

# Lund University

**SCHOOL OF ECONOMICS AND MANAGEMENT · DEPARTMENT OF BUSINESS**

## Impulse Buying Online: A Visual, Comparative Enquiry into Two Mediums of Grocery Retailing

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## *Abstract*

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**Title:** Impulse buying online: a visual, comparative enquiry into two mediums of grocery retailing

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**Keywords:** Impulse buying, e- commerce, groceries, offline, atmospherics, sales promotion

**Thesis Purpose:** The purpose of our thesis is to see how impulse buying could manifest itself online by comparing the offline and online mediums through visual enquiry, and build on the already extensive literature on offline impulse buying.

**Methodology:** We have adopted a social-constructivist view as well as an inductive approach in this research. Further, we have taken an exploratory and interpretative approach, drawing from the hermeneutic school of thought, to guide us in choice of method. We have proposed an own method: object oriented visual enquiry, which is an adaption from the method of visual enquiry. Finally, the visual observations have been analyzed according to the comparative analysis method.

**Theoretical perspective:** Literature on impulse buying from an offline perspective, impulse buying literature from an online perspective, literature on consumer buying perceptions as well as research on e-commerce in a wide meaning.

**Empirical data:** The object oriented visual enquiry was used offline and online to observe stores and their current and potential impulse buying stimuli.

**Conclusion:** We have gained an initial understanding of the differences of the offline and online mediums according to how they can manifest impulse buying stimuli. We do not believe that the offline impulse buying methods can be directly transferred to an online setting, due to differences in format. However, an online grocery shopping site can emphasize

features connected to hedonism, interactivity, and personalization; to successfully induce impulse buying in the online medium.

## ***A Few Words From The Heart...***

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*My mother said to me, "If you become a soldier, you'll be a general, if you become a monk you'll end up as the pope." Instead, I became a painter and wound up as Picasso.*

*– Pablo Picasso*

*Even though in life, people are tempted to go through certain streams and follow the norms, we know that no advancements ever grew from imitation, and a genuine thought would never prosper in a mind tangled with prejudgments. Trapped in the night of yesterday, a man cannot foresee the lights of tomorrow. We have chosen our topic - Impulse Buying Online in Grocery Retailing – because it expresses our interest and allows us to go explore, what is still considered, the unknown. It allows us to be...Us!*

*However, alone, this achievement would never have been fulfilled without the foster of our institution and instructors. Given the opportunity to study and evolve mentally, spiritually, and culturally, we both want to thank **Lund University** and its warm people for permitting us to do that. We would also like to give special thanks for our instructor and thesis supervisor **Mr. Ulf Johansson**. He was a support, a guide, and the helping hand that pulled us through to conduct this exploratory study, which for many times, we have lost hope in our capabilities, whether it was to finish it, or to actually contribute in our domain for future researches, students, and practitioners.*

*We are also in dept for our families who helped us to get where we are right now. Words fall short to describe our appreciation. Thank you for being there, as always.*

*– Annie and Nancy*

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## 1. Introduction

The industry of groceries exerts the highest impact on shoppers when it comes to impulse buying. According to Underhill (2000), impulse buying rates in supermarkets are between 60 to 70 percent. Despite the success of impulse buying offline, the online grocery industry is still highly unexplored, and many doubt whether it will be successful as a sales outlet at all. Many researchers, such as Baker (2000) and Ring & Tigert (2001), doubt the success that grocery retailers could have when they go online; since, these cannot reach the level of profitability of their offline counterparts. This can be due to a number of significant factors, including not being able to create a competitive advantage; as well as a poorly executed business model, as well as an overestimation of the market size (Baker, 2000, and Ring & Tigert, 2001).

Attempts have been made by researchers to examine consumers' online grocery shopping practices, focusing on the question why this venue of shopping has not been more widely adopted. Ramus and Asger Nielsen (2005) conducted a focus group study where they had respondents that did and did not use internet to shop groceries. The focus group studies were made in 2002. An aspect of grocery shopping online that was discussed was that it did not provide opportunities for impulse buying as seen in the offline store. This because online purchases were considered more planned and organized. Therefore, the persuasion that constitute Impulse buying as defined by Rook (1987), are still quite lacking. In addition, Ramus and Asger Nielsen (2005) added that the internet provided opportunities to shop in the privacy of your own home, which was regarded both positively and negatively. The fact that one was not bombarded with stressful stimuli was a positive factor, but social aspects such as coming out and meet people was something that was lacking when shopping online, as well as the importance of shopping in a company of friends or family.

Other dooming factors, according to Anckar et al. (2002), which seem to hinder the possibility of establishing and maintaining e-commerce in this product category; are that: "first, groceries are and will always remain tangible offerings, meaning that a full commercial cycle is unattainable via a network. Second, groceries are perishable products, which would suggest that consumers generally prefer to physically examine the quality of the products prior to the purchase." (p. 211). That implies that customers cannot be satisfied through online grocery shopping since they cannot see, touch or smell the product prior to purchasing and might end up with products not up to their standards. Therefore, e-grocers future seems to be envisioned

pessimistically by Canedy (1999), and Baker (2000), in addition to the researchers above. Their research foretold the fate of online grocery retailers before they could even go to the virtual world.

### **1.1. Web 2.0 and E-commerce**

The new revolutionized model of web 2.0 have turned the traditional one-way communication (web 1.0) into a highly interactive interface (Hanna, Rohm & Crittenden, 2011), where countless channels of communication between companies and their consumers and between consumers themselves have been established and gained a tremendous magnitude. Another major contribution of web 2.0 is turning e-commerce into a reality by creating a new platform to conduct the shopping activity, which many consumers have started to embrace. However, this new retailing channel raises many concerns for both consumers and companies alike. Companies are excited about the new opportunity that the internet can provide them, but at the same time they are afraid that they cannot fully control the consumers in this medium.

E-commerce has proven over the years that it has a formidable potential of expanding and generating profits for many companies that have chosen to commence their businesses on the digital platform, and according to Forsythe and Shi (2003), e-commerce seems to be the fastest growing area of Internet usage. The fact that the average internet penetration in the world has dramatically increased over the past years provides online companies with opportunities to reach consumers in a lot easier, quicker and more efficient way and allowing two-way communication between the company and the customer which, as a result, opens a window to precious consumers' insights and preferences. One might think that online shopping can actually replace the traditional way of shopping; since the former allows people to shop 24/7 at the comfort of their own home, avoid heavy traffic, crowded parking and stores, as well as carrying packages (Gillett, 1970). Moreover, business websites are gaining customers' trust by always improving the security of the payment process and in acquiring more liable distribution channels. So as Sang-Bae (2001) we believe that e-commerce is here to stay.

However, online shopping is not taken as lightly for the companies as for the buyers. The companies have lost the power that their brick-and-mortar stores provided to influence the customers' buying behavior when they are in the store. Online, the customers do not seem to be as controlled as when they are inside the stores' walls. Yet, the area of online impulse

buying is still in its infancy stage, where there is a lot more to learn on what drives the purchase behavior for the shoppers. A small number of literatures on online impulse buying in general and for apparel, books, and electronics industries in specific exist; however, it should be noted that some industries are trickier than others in their ability to generate profits online. When it comes to the suitability of groceries for e-commerce, authors and business representatives convey contrasting opinions. Andersen Consulting (1998) sees e-grocery commerce as a business with huge prospects, which could even turn out to be the biggest online market, as noted by Killgren (1999). Others do not share the same vision, such as Baker (2000), and Ring and Tigert (2001).

## 1.2. E-grocers

Another pessimistic look on the online grocery business is revealed by Hunt (2000) who believes that the high impulse buying occurring in supermarkets would be highly unlikely to be translated online due to the complexity of the buying procedure online, which results in the shopper's failure in finding what he wants and thus leaves the page with an empty basket. Also, Ramus & Asger Nielsen's (2005) interview of grocery shoppers in Denmark and Great Britain reveals this view. Moreover, they mention that consumers view impulse buying as a fun element, which could be a factor why many avoid internet shopping (Ramus & Asger Nielsen, 2005).

However, there are evidence that grocery e-commerce can be successful. A negating evidence for Tigert & Hunt's (2001) claims was found in the UK during the Christmas period of 2005, where around 1 million customers shopped with tesco.com, generating profits of around £56.2 million (Tesco Plc, 2006a).

Tesco's and Walmart's online retailing proved that it is possible for the grocery industry to have a share in e-commerce, defying all odds. Whether the reason behind their success is due to the rapid increase in the online users' penetration in their countries, they still managed to make a profitable business model that other e-grocers could apply in countries with similar economic and cultural aspects to theirs.

The existence of established online grocers as success stories makes them stand as patent evidence on the possibility of creating profitable e-grocery commerce and not just remain considered as a ‘mad man talking’, as people are really willing to buy groceries online. One might think that internet shopping might be less impulsive because the shopper can see their balance at all times on the website; however, according to a study: “shoppers found it easier to keep track of spend online but it didn’t necessarily mean that they spent any less” (Marketing Sciences, 2011, p. 23). It showed that even though shoppers were more aware of their spending and had the option to remove any items online, they did not buy less than they would have bought in the offline store. That could infer to the possibility of inducing impulse buying online.

There are numerous research on in store marketing aimed at inducing grocery impulse buying, in such diverse areas as price promotions (Richard K Miller & Associates, 2012), special displays (Peck & Childers, 2006), store atmospherics (Manganari, Siomkos & Vrechopoulos, 2009) and shopper marketing (Shankar, Inman, Mantrala, Kelley & Rizley, 2011). As far as we know, few or no studies have been made on impulse buying in the online grocery industry. Because of this, we would like to take an exploratory approach to be able to break ground in this relevant area. Instead of blindly picking out a few aspects that could lead to impulse buying, we wanted to examine the question in a broader way, to let the differences of offline and online grocery store settings lead the way, through observation at two large Swedish grocery retailers, ICA and Coop, and two successful foreign grocery online retailers, Tesco and Walmart. We motivate this choice with the fact that we simply have no prior knowledge on impulse buying for online grocery shopping and that we therefore better start researching this area broadly, hence increasing our chance to draft out some relevant features.

Except from finding a gap in the literature around impulse buying in online grocery shopping, we have also found that traditional methods of data gathering seemed to be less useful in our aim to contribute to our purpose. An explanation for this is that we had to discard methods such as interviews and focus groups because of the risk of having biased consumers of this, what’s sometimes is considered, sensitive area; as well as, that many consumers are not completely aware of how they react in the shopping situation. In connection to this, we realized that impulse buying is dependent on the visual sense, and hence decided to use visual enquiry to study this area. While the model is usually focusing on the significance of objects and settings in a sociological sense, we will propose an object oriented approach, where we

view the objects and atmosphere of the store as eliciting impulse buying. Moreover, we will use a comparison method to compare offline and online impulse buying tactics and hence ground the new area (impulse buying in online grocery shopping) in the older, more discovered one (impulse buying in offline grocery shopping).

We believe the visual method is a logic and useful one, in order to study web pages, as significant conveyors of visual elements and finally, and eventually, impulse buying. Previously, Emmison and Smith (2000) and Pauwels (2011) have proposed visual research. While the former has not introduced the area online, the latter has done so, but focused only on cultural implications of web pages.

We have made our empirical study at two large Swedish grocery retailers' offline and online commerce. The high internet penetration, 92.5 %, makes Sweden a relevant location to study this phenomenon (Internet World Stats, 2013). Moreover, in 2012, the percentage of Swedes to buy from a conventional online grocer had decreased, while companies with ready-made food solutions of groceries and recipes as well as companies selling specialty food online had increased (Svensk Distanshandel, 2012). Hence, there exists an interest of new shopping solutions in the Swedish market.

Til today, inducing impulse buying in online grocery shops has been considered hard to generate and some even think that it is impossible to attain (Baker, 2000). However, upon the information approached in our empirical and theoretical research, it should be reasonable to assume that shoppers can impulse buy groceries online.

The fact that in-store marketing evoke impulse buying and that the online shopping is increasing rapidly worldwide makes us want to examine grocer's impulse buying stimuli offline and online to see if online impulse buying can be similarly generated as in an offline medium. We believe that our research could be of help to offline and online grocery retailers that are prospects of going online or want to improve their existing presences online.

**1.3. Research Purpose:** To, through visual enquiry, analyze how the differences between the grocery shopping experiences, online and offline, can be seen as influencing factors to how impulse buying could manifests itself at online grocers.

## **2. Method**

### **2.1 Introduction**

In this part of our research, we will outline how we have gone about conducting our research. We will first explain our worldview, knowledge view and view on theory, which will guide our choices of research design. Following, we will discuss our different options for methods to conclude in a presentation by our proposed model for these kinds of research. Concluding the chapter, we will present how we have conducted the research, how we have analyzed our findings, followed by a discussion of the trustworthiness of the research and ethical considerations taken.

### **2.2 Research philosophy**

We might have a social constructivist view on business in general, supposing that people create realities in a subjective process. In our study, this view might not be heavily reflected because of the nature of our data collection and analysis (Easterby-Smith, Thorpe and Jackson, 2012). However, the social constructionist view on knowledge in our study should be considered in terms that we ourselves are making judgments in this study. As carefully calculated as these might be, in a strive to be as objectivist as possible, the study is dependent on our concert view that we believe is unique for us as individuals.

We are accepting the current research in the area of impulse shopping and shopper marketing to use that as a departure for transferring it to a new medium, similar to what has been followed by East, Eftichiadou and Williamson (2003). The knowledge we will create for this study will be done by observing shopping milieus, where the phenomena of store-induced impulse buying is present. We will use our senses, with emphasis on the visual, to get an understanding of what makes up impulse buying stimuli online as well as compare two shopping mediums, the offline and the online ones.

Our aim is to adopt the same philosophy as previous researchers on the subject, and expand and complement their research. As Nordfålt's (2007) compilation of impulse buying methods in-store are heavily based on quantitative research, other researchers have also added that consumers mindsets and planning behavior influence how susceptible they are for impulse buying (Scarpi, 2012; Hansen, 2008; Stilley et. al, 2010). Hence, there is an innate conflict

between positivism and social constructivism in the subject, with psychological questions often being central in the research of this area.

Because of our reliance on previous research, as well as our less common way of inquiring into the question that are not including any human participation, we reason that our philosophical stance might not be central to the understanding of our research. We, however, want to embrace the more common agreement that business studies are included in social science, which is focused on humans and their lives. Supposing that, facts cannot be revealed only by seeing them, but that a more in-depth examination might be needed to see the “facts” or to see them from different views of reality (Easterby-Smith et. al., 2012).

### 2.3. Research strategy

To form a relevant strategy of an empirical collection, it should be tightly connected to the research aim (Nagy Hesse-Biber & Leavy, 2011). Our purpose is, through finding out how impulse-shopping stimuli is experienced differently at offline and online grocers, to analyze how these differences influence how impulse buying will manifest itself online. In an attempt to gain new knowledge in this area, we have chosen to use observation and our senses in taking the role of a consumer in store, to observe whether the impulse buying stimuli is utilized in these grocers. Then, compare the impulse buying stimuli of the two mediums of purchasing (offline and online), to form relevant conclusions of the uniqueness of the online medium and finally, how this affects impulse buying stimuli.

As we consider this area under-researched and find a gap in the literature, we concluded that an exploratory study, as outlined by Nagy Hesse-Biber and Leavy (2011) is most relevant in this case. This kind of research will allow us to be broader in our enquiry and enable us to get knowledge of a new area. We will be interpretative in our knowledge view, where we look for meanings transferred through the online shopping outlets through visual enquiry

Since we have chosen not to communicate with, or even study any human beings, it has been challenging to determine whether a qualitative or quantitative method is to be used. According to Easterby-Smith et al. (2012) *observational methods* can be used both in a qualitative and quantitative setting. However, one main difference between the two methods is when the hypothesis is formed (Bryman & Bell, 2005). For quantitative methods, theory is

first gathered, a hypothesis made that then is tested against the empirical data gathered, which is called a deductive method. In a qualitative study, the empirical information is first gathered, to later merge it into theory and create hypotheses, an inductive method. Complicating our case further is that the strict division into deductive and inductive method has been questioned, in that the deductive method is claimed to be partly inductive and vice versa (Bryman & Bell, 2005). Hence, we need a second factor that can act as a criterion for determining what kind of method fits. Bryman and Bell (2005) offers an explanation by adding that the quantitative method is more concerned with numerical relations and hence larger data, to prove a hypothesis. This fact makes this method less useful for us, since we are concerned with connections between two mediums that are more in-depth, to create hypotheses of impulse buying in an online setting, where theories are scarce. We are hence opting for a qualitative research to study our area.

It should be mentioned that most studies on impulse buying in an offline setting have been quantitative, looking for a statistically proven hypothesis using large samples of respondents and often made experimental attempts in the store (Dhar and Hoch, 1996: Nordfält, 2007). However, as previously mentioned, we are looking to get a broad picture of the subject, and then a quantitative method would not be relevant for us.

We are however aware that the different parts of our methodology have different relationships towards the view and use of knowledge. Our offline observations will be more deductive in nature, since there are plenty of researches covering in-store stimuli. The online observations on the other hand, are more inductive in nature due to the low number of theories in this area that we would like to contribute to. Our study should be categorized, hence, as abductive, which is a middle ground between deductive and inductive (Alvesson & Sköldbberg, 1994).

The qualitative research is a method mainly focused on words rather than numbers, and adopts an interpretative and constructivist viewpoint, which means that realities are created by humans, and their interpretations of these are the most central factor. The qualitative method has often been criticized for being too subjective due to its, sometimes, unsystematic approach, that it is hard to replicate and that it can be hard to generalize (Bryman & Bell, 2005). However, these critiques have subsided whereas the method have become more accepted among researchers, and it is now studied in specifically designed journals, and used more frequently (Bryman & Bell, 2005). We do not see another way of researching our area,

since a mapping of an area is needed before more objective methods, such as quantitative ones, can be conducted (Nagy Hesse-Biber & Leavy, 2011).

There would have been possibilities for us to create a completely inductive study and not account for any prior knowledge in the area of impulse buying. However, it would have been time consuming for us to go into the offline stores and be completely open to all information, while it already exists in theories. Moreover, this would have given a more subjective study. The theories helped us organize our inquiry into the online element, and thus, the deductive element helped us to take the research to a higher level effectively.

## 2.4 Research method

As mentioned before, our qualitative research is interpretive in nature, which is a common way to view knowledge in social sciences. In opposition to the positivistic focus of explaining phenomena, interpretivism is aiming to getting insights of how individuals create meaning through different actions, which is constructively grounded (Bryman & Bell, 2005). We consider *phenomenology* and *symbolic interactionism*, two of the interpretative methods, to be less relevant for us to use, since they are highly inductive and focused on seeing the world as respondents see it (Bryman & Bell, 2005). *Phenomenology* is using rich descriptions to understand, through a consumer's thoughts and expressions, how he or she creates meaning through different objects (Nagy Hesse-Biber & Leavy, 2011). *Symbolic interactionism*, as expressed by Oliver (2012) is concerned with human actions, and how these are influenced by the feelings and subjective roles, they apply to things. This school of thought is very involved with the human subjective views, which is not corresponding with our aim.

