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THE AGE OF EXPERIENCE

A Qualitative Study of the Revitalisation of the Customer's Physical Retail Experience based on the Example of IKEA

by

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“If my mind can conceive it,
my heart can believe it,
I know I can achieve it!”

Jesse Jackson (cited in Kafaji, 2013, p. 64)

Abstract

The entire retail industry is facing drastic changes at the moment: topics such as personalisation and omni-channel are on each management agenda. Additionally, new retail store concepts are continually popping up, and the changing role of store associates causes concerns. In particular, physical retailers are struggling on how to reinvent the physical store by changing the store's main purpose. The younger customer segment who represents the target group of this thesis is characterised by a high level of tech-savviness and knowledge due to the abundant digital pools of information nowadays, and hence, heralded the 'Age of Experience'. Additionally, they expect retailers to meet their needs and expectations in a whole new way by offering uniquely new store solutions and concepts. So far, researchers and practitioners are discordant on *how* to create these unique experiences in-store for the customer. Therefore, the following research question occurred: *How to re-vitalise IKEA's in-store customer experience by redefining the main purpose of the physical store environment?* Hence, this study is of theoretical as well as of practical relevance and the findings of this thesis, therefore, aim to minimise the knowledge gaps in both disciplines.

A qualitative research study has been conducted in order to answer the research question adequately. The empirical material has been collected by conducting interviews with IKEA managers as the first step. Secondly, focus groups which consisted of international participants have been scheduled in order to get the customer's perspective regarding their expectations towards physical retailers when shopping in physical stores. Thirdly, observations at IKEA stores helped to prove or disprove the attitude-behaviour gap that might have existed between the statements of the focus group participants and the actual behaviour of customers in the real store.

The following analysis of the obtained empirical material aimed to localise a match and/or mismatch between the retailer's offers and the customer's expectations towards the retailer. The analysis supported the fact that customers are mainly driven by hedonic factors and are profoundly influenced by their 'social ecosystem'. Furthermore, the findings indicated that customers are extremely focused on time-saving and convenience issues, and most importantly, they use the physical IKEA store as a source of inspiration. In particular, the touch-and-feel factor of physical stores is still highly valued by the younger customers. Based on these insights, we defined recommendations that are tailored to retailers such as IKEA and these recommendations pictured the customer's level of expectation. Hence, suggestions such as sleepover nights at IKEA stores, Design Workshops or Socialising Zones within the store have been defined. Furthermore, additional recommendations have been presented which aim to improve the customer experience overall.

Keywords: Customer Experience, Retail Revitalisation, Customer Engagement, Physical Store

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1 Introduction

This chapter introduces the reader to the background of the topic for this thesis and outlines the problematisation, purpose and aim of research. This leads to the research question for the thesis at hand. Furthermore, contributions and relevance, both theoretical and managerial contributions, will be addressed and lastly, an outline of the thesis as a whole will be given.

1.1 Background

"Imagination is more important than knowledge. Knowledge is limited. Imagination encircles the world".
Albert Einstein (cited in Ebeltoft Group, 2017, p. 37)

Knowledge about the retail industry and the customer alone is not sufficient anymore in order to stay competitive (Ebeltoft Group, 2017). An even higher level of expertise and experience is needed to distinguish oneself from the competition online and offline (Ebeltoft Group, 2017). In particular, the factor *experience* functions as 'new key to retail success'. As highlighted by Bäckström and Johansson (2006), we reached the status of an 'experience-oriented economy', and the customers are actively looking for experience when going shopping. The two researchers further described this phenomenon as a new form of consumption that is mainly based on experience (Bäckström & Johansson, 2006). Especially, the rising level of competitiveness challenges retailers increasingly and the identification of what customers truly value, need and expect becomes even harder to localise due to the highly complex business setting nowadays (Yuen, 2014). Overall, retailing is facing tough and disruptive times at the moment since changing customer behaviour, and the explosion of digitalisation, in general, do have a profound impact on the entire retail landscape (Edelman & Singer, 2015). Therefore, 'outside-the-box-thinking' is needed and a higher level of imagination of the retailer in order to meet the changing customer needs more adequately in the future by offering unique moments in-store and attractional retail brand environments to the customers (Sorescu, Frambach, Singh, Rangaswamy & Bridges, 2011).

In particular, the rise of digital technologies fostered the creation of the so-called 'empowered customer' over the past couple of years, which shifted the power retailers once had over to the knowledgeable customers (Edelman & Singer, 2015; Ebeltoft Group, 2017). Hence, the retail landscape has to re-define its focus. Rather than focusing purely on selling products, retailers need to actively engage with their customers in-store to create a unique and truly memorable experience for them which ultimately results in a higher level of brand loyalty (Sorescu, Frambach, Singh, Rangaswamy & Bridges, 2011). Furthermore, the role of the customer has drastically changed over time: Today, the customer is rather seen as a 'co-producer' or 'co-creator' in the retail landscape (Sorescu, Frambach, Singh, Rangaswamy & Bridges, 2011). In addition to that, the role and purpose of the physical store are fundamentally changing: "People don't *have* to go to stores anymore, people have to *want* to go to stores" (Ebeltoft Group, 2017, p. 11). Hence, physical retail stores need to be more than just places where customers purchase products (Ebeltoft Group, 2017). Stores have been identified as a unique opportunity to design exciting, engaging environments for the customer where they can actively experience the products and the brand overall, which, in turn, leads to a valuable brand experience (Ebeltoft Group, 2017). Tesla, to mention one best practise example, already adopted this approach by offering a 'direct-to-customer' store concept where they educate 'Tesla-to-be-customers' and design in cooperation with them their future Tesla car (Stromberg, 2017). The main idea is basically to enable the customer to spend time with the brand as well as offering a physical setting where the customer can truly experience all facets of the brand and the product right on-site in a customised and relaxed area, rather than purely purchasing a product there (Stromberg, 2017).

Nowadays, retailers are obliged to understand, construct, improve and most importantly, expand the existing journeys of their customer (Edelman & Singer, 2015). The ultimate goal is to enhance the customer experience across different touchpoints by applying a customer-centric rather than a product-centric mindset (Edelman & Singer, 2015). This means, instead of selling products in the first place, the retailers' main aim is to offer a truly memorable customer experience in-store which is the "most profitable product a retailer can sell" to their customers nowadays (Woolley, 2018, n.p.). Ultimately, the retailer will then add value to the customer's life, which highlights the importance of value creation (Edelman & Singer, 2015). Aspects like automatization, a proactive approach towards personalisation, constant interaction with the customer, a deep understanding for the customer's individual needs and a permanent innovation of the customer journey are needed to achieve this goal (Edelman & Singer, 2015). Retailers need to design unique customer experiences by taking into account an omni-channel perspective in order to stay competitive in the future (Edelman & Singer, 2015).

1.2 Problematisation

Retail is not dying, it is simply changing (Stromberg, 2017): There is a drastic transformation ongoing regarding the role and primary purpose of physical retail stores now and in the future (Stromberg, 2017): Away from a purely pragmatic and product-centric purpose towards an experiential shopping experience for the customer that is characterised by a rather customer-centric perspective (Stromberg, 2017). The role of the store and its strategic direction became even more critical due to the increasing similarity of products nowadays and the variety of choice (Bäckström & Johansson, 2006). One of the most significant advantages of the store is its' emotional and physical component that is still requested by the customer since they can touch, feel, inspect, test and see the products in a real setting (Bäckström & Johansson, 2006; Sachdeva & Goel, 2015). However, the challenge hereby is on *how* to highlight these physical advantages even more by offering innovative and engaging in-store solutions to the customer (Bäckström & Johansson, 2006). Many retailers have already recognised the need to change and improve the in-store experience, but it still exists a high level of uncertainty on *how* to actually create these unique shopping moments in-store (Bäckström & Johansson, 2006). Retailers need to embrace this shift wholeheartedly and keep pace with the competitors if they do not want to lack behind the competition since those who successfully navigate this change process will have an edge (Stromberg, 2017). Due to the rise of multiple channels, it has become even harder to map the journey that each customer takes and also the localisation of the customer's needs and expectations became a complex undertaking for the retail environment (Edelman & Singer, 2015). The digital technologies fostered the rise of the so-called 'empowered' customer who knows exactly what product they want, at what time, and how they are going to retrieve it, e.g. through delivery service or self-pick-up (Edelman & Singer, 2015). Retailers have been trying to navigate customer's journeys, however, retailers are starting to restore the power balance by shaping rather than reacting to the customer's paths (Edelman & Singer, 2015). Every customer's path is different, and the usage of different channels makes it even more difficult for retailers nowadays to know precisely of what the journey consists of (Edelman & Singer, 2015).

By saying that retail is not dying, the emphasis is on the physical stores. However, the emphasis should not be about the physical store survival, it is more about the retailer's survival. The idea with the physical store is to offer physical presence of products and to offer a memorable experience to the customer (Rigby, 2011). However, for some retailers to move forward and to adapt to the changing environment, a physical store might not be needed if it does not add to the customer's experience (Rigby, 2011). The purchase of products can take place on any of the retailer's channels, and that is why it is essential that the channels complement each other (Rigby, 2011) and offer a seamless experience to the customers. The main challenge for retailers is *how to rethink the main purpose of the store* in order to hit the 'triple-bottom-line' (Sachdeva & Goel, 2015). This means to improve the store with regard to the changing customer needs, but also regarding the store associates and the economic performance in order to achieve a new level of (economic) efficiency overall (Sachdeva & Goel, 2015). The creation of successful customer experience will ultimately lead to financial rewards for the retailer but a failure of the creation of such unique moments for the customer might truly threaten the existence of that retailer in the future (Sachdeva & Goel, 2015). Therefore, this topic is also of high economic relevance. Moreover, with regard to the rethinking process of the physical store's purpose, the integration of technology into the physical store environment is highly important in order to add value to the customer experience overall (Carr, 2017; Rigby, 2011) and most importantly, to empower the store associates (von Briel, 2018). However, technology should only be integrated to a certain extent in order to avoid any form of gimmick overload (Carr, 2017). Hence, retailers are facing a difficult learning process at the moment, and they need to find ways on how to incorporate technology into existing retail business structures and strategies in order to create valuable experiences to the customer at the end (Rigby, 2011). This may cause some severe difficulties for retailers since this technological transformation requires a high level of tech-savviness and technological know-how (Rigby, 2011). Especially, the retailer's workforce has to have bright minds on board who are used to work with innovative technologies and know precisely how to handle and steer it effectively (Rigby, 2011).

Global online retail players such as Amazon, are moving from pure online to offline retailing by opening their first real physical store since they recognised the vast and unique opportunities of a physical retail presence in terms of intensifying the whole customer experience (Deloitte, 2018). This puts even more pressure on existing physical retailers as they need to compete with Amazon's technological and innovative customer experience and their vast range of technological know-how on a physical level from now on also (Deloitte, 2018). However, this does not mean that physical retailers should adopt everything and change it accordingly to Amazon (Rigby, 2011). Every retailer still needs to differentiate themselves from others by designing their own unique customer experience (Rigby, 2011). Retailers need to have a fresh mindset to start over by applying a somewhat disruptive retail approach (Rigby, 2011). Hence, this means to rebuild the whole experience in-store from scratch instead of looking at the current retail experience and trying to improve it (Rigby, 2011).

The described problematic also applies to IKEA's traditional business model which is based on the fundamental idea: 'you do your part, we do ours', but this concept is constantly losing its' acceptance among younger customers due to their desire for a higher level of convenience and time-saving issues (Lundholm, interview, March 27, 2018, n.p.). According to Lundholm, this do-it-yourself approach does not fit anymore with the new customer profile and their level of expectations (interview, March 27, 2018). The mechanical sales[1] strategy is under threat since the products are becoming increasingly more complex and customers require more help in terms of understanding all features of a particular product (Lundholm, interview, March 27, 2018). Furthermore, it has been identified that the main issue for IKEA is that their whole business concept is laid out for cars in the process of acquiring their products (Lundholm, interview, March 27, 2018). However, due to the increasingly growing usage of smartphones and other technologies, the car is not the only 'tool' anymore in order to connect people (Lundholm, interview, March 27, 2018). Therefore, the main challenge for IKEA is to be able to fully take advantage of the 'smartphone mobility' and its role in accordance with other channels, such as the physical store (Lundholm, interview, March 27, 2018). With the emergence of the smartphone and other technical devices, the retail environment has had to adapt and perhaps, as mentioned already, was forced to rethink their physical store concepts. However, even if IKEA's 'blue box' store concept needs to change, they still need to stay true to who they are (Lundholm, interview, March 27, 2018). That is one of the most significant challenges for IKEA but also for other retailers in general: on the one hand, finding the balance between the heritage of the brand and staying true to who they are and on the other hand, integrating this brand heritage into the changing and highly digitised retail landscape.

1.3 Research Purpose and Research Question

In current research, the experience-concept in retail and the determinants of customer experience are vaguely mentioned topics, and hence, require more attention due to the increasing level of expectations of the younger customer segment in particular and the highly disruptive character of the retail industry at the moment. In particular, the *how*-question has not yet been answered properly: *how* to create truly unique experiences for the customer in physical

[1] The mechanical sales strategy is applied by IKEA for example as stated by Morten Lundholm. This means basically, self-service which applies to IKEA's 'do-it-yourself' business concept (interview, March 27, 2018).

retail stores. Therefore, the main purpose is to enrich existing knowledge in this particular research field by investigating the future role of the physical retail store and what truly entices customers to the physical store now and in the future. Retailers like IKEA who are mainly specialised in offline retailing, need to offer whole new in-store solutions based on an omni-channel perspective that create a truly unique moment for the customer in-store. These findings will help IKEA to map the specific expectations and needs of their younger customers more adequately and how new store-concepts might look like in the future based on these customer insights. Furthermore, these findings will help to deepen the knowledge on how to use the stores successfully as a "vehicle for marketing rather than just straightforward sales" (Stromberg, 2017, n.p.). Subsequently, the ultimate aim is to localise to what extent IKEA meets the needs of their customers at the moment. Hence, the localisation of a match or mismatch of "what retailers strive for and what consumers seek" is needed and represents the fundamental idea of this thesis (Bäckström & Johansson, 2006, p. 418). Consequently, the identification of customer's expectations towards physical retail stores and retailers in general helps to close gaps that might hamper a seamless and unique customer experience. Ultimately, the findings aim to support, strengthen and improve IKEA's future plans on *how* to design a truly memorable experience for their customers in-store. This led to the following research question of this thesis:

RQ: How to revitalise IKEA's in-store customer experience by redefining the main purpose of the physical store environment?

1.4 Contribution

The clarification of this research question will lead to theoretical and practical contributions in this particular field of interest. The contributions are divided into theoretical and managerial contributions and are based on the problematisation, purpose and aim of this thesis. The thesis at hand helps to gain deeper insights into the topic of interest which, in turn, helps to improve existing and complement further research in that particular field. It is also crucial for the retail industry as such, especially for retailers who are operating mainly on a physical level since they can make use of these findings and adapt them to their current business model. This might help to minimise the risk of not being relevant, attractive or competitive anymore in the long-run.

1.4.1 Theoretical Contribution

There is a lack of knowledge regarding the inducement of experiences in a physical store environment (Bäckström & Johansson, 2006). It exists uncertainty in the research landscape on *how* to create these unique experiences in-store for the customer (Bäckström & Johansson, 2006). Furthermore, the term 'experience' has been hardly described in research and the overall experience construct requires further investigation that is empirically grounded (Bäckström & Johansson, 2006). Additionally, it has not yet been investigated in detail to what extent younger customers demand these unique experiences in-store, and if so, which kinds of experiences would meet their expectations and needs the most and how they have to be offered to them in-store. Hence, this thesis aims to make substantive contributions to the barely existing knowledge in that particular field, by researching and investigating the customer's needs as well as identifying their level of expectation towards physical retailers while shopping in a physical store. These insights will help to minimise the existing knowledge gaps in existing literature which, in turn, will provide the research landscape with a much deeper understanding on which they can build on in the future.

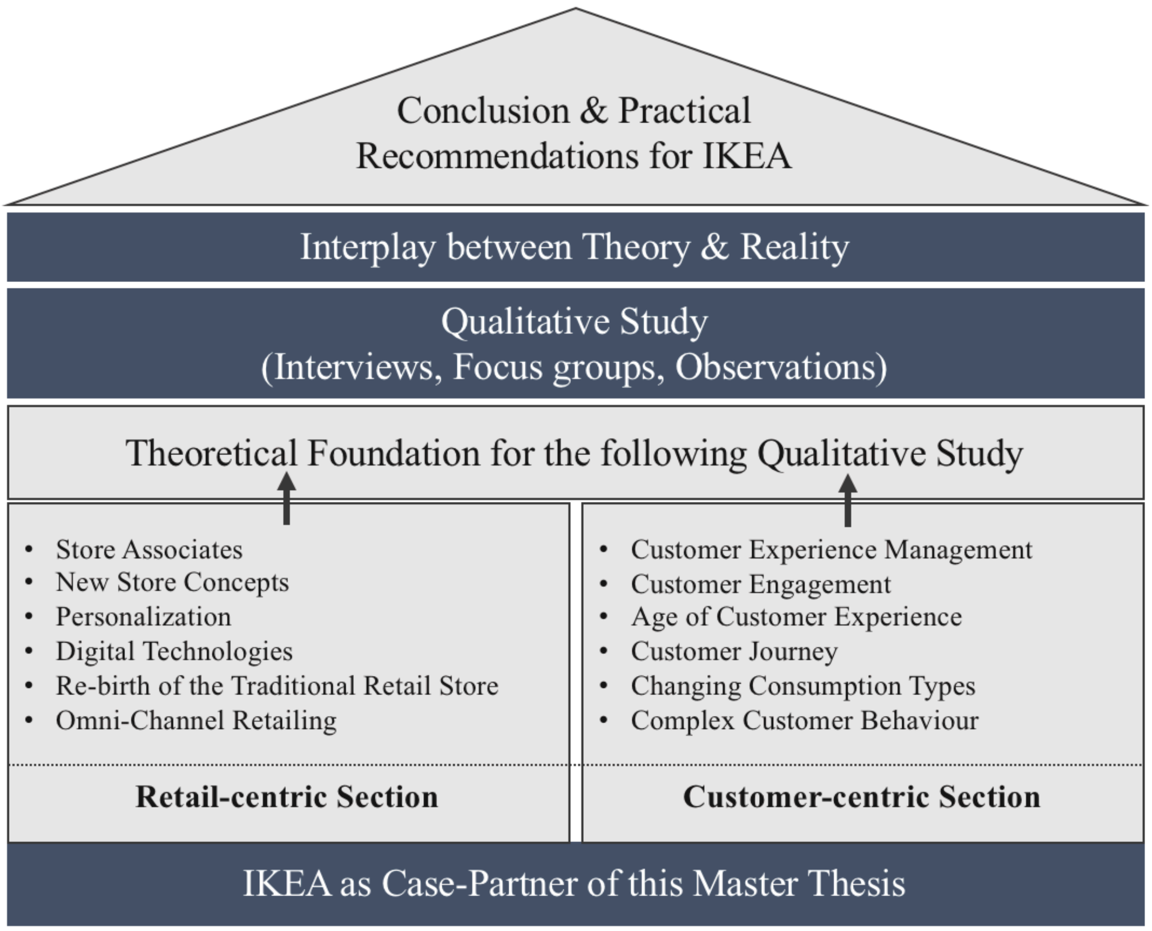
1.4.2 Managerial Contribution

Customers represent the 'power-centre' nowadays since they create and cultivate relationships with multiple recipients, for example other customers in particular, which, in turn, leads to either positive or negative word-of-mouth, depending on the quality of experiences they have made with a certain retail brand. Consequently, the customer is a powerful force who truly has an impact on the actions of retail brands and also on the retailers' level of (economic) success in the long-run. In this particular context, the gathered findings aim to encourage customer experience, marketing and business development managers to design and develop new marketing strategies and store concepts on how to engage with the customers in a more experiential way by redesigning the physical retail space. The creation of a truly memorable customer experience in-store will then lead to a positive word-of-mouth among customers that impacts the overall brand image positively and ensures long-term success and profitability. Hence, the successful redesign of physical retail stores will help to guarantee the retailer's survival in the future.

1.5 Outline of the Thesis

The outline of the thesis at hand has been visualised in the figure below. This figure describes the structure of this thesis in the form of a house architecture. Hence, IKEA as real-life case partner functioned as fundament and starting point as they approached us with the question on how to revitalise IKEA's physical store environment successfully. The two pillars, retail-centric section and customer-centric section, represented the needed theoretical foundation. Hence, the gained theoretical knowledge that arose was necessary in order to conduct the qualitative study. The interplay between theory and reality then unsheathed improvements that have been translated into recommendations that were mainly tailored to retailers such as IKEA who are operating mainly on a physical retail level.

Figure 1: Outline of the Thesis



(Own graph)

2 Theoretical Framework

In the following subchapters, we will describe the theoretical framework that has been designed in order to frame the research question from a current research perspective. These subchapters will address relevant research standpoints, theoretical concepts and current knowledge in the field of customer experience, customer behaviour and general changes in the retail landscape overall. These insights enabled us to approach the research topic from different angles, and hence, functioned as a solid starting point and fundament for the data collection process later on. This theoretical framework is of preliminary nature since certain parts of these perspectives will be investigated further throughout this thesis by collecting empirical material that is related to these research perspectives. We started rather broad by taking into account the omni-channel retail perspective, the fundamental changes in the physical retail landscape which then led us further to a more customer-centric section in which we investigated changes in customer behaviour. Lastly, we reflected upon the concepts of customer experience and customer engagement and the strategic management of these complex constructs in order to complement the theoretical framework of this thesis.

2.1 The Future of Retail

The rising influence of online retailers such as Amazon[2] and eBay[3] are constantly transforming the traditional brick-and-mortar stores into omni-channel retailers (Min & Wolfinbarger, 2005; Pentina, Pelton & Hasty, 2009; Zhang Farris, Irvin, Kushwaha, Steenburgh & Weitz, 2010). Omni-channel retailing is mainly about offering a cross-channel business model across all channels in order to create a seamless experience for the customer (Hall & Towers, 2017; Levy, Weitz & Grewal, 2013). This omni-channel approach requires the development of human capabilities and fundamental changes in the organisational and strategic mindset of the retailer (von Briel, 2018).

According to Zhang, Farris, Irvin, Kushwaha, Steenburgh and Weitz (2010), the rise of the online retail industry influences customers' purchasing decisions heavily nowadays. Customers now have the opportunity to browse products in-store and then purchase the same products online at a different place and at a different time (Zhang, Farris, Irvin, Kushwaha, Steenburgh & Weitz, 2010). Hence, the customer is not restricted to the physical store as the only 'purchasing location' anymore (Balakrishnan, Sundaresan & Zhang, 2014). This change forced

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[2] Amazon is one of the biggest online retailers with an extended assortment of product categories.
[3] eBay is an online marketplace where people can sell and buy products.

many physical retailers to implement online channels in addition to their existing physical channel, the store, in order to stay competitive in this vast moving retail landscape they are operating in nowadays (Balakrishnan, Sundaresan & Zhang, 2014). Online retail giants such as Amazon or Alibaba[4] truly dominate the 'e-commerce world' at the moment and have thus, made it extremely difficult for other retailers to perform as good as they do in the area of online retailing (Carr, 2017). The biggest assets of e-commerce retailers are their competitive edge in terms of *convenience*, a *variety of choice,* and most importantly, saving *time* for the customer (n.a., 2017). Hence, the outperformance in these crucial areas has led to the closing of many brick-and-mortar stores of other rivalling retailers who were operating on a purely physical level (Carr, 2017). For example, Macy's[5], a real 'retail-institution' in the United States had to close 100 stores last years of its 728 shops (n.a., 2017). This fact has been highlighted in Carr's (2017) study, who predicted that more than 8,600 stores would be shut down by the end of 2017 in the US. At the same time, Carr (2017) emphasised the fact that brick-and-mortar stores are closing, but they are not entirely dying. He specifically pointed out that physical stores need to discover and establish new ways to respond and differentiate themselves from big online competitors such as Amazon and their disruptive business models (Carr, 2017). Hence, "when Amazon zigs, retailers must zag" (Carr, 2017, p. 98).

More and more customers shop online today instead of shopping in physical stores, but what are the main reasons for doing that? Breitenbach and Van Doren (1998) discussed the attributes of online shopping in detail. They argued that the main reasons behind this trend are mainly *time- and money-saving* issues, a higher level of *convenience* and easy *availability of information (*Breitenbach & Van Doren, 1998). In particular, the access to this vast pool of information has increased massively due to the steadily growing access to the internet (Hall & Towers, 2017). Additionally, the growing usage of smartphones in combination with the permanent availability of information enabled customers to look up information regarding products whenever and wherever they want (Webb, 2012). Thus, customers can easily compare prices and read reviews which, in turn, might influence their purchase decision and the place of purchase (Webb, 2012). Therefore, it has become profitable and advisable for retailers to be present online (Goworek & McGoldrick, 2015). One significant advantage of being present online is the potential to cover a much wider geographical area for a small cost factor compared to setting up a brick-and-mortar store (Webb, 2012). Additionally, an online presence makes it much easier for retailers to expand their business and increases thereby the overall flexibility of the retailer (Goworek & McGoldrick, 2015).

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[4] Alibaba is a global online retailer who offers products for cheap prices (Wang, 2018). Alibabs can be described as the ‚chinese Amazon' (Wang, 2018).

[5] Macy's is an American retail brand and is extremely famous and well-known worldwide for its huge department store in the center of New York City.

Deloitte (2018) identified four main retail trends in its study. They monitored the retail landscape in terms of rising trends between 2012 and 2017. In 2012, a subtle shift from traditional stores to e-commerce occurred and had been mainly triggered by online retail leaders such as Amazon or Alibaba (Deloitte, 2018). As the internet and its integration in the retail business were seen more as an experiment, physical retailers built their e-commerce channel separate from their traditional physical business in order not to lose their 'main pillar' completely (Deloitte, 2018). Thus, most retailers still have different online and offline entities (Deloitte, 2018). In 2014, the trend of omni-channel retailing was introduced (Deloitte, 2018). Retailers started to focus on creating a seamless experience for the customer across all different channels (Deloitte, 2018). Later on, in 2015, customer experience represented the main area of focus and retailers realised that customers were relentlessly looking for a higher level of *personalisation* while shopping (Deloitte, 2018). Last year, in 2017, a fundamental re-birth of stores became the main trend (Deloitte, 2018). It is not very surprising that the 'Big-Two', Amazon and Alibaba, are leading the retail field again by opening up their first brick-and-mortar stores, and hence, quit their position as pure online retailers (Deloitte, 2018). They have noticed as one of the first, the rising importance and vast opportunities of a physical retail presence in terms of elevating the customer experience and escalating the level of customer engagement (Deloitte, 2018). Hence, these players started opening up their first physical stores in order to provide the full experience to their customers (Deloitte, 2018). These stores are equipped with the newest digital technologies, especially, in terms of incorporating the smartphone seamlessly into the whole in-store experience and thereby integrated their online competences and know-how perfectly into the physical store (Deloitte, 2018).

There are different viewpoints and speculations among researchers and practitioners on how the future of retail is going to look like (Levy, Weitz & Grewal, 2013). Goworek and McGoldrick (2015) interviewed a few intellectuals regarding their prognosis on the future of retail. They stated that the brick-and-mortar store as such will not persist but instead will be increasingly *transformed* into different store concepts such as showrooms for example (Goworek & McGoldrick, 2015). Furthermore, the *physicality* of stores matters, and multiple points of presence increase the reach for a retailer, and pro-active engagement with the customer becomes increasingly important as well (Goworek & McGoldrick, 2015). The retailers should be where the customer is, and one suggestion in relation to that is to incorporate the digital experience into the physical store (Goworek & McGoldrick, 2015). Additionally, Rigby (2011) stated that brick-and-mortar stores need to *design* the visits, so they are more exciting, entertaining, and emotionally engaging for the customer in order to put the overall customer experience to a whole new level. He further agreed on the fact that the adoption of the omni-channel environment to the brick-and-mortar store becomes even more crucial for retailers (Rigby, 2011). Furthermore, he mentioned that the main fault that retailers usually make is to minimise staff in order to be able to offer lower prices while competing with online retailers (Rigby, 2011). However, this will even aggregate the problem of competing with online retailers as "with even less service to differentiate the stores, customers focus increasingly on price and convenience which strengthen the advantages of online retailers" (Rigby, 2011, p. 72). Therefore, he suggested turning the main feature of a brick-and-mortar store into an asset by emphasising the face-to-face aspect and human touch that online retailers cannot offer

(Rigby, 2011). Rigby (2011) argued that retailers need to identify each customer's unique path in order to avoid the one-size-fits-all approach that is applied in physical stores at the moment. Furthermore, Morse (2011) added to the omni-channel discussion by interviewing the senior VP[6] for Retail for Apple, who is now the CEO[7] of JCPenney, about the integration of online and offline retailing. The interview outcome predicted that brick-and-mortar stores would be the main channel to get products in the future, but an integration of the digital facets and the online channels is needed in order to meet the requirements of the growing multichannel world more adequately (Morse, 2011).

Moreover, Carr (2017) discussed how retailers could differentiate themselves and stay competitive with the more prominent retailers such as Amazon. For example, when Amazon grows, it will create an opportunity to create something small and local to differentiate and contradict the significant organisations' retail trends (Carr, 2017). He stated that the more Amazon pushes the robot-powered efficiency, the more space is left for the *human interaction* (Carr, 2017). Additionally, he mentioned that the KPI's[8] of stores are not as important or adequate as they have been a few years back, such as the 'sales per square foot' for example, since products can reach customers in different ways nowadays (Carr, 2017). Furthermore, von Briel (2018) argued that the focus regarding contact points with the customer should shift from channels to more individual contact points and it is highly critical to consider that each of these contact points represents an essential point of *interaction* between the retailer and the customer, and hence, influences the customer experience overall.

2.1.1 The Re-birth of the Traditional Brick-and-Mortar Store

Von Briel (2018) argued that brick-and-mortar stores will continue to represent a fundamental touchpoint in the customer journey of each customer. Nonetheless, there are some challenges to keep the physical stores relevant to the customer (von Briel, 2018). The primary challenge for brick-and-mortar stores is to develop a "holistic innovation that can transform major processes across the store operation and reshape the fleet operation to better suit needs of customers today" (Deloitte, 2018, p. 9). Hence, retailers must push and foster a holistic store innovation in order to differentiate themselves from the competitors successfully and to deliver value to the customer (Deloitte, 2018). Most importantly, retailers must re-align the primary purpose of the physical store in order to achieve a higher level of innovation in the store by taking into account digital technology and exploiting the vast opportunities that are linked with technology (Deloitte, 2018).

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[6] VP stands for Vice President
[7] CEO stands for Chief Executive Officer
[8] KPI stands for Key Performance Indicators

According to Carr (2017), the brick-and-mortar retail process is not the same anymore since retail can now be unbundled from transactions. He further argued that retailers are not expecting the purchase to take place in store as they start to see that the purchase may take place online after visiting the physical store (Carr, 2017). Moreover, Carr (2017) suggested that physical retailers should aim to build lasting relationships with their customers in order to differentiate and compete with online retailers since at the end, the emotional component between the customer and the retailer plays a pivotal and central role. Therefore, the in-store experience is more about offering advice and solutions, even if this means counselling the customer's away from a higher-priced product (Carr, 2017). Additionally, he argued that retailers should put emphasis on this as their bigger competitors, such as Amazon, cannot copy the "time-honoured lesson of merchandising and customer attention" that physical stores can offer (Carr, 2017, p. 114). Furthermore, retailers need to convey the brand story across every single touchpoint as customers seek different things at different points, and thus, the purpose of the brick-and-mortar store is to provide a unique opportunity to transmit and communicate the brand's story to their customers (Deloitte, 2018). In addition to that, brand values play a crucial part in retail as well as it can help to select criteria upon which digital technology might be implemented into the store and to set principles on how to re-design the store (Deloitte, 2018). Overall, it is important to mention, that the product itself will still represent an essential component of the brick-and-mortar stores in the future but the right products need to be available to the customer at the right channels, either in-store or online (Deloitte, 2018).

