by giving incentives to the respondent to tell their story. Therefore, we tried to create the question template in a way so the respondent would tell their story to us.

When we created the question template we used the model presented in subsection 2.4 Compilation of the literature review as guidance. We used both images and scenarios that the participants could react on and talk about in order to create discussions. The images we chose were from a physical store and an online shop (see appendix 5). The physical store image was chosen because we thought it represented the local toyshop, which was later brought up in the scenarios. Here we wanted to capture the factors brand image, delivery, service quality and convenience. We believed that these factors could be easily captured in this image since they all relate to the picture in some way. For example, the respondents could easily see the convenience of shopping online compared to the physical store and if the service of personnel was something they wanted.

For the online toyshop image we hoped that all of the factors presented in section 2.3 Factors influencing consumer experience in e-commerce stores would be discussed. We chose the online store image since it represented a typical online toyshop in Sweden.
What we wanted the participants discuss here was what would make them return to the online toyshop and what would not. For example, if the online toyshop image has a quality stamp it can make the customers feel safer and, therefore, return to the shop the next time they want to buy toys. This can be connected to the factor privacy, which was presented in subsection 2.3.5 Privacy. Shankar et al. (2003) highlight the importance of different features and information on a website, which we also wanted to evoke a discussion about. Especially, what website attributes the respondents thought was important.

With the help of the identified factors in subsection 2.3 Factors influencing consumer experience in e-commerce stores four scenarios were created (see appendix 6-9). The scenarios were read to the respondents in Swedish and were translated into English for the appendices. When we created these we wanted to evoke more reactions than on the images. Our goal was that the respondents would recognize themselves and, therefore, the different factors would be easier to discuss. We used all of the factors as a basis for the creation of the four scenarios and tried to mention each factor in every scenario for the respondents to discuss. For example, in the good scenario in the online toyshop (see appendix 7) we brought up that the website is easy to navigate through and that the delivery is fast and effective, which reflects the factors website attributes and delivery. The reason why we choose to have scenarios from both an online- and physical environment was because we thought it would be easier for the participants to discuss the different factors, even though they have not experienced them all. We also thought that by using scenarios the respondents could picture themselves in the event and thereby imagine how they would react to a certain factor. Furthermore, we also thought it would be interesting to see the respondents’ reaction to physical versus online shopping experience even though a comparison is not the focus of this study. We also choose to have a difference between what could be experienced as good scenarios and bad scenarios. The decision was made since we wanted the participants to discuss the factors from both the good and the bad side.

As already established, three group interviews with two participants in each group was formed to collect empirical material. Each session was booked for one hour and it took approximately 50-55 minutes per session. To make the participants feel more relaxed and keep the conversation flowing the sessions were in Swedish. The sessions were also executed in separate rooms in order to avoid interruptions and make the participants more
comfortable to share information about their private life. To make the transcription of the empirical material more manageable the sessions were recorded using a video camera. According to Bryman and Bell (2015) the recordings help the moderators to see which respondent is talking and is extra helpful when the participants speak at the same time. However, one risk of using a video camera is that it can make the respondents uncomfortable and nervous (Alvehus, 2013). To reduce this risk we placed the video camera beside us so that the focus shifted from the camera to us (the moderators).

A question that can be raised is if two participants in each session are too few. According to Bryman and Bell (2015) a large group is difficult to manage and it is, therefore, beneficial for us, as inexperienced moderators, to have smaller groups since it will help us control the sessions. The choice of having smaller groups proved to be effective since we could control the discussion to gather the information that we needed.

Once all of the group interviews had been conducted we could claim that the discussions went smoothly and that some sessions needed more guidance and supplementary questions. We learned and adapted our question template after each session. After the first session we realized that the questions about the children’s involvement in the purchase gave us a repetition of what had been discussed earlier so for the second interview we skipped those questions. Although, in the third session there was less discussion about the children’s involvement, which required that we asked the questions. Under session two, when we showed the images to the participants, the focus was more about compare the different images instead of looking at them separately. This was re-structured by showing the third group one image at a time, which gave us a better material to work with. During the sessions we did not notice any of the risks with the already established relationships between the participants, as mentioned in subsection 3.4 Selection of participants. The benefits of the relationship were noticeable since the need for breaking the ice was not necessary. Further, we received the information that we needed and saw connections between the different groups quickly.

3.6 Data analysis methods

Both Bryman and Bell (2015) and Alvehus (2013) state that transcribing is a time consuming process and will be even more time consuming when there are several
participants. This is because the researcher must take into consideration who is talking and not only what is said during the session (Bryman & Bell, 2015). It is thus important to video record the session to make the transcription process more manageable (ibid), which is discussed in subsection 3.5 The collection method.

All of the group interviews were subsequently transcribed, which Bryman and Bell (2015) claim will lead to a better future interview. The benefit with transcribing directly after the session was that we repeated the session and learned from our mistakes and rights. For example, we noticed that our supplementary questions were long and therefore difficult to understand, which we in the later sessions tried to correct. We chose not to transcribe every pause and other material that is unnecessary for our analysis, for example, which word the respondent emphasized. Instead we focused on capturing the respondents’ stories and not embellished the language because it will be of more use in our analysis, which Alvehus (2013) states is of high importance. Since the material was transcribed and, in some cases, translated into English, it is important to point out that the translated quotations in this the text is our interpretation of what the respondents have said.

When analyzing the material, we picked out small sentences from the transcribed material that represented the overall context of the respondents’ statements and sorted them in accordance with the identified factors. Those sentences that did not fit in with any factor were put into a separate pile. To make it clear which sentence belongs to which factor we chose to color code them since it favored us when one sentence belonged to more than one factor. The process of coding the material started as soon as the transcription was finished and, therefore, the feeling of being overwhelmed with data never occurred (Bryman & Bell, 2015). After the coding was finished a review of the codes was carried out to see if there were any connections or faults in the coding. Bryman and Bell (2015) states that a problem with the coding process is that the context of what is said can be lost. To avoid this problem we were careful of not missing out on the stories when coding the material. The second step was to determine which factor could possibly be removed or modified. After that we looked at the pile with the odd sentences to see if they could fit into some factor after the modification. Later on we tried to find a connection between the odd sentences in order to possibly create additional factors. The last step in the process was to repeat the steps and see if there should be more changes in the modified factors or
see if there was any more additional factors. The coded sentences were analyzed and acted as the basis of section 4. Empirics and analysis.

3.7. Reliability & validity

Reliability and validity of a qualitative study is not straightforward as a quantitative study. A quantitative study often uses different measurements to ensure the relevance of the results, while a qualitative study have other methods to ensure reliability and validity (Bryman & Bell, 2015).

