



SCHOOL OF  
ECONOMICS AND  
MANAGEMENT

# Digital Customer Experience Matters

How Jewelry Retailers Can Create a Highly Valued Experience for  
Customers Online

by

Victoria GERSTER

Pirro MELONASHI

Quynh Chi NGUYEN

May 2021

Bachelor's Programme in International Business

Supervisor: Katja Einola  
Examiner: Devrim Göktepe-Hultén

# Abstract

In today's world, it is essential to understand how customer in-store experiences can be successfully transferred to online environments for international jewelry retailers to master their digital transformation. Further, there is an apparent lack of extensive research about the jewelry retailing industry and its customers in academia despite its prominence in the business world. Therefore, this thesis aims at addressing the mentioned practical issue and the gap in the academic realm by focusing on **investigating elements contributing to a highly valued customer experience in the virtual context**. Additionally, jewelry buyers are heavily affected by sentiment in their shopping process. Thus, the *Virtual Experiential Marketing* framework helps examine the effects of some experiential elements throughout the whole purchasing journey from customer's perceptions. This framework can provide further confirmation on vital criteria for an optimal experience for jewelry shoppers.

The thesis adopts an abductive approach, uses a multi-method design, conducts ten in-depth interviews with jewelry consumers globally, applies thematic analysis with complete coding for qualitative data and descriptive statistical calculations for quantitative data. The findings suggest some critical aspects to a highly valued customer experience in online contexts within jewelry retailing. Firstly, since the brand's website acts as a surrogate for the physical store, it needs to be visually appealing, informative, and interactive. Moreover, the online shopping process should be efficient and convenient for an overall satisfying experience for customers. Secondly, the thesis focuses on some specific jewelry brand's online channels to further examine the effect of *Virtual Experiential Marketing* on customers. The findings yielded a strong consensus on the significance of certain experiential aspects, such as sense (sight), interaction, and pleasure. Flow and community relationships do not have a significant position from customers' perspectives. Also, the online site is not the preferred shopping channel for jewelry shoppers as the majority still favored the traditional physical store.

Generally, this thesis is unique because of its international sample of respondents with various backgrounds and the selected jewelry companies operating globally. Thus, this thesis is useful for scholars, business managers, marketing executives, or others interested in the jewelry industry and e-commerce.

Keywords: customer experience, jewelry, retail, digitization, experiential marketing, virtual experiential marketing, e-commerce.

# Acknowledgments

During the writing of the thesis, our group has received a great deal of support during these trying times. Firstly we would like to thank our supervisor, Katja Einola. Her guidance and expertise helped us shape our research question and helped us with choosing an effective way of tackling this question. Her dedication and optimism motivated us to reach newer heights by constantly thinking outside the box.

Secondly, our group would like to thank all of the participants in our interview. Thank you for taking the time to participate in our study. Without the experience you shared with us, this study would not have been possible.

Thirdly, we would like to thank everyone who has actively helped us make this study possible, including our opposing group, the participants in our thesis' seminars, and all of the students in our IB program.

We want to thank our proofreaders, Nick and Artina. Your keen eyes and attention to detail allowed us to fine-tune this study to its optimal form.

Lastly, we want to thank all of our friends and families. Your constant love and support made it possible for this work to happen.

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# 1 Introduction

Can jewelry companies recreate the same experience as in-store for their clients online? The development of technology, Internet of things over the years, and recently, the Covid-19 pandemic have transformed several industries, including the retail sector. The changing global business landscape forces companies to digitalize their activities and turn these competencies into advantages to outperform their competitors (Westermann, Bonnet & McAfee, 2014). Moreover, starting in 2015, the concept of retail apocalypse emerged in many headlines in the United States due to the closure of malls and several brick-and-mortar stores (Helm, Kim & Van Riper, 2020). This phenomenon has been eye-opening to retailers, forcing them to rethink their approach to business and how to tackle this issue for long-term survival.

Some specific sectors rely more heavily on customer interactions in a physical environment, like the jewelry industry, which this study will investigate extensively. The ability to touch, try the product, and experience the entire shopping journey has a significant position in the buying process of jewelry goods. This changing environment and the shift in customer expectations are an opportunity for jewelry brands to evolve and generate positive returns on investments in multiple selling channels, including in the digital landscape. Further, jewelry items ordinarily contain specific meanings or have emotional attachments to the owner (Ahde-Deal, 2013). Thus, besides the item's function and benefit, we believe that experiential values might keep a vital role in influencing the purchasing process. Acknowledging the necessity of the experiential aspects in the shopping trip is profitable to create a fulfilled and satisfying experience for customers, especially in the digital context.

Accordingly, jewelry brands need to integrate experiential values into their strategy to deliver exceptional customer experiences. For this reason, the guiding concept for this thesis is the concept of *Experiential Marketing* introduced by Schmitt in 1999. It is different from the traditional marketing approach, which sees consumers as rational beings. *Experiential Marketing* considers consumers as emotional beings and aims at creating an experience that they can relate to throughout the consumption process (Schmitt, 1999). By integrating sensational elements into the shopping journey, the brand can further intrigue customers' interests and establish deeper connections with its customers even after the purchase. Companies can utilize different experiential values to tackle customers' emotions through the five elements defined by Schmitt, which are: sense, feel, think, act, and relate (1999). This theory will enable a comprehensive understanding of the value derived from the purchasing experience.



Also, the evolving business landscape, as mentioned, signifies the importance of examining this issue in the virtual environment. Thus, the digital version of Experiential Marketing, *Virtual Experiential Marketing* (VEM) proposed by Luo, Chen, Ching, and Liu (2011), will serve as this thesis' main framework. Luo et al. (2011) developed VEM based on the original Schmitt's Experiential Marketing (1999), as well as several prior studies of experiential values and benefits for consumers (Pine & Gilmore, 1998; Mathwick, Malhotra & Rigdon, 2001). Instead of physical retail stores being the analyzed shopping environment, the websites are now in focus. The experiential elements of the VEM framework are sense, interaction, flow, community relationship, and pleasure. These concepts and theories will be explained more in-depth in the literature review.

This thesis approaches the research topic logically to understand how to effectively innovate the jewelry industry from a brick-and-mortar context to e-commerce. The changing business environment has modified the way customers purchase jewelry due to the recent pandemic and digitalization trends. This means that customers might not be able to go to their regular stores to purchase their piece of jewelry and their experience gets transferred to e-commerce channels. Thus, companies that sell jewelry online need to invest a great deal in creating a successful customer experience.

## 1.1 Background

Customers are increasingly using multiple channels when shopping. The Global Consumer Insights Survey by PwC (2018) found that while in-store remains the most frequent channel visited by customers, online channels are close behind. As more people get access to the internet, the number of digital shoppers is growing every year and is estimated to reach 2.14 billion people worldwide in 2021 (Statista, 2020a). Moreover, the COVID-19 pandemic led to the closure of physical stores in various countries (Sundaram, 2020; Simply Business, 2020). It forced retailers to adapt and transfer to other channels to meet evolving customer expectations and demands. A Statista study shows that the e-commerce penetration rate in selected developed countries in 2020 is not fully exploited (Buchholz, 2021). The authors suppose that there is still some untapped potential for online shopping. For instance, 55% of the Italian population has made a purchase online in the past 12 months, compared to 77% in Japan and the USA (Buchholz, 2021).

### 1.1.1 Digital Transformation

Companies in many different industries are under pressure to adjust in a constantly changing business landscape in order to be sustainable in the long term (Westermann, Bonnet & McAfee, 2014). This circumstance requires various businesses to revise their strategies and even transform them completely to incorporate digitalization capabilities. However, McKinsey reveals that retailers relying heavily on face-to-face engagement struggle to adapt to unexpected circumstances (Briedis, Kronschnabl, Rodriguez & Ungerman, 2020).

Moreover, customer experience has been discussed as the center of the digital transformation process. According to Westermann, Bonnet and McAfee (2014), transforming customer experiences is at the core of digitalization. The process of transforming customer experiences to online contexts covers the whole usage journey, in which there are four steps to consider, which involve (Westermann, Bonnet & McAfee, 2014):

1. Designing the customer experiences from the outside in
2. Creating customer reach and customer engagement
3. Establishing customer data at the heart of the experience
4. Seamlessly interlocking physical and digital experiences in innovative ways

Merging physical and digital experiences has been a challenging mission for many businesses. Even though technology development drives people toward online channels, an excellent shopping experience still keeps a vital role in customers' perceptions. According to Puthiyamadam and Reyes (2018), more than 70% of consumers indicate that a great shopping experience with a brand significantly impacts their later purchasing decision. Through the quantitative study of more than 400 UK consumers, Blázquez (2014) recommended that retailers boost their customers' engagement among different channels to bring better customer experiences. Further, as the COVID-19 pandemic has shifted consumer behavior to be more engaged in digital channels, retailers must expand their digital presence quickly. They should integrate and optimize all digital and physical elements to meet the evolving customer expectations (Berman, 2012; Briedis et al., 2020).

### 1.1.2 The Jewelry Industry

Jewelry comes from the word “jewel”, referring to the Old French word “jouel” (Dictionary.com, 2021). Initially, it is derived from the Latin word “jocale”, meaning plaything

(Dictionary.com, 2021). Jewelry can be made from several different materials, like silver and gold, and enhanced with gemstones. It can be worn and attached to clothes or the body. The jewelry industry is a specific and unique field. There are many motivations behind why people purchase this type of product. According to Ahde-Deal (2013), some reasons that cause this behavior are:

The jewelry is worn to emphasize social connections and togetherness through its physical feature of being an individually worn item. These social connections may be with family, kin, friends, groups of like style, and political or religious points of view. Pieces of jewelry often have individual and personal meanings for the possessors. Nevertheless, even if the appearance of the jewelry is unique and individual, reasons to wear and possess it are social, in the way that by wearing certain jewelry women show that they belong to a social group (Ahde-Deal, 2013, p. 27)

This explanation suggests the importance of value behind the purchase of a jewelry product and confirms our interest in the experiential aspect of buying. According to our study, jewelry is often bought as a gift or present to someone else. It is a safe choice that rarely results in disappointment. Jewelry relates to self-expression and has a deep emotional value to customers. It can showcase an unbreakable bond between friends and loved ones, in the form of matching bracelets for friendships, engagement rings for relationships, or celebrating the birth of a newborn with jewelry with the engraved name and date of birth of the newborn, which will be kept for life.

In addition to gifting a piece of jewelry, it is mainstream to buy jewelry for oneself. According to our study, jewelry has uncontested importance in some individuals' styles. It could be considered as vital as the clothes they are wearing to express themselves as individuals. It can also be a sign of wealth and status in the case of well-known brands and signature products, which are easily recognizable. There are many reasons to wear and buy jewelry, however different between each individual.

Jewelry makers have managed to assert themselves in the global economy by producing well-known brands. The value of the global jewelry market in 2019 was 229.3 billion US Dollars and is expected to reach 291.7 billion US Dollars in 2025 (Market Study Report, 2020). It is an industry that is expected to grow steadily over the years. The online jewelry market is also expected to grow, this time at a higher rate than the physical retailers (Statista, 2020b). These trends show the importance and relevance of online shopping channels in this industry. Furthermore, the pandemic has accelerated the shift towards online retail, which is shown in a

Statista study outlining the percentage of e-commerce sales compared to total retail sales in the USA (Richter, 2021). In 2020, this number reached 14% as opposed to 0.9% in 2000 and around 10% in 2018 (Richter, 2021). The jewelry industry is present in most individuals' lives but does not seem to find its place among researchers and academia.

## 1.2 Problematization

The pandemic accelerating the closures of stores and other traditional brick-and-mortar marketplaces has hindered the ability to interact with the products, receive assistance from staff, and shop in a traditional fashion. There is a proven positive relationship between good customer experiences and their satisfaction, loyalty, in a physical retail context (Wu & Tseng, 2014; Hult, Sharma, Morgeson & Zhang, 2019). The authors wonder whether these benefits can be found in an online context or if jewelry can only be fully appreciated when bought in a physical store.

Some challenges have been arising from this changing environment for jewelry brands. First, the companies need to adapt their way of doing business from a brick and mortar business model to e-commerce, and bring their customers' experience online. The transfer should include what customers value for their shopping experience. Then, once customers have transferred to online channels, the companies must continuously develop their online operations. This process involves constantly improving and innovating to meet their customers' values and needs.

An additional challenge is that there is no framework for a situation like this for the jewelry industry, especially on an international level in academia. Furthermore, even if e-commerce has been in full expansion in the last decade, there is only a small amount of research about the use of *Virtual Experiential Marketing* or other frameworks to analyze online customer experience in this type of industry. There seems to be a significant focus on the fashion and apparel industry among researchers (Manenti, 2013; Clarke, Perry & Denson, 2012). However, a global market of almost 300 billion USD by 2025 should not be neglected, and there is an excellent potential for research on this industry (Market Study Report, 2020).

## 1.3 Research Purpose

The **purpose of this thesis** is to understand how to effectively innovate the jewelry industry from a brick-and-mortar context to e-commerce by exploring factors contributing to a highly valued customer experience. This purpose helps to broaden the knowledge about the jewelry industry, its customers, and e-commerce for scholars, business managers, marketing

executives, or others interested in the subjects. This thesis will shed light on the mentioned problem and establish a foundation for further development and research in the future.

## 1.4 Research Questions

As customer experiences are the core of digitalization for companies, we wonder what criteria constitute an excellent experience for the jewelry shopper when transferring to the online context. The research question guiding this study is:

**RQ: What creates a successful online customer experience in the jewelry industry?**

In order to explore the research question more in-depth and potentially identify key success factors for a valuable online customer experience, the authors introduce a secondary research question:

**How does *Virtual Experiential Marketing* impact customer experience in an online context?**

The evaluation of the VEM framework helps the authors to identify how companies can provide the optimal experience for their customers through e-commerce channels specifically, compared to in-store purchase experience.

## 1.5 Aim and Objectives

In the academic realm, the jewelry retailing industry and its customers are under-researched. One of the objectives of this paper is to **understand customer values** regarding purchasing jewelry online. These findings will consequently give an idea of how brands can maximize their returns in a digital context. The secondary objective is to assess the **importance and effect** of *Virtual Experiential Marketing* on buyers of jewelry. Further, this assessment can provide key success factors for the digitalization of jewelry brands.

## 1.6 Delimitations

This research mainly focuses on the online jewelry buying experience. The primary data is made of customers' perspectives, experiences, and expectations. The **scope of this thesis** is made of selected retail jewelry brands which have an e-commerce sales channel and operate globally. The focus is on middle-range brands like Pandora, Swarovski, and Thomas Sabo, which can be categorized in the same category regarding price and quality. There are, of course, differences between these brands, but they have been chosen to give an idea of the jewelry range

in focus. Also, this choice helps orient and define the interview questions. We believe we would be able to get more results from buyers of these brands than other more high-end and luxury brands like Tiffany and Co. or Chopard.