2.1.2 Digital Technologies

Digital technologies represent a significant force in terms of driving the retail transformation towards omni-channel retailing (Rigby, 2011). These technologies are going to increase the number of touchpoints that a customer has with a certain retailer (Lewis, Whysall & Foster, 2014). The brick-and-mortar stores will need to implement more and more digital technologies in order to improve the customer experience overall, and this will also change the whole environment of the store, such as the role of the store associates for example (von Briel, 2018). Retailers have to integrate digital technologies into all channels (von Briel, 2018). Especially, physical stores build the centrepiece in terms of creating unique customer experience with the aid of technology (Lewis & Dart, 2014; Rigby, 2011; von Briel, 2018). Hence, retailers need to minimise or even remove the gap between the digital promise and the actual customer experience (von Briel, 2018). However, the biggest challenge for retailers is to recognise the fine line between technology as a simple gimmick distraction and technology that adds true value to the overall customer experience (Carr, 2017). Hence, Carr (2017) highlighted the fact that customers do not want lasers and holograms; instead, they are requesting technology such as 'smart mirrors' which genuinely benefit them, and additionally, offer a highly customised experience to them while shopping in the store.

According to von Briel (2018), technology has mainly two roles: First of all, improving the customer experience, and secondly, empowering the store associates (von Briel, 2018). However, the store associates can represent a barrier to a successful implementation of technology according to Lewis and Loker (2016). They argued that if the associates do not have the necessary know-how that is needed to use that kind of technology or do not know how to work with it, the collaboration between the store's associates and technology will not be efficient (Lewis & Loker, 2016). Therefore, they recommended to offer trainings to the store associates and emphasised the need to educate them on how to successfully incorporate technology into the physical store environment and how to handle it in order to attribute positively to the customer's experience when interacting with customers in-store (Lewis & Loker, 2016). Overall, von Briel (2018) distinguished between three broad types of technology forecasts: those technologies that can improve the in-store customer experience, the ones that can improve the online purchasing convenience, and lastly, technologies that improve the cross-channel integration from an operational perspective (von Briel, 2018). The first type is related the most to the topic of this thesis. Hence, we will focus mainly on technologies that primarily aim to enhance the customer experience while shopping in a physical store.

2.1.3 Personalisation - The Key to the Customer's Heart

Increasing the level of personalisation for the customer requires the consultation of many sources that provide retailers with data and detailed information about the customer (Driscoll, 2015). Nowadays, data is key to success and the 'gold' of the digitised world (Driscoll, 2015). Hence, data is urgently needed in order to get a deep understanding of the customer which, in turn, helps to create and offer a truly personalised experience to them (Driscoll, 2015). Consequently, retailers have to leverage the knowledge they gain from the data strategically in order to achieve a higher retail performance overall and creating memorable moments for their customers which will then attribute positively to the customer's overall satisfaction level (Puccinelli, Goodstein, Grewal, Price, Raghubir & Stewart, 2009). Nonetheless, it is critically to mention that this vast pool of customer data often conflicts with the privacy of the customers, and hence, stresses the ethical issues that are related to the collection of customer data (Priyadharshini & Mathew, 2016). On the other hand, offering a high level of personalisation to the customer enhances the customer's loyalty, based on the assumption that the customer does not have any problems with being targeted in this personal way (Priyadharshini & Mathew, 2016).

According to Deloitte's study (2018), personalisation represents a significant retail trend at the moment, and thus, is a crucial topic for retailers overall. Personalisation is about tailoring service, experience and information to a customer's specific needs and preferences (Carr, 2017; Tiihonen & Felferning, 2017; von Briel, 2018). Previous research has suggested that digital technologies and personalisation tie well together as these technologies can offer a customised experience (Carr, 2017; von Briel, 2018). This fact has been highlighted by Lewis and Dart (2014) who emphasised the fact that customers request tailored services and products that fit their individual needs and wants. Personalisation can be provided through a product configurator for example, which could facilitate this requested experience by co-creating the final product together with the customer (Lewis & Loker, 2016). The customers are the ones who are driving the personalisation aspect in today's consumption society and their rapidly changing expectations ultimately lead to the development of new technologies in order to meet these rising expectations adequately (Driscoll, 2015). Additionally, the role of 3D printing will become more critical in the future since this technology enables retailers to supply highly customised products while saving time and costs (Sodhi & Tang, 2017).

2.1.4 New Retail Store Concepts

The store as pure sales-tool is under threat due to recent trends in the physical retail landscape, and these trends have their origin in the UK, USA and China (Deloitte, 2018). These markets are forerunners on how to re-design and re-think the physical retail space fundamentally in order to make it more attractive, engaging and interactive for the customer (Deloitte, 2018). Hence, this new approach gave rise to the experiential-retail-concept, which tries to actively integrate the customer into the physical store which, in turn, enhances the overall brand experience (Deloitte, 2018). Bäckström and Johansson (2017) argued that due to the new customer demands, retailers are making extensive efforts to remodel their store offering, for example, by implementing new store concepts and strategies. However, not only modern store design and the integration of technology in-store but most importantly, traditional aspects and values, such as the physical presence of store associates, create a positive store experience for the customer (Bäckström & Johansson, 2017). Therefore, Bäckström and Johansson (2017) suggested that retailers should take these aspects into account in order to remain competitive in the long-run, instead of focusing mainly on new digital technologies.

Deloitte (2018) outlined *five store concepts* for the new brick-and-mortar store:

1. *Sensory Playgrounds*: aim to create an experience for customers in order to enhance the customer's loyalty and advocacy. Moreover, this store concept will act as a destination of choice for customers (Deloitte, 2018). This concept is appropriate for customers who want to experience the brand and seek inspiration (Deloitte, 2018).
2. *Expertise Labs:* offer personalisation of services and products and a high level of service expertise from both, digital technologies and store associates (Deloitte, 2018). This store concept is for those customers who want to experience the product before actually purchasing it (Deloitte, 2018).
3. *All-in-One Shops*: it is all about convenience for the customers which aims to provide a wide assortment (Deloitte, 2018).
4. *Category Stands*: aim to optimise the availability of sought-for goods which focuses on selling a specific product category and providing detailed information about this category through marketing and merchandising efforts (Deloitte, 2018).
5. *Vampire Vending:* is about the transaction which means to maximise the traffic and conversion rate (Deloitte, 2018). This is achieved through frictionless payments and not using store associates (Deloitte, 2018). This concept is for customers who are looking for fast and great value deals (Deloitte, 2018).

All of these store concepts have different levels of integration regarding customer experience and transactions, but they all have, to a certain degree at least, the implementation of digital technologies in common (Deloitte, 2018). Furthermore, Kozinets, Sherry, DeBerry-Spence, Duhacheck, Nuttavuthisit and Storm (2002), highlighted the emergence of the 'themed flagship brand store' that represents a new retail format in which the primary purpose of the store has changed completely: “Consumers go to themed flagship brand stores not only to purchase products, they go to *experience* the brand, company, and products” (Kozinets, Sherry, DeBerry-Spence, Duhacheck, Nuttavuthisit & Storm, 2002, p. 18). This rethinking and redefining of the store’s main purpose does not only apply to themed flagship stores but to the entire retail landscape in general (Deloitte, 2018). Hence, the idea of creating a place for the customer where he/she can experience the brand wholeheartedly, should be converted to physical retail stores in general (Deloitte, 2018). Showrooms represent another store concept, which presents and displays the products primarily and does not keep any excess stock in the store (Goworek & McGoldrick, 2015). Hence, this concept invites customers to visit the store in order to browse and try the products before purchasing them online afterwards (Rapp, Baker, Bachrach, Ogilvie & Skinner, 2015). Based on that, von Briel (2018) argued that retailers need to change the overall experience by actively integrating the customer into the store while browsing.

Moreover, Treadgold and Reynolds (2016) mentioned *five territories* that can achieve a competitive advantage over e-commerce and they recommended physical retailers to emphasise these territories in their current retail experience:

1. *Value*: this is about adding value beyond just a low price (Treadgold & Reynold, 2016). This can be derived from the shopping trip, the store or the product (Treadgold & Reynold, 2016).
2. *Convenience:* Physical stores can address a customer’s specific needs directly and edit the merchandise assortment to the customer, and thus, enhance the overall level of convenience for the customers (Treadgold & Reynold, 2016). The physical store can also offer a seamless experience by lowering the efforts the customer has to make when they are interacting with the store, e.g. through the staff associates and technologies (Treadgold & Reynold, 2016).
3. *Immediacy:* the advantage hereby lies in the direct access of the product purchased (Treadgold & Reynold, 2016). Purchasing the product in the physical store enables the customer to walk out with the product directly compared with buying it online where the customer has to wait for the product to be delivered (Treadgold & Reynold, 2016). However, this advantage is getting smaller since new technologies and processes are minimising the delivery of online retailers (Treadgold & Reynold, 2016).
4. *Problem-solving:* the physical store and its attributes (e.g. store associates) can aid to solve problems for the customer, hence, increasing the level of convenience, reducing search cost for the customer, providing abundant information the customer about complex products, and lastly, providing reassurance during the purchase and also during the post-purchase phase (Treadgold & Reynold, 2016).
5. *Experience:* creating social engagement with the customer in the physical store in order to bring the retail experience to life which is impossible to deliver online (Treadgold & Reynold, 2016).

Treadgold and Reynolds (2016) argued that retailers should consider these advantages wisely by weighing up what fits best with the brand (values) and what is best aligned with the customer’s wants and needs. When talking about values and their integration into the physical retail store, it is helpful to mention the research findings from Borghini, Diamond, Kozinets, McGrath, Muñiz and Sherry (2009). They suggested incorporating human, traditional and historical values into the physical store layout (Borghini, Diamond, Kozinets, McGrath, Muñiz & Sherry, 2009). This aims to add a human touch to the brand that can be experienced in-store, and it is necessary to make use of stories and symbols that support that brand experience (Borghini, Diamond, Kozinets, McGrath, Muñiz & Sherry, 2009).

According to Sachdeva and Goel (2015), it is important to actively engage with customers in physical stores by encouraging an emotional interaction with the brand for the customer. This can be achieved by offering "a memorable event that engages them" (Sachdeva & Goel, 2015, p. 290). Key to success is *how* retailers sell products, and thus, physical retailers need to elevate the overall experience in-store (Sachdeva & Goel, 2015). They can do this by adding something to the customer journey that is entertaining, educational or exciting that can entice the customer to visit the store instead of shopping online (Sachdeva & Goel, 2015). Furthermore, retailers can change the store concept totally by transferring it into a showroom, fulfilment centre or even a museum (Sachdeva & Goel, 2015). Customers want to use their senses, their hearts to be touched and their minds to be stimulated, and therefore, Sachdeva and Goel (2015) supported the idea of reinventing the physical store completely. Overall, a holistic approach that meets both, the customer's emotional and rational levels, has to be taken into account since "shoppers do not love a store simply because they love the merchandise they carry. They love a store because it touches them personally and emotionally" (Sachdeva & Goel, 2015, p. 293).

Outside-the-box thinking is urgently needed in terms of creating and re-designing new store concepts for the physical retail landscape. Some 'experience-retail-success-stories' have been taken into account in order to visualise successful new retail store concepts (see Appendix A) which applied this 'outside-the-box-thinking' approach successfully. These new approaches aim to deliver a truly unique experience to the customer in a physical environment by actively integrating the customer into the store. Additionally, these examples illustrate how new store spaces can turn into places where customers like to go in order to "learn, be inspired, see and try new things, experiment and co-create" (Woolley, 2018, n.p.). The main purpose of these new retail stores is to offer an enjoyable and educational experience to the customer within a space that creates the feeling of being part of a community and gives them the opportunity to connect with other people (Woolley, 2018). The products are still physically present in these kinds of stores, but they are not the main focus anymore (Woolley, 2018). Hence, these new retail spaces truly differ from conventional retail stores in the way how they are "planned, built, staffed, managed and measured" (Woolley, 2018, n.p.). Many retail brands already embraced the new retail thinking wholeheartedly by thinking outside-the-box and following the guiding principle of Woolley (2019, n.p.): "stop thinking 'stores' and start thinking stories. Stop thinking 'product' and start thinking productions".

These success stories (see Appendix A) have been truly innovative since the presented brands recognised that "Innovation and Creativity are the lifeblood of retail" (Jim McCarthy cited in Eliott, Twynam & Connell, 2012, p. 2). It became clear that they approached innovation in three different ways: either through service, products or through the way of working (Elliott, Twynam & Connell, 2012). The ultimate aim of innovation is to deliver a higher level of value to the customer (Elliott, Twynam & Connell, 2012). In particular, creativity plays an extremely crucial part in the area of innovation in general (Eliott, Twynam & Connell, 2012). As Angela Ahrendts (Chief Executive at Burberry) once said: "You've to be equally good at generating and implementing ideas" (Eliott, Twynam & Connell, 2012, p. 2). Most of the time, the main difficulty is not to generate creative ideas but how to implement these ideas into the retail context and the daily business (Eliott, Twynam & Connell, 2012). The product might be the most apparent piece in terms of innovating the retail setting, but the most promising and fruitful areas of innovation are the service component and improvements on an operational level such as operational excellence or business processes (Elliott, Twynam & Connell, 2012). Notably, the latter two areas of innovation ultimately lead to higher customer loyalty (Elliott, Twynam & Connell, 2012). The retailer's proximity to the customer in a physical retail setting is a significant advantage in order to test new ideas and get the customer's feedback right back (Elliott, Twynam & Connell, 2012). This is highly important in this fast-moving world nowadays since speed to market is key to success (Elliott, Twynam & Connell, 2012). There exists a close linkage between innovation and customer engagement since innovations aim to actively engage with the customer in a much deeper sense, be it in the physical store, on the website or somewhere else (Elliott, Twynam & Connell, 2012). Customers have to be seen as *co-creators,* and their creativity and input can be leveraged strategically in order to act in a more innovative way (Elliot, Twynam & Connell, 2012).

2.1.5 Store Associates and their 'New Role'

The role of the store associates in physical retail stores is fundamentally changing and especially, how to interact in new ways with the customers is of high importance for the success of retail brands in the future (Bäckström & Johansson, 2017). Deloitte (2018) argued that the human nature of the store associates will still be needed, even though, technology can take over most of their tasks. However, the study of Deloitte further argued that these automated processes will enable store associates to improve the overall store experience (2018). Therefore, recruiting and employing the right people, who truly make a difference regarding the entire customer experience plays a crucial factor (Ebeltoft Group, 2017). It is important to mention, that the personal interaction between customers and store associates will always be valued by the customers since humans still desire to interact with each other (Deloitte, 2018). Due to the vastly changing retail environment, the store associate's role would become even more important as they would have the power to influence and shape the customer's brand experience, especially, regarding the creation of an individual relationship with the customer and thus, make him/her feel unique (Deloitte, 2018).

Deloitte (2018) has localised *three roles* that store associates might have in the future:

1. *The Storyteller:* truly lives the story of the brand and thus, is highly knowledgeable in terms of explaining the values of the brand and delivering a memorable experience (Deloitte, 2018).
2. *The Best Friend*: aims to provide a personalised experience to the customer by having a deep understanding of the customer and his/her individual needs and wants (Deloitte, 2018).

3. *The Scientist:* acts as a product expert, and hence, can provide detailed product information to the customer (Deloitte, 2018).

These new roles must be based on deep expertise in the specific field, since customers are increasingly well-informed regarding specific products/services, even before entering the store (Ebeltoft Group, 2017). Therefore, the store associates have to be one step ahead of the customer as soon as he/she is entering the store (Ebeltoft Group, 2017).

Although there are different roles for store associates depending on how the retailer wants their customer experience to look like, the Deloitte (2018) study suggested, either way, that all of the associates will need to be fluent regarding the handling of digital devices that are integrated into the in-store experience. Von Briel (2018) argued, that the associates should be digitally empowered and Lewis and Loker (2016) further stated, that the associates need to be well-educated on how to work with these technologies in order to offer a good experience to the customer. The associate's emotional intelligence represents another crucial factor since the relevance of the human-touch in the digital environment becomes increasingly important, and lastly, the associates need to be able to be called upon to share the experience in the store and to give feedback (Deloitte, 2018).

2.2 The Era of Complex Customer Behaviour

The rise of the global usage of the internet in combination with drastic changes in the political, demographic and socio-economic scenery fostered a fundamental transformation in customer behaviour (Constantinides, 2008). Additionally, the rise of the digital era and the increasing usage of smartphones led to the evolution of the so-called 'empowered customer' in recent years, who is now able to source information at any time (Constantinides, 2008; Hall & Towers, 2017). Consequently, this abundant pool of information to which customers now have access to at any time provides them with greater knowledge which, in turn, leads to a customer who owns a much powerful position in the market (Hall & Towers, 2017). As Puccinelli, Goodstein, Grewal, Price, Raghubir and Stewart (2009, p. 15) pointed out: "the importance of understanding customer behaviour has never been more important to retailers". In particular, the rise of the digital era generated advantages as well as challenges for the retailers (Puccinelli, Goodstein, Grewal, Price, Raghubir & Stewart, 2009). On the one hand, the predictability and generalisation of customer behaviour became more complex in general (Borghini, Diamond, Kozinets, McGrath, Muñiz & Sherry, 2009). On the other hand, the rising presence of customers in the online world enabled retailers to gather lots of data in order to understand customer's needs, wants and expectations which, in turn, facilitated the localisation of potential customer trends in the future (Puccinelli, Goodstein, Grewal, Price, Raghubir & Stewart, 2009).

Additionally, McGoldrick and Collins (2007) emphasised the fact that customers do have diverse needs, and hence, want to achieve different goals. Hereby, it is important to stress the fact that the expression 'need' is often misleading since we have to distinguish between utilitarian needs[9] and needs that are of hedonic character[10] (Puccinelli, Goodstein, Grewal, Price, Raghubir & Stewart, 2009). Especially, the latter one includes "aesthetic, experiential, and enjoyment- related"-components and plays a crucial role in terms of creating value for the customer by 'consuming' unique experiences" (Chitturi, Raghunathan & Mahajan, 2008, p. 49). Additionally, researchers such as Sachdeva and Goel (2015) distinguished between utilitarian consumption and sensory consumption. Utilitarian consumption means that a certain necessity is the main purpose of purchasing goods in order to satisfy basic needs (utilitarian needs) that each customer has by nature (Sachdeva & Goel, 2015). Sensory consumption instead is related to benefits that are of an intangible character and which include hedonic needs as well as emotional factors (Sachdeva & Goel, 2015). Sachdeva and Goel (2015) stressed the fact that a certain need is the pivotal starting point in order to entice the customer to the store, that need can be either of utilitarian or of hedonic character. Furthermore, the creation of emotional moments in the store for the customer enables retailers to generate the customer's willingness and desire to actually enjoy spending time in the store (Sachdeva & Goel, 2015). Additionally, Chitturi, Raghunathan and Mahajan (2008) highlighted the positive outcomes by fulfilling customer's hedonic needs. According to them, this fulfilment promotes primarily positive emotions in the minds of the customer in the 'post-consumption phase' which ultimately, ends in a higher level of customer loyalty, positive word-of-mouth and a higher repurchasing rate (Chitturi, Raghunathan & Mahajan, 2008).

McGoldrick and Collins (2007) localised a close linkage between the changing customer behaviour and an emerging trend in the retail landscape in recent years: the experiential dimension that includes enjoyment, recreation, stimulation and engagement on an intellectual level for the customer (McGoldrick & Collins, 2007). Hence, the new formula for retail success is basically *how* they sell rather than just selling (Sachdeva & Goel, 2015). Sachdeva and Goel (2015) further stated that this fundamental re-thinking process resulted in the emergence of the so-called experiential shopping paradigm. According to them, this paradigm will become even more critical in the future by addressing psychological aspects and emotions of the customer more effectively (Sachdeva & Goel, 2015). Additionally, Constantinides (2008) claimed that the emergence of the knowledgeable and demanding customer even fostered this experiential shopping paradigm over the past years.

In addition to that, Constantinides (2008) recognised another fundamental shift in today's customer landscape: the shift of power between the retailer and the customer (Constantinides,

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[9] The ultimate aim of shopping is to accomplish a certain task and shopping is perceived mainly as task completion and work (Chitturi, Raghunathan & Mahajan, 2008)

[10] Shopping is perceived as an entertaining activity that includes recreation and pleasure aspects and is highly associated with fun (Chitturi, Raghunathan & Mahajan, 2008)

2008). Hence, the voice of the customer became that strong and powerful that it cannot be ignored anymore by the retailers (Constantinides, 2008). This has been caused basically by digital communication platforms that allow spreading the individual voice to a much wider audience (Constantinides, 2008). Constantinides (2008) further stated that the rising empowerment of the customer led to a fundamental re-design of business processes and business models, in particular, in the retail landscape. The omni-channel approach was one part of this restructuring process that affected the entire business landscape (Constantinides, 2008). Therefore, it became even harder for companies to define customer expectations due to the fact that the customer's behaviour is changing parallelly with the new level of empowerment they have in the market and abundance of choice (Constantinides, 2008). Therefore, Sorescu, Frambach, Singh, Rangaswamy and Bridges (2011) suggested that companies need to apply an outside-in-perspective in order to get an even deeper understanding for the new values, wants and needs of the customers today. Especially, revealing insights regarding customer's hedonic drivers such as gratification, adventure, socialising or value creation are becoming increasingly important when aiming to target customer successfully in the future (Borghini, Diamond, Kozinets, McGrath, Muñiz & Sherry, 2009). Moreover, retailers need to accept the fact that customers are not stable at all when it comes to their preferences due to the multiple drivers and channels that foster a constant shift of their preferences (McGoldrick & Collins, 2007). Hence, customers do not always act on rational grounds when shopping in a store (Zaichkowsky, 1985).

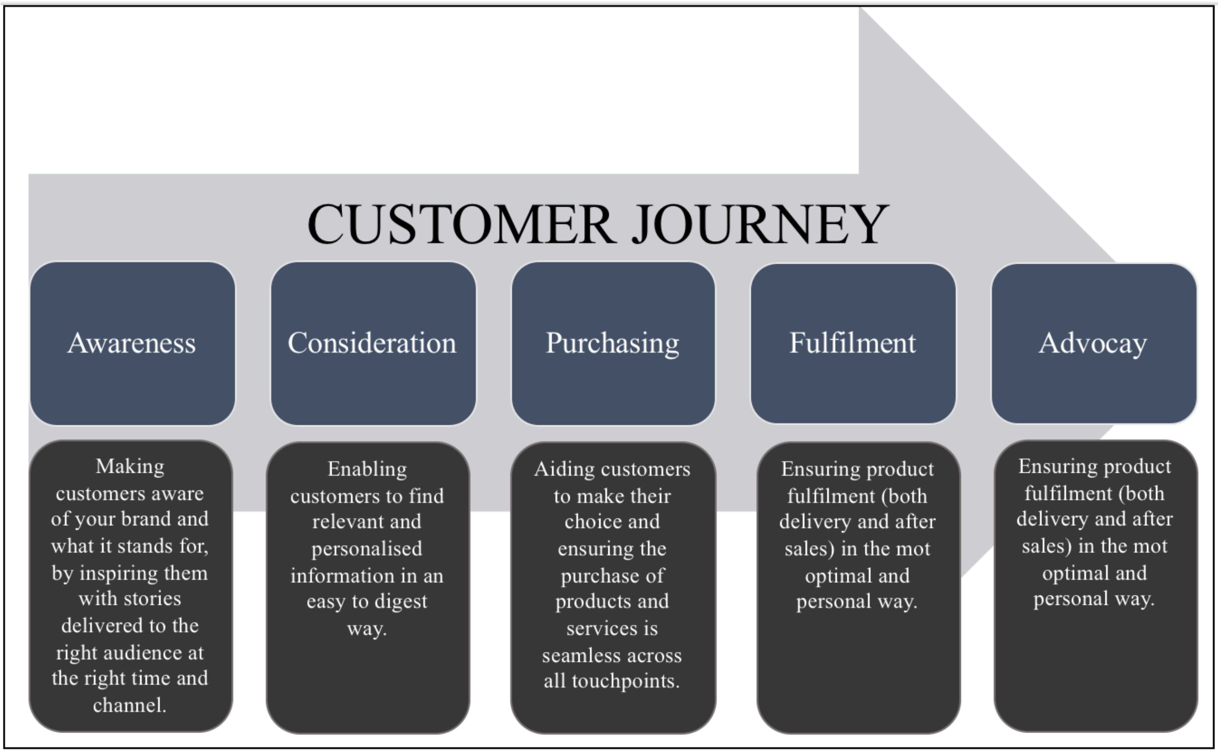
2.3 Customer Journey

Lemon and Verhoef (2016) described the customer journey as a customer's path that consists of many different 'moments' across multiple touchpoints that a customer has with a specific brand. Therefore, Deloitte (2018) highlighted the fact that retailers need to get a detailed understanding of the entire journey their customers take: "From the moment they hear about a brand or product, to the actual purchase and service afterwards" (Deloitte, 2018, p. 13). They further argued, that an in-depth understanding of the customer's needs and expectations is indispensable for the retailer when designing a seamless and hassle-free customer journey (Deloitte, 2018). One main difficulty is based on the fact that the customer journey is of complex and dynamic character (Lemon & Verhoef, 2016). Additionally, Hall and Towers (2017) emphasised the fact, that the customer journey of younger customers differ a lot from one person to another since there are vast differences regarding the length of each individual customer journey, the touchpoints and the usage of different technological devices. They further argued that media plays a crucial role too in terms of impacting the customer journey of this customer group (Hall & Towers, 2017). All these facts even increase the overall customer journey complexity (Hall & Towers, 2017). Most importantly, retailers steadily lose control over their customer's journeys due to the increasingly growing usage of online platforms through which customers seek information, influence each other and which enables customers to jump back and forth between different touchpoints (Hall & Towers, 2017).

A very recent study by Deloitte (2018) pictured a traditional customer journey. Figure 2 below visualises this journey by explaining the different phases in detail and thereby, highlights the needs that the customer may have in each phase (Deloitte, 2018). Kirk, Chiagouris, Lala and

Thomas (2015) stressed the fact that younger customer groups who grew up in a highly digital world are more willing to use various online devices and channels which even complicates the mapping of individual customer journeys for the retailers. In contrast to Deloitte's customer journey, Puccinelli, Goodstein, Grewal, Price, Raghubir and Stewart (2009) defined and mapped the customer journey slightly different. They highlighted the first step in the customer journey as 'need recognition', followed by searching for information, the evaluation of the gathered information, the purchase phase, and lastly, the post-purchase phase (Puccinelli, Goodstein, Grewal, Price, Raghubir & Stewart, 2009). Additionally, Lemon and Verhoef (2016) emphasised the fact, that the network perspective became a crucial aspect of the customer journey research landscape over the past years, in particular, by taking into account the impact of service delivery providers, communities and the broader social ecosystem on the overall customer experience.

Figure 2: Customer Journey



(Deloitte, 2018, p. 13)

2.3.1 The Age of Customer Experience

Nowadays, companies are facing some severe challenges such as a higher customer journey complexity overall, and additionally, each individual customer "has their own individual experience and expectation" which increases the overall complexity even more (Hall & Towers, 2017, p. 498). One of the most critical challenges is based on the fact, that experiences are heavily influenced by peers and are therefore, of social nature what makes it even harder for retailers to manage and steer them (Lemon & Verhoef, 2016). Today, we just entered the so-called 'Age of Experience', "where experiences across both our physical and digital worlds are essential to our personal enjoyment and for consumer loyalty" (Woolley, 2018, n.p.). The ultimate key to success in this age is to meet the customer on an emotional level by actively engaging with the customer and thereby, putting his/her personal experience to a whole new level (Woolley, 2018). As a result of that continuous engaging process, the retailer creates a strong bond with the customer which then leads to an increase in customer loyalty (Woolley, 2018).

Nonetheless, it is important to mention, that this experience-approach in retail is not a whole new concept to the world (Woolley, 2018): Harry Gordon Selfridge was the forerunner (1900s) in terms of offering a unique shopping experience to his customers by integrating a restaurant and a cafe into his store in combination with a rooftop garden in order to design an area of relaxation for his customers (Woolley, 2018). He thereby, transformed the entire retail industry since shopping has been perceived as a leisure activity from now on, rather than a pure duty and task completion (Woolley, 2018). Hence, he recognised as one of the first that a physical store is not just about direct sales anymore, it is more about creating unique memories and enjoyable moments for the customer (Woolley, 2018). This belief has been underpinned by Abbot in the mid-1900s who stated: "What people really desire are not products but satisfying experiences" (Abbot, 1955, p. 40). Many theorists followed Abbot's thinking in the 1980s by highlighting the fact that the decision-making process of humans is based on emotional rather than on purely rational motives (Lemon & Verhoef, 2016).

Researchers like Pine and Gilmore (1999) and Schmitt (1999) specifically pointed out the relevance of customer experience and introduced the definition of experiences as a "series of memorable events" that companies offer in order to engage with the customer on a personal level (Lemon & Verhoef, 2016, p. 70). In recent times, Sachdeva and Goel (2015, p. 292) defined customer experience in much more detail and stated that it can be seen "as an interaction between a company (brand/product/service) and a customer, being shaped by the characteristics of the customer and those of the product, company or brand, and always influenced by the context or environment in which the interaction takes place". Gentile, Spiller and Noci (2007, p. 397) further emphasised the interaction aspect since this "implies the customer's involvement at different levels". A more recent study by Schmitt, Joško Brakus and Zarantonello (2015) underpinned the argument of Gentile, Spiller and Noci (2007). Hence, they highlighted the holistic and multi-dimensional character of the customer experience-construct by taking "customer's cognitive, emotional, sensory, social and spiritual" levels into account and highlighted thereby the different levels of interaction (Lemon & Verhoef, 2016, p. 70; Schmitt, Brakus & Zarantonello, 2015). Consequently, the integration of these different levels of interaction foster the experiences a customer has with a certain brand, and hence, increases the overall level of happiness and satisfaction of the customer (Schmitt, Joško Brakus & Zarantonello, 2015).

Most importantly, customer experience has to be seen from *different angles* (Lemon & Verhoef, 2016):

1. *The Firm's Perspective:* since the firm is the 'designer' of the customer experience (Lemon & Verhoef, 2016).
2. *The Customer's Perspective:* since the customer represents the 'recipient' of the designed customer experience (Lemon & Verhoef, 2016).

3. *The Co-creation Angle:* between the firm and the customer (Lemon & Verhoef, 2016).

According to Lemon and Verhoef (2016), especially, the latter aspect (co-creation) became increasingly relevant in the modern retail landscape due to a growing desire of customers to actively engage and interact with other actors with the ultimate aim to co-create unique experiences and/or products.