In order to give a qualitative study reliability and validity, Bryman and Bell (2015) talks about both internal and external reliability/validity. Internal reliability refers to if more than one researcher agree on what has been observed in the study (ibid). As our study prolonged we had continuous discussions about what we had seen and observed during the group interviews. Most of the time we had interpreted the respondents answers the same way thus giving the study reliability. External reliability refers to the degree a qualitative study can be replicated. This is a difficult criterion to fulfill since the phenomenon that is explored is often constantly changing (ibid). However, in an attempt to make our study easier to replicate the respondents of the study were university teachers at a particular university. This will help other researchers to replicate the social setting in our study in order to receive comparable data if they want to compare our research with their findings. Further, we have described how our collection of data was conducted and how it was analyzed in order to give readers a greater insight into the work.

Internal validity refers to the connection between researchers’ observations and the ideas they develop from that, meaning how concepts and observations are connected (Bryman & Bell, 2015). Once the empirical data had been collected, we could see both clear and not so clear connections between the data and theory. Sometimes the respondents stated clearly what they thought, while other times we needed to interpret their statement in order to connect it to the concepts. The connections that were discovered were, in turn, used to develop our own theoretical idea and contribute to the understanding of the concepts. Without the connections between the observations and theory, our contribution to the field of loyalty would have not been the same and may have not contributed anything. Bryman and Bell (2015) state that generalizability is a problem that face almost
every qualitative study. This problem is referred as external validity and is often a problem since a qualitative study tends to use case studies or smaller samples (*ibid*). However, our aim with our study was not to generalize the results to all social settings but instead contributing to the understanding of loyalty by investigating it in a special context.

### 3.8 Ethical considerations

During the study some ethical concerns have been considered. To protect the participants in the group interviews, their names have not be written out in this paper. Instead, we have given them an anonymous name that will not give any indication of who they are. To keep the participants anonymous the group interviews took place in separate rooms. The group interviews were video recorded and the material will be handled and stored carefully to protect the identity of the respondents. Since the group interviews were conducted in Swedish the quotations in the text have been translated cautiously in order to not lose what the participants say. This also means that if the respondents have mention a particular company it is included in the quotation.
4. Empirics & analysis

Presenting the empirics and analyze it is necessary to identify the characteristic factors influencing consumer experience and loyalty to online toyshops. The following section presents a brief description on how the participants reacted on the different parts of the group interviews. Later, each factor is discussed separately and the section concludes with an analytical model.

4.1 This is too good to be true

To give an insight on how the respondents reacted on the different parts of the group interviews, the reactions is presented in this subsection.

When the questions (see appendix 4) were asked to the respondents they answered using own experiences and stories, but no prominent reactions could be observed. It was, however, an advantage for us as moderators to get to know the participants before the real discussions started. For example, by knowing the age of the children we could adapt the questions more to their children’s age. However, all of the participants had at least one child that was in a suitable age for our questions.

The reaction on the images (see appendix 5) varied quite a lot from the different groups. Some discussed them a lot while others did not. The majority had, however, negative feelings about the physical store and positive feelings about the online shop. The common reaction to the image of the physical toyshop was that it looked homely but that the respondents would not like to go there together with their children since the children would get too energetic in there. On the other hand, if the children did not come with them to the store, the participants claimed that they could like to go there. As mentioned in 3.5 The collection method we wanted to evoke discussions about the factors brand image, delivery, service quality and convenience when showing this picture. This was successful since all of the factors were discussed, however, convenience and service quality was mostly discussed. Two things that come up the most was that the respondents claimed that they expected to receive good service in the store and that it looked like the shop could be located near the house, which is very convenient.
The online toyshop image received the reaction that it fulfilled the respondents’ requirements of a useful website. It was mostly the different website attributes that was discussed, for example, that the webpage had divided the products into categories. These reactions were, from what we could observe, quite alike the ones we expected as mentioned in section 3.5 The collection method. One participant stood out and said that the webpage looked ugly and that the physical store looked nice and felt the need to take the children there. Other than that we were not surprised by the respondents’ reactions.

When the scenarios were presented we could observe stronger reactions, which was what we hoped (see section 3.5 The collection method). A common reaction on the good scenarios was that they are too good to be true. All of the respondents stated that the good scenario in the physical store (see appendix 6) do not reflect the reality. It was mostly the children’s involvement that the participants reacted strongly about. All of the participants claimed that a visit to a physical store is stressful when the children are with them. One of the respondents even claimed that, especially when the product is not for the child, it hardly never happens that the child goes out from the store happy. Another reaction to the physical store scenario was that it is unusual for the respondents to receive that great service at a physical store as the scenario pictures. They claimed that the service in a toyshop is often poor but that they still expect the staff to be friendly towards the children.

One interesting thing with the good scenario in the online shop (see appendix 7) was that many of the respondents claimed that the reality was close to the scenario when they shop online. Around half of the participants included their children when they were shopping for toys online and they felt like this scenario gave a better view of the reality. The other half that did not include their children could, however, imagine that if they would shop with the child, it could be like the scenario. As with the physical store scenario the participants discussed the different factors but the one that stood out was the factor delivery. In all of the participant groups delivery was the factor that was discussed the most. One example is that they claimed that they would not count on the package to arrive within just a few days, but that it was nice if it did.

When the bad scenarios were presented most of the participants started to laugh and stated that it represented the reality better, at least when it came to the physical store scenario (see appendix 8). One common reaction to the physical store scenario was that the
participants had been in a situation like that several times. They claimed that they do everything in their power to avoid those kinds of situations, but that it sometimes does not work. Here the child’s involvement was mostly discussed and the participants claimed that the experience of the purchase was highly dependent on the child’s mood. Factors such as convenience, service quality and brand image was also discussed here. Brand image was the factor that was discussed the most and all the parents highlighted the children’s high brand image awareness. The parents reacted very negatively on the thought of buying a similar product from another brand because the children would know that it is not exactly the one they wanted.

The online bad scenario (see appendix 9) gave mixed reactions. The majority of the participants claimed that the situation would never happen to them because they do not order something in the last minute. Some respondents claimed that parts of the scenario have occurred to them. Again, delivery was the most discussed factor. The respondents claimed that the delivery can vary a lot from different shops and a consistent delivery is important so the customer knows what it can expect when shopping at that particular shop.

The reactions on both the good and the bad scenarios were the ones we wanted to evoke. What surprised us was that, in general, the respondents claimed that the good scenarios in the online shop was close to the reality but not in the physical store. Discussions about the physical store indicated that the bad scenario was closest to the reality. This indicates that the participants have had more positive experiences with an online store than a physical store.