However, we are viewing another school of thought, *hermeneutics*, as the most appropriate interpretative way of enquiry to guide us in our research. Traditionally used to analyze bible texts, with the emphasis of explaining the world as the author perceived it, its meaning has developed to freer inquiries, as in *modern hermeneutics* (Sohlberg & Sohlberg, 2009). According to Sohlberg and Sohlberg (2009), modern hermeneutics gives room for more open interpretation by the researcher, to the extent that not even the author of a composition will have precedence in evaluating and interpreting his or her work. Furthermore, the hermeneutics is not reserved for only analyzing texts in the modern view. "The historical roots lie in different traditions of interpreting texts. Through time, the hermeneutic

perspective has widened while more aspects of social life has come to be accepted in research traditions” (own translation) (Sohlberg & Sohlberg, 2009, p. 247)

According to our choice of method, which is visual enquiry, hermeneutics is the most relevant view for us to follow in our research process, since it is interpretative and can be interpretative from many aspects, which gives us the opportunity to observe environments and stimuli in their own respect, and further, in their influence over impulse buying.

It is often hard to ascribe to one school of thought due to the complexity and plurality of research (Bryman & Bell, 2005). However, due to our special focus and method, we believe that although our aim will not fit with any one school of thought to a hundred percent, we perceive that it is nonetheless important for us to be clear on our views on different research guidance to be able to position our research and establish its boundaries.

## 2.5 Methods for data collection

We chose to use ICA and Coop as our companies of focus in researching the grocery retail scene in Sweden, since the two have both offline and online buying outlets today (ICA, 2013; Coop, 2013). Moreover, we are using Tesco and Walmart as benchmark companies for online grocery shopping (Tesco, 2013, Walmart, 2013). As our research approach is exploratory, this, according to Nagy Hesse-Biber and Leavy (2011) calls for specific methods. They believe that observational methods as well as interviews are the most relevant approaches to be used for this method. What is unique about our research, however, is that we have viewed our research and its corresponding method in light of a focus on objects and settings and not human respondents.

The ethnographic, *observational method* is a method where close research of a company or group of people is conducted, with the attempt to understand and interpret these informants (Bryman & Bell, 2005). According to Stewart (1998) the ethnographic method can be said to have four criteria. *Participant observation* involves the close inquiry between the researcher and the “natives”, *holism* means that many different methods are consulted and that many different inputs will be synthesized to one, *context sensitivity*, inferring that the research should be immersed in the specific context studied and *sociocultural description*, which means being aware of culture and the respondents point of view. Moreover, in *theoretical*

*connections*, the author states that the observation should be based on anthropological theory. We argue that our study cannot be categorized as an ethnographic method according to these criteria.

Observations of humans in stores following a quantitative approach have been conducted in most in-store impulse buying studies, such as ones made by Spies, Hesse and Loesch (1997) and Yang and Chen (1999). However, UIE (2002) on their impulse buying study were taking a qualitative approach when they observed 30 individuals shopping online that had received money from them to do their purchases. Our study could have followed a similar approach had there been more individuals accustomed to buying their groceries online in Sweden (). Moreover, the conclusion that UIE reached might have been logical at the time, but now, with web pages being more complex, such an approach might not have worked in an optimal way.

Our decision to exclude accounts of individuals and their interpretations has a natural explanation: few individuals have experience of conventional grocery shopping online in Sweden (Svensk Distanshandel, 2012). Moreover, this fact in itself is excluding the usage of *interviews* per se, since these are in-depth sources of information, where the individual is expected to be able to give a broad and extensive account of his or her experiences and thought on a matter (Bryman & Bell, 2005). The same applies to *focus groups*, where individuals are expected to discuss a phenomena among each other (Bryman & Bell, 2005). Had this be done, we would probably only cement the low usage of internet grocery shopping, and not come to any reasonable hypotheses about impulse buying for groceries online. It should be mentioned however, that Ramus and Asger Nielsen (2005) used a focus group study in their study on consumer beliefs on online grocery shopping, but this was not having impulse buying as a focus, but on e-commerce for groceries.

A more related research method lies in qualitative *content analysis*, which could seem relevant for us since we, through store observations, would probably get in contact with much written material. Written documents constitute a large part of the actions of organizations today; accounting records, self-presentational and civil records as a few examples (Atkinson & Coffey, 2004). The reason why we argue that content analysis is although not ideal as a method for our research is that the textual element will not be in the center of our research and that qualitative content analysis is concerned with uncovering connections behind a text and its author (Bryman & Bell, 2005).

As mentioned above, our observations will cover not only texts but also other visual and spatial elements. *Picture analysis*, as outlined by Emmison and Smith (2000) has been the dominant field in visual research, traditionally. However, they conclude that this form of analysis is best performed analyzing historical developments, such as changes in fashion and ideals as well as by complementing a sociological study that aims to uncover feelings and relationships among individuals and groups. It is often subject to traditional hermeneutic analysis as the picture or 2D figure is thought to be expressing something through its presence (Emmison & Smith, 2000).

However, because of the narrow perspective photographs can offer; as well as, their function as simply storing and documenting happenings, Emmison (2004) argues for a broader approach to this kind of research: *visual enquiry*. This research is not restricted to the study of pictures but also to study lived environments such as rooms, homes and shopping malls, and how they affect human behavior, and vice versa. "Visual data, in short, must be understood as having more than just the two-dimensional component which its representation in the photographic image suggests." (Emmison, 2004 p.254) This definition is fitting with our purpose and our methodological preferences of not including any humans in our study, but study shopping environments and how they illicit impulse buying.

There is no common agreement as to what visual research should contain, but according to Emmison (2004) the spatial setting and elements of social life are to be in focus. A place is not only a place, but it also influences the people in it.

Questions of the spatial have been largely ignored in previous research. The term participant observation is argued by Stimson (1986) to be misleading, since it mostly includes listening to persons, and thus, the visual sense is often ignored in traditional observational methods. This is strengthening and guiding our research, since we will only focus on our visual experience of the grocery store (the audial experience only in form of music and other store contents), and thus conduct observation in the true sense of the word. That the spatial setting and visual elements affect individuals situated to it, is strengthened by Emmison (2004): "The material ecology of the built environment - shopping malls, museums and public spaces more generally- has been argued to exert a determining influence of the movement and mutual coordination of people Emmison, 2004, p.250)

The visual data can be analyzed in semiotic and hermeneutic terms, but also in terms of what social actions it implies (Emmison, 2004). Our critique against Emmison (2004) is that he is not incorporating any considerations of the internet in his theory of visual research. Even though his article goes a few years back, this aspect could have been included. However, Pauwels (2011) are proposing visual research as a fitting method in inquiring into social and cultural expressions of websites. Restricting the generalizability of his research though, is that his methodology is only concerning personal homepages, with the focus of determining intentions and social elements of the ones outlined on a personal webpage.

We want to conclude this chapter with saying that Tesco and Walmart, which we have chosen to study because of their online grocery sites that are successful in terms of sales, will be studied the same way as the ICA and Coop web pages. Hence, we will not use a case method to study these two, because this would have demanded a very rich description of these companies as well as a close study of them (Bryman & Bell, 2005). We believe that our study is most successfully based in Sweden since we have had opportunities to visit both offline and online stores here, arguing that offline store tactics can help us understand the online setting through a comparative analysis.

### **2.5.1. Our proposed method- Object oriented visual enquiry**

The method of visual enquiry is, according to its research focus the most fitting to our purpose. However, the meaning of this study as outlined of both Emmison and Smith (2000) and Pauwels (2011) must be modified to fit our purpose. We will first outline the differences we see with our proposed method and the existing ones to, finally, present our method.

#### Differences

1. A different hermeneutic approach than Emmison and Smith (2000) outlines (we adopt an analysis of the objects in their own right, not including how the objects have been influencing and/or influenced by people.)
2. Pauwels outlines the method to research personal web pages, while we will focus on e-commerce pages.

The research of visual data as outlined by Emmison and Smith (2000) are treating how the environment and spatial setting is influencing the individual in a social context, and vice versa. The authors give an example of a detailed analysis of an office where one through different cues should try to determine who is occupying it and why. A semiotic analysis of the signs and symbols seen as well as a classical hermeneutic analysis, as used by these authors, are not guiding us in our study as these would mainly explain why the sender or creator has chosen to add certain objects or texts into being. Emmison and Smith reflect their view as: “Objects are not just ‘things’, rather they are reflections of the wider lives of communities and individuals. This point has long been made by anthropologists with an interest in material culture (Emmison & Smith, 2000, p.111). We want to focus on how the environment might elicit reactions in an audience, and hence focus on the perspective of the receiver of the message, which we already know from research.

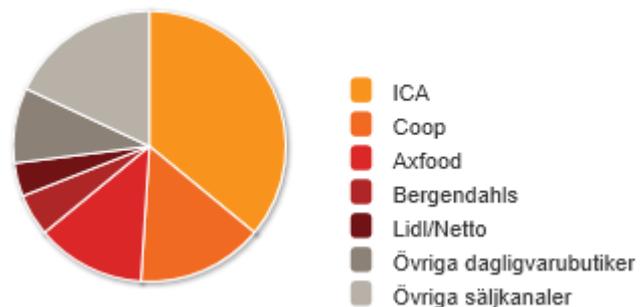
We perceive Emmison and Smith’s (2000) explanation of visual enquiry as people oriented, due to its focus on how people have influenced and are influenced by the creation of objects. We would like to propose an object oriented visual method, where we focus on the objects with an emphasis on the objects in their own rights. Indirectly, these objects will impose impulse buying. The benefit of using the object oriented visual enquiry for studying e-commerce is that it accounts for the 2D world as internet embodies, but also exists in stores in form of text and pictures. However, visual enquiry can also encompass 3D objects that can be used and lived visual data (malls, houses) where the objects are contained and people interact. As such, it is a useful method for us to use to compare the two mediums, while it also, through the visual enquiry enables us to, also, add new impressions from our observations.

We believe the method can be used to research e-commerce in general, due to the high amount of theories that exists for offline stores and corresponding low number for the online environment.

## **2.6. Informant selection**

Emmison and Smith (2000) in their outline of the method of visual enquiry are not offering any guidelines on how to go about choosing the unit of empirical collection. From their reasoning, we conclude that in visual enquiry, the object chosen is used as a means to an end; used to explain something else. Dependent on our purpose, our unit of analysis is most logically grocery retailers because of their high share of impulse buying stimuli as compared to other industries, and the embedded case is impulse buying (Easterby-Smith et. al, 2012)

In the type of study conducted by us, the question of selection of informant company has been regarding a choice between the 5 known grocery retailers that enjoys an almost 75% coverage of the Swedish grocery market (ICA, 2012). From personal experience by us, most grocery retailers in Sweden are seemingly similar regarding their in-store marketing techniques. However, the only grocery retailers that are currently having an online presence, in which we do not consider the option to order a ready-made food bag but also whether there is an existing online shopping outlet, are ICA and Coop, which are also sharing a majority of the Swedish grocery market, which is 51 % (ICA, 2012).



2.6.1. Figure 1. Swedish grocery market shares 2011.  
Reference: ICA (2012)

According to Gammelgård (2012) ICA and Coop are having stock keeping units of up to 16 000 in their stores, which constitutes the biggest format in Sweden, probably with an exception for some City Gross stores. The benefit for us of visiting these bigger stores is that they have the prerequisites of creating the most impulse buying stimuli because of their size. Moreover, according to research larger stores attract more impulse buying because they give opportunities for one-stop shopping (Bell et. al, 2011).

We dropped hard discounters such as Lidl and Netto in our study because of the reasons above, even though low price stores evoke impulse buying as suggested by Bell et.al (2011). However, the online assortment and the assortments of the online store would be more similar if choosing chains with larger stores. We thus chose ICA and Coop because of the reasons mentioned, and chose to make observations in all of their four respective store formats which is ICA Maxi, Kvantum, Supermarket and Nära and Coop Forum, Konsum, Extra and Nära, respectively (ICA, 2013; Coop, 2013).

However, we did not only use ICA and Coop as informant companies. The web pages of Tesco and Walmart were chosen as well, in order for us to get a full picture of impulse buying features and tactics used of online grocers. Our choice of these specific companies is based firstly, on the fact that they are selling groceries online and offline. Secondly, that they are

from cultural backgrounds not too different from the Swedish one, which is UK and the U.S (however, it should be mentioned that the companies have expanded abroad as well) and because they have successful and well-developed websites designed for online shopping

The Internet penetration in the United States is 78.1 % and in the UK, the number is 82.5% while 92.5 % of Sweden's population is internet users (Internet World Stats, 2013). The three countries can be considered to have a similar internet usage rate that is high, compared to the world average that is 34.3 % (Internet World Stats, 2013). Statistics have shown that UK has the highest online shopping share in the world, with 60 % of all adults shopping online (Hall, 2012). The same numbers for Sweden are around 50 % while the U.S has a lower percentage: around 35% (Hall, 2012). The high numbers for the UK are explained with the fact that the UK is a nation that loves shopping (Hall, 2012).

As for the online grocery shopping adoption, 4% of Americans regularly or occasionally, 20% of British (2010) are shopping online every month and 1 % of the Swedish total grocery spend is done online (FMI, 2012; IGD, 2013; Svensk Distanshandel, 2012).

Tesco was by 2011 the online market leader in the UK, used by 34% of shoppers, followed by Asda at 20%, Sainsbury's at 12%, Ocado at 5% and Waitrose Deliver at 2% (Marketing Science, 2011). Walmart is the largest retailer in the world, and online it is on fourth place of the most profitable online retailers of the U.S. and Canada (CNN Money, 2012; Netonomy, 2013).

We chose these retailers since they were originally offline companies that eventually went online, as our Swedish counterparts. Amazon might be the queen of online stores, but this company might have had different prerequisites because of its internet-only presence (Rawlinson, 2012).

## 2.7. Collection of data

### 2.7.1. Object oriented visual enquiry - grocery stores

Initializing our study, we observed an ICA Kvantum store together, to get a common understanding of how the store observations should be conducted, as well as finishing our checklist.

The access to these stores was not a problem. For much qualitative research the question of access is a critical success factor for research, but in the context of this thesis, it was not needed due to our study of a business open for the public (Easterby- Smith et.al, 2012)

Following, we went into 5 ICA stores and 5 Coop stores each, choosing to make the observations separately, to be able to get fully immersed and focused on the shopping environment without the risk of being distracted by the company of each other. Guided by our checklist, that was compiled by theories of in-store impulse buying stimuli, we were carrying out a research that was both following the checklist and using our senses to account for new information. We were observing diverse factors related to price, layout and product presentations. However, it should be mentioned that we intentionally chose to not use all theoretical stimuli for in-stores impulse buying such as products elasticity to space, location of the shelves or aisles, and the influence of the chosen stimuli on known brands and unknown ones, etc. This decision was made because of time constraints. Inspired by Hansen's (2008) study on impulse buying, we similarly chose to limit the numbers of stimuli, in order not to waste too much time and space of the research. Moreover, we feel confident that we chose the theories we considered the most credible and meaningful on the subject, after a conscious decision process where we let the elements we saw in the stores guide us as well. Hence, the offline stimuli we chose existed or were likely to exist at ICA or Coop, and we chose to exclude data as mobile coupons and such, that exist in other countries and retailers (it might have existed at our benchmark companies). Moreover, we were open to new potential stimuli during our store observations that we believed could induce impulse buying.

The lived visual data, the 3D aspects of the store, as well as the 2D elements as text and pictures were observed in the most objective way as possible. We did not do the observation in any special order, but let it be a free process, with the prerequisite of covering the larger part of the store. This took between 10 minutes and 1 hour, depending on the size of the store, and the elements of it. We did not go back to any of the stores for observation a second time,

since we determined that we had reached a saturation point by our visits (Bryman & Bell, 2005).

The stores visited depended on our closeness to the store as compared to our living area. We have chosen not to indicate specific stores in consideration of the privacy and respect of the business conducted at these sites, but the cities where we made our observations were Trelleborg, Lund, Helsingborg and Malmö, which are located in the south of Sweden, and are all differing in their number of inhabitants.

We did not notify either ICA or Coop about our study, since there was simply no point in doing so. Our research did not call for the companies to attain permission to do any experimental studies or the like in their stores. Furthermore, had we notified a store manager or the like, the bigger the possibility of being interrupted which would simply worsen the prerequisites for our study.

Going around in the stores, we took notes of our observations to keep all the points fresh in mind for our later transcription and analysis. We were buying products at all of our store visits, mainly to keep our impression as "normal" consumers but also because we simply needed to restock our personal necessities.

We found it relevant to do the store observation because the store stimuli that the companies used would be likely to be translated to an online environment as well. Hence, we kept the same checklist for our subsequent webpage observations.

### **2.7.3. Object oriented visual enquiry- online grocery stores**

For the internet observations, we went through the online shops of the four chosen companies (ICA, Coop, Walmart and Tesco) in a detailed manner, again following a pre-made checklist to follow tactics such as categories, text and colors. The factors seen were the 2D aspects that a webpage is consisted of, which are text and pictures. The checklist was identical to the offline one, updated for our new offline findings, and for some stimuli, modified in meaning to fit the online setting. For example; store layout was adapted to categorization and floor graphics was modified into visuals.

We made a first long browsing session at each of the web pages, but found it convenient to go back to the pages when needed to be reminded of what we had missed during our

observations. We found this to be an advantage with observing online; its low cost of acquiring information, especially in terms of time and convenience.

We wrote down the information found when we observed it, and estimated that we have totally observed each of the sites between 1 and 4 hours.

We did not purchase anything from any of the sites observed, concluding that it might not add anything to our study of impulse buying tactics, since these tactics should be applied before the purchase of a product anyhow.

## **2.8. Analysis method**

In qualitative research, analysis is often one of the hardest tasks, due to the large volume of data that is often gathered using qualitative modalities (Bryman & Bell, 2005). Moreover, there are many different approaches of analysis which one can use, but none of them give any strict rules, but are flowing in their nature, as well (Bryman & Bell, 2005). However, the analysis approaches should be used to guide the research and make it less subjective.

As mentioned before, the common way of analyzing according to the methodology of visual enquiry is to use semiotics and hermeneutics to try to encode cultural and anthropological facts about the materials studied. However, we believe this approach would be unfitting for our thesis. The hermeneutic circle is used to gradually get more information about a phenomenon like a text, to see the parts of a whole and the whole as parts, by incorporating historical and social concepts in the analysis (Bryman & Bell, 2005; Alvesson & Sköldberg, 1994). However, we feel like this kind of analysis cannot be used due to our low amount of knowledge on impulse buying online.

Even though transcription has often been recommended for interview methods, we found it very useful to transcribe our field notes after each observation (Bryman and Bell, 2005). This facilitated our analysis, made it more organized, as well as prevented us from forgetting important aspects from our observations.

As a first step in our analysis, we organized all the store stimuli we had found both in literature and inductively from our store findings into two categories according to their

functional attributes to enhance the analysis. Most qualitative analysis methods, such as the inductive one, are recommending data to be categorized like this (Bryman & Bell, 2005)

In our analysis, we will enter with a belief that the offline and online mediums are similar in that they both can convey impulse buying, and maybe use the same stimuli, to a certain extent. Impulse buying stimuli have been researched offline and it has been proven that these in fact increase impulse buying. We then presume that the grocers should try to use the same stimuli online as well, and that the offline and online mediums, due to their common goal in our case: grocery selling, should in fact share a common ground when it comes to impulse buying. Similar comparative presumptions have been made by East et al. (2003). They expected that using double displays in one store could increase sales more than when using only one, supported by the fact that it had already been proven that advertising combined with displays increase sales more together than when used separately. In their case, they could easily test their hypothesis, which will be harder for us empirically; although, we are doing a qualitative and not a quantitative study.

