SCHOOL OF
ECONOMICS AND
MANAGEMENT

LUND UNIVERSITY

Exploring Consumers Perception of Innovation in Grocery Retail Products

by

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30 May 2024

Master's Programme in International Marketing & Brand Management

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Abstract

Title: Exploring Consumer Perception of Innovation in Grocery Retail Products

Course: BUSN39 - Master thesis in International Marketing & Brand Management

Word count: 24 073

Keywords: Private Label, Manufacturer Brand, Innovation, Consumer perception, Grocery Retail

Thesis Purpose: Purpose of this thesis is to explore consumer perception of innovation in grocery retail products in Sweden. Particularly focusing on how consumers perceive innovation within private label and manufacturer brands.

Methodology: Qualitative analysis has been conducted through semi-structured interviews in order to understand consumer perceptions towards innovation in grocery sector in Sweden.

Theoretical perspective: The foundation of this research lies in the main theories concerning consumer perceptions of manufacturer brands, private labels, and consumer-perceived innovation (CPI). To complement this into grocery sector, we integrated the Keller Brand Equity Model and Fuller's Classifications of New Product Releases into our literature review.

Empirical Data: The empirical data was gained through 12 semi-structured interviews (mixed online and offline) with grocery consumers in Sweden. All our respondents are the decision maker for the purchase.

Theoretical Finding: Consumers evaluate product innovation in grocery retail differently depends on the product category. Packaging and price mix are both important factors in consumer's consideration while evaluating product innovation. Consumers evaluate innovation in manufacturer brands more affectively while consumers evaluate private labels more cognitively. Sustainability is important and innovation that consumers appreciate although their willingness to pay would depend on the price value factors.

Originality/ Value: Complementing existing research on grocery retail innovation within private labels and manufacturer brands from the consumers perspective.

Acknowledgements

First and foremost, we are grateful for the opportunity to study the master's program in International Marketing & Brand Management at Lund University and pursue our academic goals. This journey has been a dream come true, and it would not have been possible without the support and encouragement of many wonderful people.

During process of choosing the topic and writing the thesis in Lund university, we would like to express our gratitude to our supervisor Ulf Johansson for his guidance, support and feedback throughout the duration of this project. His expertise and encouragement have been important in shaping our research journey.

Furthermore, we wish to express our gratitude to the participants of our conducted interviews. Their openness in sharing insights and experiences has enriched our research, as it would not have been possible without their valuable input. We are thankful for their time and contributions.

Finally, we would like to thank our family and friends for their steady support and understanding throughout this journey. Their patience, encouragement and belief in us have given us more motivation and strength.

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1 Introduction

Sweden is an innovation powerhouse, ranks second among the 132 economies featured in the Global Innovation Index (2023). In the Global Brand Value aspect (Top 5,000 Companies in Sweden), Sweden's innovation is ranked fifth in the world (Global Innovation Index, 2023). This highlights the significance of Innovation in Sweden. However, innovation, private labels, and manufacturer brand have been a dilemmatic challenge for the Swedish retail market.

This has inspired us to investigate the consumer perception of innovation, as the end user, complementing the existing research from the manufacturer's and retailer's perspectives. As a first step of the research, it is crucial to clarify several key terms and observe latest development of the private label.

1.1 Background

In this section we aim to define the keywords used in this thesis and explore insights related to innovation in the context of grocery retail.

First and foremost, we will define the central terms and keywords of the research topic to maintain consistent language throughout the study. Understanding the vocabulary used in past academic literature is crucial, as previous studies have introduced diverse terminology to explain ideas related to retail brands.

To provide a better understanding of the situation, we will give an overview of consumer perspective on private labels and manufacturer brands in the grocery industry. Additionally, we will provide a summary of the current state of manufacturer and retailer brands in the context of innovation in grocery retail.

1.1.1 Use of terminology

When it comes to term private label, Chen et al. (2023) observed that within marketing literature and practice, terms like "retailer brand", "store brands", "private brand", "generic brands", "distributor's brands", "non-brands", "own labels", or "private label" are all used as synonyms, as the brands of products owned by retailers themselves and have become a fundamental element of the retail industry. They are defined as any brand that is developed and owned by the retailer or distributor and sold only in its own stores (Kumar & Steenkamp, 2007; Kotler & Armstrong, 2008). To maintain consistency in this thesis, we will use the term of "private labels".

As the opposite of private label are manufacturer brands, also known as national brands or producer brands. Manufacturer brands are typically associated with specific companies and are used to distinguish their products from competitors' offerings (Keller, 2003). Nevertheless, we chose to use the term "manufacturer brands" in our thesis to ensure alignment with the most recent literature and research discoveries.

1.1.2 Private label and manufacturer brands

Over the last thirty years, private labels in Sweden have experienced significant growth and now represent a significant share of the fast-moving consumer goods (FMCG) market (PLMA International Council, 2024). From 1992, the market share of private labels in Sweden has been growing steadily and has almost tripled, reaching 28.6% of the total Swedish grocery retail market by 2023 (PLMA International Council, 2024). This steadily growing private label raises question around its impact on innovation. However, previous research has differing views on the private label's impact to innovation. According to research by Anselmsson and Johansson (2013), manufacturers are concerned about long run innovation due to the high cost of product development, which puts pressure on their budgets due to competition with private label. On the other hand, according to Philipsen and Kolind (2012), retailers create me-too private label as an alternative to manufacturer brands which will in turn encourage innovation as it will push manufacturer brand forward to differentiate themselves from the private label.

Forbes (2024) investigates that due to the increasing popularity of private labels, a significant statistic emerges: one in five units sold in 2023 was a private label in the recent year. This trend reflects the growing number of consumers who are integrating private label shopping into their routine. Private Label Manufacturers Association (Private Label Manufacturer Association, 2024) highlights that European shoppers purchased more private-label items in 2023 than in the previous year, possibly due to concerns over high inflation rates. The high inflation experienced during and after the COVID pandemic make consumers to become more focused on saving money. As a result, they quickly turned to private label products (NielsenIQ, 2024).

In relation with the growing popularity of the private labels, we found that there is an interesting development in how consumer sees private label and manufacturer. When making purchasing decisions, consumers prioritize both price and quality within private labels as essential factors and there exists an evident correlation between the two (De & Singh, 2017). In relation with quality, private labels are seen as equal or better options (De & Singh, 2017; McKinsey, 2024a). McKinsey (2024b) in its report, "State of Grocery Europe 2024: Signs of Hope", found that according to their consumer survey, 83 percent of consumers rate private label products of equal or better quality than manufacturer brands products.

As consumers now see private labels and manufacturers as equal, we concluded that innovation become a significant factor that could differentiate them. Wilson (2022) supports this stating that the future growth and competitive landscape between manufacturer brands and private label brands will largely depend on ongoing innovation. This viewpoint is supported by a study from the FMI, which discovered that 81% of grocery retailers prioritize innovation as the main strategy to increase market share for private label brands (Wilson, 2022). Both manufacturer and private label brands have a promising innovation path ahead by incorporating product add-ons, serving to diverse consumer segments, highlight the shift in the private label and manufacturer brand' competition landscape.

It is a compelling phenomenon for us that the grocery retailers are putting effort to strengthening their product innovation, enabling the private label able to offer similarly desirous product compared to the manufacturer brand. Today, retailers have established themselves as innovators, consistently launching and updating their product portfolios. They offer a diverse array of items, including organic, free-from, and premium categories (Alvarez and Marsal, 2023). The recent shift in the competition landscape between private label and manufacturer brands has stimulated our interest to examine this further (Alvarez and Marsal, 2023).

1.2 Problem Formulation and Research Question

We considered there is a notable gap which requires further exploration and analysis within the consumer perspective of innovation into grocery, firstly because of the shift in the most recent consumer attitude toward private label and manufacturer brands, secondly there is no relevant recent studies of consumer perception within innovation in grocery sector. The ability to adapt and innovate in response to these changes is crucial for the survival of many retailers (Olsson & Johansson, 2016). Consequently, innovation in the retail sector has shifted from barely meeting basic needs to understanding of current trends and consumer preferences. However, despite the importance of this transition, looking for prior literature and research reveals a lack of current information regarding emerging trends in innovation and consumer preferences within the grocery sector, as explained further in the following literatures that we have identified.

Previous researchers have explored the broader retail sector, as evidenced by the works of Davies (1992), Olsson et al. (2019), and Paredes et al. (2023). However, there remains a scarcity of earlier research focusing on innovation within the grocery sector, such as those by de Miguel Molina & Albors-Garrigos (2023), Ter Braak & Deleersnyder (2018), Martos-Partal (2012), Anselmsson & Johansson (2009).

Studies such as those by Ter Braak & Deleersnyder (2018) has focused on the practice of grocery retailers in Netherlands to imitate innovative manufacturer brands through their private labels, questioning the true level of innovation in private labels. Anselmsson & Johansson (2009) conducted interesting research on innovation levels in the grocery category and evaluated the impact of retailer brand presence and growth on innovation across diverse grocery categories, with a focus on the customer perspective in the Swedish grocery market from 2000 to 2004. While this study provides a valuable foundation for our research, it may be considered outdated.

Literatures such as by Martos-Partal (2012) provided insights into how innovations by manufacturer brands affect the market share of private labels in the consumer-packaged goods industry. However, it uses data from 142 product categories during the period 2004–2006, which may be outdated. Meanwhile, Olsson et al. (2019) discovered that Swedish retail organizations face challenges to fully integrate innovation at a strategic level but show promise in some areas of their organizational climate that is related to innovation. This suggests that conventional retailers have potential to improve their innovation practices by challenging norms and adopting a more proactive approach. On the other hand, Paredes (2023) conducted qualitative multiple case studies exploring how traditional retail companies can adapt to today's competitive market by strengthening their innovation capabilities. Their findings indicate a growing focus among retailers on improving innovation capabilities.

So far, the study by Olsson (2019) and Paredes et al. (2023), stands out as one of the few recent articles searching of innovation within the retail industry. However, there is a lack of consumer insights on their perception of innovation in the grocery sector. Considering this interesting gap in the consumer's perception, we believe complementing the perspectives provided by previous research would provide a valuable insight. Our aim is to explore the topic of evaluating consumers' perceptions of the current innovation in grocery products. This purpose serves for the formulation of our first research question:

- **How do consumers evaluate the product innovation in private label and manufacturer brand?**

We are particularly interested in the challenges posed by innovation, manufacturer brands, private labels, and the perception of consumers within it. Thus, we posed a sub-research question, in order to take into account how product attributes might influence consumer's evaluation toward certain product:

- **What innovation aspects excite consumers in evaluating private label and manufacturer brand products?**

1.3 Delimitation

It is significant to explain that this study primarily focuses on innovation within private labels and manufacturer brands by perspective of consumers. The perspective of manufacturer and retailer even though are closely related, are not considered since it could broad our topic and make it overwhelming. Nonetheless, it is crucial to keep in consideration that these insights can be beneficial and would provide comprehensive picture of innovation within grocery sector.

Innovation and capital infrastructure are two related concepts, however, we are not taking this factor into account. Consumer attitudes, and their technological acceptance in relation with innovation is also a closely linked variables. However, we will only focus on the end result of how consumer evaluate the product innovation.

Another important point is that we are focused specifically on the grocery retail industry, where private labels are prevalent. Martos-Partal (2012) suggests that market variables such as competition within category plays a significant role that impact innovation in a particular category. Other measures of category interest, such as net or gross profit category margins, would be an important factor to consider. However, due to limited access to the knowledge, we will not take these factors into account.

Furthermore, we have limited our research only within geographical area of Sweden, since we wanted to get better understanding of the consumer in Sweden's grocery products. This decision was made in order to meet the objectives of the research and avoid focusing on the broader aspects.

1.4 Thesis Outline

To address the outlined structure of the thesis, the text will follow a traditional format. Initially, it will provide background information on the topic, followed by the problem formulation containing the research questions and delimitations.

Following, we will examine relevant literature by incorporating consumer perception of innovation (CPI). In order to build the relationship between innovation in private labels and Sweden's cultural context, we will apply the framework of CPI, exploring the distinctive perspectives of Swedish consumers on innovation in grocery sector. This comprehensive framework aims to analyze and understand the innovation of different product categories within the context of private labels and manufacturer brands. The third part will present the research methodology, including the argumentation for the chosen research design and approach. Part four will focus on presenting and analysing the empirical findings, which will be further discussed in the subsequent chapter. Finally, conclusions will be drawn from the discussion, providing theoretical and managerial implications, as well as suggestions for future research.

2 Literature Review

The research initially focused on private label stages as described by Laaksonen and Reynolds (1994), but due to technological advancements and changes in the competitive landscape, newer literature by Gielens et al. (2021) was explored. Gielens et al. (2021) introduced three phases of private label, emphasizing the smart private label era and multi-tier private label strategy. However, in our case this framework lacked a solid stance for the manufacturer brand and did not cover innovation factors.

Building upon the three phases smart private label theory by Gielens et al. (2021), it was realized that innovation is closely linked to technology. Further exploration led to the Technology Acceptance Model by Davis (1989 as cited by Silva, 2015), which explains how users come to accept and use technology. However, this model did not align with the research question as it focused on the technology innovator's perspective rather than the consumer's. The Consumer Perception of Innovation framework by Lowe and Alpert (2015) was considered a better fit due to its focus on capturing consumer perception of innovation and its applicability to a wider industry with contextual adjustments. To tailor the concept of the grocery retail industry, two additional literatures were incorporated. These included theories on retail brands encompassing private label and manufacturer brands, as well as Fuller's New Product Classification to complement the application of the concept. Furthermore, Keller's Brand Equity Model was chosen to analyze consumer perception in retail brands. The literature review concludes by presenting a modified framework that synthesizes key theories and concepts discussed.

2.1 Consumer Perception of Innovation

Defining innovation as explained by Sides et al. (2019 cited in Paredes et al., 2023) should include the evaluation parameters that are encompassing and detailed. Evaluating the innovation of a product is an integral aspect of this research. To evaluate innovation, we are referring to Lowe and Alpert (2015) study, which provides a guideline for evaluating the innovation from a consumer's perspective.

Rogers (2003 as cited in Lowe and Alpert, 2015) stated that an innovation is considered truly "new" only when consumers perceive it as such. However, this raises a fundamental question: What exactly constitutes "newness"?. Adapting to the context of this research, there has been question on determining how innovative is an innovation? (Lowe and Alpert, 2015). Daneels and Kleinschmidt (2001 as cited in Lowe and Alpert, 2015) argues that product innovation is often related to (i) key innovation characteristics (i.e., relative advantage, compatibility, complexity, trial- ability and observability), (ii) adoption risk, and (iii) the degree of change from established behaviour patterns. Developing from these three key characteristics, Lowe and Alpert (2015) has constructed a model of Consumer Perceived innovation (CPI). CPI is defined as the perceived degree of newness and improvement over existing alternatives. To understand how consumers perceive innovation, Lowe and Alpert (2015) suggest analysing three key factors: product newness, technological newness, and relative advantage for consumers. These three factors are explained below:

1. The newer the product concept, the more consumers are likely to see the product as innovative.
2. The newer consumers perceive the technology to be – that is, the more they see it as a technological breakthrough – the more they perceive the new product to be innovative.
3. The greater the relative advantage consumers perceive the product to have, the more they will perceive the product to be innovative.

In addition to these three parameters, Lowe Alpert (2015) explained that offering a product with higher levels of innovation can increase the consumer's excitement more effectively by boosting their perceptions through these three factors rather than simply advertising the product's newness. Excitement is the result of positive consumer perception of innovation. Therefore, this suggests that consumers are more likely to be enthusiastic about a product when they perceive it as innovative, rather than just focusing on its newness.