4.2 What drives you?

The results from the group interviews are presented and analyzed in this subsection. The factors are presented in the same order as in subsection 2.3 Factors influencing consumer experience in e-commerce stores. At the end of this subsection an additional factor is presented.
4.2.1 The product is what matters the most

Several authors have stated that brand image is a key factor when a customer is choosing which online store to purchase from (Clottey et al., 2008; Hansen et al., 2013). In our findings we saw some indications that this statement is accurate. The majority of the respondents knew which store, both physical and online, has the best selection of a specific category of toys, for example crafts, books or outdoor toys. However, during the sessions all of the participants did highlight that the brand of the product to be is more important than the brand of the store. Respondent 6 stated this clearly, when asked if they visit only one website: “I can put a lot of time to find out which [product], but when I know ‘I want this one’, I do not care where I buy it.” This quotation clearly shows that the brand image of the product outweighs the brand image of the store. This is supported by Clottey et al. (2008) who state that the loyalty to a brand usually outweighs the loyalty to the company.

Hansen et al. (2013) state that customers often use brand image as an indication of quality when they do not have knowledge about an item. The result from the group interviews indicates that both the parents and the children have a product brand awareness. For example, when we presented the bad scenario in the physical store (see appendix 8) several participants reacted negatively on the idea of buying a product from another brand than the one the child desired. One of the respondents strictly claimed that it would never occur to them because the respondent’s child has great product brand awareness. Others claimed that purchasing from another brand happens occasionally but both the child and the parent become less satisfied. Hansen et al. (2013) strengthens this by saying that the better image the lower risk it is to become dissatisfied. It is important to point out that these discussions were about a physical store and the risk of these situations decrease when it comes to an online environment because it is more accessible to go to another webpage than go to another physical store. However, it is a good example when describing the customers’ knowledge about products’ brand image.

From the empirical material above we can see that instead of adapting the purchase to the online store’s supply the consumers adapt the choice of store to the product they desire. As Anderson and Srinivasan (2003) state, another online store is only a mouse click away, which is one of the unique features with e-commerce. When customers purchase from a
physical store they do not always have the luxury to change store if the supply does not fulfill their requirements. Instead they have to adapt their purchase to the store’s supply, as can be seen above. In these situations the customers’ experience can become less positive and decrease the loyalty to the store. In an online environment, however, there is a smaller risk for these less positive experiences to occur because the customer can easily go to another website to search for the product. Several participants stated that they usually visit their favored website first and search for the desired product. However, if that website do not have the desired product the respondents stated that they have no problem to purchase from another website. This indicates that the customers are loyal towards a website but because the competitors may have different brands and is only a mouse click away the loyalty can easily shift to another website.

Another aspect of brand image is how customers communicate about the product or store. Bagga and Bhatt (2013) state that customers are influenced by what they read and hear about a brand. It is like Respondent 2 claims: “if you do not hear anything bad about it [the company] or so, of course it feels safer.” This indicates that, to feel more secure, the customers read the reviews, which many of the respondents claimed they did. Although, two of the respondents pointed out that if they already knew the product and had their own perception about it, they do not care to look at the reviews. Some of the respondents highlight that the reviews give more credibility than a seller; especially if there are several different reviews and if someone is negative. Otherwise the respondents suspect the company of deleting negative reviews and writing own positive reviews.

The fact that the respondents mainly read the reviews about a product and have not mentioned that they read reviews about the companies strengthens that they care more about the product than the shop. Further, if there are several negative reviews about products from the same brand, the brand can receive a bad reputation (Bagga & Bhatt, 2013). This leads to the risk that a possible customer may not buy from that brand and that a loyal customer will not re-purchase. In some cases the customers may seek for another shop to find their product if the first shop does not have any supplementary products. This also highlights the importance of respectable brands in an online store in order for the consumers to become loyal.
Due to the participants’ product focus the factor brand image is more suitable to be divided into two different factors, product brand image and company brand image. The definition of product brand image, which we can draw from the empirical material presented, is when customers have created an image of the product through their own experiences and what they have read about the product. By company brand image we do not mean the brand image the companies are communicating to the customers; we describe it as the brand image that the customers have created from their experiences. Even though company brand image has not been brought up by the respondents frequently it is possible to see that they do care about it since several of them often visit one online store first. Our study have shown that there are features that the respondents prefer with one specific website, for example, the participants know which online store has the best selection of a specific product category, which is mentioned above. From this we can see that the products the company chose to include in their selection influence the customers’ overall perception of the company.

A theoretical insight that can be drawn from the brand image factor is we saw a need to divide it into two factors, as mentioned before. From the empirical material presented above, however, there is an indication that the connection between loyalty and product brand image is the stronger relationship. This indicates that customers will be loyal towards a company if it has respectable product brands. But the two factors have a strong connection and we can see from the empirical material that product brand image can influence company brand image enormously. One example is when the respondents stated that they can spend a lot of time to find the right product and once this product is found there is a bigger likelihood that the customers will repurchase from that store since they know that the shop sell that brand. That, in turn, will add to the customers’ perception of the company brand image. On the other hand, if customers show more loyalty toward the company brand image it is more likely that the customers are willing to try different product brands since they trust the company. However, this is only a speculation and was not anything the respondents talked about.

4.2.2 When you shop online you want a clear website

Bagga and Bhatt (2013) state that a website should be easy to navigate through in order to influence consumer experience and loyalty in a positive direction. When the online image (see appendix 5) was shown, several of the respondents in our study stated that a
website should be clear, well-structured and appealing. Respondent 5 stated this clearly: “of course it is funnier to enter a [web]page that feels better-looking and thought through and so, I think. It feels a bit more serious then.” This indicates that if a website do not have some specific characteristics, the consumer can get suspicious and the credibility of the website decreases. One of the participants highlighted that there is an established layout, which includes for example categories, wish list and shopping basket. The participant said that entering a webpage that do not follow the layout standard creates an uncertainty to purchase from that webpage. It was clear that the participant would rather look for another website to avoid the uncertainty. What differ online toyshops from other e-commerce stores is the importance of making the webpage child friendly. Some of the respondents claimed that it is easier for the children to get an overview of the toys if they are sorted in some kind of matrix with six or nine images per page.

Shankar et al. (2003) state that some website attributes allow the customer to utilize the webpage better and gain a better experience. Some specific attributes that were brought up during the discussions about the online image (see appendix 5) was reviews, top list, wish list, and a search function, including the ability to sort by categories and brands. All of the respondents stated that reviews are an important part when they shop online and it is a function they would miss if it were not available. One of the respondents stated that it is preferable if the reviews have a five star rating since it is easier to receive a quick overview of what other customers think about the product. Two functions that the respondents did not agree on were the top list and the wish list. Some of the participants think that these functions are useful in their shopping process, while others think the functions are unnecessary. From the sessions, can we interpret that the most important feature of a website is a useful search function. This feature includes direct search, category search and brand search. It was the feature that all the participants showed most positive reactions about when we showed them the image of an online shop (see appendix 5). All of these features are supported by Shankar et al. (2003) who state that the features on a webpage should be multilayered and give the customer relevant and rich information. Otherwise the functions will become superficial and not increase the consumer experience of the website (ibid).