2.3.2 Experience and Engagement - A mutual Relationship

The customer experience-construct is closely linked with the customer engagement-construct that also gained prominence in recent years, especially, in the field of relationship marketing (Mohd-Ramly & Omar, 2017). Customer Engagement (CE) became extremely important over the past decade due to drastic changes in customer behaviour and their level of expectations (Braun, Bruhn & Hadwich, 2017). Braun, Bruhn and Hadwich (2017, p. 112) defined Customer Engagement as "the level of a customer's cognitive, emotional and behavioural investment in a specific firm and/or brand interaction" that "represents a new central concept", but a universally accepted definition has not yet been found. They further argued, that this concept is rooted in the marketing service component and emphasises the interactive relationship between a customer and a company/brand. Additionally, this concept plays a crucial role regarding the development of relationship marketing strategies (Braun, Bruhn & Hadwich, 2017). Furthermore, the customer engagement concept consists of three main pillars (Braun, Bruhn & Hadwich, 2017):

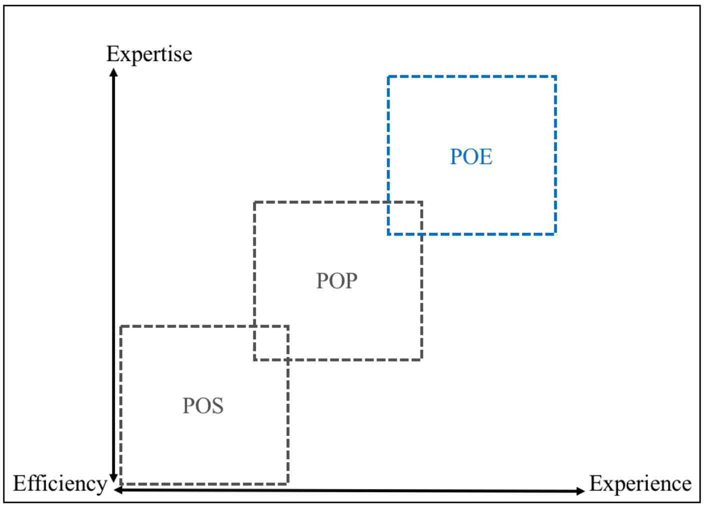
- *Pillar 1: customer-to-customer interactions*
- *Pillar 2: participation*
- *Pillar 3: co-creation*

Especially, the co-creation approach has been applied over the past years by many global companies such as NIKE, M&Ms or Mix My Granola, who recognized its potential to create stronger customer lock-in and value for the customer due to the psychological effect that is generated by offering the customer the possibility to act as co-designer/co-creator of products (Franke, Schreier & Kaiser 2010; Sorescu, Frambach, Singh, Rangaswamy & Bridges, 2011). The main aim of the CE-concept is to create "a deeper, more meaningful connection between the company and the customer" (Braun, Bruhn & Hadwich, 2017, p.112). Braun, Bruhn and Hadwich (2017) and other researchers highlighted the increased product/service quality, an increase in the customer's loyalty, and most importantly, a value contribution to the customer's life as the ultimate outcomes of a successful customer engagement strategy (Sorescu, Frambach, Singh, Rangaswamy & Bridges, 2011).

Mohd-Ramly and Omar (2017) predicted that this concept is much likely to influence the brand performance, the loyalty of customers and strengthens the relationship of the customer with the brand. Furthermore, it is stated in previous research that a high level of knowledge regarding the customer's wants and needs builds a solid foundation for successful customer engagement that, in turn, attributes positively to new product and/or service progress and ultimately, to a competitive advantage (Mohd-Ramly & Omar, 2017; Koniorczyk, 2015). Therefore, the creation of a memorable customer experience and a higher level of customer engagement have been put on the management agenda as a top priority over the past years (Lemon & Verhoef, 2016). Pine and Gilmore (1999) were the first who emphasised the rise of the so-called ‘Experience Economy’. They further highlighted the drastic shift in the retail landscape: rather than just selling goods, it became more important to sell experiences instead, which, in turn, adds values to the customer’s life (Pine & Gilmore, 1999; Sachdeva & Goel, 2015).

Figure 3 visualises, even more, the profound relationship between the experience and the engagement construct which emerged over the past years due to changing customer expectations and due to the rise of new retail business models (Ebeltoft Group, 2017). The graph shows the two ‘traditional layers’ of engagement, Point of Sales (POS) and Point of Purchase (POP) (Ebeltoft Group, 2017). The drastic changes in the retail landscape in recent years gave rise to a third layer, the so-called Point of Experience (POE) (Ebeltoft Group, 2017). This new layer requires an even higher level of expertise than POS or POP do, since customers are extremely well-informed and knowledgeable and their level of expectations towards retailers is constantly growing nowadays (Ebeltoft Group, 2017). Therefore, retailers have to take this into account when developing new strategies on how to deliver a unique and memorable experience to their customers as it becomes increasingly difficult to leave a remarkable impression in the minds of each individual customer (Ebeltoft Group, 2017). Current research highlights the increasing need to actively engage with the customers in order to create stronger customer-brand-relationships and emotional involvement “that goes beyond purchase” (Sorescu, Frambach, Singh, Rangaswamy & Bridges, 2011, p. 11; Braun, Bruhn & Hadwich, 2017).

Figure 3: Points of Engagement - the Emergence of a third Layer



(Own graph based on Ebeltoft Group, 2017, p. 13)[11]

[11] POS stands for Point of Sale, POP stands for Point of Purchase and POE stands for Point of Experience

As previously mentioned already: knowledge is key to success nowadays (Koniorczyk, 2015). Therefore, researchers like Koniorczyk (2015) and Braun, Bruhn and Hadwich (2017) emphasised the fact that customers have been seen as pure value recipients with a rather passive role for a long time, but this view has drastically changed. Today customers function as value co-creators who want to interact more proactively with the retailer and the brand (Braun, Bruhn & Hadwich, 2017). This new 'role-model' fostered the shift from a product-centred to a more service-centred/customer-centric approach which means that companies have to involve their customers into the whole value and co-creation process (Braun, Bruhn & Hadwich, 2017). Companies like NIKE, for example, has seen the customer's potential in terms of knowledge from a whole new perspective by really tapping "into the knowledge possessed by their customers" (Koniorczyk, 2015, p. 108). This new approach aimed to "identify, acquire and utilise customer knowledge" in order to increase the level of engagement with the customer and hence, creating highly personalised products which, in turn, improve the customer's loyalty towards the brand (Koniorczyk, 2015, p. 108). This does not simply benefit the customer but also the companies since they minimise the risk of producing unmarketable products which are not perfectly tailored to the customer's needs and wants (Koniorczyk, 2015). Additionally, companies like NIKE are beginning to realise that the customer's knowledge is a highly valuable intangible asset, due to the fact that it generates and adds value to the brand and it represents "an indispensable source of long-lasting competitive advantage" in the coming years (Koniorczyk, 2015, p. 109). Therefore, Koniorczyk (2015) highlighted the mutual benefits and hence, the creation of a win-win-situation for both, the customer and the retailer, by applying a co-creation approach. Nonetheless, it is important to mention that the way how customers want to engage with a retailer or brand, depends on their individual cognitive, emotional and physical resources (Braun, Bruhn & Hadwich, 2017).

Overall it can be said, that the 'new customer' is mostly intrinsically motivated regarding the level of engagement, which means that aspects like self-enhancement, an increased level of learning or social integration trigger the customer's demand for an interactive relationship with a retailer (Romero & Okazaki, 2015). Customers are actively looking for a personally rewarding experience rather than financial incentives in the form of discounts which would characterise a more extrinsically motivated customer (Heller Baird & Parasnis, 2011). Customers expect an exciting and entertaining shopping experience, and additionally, they are looking for educational aspects as well while shopping in a store (Sachdeva & Goel, 2015). These insights are of high relevance for companies, especially, when trying to escalate the overall level of customer engagement and developing new strategies on how to engage with the customer in new ways (Braun, Bruhn & Hadwich, 2017).

There are different ways on how to engage with the customer, for example, by offering unique product assortments but this is not enough since customers expect much more from retailers nowadays than just variety of choice and an abundant product assortment (Sorescu, Frambach, Singh, Rangaswamy & Bridges, 2011). A more promising way to actively engage with the customer arose over the past couple of years: "one where added value tie-ins, whether tangible or intangible, make for a multifaceted and emotionally stimulating shopping experience which lead the customers to uniquely bond to the retailer" (Sorescu, Frambach, Singh, Rangaswamy

& Bridges, 2011, p. 11). Sachdeva and Goel (2015) highlighted the emotional component in terms of stimulating a positive experience in store for the customer by saying: "people will forget what you said, people will forget what you did, but people will never forget how you made them *feel*" (Sachdeva and Goel, 2015, p. 290). They further argued, that the way an experience is created while browsing through a store, is highly dependent on the overall mood and feelings of the customer and on the emotional intensity that retailers are trying to generate (Sachdeva & Goel, 2015). Sorescu, Frambach, Singh, Rangaswamy and Bridges (2011) emphasised one of the retailer's biggest advantage: the direct access and hence, the emotional proximity, they have to the customer which facilitates the emotional impact they might create in the minds of their customers by offering unique customer experiences (Sorescu, Frambach, Singh, Rangaswamy & Bridges, 2011). All in all, the new retail strategy is based on a fundamental rethinking that puts the entire retail setting to a whole new level (Sorescu, Frambach, Singh, Rangaswamy & Bridges, 2011).

According to Sachdeva and Goel (2015), the creation of a positive memory in the mind of the customer after visiting a store became the 'new product' and is therefore of intangible character (Sachdeva & Goel, 2015). This strategy includes "socialization, co-creation and embedding of the brand into personal memories" in order to "become a part of their customer's life projects (Sorescu, Frambach, Singh, Rangaswamy & Bridges, 2011, p. 11). Especially, the restructuring and redefining of the so-called 'frontstage' which includes the physical store environment, the store associates as well as the service delivery process are of high relevance when aiming to create memorable experiences for the customer (Sorescu, Frambach, Singh, Rangaswamy & Bridges, 2011). Due to the rapidly and constantly changing retail landscape, it will become even more important for retailers to screen and monitor markets permanently regarding new customer trends and new technologies in order keep pace with the competitors (Sorescu, Frambach, Singh, Rangaswamy & Bridges, 2011). Furthermore, a higher level of organisational flexibility is needed in order to respond promptly to localised trends that might be beneficial to the own retail business, especially, with regard to the creation of customer experiences that meet customer's expectations even better (Sorescu, Frambach, Singh, Rangaswamy & Bridges, 2011).

2.3.3 Customer Experience Management

Due to the rise of omni-channel and the complexity that comes along with it, retailers are now forced to strategically manage the customer experience (Lemon & Verhoef, 2016). Additionally, it became obvious that differentiation strategies that aim to set a retailer apart from others which are only based on service and/or price are insufficient nowadays (Verhoef, Lemon, Parasuraman, Roggeveen, Tsiros & Schlesinger, 2009). Grewal, Levy and Kumar (2009, p. 1) defined customer experience as "every point of contact at which the customer interacts with the business, product, or service". Based on that, they further described customer experience management as an 'umbrella-construct' that aims to manage the customer experience with the ultimate objective to create a win-win situation in terms of value transfer between the customer and the retailer. In addition to that, Verhoef, Lemon, Parasuraman, Roggeveen, Tsiros and Schlesinger (2009, p. 38) also highlighted the factor 'value' by defining customer experience management as “a retailer’s strategy to engineer the customer’s experience in such a way as to create value both to the customer and the firm”. Nonetheless, the literature on customer experience management is not abundant (Lemon & Verhoef, 2016). Homburg, Jozic and Kuehn (2015, p. 377) emphasised instead the increased level of customer loyalty by saying that customer experience management represents “the cultural mindset toward customer experiences, strategic directions for designing customer experiences, and firm capabilities for continually renewing customer experiences, with the goals of achieving and sustaining long-term customer loyalty”.

It is important to mention that the concept of customer experience is closely linked with related concepts such as customer engagement, relationship marketing, customer centricity or customer relationship management (Lemon & Verhief, 2016). Especially, the latter one places emphasis on the fact that experiences have to be managed strategically as well, not only the relationships a company has with its customers (Lemon & Verhoef, 2016). All these related concepts need to be taken into account as well when aiming to manage customer experiences successfully, especially in the long-run (Lemon & Verhoef, 2016). In particular, the central focus on the management of the experiences of each individual customer is of high importance in this fast-moving retail landscape today, in particular with regard to the personalisation aspect that gained more importance in recent years (Lemon & Verhoef, 2016).

One difficulty regarding the customer experiences is that it is an extremely dynamic construct that is in constant flux and of iterative nature which complicates the strategic management of it heavily (Lemon & Verhoef, 2016). All three purchasing phases (pre-purchase, purchase, post-purchase) are part of a customer’s journey and are equally important, and this sort of classification facilitates the management of the customer journey and customer experience across all three categories to some extent (Lemon & Verhoef, 2016). Especially, the shopping experience gained much attention over the past years since customers are increasingly demanding unique shopping moments before purchasing products (Lemon & Verhoef, 2016).

Retail brands have to approach the highly competitive retail landscape strategically by developing customer experience strategies that aim to outperform competitors in the long-run and hence, create a competitive advantage (Verhoef, Lemon, Parasuraman, Roggeveen, Tsiros & Schlesinger, 2009). According to Hall & Towers (2017, p. 502), retailers aim to provide a unique and personalised experience to their customers but fail to “have a single view of the customer, real omni-channel capabilities and the complete data view of their customers”. Lastly, it is important to mention that the customer experience is part of a circular model, the other two components of that model are information and inspiration (Hall & Towers, 2017). These two components are as important as the factor experience, and all three components go hand in hand (Hall & Towers, 2017). This means that all three factors have to be taken into account and managed strategically when aiming to act successfully in the long-run (Hall & Towers, 2017). This highlights the fact, that the entire customer journey has to be taken into consideration when aiming to create and manage the experience a customer has with a certain brand by starting to analyse how and where customers seek the information they need and looking for and by localizing the customer’s *sources of inspiration* (Hall & Towers, 2017).

3 Methodology

In the following chapter, we will describe the different research methods which have been applied in order to answer the research question. First of all, we reflected upon the ontological as well as epistemological point of view of the study at hand. This was then followed by a detailed description of how the data collection has been designed as well as how the data analysis has been made afterwards. This chapter was then concluded by a critical reflection regarding the outcomes of this study in terms of trustworthiness and authenticity. The very last subchapter then dealt with the ethical and political implications that had to be taken into consideration additionally.

3.1 Research Philosophy

According to Easterby-Smith, Thorpe and Jackson (2015, p. 46/47) *ontology* can be defined as "philosophical assumptions about the nature of reality and existence", whereas *epistemology* can be described as "a general set of assumptions about ways of inquiring into the nature of the world", so the "theory of knowledge". Based on the area of research and purpose of this thesis, we decided to consider the *ontology of relativism* as point of departure since "there are many 'truths'" out there regarding customer behaviour and what customers need and expect from retailers nowadays (Easterby-Smith, Thorpe & Jackson, 2015, p. 50). At this point, it is important to mention, that we replaced the word 'truths' with 'perspectives' in order to minimise the verbal power of the word 'truth'. Additionally, the renaming into perspectives fit well together with the three different perspectives which will be presented later on. The main focus of this study was to get a deeper understanding for the customer's perspective regarding their needs and level of expectations towards physical retail stores, how they interpret their position as a customer and how they evaluate and reflect their own customer journey. Hence, we wanted to get a deeper understanding regarding these aspects which was grounded in the verstehen-approach (Bryman & Bell, 2011). Every single customer constructs his/her customer journey individually, which even underpins the existence of many *perspectives* rather than just one single reality or truth in the world (Easterby-Smith, Thorpe & Jackson, 2015). Additionally, it is essential to mention, that experiences of individuals are profoundly influenced by the social context in which they occur as well as their classes and races (Easterby-Smith, Thorpe & Jackson, 2015). Therefore, we took these aspects into account by conducting focus groups that consisted of different nationalities. This provided us with a holistic and international perspective regarding the area of interest. Furthermore, our diverse angles of view fostered the creation of multiple perspectives which also impeded the existence of one single reality or truth in the world (Easterby-Smith, Thorpe & Jackson, 2015).

Along the lines with the relativist perspective, we took into account the thinking of *social constructionists* that belongs to the field of *epistemology* (Easterby-Smith, Thorpe & Jackson, 2015). Our primary aim was not to create an objective stance or determining external factors regarding societal reality but instead emphasising the fact that people are the driving force (Easterby-Smith, Thorpe & Jackson, 2015). Hence, we aimed to not only "gather facts and measure the frequency of patterns of social behaviour, but also to appreciate the different constructions and meanings that people place upon their experience" (Easterby-Smith, Thorpe & Jackson, 2015, p. 52). The diverse expectations and experiences that people have represented the area of focus of this thesis and not the localisation of external factors or certain kinds of 'laws' that might help to explain a certain form of behaviour (Easterby-Smith, Thorpe & Jackson, 2015). Therefore, we focused on identifying the individual feelings, beliefs and emotional positions of customers (Easterby-Smith, Thorpe & Jackson, 2015). Hence, rather than agreeing on a single perspective we focused exclusively on how customers evaluate their inner feelings, motives and expectations which resulted in a comprehensive understanding regarding the complexity of individual customer behaviour in the retail context and the customer's experiences that go along with it (Easterby-Smith, Thorpe & Jackson, 2015). Therefore, we highlighted the existence of many perspectives since the customer's inner position is a socially constructed framework that is in constant flux and the perspective may differ from one customer to another (Easterby-Smith, Thorpe & Jackson, 2015).

3.2 Research Design

The essence of this chapter "is about making choices about *what* will be observed, and *how*" (Easterby-Smith, Thorpe & Jackson, 2015, p. 68). In particular, *how* and *why* the retail customers construct this social framework that is based on specific motives, expectations and needs were of high interest for us in order to answer the research question adequately (Easterby-Smith, Thorpe & Jackson, 2015). We evaluated carefully which research approach might be the most appropriate one with respect to the purpose, the research question and the research philosophy of this study. Hence, we decided to conduct qualitative material by using qualitative research techniques such as interviews, focus groups and observations. Our main area of interest was to localise and identify the needs and expectations of customers in the physical retail space as well as figuring out, how the customer journeys were built by each customer individually and why the customer journeys look the way they do. Hence, we applied a non-numeric research approach that was not based on 'hard figures'. We used language data instead that occurred naturally since we believed that a qualitative research approach is the most promising one in order to identify and investigate the 'soft facts' that impact the customer behaviour and their level of expectations towards retailers (Easterby-Smith, Thorpe & Jackson, 2015).

The framework of our research was based on an *abductive* approach which means that deductive logic that stems from theory and inductive aspects that derived from empirical material were combined in order to link the construction of theory with position development (Patton, 2002). Hence, this approach represented a middle course of both, deductive and inductive logic. This approach goes well together with the content analysis that has been applied since it "can be used in either an inductive or deductive way", and therefore, the combination of both did not represent a problem in the following sections (Elo, Kääriäinen, Kanste, Pölkki, Utriainen & Kyngä, 2014, p. 1). The first step was to gain and source knowledge by constructing and elaborating the literature review with regard to our research question. This level of knowledge was needed in order to get a deep understanding for the area of research and secondly, to create a guiding knowledge on how to design and conduct the collection of empirical material and the analysis later on (Miles & Huberman, 1994). Additionally, this level of knowledge attributed positively to the formation of the research design of this study as well as endorsed the selection of certain techniques for collecting the empirical material. At this point, it is important to mention, that our own perspective and stance have also been partly incorporated into the process of evaluating and analysing the empirical material and investigating findings (Miles & Huberman, 1994). This personal influence on the empirical material could not be avoided completely (Miles & Huberman, 1994).

An Objective Perspective based on the example of IKEA

The defined research question has been applied to a real-life case scenario: IKEA, a Swedish home furnishing retailer and global player[12] in the retail landscape has been chosen as case-example for this research project. There are various reasons which highly advocate the selection of this company as an example: First of all, IKEA is struggling at the moment, like many other retailers as well, on how to revitalise the in-store customer experience by redefining the primary purpose of the physical store environment. The younger customer segment, between the age range of 20 to 30, represented the 'target respondent' of this research project since this group will impact the future of physical retailing profoundly due to their immense spending power, their high life expectancy and their tech-savviness. Hence, this customer group represents the future customer of IKEA. Furthermore, drastic changes and a high level of fragmentation in customer behaviour are extremely present at the moment, and retailers are facing enormous challenges on how to meet the new needs and expectations of the tech-savvy and knowledgeable customers successfully now and in the future. These aspects represent the main challenges which IKEA is facing at the moment.

The solution to these issues is to offer a new and highly personalised in-store experience that is perfectly tailored to the individual needs and expectations of the defined target audience. This will be achieved by designing innovative and creative store concepts and thereby redefining the main purpose of physical retail space. It is essential to distinguish between two sides of the same coin: the *managerial perspective* or *provider perspective* which is represented by IKEA and the *customer perspective* and how these two 'parties' can work together more closely in order to reinvent the physical retail store concept successfully on a collaborative level. Most importantly, there exists a mutual relationship between both sides, and the main challenge is how the retailer will meet the changing expectations of the 'new and empowered customer' in the future in order to have a competitive edge. The obtained customer insights of this research

[12] IKEA runs 403 stores in 49 markets (IKEA, 2018). Over 194.000 co-workers work on IKEA's success story every single day (IKEA, 2018). Last year, 2017, more than 936 million customers visited the stores worldwide and created a sales turnover of 38.3 billion Euro (IKEA, 2018). The USP of IKEA is its low-cost strategy (Koniorczyk, 2015). IKEA's vision is "to create a better life for the many people by offering a wide range of well-designed, functional home furnishing products as prices so low that as many people as possible will be able to afford them (Koniorczyk, 2015, p. 113). IKEA's swedishness stands for simplicity, functionality and modern design (Koniorczyk, 2015).

project will help to re-design the in-store experience and how new sources of inspiration can be created for both, the customer and the retailer. Additionally, the gained knowledge from the target audience will help to stimulate and create new ideas on how to improve and design the customer experience in-store and functions therefore, as a source of inspiration and creativity for retailers in general. Table 1 below highlights some of the most crucial aspects which justify the selection of IKEA as a suitable real-life case-partner for this qualitative study.

Table 1: Suitability of IKEA as Case Example

Suitability Aspects of IKEA as a Real-life Example	**Customer Experience in the Physical Retail Space**
Accessibility - Source of information	The access to IKEA managers was a unique opportunity for us to get the business perspective first-hand on how to successfully manage customer experience in the physical retail space now and in the future. Therefore, we 'exploited' this source of information and knowledge by interviewing IKEA managers who are responsible for the customer experience at IKEA.
IKEA as a data collection vehicle	IKEA functioned as a prime example with regard to the current changes in the physical retail landscape.
IKEA's uniqueness and global presence	IKEA is a global player in the field of home furnishing and applied its unique store concept, the blue box, consistently on a global scale. IKEA's low-price strategy can be described as its main USP.

(Source: Adapted from Yin, 1994)

3.3 Data Collection Method

As previously explained already, a qualitative research approach was needed in order to answer the research question adequately with regard to the purpose of this study. Therefore, we decided to apply exploratory research tools since little is known regarding experiential retail in general and what kind of needs and expectations characterise the younger customer group, who represented the target group of this research project. Additionally, the purpose of this study was of exploratory nature which requested the use of various qualitative methods that helped to picture various perspectives from different angles. Hence, different qualitative techniques have been applied since this approach seemed to be the most promising and fruitful one regarding the quality and variety of findings for this thesis. Consequently, we selected *in-depth interviews* as our first technique, followed by *focus groups* that have then been complemented with *observations* in physical retail stores in order to collect the necessary empirical material that was needed to answer the research question. These three techniques aimed to investigate the research question on an empirical level and represented the needed 'toolbox' in order to connect the dots between the theoretical backbone, the research question and the resulting empirical findings later on in the analysis chapter (see Chapter 5: Analytical Breakdown).

Before getting into the three research techniques, we would like to mention the *kick-off phase* briefly as the initial start of this qualitative study. Since this Master thesis has been written in cooperation with IKEA, the two IKEA representatives (CX Knowledge & Insights Leader and the Global Communication Manager) were heavily involved in defining the research question of this thesis and functioned as our business contact persons, while Jens Hultman took the role of our academic supervisor. The official kick-off meeting took place on the 21st of March 2018 at the IKEA Headquarter in Hyllie. The main outcome of this kick-off meeting was to agree on the main objective of this Master thesis, the desired focus areas, defining the target group and discussing how we are planning to conduct the empirical material for this thesis.

The kick-off phase was then followed by the *preparatory phase*. Hence, we screened and analysed the current research regarding customer experience in retail, customer behaviour and general trends in the retail landscape in order to get a first impression and a basic level of understanding for this particular area and the current stand of research. This knowledge attributed positively to the localisation of research gaps in that field, that might be relevant to the research question of this thesis. This knowledge helped us to define potential questions for both interview guides, the IKEA interview guideline and the focus group interview guideline. Afterwards, the interview guideline for the interviews with the IKEA representatives has been designed (see Appendix B). Most importantly, a contingency plan for the IKEA interviews has been developed in advance in order to make sure that the most important questions got answered first in case we are running out of time during the interview sessions. Therefore, we prioritised the questions according to their importance and relevance by allocating blocks of time to each 'area of interest' (Stewart, Shamdasani & Rook, 2007). After finalising the first draft of the focus group guideline, we sent it over to our thesis supervisor, in order to get his academic feedback and opinion regarding the quality of the focus group guideline (see Appendix C). Additionally, the guideline has been sent over to the IKEA representatives, who functioned as the practical supervisors for this Master thesis. Their input was extremely needed and valuable as well in terms of retail practicability and in order to get their business perspective on the interview guide. Furthermore, we defined the different responsibilities during the interview and focus group sessions in advance: one of us functioned mainly as moderator and the other one exclusively as notetaker and observer who made sure that the recording of each session is safeguarded. Notably, during the focus groups, the moderator had a central role as a facilitator whose main responsibility was to create trust and motivation among the focus group participants to talk openly about their inner motivations, ideas and expectations (Stewart, Shamdasani & Rook, 2007). Additionally, it was imperative in terms of ensuring the quality of empirical output that the moderator steered the discussion to some extent since a too strict control of the group discussion could have impacted the quality of the empirical material negatively (Stewart, Shamdasani & Rook, 2007). Hence, the main difficulty for the moderator was to figure out how much structure and guidance was needed and allowed (Stewart, Shamdasani & Rook, 2007).

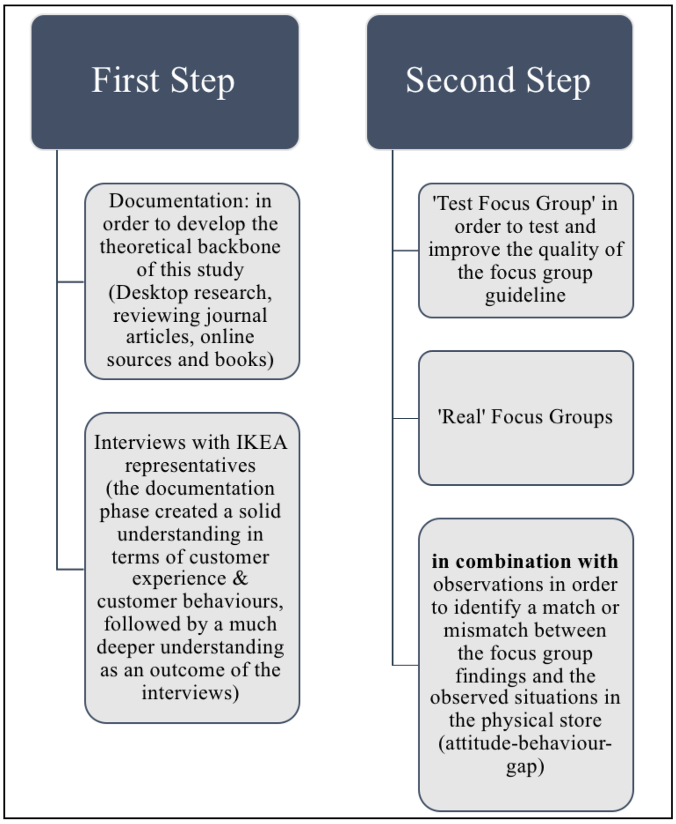
- **Step 1 - In-depth Interviews:** The main aim of the two in-depth interviews with IKEA interviewees as a first research tool, was to get a deep understanding of IKEA's current status and its future plans regarding the revitalisation of the in-store customer experience. Hence, these interviews functioned as the *provider's perspective*. In addition to that, it was crucial to get insights regarding the strategies they are working on right now that aim to meet the customer's needs and wants more adequately and successfully in the future. These business insights and practical perspectives were needed in order to set the guideline for the focus group sessions and to build a solid understanding of IKEA as our real-life case partner of this study.

- **Step 2 - Focus Groups:** The main focus of this thesis was on the *customer's perspective*. Therefore, we decided to adopt a more customer-centric mindset as second research step. That was needed in order to really intrude into the customer's minds and to investigate their perspectives, inner attitudes and expectations towards the physical retail landscape. Based on that, focus groups have been conducted in order to investigate the emotional relationships customers might have with certain retail brands and how they perceive the IKEA brand. These emotional relationships then lead to a certain level of expectations towards these retail brands (Maynard, interview, March 26, 2018). The focus groups primarily aimed to capture the customer's emotional notions, inner feelings and opinions regarding their physical shopping habits and expectations towards a retailer or retail brand. The ultimate aim of conducting focus groups is to use the group dynamics in order to get a deeper understanding for the observed target group regarding a specific area of interest by using a predefined 'agenda' (Stewart, Shamdasani & Rook, 2007). Additionally, this method aims to provide a detailed reflection of customer's reality and their inner position (Easterby-Smith, Thorpe, Jackson, 2015). Especially, the group dynamics and the continuous interaction and interplay among the participants fostered and stimulated the creation of creative ideas in our case (Stewart, Shamdasani & Rook, 2007). This, in turn, enabled us to develop innovative recommendations for the retail landscape later on. Furthermore, the focus group participants helped us to localise problems regarding a specific product/service by weighing up different comments and statements of the other participants who were also part of the focus group (Stewart, Shamdasani & Rook, 2007). Lastly, the open character of our conducted focus group sessions enabled the collection of vast amounts of empirical material since the participants were allowed to discuss freely on a specific topic (Stewart, Shamdasani & Rook, 2007). In the first instance, the definition of a focus group helped us to understand both parts of this research method better (Stewart, Shamdasani & Rook, 2007): Firstly, "the term *focus* (...) implies that the interview is limited to a small number of issues" (Stewart, Shamdasani & Rook, 2007, n. p.). Therefore, we designed the focus group interview guide along certain themes that were of high interest for our research topic in order to answer the research question properly. Secondly, "a *group* is a number of interacting individuals having a community of interest" (Stewart, Shamdasani & Rook, 2007, n.p.). This group interaction fostered the creation of innovative ideas as previously stated already. It is important to mention the 'emic' character of focus group data which means that the obtained empirical material occurs naturally and in native form (Stewart, Shamdasani & Rook, 2007). Hence, the spontaneous and natural answers that we received from our participants fostered the trustworthiness and trueness of our study results. Based on the described aspects, focus groups represented the most adequate research tool for the particular research question at hand (Stewart, Shamdasani & Rook, 2007)

- **Step 3 - Observations:** Observations at IKEA stores in Germany and Sweden have been conducted as last research step in order to observe and analyse customer behaviour right on-site. This *observer perspective* helped us to prove or disprove findings from the focus groups which have been conducted before. Additionally, these observational insights helped us to gain further knowledge regarding customer behaviour. This, in turn, stimulated our idea creation process on how to improve existing services in-store, for example, in order to attribute positively to the overall customer experience (Koniorczyk, 2015). Furthermore, the observations aimed to test the widely well-known attitude-behaviour gap among customers that represents a big challenge for the business landscape (Rettie, Burchell & Barnham, 2014). Customer behaviour is characterised by a high level of complexity and unpredictability, and as we already know, people do not always "walk their talk" (Carrington, Neville & Whitwell, 2010, p. 139). This means that customers might say something while participating in a focus group for example but act differently while shopping in a physical store. This might be caused by the physical presence or persuasive effects of other participants in the focus group, and therefore, people agree on certain statements in order to 'fit in' (Stewart, Shamdasani & Rook, 2007). Hence, we decided to conduct observations in physical IKEA stores after finalising the focus groups in order to prove and/or disprove the findings we got from the focus groups participants.

These three techniques will be described in detail later on. However, we would like to visualise the chronological order of the applied qualitative research methods briefly in Figure 4 below.