Please refer to figure 1 for the illustration of the model (adapted from Lowe & Alpert, 2015)

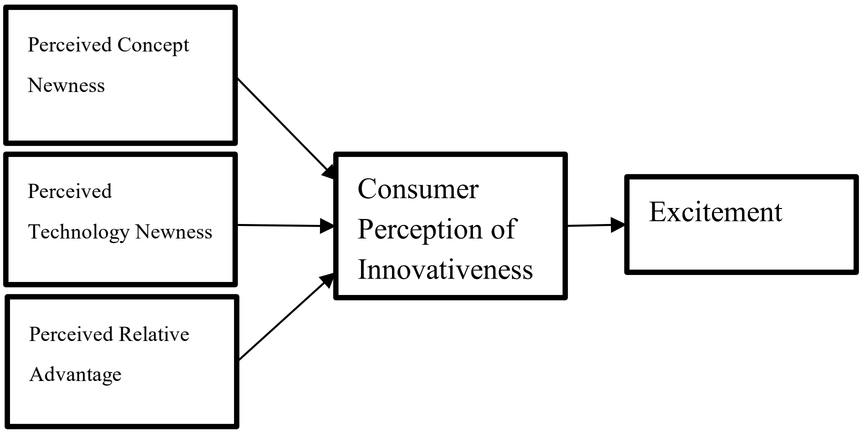

Figure 1: Consumer Perception of Innovation Framework (Source: Lowe and Alpert (2015)

Perceived concept newness, perceived technology newness, and perceived relative advantage are each correlated positively to the consumer perception of innovation. Positive result on each of the variables will result in positive consumer perception on certain product's innovation. Subsequently, the more consumer perceive that the product is being innovative, the higher likelihood that it would result in more excitement. However, in evaluating these concepts in practical, we need to look at the details of each parameter as explained below.

2.1.1 Perceived Concept Newness

Newness is often considered a key element of perceived innovation. In some cases, scholars like Hoeffler and Rogers (as cited in Lowe and Alpert, 2015) have even suggested that newness is the only dimension of innovation, that newness and innovation are synonymous. However, qualitative interviews reveal that innovation incorporate more than just newness. Therefore, PCN is important for a product's perceived innovation (CPI), however it alone is not adequate to fully capture the degree of innovation perceived by consumers. In other words, although consumers may recognize a product as new or novel, this alone does not necessarily mean they view it as innovative compared to existing alternatives. This understanding led to the introduction of the concept of perceived concept newness, which refers to how consumers perceive the novelty or distinctiveness of a product concept. While many respondents emphasized the importance of a product being new, some also emphasized the necessity for it to be useful or provide additional benefits. This view aligns with literature suggesting that perceived innovation is a two-dimensional construct, incorporating both perceived newness and perceived benefit.

2.1.2 Perceived Relative Advantage

Introducing the second parameter - Perceived Relative Advantage, since perceived concept newness is not sufficient dimension of CPI. True innovation involves not only novelty but also significant improvement for consumers. Interview responses and prior literature emphasize the importance of a product providing a relative advantage or benefit. Lowe and Alpert (2015) emphasize that an essential criterion for labelling something as an innovation is its capacity to bring about a positive change or some benefit in the product or service. This highlights the significance of perceived relative advantage, which can be assessed by examining factors like whether the product offers unique benefits, surpasses competitors in quality, solves existing consumer issues with competitors, or can substitute considerably inferior alternatives.

2.1.3 Perceived Technology Newness

Perceived technology newness emerges as the third factor influencing Consumer Perception of innovation (CPI). This factor suggests that a product can still be consider innovative even if its technology is not entirely ground-breaking, as long as it boasts a fresh design or packaging. This connection between newness and innovation implies that consumers are more inclined to perceive a product as innovative when they perceive its concept or technology as new, regardless of the novelty of the underlying technology. Additionally, consumers generally hold remarkable technical accomplishments in high regard. Consequently, they are more likely to perceive a product as innovative when they recognize its technological advancements or new features, even if the technology itself isn't ground-breaking.

2.1.4 Excitement: Consequences of CPI

According to Lowe and Alpert (2015), consumer perception of innovation can result in excitement. This means that the more innovative a product is perceived to be, the more excited consumers are likely to feel about it. Lowe and Alpert's (2015) research suggest that consumers evaluate innovations based on affective dimensions such as how exciting and fun they are, rather than solely on rational dimensions such as how much time and money they save (also known as relative advantage). Both dimensions are important influencers of purchase intention. Therefore, measuring the consumer excitement can be used as a proxy to evaluate the innovation of a product from the consumer's perspective.

After we examined these literatures, the research from Lowe and Alpert (2015) provided us the most suitable way to evaluate the innovation of a certain product in accordance with our research question. We therefore will use this model as the base of developing our interview questions with a conditional adjustment to retail sectors and the Swedish consumer context, after adjusting to suit retail context and grocery market.

2.2 Coexistence of Private Label and Manufacturer Brand in Grocery Retails

Balasubramanian and Maruthasalam (2021) argue that in mature markets, the perceived quality differences between established private labels and manufacturer brands are often minimal. This trend is particularly present in Europe, where many customers are willing to pay a premium for private label products over manufacturer brands. Kumar et al. (2007) provides an example of this phenomenon in the EU, where private labels such as Tesco and Sainsbury have successfully developed premium private labels. Tesco's premium private label Tesco Finest compete with leading manufacturer brands like Tropicana, Minute Maid, and Cadbury (Kumar et al., 2007). As a result, manufacturer brands and private labels are increasingly perceived as interchangeable options by consumers, suggesting a potential substitution effect between these two.

In the case when private labels and manufacturer brands can substitute each other, Choi and Turut (2023) provides further explanation about the coexistence of private label and manufacturer brands in grocery retails. Choi and Turut (2023) explain that consumers evaluate options by comparing them to other available options rather than evaluating each option on its own. As the new product enters the market, it effects the existing available options, which influence the reference point consumers use for comparison. This phenomenon is known as a context effect, where the introduction of a new product changes the context within which consumers make their choices, thereby influencing their purchasing decisions (Choi and Turut, 2023). As cited from Choi and Turut (2023), there are various context effects that are the manifestation of consumers' context-dependent preferences. The attraction effect occurs when the introduction of an additional option, also called a "decoy," makes one of the existing options more attractive and increases its choice share (Ariely, 2010; Padamwar et al., 2021 cited in Balasubramanian and Maruthasalam, 2021). Hence, we believe that the combination of manufacturer brands and private labels constitutes the unified offering in the grocery retail landscape.

We have concluded that when asking consumers to evaluate products in the grocery retail, context becomes an important aspect. Therefore, we believe it is better to evaluate private label and manufacturer brands in the same light, considering their growing nature of becoming inseparable in today's grocery landscape.

2.3 Fuller Classifications of New Product Releases

In the context of grocery retail, Fuller (2004 cited in Anselmsson and Johansson, 2009) provide an interesting view to complement the operationalisation of the Newness concept into this framework. Fuller provided his view as the industry expert, classifying new product releases specifically adjusted to the consumer-packaged grocery products and aligning them with the evaluation of innovation. Thus, his perspective serves as a useful addition to complement the Perceived Concept Newness. We can use this part to define our product samples in later steps. It helps us determine which products are considered innovative and which are not.

Fuller's classifications are explained with its own characteristics listed below.

1) **Line Extension:** new version of a product within an established product assortment
2) **Repositioning**: changing in the marketing measure of a product already in the market
3) **New form or new size:** changes in the shape or dimensions of a product
4) **New formula of an existing product:** new formula of an already established product
5) **New packaging**: change in packaging aimed to improve keeping qualities and extending shelf life
6) **Innovative products:** product that contains new ingredients
7) **Creative products:** completely new product which has never been present at the market before

2.4 Keller Brand Equity Model

In the context of understanding consumer perception of innovation, a conceptual application inspired from Keller's work (2003) and (2006) can provide valuable insights into consumer perceptions and preferences, particularly when viewed through the lens of product branding. Brands are highly valuable assets with significant influence over consumer behaviour, capable of being bought and sold, and providing the security sustained future revenues to their owner. Keller's Brand Equity Model is explained as below:

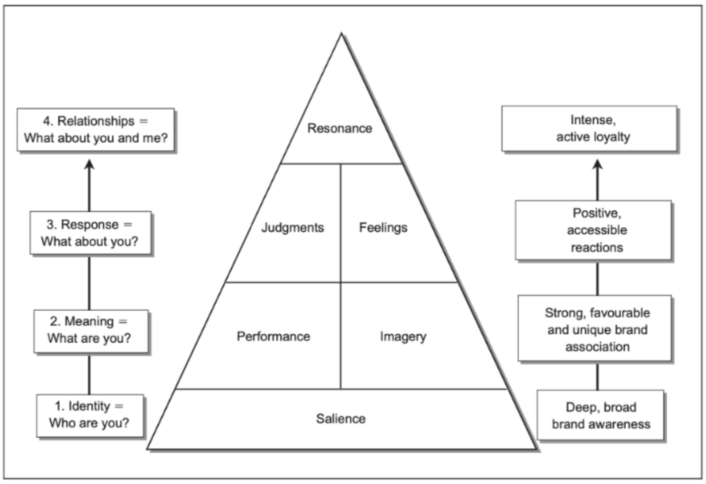

Figure 2: Customer-based brand equity Model (Source: Keller (2003)

2.4.1 Brand Identity

First step at the bottom of the pyramid is Salience, or Brand Identity. This involves creating brand salience with customers, which relate to how readily and frequently the brand comes to mind in different situations or contexts (Keller, 2003). Keller (2003) elaborates further, explaining the cues that can be used as initial step in building the brand identity. The following cues "To what extent is the brand top-of-mind and easily recalled or recognised? What types of cues or reminders are necessary? How pervasive is this brand awareness?" can be used. A highly salient brand is one that has both depth and breadth of brand awareness, such that customers always make sufficient purchases as well as always think of the brand across a variety of settings when it could possibly be employed or consumed.

2.4.2 Brand Meaning

The next step after Brand Identity is Brand Meaning. Taken from Keller (2003), creating brand meaning involves establishing a brand image and what the brand is characterised by and should stand for in the minds of customers. Brand imagery is how people think about a brand abstractly rather than what they think the brand does. In this stage, different types of associations related to either performance or imagery may become linked to the brand. This explanation will help us understand the process of designing the research in the next step.

2.4.3 Brand Responses

The next two steps in the Pyramids are Brand Response and Brand Resonance. Brand responses refer to how customers respond to the brand and all its marketing activity and other sources of information — what customers think or feel about the brand (Keller, 2003). Keller (2003) divided brand responses into two components: Brand Feelings and Brand Judgments. Brand Feelings refer to the emotional responses recall by the brand, while Brand Judgments relate to customers' cognitive evaluations of the brand's attributes and characteristics. These components offer valuable insights into how consumers perceive and interact with brands, as well as their decision-making processes and preferences.

2.4.4 Brand Feelings

Brand feelings are customers' emotional responses and reactions towards the brand. Brand feelings also relate to the social currency evoked by the brand (Keller, 2006). Kahle, Poulos, & Sukhdial (1988, as cited in Keller, 2006) outlined six significant types of brand-building feelings, which are elaborated below:

1) **Warmth**: the extent to which the brand makes consumers feel a sense of calm or peacefulness
2) **Fun:** Feelings of fun are also upbeat types of feelings when the brand makes consumers feel amused, light-hearted, joyous, playful, cheerful, and so on
3) **Excitement:** excitement relates to more upbeat types of feelings. -the extent to which the brand makes consumers feel energized and that they are experiencing something special. Brands that evoke feelings of excitement may result in consumers feeling a sense of elation or "being alive" cool, sexy, and so on. These types are important part in this thesis as it is also a part of the CPI framework.
4) **Security:** Feelings of security are when consumers donor experience worries or concerns that they might have otherwise felt because of the brand
5) **Social Approval:** Social approval is when the brand results in consumers having positive feelings about the reactions of others- that is. when consumers feel others look favourably on their appearance, behaviour, and so on
6) **Self-Respect:** Self-respect occurs when the brand makes consumers feel better about themselves (e.g., when consumers feel a sense of pride, accomplishment, or fulfilment).

2.4.5 Brand Judgements

The CPI Framework consists of several factors, such as Perceived Relative Advantage, Perceived Technological Newness, and Perceived Newness. These factors require consumers to evaluate and judge specific products characteristics. To provide a more complete understanding of how to implement the CPI Framework, we suggest integrating this literature as supplementary material within the context of grocery retail.

Brand judgments involve how customers put together all the different performance and imagery associations for the brand to form different kinds of opinions (Keller, 2003). While customers may form various judgments regarding the brand, but in terms of creating a strong brand, Keller (2003) emphasized that there are four important types of brand judgments:

1) Brand Quality:
2) Perceived quality, and consumer’s attitudes toward value and satisfaction.
3) Brand Credibility:

4) refers to the extent to which the company or organization making the product or providing the service as a whole is seen as being: (1) competent, innovative, and a market leader(brand expertise); (2) dependable and keeping customer interests in mind (brand trustworthiness; and (3) fun, interesting, and worth spending time with (brand likeability).
5) Brand Consideration:
6) Consideration deals with the likelihood that customers will actually include the brand in the set of possible options of brands they might buy or use.
7) Brand Superiority:
8) The extent to which customers view the brand as unique and better than other brands.

2.4.6 Brand Resonance

The final step, brand relationships, focuses upon the level of identification that the customer has with the brand. ‘Brand resonance’ refers to the nature of the relationship that customers have with the brand and the extent to which customers feel that they are ‘in sync’ with the brand. Consumers ‘own’ brands in the brand knowledge they create, but if that knowledge is not favourable (eg if the judgments and feelings are not positive), consumers will choose not to develop any loyalty or even preference towards a brand.

2.5 Chapter Summary

Based on our literature review, we decided to use Consumer Perception of innovation framework (CPI) that is developed by Lowe and Alpert (2015). There are three key important evaluations in this framework:

- Perceived Newness
- Perceived Relative Advantage
- Perceived Technological Newness

The overall perception of innovation among consumers is influenced by three important factors, which ultimately leads to their excitement towards a certain product. However, applying this CPI Framework in the grocery retail context requires complementary literature. We believe that Fuller's classification can supplement the concept of Perceived Newness by providing antecedents on what is considered new in new product releases in grocery retail. We will use this Fuller’s classification to guide us choosing the product representation sample as part of our method in the next step.

When asking consumers to evaluate a product's innovation based on perceived relative advantage, perceived newness, and perceived technological newness, their judgment and feelings towards the brand must be taken into account. To complement the framework for the retail brands products, we consider using part Keller’s Brand Equity Model, which can bridge the gap between the general framework and the grocery industry, help bringing context to the model.

We conducted literature reviews on the CPI Framework, Fuller's New Product Releases Classification, and the Keller’s Brand Equity Model. We found that these paradigms complement each other well and can be effectively used in the grocery context. These findings served as the theoretical framework for our thesis, which is displayed in Figure 3.