One thing that would make the participants not to turn to an online store was if they wanted to know the size of the product. Most of the respondent claimed that it is difficult
to see the size of the item on the screen. This causes them to go to a physical store to see the product in real life and if they like it, they buy the product in the physical store. Something that probably would increase the customers’ willingness to buy online is if there was a picture of a child playing with the product, which would make it easier for the customer to assess the size of the toy. However, we can find that some of the online toyshops already have this images or videos but it is not available for every product (Stor & Liten, 2016c; Stor & Liten, 2016d; Lekmer, 2016c). This indicates that customers may not be aware that there are pictures demonstrating the size of the product when they are shopping online. Therefore, the statements from the respondents may not reflect the whole truth. But because of these statements it is possible that the images create a more positive experience, even though the customers may not be aware of it.

From the statements that a well-structured and clear website is important we can interpret that the website features are an incentive for the customer to re-purchase. Further, a better looking website can make the customers interested to stay on the website for a longer time. It is like Respondent 6 said: “an attractive layout makes you click on more items.” These extra clicks may lead to that the customers get more out of the purchase than they initially thought they would. Also, if the features are relevant and give the customers valuable information, the website will not feel superficial and instead feel sensible. The customers’ experience from the online store may increase and the probability for the customers to return also increases. The positive experience from the layout and the website features can make the customers connect a clear website with the specific company, which may increase the company brand image from the customers’ perspective.

After investigating the website attribute factor, we can define the factor as the way a website looks like regarding the structure, the layout and other additional features. A theoretical insight is that a website should consider which segment it is targeting. In this case it would be parents and their children. Since this is two segments it can be difficult to satisfy both which, in turn, can affect the overall experience of the purchase and if the customers would visit the webpage again. We can interpret, from our material, that if customers are satisfied with the webpage they can connect that to the particular company and add it to their experience of the company’s brand image. This, in turn, will make the parents and children more loyal towards the website since they are satisfied. This is demonstrated when the respondents stated that it should be easy for the children to get a
quick overview of the products and in that way satisfy the children’s need which then, in turn, affect the satisfaction of the parents.

4.2.3 Will the package arrive on time?

When the delivery from an online store fulfills the customers’ expectations it is more likely that the customers will return (Chen et al., 2010; Ravald & Grönroos, 1996; Bagga & Bhatt, 2013). This is strengthened by Respondent 2 when asked if there is anything that will affect their will to repurchase: “I often chose another one [online store] first because I know that it is free delivery there… or because I know that it is fast delivery there.” This suggests that the delivery is an important part when creating customer experience.

However, it appears to be a mutual concern about the delivery being on time. The respondents state that the amount of time a delivery takes varies enormously and, therefore, they cannot trust that the package will arrive when it is needed. This concern lingers even though the company guarantees that the product will reach the customer within a number of days. The respondents have, therefore, a margin when ordering toys online so that they feel more comfortable with being almost certain that the package will be with them on time. Ravald and Grönroos (1996) state that worrying about if the company will fulfill its promises causes the customers to increase the physiological cost. This cost, i.e. the mental capacity, could have been used for other purposes. The lack of trust in the delivery process that we saw during the sessions make the customers to put more effort in planning the purchase than they would have needed if they trusted the company. This uncertainty may, in turn, decrease the customers’ loyalty and hurt the online stores image that has been established in the customers’ mind.

Another aspect that affects the respondents’ experience is the packaging of the product. One respondent expressed an irritation feeling when a package comes in a box that is not optimal for the product, for example, when the box is much larger than the actual product or the delivery box represent another item or brand. This leads to another struggle: large packages are troublesome to pick up at the delivery office. If the customer has ordered a small product that comes in a large box there might occur trouble for the customer to transport it home, since no preparations for a large package have been made.

During the discussions of the bad scenarios (see appendix 8 & 9) an interesting observation was made. In the choice of bringing unhappy children to a physical store or
having a bad delivery and receiving the wrong product from an online purchase, the respondents prefer the later. In the bad scenario in a physical store (see appendix 8) all the respondents expressed an exhausted feeling and saw no other solution than staying at home or go to the store alone. With the bad online scenario (see appendix 9), on the other hand, the participants saw the problem as inconvenient but that it had a solution. Several different solutions was suggested, some said that they would tell the child that they will receive the present later while others claimed they would buy the product from a physical store or buy a different present for the child. This kind of bad situations decrease the customer’s probability to return to the store (Ravald & Grönroos, 1996). We could see this when the scenarios were presented as one of the respondents clearly stated that a purchase from this online store would never happened again. This statement indicates that the respondent’s loyalty towards the online shop can be damaged if these scenarios occurred in real life. At the same time, the overall appeal with the online shop can be damaged, meaning that the brand image of the store in the customers’ mind can change.

The delivery factor can we define as the amount of time it takes for a package to arrive to the customer. A theoretical insight that this factor gives us is that a consistent delivery time will make a customer more loyal towards a company. Further, a great delivery can help a company to boost its brand image and in that way gain more loyal customers. This is demonstrated by what the respondents stated, namely that they cannot trust the delivery time but if they did the choice of online shop would be easy. We can state that getting a perfect delivery is not always that easy since it can happen a lot between when the package leave the store to it actually arrives to the customer. We interpret that it is in this situation were companies are put up to the test since they need to inform and give the customer comfort, in order for the customer to consider to repurchase.

4.2.4 I was very impressed

Through a high service quality companies can differentiate itself by offering additional services (Zeithaml, 2000). One of the respondents stated that it is often the smaller online stores that try to make the purchase more personalized for the customer by writing personal messages and including small presents with the package. This is something that the customer can appreciate and can increase the positive experience of the online store. That the experience gets more positive by the additional service is strengthened when one participant is telling us how remarkable it is that some companies offers giftwrapping as
a service. This indicates that the customers are more likely to re-purchase from an online shop if it offers additional services. Further, if the customer appreciates a company’s additional services it might affect the company brand image in a positive direction.

Several times the customers already know what they want to buy and all they want is to buy it. The respondents claimed that this is one of the advantages with an online store: they do not need to interact with a seller and can make their own decisions. They also stated that without the interruption and persuasion from a seller the respondents felt more confident in their choice of product. When there is no seller that stress the customers the respondents claim that they feel calmer and can take the time they want comparing products and prices. This indicates that if companies would use their chat function as a tool to sell products the customers would get irritated and feel noticed when all they want is to be invisible. Therefore, all additional services may not affect consumer experience in a positive direction because of the services that may intrude on the customers.

However, when a problem occurs it is important for a company to be alert and accommodating. Respondent 4 shared one story of this:

(…) it was Jollyroom so I have good experiences of them. Once I ordered a baby car seat that had not arrived after a month, so I called and said that ‘I have not received it’, so they sent me another one because someone else had lost it. So another one arrived and after a month the other [first] chair arrived, they found it, so I called them [Jollyroom] and asked ‘What shall I do with it?’ But then they said ‘take both of them, it is our treat.’ Well, we have three children so of course we became very happy. (…) But it was, I mean, I was very impressed, I mean really. But yes I liked it. I received 3000 or 4000 [Swedish crowns] as a present. It was Jollyroom, so they are good at it.