Furthermore, we did not wish to focus on low-quality and low-price brands because we did not believe that these companies focused on providing an authentic customer experience. This ties to the choice of having brands like Pandora or Swarovski as the main determinants of the scope. They are popular brands but also have a focus on and determination towards customer experience. We have realized that these brands are primarily European and that if we chose other brands that are more popular in different parts of the world, our survey results could be different. However, since these brands operate globally, we believe it would still be relevant and accurate to base our interviews and scope on them.

Since this study is focused on customers' expectations and their buying habits, and interviews are the primary data collection source, it is also required to define a scope of respondents. The jewelry industry is a global market, and the brands previously mentioned are operating worldwide. Furthermore, the authors of this thesis are from several different nationalities and have a vast network. Therefore, the scope of the interviewees is international as well, which will give valuable information regarding potential differences between countries and cultures.

## 1.7 Outline of the Thesis

Table 1 presents the outline of the thesis to give readers an overview of the different sections included in this study. Each section presents the main topics discussed in the introduction, the literature review, the methodology, the analysis and discussion, and finally the conclusion.

Table 1: Outline of the Thesis (Gerster, Melonashi & Nguyen, 2021)

	<b>Chapter</b>	<b>Content</b>
<b>1</b>	<b>Introduction</b>	The introduction explains the background of the jewelry retailing industry, the Experiential Marketing concept, the digital transformation and emergence of online shopping, the research problem, objectives, and the thesis's research question.
<b>2</b>	<b>Literature/ Theoretical Review</b>	This section presents the main theoretical concepts: The Experience Economy, Experiential Marketing, Virtual Experiential Marketing. It also provides an overview of existing literature on the research problem such as experiential marketing, and the digital transformation in retail.
<b>3</b>	<b>Methodology</b>	This chapter explains the research philosophy and approach (abductive, multimethod study), research design, methods used for data collection (interviews), and analysis (thematic). The chapter ends with the discussion of some challenges and limitations in the researching process.
<b>4</b>	<b>Analysis and Discussion</b>	This part presents a critical analysis and discussion of the collected data. The first section of the analysis examines customer expectations for buying jewelry. The second section focuses on the impact of Virtual Experiential Marketing while shopping online. The chapter ends with in-depth reflections on the results and some interesting emerging patterns.
<b>5</b>	<b>Conclusion</b>	This last part summarizes the thesis by answering the research questions, provides practical, theoretical implications and recommendations for future research.

## 2 Literature/Theoretical Review

### 2.1 Experience Economy

Holbrook and Hirschman (1982) propose the importance of acknowledging experiential perspectives alongside the fundamental information-processing aspect in understanding consumption behaviors. As consumers' behaviors are complex, it is insufficient to use only models based on rational decisions to understand why people make purchasing decisions. The authors explain that the experiential view addresses various hedonic elements: the aesthetic, multisensory aspects, emotional benefits, and enjoyment arising from the shopping process.

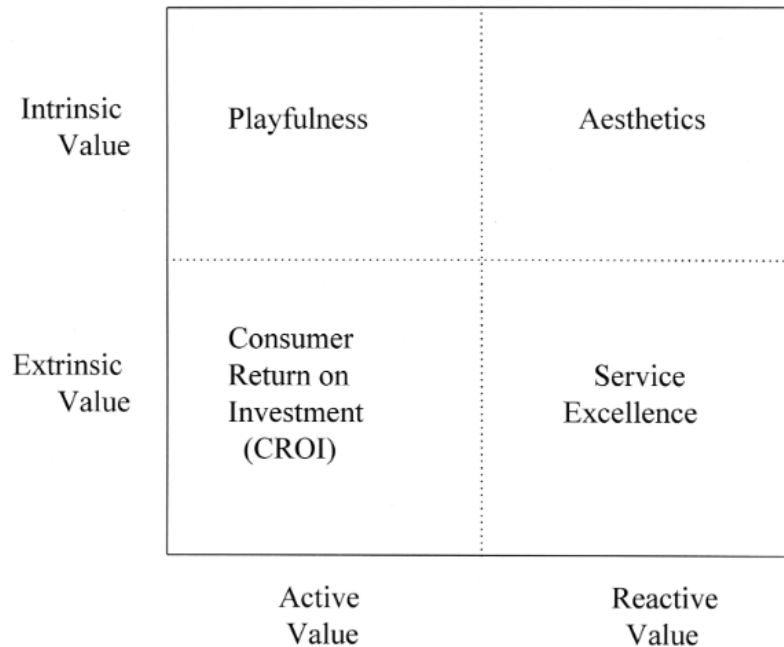
Later, Pine and Gilmore (1998) assert the emergence of an experience-based economy as a consequence of economic development. They explain that the traditional approach to selling goods and services emphasizes products' qualities, prices, and promotions. However, businesses should not only focus on those mentioned aspects in the emerging experience economy but also pay attention to providing memorable shopping experiences for customers. The authors further argue that staging experiences should be considered as a source of competitive advantages for companies to differentiate themselves in today's marketplace.

Additionally, Pine and Gilmore (1998) mention that the importance of creating memorable experiences has moved past the boundaries of the entertainment industry, such as in theme parks or theaters. This concept has extended to other domains, including restaurants, transportation, technology, and retailing (Holbrook & Hirschman, 1982; Pine & Gilmore, 1998). In the retail sector, the traditional viewpoint treats customers as rational decision-makers who mainly focus on the functional features and benefits of the products (Schmitt, 1999). However, some authors argue that the consumption process should be considered a holistic journey that integrates both utilitarian and hedonic values (Holbrook & Hirschman, 1982; Schmitt, 1999; Mathwick, Malhotra & Rigdon, 2001).

Moreover, Mathwick, Malhotra, and Rigdon (2001) explore different aspects of experience in retailing and propose the experiential value scale (EVS) (see Figure 1). The authors identify between "active" interaction versus passive "reactive" responses based on customers' interaction with retailers. The first element in EVS is consumer return on investment (CROI), which is described as an active source of extrinsic values (Mathwick, Malhotra & Rigdon, 2001). It is about customers' expectations of returns on their investment, which can be about finance, time, behaviors, and mentality spending in the purchasing process. The second



component is service excellence, which is a reactive source of extrinsic values, as the name suggests (Mathwick, Malhotra & Rigdon, 2001). Next, the aesthetics reflect the visual appeal of the environment or the entertaining aspect of the services. The authors categorize this element as reactive sources of intrinsic values. Finally, playfulness, which is classified as active sources of inherent values, regards the enjoyment emerging from the shopping journey (Mathwick, Malhotra & Rigdon, 2001).



*Figure 1: The Experiential Value Scale (EVS) (Mathwick, Malhotra & Rigdon, 2001)*

Based on this scale, Mathwick, Malhotra, and Rigdon (2002) further explore the dynamism in the shopping process and distinguish two nature of customer: goal-directed and experiential shoppers. The authors find that goal-oriented shoppers tend to seek the best return on their investment of time, effort, money, and service excellence. Thus, this group of consumers favors utilitarian or extrinsic features, such as efficiency and economic values while shopping (Mathwick, Malhotra, & Rigdon, 2002). On the contrary, experiential shoppers seek intrinsic values like aesthetic elements or enjoyment in their purchasing process (Mathwick, Malhotra, & Rigdon, 2002). Thus, with this group of customers, the experience of the shopping journey is more important than the actual product acquisition.

In sum, the emerging perspective in consumption behaviors suggests that customers are both rational and emotional. The traditional approach to consumers' behaviors and marketing principally emphasizes utilitarian features of the products, services, and shopping journey

(Holbrook & Hirschman, 1982; Schmitt, 1999). The advantages of the traditional features and benefits approach are undeniable and still valid in today's context (Shobeiri, Mazaheri & Laroche, 2013; Shobeiri, Mazaheri & Laroche, 2014). Nevertheless, the constantly shifting global economy suggests the necessity of acknowledging experiential values in consumption (Holbrook & Hirschman, 1982; Schmitt, 1999; Mathwick, Malhotra & Rigdon, 2001). Businesses must consider the hedonic, aesthetic aspect of shopping since it can create competitive advantages to position themselves for success in the long run (Schmitt, 1999).

## 2.2 Brand Experiences

The emerging experiential approach to consumption implies the importance for businesses to understand customers' internal responses. The ability of businesses to create a sensational link to the products largely depends on how customers perceive the product together with the overall shopping journey. While discussing the notion of experience concept, Schmitt (1999) states that the traditional features-and-benefits approach views customers as rational. However, it is noteworthy that customers are also emotionally driven in the emerging economy (Holbrook & Hirschman, 1982; Schmitt, 1999). Thus, Schmitt (1999) emphasizes the fact that customers' experience or emotion of a product is often associated with the brand. The growing awareness of customers about brands over the past decades signifies the necessity for businesses to build a distinctive brand experience as a strategy to differentiate themselves in today's marketplace (Schmitt, 1999; Brakus, Schmitt & Zarantonello, 2009).

Further, some scholars state that brand experience has positively affected consumer behaviors (Ha & Perks, 2005; Caruana & Ewing, 2010). A study by Ha and Perks (2005) explores the experience concept associated with brands. The authors claim that brand experience often influences customers' perception more significantly than the functional side of the product, such as features and benefits. Later, they conduct quantitative research to support the proposition that brand experience has direct effects on increased customer satisfaction (Ha & Perks, 2005). Another study on this topic by Caruana and Ewing (2010) also reveals that experience associated with a corporation or a brand significantly impacts consumers' loyalty.

Later, Brakus, Schmitt, and Zarantonello (2009) conceptualize brand experience as any sensations, feelings, thinking, and actions aroused by brand-related stimuli. During the consumption process, besides the utilitarian features of the products, consumers also interact with various brand-related features, such as designs, colors, logo, packaging, shopping environment (Brakus, Schmitt & Zarantonello, 2009). Thus, it is inadequate to understand the experiential concept without linking to the brand. We argue that whether in-store or online, the

notion of experience from the customers' perspective must be studied in connection to a brand to gain comprehensive knowledge of the problem. This section links to the primary objective of this research, which is understanding determinants for a highly valued customer experience in the jewelry retailing industry.

## 2.3 Experiential Marketing

The increasing significance of experiential values in the retail sector indicates the need for a different approach to displaying and selling products for better customer engagement. Bernd Schmitt (1999) introduces a novel marketing approach called Experiential Marketing to create a holistic experience for customers by integrating individual experience. This concept is different from traditional marketing, which views consumers through a rational and analytical lens.

Schmitt (1999) presents the concept of *Experiential Marketing* with four main characteristics. Firstly, rather than viewing consumption as a simple purchasing process, the new approach emphasizes experiential aspects of the process. Secondly, consumption should be considered a holistic experience, not about the features and benefits of a single product alone, especially for products from a specific brand. Next, customers are not only rational but also emotional. Thus, putting the product into a context and linking it with sensations, thoughts and feelings can affect consumers' perception of the product and the brand as a whole. Finally, experiential marketing uses eclectic methods and tools. There are no boundaries when selecting methods as long as it suits the objective. (Schmitt, 1999)

Under this assumption, Schmitt (1999) proposes the strategic experiential modules (SEMs) with five different types of experiences that can be created for customers. According to Schmitt (1999), they are:

1. SENSE: concerns sensory experiences in the purchasing process. Sensorial engagement is implemented by utilizing five human senses: sight, sound, touch, taste, and smell during shopping. The purpose of this tactic is to establish a connection between products and customers' cognition for stronger purchasing motivations.
2. FEEL: refers to the affective experience. While sensory experiences tackle the outer side, FEEL marketing approaches internal responses, the consumers' emotion. Through this element, businesses seek to awake strong customer emotional responses relating to the product for longer remembrance.

3. THINK: aims to evoke consumers' creative cognition. This type of marketing often tries to make customers imagine, process the received information to generate a meaningful message for themselves.
4. ACT: intends to transform consumers' behaviors or lifestyles. Under the experiential lens, this change has not only rational motives but also emotional, inspirational forces.
5. RELATE: includes all previous four SEMs elements but aims for a broader scope. The four mentioned components emphasize the individual level but RELATE marketing attempts to establish a link between the individual to a social group or identity. It is social identity experiences relating to a reference group or culture that the brand tries to signify.

These experiences can be implemented through experience providers (ExPros) such as communications, visual and verbal identity, product presence, electronic media tools, etc. (Schmitt, 1999).

Previous research found that experiential marketing has several positive impacts on shopping behaviors. Brakus, Schmitt and Zarantonello (2009), through their review of prior studies in philosophy, cognition, and management, propose the brand experience concept comprising five dimensions: sensory, affective, intellectual, behavioral, and social. These five dimensions are closely similar to the SEMs introduced by Schmitt (1999) mentioned above. For example, the intellectual dimension refers to the cognitive experience as the "THINK" element; or the behavioral dimension is equivalent to the "ACT" element in SEMs. Additionally, the authors conduct further studies to test the reliability and validity of the concept. The examinations lead to the abbreviated version of brand experience, which had only four dimensions: sensory, affective, intellectual, and behavioral. Further, Brakus, Schmitt, and Zarantonello (2009) discover that these experiential dimensions directly improve several factors such as customer satisfaction and customer loyalty.

Another study by Geel, Hornebrant, and Lundberg (2018) also examines the impact of experiential values on customers within the body cosmetics retail industry. They found that companies could enhance customer's perception of value through employing experiential marketing strategies. The study indicates the need for businesses to set unified strategies across different experiential elements to positively influence customers.

Nevertheless, there is a noticeable absence of discussion on the cultural effects on customers' experiences from the previous studies. The researchers whether choose not to specify the location (Brakus, Schmitt & Zarantonello, 2009) or study a specific group of customers

within a single geographical market, such as the United States (Mathwick, Malhotra, & Rigdon, 2002, Hult et al., 2019), Canada (Shobeiri, Mazaheri & Laroche, 2014), Taiwan (Wu & Tseng, 2015), Korea (Ha & Perks, 2005), Sweden (Geel, Hornebrant & Lundberg, 2018). Remarkably, Caruana and Ewing (2010) collected data from South Africa and Australia for cultural diversity but does not identify any differences. Schmitt (1999) also brought up some puzzles about the cultural effects on SEMs while discussing this concept on a global scale. The question emerging is whether there are any differences in preferences for specific experiences between different countries.

Overall, experiential marketing helps to improve customer's perception of value (Geel, Hornebrant & Lundberg, 2018), customer satisfaction, customer loyalty, and brand personality (Brakus, Schmitt & Zarantonello, 2009). The companies that engage in this consumer-centric approach are called non-traditional retail companies by Childs, Blanchflower, Hur, and Matthews (2020). The concept has proven its usefulness in the brick-and-mortar environment across different sectors, especially the retail industry. However, as mentioned, there is a lack of research about this concept at an international level. Thus, it is imperative to integrate customers' perceptions from different cultures and nations into the research to understand possible cultural effects on their experiences. These remarks suggest opportunities for further developments of the experiential marketing concept to adapt to the evolving global business landscape.