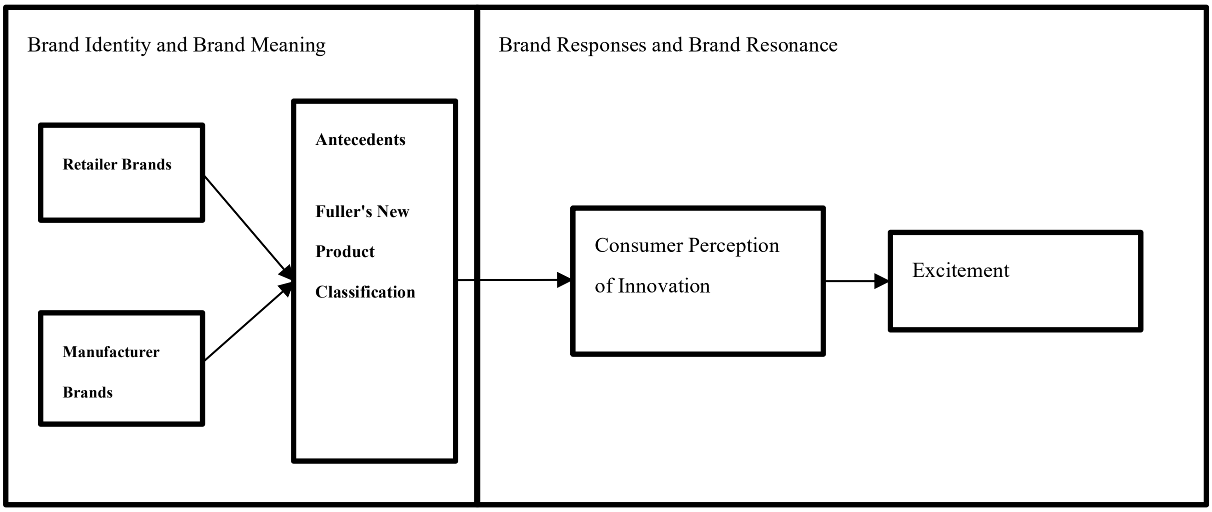

Figure 3: Theoretical framework thesis (Source: adapted from Lowe & Alpert, 2015; Fuller, 2004 cited in Anselmsson and Johansson, 2009; Keller, 2003)

3 Methodology

In this chapter, we will provide a comprehensive analysis of the methodology chosen for our thesis. We will begin by outlining our research philosophy, followed by a discussion of our epistemological and ontological orientation. Subsequently, we will then search into the specifics of our chosen data collection methods, research design, and sampling strategy we have chosen. Following this, we will analyze our data strategy and address the quality, limitations, and ethical considerations of our research.

3.1 Research philosophy

In our exploration of research philosophy, we examined our approach to the research problem from two philosophical perspectives: ontological and epistemological. According to Easterby-Smith et al. (2021) and Bell et al. (2022) ontology is the initial step in any research that goes into exploration of the essence of reality, focusing on our assumptions about what exists, the nature of reality. Our research focused on consumers attitude towards innovation in grocery sector in Sweden, which aligns with relativism stance. This perspective claims that social class is perceived and understood differently by individuals, varying based on their belonging to a particular class, as well as the context or country they inhabit (Easterby-Smith et al. 2021). When it comes to epistemological perspectives, different viewpoints offer insights into reality, with a key division between those who see the social world as separate from individuals, termed as positivism and those who believe reality is shaped by human processes, referred as constructionism (Easterby-Smith et al. 2021).

Building on this groundwork and given our focus on consumer perceptions of innovation within the grocery sector in Sweden, we will include an epistemological social constructionist framework, combined with ontological relativism, to navigate the complex dynamics influencing individuals' interpretations and engagements within consumer attitude. This also corresponds with Bell et al.'s (2022) definition of constructionism, which suggests that social phenomena and their meanings are constantly influenced by social actors and their interactions. As we focus on exploring consumers' viewpoint of innovation in grocery sector, we will adopt an epistemological social constructivism approach which prioritizes the understanding of reality from the perspectives of social actors, emphasizing internal interpretations over external influences (Robertson et al. 2017). However, we have opted not to go for objectivism, as it suggests that social phenomena exist as external facts regardless of our perceptions, suggesting an objective reality that is independent of our observation (Bell et al. 2022), a perspective that does not align with our research aims.

We chose this approach because it allows us to include the unique perspectives and emotions of consumers regarding innovation across several product categories of private labels and manufacturer brands, providing a more distinction perspective. Furthermore, this perspective recognizes that individuals shape their own perceptions of reality through a combination of personal experiences and social interactions (Bell et al. 2022). While adopting a social constructionist perspective offers valuable insights, we acknowledge the potential challenges it presents, including our risk of inadvertently imposing biases onto the interpretation of participants' experiences.

3.2 Research approach

Our research aims to explore consumers' perceptions of innovation in grocery sector in Sweden, guided by the research question " How do consumers evaluate the product innovation in private label and manufacturer brand?". Considering the exploratory nature of our research and the necessity to gather experiences and opinions of our participants, qualitative research emerged as the most suitable option for us. This approach enables the gathering of textual, verbal, or visual information, which cannot be quantitatively measured (Bell et al. 2022; Easterby-Smith et al. 2021). Moreover, this approach is aligned with a constructionist position, which proposes that social phenomena emerge from interactions among individuals rather than existing independently (Easterby-Smith et al. 2021; Bell et al. 2022). To effectively explore the research question, it's crucial to gather primary data that go into consumers' perspectives, experiences, including their thoughts, emotions, and reasoning (Rahman, 2016). That approach is supported by Strauss and Corbin (1998), who emphasized the importance of qualitative research in understanding various and personal aspects of customer experiences. Gathering primary data in this manner secures the authenticity and reliability of the insights obtained, as they originate directly from the consumers themselves (Rahman, 2016). One of the main benefits of qualitative approaches, as Maxwell (2012) points out, is their adaptable structure, allowing continual clarification and adjustment. However, as noted by Easterby-Smith et al. (2021), a disadvantage of qualitative research is the abundance of subjective data, which usually require an extensive analysis and interpretation to be fully understand. To address this challenge, thematic analysis is chosen as a method for handling large datasets and to structure the information.

In choosing the abductive approach, we recognize its compatibility with our qualitative research design. This method stands out as the optimal choice for our thesis due to its flexibility and dynamic nature, which aligns well with the iterative process of research (Saunders et al. 2019). Unlike purely deductive or inductive approaches, abductive approach allows us to navigate between observation and theory-building, recognizing repetitive nature of research, where researchers move back and forth between observation and theory-building (Easterby-Smith et al. 2021; Bell et al. 2022). In this dynamic process, we hold a balance between staying open to data insights and utilizing existing theories not only to formulate hypotheses (as in deduction), but also as inspirations for identifying and interpreting emerging patterns (Alvesson and Sköldberg, 2008). This is helpful for our research since we allow our participants to share their experience and attitude towards innovation in grocery sector by incorporating open-ended questions. For instance, although our research focus on innovation in the grocery sector, one participant shared opinion particularly of Oatly products innovation. That allow us to generate new understanding and potentially discover new insights about innovation in the grocery sector. Therefore, abductive approach allowed us to use existing literature and to come up with ideas and to help us understand what we observe, and possibly develop new angles rather than simply applying collected data to existing theories.

3.3 Evaluating Brand Response and Brand Resonance

Brand Responses and Brand Resonance as part of the customer-based brand equity model by Keller (2003) is two helpful concepts in bridging the CPI framework closer to the grocery retail. We found two important qualitative ways that can be used in evaluating the brand response, explained as follows.

Examining the associations linked to the brand, or often equated with the terms of brand image, is a good source of analysing the brand equity. Keller (2006) suggested that the simplest and often most powerful way to profile brand associations involves free association tasks whereby participants are asked what comes to mind when they think of the brand. Evaluating Brand and product perception using Free Association as suggested by Keller (2006) are explained in the useful steps as below:

1) Asking the consumer what comes to mind of a certain product
2) Follow-up question as the favorability associations they listed for, or generally what they like about the brand
3) Examining into the uniqueness of associations they have for the brands
4) Examining the higher order meaning of different associations by laddering techniques

However, the consumers might find it difficult to identify and express their true feelings when asked directly. This could provide hurdles for us in obtaining the expected results from the consumer relying just solely on the Free Association method. Alternatively, Keller (2006) suggests we can use the projective techniques to uncover consumers perception of the brand image and their relationships with the brands. Two possible techniques which can be useful for us in this thesis according to Levy (1999 as cited in Keller, 2006) are summarised as follows:

a. Completion and interpretation tasks

Uses incomplete or ambiguous stimuli to obtain consumer thoughts and feelings. Cartoon or photos are placed in the scenes, and consumers are then asked to figuratively indicating what they believed was happening.

b.Comparison tasks

When consumers are not able to directly express their perceptions of brands, consumers can be asked to convey their impressions by comparing brands to people, countries, animals, activities, fabrics, occupations, or even other brands.

Despite numerous attempts in the literature to identify different patterns of innovation, it is very difficult to provide a comprehensive definition of the term, therefore describing its nature remains challenging (Edwards-Schachter, 2018). To gain insight into consumer perceptions of innovation, we will be using the free association technique to evaluate their responses. In addition, we will also use comparison tasks to gather data and eliminate any potential obstacles.

3.4 Product Categorization and Product Sampling

Choosing the Retail representation: Introduction to ICA

ICA is the largest retail chain in Sweden based on the market share. The group is mainly focused on food and health (ICA, 2024). The Group includes ICA Sweden and Rimi Baltic, which mainly conduct grocery retail, ICA Real Estate, which owns and manages properties, ICA Bank, which offers financial services, and Apotek Hjärtat, which conducts pharmacy business. According to ICA Gruppen Annual Report 2023 (2024), ICA Sweden as the body which operates the grocery retail has four store formats: Maxi ICA Stormarknad, ICA Kvantum, ICA Supermarket, and ICA Nära. The profile for each of the store formats are as follow:

Table 1: Number and Type of Stores in ICA

Formats	Store Gross Sales (SEK Mio), Excluding VAT	% Change 2023 to 2022	Number of Stores as of 2023 (Including Retailer-owned stores)
Maxi ICA Stormarknad	47.668	8%	90
ICA Kvantum	34.623	5%	1.229
ICA Supermarket	41.299	6%	422
ICA Nära	21.519	4%	629
Total	145.110	6%	1.270

Source: ICA Gruppen Annual Report 2023 (2024)

ICA Group is a rapidly growing company, having achieved a 6% increase in sales by the end of 2023 compared to the end of 2022. Furthermore, ICA holds 52% of the market share for Swedish groceries, according to Statista in 2024. This means that more than half of all grocery transactions in Sweden take place at ICA. Additionally, ICA boasts an impressive number of stores, with a total of 1,270 locations throughout Sweden. With these impressive statistics, we believe that ICA serves as an ideal representation for choosing products and validating the expanding category in the later steps.

Axfood Group, as stated on their website (Axfood, 2024), aims to target the lower price segments. On the other hand, COOP provides a more curated private label selection. We find ICA interesting because it targets both of these segments, allowing us to study a wider range of consumer segments in our evaluation.

Introduction to ICA Private Brands

According to information from ICA's website (2024), ICA currently has seven private label brands. These seven brands have different brand meanings, with ranges aiming to offer the cheapest options, organics, healthy, and premium goods. All of them are only distributed through ICA distribution networks in Sweden and Baltics. Below are the explanations for each of the brands:

Table 2: ICA's Private Labels

Brand Name	Brand Promise	Product Range
ICAs egna varor (ICA's Own Brand)	Affordable and good products for all occasions Enhances everyday life, often with sustainable added value or a commitment to a good cause	Cooking Ingredients, Detergents, and Cleaning Products, Durable Goods (Pan)
ICA I Love ECO	Organic range Food and products produced in balance with nature, without sacrificing taste and quality	Coffee, Meat, Cooking Ingredients, Fruits, Vegetables, Cotton Clothing
ICA Gott Liv (ICA Good Life)	Healthier choice Food that is good from the ground up, suits all occasions and makes it easy to eat a little healthier	Fish, Grains, Nuts, Condiments, Fruit and Vegetables
ICA Selection	Products that give something extra Premium and quality products	Cooking Oils, Yogurt, Fresh specialty meat and fish, Frozen Vegetables
ICA Skona	Eco-Labelled, gentle on nature without compromising price	Products in laundry, cleaning and paper
ICA i samarbete med Apotek Hjärtat (ICA in collaboration with Apotek Hjärtat)	Health benefit embedded products Based on pharmaceutical expertise	Personal care products, Vitamin, Wound care

ICA Basic	The low price is made possible by large purchases, simple packaging and a quality that is sufficient for everyday use. No frills, just good stuff	Everyday goods

Source: ICA Gruppen profile website (2024)

ICA Private labels have unique ecological-sustainable positioning. This is aligned with consumer insight reports that highlights the trend among Swedish consumers, they value innovation in relation with sustainability. As cited from BCG Swedish Consumer Sentiment Report, Swedes demonstrated the increased importance of sustainability across all product segments, ages, and income levels. The most significant increase in sustainability importance appears in Travel and Transportation and Food & Groceries, where 60% and 69%, respectively, said sustainability is important or very important. Other categories where sustainability was more important included Health and Beauty (55%); Clothes, shoes, and accessories (56%); and Electronics and White Goods (57%). Therefore, sustainability is an important consideration in Swedish consumer culture. This aspect could be an interesting point to examine further in the product representation.

Most of the private label focuses on food and cooking ingredient products. ICA offers a wide variety of food ingredients, colonial-foreign products, as well as ready-to-eat products. Additionally, ICA also offers personal care and cleaning products, although the selection is not as extensive as in the food category. Choosing the category to be further examined in this research will be a critical point. In the next section, we will analyse the category we will focus on in this research.

Choosing the category representation

We conducted a pilot study at ICA Supermarket in March 2024. ICA Supermarket is considered a chain; thus, the assortment category in each store format should have been standardized. However, we chose Ica Kvantum as our representation as 96.7% of ICA Stores are in this format. Below are the stores that we observed:

Table 3: Pilot Study in ICA

Formats	Location	Date of Visit
ICA Kvantum	Lund C	27-Mar-24
ICA Kvantum	Tuna Malmbörgs	27 Mar 24

Source: Author’s own tabulation

During the field work in ICA, we inventoried the shelves category and found that there are 87 shelf categories in the stores. Based on the similarities of the product characteristics and product functions, we clustered the 87 subcategories into 27 categories in order to simplify choosing the product representation.

Table 4: Categories in ICA based on Pilot Study

Categories
Alcohol Drink
Baby Products
Condiment
Confectionery
Cooking Ingredient
Dairy, Cheese, Yogurt
Dessert
Energy Functional Snacks
Fresh Groceries
Frozen Food
General Cleaning Products
Household Items
Juice
Non Alcohol Beverage
Non Alcohol Energy Drink
Non Dairy Drinks
Personal Care
Petfood
Processed Food
RTE Fresh
Snacks
Staple Food
Stationery
Supplements
Tea and Coffee, Non RTD Drinks
Textiles
Wound Care

Source: Author's own tabulation

In choosing the product representation, we will shortlist the choice by identifying several categories that are currently active innovating. We will only choose the currently expanding product category, as it indicates where innovation is currently active. Martos-Partal (2012) found that innovation is related with the interest in the category (high or expanding sales). Depending on the retailer channel power and the interest in the category, manufacturers can use innovation as one of their strategies depending on the visibility and position in the market. We sourced our information based on the trade magazines and available outsourced data.

According to Svenskdagligvaruhandel Annual Report (2024b), there are several categories in Swedish retail sectors which grow relatively expansive outpacing overall retail industry growth of 6.8% on 2023. Citing from HUI Research (2022 as cited in Svenskdagligvaruhandel, 2024a) Water, Non-Alcoholic Beverage, and Juice grows around 28% in 2022 compared to 2016 base year. In the second place, Ice cream and confectionery growth is around 22% in 2022 compared to the base year 2016. Cereal and Bread come in the third place with roughly 17% growth for 2022 compared to 2016 base year.

Milk and cheese category declines for almost -7% in 2022 compared to the base year 2016. However, Milk, egg, and cheese category remain important category in Swedish grocery as it constitutes 18% of Swedish's household expenditure. Despite its declining trend, we feel the need to include Mejerier (Dairy) in the research as it contributes significant sales volume in the Swedish Groceries. We will use the dairy category as benchmark representing the mature and declining category in our analysis. Fish experience a steep decline with -20% consumption in 2022 compared to the base year 2016. However, we will only focus on the packaged goods in relation to Private Labels and therefore exclude the frozen category.

Kommerskollegium (2022) in its Swedish market for cosmetics report shows that most European countries are experiencing decline in cosmetic sector. However, Swedish market is expected to show modest grow in the upcoming years. Among the subcategories, Toiletries are growing of around 12.1% according to the latest data available in Kommerskollegium report published in 2022. Due to the pandemic situation over post 2021, this situation could have been changed yet this is the latest data we could obtain.