This story emphasizes that if a company solves the problem smoothly the customer will be more than impressed. Kassim and Abdullah (2010) state that if a company understands the customers’ needs it can tailor its service towards the customers, which will create a positive consumer experience. Further, the customers do not only care about the outcome of a service but also how the process is delivered (Kassim & Abdullah, 2010). This is illustrated in the story from Respondent 4 who was not only happy with receiving a free baby car seat but also the way the company handled the problem. Because of this positive experience of the online company’s service Respondent 4 often visit that company first when searching for toys. This indicates that the respondent have become more loyal to that company due to the company’s valuable service. The last sentence of the quotation can be interpreted as the way the customer see the company’s brand image. After the
event the respondent may associates the company with valuable problem solving, which implies that the company brand image for the consumer has been improved.

From the empirical material we can define the service quality factor as the additional service and effortless problem solving that a customer experience from an online store. This definition can be further drawn into a theoretical insight that we can interpret from our empirical material, which is that offering additional service, such as giftwrapping, can boost the customers’ experience of the purchase. This positive incentive can make the customer more motivated to repurchase from the online shop and thereby adding a positive experience to the company brand image. Another insight is that if the problem solving demands hardly any effort from the customer, the customer’s view of the company’s brand image will receive a positive boost. Thereby, the customer can become more loyal since the company solves the problem for them.

4.2.5 I may be a bit naive

The major attribute of privacy is that the customers want to feel secure when doing a payment online (Bagga & Bhatt, 2013; Balbanis et al., 2006; Chen et al., 2015; Rajaraman, 2005). One of the respondents in our study shared to have been a victim of card skimming where the perpetrator had paid with the card on different websites. After that incident, the respondent claimed to be more careful when shopping online. But since it was a while ago the respondent stated to be less careful about how the card is used online, even though the respondent claims to think one extra time before paying with a card. Several of the respondents claim that they are naive when purchasing online because they do not look into the company before they complete the transaction. Balbanis et al. (2006) state that because of the problems with Internet fraud, most customers are forced to rely on a few numbers of online shops since they trust them. This is both supported and not supported by the respondents. The respondents go to one particular online store first that they are comfortable with but at the same time several participants stated that it is not a problem for them to buy from an unknown website.

The respondents state that there are some attributes with the payment that they notice; if Verified by Visa appears when doing the payment and if the online store has established partnerships, for example, with Klarna. One of the respondent state that if Verified by Visa does not appear the respondent becomes uncertain about the purchase and checks if
the payment went through. However, some of the respondents claim that established partnerships are not something that they investigate about before purchasing from an online store, but is something that they can notice. Rajaraman (2005) highlights the risk with fake online shops and claims that it is important for the company to verify its genuineness. One way for the customer to see this is by a logo somewhere on the page, preferably on the top of the page, according to the respondents.

Chen et al. (2015) state that valuable privacy policies should be clear and trustworthy. However, the respondents indicate that the online stores do not follow this. For example, Respondent 3 expressed this by saying: “I do not have the energy to read Times New Roman [size] 6.” Respondent 3 was not alone with this feeling, none of the respondents claimed that they read the privacy policies. Once again, the respondents claimed to be naive when shopping online. But as the discussions continued it is indicated that they do actually care about how their personal information is handled. Instead of reading the policies the respondents ensure the credibility of the online store in other ways. One way is, as mentioned above, through established partnerships and another way is by the layout of the webpage (see subsection 4.1.2 When you shop online you want a clear website).

Since the customers do not read the privacy policies we think that privacy is not the appropriate name of this factor and, therefore, we have renamed it to security concerns. By security concerns we mean the means that a customer’s use in order to evaluate if a company is safe or not. If the customers feel comfortable with the security of the online store the customers’ image of the company will be a secure company. Several of the participants claimed that once they have accepted a webpage as safe they do not reflect about the security when it comes to that webpage. One participant claimed that if one company is trusted, all the companies included in the group is labeled as secure. Furthermore, if the company has a safe image, the customers’ experience may be positive since they do not have to worry about being exposed to fraud, which may increase the probability that the customers return.

The theoretical insight that we can draw from this factor, in order to understand loyalty, is that an indication of security should exist on the webpage, for example, secure payments or partnerships. This would give customers some comfort when choosing which online store to purchase from. We can also interpret that the customers can to a greater
extent trust the company and, in turn, it is more likely that they would repurchase. However, we question the relevance of this factor since the respondents showed both that they did care about secure companies and that they do not really care where they shop. But since the respondents did claim that they care about the security on a website and did not completely ignore the factor, we can interpret that the security factor is still relevant. The question is, however, for long this factor will be relevant as the shopping online is increasing and the generations are shifting.

4.2.6 It is convenient to shop online

The convenience with shopping online is that the consumer can be anywhere they want and also take time to compare different stores and products (Bagga & Bhatt, 2013). All of the respondents from our study claimed that one of the major reasons why they shop online is just because of the convenience. The majority of them prefer to sit down and compare different products and prices before they do the final purchase. On the other hand, the respondents sometimes prefer when they can order something quick, especially when they already know what they want to buy. In cases like this, the respondents claim that shopping online is more convenient than going to a store.

Anderson and Srinivasan (2003) state that consumers who are motivated by price are not as loyal as those who are motivated by convenience. All of the respondents stated that price is important when they are comparing online and can spend a lot of time on comparing price, especially when it is more expensive toys. Respondent 1 stated that: “[I] put the same amount of time looking for toys like checking the Facebook newsfeed.” when asked how much time they spent on searching for toys. This further supports that it is convenient to shop online. Since the respondents spend a lot of time to search and compare the price it is indicated that they are less loyal than they would be if the price were not such big part of the purchase. When the customers are price oriented it is easier for them to buy from another shop than their first choice, if some other shop has a lower price for the same product (Anderson & Srinivasan, 2003). One of the respondents use a price comparing service when buying toys to see which website has the cheapest price. This is a clear example that price oriented shoppers are less loyal than convenience-shoppers. However, in order to find the cheapest price there is a risk that the consumer sacrifices other features, such as fast delivery. This, in turn, can make it difficult for the customer to receive a positive experience of the purchase.
As can be read above our empirical material supports, to some extent, that price oriented people are less loyal (Anderson & Srinivasan, 2003) since they easily change website to find the best price. While those that are motivated to shop online because of the convenience of it, are more likely to return to the same shop if they are satisfied with the purchase. However, we can see that the respondents seem to be both motivated by price and the convenience to shop online. It was not indicated which of these are the strongest motivator and, therefore, we can only interpret that it will differ from person to person.