## 2.4 Transformation in Retail

### 2.4.1. Retail Apocalypse

The term retail apocalypse comes from the United States. It refers to the large closure of physical retail stores and malls around the country, starting in 2015, reaching a tipping point from which there does not appear to be any possible recovery (Helm, Kim & Van Riper, 2020). It is a trend that follows the profound changes that modern societies are going through, and in this case, it is the rise of e-commerce and digitalization. Childs et al. (2020) suggest an explanation:

While some of these changes may be attributed to a rise in online sales, a documented shift in consumer shopping and purchasing behaviour reveals a changing customer with different values who is more attracted to non-traditional retailers that offer superior customer experiences and engagement (Childs et al., 2020, p.263).

Helm, Kim and Van Riper (2020) explain that “retail changes are macro-level phenomena with micro-level implications” (p.2). Research shows that consumers have more power than ever

today and that they have a significant role to play in the shifting retail landscape (Helm, Kim & Van Riper, 2020). This is explained by the availability of information on the internet and its transparency, the possibility of comparing prices and reviewing quality through reading reviews, and finally, sanctioning the brands and stores in case of customer disappointment (Helm, Kim & Van Riper, 2020). All this ties to a new convenience for the consumers, from the comfort of their own home. Furthermore, since customers have more bargaining power regarding their purchases, it is critical for the companies that operate in the retail industry to adapt to and please their customers, which can now be seen as change agents (Helm, Kim & Van Riper, 2020).

#### 2.4.2. Digitalization

Technology development over the years has created both opportunities and challenges for companies around the world (Berman, 2012). According to Westermann, Bonnet, and McAfee (2014), this phenomenon suggests firms must build the capability of digitizing their activities to attain competitive advantages to outperform their competitors. They further elaborate this opinion by accenting the critical understanding of customer experiences in the digitalization process. Companies' ability to integrate digital and physical channels as well as optimize both is highly critical in today's context to meet the evolving customer expectations (Berman, 2012; Briedis et al., 2020). Hence, learning customers' expectations is the key to a successful digital transformation for any business (Westermann, Bonnet & McAfee, 2014).

In the retail sector, modern retailing has witnessed the growth of online shopping over the past decade. As discussed, the retail apocalypse and technology development globally further pressure companies to transform for future growth. Westermann, Bonnet, and McAfee (2014) point out that there is no separation between online and physical experience in customer's perception. Blázquez (2014) also discovered that as customers become more skilled with online channels, they expect digital experiences to be consistent with physical ones. The product presentation, colors, themes, shopping environment of the brand found in the physical store should also present in the online channels. Many authors support the same idea and reveal that customers do not distinguish their experience according to different channels when shopping (Adeosun & Ganiyu, 2013; Shobeiri, Mazaheri & Laroche, 2013).

Subsequently, the emerging digital selling channel signifies the necessity to transfer experiences from brick-and-mortar stores to the virtual world. Additionally, the outbreak of the COVID-19 pandemic has accelerated the retail apocalypse internationally and shifted the paradigm of the retail sector, especially those that depend much on in-store experiences (Briedis

et al., 2020). The forced closure of physical stores and the growth of online shopping worldwide puts further pressure on retailers to catch up with the changing business landscape. As Westermann, Bonnet, and McAfee (2014) suggested, creating a compelling customer experience is the core of digital transformation for any firm. Thus, acknowledging the expectations from customers, whether in-store or online, is essential for setting comprehensive and stimulating virtual experiences. This suggestion provides further support for the main objective, understanding customer expectations regarding their jewelry purchase experience in the digital context.

## 2.5 Virtual Experiential Marketing

Since customers often see the purchasing process of products as a whole, elements influencing shopping experiences in the physical store setting are still applicable in the online world. In the online context, several studies show a positive relationship between experiential marketing and customer satisfaction and loyalty (Ha & Perks, 2005; Caruana & Ewing, 2010; Wu & Tseng, 2014; Hult et al. 2019). Also, as e-retailing has a high potential for staging memorable experiences for customers, the integration of experiential benefits to online channels would eventually enhance customer's behaviors (Shobeiri, Mazaheri & Laroche, 2014). Therefore, understanding how to utilize experiential marketing in the virtual setting becomes salient for businesses to differentiate themselves and gain competitive advantages for long-term growth.

Luo et al. (2011) propose the *Virtual Experiential Marketing (VEM)* model, intending to access the application of experiential marketing in an online setting. The model is developed based on several prior studies of experiential values and benefits for consumers (Pine & Gilmore, 1998; Schmitt, 1999; Mathwick, Malhotra & Rigdon, 2001), but with an adaptation to the virtual world. Mainly, Luo et al. (2011) explain that VEM relies on interfaces or platforms such as websites, which act as surrogates for a real-world, physical interacting environment. Facilitating experiential marketing helps businesses to present electronic environments that are engaging and fostering customers' emotional responses. Luo et al. (2011) present the virtual model comprising five elements:

1. **Sense:** Sensory engagement is limited in the online setting in terms of touch, hearing, smell, and taste. Thus, this element principally relates to the visual appeal of the website. It is also about the aesthetic aspect of the shopping environment.

2. **Interaction:** The extent to which consumers can easily interact with the website through its features and functionalities. It is about the possibility of customizing the website to satisfy consumers' needs or looking for necessary information. Besides the machine, this component also relates to the interaction between humans on the website, such as chatbox, reviews, etc.
3. **Pleasure:** This factor regards the favorable attitude of customers towards the brand's website while browsing. An initial positive view can lead to stronger emotional arousal, affecting customers' browsing and purchasing intention later.
4. **Flow:** Concerning the immersion while browsing and interacting with the website. Being immersed with enjoyment while using the website leads to longer time spent on the site. This observation later influences consumer's purchasing intention.
5. **Community relationship:** The last component concerns the social identity of the brand. Businesses try to build their image and achieve it through their targeted customers. It also relates to the business's ability to facilitate communication between customers in the digital setting through product reviews, for example. This aspect's application can boost the browsing and purchasing intention of frequent consumers.

Moreover, Luo et al. (2011) reveal that utilizing VEM can enhance customers' browse and purchase intention, which later significantly affects their loyalty. Loyal customers have a higher tendency for returning, higher spending, and becoming powerful sources of mouth advertising (Day, 1969). Hence, businesses can deepen the bond with their customers in the virtual environment by enhancing browsing and purchasing intention through utilizing experiential marketing on their interfaces (Luo et al., 2011). Several studies also support a similar conclusion regarding the effectiveness of experiential marketing on improving customers' loyalty (Brakus, Schmitt, & Zarantonello, 2009; Wu & Tseng, 2014; Hult et al., 2019).

Nevertheless, Luo et al. (2011) highlight the limitation of sensory components in the virtual environment. Thus, they stated that businesses should focus on the other four elements of VEM: pleasure, community relationship, interaction, and flow while designing an effective online channel. A study by Shobeiri, Mazaheri, and Laroche (2014) also reached a similar conclusion. The authors found that utilitarian or extrinsic features of e-retailer websites, such as service excellence, economic values were more important than aesthetic or pleasurable benefits.

However, in the mentioned studies, most respondents provide answers based on their experiences of e-retailing websites such as amazon.com, ebay.com (Shobeiri, Mazaheri, and



Laroche, 2014) or online games stores (Luo et al., 2011). Due to this point, the sensory elements, which is the aesthetic feature, in this case, might be underrated. Since this study focuses on the jewelry industry, we believe that the visual appeal of the online channel is crucial when discussing factors contributing to a highly valued customer experience in the virtual context. Mathwick, Malhotra and Rigdon (2002) also pointed out that companies must acknowledge what customers try to accomplish while visiting their website to deliver a platform with relevant experiences for their customers. Consequently, we decided to include all five elements of VEM as the research model for a comprehensive understanding of the effects of experiential elements throughout the whole purchasing journey from customer's perceptions, with a focus on the jewelry industry. This section ties to the secondary objective of the research paper to assess the importance and effect of *Virtual Experiential Marketing* on potential buyers of jewelry. This framework can provide further confirmation on vital criteria for an optimal experience for jewelry shoppers.

## 2.6 Chapter Summary

This chapter discussed the main theoretical concepts to provide readers with knowledge of the context and model used in this study. The chapter began with the importance of realizing emerging experiential aspects of consumption besides the traditional feature-and-benefit approach. Further, while investigating the customer's experience, we believed that it was crucial to study the notion associated with a brand for a comprehensive understanding. Next, as the growing experiential aspect indicated the need for a different approach to selling products, especially in jewelry retailing, the concept of Experiential Marketing was introduced. Moreover, the development of technology has led to digital transformation in the retail sector globally. Hence, experiential marketing needs to be adjusted and adapted to the digital world. Following this, the chapter presented *Virtual Experiential Marketing*, which was derived from the original Experiential Marketing model with the adaptation to the digital context. This model will then serve as this thesis's guiding theoretical framework. Overall, the discussed literature provided a substantial foundation for this thesis to investigate elements contributing to a highly valued customer experience in the online environment.

## 3 Methodology

The methodology section describes the different steps taken by the authors to explain the research question. To optimize the path toward an appropriate research method, the authors used the research onion framework developed by Saunders et al. (2007) as inspiration (Figure 2).

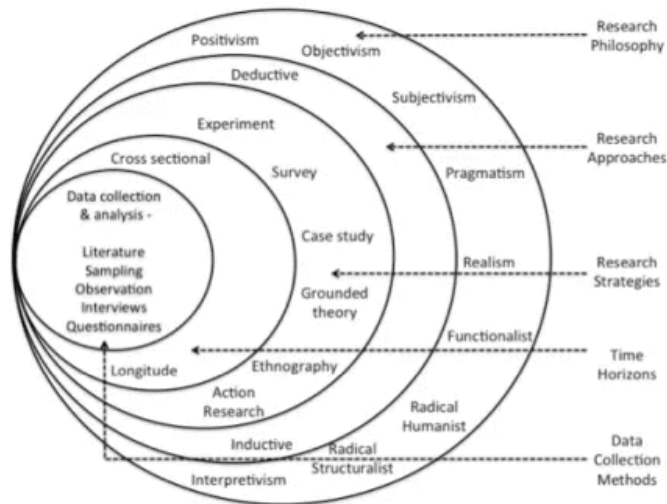


Figure 2: Research Onion (Saunders et al., 2007)

### 3.1 Research Philosophy and Approach

In the first section, the authors discuss the research philosophy or epistemological stance, which is most suited for interpreting and collecting data (Bryman & Bell, 2011). For this study, a mixed epistemological stance with strong phenomenological attributes is used. In the second section, the research approach describes the connection between the examined theory and data collected (Bryman & Bell, 2011). This thesis follows an abductive approach, embedding the research question on an existing theory and a strong emphasis on the participants' interview experience.

#### 3.1.1 Epistemology

Epistemology concerns issues revolving around the validity of knowledge presented in a research paper (Bryman & Bell, 2011; Braun & Clarke, 2013). There are two main fields of

epistemology this study will focus on: Positive (realism) and Interpretivism (phenomenological). Positivism is an epistemological school of research, where knowledge derives from observable data (Bryman & Bell, 2011). The main properties involve the focus on facts and data, which are measurable and testable. This approach is mainly used in deductive research, where researchers conduct the study objectively (Bryman & Bell, 2011). Unlike positivism, phenomenology aims at understanding the world from people's experiences (Braun & Clarke, 2013). The studies have a stronger focus on meanings and experiences, where researchers would create theory from the data collected. Researchers tend to have a more subjective view of the data than positivism (Bryman & Bell, 2011).

In this study, the researchers hold a mixed epistemological stance. Some collected data will be quantifiable and used to research a cause-and-effect relationship between *Virtual Experiential Marketing* and customer expectations. Therefore a positivist stance will be needed. However, the central stance for this research is the experience of buying jewelry products in an online landscape. Therefore, a phenomenological approach is required in order to grasp the complete understanding of the topic.

### 3.1.2 Research approach

Creswell refers to the research approach as the formation of the plan and procedures for the research, from the broader concepts until the data analysis (2007). As the jewelry industry is extensive, we could take different approaches to tackle the research question. The research approach explains the connection between the theoretical perspective and the data collected for a research question. The chosen method could have a deductive, inductive, or abductive nature.

A deductive approach enables researchers to test the validity and possibility of theoretical frameworks or theories (Bryman & Bell, 2011). Firstly, the researcher collects theoretical information in the form of data and facts to create hypotheses or form theoretical frameworks. Then, they gather empirical data to test and analyze the hypotheses developed from the theoretical framework (Bryman & Bell, 2011; Braun & Clarke, 2013). This approach is generally used in quantitative studies (Braun & Clarke, 2013).

On the contrary, the inductive approach is popular in qualitative studies (Braun & Clarke, 2013). The empirical data guide the formulation of theories (Bryman & Bell, 2011; Braun & Clarke, 2013). Creswell (2009) explains the inductive logic behind qualitative research, where researchers search for themes and analyze them from gathered information. Based on this

process, in combination with prior investigations, generalizations and new theories are formed (Creswell, 2009).

Lastly, an abductive approach is an integration of deductive and inductive. The abductive is employed when neither inductive and deductive approaches can address the research problems comprehensively. Combining both helps researchers seek explanations for the data and follow more pragmatic reasoning (Kennedy, 2018). With an abductive approach, researchers can have both qualitative and quantitative structures to explain the problem.

The theories of Experiential Marketing and *Virtual Experiential Marketing* were used, among others, for the formulation of the research questions. The study's questionnaire, explained in section 3.4 and can be read in Appendix A, is heavily influenced by existing theory, namely the *Virtual Experiential Marketing* framework by Luo et al. (2011). However, the empirical work for this study is phenomenological. This thesis explores the customers' experience in purchasing jewelry and contrasts it with Luo et al.'s theory. Furthermore, the authors want to observe if there are discoveries or if the existing theory could be contested and nuanced with different insights. Therefore, this study will have an abductive approach to answering the research question.

For this study, the authors have chosen an abductive research approach. This method will be beneficial in accomplishing the objectives of this thesis. The first objective is to help us investigate the customers' expectations regarding online jewelry purchasing. An inductive approach would fit this part of the research as there is a lack of research on the industry and the problem in general. Our secondary objective is to use the *Virtual Experiential Marketing* framework by Luo et al. (2011) to observe how customers perceive the online shopping experience and how each of the five elements impacts brand perception. The authors want to examine whether the VEM framework can successfully provide a memorable experience to customers of the jewelry industry. To achieve that, we observed the significance of each element, which is more fitting to a deductive approach. An explication of the second objective will, in turn, enable the authors to validate the findings from the qualitative section.

## 3.2 Research Design

Bryman & Bell (2011) define the research design as the framework for collecting and analyzing the data. A description of the research design helps readers understand how to address the research questions, from data collection to data analysis. This study follows a multimethod study design, with a strong emphasis on phenomenological research, which "describes the meaning for several individuals of their lived experiences of a concept or a phenomenon"

(Creswell, 2007, p. 57). Furthermore, this thesis will also implement a modest weight on the quantitative design, which is vital to observe the secondary research question.