Figure 4: Chronological Order of the Applied Techniques



(Source: Own graph)

3.3.1 In-depth Interviews with IKEA Representatives

The IKEA representatives helped us to schedule interview meetings with colleagues right after our kick-off meeting since we expressed the need to get deeper IKEA insights from people who are currently working on the customer experience at IKEA. We conducted two interviews: The first interview took place on the 26th of March 2018 with the IKEA's Service Manager in the field of Customer Experience. The second interview has then been conducted with IKEA's Channel User Experience Leader on the 27th of March 2018. The main outcome of these two in-depth interviews was to get a solid understanding and first-hand insights of how IKEA's customer experience strategy looks like. Additionally, it was essential for us to figure out how IKEA is planning to design and create memorable customer experiences in the physical IKEA stores strategically now and in the future in order to stay 'relevant' in this highly competitive retail landscape. In particular, the current status and actions regarding personalisation aspects and its implementation into the physical retail store environment were highly important for us to know. These insights were of high relevance for us in order to understand their point of view and the 'IKEA way' of doing business. Additionally, the gained knowledge was beneficial in order to localise gaps or a match/mismatch between customer needs and how IKEA's actions meet these needs at the moment. Based on these insights in combination with the knowledge we gained from designing the literature framework, we then created the guideline for the focus group sessions in order to dip deeper into that topic. A few central questions that appeared to be relevant for the focus group sessions already occurred during the interviews with the two IKEA interviewees.

3.3.2 Focus groups with the Target Group

Before starting the test-focus group, we sent the first draft of our focus group interview guideline over to our academic supervisor and the IKEA representatives in order to get their feedback. This constructive feedback regarding the quality of the focus group guideline helped us to improve and guarantee the accuracy of the empirical outcome later on. We conducted a test-focus-group on the 29th of March 2018 at Lund University in order to test the first draft of the focus group interview guide which we designed on the basis of our literature review and the insights we got from the interviews with the two IKEA interviewees. We sent out a friendly reminder via Facebook Messenger one day before each focus group was scheduled in order to ensure that all participants who agreed to participate, did not forget about it and informed them where and when the focus group would take place. Unfortunately, the spatial facilities at Lund University were limited. Hence, the observer had to be physically present in the same room as the focus group and the moderator. Normally, the observer is separated from these two other parties by unobtrusively observing the whole session through a one-way mirror in another room next door (Stewart, Shamdasani & Rook, 2007).

This test-group consisted of five participants (gender- and nationality- mixed, between 20-30 years old, international students) and lasted for approximately one hour. We wanted to conduct a test focus group before the ‘real’ focus groups in order to test the general understandability of our questions, to get a feeling for how the participants perceive certain questions and if the way of asking certain questions may bias the answers of the participants and their group interaction to some extent. The focus group seating arrangement was a circle in order to facilitate the eye contact, the spatial proximity and interaction between the participants (Stewart, Shamdasani & Rook, 2007). The room for the test-focus-group has been selected wisely: the overall size of the room in which the test-focus-group took place was rather small, since we shared the same belief with Stewart, Shamdasani and Rook (2007), who stated that this would attribute positively to the group dynamics, especially, when the participants have to complete certain ‘tasks’. As a small incentive for the participants, we mentioned in advance that we would offer ‘FIKA’[13] during the focus group session.

We then modified the first draft of the interview guide for the ‘real’ focus groups, based on the feedback we got from our thesis supervisor and the IKEA representatives and based on the impressions we got in our test-focus-group (see Appendix C). Hence, we developed an updated draft in order to enhance and guarantee the quality of our empirical material later on. Small

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[13] Fika is a swedish expression and has its origin in Sweden. By Fika they mean coffee break. It is more about socialising and thereby enjoying a cup of coffee and a sweet pastry (Sweden, 2018).

adjustments have been made, for example, changing the introduction paragraph by removing the brand name ‘IKEA’ since the participants in our test-group seemed to be too focused on the IKEA brand during the entire focus group session, and hence, they got biased to some extent. Due to that impression, we decided to keep the beginning of the interview guide more abstract without mentioning the brand name IKEA in order to avoid any form of bias. Furthermore, we decided to start with rather general and broad questions about retail in general in the beginning and funnelled it then down to more specific topics and questions that were specifically related to IKEA and customer experience.

The main aim of the focus groups was to get a deep understanding of the needs and expectations of the young customer group. That particular customer group has been defined as the target group in the kick-off meeting in consultation with the IKEA representatives. After finalising the test focus group, we then conducted two ‘real’ focus groups which consisted of participants of differing gender and nationality who are familiar with the IKEA brand as such and the physical IKEA store concept. The age range of the participants was between 20-30 due to the focus on the younger customer segment and the explicit desire of IKEA to explore the needs and expectations of exactly this customer group. Each focus group consisted of five to seven participants. The first focus group took place on the 5th of April 2018 in Eskilstuna, Sweden, followed by the second focus group on the 19th of April 2018 that has been conducted in Lund, Sweden. Each focus group session started with a brief welcome statement given by the moderator, some general information regarding the recording of the session, confidentiality and anonymity of the participant’s names. Afterwards, the moderator kindly asked all participants to introduce themselves briefly by saying their first names and where they come from in order to create a more personal connection between the participants right in the beginning. After the introduction part has been finished, the focus group session started rather broad by asking “open-ended grand tour questions” which aimed to guide the participant’s thinking toward the area of interest (Stewart, Shamdasani & Rook, 2007, p. 113).

The participants had to perform two little tasks together in the form of drawing a customer journey on the whiteboard for example. These tasks aimed to design the focus group session more interactive and engaging for the participants. In addition to that, these group tasks functioned as sources of inspiration by processing the participant’s creativity and using their knowledge. The gained knowledge aimed to be transformed into new ideas and recommendations on how to improve the customer experience later on. The moderator directed the conversation in the right direction but at the same time facilitated a natural discussion flow among the participants by not interacting too much (Stewart, Shamdasani & Rook, 2007). The other person functioned mainly as notetaker, observer and ensured that the recording of the focus group sessions went smoothly.

3.3.3 Observations

We conducted one observation at an IKEA store in Sweden (City: Västerås) and a second observation in Germany (City: Ulm) since we wanted to observe customers in a real-life retail setting (Easterby-Smith, Thorpe & Jackson, 2015). Each observation took approximately two hours. The observations have been conducted on a Saturday and a Friday afternoon since these days were highly recommended by the IKEA representatives as the best days to conduct observations at IKEA stores due to the high visitor rate. The main objectives of the observations at IKEA stores were to analyse the physical retail setting as such and most importantly, observing the interaction among customers within that particular retail space. Additionally, the customer's interaction with store associates and the usage of digital elements in that store have been observed as well as any other things that occurred to be relevant or interesting for the analysis. We reached an agreement with the IKEA representatives in advance and agreed on one product category we will mainly focus on during the observations: Since IKEA offers a few personalised furniture products such as couches, couches have been selected as the focus product while observing customers in that particular department.

We took detailed field notes on our iPhones while observing in-store situations, in order to capture and save all thoughts and interesting aspects for the analysis later on (Easterby-Smith, Thorpe & Jackson, 2015). The reason for choosing the iPhone instead of a conventional notebook was to increase the discreteness since we did not want to irritate the IKEA customers on-site by taking notes in a normal notebook (Easterby-Smith, Thorpe & Jackson, 2015). Therefore, the usage of the iPhone as a more 'invisible notebook' improved the invisibleness of us as observers while observing customers in the store. Additionally, it is important to mention that the two of us functioned as so-called 'complete observers' by keeping distance while observing customers (Easterby-Smith, Thorpe & Jackson, 2015). We did the write-ups right on site in order to have a full record of all observed aspects ready without any gaps (Easterby-Smith, Thorpe & Jackson, 2015). Furthermore, we wrote down many different things that we have observed even if these things appeared to be irrelevant or unimportant at first sight regarding the research topic, but these small observational aspects may become important later on in the analysis section probably (Easterby-Smith, Thorpe & Jackson, 2015). Grammar has been totally neglected while taking field notes since the main task was to record customer behaviour on site without making any premature judgement (Easterby-Smith, Thorpe & Jackson, 2015). At this point, we have to distinguish between *structured and unstructured observations* in qualitative research (Mulhall, 2003). According to Mulhall (2003), a structured observation is mostly made by positivists, therefore, we conducted unstructured observations instead since this matched with our constructionist departure on which our qualitative study was based on (Mulhall, 2003). An unstructured observation fitted better to our research question and the purpose of our study since we wanted to understand customer behaviour and their needs and expectations in a much deeper sense. Hence, we did not stick to a checking list that consisted of predetermined customer behaviour, as it would be the case when applying a structured observation (Mulhall, 2003). Instead, we entered the observation setting 'openly' by not having any predetermined notions regarding a specific customer behaviour in mind (Mulhall, 2003). Of course, we had some ideas in mind when entering the setting of the observation based on the focus group findings we already had, but we tried to be unbiased while observing the customers in the store (Mulhall, 2003). Nonetheless, we acted in a structured way to some extent since we totally 'stood apart' from the customers who have been observed by us (Mulhall, 2003). This fact even underpinned our position as a full observer (Easterby-Smith, Thorpe & Jackson, 2015). Such a mix of observational strategies is possible according to

Pretzlik (1994) who refers back to a study that has been made by Dunn (1988). He applied unstructured and structured observational elements in one study (Mulhall, 2003).

Table 2 below visualises and summarises all different methods that have been applied and furthermore, lists the various set-up details such as date, time, location and participants. This table aims to facilitate a better overview at a glance:

Table 2: Overview - Data Collection

Data Collection Method	**Kick-off Meeting**	**In-depth Interviews**	**Test Focus Group**	**Focus Groups**	**Observations**
Date of the Data Collection	21/03/2018	26/03/2018 27/03/2018	29/03/2018	05/04/2018 19/04/2018	07/04/2018 13/04/2018
Time needed	1,5 hours	1 hours each	1 hour	**Group 1:** 75 min **Group 2:** 60 min	2 hours each
Location	IKEA Headquarter in Hyllie	IKEA Headquarter in Hyllie	LUSEM (Lund University - School of Economics and Management)	LUSEM (Lund University - School of Economics and Management)	**Observation 1:** IKEA store in Västerås (Sweden) **Observation 2:** IKEA store in Ulm (Germany)
Participants	**Interviewee 1:** Maria Møllerskov Jonzon **Interviewee 2:** Marcus McKinley	**Interviewee 1:** Amanda Jane Maynard **Interviewee 2:** Morten Lundholm	**Test Group** (Dry-run): Five Internationals (20-30 years old, gender- mixed)	**Group 1:** Five Internationals (20-30 years old, gender- mixed) **Group 2:** Seven Internationals (20-30 years old, gender- mixed)	IKEA customers in store

(Own graph)

The application of multiple methods such as interviews, focus groups in combination with observations increased the quality of our gained findings in terms of validity and reliability by applying a triangulation[14] approach (Yin, 1994). Additionally, applying these methods strengthened the quality of the research outcome overall but more importantly, it aided one another which ultimately helped to find answers to the research question of this thesis and thereby adding knowledge to the area of research (Saunders, Lewis & Thornhill, 2009). Overall, we are extremely pleased with the research process we applied in order to collect the required empirical material. The applied data collection process enabled us to get deeper insights of customer's needs and their level of expectation with regard to the physical retail space. Moreover, we generated more personal customer 'material' by asking open questions to the focus group participants in order to picture their inner feelings and thinking. This three-methods-approach reflected our multi-angle approach with regard to the research question and the area of research overall and hence, enabled us to see the gained findings from different perspectives which, in turn, improved the overall quality and interestingness of our findings. Furthermore, the multi-angle approach at hand underpinned our research philosophy quite nicely.

3.4 Sampling and Participant Selection Criteria

The study at hand aimed to contribute positively to the level of knowledge regarding the future role of the physical retail space, the main drivers that entice customers to the stores as well as localising and identifying the customer's needs and their expectations towards physical stores now and in the future. Therefore, a reasoned selection of individuals through a certain sampling technique was important for the quality and abundance of the desired outcome and most importantly, to reassure the obtaining of helpful, insightful and fruitful findings. Hence, a *convenience*[15] sampling in combination with a *snowball*[16] sampling has been applied (Easterby-Smith, Thorpe & Jackson, 2015). These two sampling techniques belong to the *non-probability* sampling designs which have one characteristic in common (Easterby-Smith, Thorpe &

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[14] Easterby-Smith, Thorpe and Jackson (2015) mention the triangulation approach as a helpful tool when aiming to discover different realities, or perspectives in our case. This fits very well with our social constructionist perspective. "Hence, the researcher needs to gather multiple perspectives (...) to collect the views and experiences of diverse individuals and observers" (Easterby-Smith, Thorpe & Jackson, 2015, p. 54). Triangulation means: combining "different data sources, different methods of data collection, and different kinds of data" (Easterby-Smith, Thorpe & Jackson, 2015, p. 216).

[15] Convenience Sampling: this means that the selection of sample units is based on and guided by the factors accessibility and ease (Easterby-Smith, Thorpe & Jackson, 2015). One example of a convenience sampling is, if the researcher uses his/her friends on social networks such as facebook as participants for his/her study (Easterby-Smith, Thorpe & Jackson, 2015). The factor representativeness clearly represents a disadvantage of this sampling technique (Easterby-Smith, Thorpe & Jackson, 2015).

[16] Snowball Sampling: "starts with someone who meets the criteria for inclusion in a study who is then asked to name others who would also be eligible" (Easterby-Smith, Thorpe & Jackson, 2015, p. 82).

Jackson, 2015): the findings of this study cannot be applied easily to a larger group of people which means, "it is not possible to state the probability of any member of the population being sampled" (Easterby-Smith, Thorpe & Jackson, 2015, p. 82). This means the screening and recruiting of the participants for the focus groups has been made by using personal contacts in Lund and social relationships in certain networks like Facebook as well as using the opportunity to ask the recruited participants to name others who are likely meet the criteria of that study.

Nonetheless, we took into account and considered carefully how individual characteristics of each potential focus group participant might impact the group dynamics (Stewart, Shamdasani & Rook, 2007). Additionally, we aimed to invite participants who differ in their customer journeys due to their usage of different touchpoints. This intended to foster the variations of possible answers. Specifically, one main criterion for selecting a particular participant was that he/she had to be familiar with shopping in physical retail stores in general as well as with IKEA's traditional store concept[17] since we asked specifically IKEA related questions in the second half of the focus group session. In addition to that, the factor age played a crucial role as well in terms of selecting the right participants due to the fact that we focused on the younger customer segment (20-30 years) since they represent the future retail customer. Additionally, their increasing level of knowledge that results from the overall level of digitalisation and their tech-savviness even strengthened their relevance as the future customer (Irving, 2016). Furthermore, the younger customers are characterised by a high level of spending power which is mainly caused by proper education, and hence, a good working position afterwards (Irving, 2016). Most importantly, the life expectancy of this particular customer group is much higher compared to other customer groups due to various factors such as an extremely healthy lifestyle, a high level of public security, sanitation and advances in medical science (Irving, 2016). This, in turn, increases the 'spending power lifecycle' of each customer even more (Irving, 2016). By defining the younger customer segment as the target group, we aimed to localise the true root of the problem. Hence, we wanted to investigate if the drastic changes related to the physical retail stores are more or less a 'generation thing' or if it is mainly linked to the current disruptive era and society we are living in. Furthermore, we aimed to investigate the 'new customer behaviour' of the young and knowledgeable customer group. This knowledge gap has also been highlighted by IKEA's Channel User Experience Leader in CX, who emphasised the shift in terms of connecting people by saying (interview, March 27, 2018):

> *"(...) if you look at the last 50 years, what was the biggest game changer in terms of behaviour? It was not the car anymore, it was the smartphone that connected people. It created mobility, virtual mobility mainly. (...) So, the big question for IKEA is: how do we take advantage of the connectivity, the*

[17] The labyrinth concept

belonging and mobility that a smartphone is providing. (...) ***But first, we need to understand what the new customer behaviour is****."*

We wanted to maintain a justified coverage of our study, hence, each of our focus groups consisted of five to seven international participants. Normally, a focus group consists of 8 to 12 participants (Stewart, Shamdasani & Rook, 2007). Since Stewart, Shamdasani and Rook (2007) mentioned their concerns regarding this regular focus group size in terms of practicability and inclusion of all participants, we decided to conduct focus groups that consisted of five to seven participants only. We thereby aimed to create a more intimate atmosphere in order to stimulate a more open and interactive exchange of ideas and feelings (Stewart, Shamdasani & Rook, 2007). At a certain point, we realised that we reached a point of saturation after the second 'real' focus group since we collected rich and detailed empirical material and gained sufficient knowledge of the area of research and our target audience. Consequently, we received the retail customer's perspective which was needed for the observation at IKEA stores in order to prove the statements the participants have said in the focus groups by observing customers in a real-retail shopping setting.

Even though the applied sampling methods might have had an impact on the generalizability and validity of this study's findings, we firmly believe that this sampling was the most appropriate one with regard to the defined research question and the purpose of this qualitative study. Many scholars argue that it does not exist 'one size fits all' in terms of forming a universal sampling rule for studies that are of qualitative nature (Patton, 2002). Most importantly, the creation of abundant and prosperous empirical material represents the pivotal point in qualitative research, and hence, was more critical for us than the sample size (Patton, 2002). Nonetheless, we aimed to achieve a sample that was reasonable with regard to the area of interest (Patton, 2002).

3.5 Data Analysis

Since we applied three different research methods (interviews, focus groups, observations) in different phases of time, we therefore, obtained new knowledge continuously over five weeks. Consequently, the data collection and the analysis were not fully and strictly separated from each other but rather have been carried out in certain sequences (Easterby-Smith, Thorpe & Jackson, 2015). We started with the evaluation of the interviews we conducted with the IKEA interviewees directly after they have been finished, since these findings and knowledge were needed in order to design the guideline for the focus group sessions which then followed afterwards. The same procedure has been applied after the focus groups have been fully conducted: the transcripts have been analysed directly afterwards since these insights built the fundament for the observations in order to know the most important findings of the focus groups before actually observing customers in the real retail space. This procedure was beneficial since we wanted to prove or disprove aspects that have been mentioned by the focus group participants in the physical store in order to analyse the attitude-behaviour gap. Hence, we conducted pre-analyses during the entire data collection process before doing the main analysis of this study as the very last step. The final analysis aimed to generate new theory and knowledge on the basis of the obtained empirical material (Rennstam, 2018). According to Rennstam (2018), this can be described as the theorising-process. Hence, we tried to understand customer behaviour in a much deeper sense by applying three different qualitative research techniques (interviews, focus groups and observations) which helped us to achieve this goal since we approached the research topic from different angles and perspectives. Therefore, we received different perspectives that attributed positively to the overall understanding with regard to concepts such as customer experience, customer behaviour and customer needs. Furthermore, we analysed the empirical material by applying a content and thematic analysis, followed by comparing the different focus group sessions and the responses in order to identify similarities or differences between the different sessions (Easterby-Smith, Thorpe & Jackson, 2015).

These mentioned pre-analyses within the data collection process required some preparation tasks (Easterby-Smith, Thorpe & Jackson, 2015). These included: transcribing the recorded material from the interviews and focus groups in form of protocols as well as minuting the field notes from the observations in order to have full thought constructs and statement strings at hand (Easterby-Smith, Thorpe & Jackson, 2015). This was then followed by the three-milestone analysis plan that will be described in detail below. Therefore, the main analysis of the collected empirical material has been facilitated by applying a milestone-plan that consisted of four main stages (Maxwell, 2013; Rennstam, 2018). These four phases have been suggested by Rennstam (2018) and Maxwell (2013).

These were, (1) to *sort* the obtained empirical material and "dealing with the problem of chaos" first of all (Rennstam, 2018, p. 5). This required to fully engage with the collected material (e.g. creating categories) (Rennstam, 2018). These categories then helped us to create and foster a solid pre-understanding of the obtained material (Rennstam, 2018). Hence, we started to generate rather initial categories that were characterised by a more open character and which were quite close to the empirical material and funnelled it then down to rather focused subcategories (Rennstam, 2018). We thereby created two different types of categories in order to create a category-construct: *first-order categories* which represented umbrella-categories so to say, and secondly, *subcategories* which were grounded in the empirical material and strengthened our ontological and epistemological standpoint at the same time. This was then followed by (2), the *reducing* phase, that aimed to create a more 'conversational relationship' with the empirical material by selecting and reducing the categories that have been defined in stage one (Rennstam, 2018). Therefore, finding the most *interesting* categories rather than the most frequent ones, was the main task of this particular stage (Rennstam, 2018). Hence, focus categories have been formed that appeared to be the most relevant and interesting ones with regard to the research topic of this thesis (Rennstam, 2018). We underpinned and strengthened the explanatory power of these focus categories by implementing quotes from the interviewees. Milestone 2 was then followed by the *Rethinking* Phase (3) which was highly important in order to loop the obtained empirical material back to the research question and the main purpose of this thesis (Maxwell, 2013). Lastly, (4) the *arguing* phase tended to create "an independent position in relation to authorities" since "analysis is not just presentation of data, but argumentation by using the data" (Rennstam, 2018, p. 18). Therefore, we connected the dots between the literature, that has been described in the first part of the thesis, and the empirical material in order to develop our own argumentation based on our empirical material, and hence, increasing the theoretical relevance and worthiness of this thesis overall (Rennstam, 2018).

It is important to mention that we highlighted the unique nature of each interview/focus group/observation by applying the concept of a *within-perspective* (Miles & Huberman, 1994). Hence, we treated each perspective[18] separately first. This was then followed by a *cross-perspective* in order to emphasise the interlinkage and underlying relationships between the different empirical materials, and hence, perspectives (Miles & Huberman, 1994). The cross-perspective enabled us to localise any form of causality between the different empirical material sources as well as identifying any form of similarities and/or differences between the interview, focus group and observation material (Miles & Huberman, 1994; Ryan & Bernard, 2003). Therefore, we aimed to attribute new knowledge to the existing literature in that field and set the fundament for a broader relevance and understanding of this research topic (Rennstam, 2018). The four milestones that have been described in detail above, are summarised in Table 3 below.

Table 3: The Process of the Analysis

First Milestone: Sorting Stage	Sorting the obtained empirical material and actively 'engaging' with it → defining codes (first-order codes / second-order codes).
Second Milestone: Reducing Stage	Building a 'conversational relationships' with the empirical material → defining the 'focus-codes' that are most relevant and most interesting for the research topic.
Third Milestone: Rethinking Stage	After milestone one and two, it is highly important to process the empirical material by applying a reflexive thinking process. This rethinking stage helped to loop the empirical material mentally back to the research question and the purpose of the thesis. This, in turn, helped to envision the core of this thesis while analysing the obtained material.
Fourth Milestone: Arguing Stage	Developing our own argumentation by connecting the dots between the existing literature in the field of research and the obtained empirical material → emphasising the theoretical relevance of this topic.

(Own graph based on Maxwell, 2013; Rennstam, 2018)

[18] The interview protocols formed the first perspective, the focus group transcripts functioned as the second perspective, and lastly, the field notes have been treated as the third perspective.

Besides the interview/focus group transcripts and field notes, we also gained another form of empirical material: *Visual Data* represented an additional source of new knowledge for us since we asked the participants in our focus groups to walk us through a customer journey visually (Easterby-Smith, Thorpe & Jackson, 2015). Hence, the focus group participants had to draw and explain each step of the customer journey as in much detail as possible, including the different touchpoints, actions and motives. We thereby aimed to "elicit the views of individuals or groups" by giving them this particular group-task (Easterby-Smith, Thorpe & Jackson, 2015, p. 169). Additionally, this group-task increased the interaction and group dynamic extremely since the completion of this particular task created a certain form of group spirit and belonging among the participants. After each focus group session has been finished, we then took a photo of the drawing since we wanted to incorporate it into this thesis. These pictures have been analysed along a two-way-process: first of all, the photos were analysed themselves in order to get familiar with the customer journey drawing, followed by an interpretation of it. Secondly, we then integrated and embedded them into the broader context of customer behaviour and customer experience and compared it with the drawing from the other focus groups. This form of data helped us to understand the underlying drivers of customer behaviour and why they do what they do.

- **Evaluating the Interviews:** The two interviews that have been conducted with IKEA interviewees, generated an abundant amount of rich empirical material. We recorded both interviews in order to guarantee the level of content accuracy and completeness as well as having the possibility to listen carefully to the interviewee's statements while doing the interview. The interview protocols have been transcribed in English since both interviews were held in English, and furthermore, we transcribed the recorded material word by word in order to have all statement constructs at hand. After the transcripts have been finalised by the notetaker, we then started to read and reread each protocol many times in order to localise the most interesting aspects and topics that have been mentioned by the interviewees. This iterative analysis approach included colour coding in order to highlight the buzz-words in the transcripts visually. The localisation of these keywords was needed in order to create mind maps which facilitated a deep understanding of the obtained interview material. This was then followed by the creation of categories across the two interview transcripts that represented the most interesting aspects.

- **Evaluating the Focus Group sessions:** The evaluation started with transcribing the recorded material word by word directly after the focus group ended in order to have all statements, and important discussions among the participants and thought constructs on paper. We decided to give each focus group participant a number (P1-P17) in order to facilitate the analysis later on. These written records were vital for the analysis phase since it helped us to understand how one participant may have triggered the response of other participants. This 'phenomenon' can be described as snowball- or chain-effect that often occurs in a group situation, which means that a certain statement of one participant might trigger different comments from other interviewees which, in turn, creates a vital discussion among the participants (Stewart, Shamdasani & Rook, 2007; Noy, 2008). This effect is beneficial in terms of gaining new customer insights, localising new creative ideas as well as getting various perspectives from different customer angles (Stewart, Shamdasani & Rook, 2007). Additionally, these protocols have clearly shown that the participants were a bit reluctant to answer and actively engage in the group discussion at the beginning of each focus group. This has changed after five minutes since the participants were engaged, felt more confident and really wanted to share their opinions and ideas openly (Stewart, Shamdasani & Rook, 2007). Furthermore, they got really excited while drawing the customer journey as a team, and hence, developed a certain group dynamic and a feeling of belonging (Stewart, Shamdasani & Rook, 2007). Most importantly, these written protocols facilitated the mental reconstruction of each focus group for us as researchers. After the transcription of each session, we created a summary of the main conclusion points, hence, a small content analysis of each protocol (Stewart, Shamdasani & Rook, 2007). One limitation of this written record is based on the fact that human gestures and nonverbal communication among participants and facial expressions are not included (Stewart, Shamdasani & Rook, 2007). Therefore, the physical presence of the observer during each session was extremely needed who was mainly responsible for taking notes but also to observe the 'soft factors' that have been mentioned above. The notetaker added her observational factors to the transcripts in order to round off the 'hard empirical material' with these 'soft aspects' that may have an influence on the overall interpretation of the findings later on (Stewart, Shamdasani & Rook, 2007). A phenomenological analysis approach has been taken whereby the inner motivations, thoughts and feelings of each individual participant represented the centre of focus for us as researchers (Stewart, Shamdasani & Rook, 2007). This particular approach is particularly useful in a marketing context in which the in-depth motives why or why not someone acts or thinks in a particular way are of interest (Stewart, Shamdasani & Rook, 2007). Additionally, an iterative analysing approach was highly needed which means that we had to read, analyse and then reread the empirical material over and over again in order to get a deep understanding for it and to fully grasp the content and the constructs of meaning (Stewart, Shamdasani & Rook, 2007).

- **Evaluating the Observations:** Evaluating the observations started with transcribing the field notes that have been made on iPhones while observing customer in the stores. We then created mind maps with the most interesting aspects that we observed in the store in order to facilitate the overview of the obtained material. These mind-maps helped us to connect the dots between the observation results and the results we got from the focus group session and the interviews with the IKEA interviewees. This, in turn, helped to localise a match or mismatch regarding the results of the focus groups and interviews.

After finalising the evaluation of the obtained empirical material, we then started with the *idea screening process* since manifold, and creative aspects have been generated or mentioned either by the IKEA interviewees themselves, the focus group participants or by us during the data collection process. Afterwards, the localised ideas have then been analysed regarding practicability, relevance and creativity.

3.6 Trustworthiness and Authenticity of the Study

According to Easterby-Smith, Thorpe and Jackson (2015, p. 214), it is highly important to make the study "relevant, credible and attractive to others" which, in turn, makes it then useful and promising. In particular, the word *trustworthiness* is of high relevance in relation to the quality of qualitative study results (Easterby-Smith, Thorpe & Jackson, 2015). This expression has been established by Lincoln and Guba (1985) who thereby framed one of the most important criteria for evaluating qualitative material on the basis of a content analysis (Elo, Kääriäinen, Kanste, Pölkki, Utriainen & Kyngäs, 2014). Hence, the obtained empirical material has to be "worth paying attention to" (1985 cited in Elo, Kääriäinen, Kanste, Pölkki, Utriainen & Kyngäs, 2014, p. 2). Lincoln and Guba defined four subcategories of trustworthiness (Elo, Kääriäinen, Kanste, Pölkki, Utriainen & Kyngäs, 2014): *transferability, credibility, confirmability* and *dependability* (Elo, Kääriäinen, Kanste, Pölkki, Utriainen & Kyngäs, 2014). Additionally, they added a fifth subcategory, later on, called *authenticity* (Elo, Kääriäinen, Kanste, Pölkki, Utriainen & Kyngäs, 2014). Different strategies can be applied that improve the trustworthiness of the study (Ngozwana, 2018), for example, "prolonged fieldwork, multi method strategies, participant verbatim language, multiple researchers, member checking" (Ngozwana, 2018, p. 25). The mentioned subcategories of trustworthiness will be explained in detail below and have been applied to the qualitative study at hand:

Transferability: Transferability relates to the 'fit' of our gained findings and study outcomes to other areas, beyond the one that we have investigated (Easterby-Smith, Thorpe & Jackson, 2015; Miles & Huberman, 1994). Hence, other researchers got the opportunity to transfer our results to other studies that might have been conducted in a similar area of focus which, in turn, enables researchers to connect the dots between the different studies (Miles & Huberman). Furthermore, our detailed description of the applied sampling and data collection process of the study at hand facilitates comparisons with other studies (Miles & Huberman, 1994).

Credibility: Miles and Huberman (1944) mentioned the word 'truth' in relation to the credibility of a study. Furthermore, the gained study findings have to be of a valuable and credible character to both, the study participants on the one hand and to the broader audience of a study on the other hand (Miles and Huberman, 1944). In our case, the obtained empirical material has been analysed by two researchers. Hence, the 'four-eye principle' has been applied and thereby strengthened the overall level of trust in the study findings as well as the level of credibility overall (Eisenhardt, 1989).

Confirmability: Confirmability can be treated synonymously with the objectivity that deals with the creation of a congruent basis between different researchers who are involved in the study with regard to the overall accuracy and relevance of the obtained empirical material (Elo, Kääriäinen, Kanste, Pölkki, Utriainen & Kyngäs, 2014). Miles and Huberman (1994) mentioned critically the existence of a certain form of bias of the researchers that cannot be avoided completely due to the various 'backgrounds' of the researchers. Therefore, we tried to minimise this natural bias by keeping a certain form of distance throughout the entire data collection process by not intervening too much into the focus group discussion for example. Hence, we tried to not integrate or incorporate our individual perspectives, views or opinions into the collection process of the empirical material and the interpretation of the findings (Miles & Huberman, 1994).

Dependability: This aspect deals with aspects of reliability and substantiation of the study at hand (Miles & Huberman, 1994). In addition to that, the process of auditing the applied research procedure represented a crucial factor also (Miles & Huberman, 1994). Hence, we aimed to generate a reliable and well-audited study which, in turn, represented a deep level of honesty of us as researchers (Miles & Huberman, 1994). Consequently, we documented every single phase of our research process in order to have substantial documentation at hand. This documentation included written and oral records of the conducted interviews, focus groups and observations. Additionally, a detailed description of the participant selection and a solid argumentation for the chosen data analysis approach has been made (Miles & Huberman, 1994).

Authenticity: Authenticity aims to demonstrate a profound understanding of the researcher with regard to the area of study (Easterby-Smith, Thorpe & Jackson, 2015). Additionally, authenticity deals with the display of different 'realities', hence, perspectives in our case, in an orderly and trustfully manner (Lincoln & Guba, 1985; Elo, Kääriäinen, Kanste, Pölkki, Utriainen & Kyngäs, 2014). We tried to achieve a profound level of understanding by constructing the theoretical framework in as much detail as possible. Furthermore, we aimed to present different forms of 'realities', hence, perspectives by approaching the research topic from different angles. This has been achieved through three different data collection techniques such as interviews, focus groups and observations in order to visualise three different perspectives, and hence, approaching the research question from different angles.