Choosing the product representation

After reviewing several resources related to market trends in the previous section, we have decided to evaluate four categories: Non-Alcoholic Beverages, Dairy, Ice Cream and Confectionery, and Toiletries. Each category will be represented by one product from a retailer brand and one product from a manufacturer brand that meets the innovation criteria based on the CPI Framework. Considering the unique characteristics of the consumers in Sweden, such as their focus on sustainability, we will also select one sustainable product from the same category. Please refer to the table 5 for the detail of our chosen product representation:

Table 5: Product Sample Representation

Product Category	**Product Representation** **PL**	**Product Representation** **MB**	**Product Representation – Sustainable**
Non-Alcoholic Beverages			
Dairy			
Ice cream and Confectionery			
Toiletries			

Source: Author's own tabulation

We choose these product representatives from the table based on certain considerations, explained in the next section.

Non-Alcoholic Beverage

We are currently working on selecting product representatives in the non-alcoholic beverage category. Our observations at ICA have shown that private label options are limited in this category. While the growth of this category is driven by energy drinks and functional drinks, we have not found a comparable product from ICA's private label line in the energy drink category. As a result, we have chosen to focus on functional drinks, specifically juices.

We have selected three juice products with the same base and product format to enable direct comparisons. These products are orange juice in PET plastic bottles, non-perishable, and not for single consumption. For the private label representation, we have chosen ICA Orange Juice from ICA's own brand line (ICA egna varor). Orange is a common flavor, making it easier for respondents to recall the product. The main innovation feature highlighted in the product is that the juice is freshly pressed right after being harvested. We observed that due to its highlighted feature, ICA probably wants to pursue thirst quencher segment. According to Fuller’s classification of Innovation, this product satisfies a repositioning type.

For the manufacturer's brand representation, we have chosen Innocent. According to the CPI Framework, Innocent stands out due to its unique bottle shape and lid, which is not found in other juice products, making it distinct on the shelves. The juice emphasizes its vitamin content and the fact that it never comes from concentration. The inclusion of real fruit bits is another innovation point. Innocent, distributed and owned by the Coca-Cola group, is a widely recognized brand, which we believe will aid in consumer recall. According to Fuller’s classification of Innovation, this product represents one level up innovation from repositioning, which is a new packaging.

The third sample we have included is God Morgon juice. This juice has a similar appearance to Innocent but is certified ecological, which we consider its unique selling point in terms of innovation. This aligns with the growing trend in Sweden, as noted in a consumer survey provided by Forbes in 2018, which indicates a consumer preference for sustainability-related innovation. Similar to Innocent, we categorized this as an innovative product. Being certified ecological overall needs change in several components, compared to the other lines from Godmorgon.

Dairy

According to the Svenskdagligvaruhandel Annual Report (2023), the sales of dairy and cheese have been declining in recent years. Despite this, this category still accounts for 18% of household expenditures in Sweden, making it an important category in terms of value and consumption habits.

After conducting pilot fieldwork, we decided to focus on the "mellanmjölk" variants, which are the products with the largest presence on the shelves at ICA. We believe that these are the most widely consumed products and will be easier for consumers to recall. We selected three products in this variant for further analysis.

Our first sample is ICA Mellanmjölk, which is part of the ICA egna varor brand. Based on our fieldwork, we found that this product stands out due to its clean packaging and high visibility compared to its competitors. However, we did not identify any new features that distinguish this product from others, except for the label stating "Från Sverige" (Product of Sweden). Considering ICA egna varor brand encompasses wide portfolio, we then consider this product falls on line extension innovation type on the fuller's category.

The second sample is Skånemejerier mellanmjölk, which we found to be available throughout Sweden via ICA's distribution network, not just in Skåne. This product has innovative bottle-like packaging, but we did not observe any major differences in product features, or the Nutrition Information Panel (NIP) compared to other mellanmjölk products. In understanding the innovation level in this product, taking back the fuller's classification, we consider this as a new packaging type of category.

Our third sample, also from the Skånemejerier brand, features conventional dome-shaped carton packaging made from brown carton material, emphasizing sustainability. In cases where this product is unavailable, we use Arla Øko as a backup, as it shares the same ecological sustainability features. We do not use Arla Øko as the main sample, considering that Skånemejerier has high brand loyalty among consumers in Sweden. This approach helps eliminate the influence of brand loyalty on consumers' judgment of the sustainability aspect. We consider these products to represent ecological sustainability. We consider this to be categorized as an innovative product, being certified ecological overall requires change in not just packaging but also the overall production line. However, the product that is introduced is not a completely new concept.

Ice Cream and Confectionery

Due to the limited availability of Private Label ice cream brands, we have started by addressing the bottleneck in our ability to compare our product samples on the same criteria. We have found that chocolate-based products have a higher ability to be compared. To simplify our consumer's evaluation process, we have eliminated products that utilize ingredient branding (collaboration) with other brands from our consideration.

We found an ICA store almond product with chocolate in stick form (popsicle) and vanilla ice cream with a chocolate crust. This product is marketed under the ICA own brand and highlights real chunks of almonds as its unique selling proposition. This product satisfies one criterion from our CPI product, different, as it stands out in terms of packaging color compared to the options in the ice cream cabinet. We have observed this during our pilot fieldwork. No other product innovation according to our CPI Framework criteria was found in this product. We consider this as a new formula for the existing product in the market.

The second sample we chose is the GB Glace Nogger classic. This brand has been known for years, dating back to 1942, as cited from the Unilever website. We chose it based on availability and the uniqueness criteria in accordance with our CPI framework due to its longstanding tradition. No other innovation criteria point was found in this product. We observed that this represents a line extension, extending from previously individual sticks of initially launched GB Glace products.

The third product we chose is Magnum Vegan Ice cream. The flavor shares the same base as the other samples, vanilla ice cream with a chocolate crust, with some tweaks. The ice cream has only three sticks in its pack, which differs from other brands that have six configurations in their pack. The product innovation point is being vegan and conveying the message of raspberry swirl as their main highlight. From what we observed, the flavor is not available in other brands in the fridge cabinet during our pilot fieldwork. The raspberry satisfies our CPI Framework parameters as being new and different as it is twisted in the vanilla ice cream base. No other functions are highlighted, neither in the romance copy nor the Nutrition Information panel (NIP). In comparison with other products available in the market, we classified this product as Innovative product on fuller's classification of innovation level. Magnum Vegan introduces new materials, but the product itself is not a completely new thing.

Toiletries

We have a wide range of toiletry products based on the definition provided by our data sources. However, we have chosen different variants of hand soaps to represent this category due to the availability of private label brands and comparability with other samples.

The first sample of a private label we have chosen is ICA BASIC hand soap, which features clear packaging that uses less plastic. An innovative point we observed is its pricing, which is much lower than others, highlighting efficiency. We think this product can be categorized in representing a line extension compared to current ICA BASIC product portfolios.

The second sample we have chosen is Palmolive. We selected this product because it is widely available and meets the criteria of being unique with standout packaging that displays real pictures. According to our observation, the main innovation point of this product comes from the marketing claims, stating that the product is made from 96% natural ingredients and uses 100% recyclable plastics. This satisfies sustainable criteria appreciated by consumers in Sweden, as indicated by consumer surveys from Forbes (2018) and stands out in terms of packaging design compared to other brands on the shelves during our pilot fieldwork. Concluding from the romance copy, we concluded that this product can be categorized as New Packaging type of innovation.

The third sample in this category is ICA Hjärtat ecological hand soap. This product is part of the ICA Hjärtat brand, which emphasizes its positioning as clinical, but it is also available in ICA Stores. The main innovation points, according to our observation, include being different and unique, as there are currently no prominent clinical products on the shelves related to hand soap at ICA supermarkets. Another innovation point is that it is certified ecological. We consider categorizing this sample as Innovative products, as being certified ecological means involving a more thorough change towards the product compared to the other available products in the market.

3.5 Sampling design

Following the framework outlined by Bell et al. (2022), achieving a representative sample in this case can be achieved through either probability or non-probability methods. The non-probability sampling method selected for this research is purposive sampling. According to the definition, purposive sampling is a non-probability sampling method in which the researcher selects sample units based on specific criteria that are in line with the objectives of the study (Easterby-Smith et al. 2021). As researchers, we have a specific criterion of the necessary sample units that will be further explained, and we actively reached out to potential participants to determine their eligibility (Esterby-Smith et al. 2021). Therefore, we opted to select participants according to the research's goals and objectives rather than using random selection.

The data collection process involved conducting interviews with individuals throughout Sweden who are familiar with the retailer ICA and its private labels, as well as manufacturer brands in Sweden. For our research criteria, we will select participants who are the primary decision-makers for grocery purchases, specifically targeting individuals responsible for managing grocery-related tasks. This approach ensures that our interviewees have the knowledge and expertise in selecting grocery products. Secondary, since ICA is a significant player in the Swedish retail market, another criterion is familiarity with ICA and its private labels. To ensure an accurate representation and understanding of the preferences and attitude of Swedish consumers in our research study, we established an additional criterion: participants must have resided in Sweden for a minimum of six months. This requirement guarantees that participants have had enough exposure to Swedish culture, market dynamics, and societal norms, enabling them to offer insights that better reflect the typical Swedish consumer experience. Furthermore, to ensure a representative sample of Swedish residents across different regions of Sweden, we aimed to avoid focusing only on a specific area. Hence, we search for participants from major urban centers across Sweden.

We initiated recruitment by posting announcements on our university groups, Facebook groups, university groups, and to acquaintances aiming to attract individuals relevant to our research topic. In these posts, we ask about their familiarity with ICA stores and grocery shopping experiences in Sweden, to ensure the selection of suitable participants. Additionally, we provided details about the interview process and ensured that participation is anonymous, by assigning acronyms, such as Participant 1-12. The scheduled interviews started on the 27 of April 2024, with 12 individuals who expressed willingness to participate after the aims and objectives were explained to them at the start of the interview process. The sample consisted of 4 men and 8 women between the age of 21 and 73. A more detailed list of the respondents age, gender, location, and occupation, will be found in Table 6. These 12 respondents were selected to ensure diversity in gender, age, location allowing us to capture potential differences in attitudes associated with these demographics. However, it's worth highlighting that age and gender diversity was not a primary consideration for us, as our focus is on individuals responsible for managing their household's grocery shopping lists. We believed that this sampling method could allow participants to provide the best answers to meet our research question.

Determining the appropriate sample size in our research while considering time limitation as a challenge, as the determination of sample size in qualitative research has been the subject of ongoing debates (Vasileious et al., 2018). Various scholars, including Baker & Edwards (2012), Vasileious et al. (2018), Morse (2000), Kindsiko & Poltimae (2019), Sim et al. (2018), have made efforts to establish a numerical guideline to help researchers in determining the sample size for qualitative studies (Bekele & Ago, 2022). However, the issue still lacks a concrete guideline that is clear and accessible for less experienced researchers (Bekele & Ago, 2022). Therefore, we acknowledge that our sample may not be representative, and we do not aim to draw generalizations beyond the specific context of our research. During the interview process, we conducted discussions to evaluate the value of the information that we gathered to answer our research question. Consequently, we decided that no further participants were needed, as the data collected from the 12 participants are in coherence with our research objectives.

3.6 Data collection

Once the framework and methodology for our research were established, we initiated the data collection process. In this chapter we will explain primary motivation for selecting our data collection method, along with reasons for our qualitative research approach, with a specific emphasis on semi-structured interviews.

3.6.1 Data collection method

Our research relies on primary data collected through our own research (Bell & Bryman, 2011; Easterby-Smith et al. 2021), as our aim was to focus our study on consumer perceptions and gather insights from them. Therefore, primary research focuses on generating original data, unlike analysing secondary data, which involves using existing data (Easterby-Smith et al. 2021). Secondary data, on the other hand, refers to information previously collected for other purposes and might be considered for reuse (Vartanian, 2010). In our research, we use secondary data that came from academic journals, reports, trade magazines and websites. It was used as an initial step in identifying the need for primary data collection. According to Easterby-Smith et al. (2021), a primary limitation of secondary data is its potential mismatch with the research question and problematization being investigated, which was the case in our research. Therefore, we conducted our primary data collection using qualitative research methods, specifically conducted 12 semi-structured interviews with grocery consumers in Sweden. We chose this method primarily because of the nature of our research, since innovation is broad and abstract term. Secondly, the nature of semi-structured interviews is unstructured, direct, and adaptable, which allows for a conversational style during data collection (Malhotra, 2010; Doody & Noonan, 2013). Initially, we considered using focus groups instead of interviews. However, considering the newness of the topic of our research and the importance of securing the opinions of all participants, we decided against it. Mostly due to a limitation noted by Cowton and Downs (2015): the potential for strong personalities to dominate the discussion, thereby discouraging more reserved participants from contributing. Therefore, the flexibility of semi-structured interviews outweighs the limitations of focus groups that may result. We also considered using nephrography, since it allows us to research for emerging trends and capturing online conversations and interactions. However, innovation is a broad topic, and people do not typically discuss innovation in grocery sector spontaneously on online platforms.

3.6.2 Interviews

Interviews represent the most common method for gathering qualitative data (Doody & Noonan, 2013). Qualitative interviews represent the fine distinction of attitudes, perceptions, and experiences related to the research topic, encourage an interactive and dynamic exchange between the researcher and the participant (Easterby-Smith et al. 2021). As the base for our research, we used the same set of interview questions that were originally designed in the CPI measure outlined by Lowe and Alpert (2015) in their article. In their study, Lowe and Alpert (2015) used confirmatory factor analysis (CFA) to validate their CPI model quantitatively. In contrast, we chose to adopt a qualitative approach to explore the same CPI model through semi-structured interviews. Therefore, semi-structured interviews serve as our primary method for gathering data, allowing us to collect insights directly from individuals regarding their experiences, beliefs, or opinions regarding innovation in the grocery sector. These qualitative interviews provide understanding of experiences that quantitative methods alone cannot capture (Easterby-Smith et al. 2021). Another reason for choosing semi-structured interviews is their nature to be between structured and unstructured interviews, offering a balance between the two approaches (Bryman & Bell, 2007). That flexibility enables us to ask follow-up questions facilitating additional exploration of specific topics during the interview process. Another factor in selecting semi-structured interviews was our desire to maintain a certain level of control over the interview process. In contrast to unstructured interviews, which provide very limited control, semi-structured interviews offer a level of guidance in the conversation. This helps prevent the discussion from deviating in multiple directions, which we wanted to avoid, especially considering the complex understanding of innovation among consumers. Furthermore, using semi-structured interviews provides a framework for analysing the data, as there will be some level of comparability between the responses of interviewees (Bryman & Bell, 2007).

Therefore, the initial set of questions serves as an introduction to collect demographic information regarding personal background, including age, occupation, grocery shopping habits, that can be further explain in the table 6. Following set of questions focused on themes such as Consumer Perception of Innovativeness, Perceived Concept Newness, Perceived Relative Advantage, and Perceived Technology Newness. Participants were given the option to skip any questions or segments of the interview if they felt uncomfortable sharing certain information. Additionally, participants are provided with contact information of us in case they have any questions or concerns about the research. Initially, all participants are fully informed about the nature of the interview, including its purpose, the topics to be discussed, and how the data will be used. All of them were asked to provide their consent before proceeding with the interview.

Additionally, we made sure to use language that is easily understandable for participants, considering the challenge of finding a universal definition of innovation within the grocery sector. All interviews were conducted in English. A total of 12 interviews were conducted over a week, using the guide provided in Appendix A. The first interview took place on April 26, 2024. The last interview was conducted on the May 3, 2024. Initially, all interviews were recorded, varying in duration from 35 minutes to 1h and 40 minutes as the longest. On average interviews took around 45 minutes. Subsequently, we transcribed or converted each interview into written data on the same day it took place. The majority of interviews were conducted online using the Zoom platform, as respondents were spread out geographically across Sweden. However, four interviews took place on-site.