The comparative method, which is our main analysis method, consists of a few subcategories based on how the knowledge is to be extracted and used. A few of them, as the import-mirror view and the difference view are mostly focused on comparison for comparisons sake, with no formation of theories to be used in a generalizable manner (Azarian, 2011; May, 1993). However, the theory-development view is recommended “those with rather high ambition to use comparison in order to develop causal theories with considerable generality and wide range of applicability” (Azarian, 2011, p.119). The analysis method is expected to have a high generalizability, and starts with sequencing down an instance into smaller parts so that a comparison can be done thoroughly (Tilly, 1984). By considering impulse buying in offline grocery shopping as a well-known ‘instance’, then we break the experience of that instance down into a set of in-store impulse buying stimuli and propose the extension of these stimuli into another instance, which stands for impulse buying in online-grocery. After mapping the differences and similarities between the selected offline and online stores, we can then come up with empirically secured theories with exploratory strength that could be generalized to other online-grocers. When using the comparative method, Azarian (2011) exhorts the researcher to be well informed about the backgrounds of the different comparison objects so that all factors can be taken into account in the comparison.

With the checklist as our basis, we compared the offline and online mediums and how they present impulse buying stimuli, to, finally, combine this with theory in creation of own hypotheses in the matter.

## **2.9. Methodological reflections and trustworthiness**

Because qualitative studies have often been criticized for being too subjective, it is relevant to discuss the trustworthiness of them. Because of the contextual importance of a qualitative study, differences as compared with quantitative studies, new criteria for measuring their trustworthiness have been designed. Lincoln and Guba (1985) assign credibility, transferability, dependability, and confirmability as the most central factors for evaluating qualitative research.

### **2.9.1. Credibility**

Since many different views or “truths” on a phenomenon can exist, as is suggested by qualitative research, the credibility criteria aim for the researcher to state that the research has been done in a trustworthy way. That is done by following the assigned rules and regulations, and that the empirical findings reflect the phenomena under study as truthfully as possible (Lincoln & Guba, 1985). An approach to showing this trustworthiness is to, according to Bryman and Bell (2005), use triangulation to make sure to gather data of different kinds of methods in order to get as broad a picture as possible. However, we were prevented from doing that because of the low e-grocery adoption in Sweden that resulted in a limited number of reliable methods to choose from. We however consider that we, to a great extent, have made up for this fact since we have consulted three different sources, which is offline grocers in Sweden, online grocers in Sweden as well as online grocers from other countries. This has definitely broadened our scope instead of only consulting the Swedish online grocers.

As we have relied on visual enquiry during our observations, we have been aware that this method can easily be subjective, especially in the online medium where we had the low prior knowledge. Therefore, we have consulted the webpage visual research guidelines by Pauwels (2011), in first seeing the individual components of the webpage to, then, be able to see it as a whole. Another fact that increases the credibility of our research is that we have been

conducting the visual research separately (but covering the same number of stores and the same branches) and thus two persons' views have conditioned it. Our pilot store observation together ensured a common view on impulse buying stimuli.

We are aware that the offline grocery stores we visited were influencing the checklist of the online stores. Hence, we were looking for the things online that we had seen offline. Even though we had the space to, also, come up with new things in these observations, we believe that a finished checklist is both a friend and a foe. Therefore, had we visited the Walmart or Tesco offline stores, the results might have been different. Although, qualitative research is dependent on its context, and thus, we believe this to be a normal issue in this kind of research. Moreover, our visits to different store formats of the different chains promoted descriptive elements from a larger sample, thus increasing the credibility

ICA and Coop are not low price retailers as Tesco and Walmart, which the latter emphasizes in their slogans and on their web pages. From our personal experience, based on that one researcher is Swedish and the other have been living for over 2 years in Sweden, ICA and Coop are, in fact, two of the highest-priced retailers in Sweden. Previous research demonstrates that consumers make impulsive purchases of both expensive and inexpensive items across a wide range of product categories (Bellenger & Korgaonkar, 1980; Rook, 1987; Williams & Dardis, 1972). Although a study by McGoldrick (1982) indicated that price was not a main reason for shoppers' impulsive purchases, UIE (2002) found that price influenced about nine percent of impulsive buyers. Consistent with utility maximization, a low price is generally preferred to a high price by buyers, all else being equal (Train, 2003). We cannot anticipate how the difference of price focus will affect our study, but we believe that it might not have a very large impact, due to the fact that, most foods are of low price compared to other goods. In addition, since ICA and Coop have the highest market share in grocery retailing in Sweden, then it should be safe to assume that their consumers are not price-oriented, as the consumers' of Tesco and Walmart.

### **2.9.2. Transferability**

Because qualitative studies are dependent on their context, due to the small samples used, Guba and Lincoln (1985) stresses the importance of adding rich descriptions of the settings so that other researchers can determine whether the results of the research could be replicated in another industry or setting.

We believe that our results could have been replicated, if done in a similar culture and context. However, had we done the study in the U.S, the results probably would have been different, due to this country's advancement in the retail scene both offline and online. Moreover, in a few years time, the prerequisites for our study might be different due to changes in the outlook of stores, and the way we shop. We believe that our findings are relevant for the western world; however, the developing world might not be able to use our study, due to its lower internet usage and habits, and its less developed e-commerce distribution systems, as well as other possible factors.

Another important question we could ask ourselves is whether our results could also be true for another industry in e-commerce such as books, apparel or electronics. As outlined by Nordfält (2007) the grocery industry have a tendency to become even more detailed than the other industries, both offline and online, with various tactics to induce impulse buying. However, the overarching features of the online medium for retailing such as interactivity, personalization and hedonism, that can be attained here, is most likely influencing all industries that are selling online, but in different ways.

We believe that all industries operating in e-commerce could benefit from the results made in our research, however, it is designed and focused for a grocery setting and this should be kept in mind.

### **2.9.3. Dependability**

The third criterion as outlined by Guba and Lincoln (1985) is focusing on the necessity of other researchers to be able to follow the research process to be able to determine the credibility of the outcomes of it. This requires all materials to be kept in order, as well as outlined correctly. In accordance with this criterion, we have carefully outlined the process of the research with all inherent choices made. Moreover, we have transcribed all our empirical data, which can be acquired upon request due to its length. We also confirm that we have been thorough and accurate in the presentation of our gathered data.

### **2.9.4. Confirmability**

The criteria of conformability calls for the researcher to show that no manipulation of material have occurred so that these would fit the aim of the researcher better (Guba & Lincoln, 1985).

Moreover, the researcher must show awareness of own thoughts, attitudes, biases and inclinations to the subject researched that might have a chance of influencing the directions of study as well as results. As we have used existing theories on the subject of impulse buying as a frame of reference in our research, this is relieving the research of a too subjective outlook. In addition, we had a preliminary interest in impulse buying tactics, and the grocery industry in general, but we believe that it is impossible for a researcher not to have any previous knowledge of a subject before carrying out a research. We do not have any claims on any special outcomes, as we are independent of sponsors that might have influenced our research one way or another.

## **2.10. Research ethics**

Easterby-Smith et al. (2012) states that ethics has become more important in research in recent year and that demands are increasingly put on researchers from many areas to be ethical and account for their choices in this respect. Some examples of ethical considerations to take for researchers are according to Easterby-Smith (2012) to ensuring that no harm comes to participants, to respect the privacy of them as well as being transparent and honest in the presentation of the thesis.

### **2.10.1. Respect of informants**

For less powerful respondents, it is crucial not to harm them by publishing sensitive information (Bryman & Bell, 2005). In our case, the companies we have been using as informants are powerful, but nonetheless, we have taken ethical precautions to be as respectful as possible, as well as trying to keep the privacy of the individual stores. Thus, we have outlined what store chain and what store we have visited, but we have not indicated the geographical location of the store, only the four cities where our research was located. This ensures that no single store is revealed and potentially, harmed by our findings. In connection to this, we chose not to take any pictures in the stores as this could have further breached the privacy of individual stores. The fact that we bought goods when observing the offline stores is another way to show our respect and thanks for using the store's environments for research.

### **2.10.2. Informed consent**

When doing research using respondents or people that might be observed, it is ethically correct to inform them of how the researcher will question them, observe them and so on (Bryman & Bell, 2005). This information should be given to the individuals in question so

that they can decide whether they want to participate in the study or not. However, according to Homan (1991) it is hard to live up to this demand, and according to Eriksen (1967) it is also outlined that harm that might come up during a study should be considered more serious if the informant was not informed of the study's purpose. However, secret studies, which might give opportunities for a researcher to find things that are not found otherwise, can be justified (Bryman and Bell, 2007). Since our study would most likely not hurt anybody personally or any party, and since it would only be time-consuming and irrelevant for us to contact the companies beforehand (for the offline observations), we chose not to, which we consider an ethically reasonable decision.

### **2.10.3. Internet ethics**

When the internet is used as a place to gather information, and forums and other internet groups are consulted for information, ethical dilemmas might occur, since any used information might be a breach of privacy for the involved parties (Nagy Hesse-Biber & Leavy, 2011). However, we believe that our internet data gathering was ethically unproblematic, due to our visual observations of a website that the entire world is welcome to take part of.

## 3. Theoretical framework

### 3.1. Introduction

Since our purpose is concerned with online impulse buying stimuli in grocery retailing, we will use theories related to this area as a foundation for our empirical data collection. First, we will assemble relevant theories about unplanned purchases stimuli, which will be heavily derived from the work of Nordfält (2007, 2011) and Shankar et al. (2011), as the studies of these two are some of the most comprehensive resources there are on impulse buying stimuli in offline grocery retailing. In addition to this, other theories will be also included and described. The reason we believe that this framework is suitable for our thesis is that it has already been used by experts such as East et al.(2003) as a starting point in formulating a research question in the context of increasing sales using in-store impulse buying stimuli.

Second, we will use theories about online impulse buying stimuli, which are dedicated to e-commerce in general as well as included ones that are oriented toward a specific industry other than grocery, but we although think carries general and relevant knowledge on impulse buying stimuli online.

Third, we will use literature, concerning shoppers' perceptions about their grocery shopping experiences in relation to our topic of impulse buying, to be used as a basis for our analysis of possible stimuli unmentioned in theories derived from the offline and online observations we will conduct.

### 3.2. Impulse Buying

Since unplanned purchases are what most stores thrive on, many researchers have focused on explaining the psychological reasons behind this sudden spontaneous behavior carried out by the customers; as well as, to study the methods, which influence this action. Impulse buying is synonymous with *unplanned buying* as noted by Stern (1962), who defined impulse buying as "any purchase which a shopper makes but has not planned in advance". As for Rook (1987), he extends this definition to include consumers' feelings when they shop by defining it as follows: "a consumer experiences a sudden, often powerful and persistent urge to buy something immediately."

However, his definition of impulse buying does not mention its cause-effect relationship with in-store stimuli. Bell et al. (2011) argues there is a widespread belief that impulse buying results from exposure to in-store stimuli. The first researcher to introduce the notion of exposure to stimulus into the concept of impulse buying was Applebaum (1951) who defined impulse buying as “buying that presumably was not planned by the customer before entering a store, but which resulted from a stimulus created by a sales promotional device in the store” (p. 176). In addition, researchers’ opinions vary when it comes to the nature of the stimulus. Kotler (1973) consider that impulse purchasing stimuli could be the marketer’s environmental manipulations through a store’s atmospherics, while some research has focused on the product as stimulus, as in the ability of the shopper to personally experience a product on a multi-sensory basis (Alba, Lynch, Weitz, Janiszewski, Lutz, Sawyer et al. 1997; Rosen & Howard, 2000)

Some researchers distinguish between different types of impulse buying, such as Stern (1962) who has delineated four types of impulse purchase types, namely *pure*, *reminder*, *suggestive*, and *planned impulse purchases*. According to Stern (1962), pure impulse buying is unplanned by the shopper, who has no previous buying experience or knowledge of the product to assist him/her in the purchase; while for the reminder impulse buying. Stern, (1962), explains it as upon encountering the item or information about the item inside the store, the shopper remembers that the stock at home is exhausted. That is, the consumer is reminded of the need to buy an item upon seeing it. Suggestive impulse purchase, on the other hand, occurs when the buyer visualizes a need for a product after seeing it for the first time (Stern, 1962). Finally, a planned impulse purchase is when the shopper searches for or takes advantage of promotions without planning a purchase ahead (Stern, 1962). However, controversial opinions about reminder impulse buying has risen; some researchers disapprove of considering reminder impulse buying as part of impulse buying, since the buyer was just reminded of a need to restock an item as outlined by Beatty and Ferrell (1998) whose definition of impulse buying is:

a sudden and immediate purchase with no pre-shopping intentions either to buy the specific product category or to fulfill a specific buying task. The behavior occurs after experiencing an urge to buy and it tends to be spontaneous and without a lot of reflection. It does not include the purchase of a simple reminder item, which is an item that is simply out-of-stock at home (p. 171).

Still, these conceptualizations do not account for impulse purchases online as all of these studies tackled the offline retailers without taking into account how it translates online. As we are interested in online impulse buying, we need a more appropriate definition that fits our purpose. Medhavaram and Laverie (2004), in their study to explore impulse buying on the web, proposed a conceptualization of impulse purchasing which states:

Impulse buying is a result of a purchaser's immediate reaction to external stimuli that is often hedonically charged. An impulse buying episode signifies a change in purchaser's intention to purchase that particular product before and after the exposure to stimuli. The stimuli is not limited to just the product and change in purchaser's intention does not include a reminder item that is simply out of stock at home (p. 60).

We find this definition the most fitting one to our purpose, that serves both mediums; online and offline; though, we shall not study and examine whether reminder impulse buying is part of the impulse buying as a whole or not as this is not our concern in this thesis. We are going to focus on all types of impulse buying. In our consideration, all the four types influence the unplanned nature of the individual shopping behavior to commit an impulse purchase without prior intentional planning, even if the impulse item was originally an accidental forgotten need. We would like to defend that reasoning, as we suspect it is not possible that a shopper would pick up a reminder item if it were not for the impulse buying stimuli. Also, based on Nordfält (2011), some impulse buying items drove shoppers attention and changed their behavior so that they even bought other products, whether they were complementary products to the impulse item or not (for example: placed at an adjacent shelf).

### **3.2.1. Impulse Buying Prevails in Grocery Shopping**

Research done by Block and Monvitz (1999) on shopping lists and actual purchase behavior of a panel of consumers during multiple grocery shopping trips conducted over a 2-month period indicated that shoppers on their shopping trips recorded approximately 40% of the items they ultimately purchased; hence, we learned that 60% of the items bought were unplanned. Another supporter for the case of high impulse buying occurring in grocery shopping is Underhill (2000), whose studies show a rate of unplanned purchases between 60 to 70 percent. On the other hand, other research, also, has been done in the area

...OgilvyAction found that only 39% of U.S. shoppers wait until they're in the store to decide what brand to buy – about 10% change their minds about brands in the store, 29% buy from categories they didn't intend to buy from, and almost 20% leave a product they'd planned to buy on the shelf. In all, the study found that 72% of shoppers make one of four major purchase decisions in the store. While significantly lower than the (other studies) the OgilvyAction assessment still confirmed that customers do a lot of decision-making in-store (RKMA, 2012, p. 534)

Consequently, marketers allocate funds to in-store marketing to stimulate unplanned buying with in-store displays, promotions, and technological innovations. Whether these in-store marketing stimuli are deployed by the retailers or the manufacturers or by a collaboration of these two, the aim is to draw the shoppers' attention in a hope to be picked off the shelves.

### **3.2.2. In-store Marketing Guru (in Sweden) and Shopper Marketing**

Impulse buying is mainly generated using in-store marketing strategies, and a guru in this area, in our opinion, is Jens Nordfält (2007) who has written a book dedicated to this area, focusing on impulse buying as experienced from his background at ICA. Hence, we consider his work to be biased towards the grocery industry, which is only beneficial for us. His extensive presentation of theories, whether researched by himself or collected from other researchers', covers stores' stimuli that influences customers' buying decisions, and is so far one of the best literatures on this topic. He describes in detail the tactics used inside the grocery store and explains how it affects consumers' behavior. Yet, from our learnings from Shankar et al. (2011), on shopper marketing techniques that increase sales by persuading shoppers to buy more products when they are inside the store, we see that they are quite similar to the in-store marketing tactics, which Nordfält (2007). As a result, that drove us to think these two could be representing the same phenomenon. This is reinforced by what Advertising Age (2012), have illustrated: "Shopper marketing is both a new discipline and an old practice. Marketers have long used the in-store environment to make that last-ditch effort to influence a purchase" (in RKMA, 2012, p. 534). In our research, we will hence look at in-store marketing and shopper marketing as two synonyms for one concept and use the impulse buying stimuli that both presents.

However, a critique of Nordfält's (2007, 2011) compiled theories, although covering in store marketing stimuli extensively, they are not accounting for newer technologies that can also induce impulse buying. In contrast to Shankar et al. (2011), who argue that "offering promotions through the right channels for the right shoppers improves the likelihood of influencing the shoppers at the right time in the shopping cycle" (p.33). They are more up to date on technologies such as RFID (radio frequency identification) and mobile phone apps with geographic sensors that can give the customer a coupon while passing a shelf in-store. Also, Sorensen (2009) has discussed the ModivShopper, a hand-held shopping assistant that can integrate with a shopper's loyalty card behaviors. Customers pick it up as they enter a store and fill their shopping cart with empty shopping bags, where the tracker on the device enables it to provide customer-specific offers for merchandise inside the store. However, as far as our knowledge, such technologies have not reached the Swedish market yet, and we will not include them in our study.

### **3.2.3. An Insightful Look on Shopper Marketing**

#### ***3.2.3.1. The Sovereignty of the New Comer: Shopper Marketing***

The term *shopper marketing* is still relatively new and tackling a young substantive area, yet its popularity among practitioners has grown tremendously. The term aims to distinguish and target the shopper doing the actual shopping act in various shopping modes rather than the consumer, who can be a different entity, for example: babies, plants and pets. Shopper marketing can be defined as "...the study of how shoppers behave in the store – to which marketers respond with various efforts aimed at influencing decision-making and buying." (RKMA, 2012, p: 533). This shopper-focused marketing concept have driven retailers and manufacturers alike to allocate resources and budgets to in-store strategies and promotions (Shankar et al., 2011). As mentioned in RKMA (2012) "Booz & Co. (www.booz.com) estimates manufacturer investment in shopper marketing at \$45 billion in 2012. Spending is increasing at 15% annually" (p: 534). Moreover, "according to the Grocery Manufacturers Association (www.gmaonline.org), 83% of consumer packaged goods companies expect to increase their shopper marketing in 2013. For 55% of those companies, shopper marketing tops all other types of marketing spending" (RKMA, 2012, p: 534 - 535).