Lastly, we would like to highlight two additional factors that might have influenced the overall quality of our study negatively, to some extent at least. The first aspect is based on the fact that hardly any of the participating individuals in our focus groups was a native English speaker besides a few. All focus groups, as well as the interviews with the IKEA interviewees, have been held in English since this was the common language among researchers and participants. Even though, we did not recognise any severe *language barriers* by the participants throughout the entire data collection process. Nonetheless, it has to be acknowledged that some language difficulties might have occurred at some point. Especially, in terms of giving precise and detailed explanations about their individual feelings, inner motives or opinions as they would have been able when describing these aspects in their mother language. The second aspect that might have weakened our study is the *nescience* regarding the overall *'openness'* of the participants during the focus groups. We could not be fully sure that the participants in our study talked openly and honestly with us. This fact represents one of the biggest disadvantages of qualitative research in general, since we have to accept the fact, that a precise understanding and representation of the individual's inner feelings is nearly impossible to achieve (Patton, 1987).

3.7 Ethical and Political Implication

The collection of empirical material in the area of qualitative research may cause a number of ethical issues (Easterby-Smith, Thorpe & Jackson, 2015). According to Bryman and Bell (2011), considering ethical aspects in research refers to the overall *integrity* of a research study. This form of integrity has to be given and maintained in all three research stages: the recruitment phase, followed by the actual fieldwork, and lastly, in the reporting phase (Miles & Huberman, 1994). In the following paragraph we will take into account some of the most important aspects in the area of ethical codes in the business research context, for example, avoiding any form of harm, protecting the dignity, privacy and anonymity of the research participants and assuring the confidentiality of the obtained empirical material (Easterby-Smith, Thorpe & Jackson, 2015; Miles & Huberman, 1994).

We considered several ethical aspects in our study such as safeguarding the anonymity and privacy of the participating individuals, ensuring the confidentiality of the obtained empirical material and an informed consent of study participants (Easterby-Smith, Thorpe & Jackson, 2015; Ngozwana, 2018). Hence, giving the participants the freedom to withdraw from the study whenever they want, avoiding any form of harm, reflecting the overall worthiness of this study as well as being fully honest and transparent when communicating with the study participants (Easterby-Smith, Thorpe & Jackson, 2015; Ngozwana, 2018). These ethical aspects occured in certain stages of the research process which will be described below:

Recruitment Phase: This phase dealt with topics such as the *informed consent* and the overall *worthiness* of the study at hand (Ngozwana, 2018; Miles & Huberman, 1994). First of all, we gave thought to the worthiness of this qualitative study as to whether this research project will make any promising and beneficial attribution to the broader context of this topic and area of research (Miles & Huberman, 1994). Based on the outlined problematisation of this research topic, we strongly believed that his study would generate valuable contributions and insights not only for the academic landscape but also for the managerial context. Hence, the first ethical principle was fulfilled. Secondly, the *informed consent* aimed to inform the study participants in as much detail as possible regarding the subject of the study, how the data collection process looks like, describing the main areas of focus of this study, and how are we planning to use the obtained empirical material later on in the analysis phase (Easterby-Smith, Thorpe & Jackson, 2015). This means, we informed the participants of the focus groups before the session started and asked for their consent verbally (Easterby-Smith, Thorpe & Jackson, 2015). The main difficulty regarding the informed consent is that the provision of a fully informed consent is almost unachievable since follow-up questions might occur during the focus group session spontaneously, and therefore, cannot be defined in advance (Miles & Huberman, 1994).

Fieldwork Phase: One ethical principle that is of high relevance throughout the entire fieldwork phase is to *avoid* any form of *harm* (Easterby-Smith, Thorpe & Jackson, 2015; Miles

& Huberman, 1994). Our ultimate aim was to offer a welcoming and comfortable setting for our participants by scheduling the focus groups in nice and bright group rooms at Lund University in order to create a pleasant room atmosphere for them. Additionally, the participants of the focus groups were not forced to comment on each question if they got the feeling that this particular question or topic may conflict with their personal attitude or may add any form of harm to the overall self-esteem to them as a person (Miles & Huberman, 1994). Another important aspect in the area of ethical fieldwork was based on *honesty* and *transparency* (Easterby-Smith, Thorpe & Jackson, 2015). This means the correct and fair treatment of the study participants was put in front rather than ranking the collection of new knowledge as the main priority (Miles & Huberman, 1994). Hence, we did not force or persuade the participants to answer (Miles & Huberman, 1994).

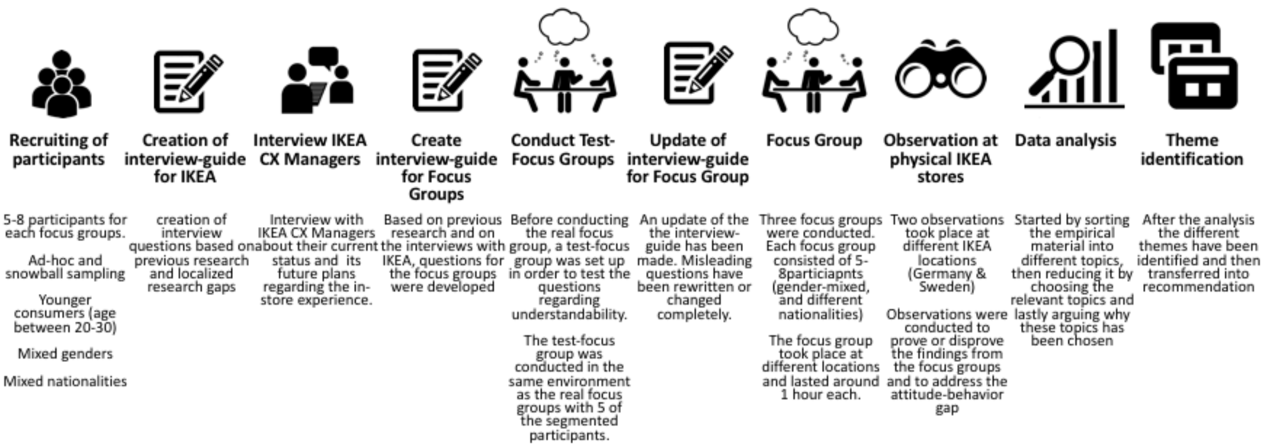
Reporting Phase: The reporting phase aimed to fully safeguard the *confidentiality* of the obtained empirical material that has been collected throughout the fieldwork phase (Easterby-Smith, Thorpe & Jackson, 2015). Hence, the gathered empirical material has been exclusively used for the purpose of this study (Miles & Huberman, 1994). Another ethical issue was based on the *privacy* aspect (Easterby-Smith, Thorpe & Jackson, 2015). This aspect is highly controversial since we aimed to explore the private lives of the study participants to some extent which can be seen as a certain form of violation of the participant's privacy (Miller, Birch, Mauthner & Jessop, 2012). Therefore, it was vitally needed to inform the participants about the exact usage of the obtained empirical material in public and ensuring that an identification of the individual participant cannot be made (Miles & Huberman, 1994). Hence, providing and safeguarding the *anonymity* of the study participants was highly essential and represented a crucial task in the reporting phase and was related to our honesty as researchers (Easterby-Smith, Thorpe & Jackson, 2015). This leads to another ethical factor, the *integrity* of this research study (Miles & Huberman, 1994). Thereby we mean, that we had to master the task of being a person of full integrity by behaving in a fully honest way, and hence, respecting the ethical standards in the field of research (Miles & Huberman, 1994).

In addition to the ethical implications which have been presented in detail above, we would like to take into account the *political implications* as well in order to round off this chapter. According to Easterby-Smith, Thorpe and Jackson (2015), it is highly important to deliberate upon the level of experience of the researchers who were conducting this study. The individual level of experience has been identified as the most influential factor in terms of political impact on this study project (Easterby-Smith, Thorpe & Jackson, 2015). Easterby-Smith, Thorpe and Jackson (2015) argued that there are different factors that do have an impact on the level of experience of the researcher overall such as the individual interest of the researcher towards a specific research topic, his/her pre-existing knowledge in that particular area, his/her personal background, his/her social belonging, his/her gender as well as nationality. All these variables play a crucial role and affect our individual standpoint and the epistemological and ontological perspective of this study, to some extent at least (Easterby-Smith, Thorpe & Jackson, 2015). Hence, we thereby got sensitised subconsciously and created a certain form of 'filter' unintentionally (Easterby-Smith, Thorpe & Jackson, 2015). This 'filter-process' can be illustrated by the different literature streams that have been defined in the beginning in order to construct the theoretical framework of this study (Easterby-Smith, Thorpe & Jackson, 2015). This functioned as a fundament for our methodology that followed subsequently, and also, for the collection process of the empirical material, the analysis of the gathered material, and lastly, the elaboration of conclusions and recommendations (Easterby-Smith, Thorpe & Jackson, 2015). Additionally, Easterby-Smith, Thorpe and Jackson (2015, p. 110) emphasised the benefits of integrating different "perspectives, backgrounds and skills" of a researcher team instead of relying on the opinion and perspective of an individual researcher. The empirical material has been gathered by two researchers. Hence, this study consisted of two different perspectives, backgrounds and skills. This, in turn, improved the overall level of variety and quality regarding the selection of literature sources, the interpretation of the study outcomes and the formulation of conclusions and recommendations (Easterby-Smith, Thorpe & Jackson, 2015).

3.8 A Visualisation of the Methodology

The figure below visualises the entire data collection process that has been applied to the study at hand. The presented visualisation in Figure 5, aims to facilitate the understanding for the reader since many different methods and steps have been used throughout the data collection process.

Figure 5: Visualisation of the Applied Methodology



(Own graph)

4 Findings in Perspectives

"We will test and try to develop a new world of Ikea."
Jesper Brodin - Ikea Chief Executive Officer (cited in Matlack, 2018, n.p.)

IKEA has done many things right over the past decades, otherwise they would not have become the largest seller globally when it comes to home furniture (Davis, 2017). This cannot be dismissed for sure. Nonetheless, IKEA and its CEO Jesper Brodin have many new tasks to fulfil and diverse challenges to face in order to achieve its goal to create a 'new world of IKEA' (Davis, 2017). When asking people what they associate spontaneously with IKEA, buzz-words such as blue-box, meatballs and simple furniture pop up. However, IKEA aims to be more than that, by taking on a "revolutionary speed" according to Jesper Brodin (Matlack, 2018, n.p.). IKEA's transformation process already began since it is time for a change.

Many factors emphasised the need for change in order to keep pace with the competition in the long-run (Molin, 2018). In particular, the power of the *transforming society* we are living in nowadays stimulated and fostered this change process fundamentally (Molin, 2018). Challenges such as *digitalisation* and an increasingly growing customer base who prefers *shopping online* due to *convenience* and *time-saving* issues, confronted global players like IKEA with entirely new challenges (Molin, 2018). Furthermore, fundamental changes in customer behaviour and how to intrigue customers to actually visit the physical store instead of shopping online required new ways of thinking on how to excite and entertain customers by rethinking the purpose of the physical retail environment from scratch (Molin, 2018). Hence, IKEA has to 'surprise' the customer in a whole new way in order to give the customer the possibility to create an emotional bond with the brand (Matlack, 2018). Additionally, one key challenge for retailers like IKEA is to bring their *delivery service and operational excellence* to perfection (Molin, 2018). This, in turn, will increase the level of convenience for the customer and attributes positively to the customer's loyalty in the long-run (Molin, 2018). These improvements will help to keep pace with pioneers such as Amazon or Alibaba which are already way ahead of other retailers in terms of putting the delivery service excellence to a whole new level (Molin, 2018).

IKEA's main pillar of success was their physical store for decades, but their traditional warehouse concept is under threat. Hence, IKEA plans to turn the *physicality* aspects of its stores into a strength by rethinking its store concept fundamentally. The Swedish furnishing retailer already made the first steps towards the right direction by opening up showrooms in cities like Paris, Stockholm and London right in the heart of these cities in order to increase the geographical proximity to its customers and offer them the possibility to discover the brand and its products in a whole new way (Molin, 2018). Ray Gaul, who works as an analyst at Kantar Retail in London emphasised the fact that: "Young people like Ikea, but they can't or don't want to drive to Ikea." (Gaul cited in Matlack, 2018, n.p.). Therefore, "Ikea has no choice but to invest in better services." (Gaul cited in Matlack, 2018, n.p.). This insight matches very well with the fact that economists revealed recently (Molin, 2018): They predicted that more than 60% of the entire world population would live or move to urban areas in the coming ten years (Molin, 2018). Hence, younger customers, in particular, prefer to live in cities and drive less frequently or they do not even own a car (Molin, 2018). These facts and figures complicate the accessibility of the 'blue-boxes' immensely for the younger customer segment since the traditional IKEA stores are located right outside in the 'potato fields' (Molin, 2018).

Today, it is all about offering a whole new level of experience to the customer while shopping in a physical store, saving time, and most importantly, creating unique and memorable moments that customers instantly want to share with their peers.

4.1 Within-Perspective

As we have already mentioned in the chapter before, we applied a within-perspective as the first step. Hence, the different research methods (Interviews - *provider perspective*, focus groups - *customer perspective*, observations - *observer perspective*) functioned as different perspectives and have been treated separately first in order to provide us with an in-depth understanding regarding all three perspectives. Secondly, a cross-perspective has then been applied in order to connect the dots between the three different single perspectives which have been processed before. The outline of our empirics that will be presented in the following subchapters builds the needed fundament for the cross-perspective later on, which, in turn, will contribute positively to the research question of this study.

4.1.1 Provider Perspective

Category 1: Memorable Experience

IKEA's primary task is to meet the changing behaviours and increasing demands of their customers more adequately by reaching and enticing the customers in a whole new way with regard to the physical IKEA stores. IKEA's Service Manager described this task concisely by saying:

"It is about what to expect and how to excite".

Although a seamless and interconnected experience is essential for today's retailers, retailers need something else to excite and entice the customers in order to even exceed the customers' expectations. Hence, IKEA is mainly focusing on offering a truly memorable experience to the customer. However, what does the expression 'memorable experience' truly mean? IKEA's Service Manager described it as following:

"[an experience] that is so memorable that you want to spontaneously share it".

Such a memorable experience is not just about creating satisfaction at every single touchpoint for the customer, most importantly, it is also about killing the pain points and removing the dissatisfaction which hampers the customer's level of satisfaction tremendously. The ultimate aim of customer experience is to create an even higher level of convenience for the customer, and hence, to minimise the level of dissatisfaction of the customer. Nonetheless, it is still unknown and highly controversial among researchers, practitioners and among IKEA managers also, on *how* to create this truly memorable experience in-store for the customer. One of the most significant challenges that complicates the creation of a truly memorable experience is how to offer and maintain this experience for the customer *over time*. This crucial time factor has been highlighted by IKEA's Service Manager, who stated that:

"(...) what's memorable once might not be memorable the second time".

Different special features could create this memorable experience such as having unique events or creative workshops in the physical stores, for example, which enhance the level of engagement and co-creation for the customer immensely. For example, in China IKEA had a sleepover event with organised pillow fights in one of their stores. This event was mainly for the purpose of PR[19] but could also be utilised and extended for the purpose of creating a completely new and unique experience for the customer in the physical retail space. Another possibility might be to utilise the physical store as a meeting place and as an area to socialise. Hence, in these areas, customers are invited to meet friends and family in their spare time without being forced to visit IKEA just for purchase reasons. The main difficulty is based on the fact that, IKEA needs to improve their customer experience in order to stay competitive in the long-run, and furthermore, IKEA has to stay true to who they are and the uniqueness of the IKEA brand. Hence, IKEA needs to figure out the *'how'*: How to act and change successfully in this highly competitive and experientially new retail landscape, but without taking away the heritage and uniqueness of the IKEA brand. This crucial aspect has been highlighted by IKEA's Channel User Experience Leader who emphasised the importance of not being 'retail-mainstream' by claiming:

"(...) we can't respond by being Apple, by being Amazon (...) we can't become Amazon overnight (...) it is super important to stay true to who you are, we can only be IKEA from Älmhult, unfortunately, but that should be good enough as well".

IKEA's current business concept 'we do our part and you do yours' represents a limitation in terms of creating a memorable experience for the customer. One the one hand, this business concept saves both, time and money for IKEA and their customers which, in turn, attributes positively to IKEA's uniqueness as a retailer, and hence, strengthens its 'value for price' advantage. On the other hand, the pivotal question is if this concept is still relevant, attractive

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[19] PR stands for Public Relations

for and accepted by the 'new modern customers' and their expectations regarding convenience. IKEA's Channel User Experience Leader highlighted the freedom restrictions for the customer which are closely linked with the location of IKEA's store, and hence, represent a crucial issue in terms of time:

> *"It is the distance, it is that we are not where the people are. (...), it means people have to invest more time, and time is more important in areas like we live in, than money. (...) we are not setting people free, when it comes to time, we are hijacking people's time. So, they are not in control of their own time when they enter our world[20], they are a part of the IKEA world, and that is on **IKEA's terms**. (...) Now it is really like the devil's advocate 'now that I have you, you really have to hear whole story of my life' also the boring parts that you don't care about."*

Additionally, the products of IKEA are seen as highly generic which, in turn, hinders the customer to build a personal connection to the product. Hence, it does not exist a personal feeling between the customer and the purchased IKEA product due to its generic character. This fact even exacerbates the already existing limitation of IKEA's business concept that has been mentioned above. As emphasised by IKEA's Channel User Experience Leader, they do have various collaborations coming up which aim to attribute a personal and unique component to the generic furniture. This could be truly beneficial to the overall perception of IKEA products:

> *"a lot of people are using IKEA when they want simple and good design, but it is not personal. (...) IKEA, generally, doesn't have the capability to be that 'unique piece'. You have a unique IKEA chair, how amazing, because that counterintuitive of who we are. But now we start to have these collaborations with all these cool designers, and that could be something. But in general, IKEA is not personal, what makes it personal is the home furnishing."*

IKEA has to offer a truly unique journey in their physical stores in order to minimise and mitigate the highlighted limitations. The central problem is that customers have to experience the entire store even if they are just interested in a certain part of it or a particular department. Hence, they are more or less forced to experience everything by being dragged through the entire store which is caused by IKEA's labyrinth store layout. This predetermined 'path' truly limits the customer's experience, and most importantly, the customer's freedom in store. According to IKEA's Channel User Experience Leader, IKEA has to find solutions in order to give the customer the possibility and freedom to experience what they want instead of forcing them into a certain direction. It has been mentioned that modern customers want to decide freely and independently where to go and what to see:

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[20] By 'our world' he means physical IKEA stores.

"I think part of the IKEA store, if you go in, it is super cool, but if you have to be dragged through everything, then the highlights of the experience die. So basically, on one hand it's like 'what's in it for me, is it worth it to go through all of this when I just want this'. But then from a business perspective, can we have a business, is it a healthy business if people only did this [skipped touchpoints at IKEA], but did it 10 times a year. Do we have confidence that people would come back 10 times a year, instead of coming back 1-2 times a year? That is really what it comes down to, frequency."

This aspect represents another difficulty for IKEA since they have to deal with both sides of the same coin: One the one hand, IKEA has to stick to their brand, and the core attributes that are related to this brand concept such as the labyrinth concept. On the other hand, customers are challenging retailers like IKEA more and more by having increasingly higher expectations regarding the physical retail space. According to the interviewed Channel User Experience Leader, this challenging balance act represents the most significant issue that IKEA is facing at the moment:

"it is about balancing the customer's expectations at one end and how we meet it with our business."

Additionally, IKEA's third-party vendors[21] represent another severe limitation to the memorable customer experience, and this part is often highly underestimated. These third-party vendors are the ones who get directly in touch with the customers when delivering the ordered IKEA products to their homes. This personal and human touchpoint attributes to the overall customer experience quite heavily, since the 'first impression counts but the last remains'. Hence, these third-party vendors function as very 'last impression' that customers have with the IKEA brand which, in turn, impacts the customer's perception and experience with the brand to a large extent. The main problem of this outsourcing process is that IKEA is barely in control of this step in the customer journey, and hence, cannot fully guarantee the quality of service as they can with their in-house services for example.

Furthermore, the relation between the customer's experience and their level of loyalty to the retailer has changed. Loyalty still exists even though customers tend to be less loyal since they have an abundant choice today than they had before. Due to this close relationship between experience and loyalty, it is even more important than ever before to invest in the creation of a truly memorable experience for the customer since this may lead to long-term loyalty towards a certain retailer. This can be described as a certain form of snowball effect: offering a truly unique experience to the customer, leads to the creation of a personal bond between the

[21] Third party vendors in that case mean the outsourced delivery and assembling service which is not carried out by IKEA themselves.

customer and the retailer which, in turn, raises the overall level of loyalty of the customer towards a retailer. In addition to that, a higher level of customer loyalty guarantees long-term economic success since customers are less willing to migrate to a competitor due to the unique memories they connect with the other retailer. This effect has been emphasised by IKEA's Service Manager who shared her personal opinion openly by saying:

> *"I still believe there is a connection between experiences and loyalty, that I truly believe. You've had a good experience, you're more likely to go back to that brand."*

Category 2: Personalisation

Personalisation represents a 'hot topic' for IKEA at the moment due to the drastic changes in the retail landscape and the changing expectations of the knowledgeable customer base. IKEA has already implemented a higher level of personalisation into a few of their touchpoints, such as personal kitchen or storage planning. However, the personalisation factor needs to be heavily improved and integrated seamlessly into all touchpoints which, in turn, will help to create and design a truly memorable experience for the customer. Today, every customer has, more or less, the same experience but the modern customers expect an even higher level of personalisation regarding the journey they have with IKEA. Hence, the journeys and experiences need to be more flexible and tailored to the individuality of each customer in order to enable the customers to choose freely their own journey. For example, one customer might want a more automated journey while another customer might want the complete opposite and puts an emphasis on human interaction and a more human touch overall. Hence, it is imperative to utilise the store associates role regarding personalisation as a human tool that has the ability to create a higher level of personalisation for the customer. This, in turn, adds a 'human touch' to the customer experience and gives the customer the feeling that the retailer truly cares about him/her as an individual. This human touch becomes increasingly important in the anonymous world we are living in today, due to the higher level of digitalisation that decreases the level of human interaction quite heavily. IKEA's Service manager defined personalisation as a necessary tool in order to offer a higher level of choice to the customer:

> *"I think it's about giving customers choice. And that's what I see as personalisation. Allowing customers to choose which way they want to interact with us. And of course, if you are ringing a contact centre and you have a problem last time you called us, it would be super nice if we said to you: I'm sorry, we saw you had problems last time, how can I help you today, Miss X. (...) And a co-worker in the store, the same 'we saw that you had a bad experience', or 'I just saw that you bought a kitchen, can we help you, what are you looking for today, I've seen that you have just spent a huge amount of money with us'. I'm sure that our customers would appreciate that in the touchpoints."*

Category 3: Interplay between Store Associates and Technology

As previously mentioned, store associates represent an essential 'tool' in order to add a human touch to the customer's experience in-store. The active integration of their position as a human being into the store environment will help to create a strong emotional bond with the customer. Hence, this 'human advantage' will help to differentiate one retailer from another. IKEA's Service Manager emphasised the importance and urgent need to distinguish IKEA from other retailers by focusing on human interaction as USP. Hence, they thereby try to challenge other retailers that focused mainly on a digital experience and neglected the advantages that are linked with a more personal and human interaction:

> *"Everyone can have a digital experience, and anybody can do that but only the core kind interaction is truly personal and could be truly memorable."*

However, IKEA's Service Manager admitted that digital technologies are extremely needed in modern retail stores in order to support, and most importantly, empower the store associates when interacting with the customer in-store. In addition to that, in some channels where store associates cannot be physically present, such as online channels, technologies need to be able to offer the same experience as in the store and therefore have to replace the human person as good as possible. Hence, the customer has to find the products he/she is looking for as easy online as asking a store associate in-store for example:

> *"(...) in the physical channels you always have the co-worker to ask, whereas if you are online, you may need to call the contact centre if you want an interaction with a co-worker."*

Additionally, the digital technologies can also be integrated into the physical store and support the store associates role. For example, IKEA is currently testing a location-based service application which enables and supports customers to find products more easily in the store without having to interact with store associates. Moreover, digital technologies such as the smartphone or tablet should empower the store associates by providing them with more knowledge and more detailed information about the product that can then be communicated to the customer face-to-face. This, in turn, makes the store associates more knowledgeable towards the customers who would have to look up the information they are looking for online themselves. This is a highly crucial fact in the digital world nowadays since customers are extremely well-informed and knowledgeable before actually entering the store. Hence, IKEA's Channel User Experience Leader emphasised the importance of escalating the store associate's level of knowledge by applying and integrating smart technologies into their daily work routine while interacting with a customer:

> *"(...) a co-worker should know more than the customer, why would you need them if they don't. That's the principle."*

4.1.2 Customer Perspective

Category 1: Customer Experience and Journey

This first category has been divided into two sub-themes in order to separate the statements that have been given by the focus group participants regarding general retailers on the one hand and IKEA on the other hand.

Customer Experience of General Retailers

Retailers such as Amazon and Macy's have been seen as good best-practice examples regarding their offers and the level of experience they offer to the customers. These retailers are characterised by a high level of convenience, and they are extremely well-organised and offer different prices ranges. On the other hand, retailers such as H&M and ZARA represented bad-practice examples in our focus groups since they are packed with too many products which, in turn, makes it difficult for the customers to find products and complicates their navigation through the store. This, in turn, makes the experience more stressful and unpleasant for the customer. Moreover, Barnes & Noble, the bookstore on 5th Avenue in New York City, has been mentioned as best-practice example regarding creating a pleasant and relaxing customer experience, which, in turn, stuck in the mind of the customer as a memorable experience. This bookstore integrated a café into the store where customers could read the books while grabbing a cup of coffee without having the pressure of having to purchase the book. A participant who personally experienced this store concept himself stated:

> *"They make it so welcoming and they take that away from you, that* ***pressure*** *to buy something, so, you are more likely to buy it. I think it is really nice to hang out there. It is kind of fun, that they make the store, to hang out."*
>
> (German Participant, Male)

Although, it might be assumed that younger customer generations prefer to shop online rather than offline, this was certainly not the case in our focus groups. The young customers in our study mentioned that they prefer shopping in physical stores instead of shopping online. Firstly, they do not have to pay any delivery fees, and most importantly, the touch and feel factor has been highlighted by a participant by saying:

> *"(…) seeing the product and actually sizes of it because you can be, not cheated but misadvised"*
>
> (Romanian Participant, Male)

Additionally, customers can explore the physical stores without having to search for anything in particular. One additional factor that appeared to be important for the female participants, in particular, was the possibility to get the products straight away by just walking out of the store with the purchased products which, in turn, underpins and emphasises the *immediacy factor* that cannot be offered by online retailers for example. Lastly, the physical store environment can be used as space for entertainment which, in turn, enables customers to actively engage with the physical retail environment in case they get bored of shopping or just want to spend a few relaxing minutes. This aspect has been highlighted by one participant who stated:

"(...) you make it an experience, and a nice time."
(Swedish Participant, Female)

There are different reasons for choosing different channels to purchase products, but there are also different reasons for choosing a certain retailer. It is not always about what retailer offers the best experience; sometimes it is simply who offers the best price which highlights the price sensibility that still exists among younger customers in particular. Additionally, there are different types of shoppers which affect the decision of where to shop and where to go. Males perceived and expressed shopping more as a pure task completion such as, 'go in, and get out as fast as possible', whereas females in our study considered it more as a fun day out and as a certain form of relaxation. Hence, the male participants could be seen as rather utilitarian IKEA shoppers, whereas the female participants belonged mainly to the hedonic customer segment. Although, this appeared to be highly influenced by the context and the product category. For example, grocery shopping was rather perceived as pure task completion from both genders, and hence, represented mainly utilitarian consumption.

Customer Experience of IKEA

The customer's experience at IKEA has both strengths and weaknesses but is highly upgradable. In particular, their business model and their store layout require improvements. The advantages regarding IKEA's business model were mainly that it offers the customers cheap prices first of all, and additionally, a wide product assortment, a variety of choice, and showroom exhibitions. Especially, the showroom exhibition and the advantages that are connected with that were mentioned positively by a participant:

"We are going there [IKEA] even if we don't buy things, we look at their things, at their showrooms. We have a connection, like we plan, what we like."
(Romanian Participant, Female)

Additionally, another strength is related to the designs and collaborations which add a more unique look to the normally quite generic-looking IKEA products. Overall, IKEA's business concept is perceived as a fun-activity by the customers as they usually plan a day trip to IKEA when they are seeking inspiration or recognised a certain need. Customers truly value the possibility to spend an entire day in the store which makes IKEA unique to some extent. This, in turn, helps to differentiate IKEA from other home-furnishing retailers:

"It actually makes it a bit more special, like a trip to IKEA. It is not like you are just going to stop by IKEA."
(German Participant, Male)

Moreover, IKEA's store layout is truly unique and attributes to the overall brand perception. The majority of the focus group participants truly liked and enjoyed the IKEA store layout, even though, it is quite time-consuming since the customers are forced to walk through the showroom maze, the lower area and the entire warehouse to exit the store:

"I personally go to IKEA because I want to go through it and I want to see the rooms actually."
(German Participant, Female)

Nonetheless, there are some negative aspects that are worth mentioning regarding IKEA's business concept. First of all, the assembling of the IKEA products, secondly, the transportation to IKEA as many of the younger customers do not own a car. Thirdly, the extreme difficulties and inconvenience issues that are related to the delivery process. Customers, especially the younger ones as the ones in our study, expect delivery within a few days, a seamless delivery service from the transporter up to the apartment and an exact time when the products will be delivered. This form of delivery excellence is not offered by IKEA at the moment, and hence, weakens their position in the retail segment. First of all, the delivery of the ordered products takes up two to three weeks sometimes. In addition to that, customers have to take a half day off from work in order be at home when the delivery transporter arrives. Most importantly, the delivery staff is not from IKEA itself, instead, third-party vendors deliver the purchased products. Furthermore, the delivery staff only delivers to the door and does not help the customer to carry all furniture up the stairs to the rooms. In the eyes of the asked customers, the combination of these deficits truly impacts their experience with the IKEA brand negatively. The pricy character of the IKEA delivery service downgrades IKEA's main USP (the low-price product offers) even more:

"I mean I really expect from a retailer that I get delivered my stuff for free. Sometimes the delivery costs are just as high as the IKEA product itself. That is insane. That's also insulting in my opinion."
(Canadian Participant, Female)

Additionally, the non-existing circularity of the IKEA products represented a disadvantage for the customer. Hereby the participants emphasised the fact, that most of the IKEA furniture can be assembled only once since it never looks the same again after reassembling it a second or third time after moving to a new apartment for example. This issue has been highly criticised by the participants, who then rather favour buying a closet that is slightly more expensive from a premium retailer but, in turn, know for sure that the reassembled closet will look exactly the same in the new apartment. Our participants emphasised this aspect very much since young customers tend to change apartments or move to other cities many times between the age of 20 and 30. Hence, they demand a high level of circularity and durability of IKEA products, but this is not fully given at the moment. Therefore, customers have to buy the furniture often new when they move to a new home. This fact truly annoyed the customers in our study who are aware of environmental issues and perceived this as a waste of resources. Additionally, monetary issues attributed to this drawback as well since the customers in the age range 20-30 only have a limited budget available and are therefore, looking for furniture that helps them to save money. Moreover, the customers perceived the warehouse situation at IKEA stores as a problem: the products are cramped together which adds to the already existing difficulty of locating and finding products which the customers have seen in the showroom maze. Hence, the navigation in the warehouse calls for improvement. Furthermore, the generic character of IKEA products and the missing personality factor has been highlighted negatively again in our study:

> *"(..). don't like was the fact that you see the same tables and the same chairs and stuff in your friend's houses. So, you don't really feel like IKEA is that personal"*
> (American Participant, Male)

and

> *"(...) you enter the room of a friend and it looks exactly the same as your own."*
> (South-American Participant, Male)

Furthermore, the shortcuts improve IKEA's store layout to some extent as the customers can choose to take the shortcuts to get out faster. These shortcuts can also create a kind of adventure as the customer does not always know exactly where the shortcuts lead to and where they end up. Additionally, this layout enables customers to choose if they want to spend the whole day at IKEA or take the shortcuts for a faster visit. The only negative aspect related to IKEA's store layout is its' time-consuming nature, especially, if you are looking for only one or two specific products.