### 3.2.1 Multimethod study

The research design decision is closely related to the research problem the authors want to investigate (Creswell, 2009). If the research question calls for a specific action, like “the identification of factors that influence an outcome” (Creswell, 2009, p.35), then a quantitative design would be suitable. If no research has been conducted on the topic or that the researchers want to explore a phenomenon, a qualitative design would be appropriate. Another difference between the two studies is collecting, analyzing, and presenting the findings (Creswell, 2009; Bryman & Bell 2011). While quantitative studies are more data-driven than qualitative studies, the latter are more flexible and require smaller data samples (Kvale, 2007; Bryman and Bell, 2011). Creswell (2009) describes a multimethod study as a mixture of both quantitative and qualitative approaches. A multimethod study is used when neither a qualitative nor a quantitative study can adequately answer the research questions or, using both methods, can create a stronger argument for answering the questions. For this thesis, a multimethod study with a modest quantitative part is more suitable, explained below.

Creswell (2007) describes qualitative research as “the study of research problems inquiring into the meaning individuals or groups ascribe to a social or human problem.” (p.37). This study will have an emphasis on human experiences. Experiential research focuses on understanding and accepting people’s “views, perceptions and experiences” (Braun & Clarke, 2013, p.44). The prioritization of people’s interpretation gives the authors a deeper understanding of a problem or phenomenon. As explained in the problematization, there is little to no research regarding the jewelry retail industry or connecting this particular industry to the experiential marketing concept. To better understand this topic, the researchers conducted ten in-depth interviews with consumers of the selected jewelry brands. These interviews have a more qualitative structure and are the central element of the study.

This study’s secondary objective is to assess the importance of the different *Virtual Experiential Marketing* elements for additional confirmation for the primary findings. The interviewees were asked to rank these five aspects. In order to analyze them properly, a quantitative approach was used for that particular question. An average was computed, as well as the standard deviation and variance of each sample. The findings are summarized in the respective section.

### 3.3 Data Collection Method

To address the research question, there needs to be a strategy for correctly collecting data. In this section, there will be an outline of the chosen sample, the data sources, and the designed method for collecting the data.

#### 3.3.1 Sampling

Choosing an appropriate sampling method is a crucial step to be taken before the data collection; It guides researchers into the data they want to collect and analyze (Creswell, 2009). There are two distinct categories of sampling methods mentioned by Bryman & Bell (2011). The selection process is randomized in probability sampling, creating a mechanism where bias is removed (Bryman & Bell, 2011). Non-probability sampling describes selecting the sample based on specific criteria rather than randomly (Bryman & Bell, 2011).

This study uses a non-probability sampling method, following Bryman & Bell's description of convenience sampling (2011). There are different reasons for the usage of this choice of sampling. Firstly, there was a time constraint on the project. As the thesis' duration was ten weeks, the possibility of creating a probability sampling was minimal. Secondly, the research question is not impacted by choice of sampling. Since the question follows a phenomenological study design, the interviewees will explain their perception of the online shopping experience for a specific jewelry brand. The interviewees' experience gives us an in-depth understanding of the phenomenon, and since every experience is unique, the randomization of the sample would not create significant change. For selecting our sample, only one criterion was required: The interviewee has purchased jewelry for themselves or someone else in any mid-range brands like Pandora, Swarovski, Hugo Boss, etc. This criterion was established to ensure that the interviewee had a real experience buying the products. Furthermore, this establishes that the interviewees would not give the researchers second-hand data, i.e., experiences heard from other people like friends and family.

#### 3.3.2 Selection of Jewelry Brands

The researchers examined the jewelry industry to identify the suitable companies guiding the study, mixed with previous personal experience. To get optimal customer feedback, we had to select a category of the jewelry industry to get the most responses. Firstly, low-end jewelry was researched; However, the idea was discontinued. It was believed that for affordable pieces of jewelry, the perceived value for the customer would be too low to get a proper response to the

questions. Furthermore, low-end jewelry brands might not have a similar focus on customer experience as more expensive brands. Secondly, expensive jewelry brands were considered. High-end brands were not considered, as it would be difficult to find an acceptable sample size. Therefore, mid-luxury brands were selected. The initial selection process was to focus on European brands with a global reach that the researchers were familiar with. Therefore the selected companies were:

- Pandora, a Danish brand
- Swarovski, an Austrian brand

Other brands that fit the criteria, like Hugo Boss, Michael Kors and Vivienne Westwood, were brought up during the interview process. The researchers decided to include these brands and are referred to as ‘Other Brands’ in the analysis section.

### 3.3.3 Data sources

In this study, both primary and secondary data were collected and analyzed to fully understand the data (Bryman & Bell, 2011; Braun & Clarke, 2013). Primary data is the data collected from the researchers, in the form of questionnaires, surveys, observations, and interviews, depending on the type of study (Bryman & Bell, 2011). The collection of primary data for this qualitative study was done mainly by the researchers in the form of interviews and observations. The interviewees’ experience was collected and used as a focal point for the thesis. It gave the researchers the possibility to examine the customers’ perceptions of the jewelry brands’ websites. This thesis also uses secondary data, defined as data collected from other researchers. The data was collected from different databases such as Lubsearch, Statista, Google Scholar, and the brands’ different web pages. This data was used to create our theoretical framework, deepen the understanding of the thesis’ scope, and supplement the primary data to deepen the research knowledge.

### 3.3.4 Interview

Kvale (2007) defines the qualitative interview as “a key venue for exploring the ways in which subjects experience and understand their world” (p.9). It is a standard data collection method in qualitative studies. There are three forms of interview structures. Firstly, the structured interview is where the researcher guides the interviewee through the questions to get fixed answers (Bryman & Bell, 2011; Kvale, 2007). In unstructured interviews, the researcher and subject have an informal conversation, where the researcher could list different themes. The discussion is mainly led by the interviewee (Braun & Clarke, 2013). Lastly, semi-structured interviews are the most common type of interview (Braun & Clarke, 2013). This structure uses

both traits of the other interview types, where the researcher prepares questions, but the subjects are allowed to speak freely (Braun & Clarke, 2013; Bryman & Bell, 2011, Kvale 2007).

Creswell describes qualitative research as emergent, requiring the plan to be fluid rather than rigid, enabling a great deal of flexibility (2007). The research question requires an understanding of what drives consumers to act or feel a certain way, and in this case, having strictly formulated questions would be detrimental to the research. The authors have decided to conduct semi-structured interviews following the formulated interview guide. Interviewees are allowed and encouraged to answer freely since the questions are open-ended. The open-ended nature of the questions allows the researchers to form and ask follow-up questions that are not part of the original guide if they believe that the information could be relevant for the study (Bryman & Bell, 2011).

The interviewing takes place in two parts: the first part consists of general questions about purchasing habits regarding jewelry and preferred channels for buying the product. The second part is brand-specific, where the interviewee is asked to browse a specific website while answering the interviewer's questions. The first part is about gathering general information about jewelry consumption habits and preferences and establishing a link with the interviewee. The second part is about testing the theory of *Virtual Experiential Marketing* through the active engagement of the respondent. The interview guide can be found in Appendix A of the research paper.

A total of ten interviews were conducted. Out of the 10 participants, 8 were female. The age range of the participants was 21-58 years old. The participants are from a heterogeneous group with different cultures and perceptions, which could benefit in answering the research question. The ten interviews were conducted in different forms. Half of the interviews were carried face to face, while the other half were carried out online. The online interviews were conducted with various applications, like Facebook Messenger and Skype, which closely emulated the face-to-face interview experience. The online interviews were conducted for two reasons. The first one is the geographical distance between the parties. The second reason is the covid-19 pandemic, where some interviewees were not comfortable in having face-to-face interviews. Half of the interviews were audio-recorded using mobile phones or voice recorders. Five of the interviews were conducted in English. The other interviews were conducted in different languages, namely Albanian, French, and Vietnamese. The interviews were transcribed in the interview language and translated into English. In the other half of the interviews, the researcher would summarize the answer given by the subject and read it to the interviewees to



confirm with them. The researchers took notes during the interview session. The interviews' length varied from 22 minutes to 45 minutes, based on the data collection method.

*Table 2: Specificities of the Interviews (Gerster, Melonashi & Nguyen, 2021)*

<b>Respondent</b>	<b>Age</b>	<b>Brand</b>	<b>Time of interview/ Location of interviewee</b>	<b>Length of interview in minutes</b>
No.1	58	Pandora	14:00/Hanoi	40
No. 2	22	Pandora	11:00/Hanoi	30
No. 3	23	Pandora	12:00/Malmö	35
No. 4	50	Swarovski	14:00/Paris	40
No. 5	23	Michael Kors	18:00/New Jersey	35
No. 6	21	Vivienne Westwood	18:00/Philadelphia	25
No. 7	51	Swarovski	11:30/Tirana	35
No. 8	24	Pandora	15:00/Tirana	22
No. 9	56	Swarovski	21:00/Tirana	45
No. 10	22	Hugo Boss	16:30/ Malmö	20

### 3.4 Data Analysis

Many studies acknowledge the challenges regarding the analysis of data in qualitative studies. The consensus in the field of research is that the analysis of qualitative data is composed of three parts: Sorting the data to create an overview, categorizing the data, and finding a thread in the data collected. Different data analysis methods were considered, the most prevalent being grounded theory, phenomenology, and applied thematic analysis. Grounded theory describes a form of qualitative data analysis, which involves identifying themes in the data, and creating theoretical models from the data (Bryman & Bell, 2011; Guest, MacQueen & Namey, 2012). With phenomenology, the focus is on the interviewees' stories and experiences, where research would find themes in the data collected. Applied Thematic Analysis (ATA) is a combination of, among others, grounded theory and phenomenology. With ATA, one can create theoretical

models or try to “find solutions for real-life problems” (Guest et al., 2012, p. 14). Furthermore, ATA includes non-thematic analysis and quantitative techniques (Guest et al., 2012).

Considering the research question, the authors believe that ATA is the appropriate method to analyze the data. Given that the thesis’ data revolves around the interviewees’ experience, i.e., their expertise in purchasing jewelry in stores or online, the collected data is a combination of personal experiences, open-ended questions. Applied Thematic Analysis typically has a qualitative structure. However, some of the questions are quantitative. When investigating the *Virtual Experiential Marketing* framework, the interviewees were asked to rank the elements of *Virtual Experiential Marketing* based on importance. The elements were rated from most important to least important. The most important element is rated with a "5" by the interviewee. The interviewee continues for each element, up to least important, rated with a "1". The numbers will be analyzed by using descriptive statistics. For each of the VEM elements, we will calculate the mean and the spread of the responses and analyze them to see any pattern.

### 3.4.1 Coding

Braun and Clarke define coding as “a process of identifying aspects of the data that relate to the research question” (2013, p.285). The two primary forms of coding discussed by the authors are selective coding and complete coding. Selective coding focuses on data of a particular type to be analyzed rather than the whole data and might require a longer familiarization with the data (Braun & Clarke, 2013). This process is more prevalent in narrative approaches and pattern-based analysis than thematic analysis. On the other hand, in complete coding, the whole data is observed in search of relevant information to answer the research question (Braun & Clarke, 2013). After the initial coding process, the data is further analyzed to find emerging themes and patterns. In complete coding, the coding process is not exclusive, leaving the possibility of having more than one coding pattern (Braun & Clarke, 2013).

Braun & Clarke state that a more holistic view of the dataset is needed for thematic analyses to acquire a more profound understanding (2013). As the research question focuses on customers’ perception of buying jewelry in an online setting, the main focus is how the interviewees experience jewelry purchasing and online browsing. As such, a complete analysis of the dataset is required. Therefore, the researchers of this paper used a complete coding method to analyze the interviews of the subject and research for emerging themes.

In the coding phase, three main categories were found. The categories were: “Motivations”, “Memorable Experiences”, and “Online Expectations.” For each category, different sub-themes were found, which are listed in the Table in Appendix B.

Different methods of coding were considered. The researchers used manual coding for this dataset. The usage of data coding software, like NVivo, was considered to facilitate the coding process. However, due to the limited time of the thesis and the inexperience of the researchers, the software was not used.

### 3.5 Validity and Reliability

Braun and Clarke define the validity of research as "whether a measure accurately captures 'reality'" (p.378). The primary forms of validity which are essential for this study include (Bryman & Bell, 2011; Braun & Clarke, 2013) :

- External validity, which focuses on the possibility of the generalization of the study
- Ecological validity, which is concerned with the relationship between the research and the applicability in real life

Ecological validity is the most relevant with qualitative studies. As the interviews were conducted with customers of the brands mentioned above, the authors assume that the study has high ecological validity. However, due to the smaller sample size, an argument against the high ecological validity could be made for the brands listed as 'Other brands', where only one participant answered per brand.

For research to be valid, the interpretation of the data needs to be consistent. However, there is an acknowledgment of the challenges in validating qualitative research, as there is a discrepancy between the real person and the interviewee. To lessen the discrepancies mentioned above, the authors gave the interviewees a copy of the transcription of the interviews. This step was introduced to clarify any misunderstandings that the researchers could have from the interview. Due to the narrow scope of the study, the small sample size, and the heterogeneity of the sample, we consider that our thesis' findings have a low transferability to other industries or sectors.

Reliability in a study is the consistency shown in different steps of the study (Guest et al., 2012). To achieve reliability, several steps were taken. The interview questions were discussed and agreed upon by all members to avoid bias in the early phase. Secondly, all interviewees were asked the same set of questions. This was established to prevent any inconsistencies in the interviewing phase. Thirdly, the interviews that were not in English were translated into English so the other members would understand the data. To lessen the rate of translation errors, the researchers used different tools to ensure a quality translation, like Google Translate for

single-word translations or dictionaries to translate idioms and phrases. In the data analysis phase, the researchers followed the intercoder agreement, where all three researchers would code the data in the same way (Guest et al., 2012). The chosen method was subjective assessment, where all three researchers would review the coded material to find discrepancies and resolve them. To strengthen the reliability of the research, all the steps taken regarding the data collection, transcription, and analysis are comprehensively explained in the methodology section.

### 3.6 Research Ethics

In research studies, certain ethical principles are of the utmost importance to be adhered to and not neglected (Bryman & Bell, 2011). Bryman and Bell list four areas where the subjects need to be protected: harm to participants, uninformed consent, invasion of privacy, and the possibility of deception (2011). Firstly, no sensitive information was collected from the participants. The collected data was basic (age, gender) and would only be used in the scope of this research, either for 1) sorting and coding or 2) pattern-finding.

The participants were informed of the scope of the research and verbally agreed to participate. They were also disclosed that they could opt out of the interview if they felt uncomfortable. No participants opted out.

In this study, all participants had the right to privacy. The interviewees were able to refuse to answer any question from the researchers if the question felt invasive. All questions asked by the researchers were deemed non-invasive by the interviewees, and no information regarding other people was requested. The participants were asked for their consent to have the conversation recorded. In half of the interviews, the participant did not want to have the conversation recorded; therefore, notes were taken.