The range of channels where shopper marketing is supposed to be employed to influence the shopper varies between researchers that according to Shankar et al. (2011) can be said to view shopper marketing in a broad or narrow term. Shankar et al. (2011) who defines it broadly, explains this concept as “the planning and execution of all marketing activities that influence a shopper along, and beyond, the entire path-to-purchase, from the point at which the motivation to shop first emerges through to purchase, consumption, repurchase, and recommendation” (p. 29). On the other hand, Deloitte (2007) defines it more narrowly as “the employment of any marketing stimuli, developed based on a deep understanding of shopper behavior, designed to build brand equity, engage the shopper, and lead him/her to make a purchase” (in Shankar et al, 2011)( p. 29)”. As our research is only concerned with the stimuli applied inside the store to influence the actual shoppers impulse buying, we will follow Deloitte’s (2007) narrower look on shopper marketing as we only want to focus on what motivates the shoppers to commit impulse buying while they are in the store (in Shankar et al., 2011). However, we will use Shankar et al.’s (2011) shopper marketing stimuli, as their article is considered pioneer in this field, as many other researchers have referred to their theories.

### ***3.2.3.2. Traditional Marketing VS Shopper Marketing***

Traditional marketing focuses on the marketing mix – the 4Ps, consumers’ patterns of behavior and preferences in order for the companies to tailor marketing strategies to, effectively, communicate with their target audience. This persuasion of consumers to choose one brand over others, to be the first brand to come to consumers minds and making them loyal to the brand are often done outside the stores (Kotler & Keller, 2011). However, this traditional approach to marketing is considered blinded from the fact that the consumer and the shopper can be separate beings, since it does not differentiate between these two, as shopper marketing does (Shankar et al, 2011). Furthermore, the traditional marketing theory presupposes that the consumer always know what needs they have before they make a purchase, as outlined in the *five-stage model* that distinguishes between problem recognition, information search, evaluation of alternatives, purchase decision and post-purchase behavior by Kotler & Keller (2011). This model presupposes that consumers always make a purchase to satisfy a previous need and to reach their wished need state (Nordfält, 2007). However, not all needs can be revealed by the consumer before purchase; many unconscious needs become uncovered in a store environment. The retailers’ task is then to remind the consumer in the

store about the products available in the store. Nordfält (2007) argues that it is more relevant for the products to be seen at all in the store, rather than being popular and known. Strengthening this fact is that the store environment does affect our buying pattern to the extent that we sometimes do not even buy our stated favorite brands or products, but buy something completely different (Nordfält, 2007).

Another fact strengthening Nordfält's (2007) theory is that a human consciousness can only hold maximum 7+/-2 thoughts at one time, and these can only be held for 30-45 seconds. This is a reason why we might forget things if we do not have a shopping list. The unconscious kicks in where the conscious processes fails us, and it is easily affected by the store environment to which it is situated (Nordfält, 2007).

### **3.3. Impulse Buying Generators: In-store Shopper Marketing Stimuli**

Customers usually leave a grocery store having bought unplanned items that did not exist in their shopping lists or on their minds until they came across them inside the store, and many observers believe that most purchase decisions are made inside the store (Neff, 2008). The grocery-shopping trip is controlled by the retailers, who use numerous stimuli that trigger impulse purchases (Nordfält, 2007). These in-store stimuli range between different aspects, from the store's layout, to special displays, to price promotions and are the results of a lot of research conducted over the years that have tested and experimented hypotheses and rechecked theories, giving reliable and long-used efficient methods to get the shoppers to buy (Turley & Chebat, 2002; Nordfält, 2011; Dhar & Hoch, 1996). Below, we will present the established theories about in-store shopper marketing stimuli, which will help us frame our study and serve as guidelines in our coming observational research.

#### **3.3.1. Store Atmospherics and In-store Browsing**

*Store atmosphere*, coined by Kotler (1973) indicates that the consumer is not only affected by the tangible product when purchasing, but also the place where the product is sold. This spatial element called store atmospherics can be a very important aspect when purchasing a product; sometimes even more influential than the product itself. It is to be designed purposefully by the retailer and is lived through the visual, audial, tactile and olfactory senses (Kotler, 1973). Moreover, the store atmospherics is a marketing tool which is specifically

suited for retailers and its effect increases in industries with small price differences between the products sold, which means it should have a great importance in the grocery sector. The atmosphere can alter the consumer's perception of a product and ultimately, change the consumer's standard or planned purchase behavior. Store atmospherics can also induce impulse buying, the reason being that an appealing store atmosphere will make the customer feel that his or her store visit was fun and hence tempt the customer to stay longer in the store and browse (Nordfält, 2011, Turley & Chebat, 2002). The longer the consumer will stay in the store, the more products he or she will come across and the higher the desire to try new things and impulse buy (Nordfält, 2011; Beatty & Ferrell, 1998).

Since the physical aspects and atmosphere of the retail environment affect a consumer's mood and shopping behavior, shoppers are noted to respond favorably to well-designed innovations in store atmospherics and design (Martinez-Ruizetal, 2010; Peck & Childers, 2006; Mitchell, Kahn, & Knasko, 1995; Baker et al., 2002). Since an individual may experience the urge to buy impulsively when he or she is stimulated by certain circumstantial factors during a shopping interaction, retailers can work on enhancing some elements such as store layout, background music, colors, smells, and lighting as well as in-store TV (Shankar et al., 2011; Nordfält, 2011). In his book, Nordfält (2011) presented Tesco-studies that revealed that in-store TV is better at communicating new items, promotions and seasonal information than the traditional brand message bearers. Additionally, floor graphics influence customers by 12% according (in RKMA, 2012). Also, according to Shankar et al. (2011) shoppers are looking for more convenient and enjoyable ways of shopping than before; so the more pleasant the environment, the higher the positive effect and the longer the shopper spends in the store; which increase the likelihood of engaging in impulse buying (Beatty & Ferrell, 1998).

*In-store stimuli: Store's layout, background music/sounds, colors, smell, lighting, in-store TV, and floor graphics*

### **3.3.2. Displaced Products in Other Categories**

Retailers should make it easier for the shopper to find products that can go well with other products, for example: sandwiches near drinks and so on. This creates awareness for the misplaced products, emphasizing the fact that the presentation of the assortment is important to ensure that the customer buy complementary products (Nordfält, 2011). A positive effect

can also be attained for products placed in categories that do not complement their neighboring goods (Nordfält, 2011). Rook (1987) suggests that consumers find it hard to resist the urges that come up upon encountering an object. So that is why we find products out of their original place inside the stores. The browser will encounter many desirable products which will produce an urge to buy which is difficult to resist due to the physical proximity of the product (Beatty & Ferrell, 1998).

*In-store stimuli: displaced products in other categories; whether complementary or not to the these categories*

### **3.3.3. Special Displays**

According to Nordfält (2007) special displays reminds us of a product and makes us buy it. A retailer's decision to locate an item on a special display may play an important role in the shopper's impulsive buying decision since in-store displays can improve the probability of impulse purchases by attracting attention to the impulse items (Kacen et al., 2012; Peck & Childers, 2006; Stilley, Inman, & Wakefield, 2010a,b). Nordfält's (2011) research gave an estimation of increased sales between 250-300% because of special displays, while a report by RKMA (2012) came up with a much more modest result in that special displays only influence sales by merely 36%.

*In-store stimuli: Special displays*

### **3.3.4. Promotional Instruments**

The old saying 'all advertising is good advertising' is, according to Nordfält (2007) true in the detail retailing industry because it allows the product to be recognized by the shoppers, and if not, then at least they get aware of its existence, and the probability of buying and impulse buying increases. Promotional instruments are many: like shelf-talkers, in-store TV (Nordfält ((2007)) stated that in-store TV serves as a background factor in the in-store atmosphere), as well as digital signage. However, Shankar et al. (2011) think the effectiveness of these tools is not so clear when it comes to increasing in unplanned buying. On the other hand, RKMA (2012) showed that 11% of customers are influenced by in-store TV:s, and Dhar and Hoch's (1996) research showed that shelf talkers rise profitability with 113%

percent. Shelf talkers can relay information about the product, communicate advertisements as well as price reductions. In addition, Nordfält (2011) believes that in-store demonstrations are a very powerful tool when it comes to converting customers to buyers. As the customer gets to test-try, smell or taste the product prior to purchase, we see this stimuli as an equivalent to product samples, and RKMA (2012) mentioned that it influences 52% of customers. Nordfält (2011) adds that in-store signage provides an effective way of communicating with the customers. A sales signage excluding the price increased sales between 5 to 31%, while ones that mention the price and package size lead to between 10 and 59% of increased purchases (Nordfält, 2011).

Some additional promotional tools related to awaring the buyers of certain products and persuade them to purchase were extracted from RKMA's (2012) report, which showed that the percentages of consumers who are influenced by in-store events/contests is 28% and for in-store radio the number is 8%.

*In-store stimuli: Shelf-talkers, in-store TV, in-store radio, product sample/demonstrations, Signage, and in-store events/contests*

### **3.3.5. Price Promotions/offers**

This topic covers effective tools that are related to prices such as shelf-talkers, coupons and more, that encourage more impulse purchases (Nordfält, 2007; Kacen et al., 2012). As for store loyalty cards; the offers given exclusively to member, they had 33% influence on the customers' buying decisions, while shelf coupons had an influence of 40% (RKMA, 2012) in sales increases. Dhar and Hoch's (1996) results have shown that coupons give a 235% increase in sales. In their study, it was shown that except from using the coupons, the consumers conducted impulse buying of complementary and non-related goods as well as goods adjacent to the coupon products. Also, multiple unit price promotion; for example, get 3 for 2, or buy 2 get 1 free (also called bundle promotions) play a role in increasing sales; whether they are bundle discounts\* or bundle quantity\* (Nordfält, 2011; Foubert & Gijbrecchts, 2007). Also, Zhou and Wong (2003) consider product discounts (price reductions) as one of many variables to influence impulse buying and to have a significant

impact on sales. Other supporters for the above tactics are Karbasivar and Yarahmadi (2011) who add another stimulus: gifts upon purchase.

*In-store stimuli: Shelf-talkers, coupons, price reduction, bundle promotions, Store loyalty card offers and gifts upon purchase*

### **3.3.6. Personalized offers**

This area covers offers that are tailored to the customer, and can be representing a persuasive stimulus. According to Shankar et al. (2011):

Offering promotions through the right channels for the right shoppers improves the likelihood of influencing the shoppers at the right time in the shopping cycle. Ex: Offering a coupon through the Smartphone of a shopper for a cereal brand while the shopper is in the cereal aisle of a bricks-and-mortar store (p.33)

The authors support their sayings by presenting an example which showed that in-store personalized promotions, based on customers' projected shopping path, when delivered via mobile shopping app can increase path length and increase unplanned spending by over 20 percent.

However, as mentioned in the research method, these stimuli will not be added to our offline checklist, since we know these types of stimuli do not exist yet in the Swedish offline grocery scene. However, they will be added into the combined checklist for online observations.

These collected theoretical in-store impulse buying stimuli will be used as guidelines in our research. The assembled checklist is as follows in Table 1:

### **Offline Checklist: *Theoretical in-store Impulse Buying Stimuli***

**Store's layout**  
**Background music/sound**  
**Colors**  
**Smells**  
**Lighting**  
**Floor graphics**  
**Displaced products**  
**Special displays**  
**Shelf-talkers**  
**In-store TV**  
**In-store radio**  
**Product sample**  
**Signage**  
**In-store events/contests**  
**Coupons**  
**Price reduction**  
**Bundle promotions**  
**Store loyalty card offers**  
**Gifts upon purchase**

3.3.7. Table 1. Preliminary Offline checklist

### **3.4. Online theories for generating impulse buying**

For theories about the online impulse buying stimuli, we will use the framework as suggested by Manganari et al. (2009) to outline all the internet theories related to impulse buying stimuli.

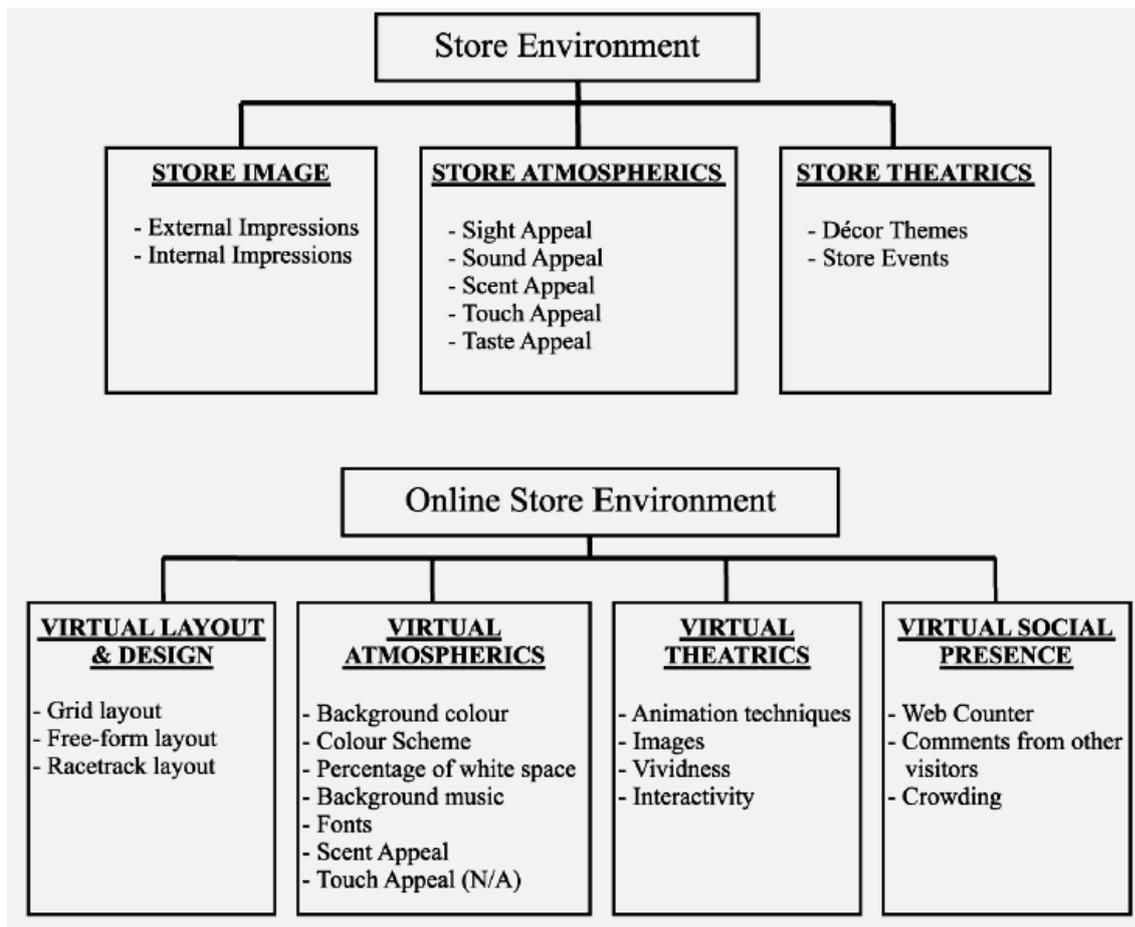
Moreover, to acquire as vast knowledge as possible on this area to help us compile an extensive data to use later when we observe the e-grocers. Other online theories will also be presented. It should be noted, however, that due to the infancy stage of this kind of literature, only a limited number of theories could be found that address this area. This made us choose

to use theories about online impulse buying stimuli, in-general and in other industries than groceries, since this was the only ones that were close enough to our topic.

#### **3.4.1. Online store atmospherics**

Even though Turley and Chebat (2002) argued that store atmospherics are a tool that is best used in brick-and-mortar stores and can even make these stand out against online competition, Manganari et al. (2009) claims that store atmospherics is also to be used in the online medium. Web atmospherics is according to Dailey (2004) "the conscious designing of web environments to create positive effects in users in order to increase favorable consumer responses" (in Manganari et.al, 2009, p. 1140).

Manganari et al (2009) proposes a new model to classify online store atmospherics, called the *online store environment framework*, where they adapt the previous store environment classification model by Lewison (1994) to fit into an online environment (in Manganari et al, 2009). However, it should be mentioned that the model by Manganari et al. (2009) is organized from a literature review of 43 articles. Hence, the model is not tested for its effectiveness and effect on consumer impulse buying and sales outcomes, but is made as an arrangement tool to account for the existing knowledge in store atmospherics. It is like this we will use it as well.



3.4.2. Figure 2. Online store environment framework. Reference: Manganari et al. (2009)

### ***Virtual layout and design***

This refers to the categorization online, and how the categories are organized on the site. Grid, freeform and racetrack are the main layouts. The grid layout are positioning the categories horizontally, the freeform layout places the categories freely on the site while the racetrack layout are typically placing the categories in two corridors (Vrechopolous, O'Keefe, Doukidis & Siomkos, 2004). However, we believe that the relevance of these layout forms might be somewhat outdated, since in recent years, most categories have been placed on the left side of the webpage, as shown in numerous web pages such as Ebay.com, Amazon.com and Asos.com (2013). This placement of categories seems to have become something of a standard procedure for online sellers.

However, there are studies that have evaluated the effect of webpage design and layout in-depth, as well as its effect on purchases. Lohse and Spiller's (1998) early work on web design's effects on e-tailing sites' sales and loyalty is a research that is still relevant for understanding consumer reactions to different website stimuli.

They concluded that an important factor for the web design of an e-commerce site is that it is easily navigated, like the offline store. Product list navigation was concluded to be a factor that increased sales by as much as 61%. Another related web design consideration is to have a main index on the landing page that is linked to on all pages visited, for an easy navigation back and forward on the site. The user interface is said to be the link between the physical store and online store (Lohse & Spiller, 1998).

In agreement with Lohse and Spiller (1998), the consulting firm User Interface Engineering (2002) argues in a report that price is not what mainly promotes impulse buying online; the website design accounts for the largest share of impulse shopping. They state in their study that as much as 40% of shopping online in their chosen sampling group consisted of impulse shopping. It was found in the observation that as much as 87% of the impulse buys made were a result of navigating through usage of the category links, while only 13% of the impulse buying was resulting from searching through the search engine.

The reason why categories are so important for prompting impulse buying is, according to UIE (2002) that they are presenting the breadth of the assortment available in a better way than if the consumer would be using the search engine to look for a good. Furthermore, categories would increase the chance of the consumer to click on a product page and get further information about a product that might be interesting. In short, the categories present the consumer to a broad range of goods as opposed to a narrow one, and thus situated them to more potential buys, and are reminded of latent needs (UIE, 2002).

According to UIE (2002), for companies to leverage on the effect of categories, consumers must choose them in preference of search engines on the site. The most logical categories that resemble what consumers want to look for are most effective, combined with a design that helps consumers make sense of the categories easily (UIE, 2002).

*Internet store stimuli: categorization*

### ***Virtual atmospherics***

The colors on an online web page determine how consumers will behave and what attitude they will adopt towards the retailer. Scarpi (2012) in her study of hedonic and utilitarian

features of websites have found that colors are especially appealing to hedonistic consumers, which, in turn, are more prone to impulse buying. Hence, websites that make use of colors are inducing impulse buying.

*Internet store stimuli: colors*

### ***Virtual theatrics***

This element refers to how the online shop can resemble a theatre by adding pictures, animations and icons (Manganari et al., 2009). Interactivity is in this case referring to what extent the consumer can modify content on the page, such as making personalized searches, communicate with company representatives, and entertainments such as contests where the consumer can participate (Fiore, Jin & Kim, 2005). Vividness refers to the product presentation in pictures and how extensive and relevant these are for the consumer (Fiore et al, 2005). Scarpi (2012) in her study of hedonistic and utilitarian webpage designs, argue that pictures, visuals, and opportunities to see many products at one time are considered as important features for the hedonistic consumer and that "...hedonic...shoppers...spend more money on the Web site and buy more items because they indulge in many more unplanned purchases (pp. 64-65)". The hedonistic consumers enjoy the shopping experience and indulge and get immersed in the different features of the page, suggesting that websites should be designed with their preferences in mind. De Kervenoael, Soopramainen, Elms and Hallsworth (2006) have a similar view, as Scarpi (2012), concluding that grocery e-commerce websites should look at sites like e-Bay (2013) to get inspired by their exciting elements.