We can also interpret that the aim with the purchase will affect what motivate the customers to shop on a particular store. One example is if the customers are searching toys for their own children or the children’s friends. Therefore, the theoretical insight that we can draw from this factor is that customers can be motivated by both convenience and price when shopping online. However, we can only interpret that which feature is the strongest will depend on the person’s preferences. Furthermore, from the empirical material, we can define convenience as doing an act when, how and where you want.

4.2.7 We often curl up in front of the computer when we search for toys

After the group interviews we could not only see that the identified factors above affect the participants experience and loyalty but also that a new factor could be formed. This new factor concerns the children’s involvement in the purchase of toys. The majority of the participants stated that their children are to some extent involved in the purchase, but it differs to what degree the children are involved. Some of the parents explained their children’s involvement like an event, just like when they are going to a physical toyshop. Others stated that they only involve the children when they want to make sure that they have chosen the right product or color. The respondents also stated that the children’s involvement could depend if it is a gift for their own child or for one of the child’s friends. When the gift is for one of the child’s friends the parents allow the children to be engaged in the purchase since they are the experts in the field of toys, as one of the respondents stated.

When allowing the children to be involved in the toy purchase the respondents claim that the children become used to looking at products online. Respondent 2 explained this when talking about the youngest child in the family:
Now I notice that [my daughter] who is not even three years old, that they are pretty used to look for stuff online (...) so if I sit and clicks she will come and sit in my lap and wants to be alongside me, so she says 'wait, stop mom, scroll back, scroll back!' So she is more used to comparing on the screen.

When the children are allowed to be involved in the buying process they get used to see toys online, which may decrease the need to go to the physical store. Since all of the respondents expressed a stressed feeling when talking about a visit to a physical toyshop, shopping online with the children can be seen as a good spiral. The more the parents involves the children in the online shopping, the more the children learn to handle internet and the need for going to a physical store decreases. However, some of the respondents claimed that they do not like when the children are online too much. Even though, they involve the children in the online shopping process in order to avoid the stressed situation in a physical toyshop. This indicates that if the children are involved in the shopping process, the parents prefer to shop online to gain a more positive experience of the purchase.

Another aspect of the children’s involvement is that the shopping process becomes calmer online if the child is present. The respondents expressed that it is stressful to bring the children to a physical toyshop since the children get excited by all the toys. This situation is not as common when shopping online since the children cannot touch the toys and, therefore, the shopping process becomes calmer and more structured. One advantage that the respondents highlighted is that it is easier to control the children when shopping online by saying that the product is out of stock or just not click on the product. It is also easier to limit the price since the products can be sorted after a price interval. With this sorting the children can only see what they can buy and not be tempted by other products. Because of the more structured shopping process the parents can become more positive to the experience. The next time they are going to buy toys the parents will remember the positive experience with the shop and are more likely to return to the same online shop.

A question that can be raised is if this factor is strong enough to stand on its own. We argue that since children can have a strong will and the parents want to see them happy, the children influence their parents experience enormously. During our sessions the respondents talked mostly from the children’s perspective and how the parents could please and control their children by different methods in order for them both to receive a
more positive experience. With that said, the parents’ experience are influenced by the children but the parents try to control the children to obtain a more positive experience.

What theoretical insight can this additional factor give us in order to understand loyalty in online toyshops better? One insight is that there is other actors that can be involved in a purchase and thereby influence the experience of it. These actors could be, for example, people who have written reviews on the product or company. In this study, however, the influencer that we discovered was mainly the child. We have stated before that other authors have found that the child influences the parents (Davidov et al., 2015; Serbin et al., 2015) but not how they influence. We can observe that a child can influence how the parents perceive the factors discussed previously.

It is no surprise that a child can be very interested of a toy one day and then forgotten it the next day, which indicates that a fast delivery is important in this context. We can interpret that the parents are less likely to become loyal if the delivery is too slow when the child already have lost interest for the toy. Further, if the website is not appealing to the child it will not spark their interest, and the child may want to go to another website that looks funnier and thereby influencing the parents where to shop. This also connects to the convenience of not having to bring the child to a psychical store since both the parents and the children receive a better experience of the purchase. Meaning, the purchase will not lead to unhappy children and tired parents. Furthermore, the respondents stated that children are aware of what product brand they want and, therefore, are the parents controlled by the child’s interest, which can influence were the parents shop for toys. Two factors that the child may not have any influence on is security concerns and service quality, since these are factors that the parents will experience in the final step of purchasing. To sum up, children have influencing role but do not influence all of the factors.

4.3 Compilation of empirics & analysis

After analyzing the factors above, we saw that all of the factors presented in the literature review are adaptable for the online toyshop context. We could also see no reason that the assumed relationship between consumer experience and consumer loyalty would be different in this context.
Furthermore, a distinction between external factors and internal factors can be done in order to separate factors that online companies can to some extent influence and factors that only the customer can control. The external factors are product brand image, website attributes, delivery, service quality and security concerns. These can, to some extent, be controlled by a company, for example, which delivery company that will ship the package and how the website is designed. However, it is difficult for companies to control the factor product brand image but they can, for example, control which products to include in their collection in an attempt to influence it. From the group interviews it is possible to see that each of the external factors influence company brand image. A customer can associate one of the factors with a specific online store; for example, if the package arrives the next day the customer may associate fast delivery with that online store.

Convenience and the children’s involvement form the internal factors. This is the factors that an online store cannot affect since it depends on the customers’ thoughts and feelings. If, for example, the children’s involvement in the shopping process is not prominent this factor may not be a large influencer on the consumers’ experience. On the other hand, if the children’s involvement is large in the online shopping process the factor can greatly affect the consumers’ experience.

Even though we have made this distinction between internal- and external factors it is important to point out that the factors can work together and that the customer often notice every factor, even though they might be unaware of it. One example of this is the factor company brand image. The respondents of our study indirect accumulate all of the external factors and form an overall image of the company, i.e. company brand image. Furthermore, the different factors can be integrated in each other. One example of this is security concerns and website attributes. The customers use the attributes on the website, for example, layout and secure payments stamps in order to decide whether or not it is a credible website. We could also see that the internal factors can influence some of the external factors. One example is that the child can influence which online toyshop the parents visit if they feel that the current website the parents are browsing is to boring.

To compare our findings with the model in section 2.4 Compilation of the literature review it is possible to say that there are several factors that affect customer experience
and, thereby, customer loyalty. Even though the relationship between the different factors has changed, their effect on consumer experience has not. It is possible to say that those who have a great experience of the factors are more likely to become loyal towards a specific toyshop than a customer that have a less great experience. It is, however, important to point out that the external factors influence each other and that the internal factors have a great influence on both the overall experience and on the external factors.
5. Conclusion & discussion

The research questions are answered in this section and a discussion about the study is carried out. The section continues with the limitations, contributions of this study and ends with suggestions for future research.