Lastly, the interviewees were not extensively informed about the interview until before meeting for the interview. Interviewees were asked if they had purchased any of the mid-luxury brands listed by the researchers and if they would give an interview regarding Experiential Marketing in an online setting and jewelry. The researchers wanted a genuine response from the interviewees, which would be diluted if the questions were shared. At the meeting, the interviewees were appropriately informed and were given the possibility to opt-out.

### 3.7 Challenges and Limitations

A difficulty that can be observed is that the interviewees' locations are scattered across the world, from the US, Europe to Asia. Due to this fact, some challenges emerged during the

interviewing process, such as the inability to conduct interviewing physically. The COVID-19 pandemic also made the mentioned process more tricky to execute. Nevertheless, we were able to offer the interview through virtual communication tools like Skype, Facebook Messenger to minimize the downsides of this problem. Those online tools allowed us to interact directly with the interviewees for high-quality results despite the geographical distance. Furthermore, the jewelry industry is somewhat similar globally, but customer expectations and interest towards these products can vary across cultures. Some factors, i.e., the development of e-commerce sales, differ between markets. An example would be that e-commerce sales in France are extensive, and e-commerce channels can affect customer experience. However, e-commerce sales in Albania are still in their infancy stages and play an insignificant role in the number of total sales.

Secondly, the difference in the web pages could affect the reactions from the interviewees. For webpages in countries with established e-commerce channels, customers could visit these webpages and directly buy the jewelry, having it shipped to their homes. However, in countries lacking e-commerce channels, the web pages have a more informative purpose. Customers can look at the store's catalog and later purchase the product in-store. In this case, our study would be invalidated and lose its purpose if we showed a website lacking the *Virtual Experiential Marketing* aspect we want to examine. Hence, to overcome this obstacle, the interviewers referred the respondents to a more developed country's website to get as much relevant information from interviewees as possible.

Another limitation is that the data collection will be performed separately and split equally among us. This division of work could create some discrepancies in the quality of interviews, as each researcher has a different interview style. Therefore, the researcher could have different opinions on which answers would need follow-ups since we follow a semi-structured interviewing method. Nonetheless, to ensure the consistent quality of this study, the three researchers decided to put the interviewing content and later the results under careful examination and thorough consideration for validity. This action required the researchers to spend more time and effort on discussions. However, it eventually enhanced and secured a consistently high quality of the study.

Finally, the fact that interviewers and interviewees come from a wide range of nationalities, spreading across three continents, i.e., Asia, Europe, and America, there can be, in some cases, challenges due to the need for translation. Kvale (2007) pinpoints the challenges of cross-cultural interviewing, where many different cues and phrases could be lost during the interview process.

## 3.8 Chapter Summary

The methodology chapter explains the steps taken by the researchers to answer the research question. The actions taken involve the selection of research approach, data collection, and data analysis:

1. The authors discuss an **abductive** approach with deductive influences as the method of approach, using a multimethod **phenomenological** research design.
2. The authors explain the data collection method, emphasizing a non-probability sampling and forming the **semi-structured interviews**, collecting qualitative and quantitative data. In order to make sense of the data collected, the authors chose a **thematic analysis** structure, where **complete coding** is used for the qualitative data and **descriptive statistical calculations** for the quantitative data.
3. The researchers provide information regarding the limitations of the study, the validity, and the ethical approach.

## 4 Analysis and Discussion

### 4.1 General Findings for Customer Expectations

The first section focuses on exploring components for highly valued customer online experiences in jewelry retailing. The analysis begins with investigating the motivations behind jewelry shopping and factors that contribute to the exceptional experiences of customers. Then, the section continues with analyzing customers' expectations for online jewelry shopping revealed in the interview. A summary of the main features discussed in this part will be presented at the end of the section.

#### 4.1.1 Motivations behind Jewelry Purchasing

##### *a. Sentimental values*

The results from the interviews indicate that the incentives for buying jewelry tie closely to customers' emotions as the pieces can carry the sentimental values between gifters and receivers. Many respondents stated that they purchased jewelry products as presents for special occasions such as birthdays, anniversaries, or graduations. Additionally, it is usually a gift for colleagues, friends, or family members.

Moreover, they explained that the jewelry could be portrayed as a symbol for a memorable moment and often had emotions like happiness and excitement. It is noteworthy from some interviewees that jewelry is ideal for this purpose because of its durability. Thus, people purchase the product with the intention that the jewelry will serve as a long-lasting figure capturing the emotional meaning of their memorable events.

##### *b. Self-satisfaction*

Another common motivation for jewelry purchasing mentioned in the interviews is for personal contentment purposes. The interviewees pointed out that they consider jewelry as a reward or a treat for themselves. Most respondents described their jewelry buying process behind this motive as very straightforward with noticing the product, becoming fond of it, and finishing by the purchase. Some answers elaborated this idea further by suggesting that this personal reward brings happiness and pleasure to them. Hence, self-satisfaction is distinguished as an incentive for buying jewelry from the collected data.

### *c. Criteria for purchase*

Following the questions exploring the intentions of jewelry buyers, the interviews go further by asking the respondents to list factors that directly influence their purchasing decisions. The findings suggest the three criteria cited most frequently are: *the price, the quality, and the design.*

The product's price tag stays as one of the most critical factors while shopping for customers. Some respondents specified that the price tag or the product should be affordable to make the purchase. Others said that they tended to go shopping on a fixed budget and chose the most suited product in that predefined price range.

Next, the quality of the jewelry pieces receives several mentions. As customers often purchase jewelry for long-term storage, the product must meet a certain quality standard to sustain for a decent period. Moreover, some interviewees noted their preference for products having certifications or authentication for the jewelry's quality.

The jewelry's design emerges as another factor impacting customers' purchasing decisions. Generally, several respondents stated that the purchasing decision depended greatly on whether the product meets their appreciation. Thus, personal styles and preferences for the design play a significant role in the customer's shopping process.

Besides the three mentioned criteria, some notable mentions from the collected data are the exchange value of the jewelry, customer services at the shopping channels, and the product selection. One respondent elaborated on the importance of product diversification in the jewelry shopping trip. A specialized store with a wide range of products in different materials and designs can intrigue the buyer's interest, especially when the buyer does not have a clear intention initially.

## 4.1.2 Past Experience

This section focuses on exploring factors contributing to a remarkable jewelry shopping journey from customers' experiences. The most salient themes identified are store environment, product display, and staff assistance.

### *a. Store environment*

A fair number of answers refer to the environment in the store as the most attractive element from their past shopping trip. The store decorations and organization strike customers



immediately when they notice the store. One interviewee explained that the store offered the impression of doing something special instantly. Other respondents further developed this idea by describing their enchanting sensation of stepping into the store as "being in a dream" or "into some other worlds". In general, the store atmosphere leaves a substantial impact on customers' perception right at the beginning of their shopping journey. This effect also helps intriguing consumers' interests and stimulates them to make further exploration.

#### *b. Product display*

The glamour of the jewelry is another critical aspect contributing to an exceptional shopping experience. The product's beauty gained much admiration and often acted as temptations that drew customers to visit the store. In particular, the wide-ranging product collections and the design's delicacy are elements identified that lure consumers in the shopping journey.

Furthermore, several respondents expressed their enjoyment of the charming jewelry display when visiting both the physical store and the website. They described that the product's beauty exhibited by the store caught their attention undoubtedly and fostered the enthusiasm for shopping. Besides, the store's exertion in using lighting to enhance the product's value receives several compliments from customers. Some interviewees directly referred to the lighting applied in the store as a fascinating factor from their experiences. Therefore, the product's attractiveness and presentations keep a prominent position in consumers' perception of a memorable shopping experience.

#### *c. Staff assistance*

The assistance performed by staff at the store received much appreciation from customer's perspectives. The collected answers revealed that the staff's knowledge about the products, the materials, substitutions, or similar products was helpful to make the shopping process more enjoyable. For customers shopping without an explicit intention from the beginning, the staff keeps a crucial position directly influencing customers' purchasing decisions. Thus, aside from the knowledge about the product, the employee's attitude toward customers also requires thorough considerations. One interviewee expressed gratitude to the staff's friendliness along the shopping trip, which is a critical factor adding to an unforgettable shopping trip. Even in online channels, customer services still keep an essential part in customer's perception. Therefore, this finding suggests acknowledging the significance of the interaction between

consumers and the brand through staff assistance at the physical store or customer services in online channels.

In addition to the three salient elements mentioned, one respondent suggested the packaging as an astonishing factor that enhanced the product's value significantly. In the online case, the interviewee noted fast delivery as a critical criterion for making a great shopping trip.

#### 4.1.3 Online Expectations

Following the discussion about factors contributing to exceptional experiences while purchasing jewelry, we asked interviewees specific questions regarding their expectations for online shopping channels. The collected answer helps to provide more information to address this paper's objective comprehensively. The emerging themes recognized are presented below.

##### *a. Informational purpose*

Some respondents felt that a brand website could be used as a source of information. It allows the potential customers to do some research on the product and then either try it in-store or buy it online. Either way, the website is helpful to, first of all, find a product that is of interest, and then to get additional information on the price, material, size, etc. Special offers are sought after because online campaigns are frequent. Since there is no staff to assist in whatever questions the customer may have, the website needs to have all necessary resources and information.

##### *b. Source of inspiration*

Then, the website can inspire new looks, styles, ways to wear the product or more generally act as a source of inspiration for which product to buy. Regular physical stores can feel overwhelming, and it could be challenging to look through the whole assortment. Online, it is easier to get a feel of what is offered, mainly through filters. Another point is that there is no time restraint while browsing a website, allowing for thorough research.

##### *c. User-friendliness*

The expectation of user-friendliness is at the heart of the expectations of customers. Online shopping loses its purpose of convenience if the website is not user-friendly through its features. Communication needs to be clear, and confusion avoided at all costs. The features provided by a website can make or break the shopping experience.

*d. Realistic product display and pictures*

Since the products can not be felt and touched in real life, it is imperative to give a coherent representation of the jewelry. Sometimes size can be mistaken, which was the case of a customer who bought a watch online and was disappointed by the actual size of the product. Other than the size of the product, it is important to have pictures of models that look different wearing the product. A particular product might not fit someone with a yellow skin tone or a darker skin tone, showing the necessity to have an inclusive and diverse representation. Another respondent expressed the preference to have the 360-degree viewing product option since it can help examine the product more extensively on the virtual site.

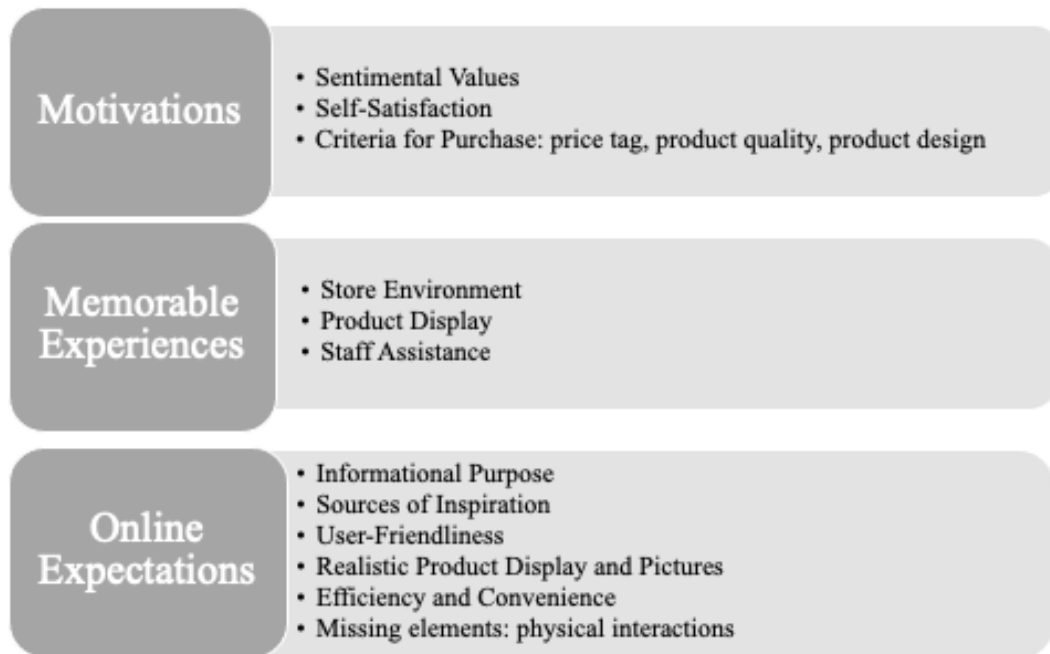
*e. Efficiency and convenience*

The first central aspect is the one of time. The respondents like the ability not to go to the store and order from their own home's comfort. Online shopping avoids time spent going to the store and back and wasted on shopping in a physical store. Another expectation is regarding the delivery and return options. It needs to be quick and have an excellent after-sales service if there is any problem associated with the product or service. Since ordering online is a convenient source, customers do not want to go to the store to fix a problem or switch products. It needs to be able to happen from the same place they ordered the product initially.

*f. Missing elements*

Finally, the respondents were asked what they felt was missing from their online shopping experience. Their main concerns are physical interaction with staff and not having the ability to touch, try, and feel the product. One respondent suggested that she would appreciate getting assistance online through the help of chatbots, for instance. Providing this service would help to answer the needs that are usually handled in-store. The second concern regarding the ability to feel the product can unfortunately not be replaced by any online alternatives since it requires touch. Customers should accept this missing element as a trade-off for convenience.

#### 4.1.4 Findings Summary



*Figure 3: Findings Summary (Gerster, Melonashi & Nguyen, 2021)*

Overall, the analysis generates three main themes: motivations for buying jewelry, factors contributing to memorable experiences, and online expectations (see Figure 3 above). The two motives for purchasing jewelry detected from the collected answers are sentimental values and self-satisfaction. Besides, price tag, product quality, and product design appear to be critical criteria impacting the purchasing decision. Subsequently, when examining factors creating memorable shopping experiences for customers, three determinants were found from the interviews: store environments, product display, and staff assistance. Finally, the findings reveal some customers' expectations for online shopping channels, namely informational purposes, sources of inspiration, user-friendliness, realistic product display and pictures, efficiency, and convenience. One remarkable point from the analysis is various mentions about the lack of physical interactions with the products and staff, which are only possible in the physical store.

The visual appeal of the shopping environment keeps a significant position in customers' perception. As discussed, the incentives for purchasing jewelry relate closely to customers' sentiments or appear as a treat for self-satisfaction. Thus, customers might have higher expectations for the jewelry's brand to organize the whole shopping experience to complement these intentions. For jewelry brands, they must design the store atmosphere and website to give an alluring impression on customers. Further, two elements contributing to a memorable past

moment found from our interviews are the beauty of the store atmosphere and product display. For these reasons, customers view the buying jewelry process as somewhat special and value the details such as store decorations or product display along their journey. These aspects contribute to an exceptional sensation for customers visiting the store to do jewelry shopping, as described by some interviewees as "being in a dream". These visual elements may act as a source of inspiration for shoppers without clear intentions, helping to intrigue their interest in buying the product. Therefore, designing a suitable and charming shopping environment, whether physically or virtually, is necessary for an excellent shopping experience.