*Internet store stimuli: visuals, and events/ contests, customized searches*

### ***Virtual social presence***

Web counter is a function of the website that count the number of visitors while comments and crowding are the other features mentioned under this category (Manganari et al., 2009) . We agree with Manganari et al. (2009) that the web counter might not have a great effect on store atmospherics, while comments and other consumer engagements might have a greater effect.

*Internet store stimuli: reviews and comments (E-WOM)*

### **3.4.3. Price and customization online**

Even though most people believe that impulse buying might result from price, UIE (2002) proved, through their study, that impulse buying is more dependent on categories than on price. Only 8% of all impulse purchases resulted from price, of the 40 % of impulse buying of all the money spent, that was found in the study. As for customized promotions for customers, this stimulus influences buyers' behavior more than it does in the offline setting; according to Zhang and Wedel (2009) it seems to work better in online stores than in brick and mortar stores. Hence, pricing can explain impulse buying online to a less extent, than other factors, but is still a contributing factor. Moreover, Scarpi (2012) found that both task-and fun-oriented consumers enjoyed finding low prices and bargain hunting.

*Internet store stimuli: price promotions (coupons, price reductions, bundle promotions, and customized promotions)*

### **3.4.4. Presentation of stimuli**

The stimuli below represent the obtained theoretical online impulse buying stimuli that in some cases have offline counterparts that we have already found. We will then compare the online and offline findings on common grounds.

<b><i>Theoretical e-store Impulse Buying Stimuli</i></b>
<b>categorization</b>
<b>colors</b>
<b>sufficient white background</b>
<b>online-store events/contests</b>
<b>Visuals</b>
<b>coupons</b>
<b>price reduction</b>

**bundle promotions**  
**customized promotions**  
**reviews and comments (E-WOM)**

3.4.5. Table 2. Preliminary online checklist

### 3.4.6. Mirroring of Offline Stimuli to Online

Using Manganari et al.'s (2009) web atmospherics model as an inspiration, we will mirror the offline impulse buying stimuli with the online stimuli.

Mirroring of stimuli	
From Offline	To Online
Store's Layout	Categorization
Colors	Colors
Lighting	Sufficient white background
In-store events/contests	Online-store events/contests
Floor graphics	Visuals
Coupons	Coupons
Price reduction	Price reduction
Bundle promotions	Bundle promotions
Store loyalty card offers	Store loyalty card offers

3.4.7. Table 3. Mirroring of impulse buying stimuli

Customized online promotions were not covered by the model; however, from the above literature, we have understood and considered the customized promotions to be the offers given to the loyal stores' members. It have been named store loyalty card offers as its offline counterpart, because we think it is more clear and straight to the point, especially when discussing the online offers and promotions.

The rest of the online stimuli, which we could not find any theories to base their mirroring with their offline counterparts, will be observed and detected to see any functional similarities between the offline and the online unmirrored stimuli.

The derived theoretical e-store impulse buying stimuli will be used as additional guidelines to our research and will be added to our latest offline checklist (where we will deduct ‘smells’ and add potential stimuli); the mirrored stimuli will appear in the form of offline stimulus/online stimulus. The combined checklist will also include the personalized offers stimuli (mentioned in in-store theoretical stimuli section by Shankar et al. (2011)). The new checklist (combined checklist) is displayed in the table below.

<b>Combined Checklist: <i>Theoretical in-store / e-store Impulse Buying Stimuli</i></b>
<b>Store’s layout / Categorizations</b>
<b>Background music/sound</b>
<b>Colors</b>
<b>Lighting/Sufficient white background</b>
<b>Floor graphics / Visuals</b>
<b>Displaced products</b>
<b>Special displays</b>
<b>Shelf-talkers</b>
<b>In-store TV</b>
<b>In-store radio</b>
<b>Product sample</b>
<b>Signage</b>
<b>In-store events/contests / E- store events/contests</b>
<b>Coupons</b>
<b>Price reduction</b>
<b>Bundle promotions</b>
<b>Store loyalty card offers</b>
<b>Gifts upon purchase</b>
<b>Reviews and comments (E-WOM)</b>

3.4.8. Table 4. Preliminary combined checklist

## 3.5. Consumers' Perceptions and Behavior for Online and Offline Grocery Shopping

### 3.5.1. Search and experience goods

Nelson (1970) argues in an early article on information search behavior that the type of good has implications for the whole structure of the market. The author distinguished between two goods; search goods and experience goods. Search goods are goods that make it worthwhile to try and search before buying, such as clothes (Nelson, 1970). The author claims that experience goods, such as groceries, are impossible to try for their quality before (unless maybe if a store offers samples of a product in a grocery store). Moreover, he argues that with a low purchase price, prior extensive search for quality will not pay off, and then it is better to buy the good and then experience the quality. Groceries are also categorized as perishable products, which would suggest that consumers generally prefer to physically examine the quality of the products prior to the purchase (Canedy, 1999; Baker, 2000). Nelson states that search goods, because of their nature, require more samples than experience goods. Moreover, one can search for both price and quality, while searching for quality is more time-consuming (Nelson, 1970). Furthermore, Nelson connects the experience- and search goods to how close stores are distributed in a society, hence explaining why clothes stores are closely situated in relation to each other, while grocery stores are more evenly spread throughout a city. Another implication of the information search behavior is that stores carrying search goods have a wider selection of brands, and vice versa for the experience goods (Nelson, 1970).

Building upon Nelson's (1970) theories, Klein (1998) accounts for the information search behavior in an online perspective. She argues that the information search behavior is influenced by the expansion of the internet and more specifically internet shopping. The author claims that the nature of the internet can change the characteristics of experience goods and transform them into search goods. The reasons for this are that certain aspects about shopping on the internet provide new features that are different from those seen in the bricks-and-mortar store. The internet medium provides an effective way of getting information about a product quickly and without any great effort (Klein, 1998). The medium is also making it possible for the retailer to emphasize certain features of a product over another, especially when the package and display of the product might not be as important in this setting. (Klein, 1998) Moreover, interactions with others is an important and common feature on the internet,

which can influence the search significantly, giving the consumer a clear impression of the quality of a product through reviews and other rating functions (Klein, 1998).

*Outcomes: information search behavior*

### **3.5.2. Shopper Orientation - hedonistic and utilitarian**

In her study on internet personalities, Scarpi (2012) is focusing on hedonistic and utilitarian consumers to outline what makes them unique and how e-commerce companies can profit on better knowledge of these different consumer traits. A hedonistic consumer, is explained as a consumer who enjoys to have fun while shopping, becomes deeply involved with extra features such as videos and music, and enjoys colors and fun websites, features that according to Childers et al. (2001) are included in the “webmospherics” term, which represents the virtual environment counterpart to the physical surroundings (retail atmosphere). The utilitarian consumer is more task-oriented and seeks a website that is easily navigated and informational to find the sought products. However hedonistic and utilitarian consumers differ in that " ...hedonic...shoppers...spend more money on the Web site and buy more items because they indulge in many more unplanned purchases (Scarpi, 2012, pp. 64-65 )".

The author concludes that both the hedonistic and utilitarian elements of a website are important, even though the hedonistic consumer is more profitable. In aiming their efforts to both of the shopping orientations, a larger profit will be reaped by the companies. Furthermore, the author states that it is possible to manipulate consumers to adopt another shopping orientation by designing the website in new ways. All in all, Scarpi’s (2012 research proposes to make e-commerce sites more fun and interactive to create and satisfy hedonistic consumers, which is also reinforced by research by de Kervenoael, Soopramainen, Elms and Hallsworth (2006) in their study specifically focused on the grocery industry.

*Outcomes: hedonic consumption, webmospherics*

### **3.5.3. Consumers’ Perceptions and Behavior - Offline Settings**

When Geuens et al., (2003) researched consumers in respect to their associations of buying groceries and shopping, it was found that shopping is perceived as a relaxing activity, where the consumer can browse freely without feeling obliged to buy anything; in contrast to grocery shopping, which had more negative associations. That is due to the fact that, it is an activity that cannot be avoided and one has to do.

They moreover found that customers want a non-stressful environment by offering wide aisles and appropriate music in the background, instead of bad trolleys to drive in the narrow aisles. In addition, some wants demonstrations and highlighted promotions, as they want to try new things and receive suggestions. The research also showed that some groups in the study wanted extra services from the grocery stores, as a cafeteria, customer service, or home-delivery of groceries. Some even want shops to be open 24 h a day, 7 days a week. (Geuens et al., 2003)

*Outcomes: non stressful environment, services, longer opening hours*

Another study was conducted by Masouleh, Pazhanga and Moradi (2012), which discovered what factors have important roles in impulse purchasing. Three factors were detected. The first is: personal factors (such as getting entertained, expressing/discovering self identity, and acquiring education and novelty). The second one is product-related factors such as price discounts or sales. The third and most important factor, according to that study is the situational factor, which includes design of the store, lighting, aroma, display of merchandise, sales staff, presence of others and more.

*Outcomes: situational factors, personal factors, product-related factors*

#### **3.5.4. Consumers' Perceptions and Behavior – Online**

Hadjiphanis & Christou (2006) suggest that for retailers to be successful online they have to facilitate the search process and offer consumer value in their websites. Using Holbrook's

typology, they stated that consumer value can be delivered in the form of excellence (i.e. quality of products and services), status (i.e. chat room facilities), esteem (celebrity endorsements), ethics (the virtue one communicates to others by making an 'ethical' purchase), play (provide enjoyment and pleasure elements as i.e. puzzles, games and so on), and aesthetics (attractiveness of the website).

*Outcomes: excellence, status, esteem, ethics, play, and aesthetics*

Hansen (2008), on the other hand, found that consumers can form attitudes based on their personal values. In his study, he identified four types of consumer attitudes toward online grocery shopping. One type of consumer attitude is *openness to change*; which includes those who are impulsive, convenience seeking and risk-taking, in contrast to *conservation* consumers who do not like to get out of the customary and like to keep things simple. As for *self-transcendence*, it applies to consumers who focus on saving time and getting things done effectively. Finally, *self-enhancement* refers to consumers who are more socially inclined and strive to maintain good social relations.

*Outcomes: openness to change, conservation, self-transcendence, self-enhancement*

## 4. Findings & Analysis

### 4.1. Introduction

In this part of our research, we will present our observational findings, guided by our checklists, both those that we had outlined before as well as our new findings. Starting with the offline medium and then presenting the online findings, we will describe and then analyze our data in depth, as well as presenting all stimuli in tables, for the reader to get a clear picture of what our observations yielded. The new findings, as well as the differences between the offline and the online mediums, as outlined in the checklist, will be the main contributions of the thesis as these are helping us in our exploration of impulse buying in an online setting.

Theoretical In-Store Stimuli	Stimuli Presence in the Selected Stores																			
	ICA										Coop									
	OBSERVATIONS																			
	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10
Store's layout																				
Background music/sound																				
Colors																				
Smells																				
Lighting																				
Floor graphics																				
Signage																				
In-store TV																				
In-store radio																				
Displaced products																				
Shelf-talkers																				
Special displays																				
Product sample																				
In-store events/contests																				
Coupons																				
Price reduction																				
Bundle promotions																				
Store loyalty card offers																				
Gifts upon purchase																				

Colored boxes represent the presence of the specified stimuli inside the stores

4.1.1. Table 5. Offline checklist, complete.

### 4.2. Considerations for offline checklist

To make the data more concise, we had to form a plan or scheme to follow, if we are to filter the stimuli and/or the findings to make it easier for us to compare later with the online findings. After thinking on what framework we could use to sort these out and based on which factor/s., we thought of counting the repetitions of each stimulus presented in the Excel table

over all 10 stores. Then we thought of choosing a reasonable number X out of 10 which will be a determining factor in dividing the stimuli into effective (equals to or above X) and non-effective (below X), and hence, we'll determine which stimuli to drop and which ones to keep in our offline checklist when conducting our observations in the online context.

However, taking into account that the possibility of the varying results in applied stimuli between both retailers and between retailer's own stores can depend on many reasons, such as: laws and regulations, retailers' policies, and differences in size, location, customer types and preferences, etc, and not due to the inefficiency of these stimuli with lower numbers of repetitions. Hence, we decided not to drop the stimuli with findings that illustrate that the offline stores have not intensively applied them, by coming into consent that it is not up to us to decide whether or not the used in-store stimuli are successfully utilized by the retailers to drive impulse buying. In addition, these in-store stimuli theories are supported by countless research done by experts (Nordfält, 2007 & 2011, and Shankar et al., 2011, etc) and these authors used quantitative research methods that allows generalizations of their findings.

Hence, if not applied by big local retailers, that does not imply that they will not be used globally by others; and there is a possibility that these retailers have translated them to the online medium; hence, we are keeping all stimuli; after all, we have Tesco and Walmart (global retailers) to observe.

In addition, we could speculate to find these stimuli in the online stores but not in the offline counterparts. As we can suppose, it could be less costly for retailers to implement them in the virtual world, and/or more effective: in reaching a higher number of customers, in utilizing the stimuli faster, in delivering the communicative message and so on. Therefore, in our consideration, all stimuli, whether their presence has been detected or not in the store observations, will remain unchanged in the combined checklist (offline & online impulse buying stimuli).

The reason to conduct the offline observations will be to observe whether the utilized stimuli have been adopted online by e-grocers, and if the unutilized ones have been used in the online settings, thus, giving us an understanding on the similarities and differences between the two mediums. We believe it is the best decision, since the theoretical contributions we want to provide are first, to collect online impulse buying stimuli theories from other studies, that we

find them applied to online grocery shopping. Second, we want to add our own “potential” ones; hence, forming somewhat a preliminarily more comprehensive resource on this topic. In addition, to provide hypotheses, about the differences and similarities between offline and online impulse buying grocery shopping mediums, is our aim from this research.

Hence, a new table is formed to summarize the findings in one column representing both ICA and Coop stores as one entity that neglects the bricks and mortar boundaries and focuses only on showing what stimuli both retailers have employed in their stores, even if it was applied in one out of 20 stores. The filtered table is as below.

Theoretical In-Store Stimuli	Stimuli Presence in Offline Stores	
	ICA	Coop
Store’s layout	Present	Present
Background music/sound	Present	Present
Colors	Present	Present
Smells	Absent	Absent
Lighting	Present	Present
Floor graphics	Present	Present
Signage	Present	Present
In-store TV	Present	Present
In-store radio	Present	Absent
Displaced products	Present	Present
Shelf-talkers	Present	Present
Special displays	Present	Present
Product sample	Present	Present
In-store events/contests	Present	Present
Coupons	Present	Present
Price reduction	Present	Present
Bundle promotions	Present	Present
Store loyalty card offers	Present	Present
Gifts upon purchase	Present	Present

Colored boxes represent the presence of the specified stimuli inside the stores

4.2.1. Table 6. Offline checklist, comprised.

As we can see from the new table above, the same in-store impulse buying stimuli have been utilized by both offline retailers; except for in-store radio stimulus that was only found at ICA. Smells were not used as stimulus in any of the stores.

### 4.3. Offline observations- ICA and Coop

During our store observations, we noticed elements that seemed to be “potential” stimuli utilized by the retailers. Recipes offered by the retailer itself and by certain brands, in addition to promoting new products.

**In-store Layout:** ICA and Coop both showed similar results in using the above stimuli. They both seem to concentrate on increasing shoppers’ browsing time by providing a wide range of categories, recipes, as well as special displays, music, sounds, store design, visual graphics, etc. As of store atmospherics features, some ICA stores had a big large window (almost the size of the wall) beside the fruit and veggie aisles, giving the shopper a feeling of shopping outside, while at the same category in one of Coop’s stores, bird twitter was played in the background.

**Background music/sounds** were found in a number of stores. As mentioned before Coop had a bird twitter sound at the fruit and veggies section, while at one of the ICA stores, power rock songs were played.

**Colors** seem essential in all the stores. The colors used, whether for graphics or signage, were relaxing or popping out according to the retailers’ need. Also, we noticed the manifestation of the stores’ corporate colors, red for ICA and blue/green for Coop.

**Smells** were not used in the stores as a stimulus to drive impulse buying. At an ICA store, laundry wash odor was detected at the laundry products aisle but we cannot really be sure that ICA used this scent on purpose to invoke impulse buying behavior; especially since the same was not used in the rest of the stores.

As for **lighting**, ICA and Coop were different when it came to the intensity of the lights, where ICA employed more bright and intense lighting than its counterpart did. However, our study, which was conducted by two researchers separately, yielded that one preferred less intense lighting inside the store in contrast to the other. Nonetheless, we presume that the different lightning strategies work, since the two retailers are the biggest in Sweden.

**Floor graphics** were detected in almost all stores, for example in the shape of posters, images hanging from the roof and above frozen products fridges.

**Displaced products** were seen in all stores' visits to draw shoppers' attention to impulse items. They either placed them in a location other than their usual shelf space, to serve as complements for other products (i.e. Small cheese fridge in the middle of a bread shelf), or to remind shoppers of forgotten needs (i.e. spaghetti brands and sauce were displaced in the middle of the main route next to the cleaning detergents' aisle).

Also, many **shelf talkers** with different sizes and different contents (images, text) were used in all observed stores. They were placed inside the fridges, on the edges of shelves below the products or popping out to capture passing customers. They were used to advertise old and new products.

**Special displays** were situated in many aisles. Some displays were on a master scale as a Santa Maria grilling sauce display. It took half an aisle, double faced, and included posters, three different recipes placed separately on each side, and a wide range of the brand's grilling sauces. In Coop, Fanta had a special presentation near the fruit and veggies, where there was a big juice maker and oranges presented together with the Fanta bottle.

**In-store TV** was used in almost all the observed stores. The TVs were distributed in many sizes inside the stores. When placed above the fruit or veggies, the TV would suggest recipes or promote a certain product. In other locations, TVs served, for the most part, to promote certain products or to display products, which were currently on sale.

**In-store radio** has not been used except at one store (ICA), where the announcer every now and then welcomed the shoppers and sometimes reminded them about a sale on a certain product.

**Products samples** were seen inside some of the stores but were not that abundant. An example is ICA's French bakery (bread brand), which had a special table with a plate with small cubic bread pieces with butter on top. In another store, there was one lady in the store that promoted the new beat-meat mix who had cooked Beatburgers. While at Coop, a special

display was hanged on the spice and salt shelves offering customers Herbamare (herb mix) samples to try by a brand named A.Vogel.

**Signage** was not utilized much in the observed stores. One ICA had a few signs hanging from the roof in a shape of an arrow that was looking or pointing towards the product and had a circular sign beside that arrow with the new reduced price.

**Events and contests** were found in both retailers and mainly done by brands, like Marabou chocolates and Berocca who had flyers that promoted their competitions. Moreover, there was a yogurt brand, which also had flyers placed inside the fridge in front of its shelf; inviting the customers to take a quiz to win a free product from their range. There was one competition created by an ICA store, where the participant had to buy three products from the same brand and leave his information at the counter.