> *"I think, you can just take your own pace. So, if you want to spend just two hours in the store, you can rush through everything but if you want to spend an entire day there, you can do that too. I kind of like that."*
> (British Participant, Male)

IKEA is truly unique in many ways, however, each of our customers has had fundamentally different perceptions of what creates the unique moment for them personally. Also, gender differences, the perceptions and expectations that are related to males or females attributed to these different perceptions to a large extent. Nonetheless, the unique moments that have been identified were first of all, sharing the inspiration with friends in store, and hence, imagining how the products at IKEA might look like in the personal space at home. Additionally, the Swedishness and experiencing the Swedish feeling customers usually get at IKEA stores, represented another unique moment for customers in our study. For example, one Swedish participant described this aspect quite nicely: She studied in Canada for a while and went to IKEA stores in Canada on a regular basis in order to enjoy 'FIKA' with Swedish groceries and eating meatballs in the restaurant which reminded her of Sweden and created a feeling of 'coming home' for her. This aspect has been supported by other participants who really enjoy the Swedish character of IKEA while shopping in the stores. Furthermore, the store associates at IKEA have been mentioned as an attributing factor that benefits the experiences customers have at IKEA since the store associates deliver special moments to them, and hence, add a personal component to the overall shopping experience. This has been highlighted by one participant who stated:

> *"For me it feels like more 'coming home' when I'm entering the store. It is an experience."*
> (Swedish Participant, Female)

When comparing IKEA with other retailers, various things stood out. First of all, IKEA customers do not utilise the online channels of IKEA that much or not at all (e.g. website). Secondly, the customers in our study mainly go to IKEA for inspiration instead of seeking for inspiration online before the actually visiting the physical store. Lastly, most of the interviewed customers really liked the do-it-yourself strategy of IKEA when it comes to assembling the products themselves. The majority of the participants, mainly the female ones, described the feeling after finishing reassembling the products themselves as deeply rewarding which, in turn, attributed positively to their overall experience.

<u>Customer Journey at General Retailers:</u>
The customer's journey differed among retailers quite a lot, but the participants identified seven general steps they usually take. The customer journey has been summarised in Figure 6.

- **Step 1 - Need recognition:** This first step was characterised by a certain trigger. This could be that the customer identified a certain need or a specific desire for something, but it could also come from different sources of inspiration such as ads or even friends/family, hence, from the social network of the customer.
- **Step 2 - Seeking Information:** Secondly, the customers were then seeking information online (online research), in order to locate the product, they are looking for and the retailer who sells the product. This was then followed by comparing the prices between various retailers in order to find the best deal from a monetary perspective. Additionally, the asked customers evaluated the waiting time and price when considering purchasing online.
- **Step 3 - Decision Making**: The customer had to decide if he/she wants to continue the journey either online or offline. When continuing offline, the customer started to create a plan/map for a visit to the physical retailer: where to go and what products to buy there. If the customer decided to continue online, the journey would skip step 4 and would continue at step 5 with purchasing the product.
- **Step 4 - Store Visit:** This is the point where the customer had to decide to purchase the products in the physical store instead of online. In the store, they will first try to find the products themselves and browse at the same time. Some customers also have prepared a detailed plan from the online search in step 2, where they have already looked up the position of the product in the store. However, if the customer has had a problem with finding the products, they would have contacted a store associate or used digital devices that would have assisted them to find the product. Sometimes customers could not find the product they were looking for, for example, it might be out of stock, and in that case, the customer had to go back to step 3.

- **Step 5 - Purchase Decision**: at this stage the customer decided to purchase the product.
- **Step 6 - Using the purchased product**
- **Step 7 - Repair or Return**: In case the product was broken, or it might be possible that the customer has changed his/her mind regarding the product or the product simply did not fit to the already existing furniture at home.

Figure 6: The Customer Journey of General Retailers

(Own graph)

Customer Journey at IKEA

Compared to the customer journey of general retailers, the journey customers usually took at IKEA differed in the way that it did not necessarily start with a certain need or a specific want. Instead, the initial trigger could have been that the customers were simply looking for a fun and inspirational activity, as described by a few participants. The actual trigger for a certain need or want occurred later on as soon as the customer actually entered the physical store, started browsing and experienced inspirational moments while browsing at IKEA. Another fundamental difference was based on the fact that the customers in our study did not utilise online research before visiting IKEA as they did for other retailers for example (see Customer Journey with General Retailers). This was mainly caused by the lack of user friendliness of IKEA's website. The remaining journey was more or less the same as it was the case for other retailers. IKEA's customer journey is highlighted in Figure 7 below.

Figure 7: The Customer Journey at IKEA

(Own graph)

Category 2: The visible and invisible Store Associates

Another theme identified from the research conducted was the interaction with and the (new) role of the store associates in physical retail stores. The younger customers do not like to interact with the store associates as the older customers do. However, the younger customers in our study still wanted the store associates to be around in case help or assistance is needed. There were different reasons for not interacting with store associates actively, especially, the asked customers in our study were reluctant to get in contact with the store associates. Firstly, this interaction caused a feeling of discomfort as it forced them to start a conversation. Secondly, the store associates were not knowledgeable or prepared enough in order to answer the customer's question in as much detail as possible. Thirdly, the customers did not always trust the store associates wholeheartedly. That is because the store associate's ultimate goal was to sell as many products as possible at the highest price rather than exclusively serving the customer's needs and wants. In particular, the latter aspect has been underpinned by a participant's statement:

"(...) someone [store associate] is like 'can I help you, oh that looks really good on you' and I'm like, 'oh okay', like I don't believe you."
(German Participant, Male)

In addition to that, store associates were often perceived as obtrusive and really imposed on guiding the customer even if this was not wanted by the customer. In particular, the ‘shadowing’[22] has been mentioned negatively by many participants of this study which impeded a positive in-store experience heavily since it affected the overall mood of the customer and their level of freedom in the store.

“I don’t like it when they are obtrusive towards me. If I need something I’ll come to the staff myself, but I hate it if they’re shadowing me all the time. I’m just let: For God’s sake, please leave me alone.”
(Canadian Participant, Female)

However, various benefits have been mentioned by the participants in relation to the store associate’s physical presence in-store. Firstly, their ability to assist and guide the customer has been emphasised positively by the participants in our study. Secondly, store associates can recommend products that are perceived to fit the best to the customer’s individual needs and wants, hence, they have the ability to suggest personalised solutions to the customer. Most importantly, they create and actively attribute to a positive and welcoming atmosphere in-store, and hence, represent an important part of the overall customer experience in store. Even though the customers do not fully appreciate the interaction with the store associates on a permanent basis, they still want them to be physically present in the store in case they are needed.

“[when] I’m in an actual store and I need some help and nobody’s there, then I get annoyed.”
(Swedish Participant, Female)

According to the participants in our study, the level of interaction and their willingness to interact with the store associated depends heavily on the product category and the amount of money they are planning to spend. For example, if it is a big investment, the customers are more willing to interact with qualified and knowledgeable store associates in order to reassure their investment since they are planning to spend a significant amount of money. Hence, the customers in our study were expecting the store associates to be knowledgeable and reliable experts regarding the product. Furthermore, a higher level of expertise of the store associates attributes positively to the customer experience overall since they thereby increase the level of knowledge for the customer simultaneously and are able to offer personalised assistance and individual recommendations to the customer of whom they are in charge of. The interaction can be even enhanced by integrating digital technologies such as tablets for example, as previously mentioned already. One participant mentioned a best-practice example regarding the store associates-customer-interaction:

“I really like Victoria’s Secret in their fitting rooms. There they have a bell inside, so you can ring on the staff. So, then they come and take your measurements and then they bring everything you wish to the fitting room. So, I really like that you can call for someone, for expertise, and not just

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[22] Shadowing describes the fact when one person follows another at every turn.

read to yourself."
(Swedish Participant, Female)

Category 3: Improvements to the In-store Experience

The in-store experience at physical retail stores and at IKEA in particular needs to be improved in order to meet the customer's expectations and demands more adequately. These improvements which have been mentioned by the participants have been divided into different categories: digital improvements, convenience improvements, events and workshops suggestions, and lastly, general improvements. These categories will be described in detail below.

Digital Improvements:

Nowadays, customers in general but the younger generations in particular, are interacting more with their smartphone than the actual store environment while browsing in a store. Therefore, the participants in our study suggested an improvement regarding the customer's experience by applying a couple of digital features. The first suggestion was to create a *digital guiding assistant* that enables the customer to create a list of products he/she would like to purchase before coming to the store. This digital assistant would then send out reminders or notifications to the customer while shopping in the physical store that the product he/she is looking for is nearby and then points out the exact location of the product in the store. This would enhance and facilitate the navigation through the store and the localisation of specific products. The main purpose of this feature is to create a smoother, less stressful and time-saving journey for the customer by not having to go back to the store in case products have been missed. A *'help button'* has been mentioned as second improvement by the participants. Hence, the customer could ask for help via the app which would connect the customer with a store associate immediately. The store associate would then receive a notification of the customer and the customer's exact location through GPS. Consequently, the customer would then also get a brief notification that a store associate is on its way. Furthermore, a feature that could be added to IKEA's existing application is to offer the customers the ability to pre-order food from the food courts, to introduce a *'grab-and-go'* concept. This grab-and-go concept could also be connected to the easy payment system of products (just-walk-out-technology). For example, the application could enable the customer to pay for all products while they are still enjoying their meal at the restaurant. Hence, they could then just walk out without queuing at the final checkout counter since they already purchased all products while eating lunch. This concept is similar to the Amazon Go concept which has been mentioned positively by the participants, and hence, meets the customer's needs precisely. Lastly, the creation of a *private account* for each customer in the application represents another digital improvement that appeared to be important for the customers in our study. This personal account could then be connected to the IKEA store app. Hence, the customer would experience a more personalised communication, such as being greeted at the entrance of the store 'Good afternoon Mrs. X' by receiving a brief welcome notification on the personal smartphone. Another digital improvement of minor importance was to implement an IKEA Siri voice who is speaking to the customer in English but with a Swedish accent. This language feature would highlight the Swedishness of IKEA even more. The Siri voice would be located around the store where the customers could interact with Siri while walking through the store. All these features which have been mentioned by the participant aim to improve the customer's in-store experience with regard to convenience, personalisation and time-saving issues.

Convenience improvement:
As part of a critical discussion, the participants came up with the idea of integrating a *'fast lane'* as it can be mainly found at airports. This improvement regarding the store layout has been perceived as highly valuable by the participants since this invention would enhance the level of convenience for the customer and additionally, would help the customer to save time. Such a fast lane is extremely helpful for customers who do not want to spend hours at an IKEA store. Hence, this fast lane enables a quick visit, and therefore, customers are not forced to go through the entire store if they do not want to. Another improvement would be created by opening up more *pick-up stores in the city* in order to facilitate the pick-up and return process for the customers who are living in the city. Lastly, the *delivery service* has been identified as an important area of improvement by the participants in our study. IKEA's current delivery service only delivers to the door and does not carry all the ordered products up to the apartment which heavily impedes the level of convenience for the customers. Additionally, the delivery waiting time is definitely too long since it takes up to two weeks sometimes for the IKEA products to be delivered to the customer's home. IKEA would enhance the overall level of convenience heavily by improving these aspects within the next years. This, in turn, would then improve the perception customers have of IKEA.

Improvements in the field of Experiential Retailing:
Events and workshops at physical IKEA stores do have the ability to put the overall customer experience to a whole new level. This finding became extremely evident in our focus groups. Hence, events such as a sleepover at IKEA stores or design workshops will have the potential to strengthen the bond between IKEA and the customer and additionally, add positively to the customer experience. In particular, various workshops could enhance the level of engagement with the customer by giving the customer the unique opportunity to act as active co-creator. For example, personal meetings with designers or artists who collaborate with IKEA would give both sides the possibility to discuss new design and interior ideas, rising trends and state-of-the-art products. Especially, the female participants of our study have shown a high level of interest regarding such workshops since they are actively looking for opportunities to be creative, integrate and share their knowledge and ideas with others. Such workshop could be complemented by a 'customer insights' session where customers will be asked questions about how to improve IKEA's experience and journey in an open, unbiased and relaxed environment. In turn, IKEA would gain more first-hand insights by openly discussing different topics with the customers: what the customers truly want and desire and what kind of ideas they have in relation to new products or improved service options. Most importantly, such workshops would also add to the co-creation factor where the customer can be an active part of future products and experiences at IKEA. Hence, IKEA and the customers can learn from each other and co-create IKEA's future by interacting on a collaborative level.

General improvements:
Other improvements mentioned by the participants were, first of all, to improve the live-entertainment component by offering live music in the restaurant for example. Secondly, it is recommended to add information regarding sustainability and circularity on all IKEA products. For example, having a rating scale on each product from 1-5 in order to visualise how sustainable a product really is as well as having other information such as how the product has been made and how the product affects the air quality of the room, for example.

4.1.3 Observer Perspective

Category 1: The Physicality Factor

The physicality factor in relation to the customer experience became extremely apparent while observing customers in the physical retail space. Hence, it appeared to be important for the customers to really touch, see and feel the products, the fabric and the material used. The importance of the touch-and-feel factor was evident for both kinds of customer types: customer group one was characterised by just walking by and touching the products they came across. Customer group two instead consciously stopped at specific products and took their time in order to get a deep feeling for the product and the material used. For example, they sat on various coaches for a few minutes each and ran their hands over the fabric in order to get a physical feeling for the product. Hence, the level of intensity regarding the physical factor differed from one customer to another but still appeared to be important to all customers who have been observed in the store. Customers who really wanted to try certain couches moved around in different positions and invited their friends or family to try it as well. Hence, they actively shared the experience they had at that moment with a specific product with their peers. The customers who were actively looking for a couch to buy tried out most of the couches in the department with the same routine for each couch, really took their time and took photos additionally.

Category 2: Inspiration

At IKEA the inspiration for a certain interior design or the identification of a specific need often happens at the store while walking through the showroom maze. The customers usually discuss the new inspiration with a friend or family member by making a plan for a room or discussing certain furniture arrangements. Especially female customers spent a lot of time in the showroom maze, walking through every single showroom, opening wardrobes for example and touching decorative products in order to feel the fabric. Additionally, many of them took pictures of certain rooms which indicated their aim to save certain ideas they got in the store for later on. These photos will then function as sources of inspiration probably at a later stage and help to integrate these new sources of inspiration and creativity into the own, personal room. Furthermore, they might need these pictures in order to find the products they have seen in the nicely arranged showrooms later on downstairs where they have to collect all products which are needed to reconstruct the showcased rooms. Probably, they will not purchase all products they desire right away, but they might save the pictures they took and add them to their personal shopping list for an IKEA visit in the future. Furthermore, older customers (40+ years) who have been observed in-store obviously needed help and assistance with designing and decorating their new room. The store associate functioned hereby as a guiding force of inspiration and creativity, and this leading role was highly appreciated by the older customers who seemed to be uncertain on how to put all desired products nicely together.

Category 3: Interaction with Store Associates

Regarding the customer's interaction with the store associates at the IKEA stores, the customers sought out the store associates more than the store associates sought out to help the customers. The IKEA store associates were mainly located at their service desks in the middle of each department, and they barely moved around. Therefore, it was up to the customers to seek out assistance in case they needed some help. There were mainly two different types of customers in the store. The ones who were looking for help and assistance straight away. This customer group was mostly older (40 years +) and the second group (20 - 35 years) was browsing first and was trying to find the product themselves. Especially the latter group appeared to be more reluctant to ask for help right away and instead spent a lot of time browsing. The body language of this customer group was quite evident since they did not move confidently and felt obviously uncomfortable when approaching the help desk of the store associates. The older customer group appeared to be much more confident when asking for help and seemed to be extremely thankful for the helpful input they received from the store associates. This observation had become quite obvious when a store associate approached a younger customer although, this customer was not actively asking for help. Hence, the customer seemed to be uncomfortable and did not fully engage with the store associate since he did not want to continue the interaction.

4.2 Cross-Perspective

The procedure of a cross-perspective has been applied in the following chapter in order to localise a match and/or mismatch between the three single perspectives (provider-perspective, customer perspective and observer perspective) which have been described in detail before. The identification of similarities or differences across perspectives helped to identify certain themes that appeared to be relevant for the analysis later on. Taking into account aspects across all three perspectives facilitated a deeper and solid understanding of the empirical material which, in turn, was needed to localise various discrepancies which will be presented in the analysis later on.

First of all, a match was identified between the provider and the customer perspective regarding the *integration of events and/or workshops* as part of the customer experience. Such in-store activities were highly requested by the participants of this study since they are actively looking for opportunities to integrate their knowledge and their creative ideas, especially, the female IKEA customers are keen on attending events like these. This would support the co-creation idea which aims to strengthen the bond between the customer and the retailer. Additionally, retailers like IKEA can use the knowledgeable customers by 'extracting' their knowledge for the purpose of product creation, product development and product testing. Most importantly, these events aim to enhance and add to a more entertaining and existing customer experience which customers want to share instantly with their social context via Social Media for example. Hence, the customer would truly value such events/workshops. As previously mentioned, IKEA already piloted such an event in China by organising a sleepover at an IKEA store. The customer's resonance was quite promising, and best practise examples from other retailers which are located in the UK and the US (see Appendix A) even highlighted the chances and opportunities that such events may offer in terms of creating a memorable experience for the customer.

Furthermore, a mismatch regarding IKEA's *traditional business concept*[23] has been identified. The mismatch is related to IKEA's belief that the customer is more or less forced to experience 'all of IKEA' or nothing at all. Hence, the customer is dragged through the entire store due to the predetermined labyrinth store concept of IKEA. The obtained empirical material has clearly shown that the provider's perception and the customer's perception differ a lot regarding IKEA's traditional store layout and the possible impacts of it on the overall customer experience. The IKEA interviewees (provider perspective) truly believed that this concept forced the customer to experience the whole store which, in turn, hijacks the customer's time and limits their level of 'freedom' while browsing in the store. The customers (customer perspective) who participated in our study actually enjoy this kind of experience and this form of predetermined guidance, although, it might be time-consuming and limits their freedom in the store to some extent. Most importantly, the customers mentioned the fact that this concept is truly unique in the retail landscape, and hence, attributes to the uniqueness of the IKEA brand overall. Therefore, they would not recommend changing IKEA's store concept since it mediates familiarity and a certain form of safeness to the customers. In addition to that, the shortcuts that are offered by IKEA give the customers in our study the option to shorten their physical journey in the store if they want to exit faster. This fact has not been fully taken into account by the IKEA interviewees. The customers, especially the female customers in our study, mentioned positively that they do not care that much about the needed time by visiting an IKEA store. Going shopping at IKEA is rather perceived as a fun day, and most of the customers are willing to spend more time than usual. Hence, the time-consuming labyrinth store concept does not represent a big issue for the customer, instead, it is rather perceived as a USP of IKEA. Therefore, it can be argued that there exists a match between the two perspectives, the provider and the customer perspective, regarding the uniqueness of IKEA and the importance that IKEA should not try to be like any other retailer. Instead, IKEA should stick to its main brand characteristics such as the traditional labyrinth layout in order to maintain the uniqueness that is closely related to this store concept, according to the customers' statements. Hence, IKEA should stay true to who they are, and they should emphasise IKEA's characteristics even more,

[23] IKEA's traditional business concept is regarding their 'we do our part, and you do yours' including the warehouse, assembling of products. The concept also describes the labyrinth store layout that is characteristic for IKEA globally.

especially, those that are highly valued by the customer such as the store layout. On the other hand, these unique characteristics should be enhanced or upgraded to some extent, according to the customers of our study. Overall, it can be clearly said that the customers do not want IKEA stores to be changed completely, but some features need to be improved. An example of how it could be improved is by introducing a 'fast lane' for shoppers who want to go in-and-out quickly and who are more time-conscious than others. This is an extremely important insight for the provider (IKEA) in order to act adequately to the customer's wants in the coming years by introducing changes that aim to enhance the in-store experience for the customer. Especially, the labyrinth store layout causes a lot of concerns internally in the IKEA company at the moment, but these concerns can be devitalized by our study findings.

Additionally, a match was identified regarding the *generic character* of the products since this aspect has been mentioned by both, the IKEA interviewees and the customers. Hence, the main problem is based on the fact that IKEA products are characterised by a simple and extremely basic design. In addition to that, many customers purchase these generic IKEA products mainly due to the low prices since they appreciate the value for money that comes along with IKEA products in general. Customers in our study truly value the price in combination with the furniture they get that is still characterised by a modern design compared to other furnishing retailers. Nonetheless, they highly criticised the generic look and the lack of personality regarding IKEA products. Additionally, the customers did not like the fact that the exact same products can be found in friends' homes which even exacerbates the lack of personality in the eyes of the customers. Due to the highly generic nature of IKEA products, both perspectives emphasised collaborations positively with designers and artists which aim to minimise the generic character of IKEA products by offering special design and limited editions of certain products.

Moreover, a match and a mismatch regarding the *store associates role* have been identified. Firstly, there exists a mismatch regarding the importance of having store associates in physical stores. The IKEA interviewees (provider perspective) argued that store associates have the unique ability to interact with the customer on a human basis compared to online retailers which cannot offer this feature. This attributes positively to the natural store environment and adds a human touch to the overall customer experience in-store. This 'human-factor' will become even more important in the future due to the increasing anonymity that is caused by a higher level of digitalisation. Hence, store associates function as a necessary tool in order to create a truly memorable experience for the customer in-store which will gain even more importance in the coming years. However, the mismatch is based on the fact that the customers in our study did not believe that the store associates have or will have a high impact on their customer experience in the store in general. They argued that it is 'nice to have' store associates physically present in the store since they attribute to a positive atmosphere to the store overall. The biggest issue is that customers, especially younger customers, are highly reluctant to interact with store associates. This fact became extremely obvious while observing customers in the stores which, in turn, even strengthens the statements of the focus group participants. The observations confirmed that younger customers are not actively looking for human interaction and are reluctant to ask for help in the store but rather prefer browsing themselves. Additionally, customers in our study did have the feeling from time to time that store associates do not always have the best interest in mind and were not always telling the customer the truth and their honest opinion. Hence, it exists a lack of trust from the customer's perspective towards the store associates, which has not been brought up as an aspect by the IKEA interviewees. Overall, it can be stated that the customers want the store associates physically present in the store since they attribute to a welcoming and natural store environment, but they do not want to interact with them throughout their entire store visit. Thus, a mismatch between the two perspectives regarding the store associates role has been localised that has been underpinned by the observation findings.

Furthermore, a match regarding the *personalisation* aspect has been identified. Both perspectives, IKEA interviewees and customers, believed that store associates could provide a higher level of personalisation which, in turn, would enhance the customer's experience in-store. The personalisation factors should be implemented across the journey which, in turn, will help to create and design a truly memorable experience for the customer. IKEA also recognised the need to personalise each individual's journey as customers might want to experience different touchpoints at different times. It is also very important to utilise the store associates as a human tool to create a higher level of personalisation. The participants from our study emphasised that the store associates can contribute to the personalisation experience by offering personal advice and recommendations to the customer's specific wants. They also specified that the personalisation aspect could be achieved through digital technologies as well, such as through an application for example. The application could then offer a personal account and offer personalised services such as making a list of products to buy and then guide the customer in the store to find these products. Additionally, there is a match regarding the *expertise of store associates* as both perspectives believed that the store associates should be extremely knowledgeable and experts in their field regarding the offered products. Therefore, it was mentioned by the participants that they want the store associates to be experts or at least more knowledgeable about the products and the brand than they are. This was also mentioned by the IKEA interviewees who stated that the store associates role is to function as an expert who is able to help the customer in the best possible way.

Digital technologies as part of the in-store experience were also relevant for both parties, IKEA interviewees and customers. Firstly, a mismatch was identified regarding the search factor that represented an important step in the early stages of each customer journey. Hence, where and how customers are searching for information they are looking for is a crucial aspect for retailers in general and physical retailers in particular. SEO represents an important factor that facilitates the customer's information search. However, IKEA's online channels (e.g. official website) are not frequently used or not used at all, at least by the customer in our study. Therefore, a knowledge gap exists since the providers do not really know for sure how and where customers seek information and source inspiration. As the participants skip the searching stage in their IKEA journey completely and go to the store directly, the store itself functions as a source of information and inspiration instead. This insight even increased the importance of having knowledgeable store associates who function as an information provider and inspiration creator for the customer. Secondly, a match existed regarding the need for *location-based services*[24]. By that, we mean that IKEA is currently piloting this kind of service through an application in order to help customers to find products more easily in the store. This kind of digital gadget would be highly valued by the customers in our study since they mentioned to have difficulties finding products in the store from time to time, especially, when the store is extremely crowded with people. This would truly enhance the level of convenience for the customer. The participants also mentioned that a similar application to the location-based service application would help to minimise the level of stress while looking for products in-store. Furthermore, a mismatch was identified regarding the *integration of technology* into the customer journey in-store. The provider perspective claimed that a higher level of technology is highly needed, especially, regarding the customer experience in-store. This is mainly caused by the assumption that younger customers shop mainly by using their personal smartphone that functions as customer's constant companion nowadays. This particular customer segment requests technologies that allow them to connect their smartphone to the in-store experience. This assumption from the provider's perspective is partly true since the customers in our study claimed to not use digital technologies in their journey constantly and they do not have the need to integrate it either. This fact was fully supported by the gathered observation material. The observations revealed that customers, regardless their age, did not use technologies such as their smartphone regularly while browsing in the store. Instead, they used it mainly as a tool to save inspiration they gained in-store by taking photos of certain showroom arrangements. Hence, it can be assumed that the integration of certain technologies is partly needed, but customers need to get familiar with it in order to see the benefits of such technologies. This has been highlighted by the statements that have been given by the focus group participants.

A full match appeared regarding the *physical retailer's new role* as a meeting place rather than a place to purchase products primarily. In particular, the customers in our study who are mainly characterised by their young age (20-30 years), mentioned enthusiastically personal experiences they had in other retail stores mainly abroad in the US and UK. They highly valued the idea of transforming the physical stores into spaces to meet friends without being forced to purchase products and being pushed out as soon as the purchasing process is done. Customers recognised the transformation that is currently going on in the retail landscape regarding the new purpose of physical retail stores, and they support this transformation process wholeheartedly. They argued that their level of expectations towards physical retailers is constantly growing since they want to spend their time wisely. Hence, the experiential retail concept was highly appealing to the younger customers in our study. These statements of the focus group participants were congruent with the findings of the observations. It was observed that customers really want to enjoy their time in a store to the fullest. For example, a new 'fika' area (IKEA store in Germany)

[24] IKEA is currently piloting the app that helps customers to find products in the store more easily. The service helps customers to navigate themselves throughout the store and can find product more easily. It is currently being tested in a few markets, such as Canada.

which was separated from the crowded restaurant area was highly appreciated by the customers. This is only the beginning of many possibilities that may be taken in order to create a more pleasurable stay for the customer in-store. Hence, the customer's perspective was fully consistent with the provider's perspective since the IKEA interviewees stated that the purpose of IKEA stores has to change, but the challenge is to stay true to the brand's values and characteristics. Additionally, the IKEA interviewees mentioned that new store concepts are planned for the future in order to increase the geographical proximity to the urban customers on the one hand and secondly, completely new store concepts such as showrooms or pop-up stores are planned in order to increase the experience customers have with IKEA products and the brand itself.

Lastly, a match has been localised between the customer's perspective and the provider's perspective regarding the *customer journey*. The IKEA interviewees acknowledged the fact that it is almost impossible to reconstruct every single customer journey due to various channels which complicate the reconstruction of a customer's individual journey even more. They highlighted the fact that younger customers, in particular, are more 'jumpy' in their journeys than other age groups since they go back and forth between different stages and channels in their journey. Hence, it became more difficult for retailers like IKEA to follow precisely the paths their customers have taken. The customers in our study fully agreed on these issues and mentioned the fact that they sometimes take completely different journeys when it comes to another retailer or another product category for example. Additionally, they highlighted the fact that they do not have a customer journey that functions as 'the one that fits all'. Nonetheless, the customer's 'traditional IKEA journey' was more or less similar across all participants of our study.

5 Analytical Breakdown

"People will forget what you said, people will forget what you did, but people will never forget how you made them ***feel.****"*

(Sachdeva and Goel, 2015, p. 290)

This quote given by Sachdeva and Goel (2015) emphasised the drastic shift that occurred over the last couple of years in the retail landscape regarding the *new purpose* of the physical store. As previously explained, the main purpose of stores nowadays is not purely selling as many products as possible, instead, stores have to focus on creating unique moments, memories and enjoyable experiences for the customer in the physical retail space (Woolley, 2018). Hence, retailers need to stop thinking of stores as pure sales tools and have to start thinking on how to tell stories to the customer by using the physical retail environment more effectively (Woolley, 2018). Any *discrepancies* between what the retailer offers and what the customer actually needs and expects may cause a decrease in customer loyalty and an emigration to a competitor who fulfils the customer's expectations successfully. Customers expect more from retailers nowadays, and retailers are obliged to meet these rising expectations adequately. This fact has been already acknowledged by IKEA and is represented in the statement given by IKEA's Channel User Experience Leader who claimed:

"(...) it is about balancing the customer's expectations at one end and how we meet it with our business."

Therefore, this chapter deals with the localisation of *discrepancies* between IKEA's offerings and what its' customer base expects them to offer. Furthermore, the current stand of research has been taken into account also in order to underpin the localised discrepancies between retailer and customer. Hence, we divided the identified discrepancies into three different categories: customer experience, product and service. This sub-categorisation will facilitate the presentation of recommendations later on which aim to improve IKEA's performance in these three categories, and hence, minimising the identified discrepancies.

5.1 Discrepancy 1: Memorable Experience

Creating a memorable experience for the customer has been highlighted as an area of importance in the interviews with the IKEA interviewees. The realisation of this issues goes well together with the current stand of research. According to Sachdeva and Goel and other researchers, retailers should offer memorable events and moments to their customers in order to engage with the customers on a personal and co-creative level (Sachdeva & Goel, 2015; Lemon & Verhoef, 2016; Pine & Gilmore, 1999; Schmitt, 1999). Hence, retailers need to create a unique customer experience which, in turn, will result in an emotional impact in the minds of the customer (Sorescu, Frambach, Singh, Rangaswamy & Bridges, 2011). Retailers need to create a lasting impression in the customer's mind. This has been acknowledged by the IKEA interviewees who see the need to create a memorable experience that customers instantly want to share with friends and family. However, the difficulty is mainly that researchers and practitioners alike do not know exactly *how* to create this memorable experience since this represents a new area of focus. Sorescu, Frambach, Singh, Rangaswamy and Bridges (2011) mentioned a few aspects that need to be improved for sure when aiming to create a memorable experience, such as restructuring and redefining the 'front stage' including the store environment, the store associate's role as well as the service delivery process. A successful realisation of the customer experience in-store is highly important for the long-term success and the level of competitiveness of physical retailers in the coming years. According to the current stand of research, factors such as lower prices, better quality and variety of choice are not enough anymore in order to satisfy the demanding customers. Instead, it is extremely important who offers the most advanced experience to the customer (Sorescu, Frambach, Singh, Rangaswamy & Bridges, 2011). According to Rigby (2011), stores need to be redesigned, and the main purpose of physical stores has to be redefined in order to create a physical retail environment that is more exciting, entertaining, and emotionally engaging for the customer. Sachdeva and Goel (2015) took it one step further by emphasising the fact to entice the customer to the physical store. This has also been expressed by IKEA interviewees who acknowledged the fact that they have to improve the ways they plan to excite the customer as well as how to meet the changing customer needs and demands more successfully.