Moreover, customers tend to prefer having assistance during shopping for gaining deeper insight into the jewelry. Since the recognized intentions of customers when purchasing jewelry indicate the desire for long-term preservation, customers demand a substantial amount of information regarding the product before making the purchase. The analysis yields three vital factors influencing the purchasing decisions: price tag, product quality, and product design. In the traditional physical environment, staff working in the store provide customers with assistance and necessary information about the product (quality, material, design, etcetera). Also, the collected interviews suggest that staff assistance during the shopping journey presents as a critical criterion for a memorable experience. However, this stated staff presentation in the online channels is restricted to a certain extent. Thus, to redeem this loss in the virtual world, the brand's webpage needs to be highly informative. The analysis for online channels' expectations reaches a similar outcome. The results show that customers desire many insights about merchandise: new, old collections, and knowledge about individual products from the brand's online site. They further expect a greater selection of jewelry with detailed descriptions on the brand's virtual site since there is no restriction in displaying space assumably. Hence, customers require the brand's online channels to contain much information regarding the brand's merchandise for the purchasing's ease.

Following the previous discussion, the lack of physical interaction with staff and the product in the virtual world implies the necessity for an interactive platform between the customers and the jewelry's company. Many respondents point out the significance of a webpage's user-friendliness from their expectations. A website that is easy to interact with to navigate essential information contributes to making the whole shopping experience more pleasant for users. Further, the inability to touch, feel, and try the product as the physical environment leads to some troubles for customers while using the brand's online site. Some notable mentions are the wrong size order or products look different in reality. Thus, providing

an interactive environment that allows customers to examine the piece of jewelry is favorable. For example, 360-degree viewing or product display on different skin tones is mentioned.

Lastly, consumers view online shopping as a convenient channel. There are some advantages of purchasing virtually, such as not making any traveling or having social interactions and enjoying home comfort while shopping. Thus, customers expect an efficient online shopping journey since any hassle might reduce their enthusiasm during this process. A quick, easy delivery and return option is a crucial element in the case of virtual shopping. Therefore, designing an efficient and convenient purchasing process leads to a satisfying online customer experience.

To summarize, the analysis unveils four elements contributing to creating exceptional experiences for customers in the virtual context (see Figure 4 below). In the online world, the website acts as a surrogate for the physical store (Luo et al., 2011). Thus, the recognized elements designate to the webpage. The online site needs to be *visually appealing*, *informative*, and *interactive*. Also, the whole shopping process should focus on *efficiency and convenience* to avoid any annoyance for customers.

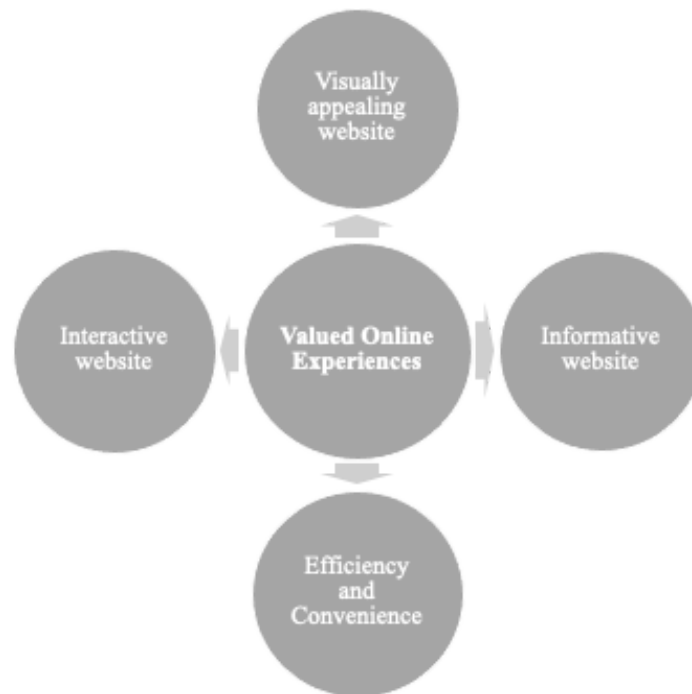


Figure 4: Elements Contributing to Valued Online Experiences (Gerster, Melonashi & Nguyen, 2021)

## 4.2 Specific Findings to Virtual Experiential Marketing

The second part of the interview questionnaire looks at a specific brand chosen by the interviewee, which he or she is familiar with. The first part of this section will be a short case analysis of the brands discussed concerning VEM and the online shopping experience for the selected brand. The second part will analyze the importance in general of the VEM elements for the customers. This part is beneficial in providing additional support for essential criteria for an optimal experience for jewelry shoppers.

### 4.2.1 Case Analysis

#### Pandora

Generally, all four respondents choosing Pandora for this section's objective have positive impressions about the brand's website. They described the overall website arrangement as beautiful, cute, elegant, and feminine. Further, they agreed with the assertion that the website fulfilled their expectations about Pandora. One answer explained that the website theme colors white and pink, which were identical to the physical store's colors, made the brand recognizable easily.

Moreover, one instant feedback to Pandora's website is the attention to the brand's effort in establishing connections with its customers. The interviewees noticed this feature through the products displayed on the front page that can express customers' emotional attachment, such as bracelet customizations. Another noteworthy point is the rich information found on the website: various product options, attractive advertisements helping intrigue customers' interest for shopping spontaneously.

Applying VEM elements to this particular case of Pandora, the collected answers imply considerably homogeneous results. The next part will cover the analysis for all five elements in detail.

#### *a. Sense*

All four interviewees admitted the visual attractiveness of Pandora's website to them. As mentioned, the sensing element in the virtual context mainly addresses the visual appeal of the website. Thus, the responses here recite the overall impressions discussed previously. They explained that Pandora's webpage was beautiful, stunning, pretty, and attractive. Moreover, some interviewees clarified that photos of new collections and product advertising appearing on the

front page were highly satisfying and charming. Hence, Pandora has managed successfully to lure their customers for deeper exploration of its online channel.

*b. Interaction*

The respondents found that the brand's online channel was easy to interact with and search for necessary information. The website provides customers with various information regarding product availability, materials, size guide, and inspirations on how to style and match the products. Additionally, all four interviewees appreciated and mentioned the sorting features, which enabled customers to filter the products according to preferred materials, colors, themes, collections, popularity, etcetera. All things considered, the website is highly informative and beneficial for users as it helps the online purchasing process become more apparent and relaxed.

*c. Pleasure*

The collected answers show an overall positive opinion on the satisfaction in the browsing process of customers. The interviewees reported a relaxing sensation while exploring information on the brand's online site. Also, the page was said to generate a young and fresh feeling, which made the shopping process more pleasant for customers. Overall, the respondents detected that the sensation of Pandora's virtual site was similar to visiting the physical store.

*d. Flow*

The collected data implied an optimistic view regarding the webpage's flow. The respondents reported that they would spend a long time browsing and exploring the brand's online site due to various information about the products, new collections, and photo books. One answer expressed that many details on the website might easily lead to the feeling of losing track of time in the shopping journey. Another interviewee said that the informative webpage drove the customers to come back frequently to investigate existing products, new collections, or promotions.

*e. Community Relationship*

Regarding the final element of VEM, the majority thought that Pandora had a concrete social representation in both virtual and physical environments. Several answers implied that customers choose Pandora since the brand was recognizable on social media, social parties, or events. Further, the product is suitable for every kind of occasion, from formal events, parties to picnics. The diversification in product selection also makes customers believe that the brand targets every age group, from young, middle to old. They explained further that the targeted



customers were mainly women, but also possibly men. Male shoppers can purchase the product for themselves as well as a gift for their special one. Hence, customers believe that Pandora does not target any specific groups through its online channels. Rather than that, the brand focuses on establishing a solid connection with its customers' experiences.

Furthermore, the analysis revealed contrasting responses on the preferred channels for shopping at Pandora's. Some interviewees decide to stay loyal to the physical store since they have the ability to touch and feel the product, which is impracticable in the online context. Besides the physical interaction with the products, staff's assistance during the shopping journey is another critical factor contributing to memorable experiences. This element also helps the purchasing process be smoother and more comfortable for customers.

On the contrary, some respondents expressed their preference for online channels. The main reason behind this decision is the aversion to public interaction. One interviewee explained that online shopping allowed longer times for products' exploration and examination. In the physical store, this action might interrupt other customers. Another reason is safety due to the COVID-19 pandemic, thus moving to online shopping is favored.

For online shoppers, the effect of instant gratification is bearable. It is noteworthy that the delivery time significantly affects their feelings. One respondent pointed out it should be no longer than three weeks. Another interviewee specified that an extra-long delivery time might reduce the enthusiasm and excitement in the shopping process.

#### Swarovski

Unlike the respondents who chose Pandora, the three respondents who chose Swarovski generally had unfavorable feelings regarding the brand's webpage. The respondents mention that the webpage did not meet the brand's expectation, citing the webpage's quality and presentation is not close to emulating the emotional reaction from in-store shopping. The respondents use words like "boring" and "gloomy" to describe the webpage. Although there was an agreement that the webpage had a wide variety of products, the showcasing of the products left a lot to be desired. Common complaints included "a lack of warmth," "gloomy."

When applying the VEM elements to the responses from Swarovski, we can observe heterogeneous results, which are explained below:

#### *a) Sense*

*"The moment I see the colored products while searching, I become captivated. The products feel in reach, even though [they are] online."*

In this category, the respondents react to the visual appeal of Swarovski's webpage. The reaction between them is mixed. One interviewee considered the web page as "austere," while others considered the webpage somewhat appealing. Some interviewees described a weak emotional connection with the products, especially when viewing the products without models wearing them. Another interviewee described a positive emotional reaction from "colorful products," describing a form of captivation from them. Overall, the respondents were not in a consensus regarding the website's visual appeal. Some considered the web page as a tool, while others considered it aesthetically appealing.

#### *b) Interaction*

The respondents agreed with the ability to interact with Swarovski's webpage. Their overall response includes the webpage being "easy to use" and "simple to navigate. Some respondents liked some of the web page's functionalities, e.g., seeing videos of models wearing the product. Other interviewees appreciate the possibility of using the webpage to contact stores directly. All in all, interviewees had a favorable reaction to their interaction with Swarovski's webpage.

#### *c) Pleasure*

Overall, the participants did not have a strong feeling from Swarovski's webpage. They would use the webpage as they would in a regular store, to enter and check the products. They consider the webpage as a tool for searching and cannot create an emotional connection with the webpage.

#### *d) Flow*

The respondents' views for the web page's flow were very mixed, where each respondent answered differently based on their experience with Swarovski's webpage. One of the interviewees, who has negative feelings for Swarovski's webpage, categorically denied the possibility of spending time navigating it. Another respondent, who was neutral regarding Swarovski's webpage, was not against the idea of spending time on the webpage if he/she had to search for a product and have free time. The last respondent, who liked Swarovski's web page, said that there is a possibility of spending hours browsing, navigating, and searching for different jewelry products.

#### *e) Community relationship*

In both questions regarding the community relationship, all respondents gave varying answers. In the first question, regarding social representation, two respondents considered it an essential part of the purchasing experience. One of the respondents would use online communication channels, i.e., comments, to verify the quality of a product beforehand. However, the third respondent was indifferent to the idea of any social representation through the products.

When asked about the target group of Swarovski, one of the respondents stated that the target group is more oriented toward an older clientele, e.g., 50+ years old. For another respondent, the target group is women in the 25-40-year-old range, in the mid-high class. The respondent reasons that the buyer's class would be matched with the level of class the products showcase. Lastly, the last respondent considered that Swarovski caters to adult women of all ages due to the variety of products and their classical style.

The respondents were consistent with the preferred choice of shopping channel. All three respondents considered physical stores vastly superior to online stores. The need to touch and feel the product was essential for the interviewee. They have a more powerful emotional response from the physical store experience, which online shopping could not emulate. However, the webpage is considered somewhat beneficial, as it gives them the possibility to gather information about the products and other promotions, saving a trip to the store.

The online shoppers did not consider the lack of instant gratification as something intolerable. One respondent pointed out that the waiting time is a trade-off for the convenience of buying online. For the 2nd online shopper, the wait time is irrelevant for jewelry products, stating that those are luxury goods rather than necessity goods.

#### Other Brands

The interviews were mainly focused on Pandora and Swarovski. However, some interviewees were not very familiar with these brands, which led to the introduction of other brands. Three respondents chose another brand's website to browse as the basis for discussing the VEM elements. The discussed brands are Michael Kors, Vivienne Westwood, and Hugo Boss.

The first findings relate to the expectations about the brand. The first respondent asserted that the website did not feel like Michael Kors. The branding elements that get communicated in the store can not be found on the website. The story and message of Michael Kors are not communicated properly. This lack can lead to an unsuccessful attempt to attract and retain a person unfamiliar with this brand. This problem does not seem to appear on the Vivienne

Westwood website. The interviewee finds the website sleek and recognizes the brand logo, brand name, and the brand's color palette. Also, the website is living up to expectations about the brand, defined as "punk but classy", "classic but original". The same observations can be made regarding the Hugo Boss website. It is professional and trustworthy and matches the expectations of the quality of the brand.

The following findings relate to the VEM elements of the particular website. Since the findings are about three different websites, a summary of the main takeaways will be presented instead of an in-depth showcase of results. The first takeaway is the satisfaction regarding the interaction aspect of the website. The interviewees all find it highly user-friendly and easy to navigate. The use of filters makes the experience smooth and convenient. The second takeaway is the inability of the interviewees to identify with the target group online. There is a disappointment regarding this aspect, even if the responders love the brand. They feel like they are not being addressed personally, like the case in a brick-and-mortar store where the staff can create a personalized experience.

The third category of findings is about the perceived difference between shopping in-store or online. Another common theme identified by the authors while coding the data is the preference to shop in a physical store. There is a trade-off between the two channels of purchase. On the one hand, laziness, convenience, and non-judgment factors weigh-in for buying online. However, there is an absolute satisfaction of buying in store according to the interviewees. It is viewed as the optimal shopping experience.

The final section of the case study of the "other brands" chosen by the interviewees is about the importance of instant gratification when purchasing jewelry products. There is no consensus on this topic since some customers do not mind purchasing online and waiting for their delivery. On the contrary, some interviewees believe that the pleasure gets diluted if they have to wait for their purchase. A respondent said that it is a matter of balance between convenience and instant gratification and raises the question of instant gratification without spending too much energy or time.

### Summary Table

Table 3 below compiles the main findings discussed previously. Besides short conclusions, colored boxes represent the impression of the analyzed brand's website and the VEM elements. This visualization helps to demonstrate the similarities and differences between

all the cases in an efficient way. The green color suggests positive responses to that particular element. On the other hand, a red box indicates negative reactions of customers to that category. For the component with heterogeneous answers, the orange color is used.