5.1 Conclusion

The first research question to answer is: What factors drive the customers to be loyal towards online toyshops in Sweden? From the empirical material and the literature review we could identify eight factors: product brand image, website attributes, delivery, service quality, security concerns, company brand image, convenience and children’s involvement.

We can conclude that the factors that were identified in subsection 2.3 Factors influencing consumer experience in e-commerce stores have some impact on loyalty building in online toyshops but that they are not adapted for the context. Even though, the factors are quite accurate with what we found in our sessions. Some of the factors needed to be modified in order to represent the findings from the group interviews. Furthermore, an additional factor was identified. We have labeled this factor the children’s involvement and it characterizes the children’s impact on their parents’ shopping experience.

The second research question to answer is: Why are these factors important to the customers? It is possible to see that the customer is driven by different reasons why they think the external- and internal factors are important. The external factors are important for the customers because through them the customers can feel secure if the factors fulfill the customers’ requirements. It is, after this study, apparent that customers feel uncertain when shopping online. Through the identified factors this uncertainty can decrease and the customers can be reassured that the company is safe. What is important to the customer when it comes to the internal factors is the comfortable feeling. The customers want to feel comfortable with the purchase and do it when, where and how they want. Furthermore, the importance of when, where and how varies depending on the customers’ preferences.
The third research question to answer is: *How do the factors manifest in the customers’ everyday life?* Through the analysis it is apparent that the interaction between the factors and the consumers is different from person to person. The main reason for this difference is the children’s involvement in the shopping process. This means that there are other people that interact with the factors and not only the person who purchases. However, it is possible to see that the customers use the factors in order to decide whether or not to purchase from the online shop, even though they are aware of it or not.

### 5.2 Discussion

A question that can be raised is if the loyalty models that were discussed in the literature review are applicable to online toyshops. After this study we can see problems with using traditional loyalty models that sort customers into different categories depending on how loyal they are in the context of e-commerce, for example the loyalty ladder (Payne, 1994). One problem is that it is difficult to label what kind of loyal customer an online shopper is. The competition is only a mouse click away (Anderson & Srinivasan, 2003) and it is, therefore, difficult to keep customers loyal online since the customer often turns to the online store that has the product for the best price. Because of that, the loyalty concept in online stores is more complex and it is difficult to create categories for how loyal the online shoppers are. As one of the respondents stated: as an online shopper there is not much loyalty, it is rather by chance when the respondent chooses which online toyshop to purchase from.

After the study has been conducted, we can interpret that the children of the respondents have an attitudinal loyalty (Zeithaml, 2000; Mascarenhas et al., 2006; Clottey et al., 2008) that transfers indirectly to the parents. It is important to highlight that this loyalty is towards the product and not the company selling it. But since the respondents have indicated that they often visit one webpage first it is possible see to that they are loyal on a behavioral level towards companies. As with behavioral loyalty, the respondents only purchases from a company as long as they do not find a better option (Zeithaml, 2000). One of the advantages with another company could be, for example, that another website has a better product selection. It is, therefore, possible to say that if a company has a brand image that the customers desire, they will purchase from that online store. Because of
this, the attitudinal loyalty towards the product can be interpreted as the stronger loyalty form since it indirect affects company brand image.

Since a part of our aim was to identify what factors are characteristic for loyalty in online toyshops and not how important each factor is, we cannot draw any conclusions about that. Depending on what preferences customers have, they can have different opinions on which factors that matter most (Mittal & Kamakura, 2001). But it is possible to see that the parents who include their children in the online shopping process were the ones that appreciate the wish list attribute, whilst those that do not include their children thought it is an unnecessary function. This indicates that the parents who include their children can have a different buying behavior. However, we have not taken this observation further than noticing it.

In an attempt to avoid the problem that a customer could be dissatisfied but still loyal (Shankar et al., 2003) we used the term consumer experience instead of consumer satisfaction. However, this problem may still exist. In our study we observed that a positive consumer experience might not lead to a higher loyalty. This indicates that there is something that is happening between the two concepts. We believe that there are other dimensions in this relationship, which need to be investigated further to receive a deeper understanding.

After the empirical material and analysis was conducted, we saw a need to divide the factors into external and internal factors. This was made in order to receive a better picture of what online companies can affect and what the customer have the most control over. Even though the online companies can affect the external factors, they cannot affect how the customers perceive them since that depends on the customers’ own preferences (Mittal & Kamakura, 2001).

One feature that was highlighted by the respondents is the reviews on products. It is evident that electronic-word-of-mouth (E-WOM) (Bagga & Bhatt, 2013) affects the respondents in how they perceive a product. Despite the importance of reviews we have chosen not to create an own factor that is called E-WOM. The reason for this is because E-WOM is a part of more than one factor: product brand image and website attributes. We believe that E-WOM plays too big of a role in the both factors to be able to separate
it from product brand image and website attributes. Even so, it should not be forgotten how important the feature E-WOM is.

5.3 Limitations

One aspect of the study that can be seen as a limitation is that we had a theoretical background when we entered the group interviews. This could have caused us to be biased during the sessions. Furthermore, the limited number of participants in the sessions could have made it difficult for us to find patterns in the respondents’ discussions. However, this was not something we noticed since the participants agreed on almost everything. The empirical material we have presented in this study may not reflect the whole truth since it represents our interpretations of the respondents’ interpretation of their experience. This limitation is, however, difficult to avoid.

5.4 Practical implications

Unlike many of the loyalty research, we have taken the consumers’ perspective instead of a management perspective. The findings in our study can be used by companies to see how customers think and feel about a particular factor. We hope that we have given the companies an insight on what areas they could beneficially invest in. Additionally, our hope is that we have contributed with a theoretical development of the concept loyalty.

5.5 Future research

The purpose of this paper was to find which loyalty building factors in Swedish online toyshops matters to the customer and how the customers utilize the factors. Because of that, we assumed that the relationship experience and loyalty was correct according to previous findings. For future research, it would be interesting to investigate what is happening between consumer experience and consumer loyalty and in what direction consumer experience affects loyalty. Another aspect that can be researched about is how important each factor is and in what direction they affect consumer experience.
Bibliography


Appendix 1 – Launch years

Table 1- Launch years of online shop

<table>
<thead>
<tr>
<th>Store</th>
<th>Launch of online shop</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toys R Us(^1)</td>
<td>2012</td>
</tr>
<tr>
<td>Lekmer(^2)</td>
<td>2006</td>
</tr>
<tr>
<td>BR leksaker(^3)</td>
<td>2010</td>
</tr>
<tr>
<td>Bamba(^4)</td>
<td>2010</td>
</tr>
<tr>
<td>Stor &amp; Liten(^5)</td>
<td>2011</td>
</tr>
<tr>
<td>Leksaksaffären(^6)</td>
<td>2013</td>
</tr>
<tr>
<td>Hiko(^7)</td>
<td>2003</td>
</tr>
<tr>
<td>Busbjörnen(^8)</td>
<td>2009</td>
</tr>
<tr>
<td>Lajbansson(^9)</td>
<td>2008</td>
</tr>
<tr>
<td>Sagopalatset(^10)</td>
<td>2006</td>
</tr>
</tbody>
</table>