Table 6:Participant's demographic information

Participant	Age	Background	Location
Participant 1	23	Bachelor Student	Kristianstad, Lund
Participant 2	29	Master's Student	Umeå
Participant 3	73	Retired Preschool Teacher	Lund
Participant 4	35-40	Engineer	Stockholm, Karlstad
Participant 5	30-35	Corporate Employee	Älmhult, Lund
Participant 6	35-40	Corporate Employee	Landskrona, Luleå, Stockholm, Lund
Participant 7	40	PhD Student	Gothenburg
Participant 8	21	Bachelor Student	Malmö
Participant 9	42	HR Consultant	Lund
Participant 10	35-40	Entrepreneur	Lund
Participant 11	23	Bachelor Student	Malmö
Participant 12	24	Nurse	Malmö

Source: Author's own tabulation

3.7 Data Analysis

A thematic analysis was selected for this research, mostly because of its adaptability in interpreting the collected qualitative data (Braun & Clarke, 2012). Nowell et al. (2017) emphasize its core advantage lies in its flexibility and accessibility. Braun & Clarke (2012) view thematic analysis as foundational, serving as a basis for more rigorous qualitative data analysis processes.

We selected this approach because of its systematic nature of identifying, organizing, and interpreting patterns of meaning (themes) within the collected data (Braun & Clarke, 2012). We familiarized with the data and divided it into five specific themes or patterns of importance, which align with the main parameters of CPI that is explained in detail in Chapter 2 (Braun & Clarke, 2012). Data was broken down into codes, identified and labelled descriptively to summarize their meaning (Easterby-Smith et al. 2018).

Additionally, using an abductive approach, we linked the collected data to the theoretical frameworks which is explained in detail in Chapter 2, which served as the primary foundation, through a continuous back-and-forth process. We asked the question based on theme gained from the adjusted framework, while at the same time keeping the questions open-ended and our respondents can talk about their experience freely. The adjusted framework served as the primary foundation for guiding the sorting process. Since we divided the data into five themes, with each theme representing a different aspect of the topic. For instance, one of these themes focused on the Consumer concept of newness, drawing from the adjusted CPI framework. Within this theme, we identified codes related to perceptions of innovation, such as "new," "different," "unique," "original," and "distinct." These codes served as indicators of how participants perceived innovation within the grocery sector. For the example, when asked about perceived newness within ice-cream category participant 9 stated that, “Yes, the vegan. Because that one is quite new, quite new, new thing I guess to make something to make it vegan certified in category of ice cream. Not so innovative though. I mean, they're the same chocolate all of them. The same old product, basic chocolate.” This is an illustrative example how we analysed our findings based on codes such as "new" and "innovative" within themes of Consumer concept of newness.

By focusing on the meanings of data collection, we aim to understand the individual or shared experiences, perceptions, beliefs, or attitudes of the participants. Once we reached a point were gathering and analysing additional data no longer contributed to our concepts, we decided to conclude the data collection process. This approach allowed us to structure the interview data in a detailed and clear manner and allow us to consistently review our interview material and structure the data into distinct themes.

3.8 Research Quality

Reliability, replicability and validity are fundamental standards for evaluating the quality of business research (Bell et al. 2022). These factors not only show how trustworthy the research is but also how good it is overall (Bell et al. 2022). To achieve research quality, we prioritized the incorporation of recent references and statistical evidence. We emphasized the criticality of selecting credible sources for our literature review and data analysis, recognizing that the quality of our sources directly influences the reliability of our findings. This involved a dependence on peer-reviewed journals, valuable databases, and authoritative publications. In terms of methodology, we secured optimal conditions for interviews, such as choosing suitable timing and location. Additionally, we used strong methodologies and analytical techniques to further support the validity of our findings, encouraging confidence in the accuracy and reliability of our research outcomes. We understand that eliminating personal values from research is challenging, if not impossible. However, by being observant and acknowledging this possibility, we try to increase the objectivity and credibility of our research findings.

According to Bell et al. (2022), validity is secured by grounding our research in the modified framework of Lowe and Alpert (2015). By incorporating Keller's conceptual model of brand equity, we could explore the intersection of brand perceptions and consumer evaluations of product innovation. Specifically, this allows us to analyse how brand equity influences consumer perceptions of product newness, technological advancement, and relative advantage. By aligning our research questions with the modified frameworks, we ensure that the questions are easy to understand. Additionally, we have conducted a pilot study to avoid potential issues in the future. We believe that our research provides comprehensive findings, however we believe that it cannot be generalized, since it consists of 12 semi-structured interviews.

Regarding reliability, we cannot guarantee that a repeated study would have the same results due to our sample, which consists of participants from Facebook groups, university groups, and acquaintances. However, all participants met our criteria and formed a representative sample that is geographically dispersed across Sweden. Therefore, we believe that our approach to evaluate how consumers perceive innovation in the grocery sector within Sweden is relevant.

Regarding replicability we believe that future studies can be done by following our semi-structured interviews that have a foundation on CPI parameters (Lowe and Alpert, 2015).

Throughout our study, we have consistently recorded, translated, and transcribed all conducted interviews, maintaining separate files for each. These files serve as proof of our research process. For the quotes used, we ensured that the content remained unchanged, with only grammatical errors being corrected.

3.9 Limitations

The limitations of our study revolved around the nature of the semi-structured interviews, as we allowed interviewers flexibility in responding to questions, potentially compromising the objectivity and standardization of the collected data. There might have been cases where certain aspects were overly emphasized or where memory played a role among interviewees when expressing opinions on innovation in the retail sector. Furthermore, some participants faced difficulties understanding terms such as "innovation" and "originality." To address this, we used projective techniques, allowing participants to indirectly express their perceptions when direct expression was not feasible. However, despite our explanations, some participants would still skip these questions.

Regarding our sample, it consists of 12 participants may not adequately represent the diverse perspectives and experiences within the Swedish consumer population. The consequence of this smaller sample size is a reduction in the generalizability of our findings, making it less reliable to project our results to the broader population. Nevertheless, we remain confident that our sample has provided us with sufficient empirical data for our analysis.

Additionally, in conducting a qualitative study focused on Swedish consumers and conducted within Sweden itself, the use of English as the primary language may have impacted participants comfort levels. Bryman and Bell (2007) suggest that participants tend to feel more conformable when answering questions in their native language. This was evident in our study, as several participants interjected Swedish words or phrases into their responses. Hence, conducting the research in Swedish may have provide more comprehensive results, since the participants are more familiar and comfortable in their native language.

Another limitation of our research is that we categorized products into only four categories, each containing three products This narrow selection may not fully capture the complexity of products in the market and could limit the depth of our analysis. Expanding the number of products within each category would offer a more comprehensive understanding of consumer perceptions and attitude in the context of the grocery sector.

3.10 Research Ethics

We prioritized the privacy of our research subjects throughout this research, which is in accordance with ethical principles governing scientific research. Initially, participants were provided with detailed information about the research's purpose and benefits before consenting to participate. During the interviews, we secured that the identities of the interviewees remained confidential and anonymous. This was done to create an environment where interviewees felt comfortable expressing their opinions honestly. Maintaining confidentiality and privacy was essential for the research to maintain the integrity of the data collected and to respect the rights and privacy of the participants. Therefore, participants were given acronyms (like Participant 1-12) to protect their identities.

During the selection process, we ensured that all individuals interviewed were over 18 years old, and their participation was voluntary, without any obligations or rewards. We informed all participants about our research study's academic goals and guaranteed them that anything they said would not be shared beyond the scope of this research. Participants were informed of their right to decline answering any questions that made them uncomfortable. Moreover, we secure consent for analysing statements and permission to record interviews. At the end of this research, in compliance with GDPR regulations, the recorded responses will be deleted and completely removed from our computer systems. These steps were taken to prevent any direct harm or negative effects on participants.

4 Empirical Findings

In this chapter, we present our collected empirical data and the following analysis. Our aim is to provide valuable insights into how consumers perceive innovation within the grocery sector in Sweden, encompassing both private label products and manufacturer brands. The areas of focus include the Consumer Perception of innovation as the main framework, complemented by Fuller's classification of product introduction, Brand Response, Retailer Loyalty and Brand Loyalty, and Innovation trends within Sustainability in the context of Sweden's grocery industry.

Firstly, we provide an overview of our participants' shopping behaviour and factors influencing their purchase decisions, serving as an introduction. Secondly, we focus on answering the research question by examining innovation within grocery sector by applying Consumer Perception of innovation (CPI). This involves exploring consumers' perceptions of Newness, Relative Advantage, and Technological Newness, as well as their excitement towards innovative products. Finally, we explore how consumers perceive the relationship of sustainability and innovation through the holistic examination of their perception of it. Through this comprehensive analysis, we aim to provide a thorough understanding of consumers' perspectives on innovation within the grocery sector.

4.1 What is Innovative for Our Consumers

Understanding what innovation means to our consumers is important as it helps us better understand their expectations. When asked about what makes grocery products cool and innovative, our consumers mentioned elements such as surprise, impressiveness, extraordinariness, improvement, and efficiency. They expect these elements to be present when encountering innovative products. Examining their brand responses from the interviews, in terms of Brand Feelings, innovation should create excitement.

“Innovation should have elements of surprise, novelty, and extraordinariness”. (Participant 6)

Our participants also mentioned that innovation should improve the quality of the product, be it in terms of practicality or value added. Participant 4 added “Innovation should improve the functions of the product; otherwise, it is creativity but not innovation”. Participant 5 further emphasized that innovation in grocery retail should be about “making things better, simpler, easier, and more effective”.

Participant 5 stated, “If I imagine myself in the shop or something like that, I will firstly notice packaging, I think. Maybe some unusual packaging or in terms that to be recycled like ECO or like to be like a high technology and want to be able to refill them”.

When we asked the question “Top three things on your mind about innovation in the grocery context," we aimed to gain insight into what our participants perceive as innovation within the grocery sector. However, some participants found it challenging to answer, describing it as a difficult question or seeking clarification on our definition of innovation. Despite this, several participants provided interesting responses. First participant expressed, “It is a multi-purpose thing, where it incorporates new technology that extends its original functions”.

Several participants highlighted technology within key aspects of innovation in the grocery sector. This includes features like automated ATMs, faster checkout lines, and technology that facilitates easy scanning of ready-to-eat options. Participant 10 further emphasized the importance of offering a variety of sizes of products, stating, “First thing, automated checkout; second, ready-to-eat options and cold food mostly within grocery stores; third, more different sizes. Yeah, for single people, then bigger packages and so on, like different sizes”. Participant 4 emphasized the significance of practicality and efficiency**,** stating that innovation should aim to “make things better, simpler, easier, and more effective”.

In terms of three factors within innovation in the grocery sector, some participants prioritized prices, quality, and the relationship with the customer**.** Participant 6 explained, “Okay, so three things that I take into account for groceries, so it's usually the price point because I tend to plan what I'm going to cook, and I'm usually the one who cooks in our apartment... But it's usually the price point followed by ease of access. So, I usually plan what I cook based on what's on sale”.

Some participants highlighted the appearance of packaging as one of the top three things when evaluating innovation. Participant 7, although finding the question challenging, emphasized the significance of packaging design, colours, and elements that capture attention. She stated, “Well, that is a hard question. For me, that would be like some specific packages that would like to draw my attention and I will probably like pay more attention to the package then. I don't know maybe some colours or ads or something that would draw my attention and as they're treating so yeah, I said colour and the packaging or wanting as or not the same as its ordinary products”.

We will incorporate these responses in analysing their perception of the innovation of each category in the following sections.

4.2 Non-Alcoholic Beverage

4.2.1 Perceived Concept Newness on Non-Alcoholic Beverages

Newness

In terms of newness of orange juices that were presented to our participants, they consider new products that they have not encountered or tried. Some of our participants have indifferent attitude, since they are already familiar with these products. However, in the case of juices, they like new product introduces but tend to stick to one brand which they already have good experience with. Some participants may not actively look for new orange juice products because they are already familiar with existing options, they are still open to trying new options if they are introduced.

Participant 9 stated, “None of them are new. I have seen all of them yet. It's nothing new”.

However, despite this openness, many participants tend to stick with a specific brand they have had positive experiences in the past. This loyalty to a familiar brand means that past satisfaction plays a significant role in their purchasing decisions, even when new options are available. That was confirmed by participant 12, stating, “I don’t know, it might be that having real fruit in it is a better option. So, I would go for it, also I know the brand of Innocent”.

However, some of them stated that they consider ECO version as the new one, because that is something unfamiliar to them. Participant 10 stated: “I think the third one is new, because I think Sweden now is starting to make a lot of these ecological or plant -based products that are closer to the nature”.

Different and Unique

These two aspects will be analysed together since participants often think of these two terms as two sides of a coin. Exploring how participants consider uniqueness of the orange juices, some of our participants consider all of them as irrelevant, since they do not think any of them is unique. However, when the same participant was asked about differences, he stated: “I would say Innocent is more different than the other two. Because as I said before it feels more like a big use, I think. Yeah, with the bits and pieces in it, so it feels more different that way and that bottle looks most different compared to the others”.

The majority of our participants perceived the packaging appearance of a manufacturer brand as distinctive and unique. They noted that the second product from a famous brand has packaging that differed from others and consider it more practical, contrasting with other products perceived as more basic.

“Second one because I like how it looks like, you know because of the packaging. It is different, more appealing. First one is too basic.” (Participant 2)

“The second one, because of the packaging. Because if I compare it to the other two, the colour is more of orangey, if I might say. The first one is too light. The third one is too dark. So, the second one is just perfect.” (Participant 5)

“I tend to lean towards what I'm familiar with. Even if there's a cheaper option (ICA), like with the orange juice, I suspect it might not taste as good. Also, the middle seems a bit pricey because of the packaging.” (Participant 9)

Participant 9's statement illustrates a preference for familiar brands over cheaper alternatives, prioritizing trust and satisfaction associated with this brand. This inclination towards familiar brands suggests a belief that the quality of the product, such as orange juice in this instance, may not be as satisfactory with the cheaper option (ICA).

However, participant 3 holds a contrasting viewpoint, based on personal preferences, stating that private label of ICA is the most unique: “ICA because I personally buy product and it is healthier”. Participant 3's preference for the private label of ICA based on perceived health benefits demonstrates how brand judgments influence consumer preferences.

One participant stated that ECO version of the product has been considered as unique: “I believe the ECO might have some distinctive features, but I'd need more information to be certain.”

Original

Our interviews have revealed opponent views among our participants regarding the concept of "originality." One viewpoint defines originality as synonymous with new or the latest development in the market, while another perceives it as something fundamental or basic. When it comes to originality, most of our participants do not perceive private labels as less original than manufacturer brands. They consider both to be equally original. However, within the non-alcoholic beverage category, some participants associate original with an unmodified version. For instance, Participant 4 believes that ICA Orange Juice to be the most original, as it is the simplest version of the juice available. She said, “I think it is the least modified version, just something kind of simple compared to the other two”.

On contrast, participant 11 stated, “ICA is very famous, so of course it will show products that aren't in the market appealing-wise, like appearance-wise. And the Innocent one, of course, it is original, as I've said, the way the bottle is constructed and the orange, the angel and all that. That's very original. I think and the ecological one, I don't know, it doesn't sound that appealing to me, I guess”.

To conclude, participants' perspectives on originality, uniqueness and differentiation in orange juices are influenced by factors such as packaging, taste, health attributes, and environmental considerations.

4.2.2 Perceived Technological Newness on Non-Alcoholic Beverages

Importance of the feature

The juice samples we presented during the study highlighted their focus on freshness, fruit bits, and an eco-friendly production process. The bottles also had a distinctive design and easy-to-use lids. Most participants valued practicality in the bottle design but did not consider features such as fruit bits or freshness as important although they improved their overall impression about brand quality. Similarly, while most participants did not prioritize eco-friendliness, they also did not want it removed as a feature. Overall, the innovation of these features was seen as more of a hygiene factor than a true innovation by consumers.