The customer experience has to be seen from different angles (Lemon & Verhoef, 2016). These include the firm's perspective, the customer's perspective and lastly, the co-creation perspective (Lemon & Verhoef, 2016). An improved and advanced customer experience aims to create value for both, the customers and the firm (Verhoef, Lemon, Parasuraman, Roggeveen, Tsiros & Schlesinger, 2009). This value creation can be achieved by applying co-creation for example, which means to actively collaborate with the customer. Hence, retailers need to adopt a more customer-centric approach instead of a product-centric viewpoint. Hereby we mean that they have to actively involve the customer in the value and co-creation process by asking them for advice when it comes to new product developments, designs or related issues (Braun, Bruhn & Hadwich, 2017). Nowadays, customers want to interact with the retailer in a more proactive and collaborative way (Braun, Bruhn & Hadwich, 2017) since they are actively looking for a personally rewarding experience rather than financial incentives (Heller Baird & Parasnis, 2011). Therefore, retailers have to see the knowledgeable customer more as a co-creator by using the customer's creativity, knowledge and willingness to participate in this co-creation process which, in turn, enhances the innovativeness of retailers overall (Elliot, Twynam & Connell, 2012). Hence, a win-win situation for both, the retailer and customer, can be achieved.

Customers in general and the ones in our study expect retailers to integrate their sensory, spiritual, social, emotional and cognitive facets into the customer experience (Lemon & Verhoef, 2016, p. 70; Schmitt, Joško Brakus & Zarantonello, 2015). The participants mentioned that they expect physical retailers to stimulate their minds and senses by taking advantage of the physicality of the store. Additionally, they mentioned that the physical environment in which the customer experience takes pace attributes heavily to their brand perception and they expect it to be adapted to their personal preferences and needs. This goes along with the findings of Sachdeva and Goel (2015). The participants highly request interactive events or workshops at IKEA stores since it gives them the unique possibility to incorporate their knowledge and creativity which, in turn, helps to design new products or teaches others how to use or redesign certain products for example. Especially, the female participants of our study truly liked the idea to design things themselves. Hence, they would act as co-creators which, in turn, adds value to his/her personal well-being and these value tie-ins will help the customer to create an even deeper bond with the retailer. Therefore, the retailer gets the unique possibility to test new product ideas and 'exploit' the customer's creativity which, in turn, helps to perfectly adapt and tailor the products to the customer's wants and desires. A live-cooking event with well-known cooks in which customers could actively be part of, or sleepover nights at IKEA stores, for example, would enable the customer to engage with the brand and the products on a whole new level. Such events are highly requested by our participants. IKEA already organised a sleepover at a store in Asia as a pilot project, and it was quite successful. The participants in our study truly liked this idea and would participate in events/workshops like these for sure since it offers a whole new brand experience. Therefore, IKEA should expand this idea by offering such events on a global level. Customers highly request interactive and engaging events/workshops that are tailored to their preferences, needs and skills. The IKEA interviewees already acknowledged the fact that customer experience is just one single piece of a circular model that consists of two other components: information and inspiration. This fact has already been mentioned by Hall and Towers (2017) who highlighted the need to take all three pieces into account in order to design a customer experience successfully in the long-run. This triangle (information, inspiration, experience) also goes hand in hand with our findings since the customers in our study mentioned that they are actively seeking inspiration and information when entering an IKEA store, and hence, the successful achievement of these two factors in-store attributes positively to the in-store experience overall.

Most importantly, as it has been stated by our focus group participants and by the IKEA interviewees alike, the customer's experiences in a store are highly influenced by peers (family/friends/social context) who accompany the customer while browsing in the store. The customers in our focus groups clearly stated that their friends/family attribute positively to the unique moments in-store since they enable them to share experiences, inspiration and ideas with each other instantly. Hence, the way customers perceive experiences in a store is also of social nature which, in turn, makes it even more difficult for retailers to manage or steer them. This fact has already been mentioned by Lemon and Verhoef (2016) and has also been acknowledged by the IKEA interviewees. Therefore, the social component is also of high relevance when it comes to the creation of unique customer experiences in-store and has to be taken into account.

5.2 Discrepancy 2: Invisible vs. visible Store Associates

Previous research has emphasised the importance of the store associate's role in the physical stores. However, the findings suggest that customers do not appreciate the interaction with them as much as it is believed by researchers and the IKEA interviewees likewise. It has been argued that customers will always value personal interaction since it is a human need to interact with other human beings (Deloitte, 2018). However, according to our customer's perspective, the customers prefer to interact with store associates on different levels of 'intensity'. This became obvious in our focus groups and during the observations in-store. The IKEA interviewees and the research landscape agreed on the fact that store associates have the power to influence and shape the customer's experience in the store by being able to offer the customer a unique experience on a personal level (Deloitte, 2018). This is partly confirmed by our focus group participants since they perceive the store associates often as intrusive. Sometimes they even feel a lack of trust towards the store associates due to the perception that store associates do not always have the best interest in mind when interacting with the customer but are rather focused on a higher sales rate. This perception has been described negatively by the customers which in turn, impacts their customer experience indirectly. Hence, Carr (2017) emphasised the fact to focus on building lasting relationships with the customer and by that, offering advice and solutions, even if this means counselling the customer's away from a higher-priced product. Nonetheless, it is important to mention that customers in our study do not always value the direct interaction with a store associate, but they still believe that the store associates contribute positively to a nice and welcoming atmosphere in the physical store. This insight finds acceptance by researchers like Bäckström and Johansson (2017) who highlighted the snowball effect that is caused by friendly and knowledgeable store associates: by being physically present in the store and being there for advice, they create a positive store environment which, in turn, attributes to a good customer experience overall.

Deloitte (2018) had localised different roles of store associates that might support future strategies that aim to tailor products and service more to the customer's wants and needs. These were: the storyteller, the best friend, and the scientist (Deloitte, 2018). By taking into account the focus group and observation findings, it appeared that IKEA's customers request a mix of scientist and storyteller. Customers in our study are not interested in building a close relationship with the store associates. Hence, the best friend's role is not adequate for our participants. Most importantly, the customers are looking for an expert who is deeply knowledgeable regarding the product assortment, and hence, can provide the customer with detailed information and recommendations that are tailored to the customer's individual needs and wants. Therefore, our customers prefer if the store associates take primarily the role of a scientist. Additionally, the storyteller role is needed and desired to some extent as well. Hereby we mean that the store associate truly delivers the brand story to the customer while interacting with him/her. In particular, the level of expertise of the store associates and its importance regarding the customer experience has been emphasised by researchers, the IKEA interviewees and most importantly, the customers of our study. This fact becomes even more important when taking into account the fact that customers are becoming increasingly well-informed due to the abundant digital pool of information nowadays (Ebeltoft Group, 2017). Hence, customers are already extremely well-informed and knowledgeable when entering the physical store (Ebeltoft Group, 2017). This fact has been confirmed by the customers in our study, and they further emphasised the fact that they expect store associates to exceed their level of knowledge by integrating digital devices such as tablets in order to provide even more detailed information regarding specific products. This aspect has been highlighted by the IKEA interviewees and the research landscape likewise (Lewis & Loker, 2016; von Briel, 2018).

5.3 Discrepancy 3: Physicality in-store

The traditional brick-and-mortar stores have changed drastically due to the rise of online retailers over the last couple of years. Hence, physical stores were more or less forced to rethink and change their store concepts from scratch. Consequently, new store concepts have emerged over the last couple of years which emphasised the factor experience since this enables them to entice customers to the stores again and most importantly, to drive them away from retailers who are working purely online. Deloitte (2018) highlighted five different store concepts which all aim to offer different kinds of experiences to the customer. According to Deloitte's study (2018), IKEA's traditional store concept can be described as the 'All-in-one-shop' since they offer the whole range of products in-store. This store concept mainly aims to offer a high level of convenience to the customer since the customer finds all products centrally located in one store. Additionally, this concept provides a lot of inspiration to the customer since a wide assortment of products is displayed in the store. This concept is highly challenged by the IKEA interviewees at the moment and by few of the participating customers as well. The customers in our study stated two sides of the same coin by highlighting positive and negative aspects that are related to IKEA's 'all-in-one-shop' concept: on the one hand, they like the fact to get all products they are looking for in one store. However, on the other hand, they claimed to be overwhelmed by the wide product assortment in the IKEA stores from time to time which, in turn, impedes the process of inspiration. Therefore, IKEA has to look for new store concepts that meet the customer's needs and expectations better. IKEA has to change, but at the same time, has to stay true to who they are in order to not damage the uniqueness of the brand. Hence, such a transformation process carries chances and risks at the same time which complicates the management of this transformation quite heavily.

According to the statements that have been given by the customers in our study, they expect IKEA to offer a store concept that represents a mix of a *sensory playground* and *expertise labs*. These are two new store concepts among others which have been described by Deloitte (2018) and function as promising future retail concepts. The customers in our study stated clearly that they expect to be inspired while browsing in a physical store and they want to experience the brand on a whole new level by using their senses. Hence, the physical store functions as a source of inspiration for them. This aspect is also underpinned by the customer journey the customers were asked to draw. As already described before, the customers in our study skipped the searching-step in their customer journey completely when it comes to IKEA. This insight even strengthens the argument to adopt the concept of a sensory playground in the future. In addition to that, the asked customers also expect a high level of knowledge and service expertise from the store associates as it has been stated before already. Additionally, the customer further stated that they appreciate trying the products before actually purchasing them which, in turn, highlighted the benefits of visiting a physical store instead of shopping online since they value the physicality of stores when experiencing products. This calls for the adaption of Expertise Labs according to Deloitte (2018). These aspects in combination emphasise the need for a transformation of IKEA's traditional store concept into Sensory Playgrounds and Expertise Labs based on the insights we received from our focus group participants.

While previous research emphasised the decreasing importance of physical stores as more and more customers are purchasing products mainly online nowadays, it was found in our study that customers truly appreciate and even prefer shopping in physical stores. This preference is mainly based on the fact that customers value the physical advantages that come along with shopping physically in a store, in particular, the touch and feel aspect represented a crucial factor. They further argued that it depended highly on the product category and based on that they decided to either shop online or in a store. Hence, the customers in our study mentioned that they prefer shopping in a store when it comes to furniture since they want to have the possibility to feel and touch the material or fabric used in a real setting since this cannot be experienced online for example. Furthermore, it depends highly on the amount of money a customer is planning to spend. The higher the investment, the higher the preference to shop in a physical store. Treadgold and Reynold (2016) highlighted five different factors that truly empower physical stores compared to online stores. Three of these factors show an overlap with aspects which have been mentioned by customers in our study and appeared to be important for them. Hence, these three factors are empirically grounded in our study material. First of all, the factor *value* represented a crucial issue for both, researchers and our customers alike. In particular, value for money appeared to be important for the customers in our study, probably due to their young age and budgetary constraints. Hence, they seemed to show a higher level of price sensibility than older customer segments. The customers in our study also admitted looking for the best price offer online in case a product in-store seemed to be too expensive. This procedure even strengthened the customer's focus on value for money. Secondly, the factor *immediacy* has been mentioned as one of the most important benefits that results from shopping physically instead of online. According to Treadgold and Reynold (2016), purchasing products in physical stores gives the customer the unique possibility to walk out with the product directly after finalising the shopping tour in-store. This advantage has also been emphasised by the customers in our study, especially, the female participants truly appreciated this advantage since it gives them inner gratification right away. One female participant told us enthusiastically her feeling when taking all purchased products home, unpacking them and gazing at them. It has been described that this 'buy-it-and-take-it' advantage attributes positively to the shopper's mood overall and triggers an even higher level of excitement. This customer perspective has been strengthened by statements of other participants in our study who mentioned the loss of excitement when they have to wait for their online delivery to arrive for example since they already forgot what they ordered a few days ago. Hence, the participants agreed on the importance of the immediacy factor unanimously. The third factor, *experience*, appeared to be the most relevant one for the participants in our study. Hence, our customers expect retailers to offer a retail space that creates social engagement and functions as a stage for entertainment. This fact has been underpinned by participants who described best practise examples they experienced in retail stores abroad, mainly in the US and the UK. These stores minimised the number of products that are displayed in the store and focused instead on the personal excitement for each individual customer in the store by offering workshops, events or engaging activities that stimulated the customer's level of excitement and engagement. Especially, the level of convenience has been positively highlighted regarding these best practise store concepts, and at the same time, the level of experience has been increased too since the focus was mainly on entertaining the customer in-store. This goes hand in hand with Sachdeva and Goel's research findings (2015) who emphasised: the key to long-term retail success is based on *how* to sell products instead of focusing on the quantity of products. Additionally, the experience factor and the positive experiences customers expressed by illustrating these best practices examples, have shown very clearly how stores can use their physical retail spaces more wisely by turning them into places where customer can be inspired, co-create products, and try new things by actively inviting them to experiment in the store (Woolley, 2018). In particular, the latter aspect, experience, emphasises the importance of rethinking the main role of physical stores and their new purpose in the future even more. Hence, new store concepts such as social playgrounds or expertise labs are needed in order to approach this rethinking and transformation process adequately.

5.4 Discrepancy 4: Customer Journey

According to Rigby (2011), retailers should avoid the 'one-size-fits-all' approach regarding the customer's journey but rather focus on each customer's unique and individual path. This fact has also been highlighted by the IKEA interviewees who mentioned that each customer possibly takes different journeys. For example, one customer might desire a more digitised journey while another might prefer the traditional IKEA journey that is mainly of physical nature. This aspect has been proven by the participant's statements in our study who stated that their journeys differ between retailers and from one product category to another. We developed an overview of different customer journeys and illustrated them in Figure 8. Four different journeys have been identified in the course of this research project. The upper level portrays the customer journey that has been explained theoretically by Deloitte (2018). The level below illustrates the customer journey that has been developed by Puccinelli, Goodstein, Grewal, Price, Raghubir and Stewart (2009) who added the important part 'need recognition' right in the beginning of the customer journey. This additional 'step' goes hand in hand with the statements of our participants since they stated unanimously that 'need recognition' is the initial point in their journey. The third and fourth layer then pictured the journeys that derived from the obtained empirical material, the focus groups and the interviews with IKEA interviewees. These journeys are pretty similar to each other, but it appeared that our participants specified their journey in much more detail.

Deloitte's (2018) journey pictures the brand perspective whereas the other journeys picture the customer perspective. The first phase, awareness, is in line with the other journeys (theoretical and empirical). In this phase, the customers recognised a certain need that is pretty similar to a certain trigger or seeking a certain activity. All of them indicate to take action as next step. The second phase, that is summarised under consideration, is mainly characterised by the customer's search for information and online research. However, the main discrepancy in this phase of the journey is that the customers in our study claimed to skip that searching phase completely when it comes to their IKEA journey. They stated that they rather prefer to search for detailed information and inspiration in the store directly. Furthermore, they claimed that they do not have to have a certain need necessarily when they decide to go to IKEA. Instead, they emphasised their need and desire for inspiration, which, in turn, enticed them to visit the physical store. The following steps (purchasing, fulfilment and advocacy) of the various customer journeys are mainly in line with each other and do not show any discrepancies. Nonetheless, it is important to highlight the fulfilment stage since that stage has been highlighted as an important part of the brand experience by our participants. In particular, bringing the purchased products back home and reassembling them creates gratification and excitement for the customers in our study. This aspect has also been mentioned by researchers like Chitturi, Raghunathan and Mahajan (2008) who emphasised positive emotions as an ultimate outcome of a successful fulfilment stage and this argument was strongly underpinned by the participant's statements in our study. Advocacy represents the last stage in the customer journey and includes repair and return for example. In particular, that stage has received some criticism by the participants regarding the journey they have experienced with IKEA. They stated that they have to go back to IKEA right away since some products were incomplete (e.g. light bulbs for a lamp were missing) or products were simply broken. Such incidents truly limited their excitement that resulted from the fulfilment stage, and hence, affected their experience negatively. Most importantly, such incidents truly impact the customer's brand perception negatively since: the first impression counts, the last *remains*. Overall, it occurred that the journeys customers have with IKEA differ from the norm, at least to some extent.

Figure 8: Summary of Theoretical and Empirical Customer Journeys

(Own graph based on the obtained empirical material; Deloitte, 2018; Puccinelli, Goodstein, Grewal, Price, Raghubir & Stewart, 2009)

Additionally, it is important to mention the relevance of *hedonic drivers* which have been described by Borghini, Diamond, Kozinets, McGrath, Muñiz and Sherry (2009). These drivers play a crucial role for customers nowadays. Especially, female participants in our study emphasised the importance of hedonic factors such as gratification, adventure and socialising when shopping in physical stores, and hence, the enormous impact of these factors on their customer experience overall. The asked customers described inner gratification in combination with the immediacy factor as the most important ones in terms of creating a positive feeling and memory in the customer's mind. The female customers, in particular, recognised a form of inner gratification when bringing home all the purchased IKEA products and reassembling them there in a relaxed environment. Some female customer even described this assembly process as a kind of 'ceremony' which, in turn, even fostered and increased this feeling of inner gratification. Furthermore, the asked participants agreed on the hedonic driver, *socialising*, that has been highlighted by researchers already. According to the customers in our study, going to IKEA can be seen as socialising day since they meet up with friends who are keen on spending a day at IKEA with them. This socialising factor has been mentioned by our participants and researchers likewise and becomes even more relevant when taking Lemon and Verhoef's (2016) perspective into account. They emphasised the network perspective that became an important part of the customer journey research landscape by highlighting the importance of service delivery quality and the broader social 'ecosystem' which impacts the overall customer experience quite heavily. In particular, the relevance of the social ecosystem became apparent in our study since the asked customers mentioned the influence of peers in particular and how they impact the personal customer experience in-store also.

6 Conclusion & Recommendation

"We still have a long way to go—or as I have written so many times and said at the end of hundreds of speeches: We are just at the beginning. A glorious future!"

Ingvar Kamprad - Founder of IKEA
(cited in Brown, 2017, n.p.)

As Ingvar Kamprad clearly stated, IKEA has still, a long way to go and he thereby highlighted the imperfection of companies, even if they are extremely successful on a global scale as it is the case for IKEA. Nonetheless, even global players like IKEA have to acknowledge the factor *change.* Change is tightly linked with immense challenges and unique opportunities likewise. Most importantly, the Era of Experience and the Era of Change go hand in hand and are highly dependent on each other (Grano, 2017). As previously stated, the entire retail landscape faces drastic changes at the moment. But also, many other industries are going through tough times at the moment (Grano, 2017). Mainly due to changing customer expectations, digitisation and disruptive technologies (Grano, 2017). Hence, the entire business landscape has to rethink their existing business models from scratch in order to not lose their customer's loyalty and trust in the long-run (Grano, 2017). McGahan (2004, p. 87) underpinned the importance to stick to the core of the brand by saying: "If the industry is experiencing incremental change, you'll probably need to reinvest in your *core*". IKEA's 'core', and hence, its main strength is its physical store, but a reinvention of and reinvestment in the physical IKEA space is urgently needed in order to manage the drastic external changes successfully. Furthermore, it is a proven fact that the level of innovativeness of a company is tightly linked with the customer's brand loyalty (Pappu & Quester, 2016). Hence, not only does IKEA need to change in order to be perceived as a more innovative brand, but also other companies across different industries, that aim to increase their level of 'attractiveness' to the customer.

External factors such as disruptive and advanced technologies fostered and enabled the rise of big online giants such as Amazon and Alibaba over the past years. Their unbeatable level of online competence is pushing physical retailers like IKEA quite heavily. Therefore, retailers have to improve and expand their competences drastically on a physical level since competence is not static in nature but rather in constant flux. Hence, physical retailer's obligation is now to face these challenges successfully by taking a new direction. The media landscape often pictures the situation in physical retail worse than it actually is. Undoubtedly, many physical stores had to close in the past couple of years due to the overwhelming presence and power of online retailers. Nonetheless, the results of our qualitative study and researchers likewise, highlighted the relevance of physical stores by putting an emphasis on the changing purpose of physical retail in general. The reinvention of the physical retail landscape is also on IKEA's top agenda at the moment in order to keep pace in this fast-moving retail world. Customers still value the 'touch-and-feel factor', the human touch and the shopping excitement that cannot be provided by online retailers. Hence, physical retailers have to turn these factors into strengths by elaborating on them. The main responsibility is to create new competencies, such as offering unique and memorable customer experiences in-store in order to meet the changing customer expectations and behavioural patterns as well as improving the overall business performance in the long-run (Medina, 2018). This requires the retailer's willingness to learn new competencies as well as gaining new knowledge regarding areas such as experiential retailing or technology for example (Medina, 2018). Most importantly, retailers need to understand what the 'knowledgeable and empowered customer of today' truly expects from them (Medina, 2018). This learning process, from an organisational point of view, requires the acquirement, transfer and the integration of new knowledge regarding the changing customer behaviour and their expectations towards retailers in order to add value to the company (Medina, 2018).

Some retailers already figured out how to meet or even exceed the customer's expectations. For example, John Lewis or NIKE function as forerunners and retail change leaders who already applied totally new store concepts in order to entice customers to the physical stores again by offering unique moments and experiences in-store that customers have never experienced before (see Appendix A). This, in turn, attributes to the customer's loyalty tremendously which is needed in order to compete with online competitors successfully. These retail forerunners already recognised the importance of closing the gap between what retailers offer and what customer truly need and expect them to offer. The qualitative study at hand approached this gap by taking a 360° perspective. Hence, the retailer's perspective (IKEA), the customer's perspective (younger customers between the age 20-30) and the observer perspective helped us to localise discrepancies between what IKEA offers to their customers at the moment and what their customers actually expect them to offer. This multi-angle perspective helped to understand discrepancies from different viewpoints which, in turn, facilitated the formulation of recommendations that aim to bridge these discrepancies, and hence, aim to minimise the gaps between the retailer's offers and the customer's expectations.

These recommendations will be presented in detail in the following pages and are suggestions for improvement for retailers in general but tailored to IKEA specifically. Most importantly, these suggestions are grounded in empirical material that has been conducted throughout this thesis process. Hence, we started our idea-creation process by defining rather overarching ideas and funnelled them down to more specific and industry-oriented recommendations. The overarching ideas occurred more or less during the focus group discussions since the participants in our study came up with ideas themselves or even precise recommendations which would meet their specific needs and expectations quite nicely. This even highlights the fact that the presented ideas are anchored empirically. Interesting areas appeared to be: re-designing the store layout in order to shape the customer's leisure time in-store more attractively, enhancing the level of co-creation for the customer and strengthening the uniqueness of the brand by offering 'new-to-the-world' events/workshops in-store. Ultimately, all these suggestions aim to improve the customer's loyalty towards the retailer, and hence, strengthening the retailer's economic position overall. Additionally, these recommendations for improvement try to strengthen IKEA's position as unique furnishing retailer as well as enhancing the customer's perception of IKEA as a more customer-centric brand. Firstly, rather practical recommendations that specifically target the in-store customer experience will be presented which is then followed by the presentation of additional recommendations. The latter ones are not directly linked to the in-store experience, but the adoption of these improvements might attribute positively to the overall customer experience.

Practical Recommendations

The outcome of this multi-angle perspective resulted in various *recommendations*, which we will describe in detail in the following paragraphs. These recommendations are not set in stone but aim to provide a helpful guideline for retailers such as IKEA since these recommendations are fully grounded in empirical material of various types (interviews, focus groups and observations). Additionally, current research in the area of interest has been consulted at the beginning of this thesis, and hence, has been integrated into the recommendations too. It appeared that the current stand of research fits very well together with the findings that resulted from the obtained empirical material. This, in turn, even strengthens the relevance and importance of these recommendations on how to improve the in-store experience for the customer as well as how to increase the level of convenience for the customer.

First of all, it is important to mention that the *brand heritage and the uniqueness* of a brand have to be protected while introducing changes in the business strategy such as re-designing the physical stores. Hence, retailers need to stick to 'who they are' and what they stand for, otherwise customers will lose trust in the brand that has been developed and constructed over decades. For example, customers claimed that they are highly familiar with the IKEA brand and its values and a change of the brand would harm this level of familiarity extremely.

The thesis at hand focused on the central question of how to create a truly memorable experience for the customer in-store. Both, researchers and practitioners, were trying to approach this task from different angles but it does not exist one universal agreement on how to achieve this at the moment. Based on the qualitative study that has been conducted, three main recommendations have been developed which are worth to be elaborated further in the future. Firstly, the creation of *meeting places* and spaces for relaxation in-store. Secondly, the implementation of *events/workshops* in the physical store that enhance the co-creation thinking. Lastly, *additional features* will be presented which are tailored to IKEA specifically and which aim to improve the already existing IKEA application (IKEA App) in order to offer a higher level of personalisation and convenience to the customer in IKEA stores.

First Idea - Socialising Areas

We based our first idea on the creation of meeting places at physical stores. This aims to create an environment for the customers where they can hang out and meet up with friends in a relaxing atmosphere without having the pressure of purchasing anything. This idea goes well together with the plans that are currently in progress at IKEA. Hence, they plan to integrate 'green areas' into the stores in order to improve the entire store atmosphere. This fact has been mentioned by the Business Development Manager of IKEA during a follow-up interview. Such a meeting place concept is highly recommended for physical stores which are located close to city centres or directly central. Hence, workers or students could make use of these socialising areas at the physical stores and grab a meal, for example at the IKEA restaurant there. A similar concept already occurred at an IKEA store in Hamburg (Germany) but more or less by accident (Reiblein, 2014). The IKEA store in the heart of Hamburg is one of the first city stores of the Swedish home furnishing giant and entices many workers every noon to the store in order to spend their lunch break and a cosy time outside the office (Reiblein, 2014). Therefore, IKEA and other retailers could make use of this customer behaviour by integrating more relaxation areas into stores which also offer food courts. Most importantly, such a 'relaxation retail concept' would also attract more people to physical stores on a more regular basis. This fact has been mentioned by IKEA interviewees who aim to entice customers to IKEA stores on a regular basis but how to achieve that, is still unsolved. This could be achieved by applying more of these relaxation and food areas in-store for example which offer customers space to enjoy some time off. Additionally, such areas could also include 'fika' stations which would invite customers to extend their stay in-store. In IKEA's case, the offer of traditional Swedish fika groceries would also help to improve the 'Swedishness' of IKEA that is highly valued by the customers in our study. A few of our male study participants mentioned the lack of 'male areas' at IKEA stores such as a bar or a nap area while they are waiting for their partner to finish the shopping tour. In particular a nap area in-store would allow customers, in city centres in particular, to relax for a while. Such a concept might fit well to IKEA stores in city centre such as the store in Hamburg central. Overall, the customers would really appreciate to have a socialising area that invites for relaxation, which can be in form of a lounge or something else, and hence, would add positively to the creation of a memorable customer experience in-store also.

Second Idea - Memorable Events & Educational Workshops

Another idea is to offer events and workshops that are tailored to the specific needs and personal interests of customers. Hence, it is suggested to create different events that are focusing on different customer segments and age groups since interests and needs differ from one customer to another but are more congruent within certain customers segments or age groups. There are many best practice examples such as Apple or John Lewis (see Appendix A) that visualise nicely how such events and workshop concepts increase the level of customer engagement and excitement which, in turn, fosters the creation of a stronger relationship between the retailer and the customer. These best practice examples from the US and the UK, in combination with the insights we got from our study participants, enabled us to come up with the following suggestions, which are tailored to IKEA specifically:

- **Movie Nights at IKEA Stores:** This is an event for 'the many people', and hence, goes hand in hand with IKEA's vision to create a better life for the many people. Especially, families which represent one of IKEA's focus customer segments or younger customers would highly value an event like that. The customers could try out couches in a real-life setting while watching a movie in a relaxed environment. Such an event could be offered after the official store opening hours and can be topped by a late-night shopping night afterwards. Hence, customers could then get a personal shopping assistant due to the limited number of participants for such a movie night. Such an event would give the customer the unique opportunity to experience the product fully before purchasing it.

Additionally, the limited number of participants would create a certain feeling of exclusivity for the attending customer.

- **Sleepover Events at IKEA Stores:** Such an event has already been piloted in an IKEA store in Asia. For example, John Lewis[25] in the UK introduced recently it is 'Residence' concept which consists of a deluxe dinner, a sleepover in a fully furnished bedroom and a continental breakfast in the morning in combination with various other amenities such as a personal shopper who offers an individual and customer-specific service. In addition to that, various workshops can be booked in advance which even improve the sleepover experience for the customer. A similar concept would fit perfectly to IKEA as furnishing and home decor retailer. Hence, we suggest offering sleepover events in selected IKEA stores where customers have the unique opportunity to sleep in the bed of their choice for a night. This, in turn, would help the customer to experience the desired product on a whole new level. Such a concept allows the customer to try the products before making a final purchase decision, and hence, creates another factor of reassurance for the customer. This type of event would create a truly unique and memorable experience for the customers that can also be shared with friends for example.

- **IKEA Art Event/IKEA Design Event**: We personally see the highest potential in these kinds of events when aiming to offer a truly memorable experience to the customers. Apple is a forerunner when it comes to creative, inspirational and educational workshops in-store that enhance the 'learning' of each customer individually. Additionally, these kinds of events foster the co-creation approach between the retailer and the customer (see Appendix A). IKEA partly offers such events in a few stores, but this aspect is definitely something we highly recommend to elaborate and to expand since the co-creation thinking appeared to be extremely important for the participants in our study. In particular, the younger IKEA customers are highly interested in playing a proactive and collaborative role when it comes to new product developments or product designs. As it has been explained before already, customers are extremely knowledgeable and creative today. Hence, retailers like IKEA should 'exploit' this pool of knowledge and creativity in order to design products that fit perfectly to the customer's individual needs and wants. This, in turn, benefits the retailer's profitability and innovativeness in the long-run. The existing IKEA art event is mainly characterized by collaborations with contemporary artists who produced unique glass sculptures. This was definitely a step in the right direction but has to be elaborated on a larger scale by offering more art events with multiple artists or interior designers who are specialized

[25] John Lewis is a retailer that is based in the UK and offers a wide range of products (furniture, clothes, beauty products, electrical products, etc.). Hence, John Lewis can be described as an all-in-one-store according to Deloitte's study (2018).

in different areas such as furniture design, painting, photography or interior design. Another possibility might be to invite well-known bloggers or lifestyle consultants who are specialized in interior design specifically. These ‘influencers’ could then function as ‘teachers’ for the customers and their high level of popularity would definitely help to spread the word among younger customers in particular. Offering various events for different areas of interest has been done by Apple in order to serve all customers by giving them as much choice as possible. Hence, they offered different events as part of the ‘Today at Apple’ concept that fit perfectly to the customer’s individual abilities, preferences and interests. As part of that, they offered various educational workshops that are tailored specifically to different age groups and to the customer’s individual level of proficiency and knowledge. In particular, the educational component and the co-creation thinking represent the most important aspects for Apple. In order to entice customers to the physical stores, they invited real artists, photographers or musicians who supervised and executed these workshops. These workshops enabled customers to learn how to use the Apple products in the most creative and most effective way. Such educational and creative sessions can be easily applied to IKEA’s business concept by offering workshops with well-known artists or designers who teach customers face to face how to design unique pieces which, in turn, adds a personal touch to IKEA products. This would minimise the generic character of IKEA products that has been critically mentioned by IKEA interviewees and the focus group participants likewise. Hence, such workshops would enable customers to add personality to their furniture by getting advice on how to redesign or upcycle[26] beloved items for example. In particular upcycling workshops would improve the circularity and sustainability thinking which appeared to be important for the customers in our study also. This, in turn, would also benefit IKEA’s brand perception since customers might perceive the brand more sustainable after attending such a workshop that aims to improve the circularity of IKEA products.