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\(^6\) Leksaksaffären. (2016). Retrieved from [www.leksaksaffären.se](http://leksaksaffären.se/)


Appendix 2 – Loyalty ladder

Partner: someone who has the relationship of a partner with you

Advocate: someone who actively recommends you to others, who does your marketing for you

Supporter: someone who likes your organization, but only supports you passively

Client: someone who has done business with you on a repeat basis but may be negative, or at best neutral, towards your organization

Customer: someone who has done business just once with your organization

Prospect: someone whom you believe may be persuaded to do business with you

Appendix 3 – Compilation of group interview participants

Table 2 - Compilation of group interview participants

<table>
<thead>
<tr>
<th>Group interview participant</th>
<th>Number of children</th>
<th>Age of children</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respondent 1</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Respondent 2</td>
<td>2</td>
<td>3, 7</td>
</tr>
<tr>
<td>Respondent 3</td>
<td>2</td>
<td>8, 12</td>
</tr>
<tr>
<td>Respondent 4</td>
<td>3</td>
<td>2, 4, 6</td>
</tr>
<tr>
<td>Respondent 5</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>Respondent 6</td>
<td>3</td>
<td>1, 5, 8</td>
</tr>
</tbody>
</table>
Appendix 4 – Group interview question template

- Introduction question: tell us about yourselves, how many children, how often do you shop for toys online etc.
- Can you describe your latest visit in a 1) physical toyshop, 2) e-commerce toyshop?
  - Follow up question: 1) Why did you go to an online toyshop? 2) Why did you go to a physical store?
- How much time do you think you spend in a real toyshop/online toyshop?
  - Do you compare much?
  - Do you know which brands a specific shop have? For example LEGO Dimension
- What motivates you to not shop online? Why?
- When shopping online, do you care about the privacy policies etc.? Why/ why not?
- Show the group two pictures (see appendix 5): one of a real life toy store and one of an online toyshop.
  - What do you see in these pictures?
  - What is your first thoughts about them? Why?
  - What looks good/bad in the pictures? Why?
- Present different scenarios (see appendix 6-9) : two scenarios which is “bad” (physical vs online) and two scenarios which is “good” (physical vs online)
  - Which scenario do you prefer out of these two that was presented? Discuss why.
- The child’s interaction when you shop toys?
- Do the child’s experience influence if you are going to return to the shop?
- Others involvement in the toy shopping process? Send links with what the children wish for Christmas?
- Something you want to add?
Appendix 5 – Images for reflection

Image 1: Retrieved from: https://www.google.se/search?q=leksaksaff%C3%A4r&client=firefox-b&biw=1366&bih=659&source=lnms&tbm=isch&sa=X&ved=0ahUKEwinq9TqtOHMAhUGSwKHXNVDUYQ_AUIBigB#imgrc=DtjjW-GZ1aLYuM%3A

Appendix 6 – Good scenario: in the physical toyshop

**Swedish**


**English**

You and your children are going to the local toyshop to find a gift. The children are calm, happy and excited to help you pick out the perfect gift. In the toyshop there are barely any customers, only two persons are there before you. The staff greets you hello and tells you that they are here if you need assistant. After some time you ask for help since you are looking for a particular brand. After only a couple of minutes you and your children have, with the help from the staff, picked out the perfect gift by the particular brand. You go to the cashier to pay for the gift and asks the cashier to wrap it in a child appropriate wrapping paper. In a plastic bag, you and the children receive the wrapped up gift and look forward to go home to deliver the gift. The toy was of good quality and lasted a long period of time.
Appendix 7 – Good scenario: in the online toyshop

**Swedish**


**English**

You and your children are home, sitting in the sofa to spend some time together and order toys. The computer is placed in your lap so the children can sit next to you and see. The website is full of life and you see how the children’s eyes are sparkling of excitement. The website is easy to navigate through and since you are looking for a particular brand you choose that category. A lot of toys of the brand show up and the children start pointing eagerly on the screen. You click on some of the toys to look at the pictures and to see if the toys interest the children. Those toys that could be a possible purchase you save in the wish list function on the website. After that you and the children choose two of the products. According to the website the delivery time is only two days, which is perfect since the children are going to your grandparents this weekend. You place the order and receive a confirmation email. The next day you get an email saying that the products is sent and are on their way. The day after that you get a notification that your package have arrived to your post office. You and your children go together retrieve the package. On the way back, the children sit in the car with the package and cannot wait until they can...
play with the toys. Even after years of playing, the toys are in a good condition and work as if they were new.
Appendix 8 – Bad scenario: in the physical toyshop

Swedish

English
You have had a long and stressful day at work and cannot wait to go home and get into the sofa. When you get home irritated children meet you because you promised them to take them to the toyshop today. You try to convince them to go there tomorrow but they are persistent. Okay, you think, let’s get dressed. Putting on the multiple layers of winter clothes takes a half hour and after that you are more tired and have started to sweat. When you have finally arrived at the toyshop you walk into a room of screaming children and a heather that have been set too high. You cannot find the toy from the particular brand and tries to find a staff to ask for help. She says that she cannot help you and that you have to look for member of the staff. After a long search you find a man that says the product is not in stock but that they have a similar product, and it is also cheaper. You are skeptical but the children want to play with it now so you take it and goes to the cashier. The queue is long and your children are getting impatient. When you finally get home you unpack the toy and the children starts playing. After a half hour the toy gets broken and the children becomes upset again.
Appendix 9 – Bad scenario: in the online toyshop

Swedish


English

You have forgot to order that special toy your child has been wishing for a long time. On Saturday it is his birthday so you think there is no stress to order the product since it is only Sunday today. You compare different websites and choose the one with the best reviews and shortest delivery time. You find the website hard to navigate through but finally you find the product you were searching for. The day after you have not received a confirmation on the delivery and wonders why since it stood that it was going to be sent yesterday. You call customer service and a tired man answers your call. He says that the product is out of stock but that it will probably come in today or tomorrow. You are considering canceling your order and ordering the product from another site but chose to wait until tomorrow. The next day you call again and he says that they have received the product and will send it as soon as possible. Two days after the call you receives a confirmation that the product have been sent. If you are lucky you will get the product tomorrow on Friday so that you can give it to your son on his birthday. On Friday you have not received the product and have to explain you your son that he will get the present
later. On Monday when the package comes you get excited that you are finally going to give the present to your child. When you open the package you see that the company have sent you the wrong product.