Price offers, such as **price reductions, bundle promotions** and **coupons** were used in all of the stores. Many of these targeted all shoppers while some offers were exclusive offers for the retailers' loyal members (with membership card).

**Gifts upon purchase** were not present in all stores, but when found they were mostly applied to magazines according to its type, for example; women's magazines had small items of make up while kids' magazines' contained children toys. Other gifts found only at ICA was: Buy one Nutella jar, and get a special spoon; whereas in Coop, at the baby section, one could get a backpack when purchasing a certain brand.

#### **4.3.1. New Offline Stimuli**

**Recipes** (potential stimuli) were offered by the two retailers and certain brands, and were found across the stores. ICA and Coop has booklets' and flyers' recipes spread in different aisles, mainly at the entrance, the veggie section and beside the meat fridges while brands displayed theirs in front of their products and sometimes in front of complementary products in different categories. Recipes by *Zeta* Olive oils, *Findus*, *Santa Maria*, and many others were present; *Zeta* recipes which were mainly pasta recipes could be fetched from olive oil bottles' shelves and the mushroom cans shelves.

**Promoting new products** (potential stimuli) was seen in almost all stores we visited; as Loka's mineral water 3 new flavors. Many stimuli were used, whether separately or jointly, to draw shoppers' attention to the new products, such as shelf-talkers, special displays, displaced products and more.

#### **4.3.2. Analyzing Our Choices for New stimuli - Offline**

##### **4.3.2.1. Recipes: store's recipes and product's recipes**

Numerous recipe flyers and booklets were found in all the scouted stores, placed in different aisles and categories; some were even found inside the shopping baskets. We believe they could be motivating people to commit unplanned purchases while roaming in the stores.

Geuens et al. (2003) illustrated that their researched grocery shoppers pointed out that they wanted more services from the retailers, and an environment that would help ease their stress. Also, Masouleha et al. (2012) who researched what factors have important roles in impulse purchasing, concluded that one of them is personal factors, where consumers impulse buy when they think they can acquire some sort of education and novelty as well as when the product can enable them to express their self identity. All of these points lead us to consider recipes as stimuli. After all, they seem to provide a service to help the irresolute customers, who have not planned their meals before entering the store, and offer an educational value and feeling of being unique or modern when it comes to cooking. Recipes could also have been utilized for entertaining reasons. Masouleha et al. (2012) adds another factor to the personal factors, which is to get entertained and Scarpi (2012) explained that hedonic shoppers love to have fun while shopping, and hence with these recipes they get to try new things and enjoy themselves while preparing them.

##### **4.3.2.2. Promoting new products**

As we mentioned in the in-store impulse buying theories, consumers are not only affected by products when purchasing but also by the place that sells them (Kotler 1973). Also, Turley and Milliman (2000) argue that store atmospherics have a strong impact on sales; when the customers feel that they are having fun, then they will stay longer in the store and, as a result, impulse buy (Nordfält, 2011, Turley & Chebat, 2002). We think introducing new products, and of course promoting them inside the store makes it an element of the stores' atmospheres that elevate consumers' moods and make their shopping trip exciting. Seeing new products in stores infer new

flavors and new experiences that will attract the hedonic shoppers or it can infer new items that could facilitate some aspects in customers' lives. Thus, both hedonic and utilitarian shoppers will be motivated to buy. Promoting new products inside the stores help customers to keep in mind that novelty can be attained when visiting the retailers. So, as the shopping trip will be more interesting and fun for shoppers, promoting new products can be an in-store impulse stimulus.

We think we can add these two stimuli to the combined checklist that we will use as a guide to observe the online stores, because Hadjiphanis & Christou (2006) mentioned that one of the elements for retailers to ensure that they will succeed online is that they have to provide customer value. One of the values they discussed was "play" and it is about to offer pleasure and enjoyment elements on their web pages. This seems translated in Scarpi (2012) who talked about hedonic shoppers and how they tend to commit unplanned purchases more than the utilitarian counterparts do. Promoting new products can target the former while recipes can target both types of shoppers. Hansen (2008) restated what other authors have said about consumer attitudes - "Consumer attitudes are often acknowledged to mediate the link between consumer values and behavior (Williams 1979, and Kahle 1980)...The relation of values, attitude and behavior can also be expressed as a hierarchical value–attitude–behavior model (Morrell, K. and Jayawardhena, C., 2008) (p:128-129). He eventually reached in his research to four types of online grocery consumers' attitudes; in which two can be motivated to unplanned purchase. The two attitudes are 'openness to change' and 'self-transcendence', where the former represents impulsive and convenience seeking shoppers while the latter represents shoppers who focus more on convenience and time saving, much in accordance with Scarpi's (2012) findings. Thus, we can say promoting new products can be considered as directed to the former while recipes might be more directed to the latter consumers.

#### **4.3.3. Decision for changes to the online checklist**

All gathered stimuli from theories were present except for smells, and both Nordfält (2011) and Shankar et al. (2011) were unsure about their effectiveness in driving impulse buying and increase of sales. Also, with the technology of today, smells cannot be transported from an offline medium to an online platform, so even though we said we will keep all theoretical stimuli, we will drop the smell stimulus from the offline checklist, since it will be useless to try to observe it in the online stores. As for the in-store radio stimulus, it was found at ICA and, technically, it can be used online, so this stimulus will not be removed. As for the two new offline findings, they will be added to the online checklist.

Theoretical In-Store Stimuli	Stimuli Presence in Offline Stores		
	ICA	Coop	Grocers (combined results)
Store's layout			
Background music/sound			
Colors			
Lighting			
Floor graphics			
Signage			
In-store TV			
In-store radio			
Displaced products			
Shelf-talkers			
Special displays			
Product sample			
In-store events/contests			
Coupons			
Price reduction			
Bundle promotions			
Store loyalty card offers			
Gifts upon purchase			
<b>New/Own Findings</b>			
Store's recipes			
Product's recipes			
Promoting new products			

Colored boxes represent the presence of the specified stimuli inside the stores

4.3.4. Table 7. Online checklist derived from the offline one.

#### 4.3.5. Observational conclusions from the offline retailers and online summary of observed stimuli.

So we can deduce that retailers have used all of the collected in-store impulse buying stimuli, except for the smell stimulus that was dropped earlier. And both of them have heavily distributed the detected offline stimuli, recipes and new products promotions, throughout their stores.

The conducted online observations that we have done in four online retailers are depicted in the table below.

Theoretical In-Store/E-store Stimuli	Stimuli Present at the E-Store			
	ICA	Walmart	Coop	Tesco
Store's layout / Categorization	Red	Green	Blue	Yellow
Background music/sound				
Colors	Red	Green	Blue	Yellow
Lighting / sufficient white background				
Floor graphics / visuals				
Signage				
In-store TV/animated-visuals			Blue	
In-store radio				
Displaced products	Red	Green		Yellow
Shelf-talkers				
Special displays		Green		
Product sample		Black		
In-store /e-stores' events/contests		Green	Blue	Yellow
Coupons / Coupons				
Price reduction / Price reduction	Red	Green	Blue	Yellow
Bundle promotions / Bundle promotions		Black	Blue	Yellow
Store loyalty card offers / Store loyalty card offers	Red		Blue	Black
Gifts upon purchase	Black			Black
<b>New/Own in-store Findings</b>				
Store's recipes		Green		Yellow
Product's recipes				
Promoting new products		Green	Blue	Yellow
<b>Theoretical e-store Stimuli</b>				
Reviews and comments (E-WOM)		Green		

Black boxes represent the stimuli that we could not observe due to membership obstacles or time constraints. However, it should be noted that no text or visuals existed in order to promote offers' for members.

4.3.6. Table 8. Online checklist results.

We can clearly see patterns of similarity and differences between the local and the benchmark online retailers. They all used categorizations and provided enough white background on their web pages, as well as, used colors, visuals and price reduction stimuli; while signage, in-store radio, and coupons were not present in any of the selected e-stores. The rest of the stimuli were used by some of them and ignored by the others.

It should be noted that some stimuli could not be observed for many reasons. Samples' page at Walmart did not have any samples, so we do not know for sure if it offers any. As for loyalty cards offer and membership personalized suggestions stimuli, registration to become members ourselves was not possible, because these foreign retailers oblige members to be in the same country as them. So data in these two domains was not attained. Lastly gifts upon purchase, going through each product on an e-grocers' website would be time consuming and,

due to time constraints, we were not able to flip through all the pages a retailer has. It should be noted though, that we checked all the products, that we've seen in the stores, which offered gifts upon purchase, in addition to others, and no such gifts were found online.

#### 4.4. Online observations

In this second part of the analysis, we move from analyzing offline store impulse buying stimuli to the online environment. We will observe ICA and Coop online grocery stores to check if the tactics used by their offline counterparts are adapted somehow to the virtual world or if there is anything new created for the online platform whether it is done by these two retailers or by the successful global ones **Tesco and Walmart**, which findings we will present separately. What was found as potential new impulse buying stimuli for online was reviews /comments, personalized suggestions for any customer, personalized suggestions for members, product advertizing and product information. Some of the outlined found stimuli have a direct theoretical strength as they have been outlined in literature on online web atmospherics, which is outlined in our table below.

##### 4.4.1. ICA and Coop

It should be mentioned that ICA has separate online stores that corresponds to specific stores on different geographical locations in Sweden. We have been researching two of these local websites.

**Categorization:** The categorization on the Coop page was the traditional one, with fresh foods, cupboard, bread and so on. The ICA Maxi web pages had made Breakfast and Lunch/Dinner into categories. Coop also had categories for news and promotions. One ICA Maxi page had a promotion tag, which was empty. ICA gave the opportunity to categorize according to price, brand and popularity.

**Background music/sounds:** Neither ICA or Coop featured any background music or sounds.

**Product samples:** Neither ICA nor Coop featured any product samples.

**Colors:** The Coop online shopping page was using the color of green and a little bit of grey for layout and text. The ICA Maxi pages used the color of red and grey. On one of the ICA pages there were a frame of red, with a picture of an aisle and a shelf with food stapled in it.

**In-store radio, Signage, Coupons, Gifts upon purchase:** Neither of the stores featured these stimuli.

**In-store TV:** Coop had many pictures of products as a Power-Point slide.

**Recipes:** The online shopping pages did not contain recipes for either of the stores. The recipes existed on their web pages, but these were not in direct connection to the online shopping pages.

**Promoting New Products:** Coop was having a category on the top of its page with new products featured. ICA Maxi was not having such a feature.

#### 4.4.2. New online findings - ICA & Coop

In this section we will present the findings of the offline stores that have not been specified in our checklist (that are not theorized as impulse buying stimuli), but that we believe are contributing to impulse buying online based on theoretical facts and on comparative grounds.

#### Reviews /Comments

Coop and ICA web pages lacked reviews and communications between consumers. One of the ICA pages gave the opportunity to send a message to the packing personnel about specific goods, though.

#### Product Information

Regarding the merchandise of ICA and Coop grocery shopping web pages, the product information was restricted to the basic information needed about a product, which is a picture, price and weight. Coop added information about ecological certificates such as KRAV and Änglamark, while ICA Maxi page added product contents for only a few goods, such as candy and canned goods. Ironically, the ICA Maxi page was urging the consumer to use the packaging information of the products to get information on contents, which is basically urging the consumer to go to a store. On the Coop page, there was only one picture available to present the products, with no opportunities for enlargement. It was also just one picture

available for each good on the ICA MAXI pages, which was small to begin with and could only be enlarged to the double size.

**Product Advertisements:** There were no product advertisements. The lists of products were the only feature seen on the sites, and there was no extras attached to the products such as contests, recipes, samples or further things. The only advertisement on the pages seen was a small tag informing about the Coop Baby ecological assortment, as well as information that the Coop Online store offered fresh fish every day.

**Personalization:** ICA had an “others also bought” section, where a list of products are displayed; representing what other shoppers, who selected the same product, have bought.

As we see, ICA and Coop are not that developed in these areas. We are not aiming to judge their performance, but to collect all the potential online stimuli to drive impulse buying from e-grocers, we chose to also look at Walmart and Tesco.

#### 4.4.3. Tesco & Walmart

The **categorization** on the two web pages was very similarly organized into the traditional food categories, with Walmart having extra categories for Special Diets as well as Food Gifts.

**Background music /sounds:** Did not exist at either Walmart or Tesco.

**Sufficient white background:** We considered that there was an adequate amount of white background in the two web pages.

**Displaced products:** Walmart, as opposed to Tesco was to a higher extent placing products in other categories that were related, and they were also adding suggestions such as: you might also like.

**Colors:** Tesco's webpage was using the blue color in different nuances that blended together smoothly and logically on the site. Yellow signs were used to signal low prices. Walmart was also using the blue color on their webpage, with hints of orange and yellow for some of the texts.

**Visuals:** Pictures on both sites were of good quality

**Shelf talkers:** Tesco was clearly presenting new products through shelf talkers on the side of the product in the product list, while no such feature was present on Walmart's site.

**Special displays:** A unique example was shown on Walmart's webpage, where a coffee brand had presented its coffee in a new way, depicting not only the package, but also coffee beans spilling out from it. This is only one example of how the two web pages displayed their products in a setting.

**E-store events/ Contests:** The Walmart page featured a neighborhood event where local firefighters would do a cook-off at the grill, and also expressed their support for a cause called Operation Homefront, which helps military families in financial need. Tesco did not feature any contests, but brand contests existed, such as one for the Lynx brand which sells body products for men. Naturally, Walmart also featured manufacturer contests through their product advertisements.

**In-store TV:** Neither Walmart nor Tesco featured any moving visuals on their sites.

**Price reduction, Bundle Promotions:** The Tesco online store was having specific price offers in each of its categories, on the larger subcategory pages such as offers on dairy, strawberries and meat for a barbecue at the fresh food category. Tesco was also displaying this week's product price promotions showing them in a horizontal grid. On the product list in the final categories, there were both price promotions and bundle promotions of the products. Tesco also had a tagged category at the top of their page where they have assembled all of the offers and categorized them according to their nature, such as seasonal offers, half price and offers for extra points. At Walmart, there were lots of different kinds of price promotions, such as clearances, value of the day and value bundles. However, none of them were for food, but for general merchandise. Walmart did not have any specific price promotions for the products, but they were advertising the low prices throughout, and at some instances they were referring to the offline store promotion booklets.

**Coupons and products samples:** At Walmart, there was a special page for coupons and samples that then could offers one link for each. The link for samples provided four coupons

that a customer could use to get a discount for service outside Walmart. We are not sure if there were no samples for grocery products at that time and could be given to customers as the ones found in stores. As for coupons, there were many of them for different kinds of goods, however, they could only be printed and redeemed in the offline stores.

**In-store radio and signage** were not found in any of these two online retailers.

**Store loyalty card offers /Gifts upon purchase:** Store loyalty card offers existed at Tesco, while none of the retailers used gifts upon purchase.

**Recipes:** On Walmart's meat, seafood and poultry page, a box named “idea center” included food and recipes, side dish recipes, and healthy eating which provides the customer with healthy recipes, low carb recipes, as well as low calories recipes. Tesco had a constant closeness to their recipe section through a recipe category at the top of their page. Tesco also provided informational and recreational sites on the main category pages. An example was a tag called Butcher's choice connected to the Fresh Foods page, where one could get more information about different meats, how to cook them, how much one should amount for X number of persons and so on. There were a dozen similar links on the site.

**Promoting new products:** Some of the product advertisements on the Walmart page stressed new products, and Tesco was revealing information about new products through shelf talkers.

#### **4.4.4. New online findings – Tesco & Walmart**

In this section we will present the findings of the offline stores that have not been specified in our checklist (that are not theorized as impulse buying stimuli), but that we believe are contributing to impulse buying online based on theoretical facts and on comparative grounds.

**Product Information:** At the Tesco online store full text about the products, nutritional value, ingredients, caloric value and how it should best be stocked was displayed. There were also details on lifetime value and other symbols indicating whether the products are proper to use for vegetarians. Walmart was similarly having a very extensive product page, with item descriptions, ingredients and recommendations for stocking and cooking.

**Product Advertizing:** The Tesco webpage product advertising was mostly done by Tesco, such as advertizing their Delivery Planner and other own features on their site, and there existed very few advertisements from a manufacturer brand. The product advertisements were made through the promotion tags, with pictures of packages of a certain product or categories, for example coffee, with a promise of lower prices. On the contrary, the Walmart webpage was containing much more manufacturer controlled advertisements containing information, recipes and links to Facebook with contests, for example. Some of the featured brands were Jennie-O, Lindt, Contadina and Sunkist. These advertisements were featured together with related and unrelated products. But they too, advertised brands through tags displaying categories, such as tea and chips, with pictures of chip and tea brands. Another point to mention is that Walmart, as opposed to Tesco was revealing brands in certain recipes on their recipe page.

**Reviews/comments:** Interactional elements existed at the Walmart product presentation stage, where there were possibilities of "liking" the product on Facebook, rating it and writing reviews. It was also possible to see what other people had bought in addition to the actual product.

**Personalization:** Walmart was using personalized features on their webpage, such as: recently viewed items, popular groceries, what people that viewed the item ultimately bought and more.

#### 4.4.5. Analyzing Our Choices for New stimuli – Online

##### *-Reviews and comments*

As Klein (1998) argues, the internet can change food from an experience good into a search good by its capacity to transfer information online in an easy way between consumer and consumer and hence give an uncertain consumer assurance whether he or she should try the good. Thus, the worries by consumers not to be able to inspect a good before buying could be subdued. This is one of the factors that make us reason that reviews and comments can be seen as potential impulse buying stimuli.

Moreover, as expressed by Ramus and Asger Nielsen (2005) and Hansen (2008), important factors for many consumers when grocery shopping are the social aspects of it, such as strolling around in the store with the family or friends, and interact with each other. Moreover, e- word of mouth are important in enabling grocery shopping online, as Ramus and Asger Nielsen (2005) proved that an important factor for trying food shopping online was referent individuals; friends and families that could recommend this type of shopping. Hansen (2008) is especially stressing that grocery shopping should not be seen as an action conducted in solitude, if grocery shopping online is to be successful. This strengthens our belief that interactivity online could be a way of be social when shopping and thus, make the consumer stay longer on the page, browsing around and become more susceptible for impulse buying (Beatty & Ferrell, 1998).

When observing the offline stores of Coop and ICA, we were not able to get an impression of what other consumers thought of goods, and we did not regard it as a milieu where strangers could discuss the quality of goods with each other. The only feature that might have had a similar meaning would be the certification symbols on a product package or shelf that tell that the product is a test-winning one. Here we see a clear difference of the resulting store atmospherics of the two mediums that we believe will have bearing on impulse buying practices and potentials.

Walmart is the only one of the online grocers that used commentary fields and other interactional features on the point of purchase site, such as rating of products. On their webpage, one can find commentaries on goods such as tea and canned soup. Moreover, in the product list, one can see the number of stars the product was rated not having to click on it to get further information. We believe that Walmart is “right on track” as we have seen other similar practices at large online shopping sites, such as Hotels.com (2013) that sells leisure services. The site gives a notification in the lower right corner when consumers on the site have booked a hotel of the preferences the user have chosen, and also tells from what geographical location the person is. This gives assurance to a consumer that a specific hotel and the site itself is popular, while giving it a live feel, with opportunities for the visitor to imagine the company of peers and make it more fun to visit the site, which according to Scarpi (2012) has a potential to increase impulse buying as well.