Participant 8 stated, “Yeah it is important for me. For the first product, if the packaging indicates it's pressed immediately, I trust it and consider it the best option.”

Participant 2 stated, “I mean like I don't know they just keep it like whatever what they have right now and don't decrease their products the quality of the products.”

Participant 1 thinks that ecological feature is important in beverage, as it is perceived containing less pesticide contaminants and thus healthier although he thinks that the word “Ecological" is being overused.”

Experience with the sample category

The study found that practicality and functionality are the most important factors for enhancing positive consumers experience, even though their overall impression that they feel toward the brand is also important. Staying true in the packaging, aligned with how the packaging says about the products, and packaging is more important. Adding claims and product size do not really affect their judgement in juice.

4.2.3 Perceived Relative Advantage on Non-Alcoholic Beverages

Offers unique benefits

Consumers value innovation in the juice category, especially when it comes to nutritional content. They are less concerned about packaging or ecological reasons and prioritize freshness. Participant 5's statement best represents this finding. “I don't particularly pay attention to ecological things, just the NIP (Nutritional Information Panel) if it's food." In the context of the juice category, consumers' prioritization of nutritional content reflects a key aspect of brand identity consumers readily associate certain brands with specific attributes or benefits, such as healthfulness.

“ICA it is pressed immediately. They just press it right away, which means it's healthier. I think that's what I'm aiming for as a new product.” (Participant 6)

Solves problems I had with competitor products

For most of our respondents, the problem they have in this category is either price or the healthy perception. They perceive a juice being healthy if it’s contained necessary vitamins, and Innocent can communicate this factor better in their packaging, aligned with the overall appearance which plays important role in building the image as real, that in turns related with healthier.

Perceived Quality

We found there are two consumer perceptions during the interview. The first type is evaluating products based on the appearance, and the second one is evaluating based on the romance copy on the products. Most of our respondents are only looking at the appearance, and only one of them is really considering the romance copy.

Most of our respondents share this view, as represented by Participant 5, “ICA looks not so good with clear view; it does not look like a juice so I would say that the other two are equal, but ICA is less. ICA Juice has no body, and the juice looks so thin”. Romance copy can help build the brand feeling and increase brand judgement of quality, in a rarer case. Participant 9 view might sum his perception, “ICA it is written in the packaging as being pressed immediately. They just press it right away, which means it's healthier. I think that's what I'm aiming for as new product.” He perceives that the ICA product, as indicated on the packaging, is pressed immediately, suggesting it's fresher and healthier. He sees this as a desirable quality in a new product.

Participant 12 state, “Innocent and God Morgon are better, because I know them more than ICA brand and I usually buy them but doesn’t need to be a case. So, in this case I would say that they are better”. However, when needed to differentiate products some participants thinks that private label of ICA has a lower quality in comparison with the rest. Participant 5 stated: “ICA, seen as lesser quality because of the appearance”. Also, Participant 2 stated that ICA has lower quality maybe because of private label, “ICA is different, perceived as having low quality "uh it's very thick the texture and uh I don't know maybe it's because of the brand”. Moreover, the participants' differentiation between products based on perceived quality and brand association further emphasise the significance of brand judgments in consumer decision-making.

4.2.4 Holistic Perception of the innovation on Non-Alcoholic Beverages

Consumers' perceptions of innovation in this category are multifaceted and influenced by various factors such as packaging design, nutritional content, and consumer attitudes towards price and health benefits. Unfamiliar products are often viewed as new by consumers, with packaging appearance playing a crucial role in shaping perceptions of uniqueness. Private label offerings are sometimes perceived as lower in quality, particularly due to packaging aesthetics. Consumer concerns within this category are typically around price and health benefits. Many consumers believe that manufacturer brands are better since they are offering more quality nutritional content. However, eco-friendly initiatives are often viewed as marketing tactics and do not significantly increase perceptions of innovation.

Table 7:Holistic perception of Innovation on Non-Alcoholic Beverages

Perception of Newness	Unfamiliar product is considered as new in consumer's perception Packaging appearance is an important factor that impacts consumer to perceive uniqueness
Perception of Technological Newness	Private label is seen as lesser quality more because of appearance, while most of them do not pay attention to the romance copy
Perception of Relative Advantage	The problems for our consumers in this category are related to price and health benefit They see manufacturer brand can answer their problem as they provide better nutritional content
Consumer Perception of Innovation	Private label is seen less innovative, while manufacturer brands will be perceived as innovative if they contain new packaging design and better nutritional content. Being ecological is perceived just as part of a marketing gimmick and does not improve their perception of innovation
Excitement	Packaging and real fruit pictures help ignite excitement in this category

Source: Author's own tabulation

4.3 Dairy Products

4.3.1 Perceived Concept Newness on Dairy Products

Newness

In terms of newness in category of milk is similar situation as in the non-alcoholic beverages, since some of the participants are indifferent. Some of them associate newness with unfamiliarity of the products. If they have not seen these products, they stated that they are new to them. Some of them stated that the ECO version is new (newer) since it incorporated different technology compared to the other two products. Participant 1 remarked, "I like the first one, but the ECO is new because of the technology." Participant 2 similarly expressed, "It's newer to have ECO milk, even though we've had it for a while now", Participant 12 added, "Milk maybe ECO version, because it a bit different to me."

Different and Unique

Some participants think that is hard to talk about innovation and uniqueness within category of milk. Participant 9 stated, "I don't know it is hard to talk about innovation in milk, that is such a basic product." The participant 2 stated that she is indifferent about these three, but she likes Matriket from Lidl, since it is more affordable. The remaining opinions on uniqueness were split between the ICA brand, the ECO version, and well-known brands in Sweden.

Many participants regarded the ECO product as the most unique, citing its ecological features as distinguishing factors. For example, one participant mentioned, "The ECO product stands out because it uses less plastic, which aligns with its ecological claim." Moreover, participants highlighted the significance of packaging and technological advancements in this category. Participant 7 expressed, "The most unique one is the ECO version because it differs significantly in terms of packaging and technology from the others. When I look at them in the store, I expect to see a white package for milk, but the ECO version is grey or in a carton, like a Tetra pack."

Interestingly, despite different opinions on the products themselves, most participants attribute uniqueness and distinctiveness to the relationship between packaging and product colours. For example, Participant 1 noted, "ICA, uh my first impressions about this product is because their colour because it's broader it's brighter." Participant 4 pointed out the distinctive bottle shape of Skanemejerier, stating: "Skanemejerier different because of the bottle shape". Participant 8 emphasized the uniqueness of the ECO version, particularly its distinct packaging and technology compared to the others: "The ECO version stands out as the most unique because of its completely different packaging and advanced technology."

4.3.2 Perceived Technological Newness on Dairy Products

Importance of the feature

Our respondents appreciate milk being ecological, as it is already well-known that dairy products leave high carbon print. They also appreciate the products being aligned with not putting plastic cap in the packaging and using brown packaging that represents better ecological reason. However, they appreciate it but do not choose to buy it for practical and price reasons.

Participant 5 added "Ecological sample use single material packaging which is good for the environment, but not practical. Do I need it? Not reall*y*."

Experience with the sample category

ICA has done a very good job in aligning the product and price mix. Most of our consumers feel satisfied with how they currently have it although it is just a very basic product for them. However, there are tendencies people would have very high brand loyalty, such as for

Skånemejerier that will increase their appreciation even for smaller innovation changes the brand. One of our respondents compared Arla to Skånemejerier, thought that Arla done better job in doing line extension, however they still appreciate Skånemejerier more even though they produce very similar features. One example they gave is Arla Øko and Skånemejerier Eco, although it may be similar as a feature, they appreciate Skånemejerier efforts more.

4.3.3 Perceived Relative Advantage on Dairy Products

Offers unique benefits

When asked to compare the options, despite their inclination towards the famous brand, the participant stated that consider ECO version as the most unique and new. Most of them expressed a preference for Skånemejerier due to its long-standing tradition while they were less inclined towards the ICA private label due to negative associations with it. The response of Participant 10 can be summarized as follows: "Skånemejerier is my favourite due to its long tradition; I prefer it over the ICA private label because it's a retailer brand. However, I find the ECO version to be more unique and innovative."

Participant 3 stated "I think when you have kids and maybe so on, when some people, they believe in ekologisk, but I don't know. It's good for the planet. Many people don't. Yeah, they do. And they pay a lot of money."

The statement from our participants sums up our findings. They know innovation in ecology is good for the future generation, and do not see other advantages in it for themselves. Most of the other people just as a marketing gimmick.

Solves problems I had with competitor products

Milk is a product that people buy frequently. ICA labels have come up with three solutions to address the concerns of our consumers. The first solution is to offer the right price and size for the milk products. The second solution is to provide longer shelf life for the milk products outside the fridge, which is preferred by Participant 1. The third solution is making the milk products practical for everyday use, staying basic with plastic caps even though it may not seem innovative. However, being conventional is perceived competitive if it meets the needs of our customers. Unlike juice, milk does not raise many concerns about health, so it is not a major factor for our consumers.

Perceived Quality

Evaluating quality participant 6 expressed her opinion, stating, "I think it's more because it's produced by themselves." Knowing the producers, their proximity, and the ability to interact with them is important for our participants. The same factors of knowing where it comes from improved their perception of quality, but this time referring to Skånemejerier. Participant 2 referred to Skånemejerier as having better quality, stating, "Because I know that this is not such a big factory, and I think the Skånemejerier is good and it's from the country, so you think it is fresher than the other. I know the forms they have; they have their cows, and they fix with machines, but I know this is good."

4.3.4 Holistic Perception of Innovation on Dairy Products

Like previous category, the concept of newness relates to unfamiliarity. Since milk is perceived as a basic product, differentiation mainly relies on packaging and practicality. Although consumers appreciate ecological features in milk, their purchasing decisions are primarily influenced by price and practicality.

Table 8: Holistic Perception of Innovation on Dairy Products

Perception of Newness	Newness is perceived as being unfamiliar As basic product, only packaging and practicality can be perceived as a differentiation point in this category
Perception of Technological Newness	Consumers appreciate ecological features in milk, as milk is already well-known to have negative impacts on the environment Although they appreciate ecological, the primary point affecting their purchasing decision is price and the practicality
Perception of Relative Advantage	The proximity to the producers improves consumers perception on quality as they trust they know where the milk comes from For the very same technology innovation, a brand would be appreciated more than the competitors if consumers have high brand loyalty towards the brand.
Consumer Perception of Innovation	In a mature category and basic products, practicality is important. They appreciate ecological but practicality is an utmost feature they want.
Excitement	Packaging design creates excitement for private label consumers However, for a manufacturer brands, consumer will be more excited about the overall brand not necessarily the packaging

Source: Author's own tabulation

4.4 Ice Cream and Confectionery

4.4.1 Perceived Concept Newness on Ice cream and confectionery

Newness

In the ice cream category, when considering newness, the majority of participants perceive the vegan Magnum chocolate with raspberry ice cream as a new product. Their reasons are like those in previous categories. Since they are familiar with the other two products and have seen or tried them before, most participants consider the vegan option as new because they are not familiar with it or associate it with new technology or different packaging. Participant 1 expressed, “I would say the third (Magnum vegan), because the other that I have been seeing since I was young like a child I can remember seeing it in the stores.” Participant 2 linked it to new technology that the vegan version might incorporate, stating, “Magnum, because it's vegan, and ice cream is related to milk so maybe they involve new technology in the making process”. Participant 11 refers her opinion to the packaging, stating: ”Magnum looks different, like vegan and different packaging even it is basic chocolate but still more original. ”Participant 8 also confirms that the certification as vegan makes it seem innovative and different to him. “I will choose number three as a new to me. So, the most common ones I've noticed are those that have been around for ages. I view them as rather ordinary. However, when they are vegan certified, that's something I consider innovative.” Participant 7 explain that she is not a vegan and finds the concept of vegan ice cream unfamiliar and new, even though she is aware that there are other vegan options. She explained, "Because I'm not vegan. I actually think the vegan ice cream sounds new to me. I'm sure there are lots of other vegan options for ice cream. But for me it's just a bass sounds new to me.”

Participant 9 also emphasized the vegan option, but his perspective was interesting. He has some reservation since the flavour like chocolate, he perceives as basic. Therefore, he does not find it particularly innovative, stating, “Yes, the vegan. Because that one is quite new, quite new, new thing I guess to make something to make it vegan certified in category of ice cream. Not so innovative though. I mean, they're the same chocolate all of them. The same old product, basic chocolate.”

Different and Unique

In the ice cream category, nearly all participants regarded vegan ice cream as the most unique, specifically stating its packaging that indicating chocolate raspberry swirl. Unlike in other categories where participants mainly emphasized packaging, here, responses highlighted also the taste and the complexity of the product.

“Magnum, as it is vegan and has syrup inside.” (Participant 1)

“Magnum, as it is vegan, not every ice cream has that.” (Participant 3)

"Maybe the Magnum one because raspberry swirl sounds unique. It sounds like a more unique flavour." (Participant 11)

Furthermore, participants equally viewed uniqueness and innovation in evaluating how the brand name sounds and appears different based on the packaging. Participant 8 noted, "For me in terms of most innovative and most unique I would say the Magnum one because I like how it sounds like strong name and looks different. And I liked the package as well and I like to taste them. But I tried the other ones also and I really liked them. I also tried ICA brand, which I also really liked." Hence, when it comes to ice cream, participants evaluate the primary packaging, colours of the packaging, and then taste as the most unique features, distinguishing them from the other two which are considered basic ice creams. Participant 9 reflect, "I think even number one or number two, they are like basic ice creams. So, I would say this Magnum vegan also shows the class of the product."

Originality

Some participants reminisced about memories associated with GB Glace, considering it the most original. One participant shared, "When the kids were small, they wanted some extra special ice cream and then we bought it, GB Glace, and so on at that time." Participant 3 expressed, "The second one (GB Glace) is more original to me because it is classic." Similarly, Participant 1 emphasized the ingredients of the ice cream, linking them to the concept of being classic, and said, "Second picture it feels like it's the most original, because chocolate and vanilla taste, right? So that one feels like the original one. But maybe I'm feeling like original is the same as the classic one."

Another participant regards Magnum as the most original, highlighting its distinctive packaging and unusual taste. She explained, "The Magnum one is very original. Very appealing it is not in the shape of a box like the others it has this size with I don't know swirl or whatever and the ice cream and the raspberries and the colors of brown and pink and all of that is very well thought of and it's very original. Even though I like as a taste the other two, they're not very original in appearances." When asked about originality, Participant 7 shared her opinion, stating, "I would again say that first and second one is like just basics, and you can find the same like same types everything the same just in different like colors or in different like letters or whatever packaging but I would say that the I like how the picture of the third one is more different."

4.4.2 Perceived Technological Newness on Ice cream and confectionery

Importance of the feature

Evaluating the importance of features within the category of ice cream in the context where almost all participants perceive it through the attribute of "vegan". Participant 5 stated, “Magnum. Because it is vegan means it has a lot of innovation in the process, as it's not a standard version. Must include a lot of technology”.

Experience with the sample category

Most of our consumers think that ICA is the lagom experience (just the right size, not too much but not too little). Not too many tweaks in the innovation, but still not as basic as Nogger. On the second place is ICA. It is perceived to not have spark but satisfies overall quality that the consumers expect, and consumer perceives the feeling to be neutral. Nagger Classic felt too basic, and Magnum is more premium.

4.4.3 Perceived Relative Advantage on Ice cream and confectionery

Offers unique benefits

Participant 3 describes the experience as "exciting" because she finds it unusual, specifically in reference to Magnum. This suggests that Magnum offers something out of the ordinary. Ice cream is considered an impulse category, and the benefit of buying ice cream must ignite feelings for our respondents.