*Table 3: Summary of the Main Findings from the Case Studies (Gerster, Melonashi & Nguyen, 2021)*

<b>Brand</b>	<b>Pandora</b>	<b>Swarovski</b>	<b>Others</b>
<b>Impression of the website</b>	Satisfactory	Unsatisfactory	Mixed: 1. Michael Kors: unsatisfactory 2. Vivienne Wood: satisfactory 3. Hugo Boss: satisfactory
<b>VEM elements</b>			
- <i>Sense</i>	Positive	Mixed	Positive
- <i>Interaction</i>	Positive	Positive	Positive
- <i>Pleasure</i>	Positive	Negative	Mixed
- <i>Flow</i>	Positive	Mixed	Mixed
- <i>Community relationship</i>	Positive	Mixed	Mixed
<b>Preferred channel</b>	Mixed	In-store	In-store
<b>Lack of instant gratification</b>	Bearable	Bearable	Unbearable

#### 4.2.2 Effects of The 5 Elements of VEM

In this section, we start by summarizing the participants' responses regarding the five *Virtual Experiential Marketing* elements. Then we discuss the level of significance of each of the elements as listed in Table 4.

## The 5 Elements in The Case Studies

### *a. Sense*

Regarding the visual appeal of the web pages, the respondents' view was generally favorable. Most of them (70%) considered the pages to be visually pleasing and that the participants' expectations for the website were met. The interviewees used phrases such as "professional," "clear," and "classy" to describe the websites. Two interviewees thought the webpage was below the expectation, claiming it was "plain." In contrast, another claimed that the webpage was "stunning" and succeeded in exceeding expectations.

### *b. Interaction*

There were two strong themes regarding the interaction based on our participants' answers: The webpages' straightforwardness and the possibility of filtering. All participants considered the web pages easy to use or navigate. For many participants (80%), the abundance of filters regarding the type of product, price, and color created a more positive interaction between the participant and the website.

### *c. Pleasure*

Overall, the participants had mixed responses regarding the feelings evoked by the brand and the website. For 20% of the participants, there was an overwhelmingly positive response from the website, saying that the website was inspiring and could give a sense of relaxation. For the majority of respondents (50%), the website gave a positive feeling. However, these feelings are more related to the brand itself rather than the website. For the other 3 participants, the website did not evoke any emotional reactions compared to a physical store, stating that the website is more of a utility to find information.

### *d. Flow*

Regarding the feeling of immersion that the website generates, the participants gave mixed reactions. For 40% of the participants, they feel like they would spend hours on the brands' website to explore all the products. These participants state that the jewelry products' attractiveness is the reason for the immersion. 40% of respondents consider losing track of time as something possible; however, there needed to be something more for them actually to browse, i.e., the need to buy a product or gift and having free time to browse other products. 30% of participants do not feel like they get immersed in the website, having a more methodical approach, focusing on the product that will be bought.

#### e. *Community Relationship*

50% of the respondents stated that the brands gave a sense of social representation both in a virtual and a physical setting. For these participants, the products could be used as a conversation starter in gatherings. For others, these products hold emotional value, giving a stronger sense of belonging for the participant. 50% of the participants did not feel a sense of representation from the products. For most, it is the difference in styles that creates the disconnect between them and the community. Most participants thought that the brands are inclusive, having something for all ages and genders. For others, the brands were tailor-made for a specific demographic, the most common being 25 to 50-year-old women, who are in the mid-high class.

The previous summary of responses regarding the VEM elements for Pandora, Swarovski, Vivienne Westwood, Hugo Boss, and Michael Kors gives insights into customer trends. The interview was structured in a way that the interviewees were asked to analyze a specific website. The following section is going to explore the customers' expectations regarding the VEM elements in general. The interviewees were not asked to give their opinions on what they saw on their screen, like previously, but what elements they most wish to find while buying jewelry online. The Table 4 below is a descriptive statistical analysis of the ranking of the five VEM elements.

The respondents (n=10) were asked to rank from 5 (most important) to 1 (least essential) the *Virtual Experiential Marketing* elements based on their preferences and the value they attribute to each criterion. The answers do not relate to a particular brand, like in the previous section, but instead of their general impressions. An average was computed to be able to rank the elements in order of importance. The results are evident, which leads to believe a natural preference for some aspects compared to others. For example, Sense, relating to the website's aesthetic appeal, was majoritarily chosen as the most crucial element. This can be proven by having the lowest standard deviation. On the other hand, Community Relationship, which refers to the interaction on the website between different customers through reviews, is valued as least significant compared to the other elements of VEM. In fact, it has the highest standard deviation, which can lead to thinking that there is no real consensus on this topic.

Sense and Interaction, the two top scorers, are for most respondents seen as a prerequisite for them to explore the remaining elements. For example, when entering a website, the design needs to be proper, the products need to be beautifully presented, and overall it needs to be aesthetically pleasing. Otherwise, the customer might leave the website. Then, the website needs

to be easy to browse through, referring to the Interaction element through filters and other tools. Once more, if these criteria are not fully met, the customer is at risk of leaving the website and going to another website.

*Table 4: Ranking of the Significance of Virtual Experiential Marketing Elements (Gerster, Melonashi & Nguyen, 2021)*

<b>VEM Element</b>	<b>Score (out of 5)</b>	<b>Standard Deviation</b>	<b>Variance</b>
Sense	4.3	0.95	0.9
Interaction	3.6	1.20	1.43
Pleasure	3.1	0.97	0.93
Flow	2.4	1.07	1.16
Community Relationship	1.6	1.35	1.82

### 4.3 Common Findings

This section ties the findings from sections 4.1 and 4.2 together. Based on the analysis of customer expectations when buying jewelry and the analysis of specific brands' websites, there is a strong consensus on the importance of certain elements. The first one is the need for the environment, whether the physical store or the e-commerce platform, to be aesthetically pleasing. Jewelry is an object that ties directly to beauty, therefore requiring the whole shopping process to be in accordance with that image of beauty. The second factor leading to the satisfaction of customers is the ability to interact with the products and the website. In the case of physical marketplaces, the staff is extremely valued through the service they provide. In an online shopping environment, this lack of interaction can be solved by having a user-friendly interface and providing all necessary information to the customers. However, customers still feel that this element is lacking as well as the ability to get a feel for the product. Finally, even though all interviewees could name some advantages to buying jewelry online, it is not the preferred channel for buying this product for the majority.



## 4.4 Discussion

The analysis of collected data reveals some emerging patterns contributing to create compelling customer experiences in the virtual context within the jewelry retail sector. As discussed, the study distinguished a strong consensus on some critical elements, namely the visual aspect, informative and interactive platform, efficiency, and convenience for a pleasant shopping journey. In this section, the identified components were associated and compared with the literature on the subject discussed above. The following parts will address further in detail some critical similarities together with differences appearing from this process.

Firstly, the analysis implies the significance of the visual element in building memorable customer experiences for jewelry shopping, both in offline or online environments. This observation contradicts the findings of some scholars mentioned before (Luo et al., 2011; Shobeiri, Mazaheri & Laroche, 2014). In particular, Luo et al. (2011) indicated certain restrictions in applying the sensory components in the online context. Thus, they recommend businesses focus on other experiential elements such as pleasure, interaction, flow, and community relationships. Shobeiri, Mazaheri, and Laroche (2014) also proposed a similar suggestion and further stated that utilitarian features were more prominent than aesthetic aspects in their case.

However, our results provide substantial support for the website's aesthetics, which also appears as the most critical aspect for a pleasing virtual experience in the analysis. This result might be because the previous studies examine online game stores, e-retailing websites like amazon.com and do not associate with a particular brand. This research, however, investigates customers' experiences associated with particular jewelry brands, such as Pandora or Swarovski. Hence, customers might have higher expectations regarding the sight because they would demand a similar experience to the in-store one (Brakus, Schmitt & Zarantonello, 2009; Adeosun & Ganiyu, 2013; Shobeiri, Mazaheri & Laroche, 2013; Blázquez, 2014; Westermann, Bonnet & McAfee, 2014). Another possible explanation is that this research concentrates on jewelry retailing, in which beauty keeps a vital position during the whole shopping trip. Therefore, companies must understand their customers and their intentions while visiting the website to deliver an appropriate platform (Mathwick, Malhotra & Rigdon, 2002). For the case of jewelry retailing, the sight element of the shopping environment is highly relevant and can intrigue customers' interests in purchasing jewelry.

Secondly, interaction emerges as one essential attribute to create an exceptional virtual purchasing journey alongside the visual element. This observation aligns with Puthiyamadam

and Reyes' (2018) suggestion that customers demand user-friendliness and more interaction while using the brand's online channels. The lack of direct interaction with the products and staff as in physical stores might occasionally form difficulties in the shopping process for customers. Therefore, the online channel must contain detailed information about the products (materials, colors, price, styles) and the available collections of the brand to ease the purchasing process for customers. The possibility of learning about the product, making comparisons with other brands while using online channels for purchasing also appears to be advantageous for customers (Helm, Kim & Van Riper, 2020). Moreover, a user-friendly platform appears as a critical aspect for delightful purchasing processes as customers require in our study. Similarly, Caruana and Ewing (2010) highlighted this feature's necessity as well as the importance of providing sufficient product information for better customer engagement in their study. An informative online channel can keep customers spending more time exploring and becoming immersed with the brand's online site.

Moreover, as found from the interviews, the ability to feel, touch, and try the products is impracticable in the online context. Hence, the establishment of an interactive interface is beneficial to engage customers more with the brand. One potential solution to resolve this issue proposed by Briedis et al. (2020) is implementing Virtual Try-On, which utilizes augmented reality (AR), machine learning, and computer vision techniques. The authors explained that an American jewelry brand did adopt this technology to help their customers preview the product directly from the brand's webpage. Besides, providing a chatbox on the site might be helpful as it can assist customers in navigating the website, answering any questions, or choosing the right products with less confusion.

Nonetheless, the analysis indicated the insignificance of the community relationship element in this particular study, both in customers' perceptions and the case studies of the brands' websites. Instead of this element, customers pointed out that they would value an efficient and convenient shopping process in making online purchases. Hence, extrinsic values, such as service excellence and return on investment of time, money, still matter significantly for customers. The findings by Shobeiri, Mazaheri, and Laroche (2014) provide further support for this observation about the essential of extrinsic values in designing e-retailer websites.

Additionally, efficiency and convenience are two critical advantages while using the internet for shopping, according to Helm, Kim, and Van Riper (2020). Puthiyamadam and Reyes (2018) also pointed to speed and convenience as elements contributing to a good customer experience in general. Brands, therefore, need to be aware of these aspects alongside the experiential characters of their virtual shopping environment. Several scholars also implied that

customers are emotional, but they are also rationally driven (Holbrook & Hirschman, 1982; Schmitt, 1999; Mathwick, Malhotra & Rigdon, 2001). Thus, businesses must integrate utilitarian with experiential values to provide a satisfying and comprehensive jewelry shopping experience. Besides providing sufficient information and designing a friendly platform, another suggestion for jewelry brands is to utilize artificial intelligence (AI) on their virtual channels for a more customized experience and efficient shopping process. The AI technology facilitates product recommendations, relevant news about the brand, and a faster payment process based on the customer's browsing and purchasing history on the brand's website (Puthiyamadham & Reyes, 2018).

Following the discussion, this study's scope chose to address the problems on the international level to identify any impact of culture or nations on the experiential preferences. Despite the attempt of integrating respondents from several cultures and countries into the interviews, there were no recognized effects of culture on customers' experiences across the answers. The obtained respondents spread from Vietnam, France, Sweden, to Albania. Yet, the analysis yields considerate homogenous results. Caruana and Ewing (2010) also shared similar outcomes in their research. The pair adopted an inter-cultural approach for their quantitative research about brand experiences but did not identify any differences (Caruana & Ewing, 2010).

One possible explanation for this observation is the nature of this research's centered product: jewelry. The jewelry is a considerate standardized product. Along with this reason, jewelry brands might offer the same assortments across different markets worldwide. Consequently, it might not create such a distinct variation between cultures or countries in the preference for experiential elements. Another reason is that the accent of this research: experiences on the digital landscape. Thus, the virtual context may obliterate the differences of culture that possibly arise during the shopping trip in the physical environment. A small sample size (n=10) due to the qualitative nature of this research might also lead to this outcome. A larger sample size of consumers worldwide may help identify any emerging cultural or national impacts on the experiential preferences.

Notwithstanding, some interesting patterns are emerging from the analyzing process. One noteworthy observation is the generational difference in preference for purchasing channels, online versus offline. Young respondents show a higher tendency and favorability for online jewelry shopping. On the contrary, middle-aged respondents present overall hostile attitudes toward the mentioned concept. Another point is the discrepancies in customers' opinions of varying jewelry brands' webpage. For example, customers express pleasant postures toward Pandora's online channels, whereas Swarovski's case exhibits displeasing impressions from

customers' perspectives. These results suggest the variation in the digitizing process between jewelry companies. According to Westermann, Bonnet, and McAfee (2014), the key to a successful digital transformation for any business is to build a comprehensive understanding of its customers. Therefore, learning in-depth attributes to a compelling customer experience is essential for the brands' digitalization, which is also advantageous to its long-term growth.

## 4.5 Chapter Summary

In summary, chapter 4 presented the results from the analysis of collected interviews. The first section explored elements contributing to highly valued customer experiences in online jewelry retailing. Since the website functions as a surrogate for the physical store, the brand's virtual channel needs to be visually appealing, informative, interactive. Additionally, the online shopping process should be efficient and convenient for a satisfying experience for customers. Next, the analysis focused on some specific online channels of jewelry brands to further examine the impact of *Virtual Experiential Marketing* elements on customers from their perceptions for further verification. The findings yielded a strong consensus on the significance of certain experiential aspects, such as sense (sight), interaction, pleasure. However, the others, flow and community relationships, were not found to have definite effects on customers during the shopping process. Also, it seemed that the online site was not the preferred shopping channel for jewelry shoppers as the majority still favored the traditional physical store. Finally, the chapter ended with the discussion, which showed the reflections on the findings in connection to previous studies, possible explanations, recommendations, and some interesting emerging patterns.

## 5 Conclusion

### 5.1 Research Aims and Objectives

This research aims to explore elements adding to a highly valued online customer experience so international jewelry retailers can successfully transfer their customer in-store experiences to digital environments. For this purpose, the primary objective was to understand customer expectations regarding their purchases of jewelry online. It was critical to gather this information from customers as the primary source of data for the research. These insights provide a deeper understanding of what retailers should focus on regarding customer experience. An easy misjudgment could be to assume that the rise of e-commerce equals a rise in demand for online shopping in the jewelry industry. However, even if there is a growing trend to make jewelry purchases online, it is not the preferred channel of the customers interviewed for this thesis. Moreover, it is essential to note that customer expectations about a particular brand were rarely met through its website, highlighting the necessity to understand customer expectations. In summary, chapter 4 proposed four principal features of the brand's online channel contributing to a highly valued customer experience: the webpage needs to be visually appealing, informative, interactive, together with a convenient and efficient purchasing process.