*-Generic/Membership personalized suggestions*

“Offering promotions through the right channels for the right shoppers improves the likelihood of influencing the shoppers at the right time in the shopping cycle” (Shankar et al., 2011, p: 33). We relate Shankar et al.’s theory to personalized suggestions, and even though these stimuli are not related to price promotions; we believe they serve what could be the higher goal from his theory – direct shoppers’ attention or remind them of products that – could - go well with their preferences at the right time during their shopping cycle. However, we cannot base our defense solely on our assumptions; so upon looking into this matter in theories related to personalization we found authors with similar perspective to ours who stated:

The extent to which a firm can leverage personalization technologies to construct a persuasive message with the right attributes (i.e., content, modality, frequency), and to deliver it effectively to the right person at the right time, has salient effects on the outcome of the firm’s communication strategy (Tam & Ho, 2005, p. 273).

Although their research was carried out in low-involvement hedonic consumption (ringtones), we believe the same stimulus – personalization – can work in grocery products as well. Offering suggestions for customers of all types (members and non-members) can be considered a service provided by retailers to help the shoppers, and according to Geuens et al. (2003), shoppers want more services from their retailers. So, this service can aid these grocery shoppers in finding other products that could be of interest to them or even be their sought out items, hence giving them a shortcut to get to their next items. Some may argue that this service will prohibit impulse buying as this so-called stimulus will help the customers get their grocery items faster and then lead to a shorter grocery cycle with less impulse purchases than when the retailer does not use this stimulus. But we disagree, as it depends on the consumers’ shopping orientation type; whether the shoppers are utilitarian or hedonic (Scarpi, 2012). The utilitarian consumers might find personalization a time-saving tool and not impulse buy, however, that does not really change things, since retailers already know that they spend less than others, whether shopping was done in the offline settings or online. On the other hand, hedonistic consumers, who are impulsive, fun-loving and entertainment seekers, risk takers, etc, can enjoy personalization since they can get introduced to new products, with one item leading them to the next and so on. Thus, the grocery shopping experience based on stores’ atmospherics that can make a positive shift in the customers’

moods as have been illustrated by Nordfält (2011) and Shankar et al. (2011), which, in return, will increase the e-store browsing time according to Beatty & Ferrell (1998), who argue that a longer browsing time means shoppers will be exposed to many other online impulse buying stimuli, and hence the higher their desires will be to try new things and the chances of impulse buying will increase. It should also be noted that when customers get suggestions of “what others have bought”, it could imply some sort of social presence for shoppers; who according to Masouleh et al. (2012), is an important factor to persuade people to impulse buy: the “presence of others”. This type of suggestions are not used in the factor’s broad sense but it could be enough for shoppers to feel that they are not shopping alone, which in a way mirrors the existence of the crowd/traffic in the store.

*-Product Advertizing:*

As outlined by Nordfält (2007) the store should be seen as an instrument that can be able to induce large shares of impulse buying when the right stimuli are put to place. These stimuli should be used in such a way that products and brands remind the consumer of their existence and hence hopefully uncover latent needs (Nordfält, 2007). This can be seen as a form of advertizing. Online, it should be equally important for a brand or product to be remembered, even though the internet provides other ways of doing this.

As seen at Walmart’s page, product advertisements were made in form of banners on the webpage that most often was a hyperlink to the brands webpage. The banners included fun elements such as recipes, introductions of new products and in one case, at Lindt, an opportunity to win chocolates through Facebook. These are just examples of the powerful ways of providing fun elements online that will most likely cater to the preferences of hedonic consumers that get immersed in their shopping experience and hence perform more impulse buying.

The benefit of online product advertizing in the form as presented on Walmart is that the consumer can pick and choose between the advertisements that fit their personality and mood, and through that get new information and have fun, without feeling any pressure of buying a product. This feature can cater to both utilitarian and hedonic consumers, where the former might want to get a recipe for a dinner while the latter is excited by new products that he or she would like to get more information about.

### *-Product Information*

The internet is a place where information about a product can be retrieved in an easy and accessible way, as opposed to when being in a grocery store, with various stressors, such as those mentioned by Geuens et al. (2003). According to Nelson (1970), the groceries, having status as experience goods makes us pick them fast and less consciously, since the cost of searching around for different versions of the products, such as visiting many stores, would be too costly as compared to the benefit acquired from the costly search. However, Klein (1998) argues that the internet has the ability to change experience goods into search goods (goods that it pays off to search for) both because of its opportunities for consumers to interact with each other about the products (as mentioned above), and because the internet has the ability to provide a large amount of information about the product.

Tesco and Walmart are delivering extensive product information on their web pages, with large pictures, sometimes more than one, as well as all the information about the product that could be retrieved from looking at the package, sometimes even more. If proper information is not provided by the online grocer, the consumer will have much less information than he or she could have in-store and hence imposing larger risk in choosing an unfamiliar product which could prohibit the purchase of a good altogether, and most certainly, impulse buying.

Whereas the consumer have the opportunity to touch and see the goods in a store setting, the online medium must somehow account for this fact by doing what they do best; spreading information through text and visual cues.

### *-Personalization*

Tam and Ho (2005) mentions that a website can be conceptualized as an environment that can alter the decision-making using stimuli. They claim that stimuli can take different forms like text, images, audio, animations, or video and in the case of web personalization, they believe that the design, format, modality and timing can induce different persuasive efforts to influence a customer's decisions. This stimulus is achieved by using recommendation systems that aim to provide the shoppers with suggestions on products that they might be interested in, according to their preferences detected by these systems (Bucklin et al., 2002).

Personalization can be generic in which it targets any customer on the retailer's web pages, and it can be member oriented in offering personalized suggestions as well, which demand customers' registrations where they give few details about themselves, such as their names,

address and email. Personalization can also be divided into complementary products suggestions (cross-selling and up selling) which according to Tam and Ho (2005) can be considered as persuasive messages. Such suggestions were seen at Walmart; hyperlinks in the form of text were found for ‘spices’ in the meat category. As for the other division, non-complementary products suggestions also play a role as we discussed in the online new stimuli section (personalized suggestions) in affecting buyers’ decisions, where we argued that they allow hedonic shoppers to enjoy their shopping time on the web; also, they can function as their offline counterparts – displaced products.

We strongly suspect that personalization is a way to impose impulse buying of groceries in an online setting. Shankar et al. (2011) mentions that new ways of conducting shopper marketing in-store is, to through the customer’s cell phone, give offers in real time while he or she is passing a certain shelf. This offline example is an excellent example of how technology changes the rules of the game to being able to focus more on the individual and making him or her feel special. While browsing on the website, the persuasive messages derived from the shoppers’ own preferences can grab their attention, which in turn will induce a change in their cognition, and then evoke affective responses and behaviors (Tam & Ho, 2005). The online users of grocery shopping can be notified of other products, which can complement their own chosen product or constitutes impulse buying items; and/or they get to experience elements from the virtual store atmospherics (webmospherics), that make the shopping trip enjoyable. This is especially true for those with an hedonic orientation, as this will probably make their shopping time longer as Nordfält (2011) and Shankar et al.(2011) stated, and, that will increase the shoppers’ desire, as to try new things and the chances of impulse buying will increase (Nordfält, 2011; Beatty & Ferrell, 1998). For utilitarian buyers and customers with a self-transcendent attitude , personalization can be an added service to help locate their products faster than when they had to click and scroll through pages to get what they need (Hansen, 2008). Also, for customers with a self-enhancement attitude, ‘what others have bought’ might give a feeling of shopping together with other consumers.

#### 4.4.6. The stimuli found online

Theoretical In-Store/E-store Stimuli	Stimuli Present at the E-Store			
	ICA	Walmart	Coop	Tesco
<b>Store's layout / Categorization</b>				
Background music/sound				
Colors				
Lighting / sufficient white background				
Floor graphics / visuals				
Signage				
In-store TV/animated-visuals				
In-store radio				
Displaced products				
Shelf-talkers				
Special displays				
Product sample				
In-store /e-stores' events/contests				
Coupons / Coupons				
Price reduction / Price reduction				
Bundle promotions / Bundle promotions				
Store loyalty card offers / Store loyalty card offers				
Gifts upon purchase				
<b>New/Own in-store Findings</b>				
Store's recipes				
Product's recipes				
Promoting new products				
<b>Theoretical e-store Stimuli</b>				
Reviews and comments (E-WOM)				
<b>New/Own e-store Findings</b>				
Generic personalized suggestions				
Membership personalized suggestions				
Product advertising				
Product information				

Black boxes represent the stimuli that we could not observe due to membership obstacles or time constraints. However, it should be noted that no text or visuals existed in order to promote offers' for members.

#### 4.4.7. Table 9. Online checklist complete results

To make the data more concise, we thought of doing the same as we did with the offline stores' observations and combined the results from each e-store to one concrete data display. Check table.

Theoretical In-Store/E-store Stimuli	Stimuli Present at the E-Store				
	ICA	Walmart	Coop	Tesco	E-grocers (combined results)
Store's layout / Categorization					
Background music/sound					
Colors					
Lighting / sufficient white background					
Floor graphics / visuals					
Signage					
In-store TV/animated-visuals					
In-store radio					
Displaced products					
Shelf-talkers					
Special displays					
Product sample					
In-store /e-stores' events/contests					
Coupons / Coupons					
Price reduction / Price reduction					
Bundle promotions / Bundle promotions					
Store loyalty card offers / Store loyalty card offers					
Gifts upon purchase					
<b>New/Own in-store Findings</b>					
Store's recipes					
Product's recipes					
Promoting new products					
<b>Theoretical e-store Stimuli</b>					
Reviews and comments (E-WOM)					
<b>New/Own e-store Findings</b>					
Generic personalized suggestions					
Membership personalized suggestions					
Product advertising					
Product information					

Black boxes represent the stimuli that we could not observe due to membership obstacles or time constraints. However, it should be noted that no text or visuals existed in order to promote offers' for members.

4.4.8. Table 10. Summary of online findings.

#### 4.5. Observational deductions for online

The joint observations give a clear picture of which in-store and e-store impulse buying stimuli have been applied by the online grocers to motivate impulse buying online (all except of the following: background music and sound, signage, in-store radio, coupons, and potentially products' samples) and, hence, these stimuli constitute the non-adapted in-store stimuli at the online platform. The table also depicts the new detected online stimuli that we came across during our online research (generic personalized suggestions, membership personalized suggestions, reviews and comments ((E-WOM)), product advertising, and product information).

After combing the results given by the online grocers we can place them side by side, to give us a clear view on the similarities and differences between online and offline grocers in utilizing impulse buying stimuli in their respective mediums.

Theoretical In-Store/E-store Stimuli	Stimuli Presence	
	E-grocers (combined results)	Grocers (combined results)
Store's layout/Categorization	Present	Present
Background music/sound	Absent	Present
Colors	Present	Present
Lighting/sufficient white background	Present	Present
Floor graphics/ Still-visuals	Present	Present
Signage	Absent	Present
In-store TV/animated-visuals	Present	Present
In-store radio	Absent	Present
Displaced products	Present	Present
Shelf-talkers	Present	Present
Special displays	Present	Present
Product sample	Absent	Present
In-store/e-stores' events/contests	Present	Present
Coupons/Coupons	Absent	Present
Price reduction/Price reduction	Present	Present
Bundle promotions/Bundle promotions	Present	Present
Store loyalty card offers/Store loyalty card offers	Absent	Present
Gifts upon purchase	Absent	Present
<b>New/Own in-store Findings</b>		
Store's recipes	Present	Present
Product's recipes	Present	Present
Promoting new products	Present	Present
<b>Theoretical e-store Stimuli</b>		
Reviews and comments (E-WOM)	Present	Not Researched
<b>New/Own e-store Findings</b>		
Generic personalized suggestions	Present	Not Researched
Membership personalized suggestions	Absent	Not Researched
Product advertising	Present	Not Researched
Product information	Present	Not Researched

Black boxes represent the stimuli that we could not observe due to membership obstacles or time constraints. However, it should be noted that no text or visuals existed in order to promote offers' for members. As for the textured pattern, it symbolizes the stimuli that haven't been researched in grocers.

4.5.1. Table 11. Impulse buying stimuli usage comparison between online and offline

Using the above data, we can see clearly which stimuli have been used by online retailers and these collected elements (with the colored boxes) could be proposed as constituents of a valid list for e-grocer theoretical impulse buying stimuli. However, it should be noted that from these unutilized offline stimuli: background music/sound, in-store radio, signage, coupons, and potentially product samples; the most surprising unadapted stimuli were coupons and even samples. These two stimuli were heavily employed by the offline local retailers - ICA

and Coop - and coupons stimuli was observed only at the global retailer Walmart (as we could see, at walmart.com, the over 200 coupons could be printed and redeemed in stores). Nothing at Walmart's webpage stated that members can use the coupons online or if there is any other way. On the coupons' page, it was strictly written for buyers to take the coupons to the actual store. As for samples, we understand that some types of products samples are to be consumed right there at the retailer; however, some are small packed samples that could be placed with the grocery order, under the shopper's demand. However, none of the e-grocers had utilized this stimulus, even Walmart who had a webpage especially for products' samples was dry of any sampled items to be ordered and tried by the buyers. We cannot guess why Walmart had no samples at the time, nor be 100% sure that they have never used this stimulus, and since it is a big store, it is considered to be surprising.

*Before we present the list, the names of the in-store stimuli should be modified to fit the online environment and, thus, mirror the offline stimuli, when they have opposites in real life stores.*

#### **4.6. Online Stimuli Mirrors for the Offline Stimuli**

##### **I. Ones that have been previously mirrored, inspired by Manganari et al (2009)**

*Store's layout = Categorization*

*Background music/sound*

*Colors*

*Lighting = sufficient white background*

*In-store events/contests = e-stores events/contests*

*Visuals* have been divided to two sub-elements, according to their format:

- *Floor graphics = Stationary -visuals* (motionless images)
- *In-store TV = Moving-visuals* (usually a rectangular window-like box displaying or many images, one after another, using apps as Flash, Java and HTML 5). The virtual TV in e-grocers, showed many still images, but in the form of a PowerPoint slide show.

##### **II. New Mirrored Online Stimuli**

*Displaced products = Displaced category links*

Displaced products tend to surprise the buyers by appearing in aisles with different category than its original 'rightful' one. By 'rightful' we mean where the product actually belong. These displaced products can be complementary and non-complementary to the adjacent items, but they act as a reminder or desire-trigger to lure a customer to impulse buy. Same was noticed online with, what we call it, displaced category links where they appear in other category pages beside the subcategories and even the products.

*Shelf-talkers = e-screamer*

Shelf-talkers are always presented on the shelves, in front of their assigned brands; however, on the web, there are no shelves; so we dropped the 'Shelf' word and added 'e-' and it became e-talker. But we thought it is not a good name since it does not fully translates the power of influence a shelf-talker has, and that's why we turned to another name for shelf-talker, which is screamer and we decided to name this online stimuli as e-screamer instead of e-talker. Examples for e-screamers: when a tag is found on product images, indicating that it is organic or new. Another example would be a product's promotional visual placed in its rightful category.

*Special displays = Product's image add-ons*

Products' images are collectively the same; the shape/picture of the product is featured on a white background. Since special displays' goals are to attract shoppers' attention, beautify store's atmospherics, and to promote the displayed products; the 'add-ons' term seems appropriate to use since it is used to tailor features/functionality to applications. Hence, a product's image add-ons will represent products' images with constructed backgrounds, whether they are a simple picture, as spilled coffee beans on a yellowish background with a tilted coffee package, or a more complex one, that can for example show the product used in a real life setting.

*Personalization (retailer's suggestions)*

It is used to customize the webpage for the shopper, whether by putting ads for favorable products or recommending interesting items. We detected two types of personalization during our research:

- a) *Generic personalized suggestions (G.P.S)*

G.P.S. is similar to displaced products, as it can do the same function in displaying either complementary or non-complementary products; but G.P.S. is a more technologically advanced stimulus and different in the way it customizes the suggestions according to every buyer's potential preferences.

b) *Membership personalized suggestions*

We could not detect it due to the fact that we cannot register for membership unless we live in the same country as the e-grocer. But since personalization, in general, can increase impulse buying, then it should be the same case for membership personalization, so we will keep it as a part of the online retailer stimuli)

**III. Unchanged Naming** (*we concluded that there is no need for a new name for each of these stimuli, as they are universal terms.*)

*Price reduction*

*Bundle promotions*

*Gifts upon purchase*

*Recipes (Store's recipes – product's recipes)*

*Promoting new products*

*Product advertising*

*Product information*

*Reviews and comments (E-WOM)*

*Store loyalty card offers* (we left it with the same name, due to the fact that customers have store cards that is utilized in both channels and not just specifically made for one)

After the offline stimuli were translated to their online counterparts, we summed up the 'potential' e-grocers' impulse buying stimuli in the table below.

### ***E-grocer Theoretical Impulse Buying Stimuli***

#### **Categorization**

**Background music/sound**

**Colors**

**Sufficient white background**

**E-store events/contests**

**Visuals:**

· **Stationary – visuals**

· **Moving-visuals**

**E-screamer**

**Product's image add-ons**

**Price reduction**

**Bundle promotions**

**Store loyalty card offers**

**Gifts upon purchase**

**Reviews and comments (E-WOM)**

**Recipes:**

· **Store's recipes**

· **Product's recipes**

**Promoting new products**

**Product advertising**

**Product information**

**Personalization:**

· **Generic personalized suggestions**

· **Membership personalized suggestions**

4.6.1. Figure 3. Summary online stimuli

We know that our findings are considered only theoretical and in this stage unquestioned; however, as we have stated numerous of times, the fact that the areas of impulse buying, in general, and impulse buying at e-grocers in specific are still considered quite new, and even rare for e-grocers, this motivates us to take a few more steps than just stopping at the potential online stimuli. As we want to contribute mainly to theories and encourage future researchers to open up to impulse buying, we decided to categorize the obtained ‘theoretical’ stimuli, to help us create a ‘theoretical’ model for e-grocer impulse buying stimuli.

## **4.7. Categorization**

To make the theoretical stimuli organized to facilitate the process of constructing a business model for grocery retailers so they can generate impulse buying online, we decided to assort them into two categories.

The first category is translated from **Store Atmospherics and Design**. It is inspired by how Nordfält (2011) suggested to categorize in-store atmospherics based on a model created by Baker, Levy, and Grewal (1992) where they divided these stimuli into:

- *Design factors*: in-store layout, colors, signage, lighting, floor graphics, and in-store TV (digital signage)
- *Background Factors*: smells, music/sounds, and in-store radio
- *Social Factors*: personnel - Which we will not be using due to contrasting results when this stimulus is used in different types of grocers (prestige stores vs. discount stores) (Nordfält, 2011).

In this research we have decided not to use the subcategories above due to their entrenchment in the offline setting. We have instead chosen to present the stimuli directly underneath the broader category *Store Atmospherics and Design*, by which we will be replacing the term to make it suit the web store by naming it after what Childers et al. (2001) calls the virtual store atmospheres *webmospheric*, the counterpart for the physical store atmospherics.