The products are seen as beneficial, as they could ignite the excitement. Our participants emphasized that it would be beneficial to have clearer and more transparent information. Participant 1 added, “Magnum, give clearer information of the product. Yeah, of course, it is important to have the pictures of their product and their packaging.”

Solves problems I had with competitor products

Buying ice cream more because of the mood. Our respondents do not really see having any problems with ice cream brands. None of our respondents highlight problems with ice cream.

Perceived Quality

Magnum is acclaimed by almost all our participants as having the best quality. Firstly because of the familiarity to the brand that positions themselves as premium quality. Second, because of the vegan claim, that it adds impression and excitement to the consumers. Thirdly, because the overall packaging really shows it all. Participant 1 emphasized the packaging when asked to consider the product's quality, stating, “The third picture (vegan) is perceived better because of the packaging.” Additionally, Participant 2 believed that the vegan option had higher quality, expressing that the first two were basic. “First two are basic, Magnum is more quality since it is vegan.” Similarly, Participant 12 explains, “Magnum has better quality because it is vegan and famous brand, so it has to be good.”

However, Participant 9, while acknowledging the quality of ICA private label and Magnum, still believes that the best quality lies in the one he is most familiar with, in this case GB Glade, stating, “I tried first two and they are classic, those are my favorites. I mean, those are for me, I like those. I like the taste of those ice creams. Then the third one I don't know but it could be good. Okay, I can guess that it probably could be whether some kind of raspberry mix with something else. But I know the first two are good according to my taste. If I had to choose, I would go with GB Glade, because it is a classic.”

4.4.4 Holistic Perception of innovation on Ice cream and confectionery

In contrast to other categories, most of our participants express a strong preference for the vegan option in this category, perceiving it as the most distinctive and newest. They find it interesting to have a healthier and higher-quality choice in this category. Additionally, excitement is emphasized more here, as these products are typically purchased impulsively, a trend that is less common in other categories according to their responses. Nevertheless, similar to other categories, packaging appearance, colour schemes, and taste remain key features.

Table 9: Holistic Perception of Innovation on Ice cream and confectionery

Perception of Newness	In this category the presence of vegan options is considered unusual, the perception of newness is highest in vegan products. Emotional responses are linked to the originality of the renowned brand GB Glade. The unique packaging adds a premium appeal to Magnum.
Perception of Technological Newness	Magnum stands out as the most technologically innovative, because of its vegan nature, indicating advanced processes and technology involved. Technology within the private label is perceived as moderate, striking a balance between innovation and familiarity.
Perception of Relative Advantage	Private labels are seen as less innovative than a vegan but still meet consumer expectations for quality. Vegan version is considered healthier, more quality and more premium.
Consumer Perception of Innovation	Evaluation of innovation and uniqueness extends beyond packaging to include considerations of brand name, then the taste and complexity of the product itself.

Excitement	Unlike other categories, excitement has greater significance here as ice cream products are seen as catalysts for igniting positive emotions and excitement. Ice cream is perceived as an impulse purchase, with the benefit of igniting positive feelings for participants.

Source: Author's own tabulation

4.5 Toiletries

4.5.1 Perceived Concept Newness on Toiletries

Newness

Regarding hand soap, most of our participants identified the third option, which is the ECO version of the ICA private label, as the new one. Since they are not familiar with it and have never seen it, or as stated below, our participants believe that eco-friendly products are currently trending. They stated following,

"The third because the others are familiar". (Participant 1)

"ICA third, as it is ecological, a current trend". (Participant 3)

"The ecological one is new, haven't seen it". (Participant 7)

"I think the ECO one is new to me as well". (Participant 12)

In considering the concept of newness, most participants consider the eco-friendly hand soap as the "new" option which correlates with Fuller's classification of innovative products. The eco-friendly soap represents a new formula of an existing product, therefore represent innovative products. However, some of the participants associate new with modern and current, which is stated by participant 1, "Ah, which one I prefer, still Palmolive. The packaging feels more up to date".

Unique and Different

Most of our participants, when considering unique features, regarded the famous brand Palmolive as the most unique, stating personal preferences, habits, and nostalgic associations. One participant stated, "Yes, I like their smells, I like the texture, and I like the price".

Participant 8 expressed its opinion on the packaging of ICA, describing it as basic and expressing reluctance to purchase it. He emphasized that the purchasing decisions are influenced by personal preferences and emotional connections: "I am presuming Palmolive. And I would say that it's the most innovative because I think the package is most appealing compared to the basic ICA one that looks horrible. It doesn't seem very impressive. It looks decent and basic, just as it says. I've tried it at a friend's place, but it doesn't even have a noticeable smell, so I wouldn't consider buying it. As for the eco-friendly option, I've also tried it, but it didn't leave much of an impression either. Also, I used Palmolive when I was a child, and I really, really like the smell of milk and honey; it brings me back to my childhood. So I'm emotionally driven to buy it again and again. The reputation of the company for producing quality products since quality is important to me, and it's not just about whether a product is good or bad; it's also about how it appeals to me personally". Participant 10 stated, "When I tried the ICA version of that product, it's worse than other brands. It's a little bit cheaper, but for me, it's not worth the difference. So that's my opinion. So that's why I'm a little bit negative to focus on products and a little bit positive to well-known names".

The participant's strong emotional bond with Palmolive, linked to childhood memories and positive experiences, aligns with Keller's Brand Identity and Brand Meaning. Their selection of Palmolive emphasis its significant presence in the mind. Furthermore, their preference for Palmolive's packaging show us the importance of visual elements in shaping how the brand is perceived. The appealing packaging not only boosts the brand's visibility but also increase its attractiveness and desirability. Furthermore, the participants' emphasis on the reputation of the company for producing quality products which refers on evaluating the brand's credibility. This evaluation is crucial for consumers because it helps them measure the reliability and trustworthiness of the brand. Moreover, the participant's statement highlights that quality is not only defined by objective measures but also by personal preferences and subjective perceptions. This aspect resonates with Keller's emphasis on brand meaning, which involves establishing a brand image and what the brand should stand for in the minds of consumers.

Other participants emphasized the uniqueness of the eco-friendly hand soap. They also noted that while the formula seemed different, their experience trying it at a friend's place was not perfect. Despite this, they expressed a preference for the eco-friendly option due to the information provided about its ingredients. As a nurse, our participant considered factors such as the product's environmental impact and suitability for professional use. Participant 12 explained, "I wouldn't buy the ICA brand because I don't really like how it looks. I've used Palmolive before, but now I would choose the eco-friendly option because of the information provided and the ingredients. Considering my profession as a nurse, I must think about these factors as well". Participant 1 said, "The third because it looks clinical. Something you would use maybe in a hospital". Participant 6 explained, "I would say that the ECO one I would choose if it's being innovative. For example, if they use recycled materials and natural ingredients. This is because hygiene products are typically chemical based, so incorporating natural ingredients would be a notable innovation".

Originality

According to our participants, the well-known brand Palmolive is considered the most original due to its long-standing tradition, as expressed by our participants. Participant 12 stated, "Yes, still, Palmolive is the most unique one, original. The ICA one, it's... I don't know why, but as the name says, it's basic. Yes. It's so basic, it's so simple. There's not much originality in it, but I guess it's also soap, so maybe they don't want to go that far with soap. But I wouldn't, I wouldn't choose it". She described the ICA brand as basic, suggesting it lacked originality compared to Palmolive. Participant 8 agreed, “Um, I would definitely not say ICA brands are original. I would say Palmolive is more original because I used it my whole life”. They also mentioned the eco-friendly option, highlighting its use of ecological technology as a factor contributing to its uniqueness.

4.5.2 Perceived Technological Newness on Toiletries

Importance of the feature

Most of our participants, regardless of their age, whether they are single or family shoppers, young or old, perceive technology as important. Participant 6 explained, “I mean if advanced technology means that recycled bottles and those things that will be good but also advanced technologies that like for example, there are some lotions right that are like Norwegian formula or Scandinavian formula because it's really an area's really dry here. And so, I guess that's very moisturizing. So those things are kind of like innovation in terms or technology in terms of improving the formula for certain regions. I think that's great and interesting.” Participant 9 highlighted the importance of technology featured in this category, stating, “Actually, it might be more important here, because 100% recycled bottles are nice to know that some ingredients are better than others. But okay, yeah, that's important to me, so Palmolive then.”

In contrast, Participant 3 believes that technology is not as important in this category, as he considers smell to be an important factor. “Only smells differentiate it. Not the feature, not very much needed.” However, Participant 9 explains that factors like gentle care or mildness may not be the primary considerations, but still play a role in influencing the choices. “I think, for me, if I am going in with a plan, I remain open to analyzing products based on their attributes like here gentle care or mildness of a product are not the most important factor, but it affects my decision making. It's one of the important element information products' attributes as significant elements in my decision-making process.”

Experience with the sample category

In the category of hand soaps, technological newness refers to the features highlighted on the packaging of these products. For example, the first product from the ICA brand advertises almond milk extract, the second boasts a 100% recycled bottle and emphasizes gentle care, while the third, under the ICA ECO label, features aloe vera, is perfume-free, and made in Sweden. When asked about the importance and benefits of technological features beyond these products, all participants responded affirmatively, emphasizing the significance of clarity and additional information on the packaging.

Furthermore, participants confirmed that product attributes such as gentle care or mildness are not the most crucial factors in their decision-making process but do influence their choices.

Some participants emphasized the importance of technology in sustainability and actively seek such information on product packaging. However, when considering both price and eco-label, the majority prioritize affordability over eco-friendliness. The participant stated, "It is very important to use recycled products, and I usually look for that kind of information if the product is made from recycled materials or environmentally friendly, but if that product is more expensive, then I go for the cheaper one."

Moreover, ingredients play a significant role in this category, with natural ingredients being perceived as innovative. As participant 5 noted, "I would say that the eco-friendly one I would choose if it's being innovative. For example, if they use recycled materials and natural ingredients." This preference goes from the chemical-based nature of hygiene products, making the natural ingredients as significant innovation. However, we need to keep in mind that the participant that stated this has a chemical knowledge.

Participants also highlighted the emphasis on sustainability in Sweden, expressing a collective commitment to recycling and sustainable innovation. Participant 11 emphasized, "I think it's really important because people in Sweden really care about sustainability; they invest in technology and sustainable innovation." They further emphasized the importance of recycling, noting its role in shaping future practices and aligning with the broader sustainability values upheld in Sweden.

4.5.3 Perceived Relative Advantage on Toiletries

Offers unique benefits

The only benefit that ICA Basic relatively outpace other brands is the Hand soap is price. Almost all our respondents agreed that being certified ecological in hand soap, or having clear communications about natural ingredients as well as innovation in the recycled bottle are not adding relative advantage for our consumers. Participant 3 sums up, "Indifferent so only price matters, feature not much needed". Participant 8 emphasizes the significance of reading not only the primary information but also the background details provided on the packaging. "Yes. Yes, it is good to have more information on the packaging." The same participant added, "Yes, it's important and it's important to read the background as well."

Solves problems I had with competitor products

Most of our consumers percept hand soap as something that is also an indulgence. Their problems mostly are scent suitability, but they do not really care about other features. Look is also important in igniting their excitement. Participants 6 said that they bought ICA hand soap because of the usage but repackaged it as they don't like the image of the cheap and do not ignite joy. Moreover, the literature review highlights the significance of brand feelings in consumer-brand interactions. Feelings such as excitement, which are integral to the CPI framework, play a crucial role in shaping consumer perceptions of innovation. If consumers do not feel excited or enthusiastic about additional features or innovations, they may not perceive them as innovative or valuable.

Perceived Quality

When asked about their perceived quality of products within this category, most participants indicated that they consider the famous brand of Palmolive to have the best quality due to its long-standing tradition and their lack of developed trust in private labels. Participant 9 expressed, "I have seen Palmolive before, so I would say that it's quite old and reputable. Maybe that's why it's better. I really don't like supermarket brands."

When he is asked to explain that he stated a negative perception towards ICA's products compared to well-known brands. They express dissatisfaction with ICA's products, stating that they have tried them and found them to be of lower quality compared to established brands. Although ICA's products are often cheaper, the participant believes that the quality difference does not justify the price gap. However, they acknowledge that there are exceptions where ICA's products may outperform certain brands, but overall, they perceive ICA's products to be inferior in quality in about 80% of cases. This stems from their past experiences and the perceived inconsistency in the quality of ICA's products. His statement aligns with the longstanding belief that retailers often develop "me-too" private label products as substitutes for manufacturer brands (Philipsen and Kolind, 2012).

"I mean, I don't like that because they have been used to have so many as their own products before but then they suddenly start to do a lot of products and compete with well-known brands. And most of the times when I tried the ICA version of that product, it's worse than other brands. It's a little bit cheaper, but for me, it's not worth the difference. So that's my opinion. So that's why I'm a little bit negative towards ICA, and a little bit positive to well-known names. Not always some of the times the ICA or the other supermarkets stores in Sweden's products could be better than the brands. Don't bet, but in 80% of the cases they're worse. They're cheaper but they're worse. That's my opinion. So, it's not worth the difference in the price, okay, that's why maybe I would say that this one, so I know. You've heard about it before. It's a long run."

The other participant also underscored the quality of the well-established brand Palmolive and its significance in decision-making. They expressed emotional attachment to the brand and satisfaction with the product, indicating a willingness to pay more for it.

Participant 11 expressed a preference for the ECO-certified product under the ICA label, attributing its better quality to its ingredients based on its professional relevance. "I believe the best option is the ECO one because it lacks perfume, contains interesting ingredients that are beneficial for the skin. This is my choice, perhaps influenced by my profession, as we require the use of hygienic, non-perfumed products."

Another participant also noted that the ECO hand soap appears to offer better quality compared to other ICA products, despite being under the same brand. They observed that the packaging of the ECO product appears more robust and well-designed, suggesting a higher standard of quality. Despite all products are under the ICA brand, the participants chose to consider the

ECO product separately due to its better quality. This perception was influenced by factors such as the ingredients and packaging, which the participant perceived as indicating better quality compared to other ICA products.

4.5.4 Holistic Perception of Innovation on Toiletries

In evaluating innovation within this category, certain factors are parallel those found in other categories, such as packaging appearance and the clarity of information provided on packaging. However, unique to this category, product attributes, particularly natural ingredients and indulgence, play a significant role. Despite eco-friendliness being perceived as innovative, consumers feel strong brand loyalty toward well-known brands and are more likely to stick with products they trust, even if they are not considered the most innovative.

Table 10: Holistic perception of Innovation on Toiletries

Perception of Newness	Unfamiliarity with product and eco-friendly nature make participants perceive product as the most unique and the newest option. Personal preferences, habits, attractive packaging, pleasant scent and emotional connections stand out as the most distinctive factors (Palmolive as famous brand).
Perception of Technological Newness	Clear information on packaging, (natural) ingredients and incorporated sustainability are important technological features. However, affordability often takes precedence over eco-friendliness. Dissatisfaction with the appearance of cheaper products, opting to better design for a more enjoyable experience.
Perception of Relative Advantage	The famous brand Palmolive as having the highest quality due to familiarity and information clarity. Dissatisfaction with ICA's products, stating lower quality compared to well-known brands. ECO-certified product under the ICA label, attributing its perceived higher quality to its ingredients and professional relevance.
Consumer Perception of Innovation	In this category brand reputation and personal experiences are highlighted. Packaging made from sustainable materials and ingredient transparency are crucial factors.

Excitement	Packaging aesthetics play a crucial role in igniting excitement, with participants expressing reluctance to purchase products with unappealing packaging. Importance of scent in generating excitement, indicating that it significantly influences their perception of a product's indulgence. Emotional attachment to certain brands, such as Palmolive, drives excitement and willingness to pay more for perceived quality.