Since jewelry buyers are heavily affected by sentiment in their shopping process, a sub-objective was introduced to assess the importance of the *Virtual Experiential Marketing* framework. This secondary objective is beneficial for additional verification of elements contributing to a compelling experience. Further, the framework is beneficial to examine the effect of experiential elements on customers in a virtual context. As seen in the literature review, some aspects of the customer experience journey were not valued the same way as in our findings. For instance, the aesthetic aspect of the shopping process was found to be the most important element while buying jewelry, according to our findings. Also, our findings highlight the importance of evaluating a framework, in this case the VEM elements, to establish if the same conclusions can be drawn from that framework in different sectors.

Despite the prominence of the jewelry retailing industry, there is an apparent lack of research about the industry and its customers' expectations, especially in the online environment in the academic realm. Hence, a qualitative approach helps to explore and bring comprehensive knowledge to this problem. These two mentioned objectives were met by conducting interviews with customers of jewelry who provided very extensive answers, helping us understand what they value. The objectives could have been met by formulating hypotheses based on the

literature review part of the thesis but would lead to false conclusions. This thesis is unique because of its international sample of respondents with various backgrounds, the analyzed companies, and the *Virtual Experiential Marketing* framework as a base for the analysis. Overall, this thesis has provided answers regarding the objectives and allows for a greater understanding of buying jewelry online.

## 5.2 Practical Implications

This thesis will be valuable for researchers in International Business and more specifically, in the fields of Marketing, Retail, and Consumer Insights. It explores elements contributing to an excellent customer online experience within the jewelry retailing industry on the international level. Moreover, the research adopts the *Virtual Experiential Marketing* framework to further validate the significance of some experiential values from customers' perceptions. This study also created a template for researchers to test the VEM framework in other sectors. In addition, the analysis could prove helpful for the development of new theories and frameworks regarding the experiential aspect of online buying.

Also, this study provides several functional implications and contributions of high relevance to managers in the jewelry industry. Firstly, the findings show what customers consider essential in a brand when purchasing in-store or online. The study goes in-depth in explaining what customers deem positive or negative when navigating a brand's website. The findings could serve as an outline for brands in understanding what customers perceive as a valued experience and optimize their online marketing strategy. Secondly, the study relies on the *Virtual Experiential Marketing* framework and how brands' customers respond to the elements. Managers of the selected brands could investigate these five elements on a broader scale like conducting a quantitative research, with more respondents worldwide, to better understand how these elements are perceived globally. Lastly, managers of these companies could identify how to improve some aspects in the VEM framework. The findings of the thesis presented consistently low ratings on the 'Community Relationship' element. Managers could, therefore, start a more aggressive community-based campaign to combat the negative stigma related to online jewelry.

## 5.3 Future Research

For future research on online customer experience in the jewelry industry, it would be interesting to modify the scope. This paper mainly focuses on mid-luxury brands like Swarovski and Pandora, but researching different brands, price ranges, and quality ranges could be of

interest. Then, comparing the results of the different studies could help validate a trend or a conclusion.

In addition to changing the scope of the companies, the focus of future research could be on a particular and specific market. This study examines global brands and is based on interviews of respondents from several countries. There could be a comparison between cultures or countries on the researched topic to determine if the findings are unanimous. Also, local brands operating on a restricted market can be researched as well.

Moreover, the jewelry industry was chosen for this study because of a need to find a niche. However, other industries were of interest as well. The impact of transferring customer experience online is not singular to jewelry brands, meaning that other industries should be investigated around this topic. The main idea was to find a product category that required the customer to physically experience the product to be fully satisfied. This definition opens up the door to other industries like the cosmetics industry, with perfume, skincare and makeup, and the clothing industry.

Referring back to the research design, the interviewees were not categorized and were pre-screened with the only requirement of having bought jewelry before. The authors have found that while analyzing the collected data, there are some similarities in responses based on demographics. It was found that middle-aged women buying jewelry were highly reluctant to buy jewelry online and would not buy it anywhere else than in-store. Since a demographic analysis was not part of the research, there were no factual conclusions about this subject. However, it would be beneficial to examine the research topic with a categorization of the respondent demographics.

Finally, the theoretical framework used in this study is the one of *Virtual Experiential Marketing*. The authors believe it would be worthwhile to analyze the online customer experience for the jewelry industry using other frameworks such as customer value theory. Such research would help identify other key success factors for a smooth transition to e-commerce.

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# Appendix A

## Interview Questions

### General questions

1. Can you tell me briefly about yourself (age, occupation, interest)?
  2. Do you buy jewellery? Do you have any specific brands you like? Have you bought jewelry this past year (during Covid)?
  3. What motivates you to buy jewelry? (For which occasion, for yourself or for someone else)
  4. Describe a time when you purchased a jewelry product? Was it online or in-store? What is the most memorable thing you remember from that experience?
  5. Can you tell me 03 criteria that are important to you when purchasing jewelry?
  6. Which is your preferred channel for buying jewelry? (in a specialized store, in a department store, airport, on-line, second-hand, artisan outlet...)
- Have you ever bought jewelry online?
- What locked you in (caught your attention/lured you in) when you bought jewelry, regarding the store/webpage/app?
7. What is the difference between buying online vs (brick and mortar) typical store
  8. Please list the advantages and disadvantages of these different channels
  9. What makes for a good online shopping experience when buying jewelry?

### Specific questions

*Instruction:* We kindly ask you to visit **01** website of jewelry brands provided below. But you can also choose other jewelry brand's websites that you are familiar with. Please visit the website that is based on your previous purchasing experience, i.e. if you bought products from Pandora, visit Pandora's website. Let's spend some time exploring the website and interacting with it. Then, you can provide answers to the questions below.

**Pandora:** <https://se.pandora.net/sv/>

**Swarovski:** <https://www.swarovski.com/en-SE/>

10. What do you think about this website? Does it live up to your expectations about this brand? Explain why. Can you find all the information that you need on the website?
11. Using *Virtual Experiential Marketing* elements:
- Sense** (through sight): This element relates to the visual appeal of the website. It is also about the aesthetic aspect of the shopping environment.  
Given this explanation, what do you think of this website? Please give your comments on this element.
  - Interaction**:. The extent to which consumers can easily interact with the website through its features and functionalities. It is about the possibility to customize the website to satisfy the needs of consumers or to look for necessary information.  
How do you feel about this element when browsing the website?
  - Pleasure**: favourable attitude towards brand/website while browsing.  
What kind of emotion do you think the website evokes?
  - Flow**: becoming immersed in the navigation of the website.  
Does the website catch your attention? Do you wanna spend time on exploring the products and information provided on the website?
  - Community Relationship**: The social-identity that the brand tries to establish through its targeted customers. It also relates to the ability to interact with other customers through reviews etc.  
What group of customers do you think the brand is trying to attract? Do you feel a sense of belonging to this group?
12. Please rank the 5 elements according to importance.
13. What is good about the website, and what do you think needs to be improved?
14. How does this experience compare with the in-shop experience? Which one do you prefer? Why? Next time you buy jewelry, where are you going to purchase it?
15. How do you feel about not getting the product right away (instant gratification)? For those who buy online.
16. Is there anything you would like to add?

## Appendix B

Complete Coding Table			
Category name	Sub-category	Respondent	Data
Motivations	Sentimental value	No.1	“I also bought it as gifts for special occasions like anniversary or birthday for others”
		No.2	“I bought my first Pandora bracelet and charms when I graduated from high school” “I also buy it as presents for my mom” “I still remember the excitement when spending lots of time scroll through their website to choose charms that can represent myself somehow”
		No. 8	“I am a person that buys jewelry that carry a meaning, a memory”  “We wanted to buy a memory for our friend. We did not want to buy something that she would forget, since it was for the 25 <sup>th</sup> birthday, the perfect gift would be something that would carry sentimental value for years”
		No.9	“I appreciate the work that jewelers make, when working on these jewelry pieces.”
		No.10	“I actually buy as a gift to someone, you know, when it is a birthday, if it is my girlfriend’s birthday, or my moms”
		No.6	
	Self-satisfaction	No. 1	“I see a piece of jewelry that I really like so I buy it for myself”
		No.2	“I usually buy it for me as a reward or sometimes just a treat for self-satisfaction”
		No.3	“For myself, most of the time is for self-satisfaction. I see products that I like so I buy it”



		No.4	“I buy a gift to myself for personal happiness” “Swarovski is my favourite brand”		
		No.5	“I treat myself when I wanna change style, aesthetic or look”		
		No.9	“I like to treat myself from time to time”		
		No.6			
	Criteria for purchase	Price	No.1	“The price, it needs to be affordable for me to buy”	
			No.2	Price tag	
			No.3	Price tag	
			No.4		
			No.5		
			No.7	“I prefer to make smart purchases where these things (quality and beauty) are included in the price” “When I go to jewelry stores I tend to go in with a fixed budget so I do not overspend”	
			No.9	“for me, i tend to shop with a fixed budget, and look for the best product in the price range.”	
			No.10	“The price”	
			Quality	No.2	“Product quality. I want things that can last”
				No.3	“The quality of the product”
		No.6		“It can’t look cheap”	
No.9	“The quality of the jewelry, if it has a jewellery certificate”				
No.10	“Authenticity”				
Style/ Design	No.1	“The design, it needs to fit my taste and need”			

			No.2	“Product design that suit my taste”
			No.3	“the product design that suit my taste”
			No.8	“The fineness of the jewelry”
		Others	No.1	Product selection: “The type of jewelry products. Or in other words, the range of products (necklace, bracelet, ring etc.) with the material (gold, rose gold, silver) that the store has” “I prefer a specialized store in jewelry or the brand’s store for the wide range of products.”
			No.9	“The exchange value [of jewelry]”
			No.10	Customer service
<b>Memorable Experiences</b>	Store environment	No.2	“The overall presentation of the website” “the store atmosphere is attractive, feeling like you are doing something really special”	
		No.3	“Everything (decoration) at the physical store catch my attention”	
		No.4	“I have a feeling of being in a dream when stepping into a Swarovski store, it feels magical”	
		No.5	“In store you feel like you are stepping into somebody else’s world”	
		No.6		
	Product display/ attractiveness	No.1	“the thing I like the most when visiting this store is the way the brand displays its products at the store. The lighting they use to enhance the product really catchy and attractive” “the wide range of products they present at the store. The way the store displays the products, the lighting make them look so attractive”	
		No.2	“It’s fascinating to see their products at first. The most unique point I remember is how you can customize your own bracelet with	

			different charms that you like” “How the brand displays their products on the website and make it look so stunning”
		No.3	“Everything (incl. product display) at the physical store catch my attention” “the lighting in the store makes the product look pretty, I can check the details of the product and see if I like it.”
		No.6	“I really like the browsing process in some stores that I usually go to”
		No.7	“If the window of the store showcases products that I consider dazzling, I would usually enter”
		No.9	“I have to say that everyone is very attracted to beauty, and can be addictive.” “I bought [earrings] in a store, I went in to look for a watch and saw them. I liked them a lot, and bought them. They were pretty, i liked them “ “What locks me in is the product itself”
		No.10	“I just think that they are really pretty”
	Staff assistance	No.1	“the knowledge and friendliness of staff at the store. They guide you through all the products the store has with almost necessary information” “receiving assistance from the staffs (the new collection or the similar product)”
		No.4	“I really appreciate recommendations and help from sales staff”
		No.5	
		No.10	“For me, it was the page’s customer service. I really liked the customer service”
	No.6		
Others	No.10	Packaging “I also like the way the product was packed”	

			Fast delivery “it came pretty fast, so... it was good”
<b>Online expectations</b>	Informational purpose	No.1	“For online, it is good that you can check all available options that they might not have all of it at the store” “more options to choose and compare”
		No.2	“ [In a physical store, you can] easily lose attention. Sometimes the store does not have all the products you desire [like the website]”
		No.3	“I usually look for the product on the website first and then go to the store to check it” “mainly I look at the website to check the available options” “But I want to check the availability of products, price, total cost of all products immediately” “Knowing my exact size before so I don’t need to mistakenly order the wrong size then return then wait to receive it one more”
		No.6	“I only buy the products of this brand on sale so it is good to be able to compare the best prices online vs in store”
		No.10	“A good thing with buying online is that you can find some cheap ones like they can have this “campaign,” as you said... I don’t think that they have it in the shops”
	Realistic photos and product display	No.1	“The ability to see the product on different skin tones because it is really important for me. I have a more yellowish skin tone so most of the products look different on me. It might not live up to my imagination” “Cons: not being able to choose the correct size, the product might look differently in real life”
		No.2	“See the product as if we suppose to see them physically” “Also, the possibility of viewing the product 360 degree.”

			No.3	“Sometimes the product looks different on the website, it might look pretty on the website but it’s not in real life”	
			No.7	“The watch looked really big from the webpage’s photos, however, when I got it, it looked much smaller”	
	Fruitful source for inspiration		No.3.	“For the website, I like the advertisement for inspiration, cause sometimes I see how people wear the product , I like it and want to buy it” “the product look prettier than in real life”	
			No.6		
			No.8	online stores help me select, as in regular stores I tend to get disoriented due to the overwhelming amount of products, and I can end up not getting what I want.	
	User friendly		No.1	“I might not to understand all information about the product (the material, the difference in origins) they listed on the website without the explanation from the staffs”	
			No.5	“It is very important to make the website super consumer friendly. Having clear communication as well. Can’t have any confusion”	
			No.6	“Good sorting features is necessary”	
			No.8	“I can find the product I am looking for, thanks to the filtering option”	
	Efficiency and convenience		Time	No.1	“Do not need to go to the store”
				No.2	“Convenient, efficient to buy from”
				No.5	“There has been a good improvement of consumer experience, making things easier,

				with the convenience of ordering from your own home”	
			No.6		
			No.7	“You can make a more extensive research online. You can look at more pages and you don’t have to move from your seat. You would have to waste more time if doing the same research in store”	
			No.9	“When buying online you get speed”	
			Delivery and Return	No.1	“An easy and convenient return policy if I want to change the size or if the product does not look good on me”
				No.3	“Quick delivery and returns”
	Missing: physical interaction, ability to touch and try the product	No.1	“The product might look good on the picture, but it does not look good on me in real life. So the actual sensation from touching the product is missing”		
		No.2	“The ability to touch and try the product. Also, to see if the product suits you or not.”		
		No.3	“There are some differences in the feeling or sensation when you see the product online and actually touch, see it in real life”		
		No.4			
		No.5			
		No.6			
		No.7	“The emotional part is stronger in the regular store, as I can touch the product”		
		No.8	“When I need to buy something I usually want to feel what I buy. Furthermore, I can try it, see if it fits my style”		

		No.9	“But i feel like you need to touch the product , to get a real feel of the product”
		No.10	“if it is directly from the store, you can actually see them and compare them.”
	Customer service	No.10	“It is customer service, no doubt. “