The factors that should go underneath the webmospherics category are the ones which we mirrored from Manganari et al. (2009) new model to classify online store atmospherics; the ones which have opposites that contribute to the offline grocers' atmospherics (mirrored above), and the (explained) new online and offline findings, except for product advertising (since it will contribute to the product more than the store's environment). They are, as follows: *Categorization, Background music/sound, Colors, Sufficient white background, E-store events/contests, Visuals (Stationary – visuals, and Moving-visuals), Product's image add-ons, Recipes (Store's recipes, and Product's recipes), Promoting new products, Reviews and comments (E-WOM), Product information, and Personalization (Generic personalized suggestions, and Membership personalized suggestions)*.

The second category is called **Sales Promotion**. According to the business definition for this term as presented by Business Dictionary (2013), 'sales promotions' include all the stimuli that serves to direct the buyers attention to products, and aims to influence purchases, which are: *E-screamer, Price reduction, Bundle promotions, Store loyalty card offers, Gifts upon purchase, and Product advertising*. Their offline counterparts were identified related to this

category as previously explained by Rook (1987), Nordfält (2007, 2011), Peck and Childers (2006), and Dhar and Hoch (1996).

#### **4.8. Suggestion of models**

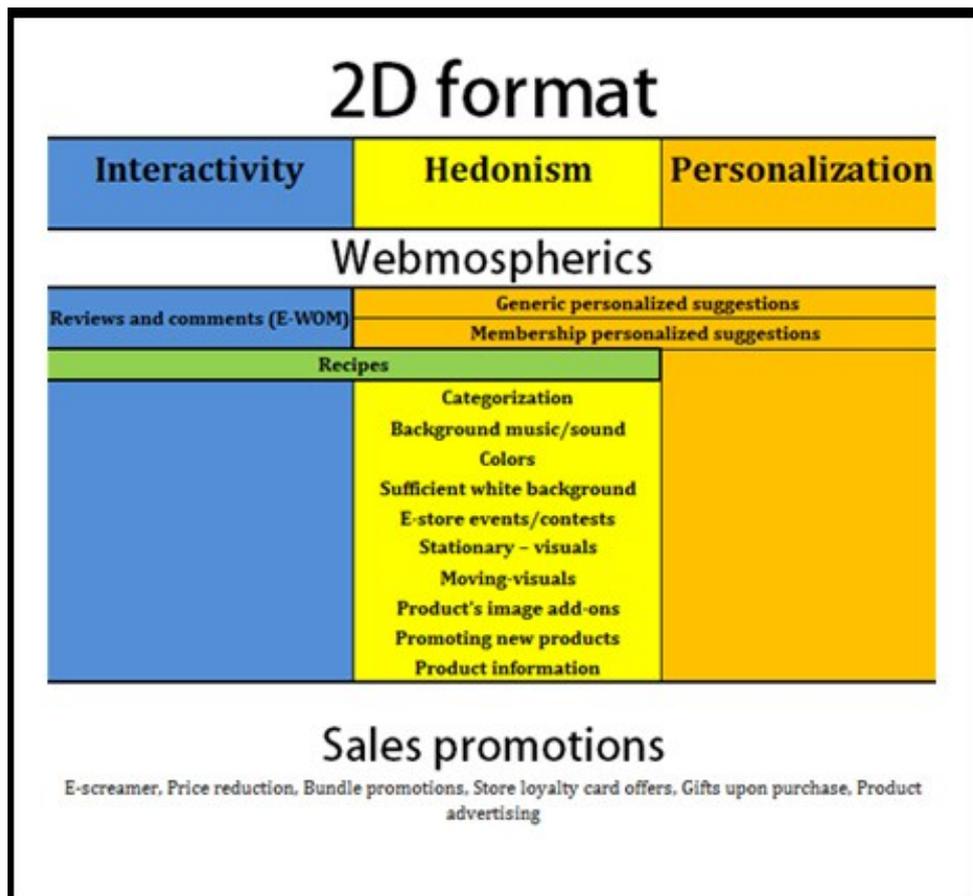
Hedonistic customers are prone to impulse buying online, since they tend to enjoy their shopping time and try new things. We can say that after the previous reading and studies, they are influenced by the webmospherics, which according to Scarpi (2012), its elements play an important role in getting the customers browse longer, and in the end, impulse buy more.

Also, recipes and personalization (G.P.S. & M. P. S.) elements are important factors for hedonic consumption, since they allow these types of customers to express their self identity, try new things, and improve their shopping experience.

Interactivity represents social activities and relationships shoppers can attain and maintain in the online context. It can be recommendations and reviews about products from friends, family members, or even other strangers; constituting a part of E-WOM. But these features were also observed to be applied at the recipes' section at Walmart.com, so recipes can be seen as a hedonistic element which has also been utilized as an interactivity tool.

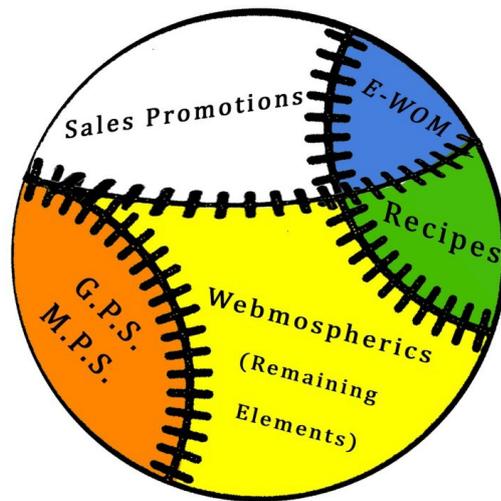
In addition, it should be reminded that all elements of impulse buying and interactions presented on the interface are part of the 2D format, since as we said, text, visuals, animations, colors, etc, are perceived by the eye as 2D. Hence, 2D is the stage, which upon it the other elements and factors exist.

Based on the above, we constructed this figure, to help the readers conceptualize the model that we are going to present.



4.8.1. Figure 4. Model for impulse buying online in the grocery industry

The whole shape designates the 2D format, but on top it we clustered the important elements and factors of impulse buying, according to their previously mentioned relationship. The white area is the 2D Format that is the base for everything, the colored areas represent the existence of the factors – Interactivity, Hedonism, and Personalization and inside on them, the impulse buying online stimuli were placed accordingly with their tight relationship, that can be broadly described as a cause and effect relationship (for ex. Webmospherics lead hedonistic buyers to unplanned-purchase).



- Hedonism & Personalisation
- Hedonism
- Hedonism & Interactivity
- Interactivity
- 2D Format

4.8.2. Figure 5. The Baseball Model

The baseball form represents the 2D, and the colored areas are used as in the presented table above. This model was created to show how big importance the respective components have and their intertwined relationships. ‘Webmospherics’ takes most of the space on the 2D format depicted as a baseball, and its stimuli work on targeting the three factors we illustrated previously: hedonism, interactivity, and personalization. These factors share common webmospherics stimuli. As for the non colored area (white area), it represent the 2D format with the rest of the stimuli, which fall under the category of ‘Sales Promotions’ and our study did not identify any elements or factors that relates to these stimuli.

Some might ask why we chose a baseball shape as a form for our model. Hopefully, our answer below would give an insight on why we chose this particular form:

As we both are interested in the field of grocery retailing, we embarked on this journey to help the grocers become profitable retailers online as retailers in other industries are today, because we believe that there is a cut for e-grocers in the e-commerce feast which has not been properly exploited yet. We think grocers should aim to pitch high in the field of online retailing.

- *Annie and Nancy*

## 5. Conclusion

### 5.1. Discussion

The purpose of this research has been to visually observe the impulse buying stimuli in offline and online grocery stores to eventually attain a comprehensive study that reveals how impulse buying stimuli manifest themselves in an online setting. In doing this, we used the largest Swedish grocery retailers, observed their stores in searching for our pre-designated stimuli found in literature as well as added new findings. We then did the same with the corresponding online stores, keeping the checklist used for the offline stores and adding from our new online findings as well as literature on online stimuli to highlight the differences in stimuli between the two mediums. We also consulted two benchmark companies, which are developed retailers that sell groceries online and offline abroad.

From previous research on impulse buying, we know a lot of how this outcome should be attained offline through stimuli, but online the theories are scarce, and especially in our industry of focus, which is groceries. However, our visual enquiry into the two grocery mediums proved successful in that we could outline a handful of new stimuli, both for offline and for online stores, in addition to the theoretically grounded ones we had outlined in the checklists.

By our choice to use the comparative method, we used comparison between offline and online as a recurring theme, based on the fact that offline impulse buying has proven successful and that we hence might get leverage on using the working theories for offline as a starting point. We could, by our new findings outline four main differences between the online and offline mediums that we believe are critical to how impulse buying stimuli will and can be manifested online. These are *hedonism*, *interactivity*, *personalization* and *format* (2D or 3D). These four traits are, according to us, the most radical differences between the online and offline mediums, and the traits most concurrent with the new stimuli we have found.

"Hedonism is the festive, ludic or even epicurean side of shopping; it is related to fun and playfulness rather than to task completion, and thus it reflects the experiential side of shopping, comprising pleasure, curiosity, fantasy, escapism and fun. By contrast, utilitarianism is described as ergic, task related and rational, meaning that a product is purchased efficiently and rationally; it is related to necessity rather than to recreation, and is often described in terms commonly used to evaluate work performance (e.g. success, accomplishment)" (Scarpi, 2012, p. 54)

A clear insight gained from our observations is the different natures of online and offline shopping, in regards of hedonism and utilitarianism. A trip to the grocery store is often or always task oriented. As far as we know, the vast majority of people are entering the grocery store with the intention to shop. The store is not a bar where one goes to chat with people about food and have fun as the aim of the shopping, and on top of that, not buy anything. However, the latter could be true for the online grocery store. Here you could enter without shopping anything, to watch recipes and share with others on the site what you thought of products through commentary fields, read the product ingredients and take the time you need.

These two completely different approaches towards time and sense of urgency are an implication of the two different mediums, and might make many of the theories compiled by Nordfält (2007) about impulse buying stimuli in-store invalid for the online medium. However, this is not to say that some people do not stroll around in stores for a long time, and that some do not shop online in a task-oriented way, but according to Nordfält (2007) the offline store is designed for facilitating fast decisions.

In her study on electronic homepages, Scarpi (2012) found that hedonistic consumers accounted for the largest share of impulse buying as opposed to utilitarian consumers. It is possible that this is also true for shoppers of groceries. Scarpi (2012) argues that the hedonistic consumers get immersed in the features on the website, and enjoy the fun animated features and the sensation of shopping from this new outlet. Also de Kervenoael et al. (2006) agree that grocery shopping online should be designed differently than offline, emphasizing hedonistic features. Concluding, recipes, appetizing pictures, competitions and the possibility for interacting with others are hedonistic elements of a grocery shopping site that most likely increase impulse buying.

Another thing that we, through our study, have seen as differencing between the offline and online mediums is the interactivity that the latter offers the consumer. As Klein (1998) argues, the internet can change food from an experience good into a search good by its capacity to transfer information online in an easy way between consumer and consumer and give an uncertain consumer assurance whether he or she should try the good.

The opportunity to interact online has already been proven successful and important, as seen at for example Facebook and commentary fields of diverse blogs. We, moreover, claim that

interactivity on a grocery shopping site can have various benefits for the consumers and have effects on impulse buying. Firstly, consumer-to-consumer interaction can transform experience goods into search goods, and hence enable many consumers to shop groceries online in the first place. Secondly, as expressed by Ramus and Asger Nielsen (2005) and Hansen (2008) important factors for many consumers when grocery shopping is the social aspects of it, such as strolling around in the store with family or friends, and interact with each other. Hansen is especially stressing that grocery shopping should not be seen as an action conducted in solitude. We believe that the interactional instruments online such as commentary fields, like-buttons and suggestions what other bought, are the online alternatives of offline socializing, and are important motivational factors for shopping groceries online. Finally, immersing in interactivity online will most likely make the consumers stay longer on the page, enjoy themselves, browsing around and become more susceptible for impulse buying (Beatty & Ferrell, 1998).

Brand choices and products' preferences for a shopper are usually discrete choices when bought in the offline grocer context given the practical difficulties for a grocery retailer to personalize the shopping experience for each customer (Bucklin et al., 2002). However, in the online setting, personalization is more advanced, and many steps ahead of its offline counterpart, which we believe could be perceived as a primitive stimuli when compared to the online opposites. Offline, the displaced products stimulus display the products as in non-customized and universal suggestions for all customers, whether they are complementary or not; whereas online the retailer can predict what the shopper would like to buy, solely based on the patterns of purchasing done by other customers who selected that precise item. The same is true for in-store loyalty card offers that do not differentiate between one member and another. It seems much easier for the e-grocers to get to know their shoppers' patterns of purchasing behavior online than offline. As a result, individualized suggestions can be tailored to customers based on their acquired data that depict their past purchases and browsing history, and then accordingly predict what could be favored choices for them. Also, this stimulus can be a lot more fun to experience in the online store than offline one, since it can come in different forms (text, pictures, video and more). Another factor could be due to effortless scouting for the suggested products, in contrary to the real-life store. Hence, we could suspect that personalization lead to positive outcomes by influencing the buying behaviors of the online shoppers. In a sense, every page click represents a persuasion opportunity for a firm (Tom & Ho, 2005).

The final main difference between the offline and online mediums is their reliance on the 3D (real world) and 2D format, respectively. This can be illustrated by the fact that in an online setting, piles of goods cannot be presented in an as appealing way as in an offline one, due to its restriction to a 2D format. This also explains the heavy reliance of text and pictures online to navigate, as we have observed. Navigating in an offline store, the customer can make his or her way without signs for the categories in each aisle, as we saw did not even exist in some stores. This shows the different natures of the stores, where in the offline ones, reliance lie on the tangible products, and online, it lays at the categories.

Finding the way in a grocery store might not be that hard, but a poorly designed online shopping page is detrimental to sales. As the UIE (2002) and Lohse and Spiller (1998) spelled out early in the research of internet shopping, categorization are central to the effect of sales, and more specifically, impulse buying. In other words, this is a good example of the power of text and headlines in the world of online shopping. However, one should not disregard the role of the *main route* in the offline store either, since this will act as a platform for certain impulse buying tactics (Nordfält, 2007).

The different formats have also proven to change the way that manufacturers can advertize their products. Advertizing banners on the sites have become a way of standing out online, according to our observations, as opposed to point of purchase heavy impulse buying stimuli offline, such as shelf talkers, special displays around the product, coupons and recipes booklets.

This is one of the areas, we feel is most differing between the mediums, and more research is needed to determine how the manufacturers can push their products more consciously and effectively online at the point of purchase

Concluding, we reasoned that since excellent theories of offline grocery impulse buying exist, it would be unwise not to use them in a research about online grocery impulse buying. Although we are aware of the fact that offline might not simply influence online, online might also have influenced offline in a reciprocal relationship. However, we estimated the similarities between the two mediums as influential, and argue that offline can still be considered the most influential grocery shopping outlet as of today.

## **5.2. Conclusion**

Our exploratory research has been investigating the phenomena of impulse buying and how it manifests itself online in the grocery industry. The main findings of our research concerns the differences of the offline and online mediums, and how these influence how impulse buying is to be manifested within each medium, and especially the online one.

Through offline and online observations, we have been able to confirm impulse buying stimuli usage in stores, as well as added new ones. Our main theoretical framework for the offline impulse buying stimuli has been constituted of Nordfält's (2007) and Shankar et al.'s (2011) theories on impulse buying and shopper marketing. For the online theories no established amount of theories exists, but we chose to build upon Manganari et al.'s (2009) model on store atmospherics for web retailing.

Built upon this framework and our store observations, we found that the online environment is most differing to the offline one in terms of atmospheric cues, that are not directing the consumers attention to a specific product but concerns the main atmosphere of the store, and more similar when it comes to sales promotions.

## **5.3. Theoretical contributions**

Our research have been done in an under researched area; impulse buying online in the grocery industry. While theories exists on impulse buying in areas such as electronics and apparel, we have found a clear gap in the area of groceries, which we however feel is a relevant research area due to the high impulse buying occurring offline in the grocery industry. We consider that two main contributions can be made from our research. The first is regarding methodological considerations in researching an area like this and the other is regarding the actual conclusions we have reached.

We consider visual enquiry to be a relevant tool when researching much of the online world, because of the necessity to map out the constantly new features that occur on web pages, to be able to know the basic visual cues which in fact is the reasons why we log on to the computer in the first place. In our case we wanted to get theory on an online medium that is occurring largely in an offline setting: impulse buying. We believe that a comparative analysis is the only logical way to analyze these two features, and moreover, it is time saving, focused, and trustworthy given that not only primary information is retrieved but also that background factors that could be intervening are well known (Azarian, 2011). As the online environment

is constantly evolving, we believe this to be a relevant method and analysis for not only e-commerce but all features that exist offline and online, simultaneously.

As for the conclusion reached through our observations and analysis, we argue that the exact same impulse buying stimuli that are used offline cannot be used online, due to factors such as format. Moreover, we have found that the main differences between offline and online lies in atmospheric features, such as interactivity, hedonism and personalization (as can be seen in our model that is based on our conclusions on impulse buying online: the baseball model). However, impulse buying stimuli related to sales promotions remained mostly unchanged in their nature, and stimuli such as special displays and shelf talkers were used online but in modified forms as compared to their offline counterparts.

#### **5.4. Managerial contributions**

As the internet shopping is increasing every year in Sweden and technological advances are made constantly, grocery retailers will most likely not be able to afford to have a low performing e-commerce site (Svensk Distanshandel, 2012), in terms of both sales and impulse buying. In this, our study can be of help in outlining the most relevant features that firstly, is differing between the online and the offline mediums, and secondly, pointing to specific stimuli that could be used for inducing impulse buying online.

In accordance with de Kervenoael et al. (2006) we believe that the retailer should avoid trying to create an online e-commerce presence with the offline grocery store model in mind. The internet corresponding features of the offline store might look different than the retailer thinks, and this might create negative outcomes for sales and impulse buying; after all, going from offline to online is going from 3D to 2D formats.

To create a fun, interactive and hedonistic website for grocery shopping online might be easier said than done, and it might not be a coincidence that Tesco and Walmart have websites with more hedonistic features than ICA and Coop, considering their sizes. However, it is absolutely crucial to spend money and time on an e-commerce site in order for it to take advantage of the specific traits of online shopping that can make a larger share of impulse buying possible.

## 5.5. Suggestions for further research

We consider impulse buying in e-commerce to be a highly interesting area, where research from many different angles is needed for reliable and generalizable conclusions to be established and used in the industry.

Our research should be considered a beginning into researching this area, and the most relevant further research to be conducted would be to test our theories to see if the factors we have outlined as important for impulse buying could be established quantitatively. As we have simply outlined probable impulse buying stimuli in a qualitative way, this would be necessary to cement our hypotheses as either true or false, and to nuance them.

With an increase in the usage of smart phones that can facilitate the daily life in diverse ways, also grocery shopping has become a reality for certain retailers (Tesco, 2013). An interesting area that unfortunately could not be covered in our research would hence be to explore impulse buying in this mobile medium.

Another area that would certainly be relevant to research further, would be groceries in comparison with other industries, such as books, electronics etc, to build on Klein's (1998) theories about experience- and search goods online.

As for more detailed research, it would be interesting to see how coupons and product samples are used online, as we lacked findings of these stimuli in our research. Could these be offline-only stimuli, or could they work online?

Finally, the websites we visited all had membership in logs that we unfortunately could not access on Walmart and Tesco's sites. However, it would be interesting to see how these membership pages are utilized, and the value added from these.

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