Nonetheless, we have to take into account certain ‘boomerang-effects’ that impact various entities such as the store itself or people who are working there by applying these recommendations. Hence, in this section we aim to loop our suggestions back to the store and the effects that come along with such new ideas and a restructuring of the physical store. These effects should not be underestimated when suggesting these kinds of things. Firstly, it is important to emphasise that these recommendations do have a huge impact on the physical retail store as such. For example, the restructuring of entire departments, the creation of fully new departments or even the abolishment of existing departments, are required. Furthermore, immense design efforts have to be made in the store also which are also needed when aiming

[26] Upcycling can be described as a process of reusing existing materials by creating something new out of it. This, in turn, minimises the waste of resources and attributes positively to a more sustainable world (Upcycle that, 2018).

to create a unique in-store experience. This, in turn, is tightly linked which huge financial efforts. Secondly, sleepover nights, movie nights or sophisticated design/art workshops require a high level of competence, professionalism and knowledge from the store associates. Hence, workshops will be needed in the beginning in order to train and educate the store associates first of all, before offering these kinds of events to the end-customer. This, in turn, also requires financial efforts, and is therefore, of monetary importance for retailers, such as IKEA. Hence, these expenditures have to be wisely considered in budget plans for the future as an important part. Furthermore, in relation to the suggested socialising areas, it has to be mentioned critically that the integration of such 'zones' requires the abolishment of existing parts in physical stores. For example, in relation to IKEA, parts of the warehouse have to be removed for example in order to create space for these socialising areas. This, in turn, is linked with a minimisation of warehouse personnel, and hence, reduction of staff or reallocation of staff. These aspects highlight the fact that the introduction of new things is always closely linked with some severe and negative side-effects that are a 'natural part' of a change process.

Additional Recommendations

The following recommendations aim to highlight the importance of digital features, such as additional features to the already existing IKEA application. The features that will be recommended in the following section, aim to offer a simplified journey and a more personalized experience to the customer which, in turn, attributes positively to a truly memorable customer experience. First of all, a *help button* that is embedded into the IKEA app is highly recommended and would improve the location-based service application heavily. This feature would connect the customer in the store with a store associate right away. Hence, such a feature would increase the level of convenience for the customer since the customer will not have any trouble to find a store associate in-store. Once the customer has pressed the help button on the application, a store associate will be notified immediately, and the customer will have agreed to share the exact location through the application with the store associate. The store associate will then we able to see the customer's exact position in the store, which will help to locate the customer in the store via GPS. The customer will then also get a brief notification as soon as a store associate is on the way. The participants in our study would highly appreciate such a help button since they already made good experiences with a similar application in another retail store. Hence, this would also attribute positively to the customer experience overall and enhances the retailer's innovativeness which, in turn, improves the customer's brand perception overall. A second recommendation regarding the existing IKEA application is to give the customer the possibility to *pre-order* the *desired meal* in the IKEA restaurant while shopping in the store. This would improve the level of convenience for the customer on the one hand, and on the other, this attributes positively to time-saving issues which also appeared to be important to the participants in our study. Hence, the meal will be fully prepared and pre-paid as soon as the customer enters the IKEA restaurant. The customer then just has to pick it up which will make the customer's journey smoother since he/she does not have to queue in the restaurant for a long time as it is usually the case. Therefore, a fast lane for the customer who paid and pre-ordered via app could be integrated into the restaurant which would facilitate the pick-up of the pre-ordered meal extremely. Little adjustments like that would also contribute to the creation of a memorable experience in-store. A third recommendation regarding the

IKEA application is related to the customer's arrival to the physical IKEA store. As previously stated, the customer experience starts already before entering the store. Hence, a feature that helps the customer to locate an empty *parking* space is highly recommended. This feature would inform the approaching customer in advance where to park the car. This, in turn, saves a lot of time since the customer does not have to drive around looking for an empty parking spot. Such a small improvement could have a huge impact on the mood level of the customer because IKEA hereby creates the 'journey' to the store as smoothly as possible for the customer.

Additionally, we also came up with further recommendations which are not directly linked to the in-store experience but still worth mentioning. The participants in our study highlighted the following aspects. Hence, we decided to elaborate these points a bit further which resulted in the formulation of the following recommendations. An issue that caused concerns by the participants in our study was the non-circularity and the lack of durability of the IKEA products. The younger customers in our study were extremely conscious with regard to environment and sustainability issues. The main problematic regarding IKEA products is that once they are assembled the products do not look the same after reassembling them a second time, for example, after moving to a new apartment. This is perceived as an issue since younger customers move quite often from one place to another due to various reasons such as studies (abroad) or changing workplaces. Therefore, they are looking for furniture that can be moved from one place to another without losing its 'look' or 'shape'. Hence, IKEA, as well as other retailers, should improve the circularity of its products for three reasons: first of all, in order to increase the level of convenience for the customer. Secondly, to extend the life cycle of the products, and thirdly, in order to improve the overall brand perception and innovativeness of the retailer in a positive way. It might be difficult to fix IKEA's quality and durability issue right away, but instead retailers such as IKEA can offer other solutions that benefit the customer. An idea to improve the circularity aspect is to offer a *second-hand market* that is located in the physical IKEA store, where customers can return their old and used furniture in one piece. Hence, they do not have to disassemble the furniture but instead take them in one piece to these centres in order to keep the shape of the product. Such second-hand stores could be integrated into existing IKEA stores. Such a solution would be highly valued by younger customers in particular, who have to deal with monetary constraints. Customers who returned used products that are still in good shape, would then get a gift card in return for example. These second-hand products can then be sold to other customers for a reasonable price. Furthermore, such a second-hand store could be easily integrated into an online application such as the IKEA app. In addition to the second-hand market idea, a *furniture renting service* is highly demanded by younger customers, in particular by students like us. This service is mainly targeted to customers who are not planning to live in a place for a long time as it might not be convenient or money efficient for them to buy furniture. Thus, renting their furniture for a certain amount of time might be more efficient for some customers than purchasing them. To reassure the quality and the return of the products, the retailer who 'rents the furniture' could hold a deposit of the customers. In case the products are not returned in good condition the deposit will be kept. This idea will also enhance the circularity aspect of the products.

IKEA has to face the ‘Age of Experience’ as many other retailers but it is important to mention that the customers are willing to accompany IKEA on this difficult path in a new retail age. IKEA has to redesign and rethink their physical stores and its new purpose *together* with the customer on a collaborative level in order to create a better experience for the many people!

“I’ve learned that people will forget what you said, people will forget what you did, but people will never forget how you made them feel”.

Maya Angelou - (Rathus, 2011, p. 246)

6.1 Theoretical Implications

At the moment there is an ongoing discussion on how to revitalise the physical retail store fundamentally in order to strengthen the economic position of physical retailers in the long-run and to escalate the level of experience for the customer (Rigby, 2011). Hence, the thesis at hand aimed to contribute to that ongoing discussion theoretically and empirically by agreeing and disagreeing with certain findings, and most importantly, challenging existing research findings in the field of interest. Furthermore, this thesis aimed to add new knowledge to the current state of research: The lack of knowledge regarding the inducement of experiences in a physical store environment, and more specifically, a lack of knowledge on how to create unique experiences for the customer in physical stores (Bäckström & Johansson, 2006). Therefore, this thesis aimed to minimise the knowledge gap in the existing literature in order to gain a much deeper understanding of the customer’s expectations and needs regarding their experiences in physical retail stores. This thesis has addressed the question of *how* to create this unique experience for the customer, which has also been defined as a *memorable experience*. The obtained empirical findings have shown different features and aspects on how to achieve this experience and revealed deep customer insights that proved or even disproved existing research claims: Firstly, previous research argued that physical stores are becoming less relevant as customers rather prefer to shop online. This was contradictory with our empirical study material, as our findings suggested that the physicality factor, such as the touch-and-feel factor, is still of high importance to younger customers, as researchers such as Bäckström and Johansson (2006) and Sachdeva and Goel (2015) already claimed. Hence, our study findings fully supported the results of these researchers. These findings will thus extend and add to the previous research in the field of customer experience in retail and highlight the importance of physicality in the digitised world even more. Secondly, another finding that partly disproved previous research was the role of store associates in physical retail stores. Previous research emphasised the importance of store associates in terms of creating a welcoming store environment and a better in-store experience for the customer (Bäckström & Johansson, 2017; von Briel, 2018). However, our findings showed that the customers do not want to interact with the store associates, and thus, would rather prefer not to be approached or being forced to interact with them. Nonetheless, the participants in our study agreed on the fact, that store associates attribute positively to the in-store environment and add a human touch to the in-store experience overall. Therefore, these new customer insights added a new perspective to the role of store associates that have not been fully taken into account in previous studies in that particular field. Thirdly, the thesis at hand provided helpful answers regarding the *how*-question: how to create a truly memorable experience to the customers in-store (Bäckström & Johansson, 2006; Sachdeva & Goel, 2015). This is of high practical and managerial relevance since retail representatives and researchers alike have very limited knowledge at the moment on how to create these unique moments for the customer in-store. Hence, the recommendations of improvement which have been presented, attributed extremely helpful insights to the vaguely investigated area of interest. Therefore, the obtained empirical findings supported and added to the study results of Bäckström and Johansson (2006), and hence, enhanced the level of depth regarding experiential retailing. Overall, our findings have proven and partly disproven previous research findings. Most importantly, our study findings added new information and knowledge to existing research which, in turn, created a basis for further research in the areas of interest on which future researchers can build on.

6.2 Managerial Implications

As previously stated already, customers truly have the power to impact the actions of retail firms/brands nowadays, and most importantly, the level of success of the retailer in the long-run. Therefore, it was important to figure out what truly excites and entices the customer to physical stores. Additionally, it was crucial to understand what it takes to create this truly memorable experience for them. Hence, the thesis at hand compared the provider perspective with the customer perspective in order to localise a match/mismatch between these two perspectives. At the moment, retail representatives have limited knowledge about what customers expect them to offer in physical retail spaces and this level of uncertainty creates a gap between the retailer's offers and the customer's expectations. Hence, this thesis helped to minimise this offer-expectation-gap between the retailer and the customer by providing the retail landscape with deeper customer insights regarding their level of expectation and their behaviour as a customer. These gaps also consisted of a misperception regarding the role of the store associates in physical retail stores and the belief that customers do not like to shop in physical stores anymore. This thesis addressed these gaps empirically which, in turn, provided retailers with a better understanding of the customer's expectations and their demands and also, how to adapt the customer's expectations to a more customer-centric retail approach. Most importantly, the thesis at hand suggested detailed improvements regarding the customer experience in order to create a truly memorable experience in-store by taking retail success stories into account. These practical suggestions, retailers can utilise to improve their current customer experience and hopefully, excite the customers in a whole new way which would lead to positive word-of-mouth. This, in turn, would impact the overall brand image and level of innovativeness of the retailer positively, and hence, will help to ensure long-term economic success and profitability.

6.3 Limitations and Future Research

Besides various aspects such as trustworthiness and authenticity of the study at hand which have been described in section 3.6, critical acclaim regarding the applied research methodology and further influential aspects is needed in order to fully complete this thesis. This, in turn, provides helpful suggestions for further research in the area of interest. Hence, the localised limitations will be discussed in the following chapter. The limitations at hand have been divided into two sections, methodological limitations and additional limitations. Hence, we will start by explaining the limitations first of all, which is then followed by a subchapter that deals with suggestions for further research.

Methodological Limitations

The chosen research design and the data collection techniques, in particular, allowed us to gather abundant empirical material regarding customer behaviour and their expectations towards retailers. Nonetheless, we must admit that a few limitations appeared while collecting the material and became even more apparent during the analysis. These limitations existed mainly due to the qualitative character of the study at hand. First of all, it is important to mention critically the main focus on the younger customer segment (age range 20-30 years) which means that other *age groups* have not been part of the focus groups. Therefore, their point of view has been totally neglected in this study. Hence, our focus groups consisted exclusively of customers who were not older than 30 years. In addition to the critical factor age, the compiled focus groups were extremely *homogeneous* due to the same age which impeded the variety of findings, and it further limited the obtained insights to that particular age group. Furthermore, the student status of all participants even attributed and fostered the homogeneity of the conducted focus groups. This factor may also have impeded the variety of findings and insights to some extent. Regarding the focus groups, it has to be admitted that the focus groups participants might *not have communicated openly* since they did not feel fully comfortable about talking openly in such a group setting. Additionally, *individual characteristics* of each individual who participated in our study may have impacted the group dynamics of the focus groups to some extent. Furthermore, the *generalizability* of the focus groups findings is not given since the three conducted focus groups just represented the views, inner feelings and expectations of a very small percentage of the overall population. This, in turn, minimised and impeded the *representativeness* of this study to some extent. Regarding our *role as moderators* of the focus groups, we have to admit that we were not perfectly trained in order to steer the group dynamics in the most effective way. Additionally, our physical presence as moderator, and hence, our role as a stranger to the focus group participants, may have created an atmosphere of discomfort and artificiality which consequently, limited the flow of the group discussion to some extent at least. Furthermore, it is important to mention critically that no quantitative data collection has been conducted after finalising the focus group sessions which often is the case in research in order to provide a more precise perspective from a larger sample. This, in turn, would have enhanced the generalizability and representativeness of the study at hand. Due to time constraints, a quantitative follow-up study was not feasible.

Additional Limitations

In addition to the methodological restrictions, it is also worth mentioning additional limitations critically which were also part of this thesis. First of all, the *factor time* was a crucial aspect that restricted the level of depth and the execution of a more extensive qualitative study to some extent. A time frame of more than 10 weeks would have possibly unveiled even more detailed and in-depth insights regarding the customer's inner position and expectations. Hence, more focus groups and more observations could have been conducted. Furthermore, *geographical restrictions* of this study need to be mentioned as well. All three focus groups were conducted in Sweden. Nonetheless, we tried to minimise the geographical impact by conducting international focus groups which consisted of many different nationalities. This aimed to enhance the variety of findings and the collection of multiple insights, which, in turn, helped to reduce the geographical impact on this study. Additionally, we must admit that our *personal perceptions and our way of thinking* may have influenced and biased the interpretations of the findings to some extent which, in turn, may have caused a lack of objectiveness. Hence, the trustworthiness of this study may have been impacted to some extent. Furthermore, it is worth mentioning the *focus on one particular industry* mainly, the home furnishing industry (IKEA), which hampered the transferability of the obtained insights to other industries. Hence, we tried to minimise this lack of transferability by taking into account best practise examples of other retailers which belong to various industries in order to open up the scope of this thesis. Finally, a more practical limitation needs to be highlighted as well: The presented recommendations are easily feasible for global players like IKEA which have the financial power to redesign their physical retail space from scratch, but *smaller retailers* will face huge difficulties on how to finance these cost-intensive changes. Hence, the presented recommendations are primarily tailored to IKEA and its spending power which, in turn, hampers the adoption and transferability of these recommendations to smaller retailers in general.

Future Research

In addition to the limitations which have been presented in detail above, we further aim to provide recommendations for future research in the area of interest. This will be described in the following paragraph: Further studies are needed which take into account other age groups as well who have various 'life backgrounds', and hence, aim to prove or disprove possible discrepancies between different age groups. Moreover, further observations over a longer period of time might reveal even deeper insights between real and intended customer behaviour in-store which, in turn, would help to elaborate further the attitude-behaviour gap. This is highly recommended in combination with new store concepts which are already existing in a few stores (see best practise examples in Appendix A) in order to test how frequently customers visit these kinds of stores and how effectively customers are engaging with and experiencing these new store concepts while shopping in a physical retail space. Hence, this might reveal fundamentally new findings regarding customer behaviour in low-engaging and high-engaging retail spaces. Most importantly, it would be extremely interesting to investigate the effect of new store concepts on the overall brand image of IKEA and if these new store concepts even enhance the overall brand perception customers have towards IKEA.

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Appendix A

Experience-Retail-Success-Stories

<table>
<tr><th>Brand</th><th>Actions - Enhancing Customer Experience</th></tr>
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Apple

Legendary hip-hop producer RZA leads an "Art of Beatmaking" Session at Apple Williamsburg, Brooklyn.

(Apple, 2017, n.p.) https://www.apple.com/newsroom/2017/04/today-at-apple-bringing-new-experiences-to-every-apple-store/

Photo Walks give aspiring photographers the opportunity to get out of the store and learn techniques for making stunning photos on iPhone.

Kids Hour gives young minds the chance to explore coding with Sphero robots, as they navigate them through a challenging maze.

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When it comes to the great retail innovators of our time, Steve Jobs has to be mentioned without any doubt. He reinvented and reinterpreted the main purpose of a store that functions mainly "as a physical representation of a brand" (Elliot, Twynam & Connell, 2012, p. 9). Apple developed one 'magic recipe' that truly boosts the customers' experience in a physical Apple store (Gallo, 2015): the ultimate aim is to build not only strong relationships with their customers but also educate and inspire them. They achieve this through their store associates who are well-trained and know how to actively engage with Apple's customers and hence, creating a unique brand experience (Apple, 2017; Gallo, 2015). As Angela Ahrendts, who is Senior Vice President Retail at Apple, once said: "At the heart of every Apple Store is the desire to *educate* and *inspire* the communities we serve" (Apple, 2017, n.p.).

Apple recently launched a new in-store offer, called 'Today at Apple' that aims to create a whole new in-store experience for the customer by offering educational sessions in 495 selected Apple stores worldwide (Apple, 2017). Apple customers can choose between workshops in areas such as photography (e.g. Photo-Walks or Photo-Labs), music (e.g. Beatmaking or Music-Labs), coding/ programming or design (Apple, 2017). The 'teachers' are either well-trained Apple members or well-known artists/photographers and musicians (Apple, 2017). Apple customers can choose between three different levels of difficulty (Apple, 2017): basic level, so-called 'how-to-lessons' or

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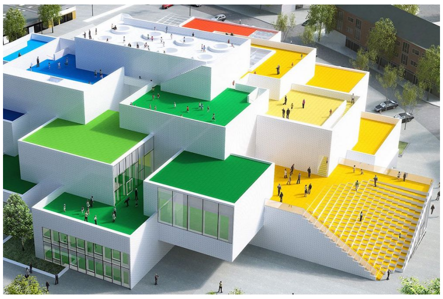
 Apple celebrates expanding its in-store programs across all ages and experience levels.  During a hands-on session community members put new techniques to practice on iPad Pro with Apple Pencil.	sessions that target customers at a highly professional level (Apple, 2017). These sessions not only target different adult skill levels but also different age groups since they offer Kids Hours as well which aim to educate kids by offering 'playful learning'-programs with the aid of apple products such as iMovie and GarageBand and small Sphero Robots (Apple, 2017). In the future, full Family Hours and sessions for educators are planned (Apple, 2017). For example, teachers can join the Teacher Tuesday in order to learn how to integrate new technology in to the classroom in order to make lessons more engaging for the students (Apple, 2017). Another promising program is in Apple's pipeline at the moment, it is called 'Business Circuit Program', where entrepreneurs of small businesses get the unique opportunity to get in contact with other entrepreneurs who act on a global and/or local level (Apple, 2017).
LEGO - Billund  https://www.psfk.com/2017/09/lego-buildable-model-experience-center.html  https://www.legohouse.com/da-dk/explore/yellow-zone	LEGO recently opened its LEGO Experience Centre or also called LEGO House (Lego, 2018). The 12.000-square metre building offers a truly unique brand experience not only for kids but to LEGO-fans of all age groups and hence, created a physical space that puts the LEGO experience to a whole new level (Lego, 2018). The LEGO house stimulates the creativity and playful learning of all visitors and really brings the people closer to the magic of the brand (Lego, 2018). This 'LEGO-fun-building' is divided into three theme zones, each colour represents another zone (Lego, 2018). The red zone fosters the creativity, the blue zone supports the cognitive abilities of the visitors, the yellow zone emphasises the emotional aspect and the green zone puts social play into the focus (Lego, 2018). Additionally, the LEGO house offers an outdoor zone, where they stimulate physical play (Lego, 2018).

 https://www.legohouse.com/en-gb/explore/what-is-lego-house	One very crucial part of the experience is the LEGO house app that connects the physical and the digital play (Lego, 2018). All different activities that are offered at the LEGO house represent and support the 'LEGO learning through Play'-Philosophy (Lego, 2018).
Starbucks - Shanghai  https://www.cnbc.com/2017/12/04/heres-what-starbucks-new-roastery-in-shanghai-looks-like.html  http://www.marketing-interactive.com/starbucks-opens-worlds-largest-reserve-roastery-in-shanghai/	Starbucks recently opened a 30,000 square-foot 'Reserve Roastery' in Shanghai, a megastore that truly stimulates all senses of coffee-lovers and those who want to become one (Whitten, 2017). The main aim was to create and design an environment that becomes a destination for customers and not just a random coffee shop where you stop by quickly in order to grab a cup of coffee (Whitten, 2017). This unique store concept includes coffee experience bars, a teavana bar construction that fully consists of 3-D printed recycled material and a princi bakery (Whitten, 2017). A key component is the integration of augmented reality: Starbucks 'educates' its customers by encouraging them to use their smartphone in order to learn more about the roastery (Whitten, 2017). This unique augmented reality experience has been designed in cooperation with Alibaba (Whitten, 2017). Additionally, Starbucks is leading in terms of offering a sophisticated mobile presence to their customers (KPMG, 2017). The Starbucks app enables customers to have a look into the menu, pre-order a cup of coffee before actually entering the store and finalizing the payment easily via app (KPMG, 2017). In addition to this smooth ordering process, the app also allows customers to access a wide range of e-books or even music which is offered via the Starbucks Digital Network and facilitates the customer's search for

	the Starbucks store close by offering a store locator as well (KPMG, 2017).
NIKE Store - SOHO  https://news.nike.com/news/nike-soho-first-look  https://news.nike.com/news/nike-soho-first-look	NIKE put the in-store customer experience to a whole new level in its new store in SOHO (Stromberg, 2017). The company took an omni-channel perspective to merge the physical and virtual offers (Stromberg, 2017). They attract customers by offering a personalisation studio where customers can print customized clothing products and a fitting room that includes a digital checkout (Stromberg, 2017). A special lightning system creates the desired atmosphere in order to imitate a yoga-studio atmosphere for example (Stromberg, 2017). Customers do also have access to various possibilities and training zones (e.g. Basketball court) in that store to actually test the products such as sports clothes or shoes right there (Stromberg, 2017).
Dyson Store - London  https://www.designboom.com/architecture/wilkinson-eyre-james-dyson-demo-concept-store-oxford-street-london-07-12-2016/	Dyson opened its first showroom in central London on Oxford Street 2016 (Titcomb, 2016). The main purpose of this two-floor 'Demo Store' is not selling products but instead offering shoppers and fans of the brand the possibility to experience the Dyson products and 'teaching' them how the products work (Titcomb, 2016): According to Dyson, "the best way to understand it is to experience it. This is why we created Dyson Demo - a place that brings to life the science and engineering at the heart of our machines" (Dyson, 2018, n.p.). Dysons' traditional sales strategy has been executed mainly online and with the aid of third-party retailers such as Currys, but the company recognized the need to show its products in a physical and interactive environment by offering this 'Test & Play'- store concept (Titcomb, 2016).

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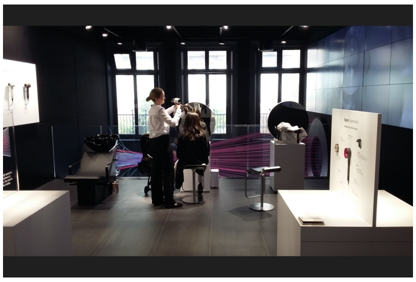
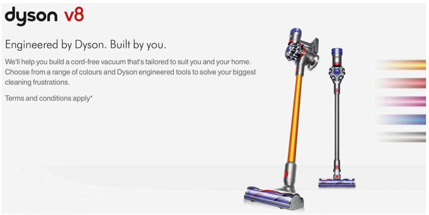

https://www.oxfordstreet.co.uk/inspiration/test-play-dyson-tech-demo/

https://www.dyson.co.uk/inside-dyson/dyson-demo.html


https://www.dyson.co.uk/inside-dyson/dyson-demo.html
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<td>Dyson's brand communication is tailored to convince customers that their unique engineering solves real problems (Dyson, 2018). In order to actively engage with the customers in the store, Dyson offers a 'Dyson Demo stylist experience' by giving the customers the possibility to book a personal appointment online with a stylist who then provides advice when the customer visits the store and explains on-site how the Dyson hair dryers work and how the customer can use the Dyson technology in the most effective way (Dyson, 2018).</td>
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JOHN LEWIS - Oxford


https://www.retailgazette.co.uk/blog/2017/09/john-lewis-confirms-opening-date-store-sleepover-experience/


http://www.vogue.co.uk/gallery/john-lewis-the-residence-sleepover-in-store
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<td>John Lewis latest store, that opened its doors in October 2017, offers a truly unique experience to the customer (Jashan, 2017). The entire store concept offers a whole range of personalized services that put the in-store experience to a whole new level (Jashan, 2017). Services such as Home Design service, eye tests and glasses made on site, Smart Home product advice, Tech training sessions for the latest products or a personal styling session are just a few examples that aim to create a place where customers can experience all facets of the brand (Jashan, 2017).

Additionally, John Lewis launched 'The Residence' - concept that offers a sleepover experience in the store to the customers who can try the mattress or other furniture before actually making a purchasing decision (Jashan, 2017). Additionally, John Lewis offers a dining experience as part of the 'The Residence' - concept (brunch and dinner) in a fully furnished scenery with exclusive food and beverage products that are available to buy at John Lewis as well and a newspaper delivery (Jashan, 2017).</td>
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 http://www.vogue.co.uk/gallery/john-lewis-the-residence-sleepover-in-store	This sleepover offer enables the customer to explore the store after it is closed for the public (Jashan, 2017). Furthermore, it exists the possibility to book an appointment with a personal shopper and also an all-access-store-tour can be made (Jashan, 2017).

Appendix B

Interview Guideline – IKEA Representatives

Date and Time of the Interview	
Interviewers	Katharina Bierling – KB (main moderator) Alexandra Hagman – AH (notetaker)
Interviewee	
Introduction **&** **Welcome Statement**	First of all, thank you very much for your time, we really appreciate your willingness to attend this interview. We are Katharina and Alexandra and we are studying International Marketing & Brand Management at Lund University. As you probably know already, we write our master thesis in cooperation with Maria and Marcus over the next 10 weeks. Our RQ is: *How to re-vitalise IKEA's in-store customer experience by redefining the main purpose of the physical store environment?* Therefore, your input is of high relevance for us in relation to that topic. We would like to record the session, in order to have all statements at hand later on for the analysis. Are you okay with that? Secondly, is it okay if we use your name otherwise we can anonymize you and just use your position here at IKEA? We want your answers to be based on your personal opinion, but we would also appreciate an answer from an 'IKEA perspective'.

Q 1: We would like to get a better understanding of your main responsibilities and tasks as Service Manager at IKEA. Could you give us a brief description of your position?	
Q 2: The entire retail landscape is drastically changing at the moment and also the expectations of customers towards retailers are changing. **Q 2.1:** What 'issue', related to the customer journey, is the most important one in your opinion right now that	

IKEA is facing and what are you doing at the moment to address that issue adequately?	
Q 3: What specific customer needs have you localized at IKEA? **Follow up:** To what extent do you meet these specific needs at the moment and what needs to be done strategically to address these needs in the future? **Q 3.1:** Where do you see a match or mismatch between IKEA's actions and customer needs at the moment? **Q 3.2:** How do customer needs differ from one channel to another? For example, online and offline.	
Q 4: What are IKEA's future plans with regard to the customer experience? **Q 4.1:** What kind of improvements are you planning to make in order to enhance the entire customer experience in-store?	
Q 5: Personalisation is a 'hot topic' right now not only in retail but in general. **Q 5.1:** What is IKEA doing at the moment to offer a personalized experience to their customer? **Q 5.2:** What are your future plans at IKEA to offer an even higher level of personalisation to your customers? **Q 5.3:** Would you agree or disagree by saying that some touchpoints are more needed or valued than others with regard to the personalisation aspect? Please specify your point of view.	
Q 6: What are the most valuable touchpoints for IKEA at the moment and which touchpoints will remain untouched in the future? **Q 6.1:** How important is the interplay between different touchpoints/channels in order to guarantee a seamless and smooth customer experience?	
Q 7: One part of our thesis is based on the relevance of the physical retail stores now and in the future. What is your personal and professional opinion on that.	

Follow-up: How valuable and needed is the personal interaction between the staff and the customer in your opinion? **Q 7.1:** What are you plans on how to incorporate the physical store into the entire customer journey? **Q 7.2:** Would you classify the increasing usage of smartphones in a store as a threat to the personal interaction or do you rather see a chance to transform the personal interaction in combination with the smartphone into a more valuable customer experience?	
Q 8: If you compare IKEA with other retailers and their performance regarding customer experience and personalisation across different channels - where do you see room for improvement for IKEA?	

Appendix C

Focus Group Guideline – Final Draft

Focus Group: XY **Date:** XY **Time:** XY **Location:** XY **Participants (nationality/age/gender):** XY P1: XY … P17: XY

Introduction: Welcome to our focus group, we really appreciate your participation. The reason for doing this focus group is based on the fact that we are writing our Master Thesis over the next 10 weeks. The topic of our thesis is about the experience in retail stores and we would like to get a better view on how customers view retailers and their physical touchpoint – the store.

Broader Retail Context	
Can all of you mention some of your favorite retailers? Can you specify why they are your favorite retailers?	
What are the benefits of shopping in a physical store? What do you guys think are reasons/motives for visiting a physical store? *Analysis: divide the answers into different categories and create thereby different customer types/ profiles* *(1. having fun → hedonic aspects,* *2. pure task completion,* *3. relaxation/devoting time to oneself)*	
What kind of needs do you want to fulfill when shopping in a physical store?	

For example, why one would go to the physical store instead of shopping online.	
In regard to personal interaction in a store, what would be positive or negative aspects of the interaction with staff compared to that of the interaction with your smartphone?	
Have you noticed any digital tools being used in stores today to support the shopping experience? Can you specify what technologies and how they are used?	
Can you all together please draw on the whiteboard how an interaction with a retailer could look like, from start to finish. So, when you first get into contact with the retailer, to the very end - so pre-purchase, purchase, and post-purchase stages. Can you now describe and explain the journey which you just drew.	
Do you guys think a personalized service or experience is important for your generation? For example, being able to customize your own products or having the staff interacting with you on a personal level.	
IKEA	
When you hear the name IKEA, what do you associate it with? *(> write it down on the paper we handed out and specify your answer)* *Analysis: since Morten Lindholm told us during the interview that the uniqueness/heritage of the IKEA brand is highly important, we would like to make recommendations regarding the in-store concept based on the tradition of the IKEA brand. Therefore, we need the participant's view on how they perceive the IKEA brand)*	
IKEA's business model is built on the concept that they supply the furniture on a low-price level and the customer then has to 'do the work' which means: picking up the furniture by car and reassembling it at home himself/herself. They do your part and we do ours - concept What do you think about this concept? → please discuss why you like or dislike this concept?	

Just imagine the following situation: you visited an IKEA store with your friend and you spent time in there, after leaving the store 2 hours later: What factors created or contributed to your 'unique moment' at IKEA, personally spoken? → please describe that moment and name the factors.	
Previously you all drew together the journey one can have with a retailer, can you now all together draw the interaction's, from start to finish which you have with IKEA. → Can you now describe and explain the IKEA journey you drew and draw comparison from your previous drawing. *Analysis: the pictures of the different journeys can then be used as reference in the appendix and the participants are more 'forced' to really think about the personal path they take since they get 5 minutes to draw*	
Can you compare IKEA with other retailers, not specifically furnishing retailers, but do they meet your needs/expectations better than IKEA (both online/offline)? Why? If yes: please specify which retailer, how and why? If not: what is IKEA doing better than others? You mentioned some of you favorite retailers in the beginning, what do they offer that you like, which IKEA doesn't?	
What is your opinion on IKEA's traditional store layout, the labyrinth concept, that leads you as customer through the entire store? → Please elaborate your opinion?	
If you could change anything with your experience at IKEA, what would you change or improve? What would be the ideal journey, compared to the one you previously drew?	