Source: Author's own tabulation

4.6 Consumer Evaluation on Private Label and Manufacturer Brand

Based on our findings, we observed how consumers evaluate private labels and manufacturer brands. Overall, we found that consumers evaluate different aspects when faced with different categories. The findings about what constitutes consumers' evaluation points in each sample category are summarized below:

Table 11: Consumer Evaluation Point on Private Label and Manufacturer Brand

Category	Consumer evaluation point
Non-Alcoholic Beverage (Juice)	Freshness, packaging appearance, nutritional content, and design provokes consumer to evaluate manufacturer brand as being perceived to be more innovative
Dairy Product	Proximity of the supplier to the consumer adds value to their trust and perception of innovation Manufacturer brands are perceived to be more innovative if they incorporate sustainability, feature that private labels do not have
Ice creams and confectionary	Private labels are considered to be the middle ground. Consumers evaluate private labels as innovative because of the variations they offer, but still meet consumer expectation for quality Manufacturer brand is perceived to be more innovative, because of the technological complexities that is reflected in product's uniqueness
Toiletries (Hand Soap)	Packaging, which is seen to be less attractive, creates feeling to the consumer that private labels is less innovative

	Packaging aesthetics, indulgence, and personal experience help build

Source: Author’s own tabulation

5 Discussion

In the following section, we will discuss our empirical findings regarding consumers' perception of innovation in grocery retail products in Sweden. We will examine how consumers evaluate innovation within our sample category and discuss the factors that either encourage or hinder excitement in grocery retail products because of innovation, using the adjusted framework of CPI from Lowe and Alpert (2015).

5.1 How do consumers evaluate the product innovation in private label and manufacturer brand?

In order to answer our research question “How do consumers evaluate the product innovation in private label and manufacturer brand?”, we combined the frameworks of Lowe and Alpert (2015) with Keller’s Brand Equity Model (2003). That allow us to offer a comprehensive approach to understanding consumer evaluations of product innovation in grocery sector in Sweden.

In the category of orange juices the emphasis on elements like design, packaging, nutritional content, and freshness contributes to the perception of manufacturer brands as more innovative. This observation resonates with Keller's brand equity model, particularly concerning brand awareness and brand image. For instance, the attention to freshness and packaging aesthetics can increase brand awareness by making the brand more memorable and easily recognizable to consumers. Meanwhile, participants evaluate manufacturer brands through innovative packaging and nutritional content which shape their brand image, fostering positive associations and perceptions of superiority over private labels. Our results correspond with the findings of Rambabu and Porika (2020), who emphasized the central role of product packaging as a strategic tool for brands to increase sales. They highlighted that consumers frequently form opinions and judgments about products based on their packaging before making a purchase. Eye-catching and appealing packaging can attract consumers' attention and significantly influence their purchase decisions. Additionally, the design of the package transfers the impressions of the product's quality and benefits compared to competitors. Effective packaging can also motivate impulsive buying among potential customers at the point of sale (Elkhattat & Medhat, 2022). Consumers' preference for a manufacturer's orange juice based on its packaging reflects Keller's Brand Meaning concept, which involves creating a brand image and defining what the brand stands for in the minds of consumers. When consumers link attributes such as appealing and distinctive packaging to a brand, they build positive brand imagery and perceptions. This demonstrates how effective packaging design can play a crucial role in shaping consumer perceptions and driving brand loyalty. In contrast, private label products are perceived as basic in terms of appearance and technology but are considered good value for money.

In the hand soap category, similar findings emerged where participants judged innovation based on packaging appearance. Private label products were perceived as having less attractive packaging, leading to reluctance in purchasing them. This corresponds to the traditional view where private-label brands typically imitated the packaging designs of manufacturer brands (Goldsmith et al., 2010). However, this paradigm has shifted, as retailers have focused on increasing the quality and packaging of their private label offerings (Abril & Martos-Partal, 2013). Packaging appearance holds significance in evaluating innovation, which is supported by Amcor's (2023) European findings that indicated one in four participants recognized packaging as influential in their decision to purchase private label products. The negative perception towards private label products in this category have originate from our participants' perception of lower quality. This aligns with the consistent consumer perception that manufacturer brand products are generally perceived as higher in quality (Kasotakis & Chountalas, 2014). Additionally, participants view as favourite and innovative a product feature of manufacturer brand that utilizes 100% recyclable packaging, this is in line with findings from Amcor's (2023) research indicating that consumers highly value packaging that are from recycled materials. According to the study of Amcor (2023), 34% of consumers stated that packaging made from recycled materials positively impacts their purchasing choices, and 84% of European consumers actively check packaging for recycling instructions.

Interestingly in ice cream category, unlike in other categories, the majority of participants express a strong preference for the vegan option (manufacturer brand). They viewed vegan attribute as the most distinctive and innovative choice, appreciating the healthier and higher-quality option. This aligns with Fuller’s (2004 cited in Anselmsson and Johansson, 2009) categorization of new product releases, including innovative products that incorporate new ingredients and creative designs. These elements, such as packaging design and technological complexities, contribute to the brand identity, making it more salient and recognizable to consumers (Keller, 2003).

In the milk category, opinions still go towards viewing innovation through ecological practices as positive and innovative. However, unlike in the ice cream category, many consumers perceive it more as a marketing tactic. This perception contrasts with Magnier et al. (2016), who found that sustainable packaging generally leads to a perception of high food quality. Despite appreciating the ecological benefits, practicality and price considerations often discouraged them from purchasing eco-friendly milk. In this category, which is typically associated with providing basic products, the private label of ICA has successfully achieved a balance between product quality and pricing, thereby lifting consumer value. This balance significantly impacts perceived value, seen as how good a product is compared to its price. The success of private labels primarily lies in their ability to meet satisfactory perceived quality levels (DelVecchio, 2001). In contrast, strong brand loyalty towards the manufacturer brand Skånemejerier was evident. Keller’s Brand Equity Model explains this loyalty through strong brand identity and meaning, leading to positive brand responses and high brand resonance. Emotional and cognitive connections drive loyalty and preference for Skånemejerier over other brands, even with new innovations.

Across these categories, consumers hold different opinions, but a common direction for all of them is evaluating product innovation based on outward appearances in both manufacturer brands and private labels. Outlook, or the first impression of a product has a significant importance in consumer evaluation of innovation, since it establishes the foundation for consumers' perception of the innovation level within the product. Just as people often judge a book by its cover, consumers tend to make quick judgments based on the outward appearance of a product. On the other hand, while participants perceive manufacturer brands as more innovative compared to private labels by its distinctive appearance, they view private labels as offering good value for the price. While manufacturer brands are associated with higher innovation levels due to their distinctive appearance, private labels are valued for their cost-effectiveness, balancing quality and affordability. This highlights the different focus of manufacturer brands and private labels: innovation versus value.

5.2 What innovation aspects excite consumers in evaluating private label and manufacturer brand products?

In consumer-packaged goods (CPG) industries, innovation strategies to launch new products on the market are common; brand managers rely on them to provide value to consumers and establish their differentiation in the marketplace (Anselmsson and Johansson, 2009). However, according to Traill and Grunnert (1997 as cited in Anselmsson and Johansson, 2009) a categorisation of what is innovative and what is not is always subject to a certain degree of subjectivity. Anselmsson and Johansson (2009) further argues that in determining product to be innovative or not also depends on whose perspective is chosen, whether the corporate, industry, or the consumer.

In connection with studying consumer's evaluation on innovation, Lowe and Alpert (2015) argues that prior studies have examined innovations almost entirely in terms of cognitive dimensions (i.e., relative advantage and benefits: "this processor is faster"), and to a lesser degree, affective dimensions (i.e., excitement: "Wow! That's amazing"). Lowe and Alpert (2015) furthermore explain that the wow factor is important to understand and model from a managerial perspective, as managers want to know how to generate excitement. If consumers evaluate an innovation on the broad cognitive and affective dimensions, then consumers' responses to innovations may differ on these dimensions. This highlights that their evaluation on innovation based on cognitive aspects such as perceived advantage, perceived newness, and perceived technology newness in the previous segment, could be different with the factors that ignite their excitement. Based on our collected consumer data, we intend to complement the existing research available by discussing the innovation aspects that excite consumers in evaluating private label and manufacturer brand products. We do so by examining the follow-up questions that are implying the cues of what they like and what they do not like during the interviews.

Sustainability

Statista (2021) reported in their Leading Sustainable Habits to Minimize Impact on the Environment among Consumers in Sweden that 81% of the surveyed consumers are willing to change their day-to-day habits to protect the environment. Additionally, 76% of the surveyed consumers stated that it is important to buy sustainable products (Statista, 2021). In contrast with the survey data, our own product samples show that while respondents appreciate sustainability factors, they are not willing to purchase the product. They like the sustainability innovation but are not ready to pay a higher price for their basic needs, such as groceries, as indicated in their interviews. Our respondents express their excitement toward sustainability product. Nevertheless, they would still like the option of sustainable products in their grocery choices and would be disappointed if the sustainable choice is removed from their options. Although our consumers stated their likeness for sustainability both in the private label and the manufacturer labels, price becomes an important consideration for our consumers. We believe that sustainability innovations are still a potential to explore in the grocery retail, with improvement in the product price mix.

Brand Loyalty

From our interviews, we discovered that participants tend to express more excitement for brands they already like, have emotional connection, and are familiar with, even when faced with similar innovative features. For instance, this was evident with Skånemejerier Eco products. Respondents from Skåne showed a preference for Skånemejerier, even when asked about other brands with similar ecological features. The same pattern was observed with ice cream, as respondents indicated a preference for Magnum Vegan over newer plant-based brands, citing their loyalty and trust in the Magnum brand. Keller (2003) defines brand resonance as the nature of the relationship customers have with a brand and the extent to which they feel connected to it. According to Keller (2003), customers with true brand resonance demonstrate high loyalty and a close relationship with the brand. Firms that achieve resonance and affinity with their customers can expect benefits such as higher price premiums and more efficient marketing programs. In line with this, we argue that innovative features are more valuable and generate greater excitement when associated with brands that have stronger resonance with consumers. We believe that brand with high loyalty could be more efficient in eliciting the excitement when introducing their product innovation to the consumers.

6 Conclusion

In this final chapter, we will conclude our thesis by discussing our theoretical and managerial contributions. We also aim to provide suggestions for future research in the field of consumer perception of innovation in grocery retail, which we believe still demonstrates many areas that have not been fully developed.

6.1 Theoretical Contribution

In this thesis, our goal is to expand on existing research about private labels and manufacturer brands by offering insights into how consumers evaluate innovation in current grocery retail. Our findings address the lack of research on consumer evaluation of innovation.

Innovation is a broad concept, and eliciting consumer perceptions of innovation can be challenging. We contribute to the theoretical framework by demonstrating how consumers evaluate product innovation in the empirical context, bridging the gap between the broad concept and its practical application in grocery retail, especially in Sweden. We also provide view about how private label and manufacturer brand are being evaluated by consumers in Sweden in connection with the product innovations, represented by the four currently expanding categories.

By applying Keller’s Brand Equity Model (2003), we extend its application to the evaluation of innovation within grocery retail. We also integrate Lowe and Alpert's (2015) framework to provide a comprehensive understanding of how consumers evaluate innovation in both cognitive and affective dimensions. Our research adds to the theoretical discussion on the role of sustainability and brand loyalty in innovation evaluation. We found that while consumers appreciate sustainability initiatives, they are not always willing to pay a premium for such products in basic needs categories. This highlights a potential area for further research on how to balance sustainability and cost in consumer products. Additionally, our findings emphasize the importance of brand loyalty in the evaluation of innovation. Consumers show a preference for familiar brands even when faced with similar innovative features, underlining the significance of emotional connections and brand trust in shaping perceptions of innovation. This could serve as a starting point for future research based on the evaluation points expressed by consumers.

6.2 Managerial Contibutions

In addition to theoretical contribution, we can offer several practical benefits for both retailers and manufacturers.

Our previous literature noted that manufacturers are concerned about being overshadowed by private labels, which has led them to reduce their R&D funds. Our findings could also assist managers in focusing their R&D efforts more effectively, thereby helping them allocate resources more efficiently. Understanding and highlighting consumer preferences regarding innovation in the grocery sector, enables manufacturers as well as retailers to organize their product development. By including consumer perception of innovation, businesses can direct their innovation initiatives towards areas like adding foreign flavours variety, adopting eco-friendly packaging solutions, etc. Implementing findings such as consumers' appreciation for sustainable packaging solutions, improved size options, and practical packaging can enable grocery retail sector to align with consumer needs and preferences.

We also found that manufacturer brands and private labels have its own value on consumer perception. Consumers tend to evaluate manufacturer brands more affectively, while they evaluate private labels more from a cognitive aspect. Understanding how consumers evaluate private label and manufacturer brands is a crucial step in determining the strategy for retailers and manufacturers. This insight can help managers align their strategy in crafting the product, pricing architecture, and repositioning their brands. The distinct evaluation of manufacturer brands and private labels presents a new opportunity for product communication, allowing for the positioning of the product to highlight either its cognitive or affective aspects. Knowing how consumers perceive innovation allows retailers and manufacturer brands to align marketing communication in terms to highlight the features that consumers perceive as important, such as clear and fact-based communication, grocery retail sector can better resonate with their consumers. For instance, since consumers express a desire for transparency in packaging and labelling, highlighting accurate and easily understandableinformation can build trust among consumers.

This understanding can guide the development of strategies aligned with customer expectations and preferences, improving business performance in the grocery retail sector.

6.3 Future Research

Upon completion of our research, we identified several potential research that can be extended in the field of consumer evaluation on innovation.

First and foremost, we believe that future research could replicate our study, since the consumer perception of innovation in the grocery sector is a broad topic with opportunity for further exploration. Future study should consider the key marketing trends occurring at the time, as these trends are dynamic and can influence consumer perceptions and attitudes. Our research can serve as a foundational base for further investigations in other areas, which will be further explain below.

Due to our time limitations, we focused on four major and expanding categories in our data analysis. However, it will be interesting to explore additional categories in the Swedish retail sector that show significant growth, such as cereal, bread and water. This additional exploration could offer insights into consumers attitude across different categories and help us understand how innovation is perceived within the grocery sector.

Based on our research we realized that participants use different personal criteria when categorizing products. For example, one participant highlighted the significance of colonial products, which refers to goods imported from former European colonies. Therefore, we believe that further exploration of alternative perspectives or approaches on product categorization would be interesting to discover.

As multichannel shopping continues to grow, it would be valuable to examine how this trend affects consumer perceptions in the grocery sector. Comparing how people view innovation in the grocery sector when shopping online versus offline would be interesting to evaluate. For example, our research revealed that one participant prefers online grocery shopping only because of its convenience. Understanding these perceptions could be crucial for future developments in the grocery industry.

Another opportunity lies in extending the finding into quantitative field. Our participant stated, "As a consumer I also have dynamic decision making". This could highlight the potential to explore the decision-making process to help complement the knowledge, exploring the quantitative field simulation weighing the factors in particular setting with real planogram situation.

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Appendix A

Interview questions

Consent to be interviewed:

Would you like to participate in this interview?

Background information:

Please tell me briefly about yourself: age, gender, occupancy, place of residence.

Are you responsible in making your household shopping lists?

Consumer Perception of Innovation

1 When you think about innovation in the grocery industry overall, what are the top three things that come to mind? Why do you think that (can you tell us more about that)?
2 We will show you a picture, and would love to get your opinion and thoughts on this product? Do you think this product is innovative?

-Repeat in all 4 categories

3 Can you tell us what makes a retailer product, innovative, in your expectation?
4 We will show you a picture how innovative do you think of this product? How innovative do you think of this product compared to (other product)?
5 Repeat in all 4 categories
6 What you try a new product, what aspects of it make you excited or interested in overall?
7 Tell me about your experience trying new products (in all 4 categories). Can you tell us more about your experience in exploring new products across different categories?

Perceived Concept Newness

1 Have you been using this product before? Do you consider this product as new? Why do you think so?
2 Repeat in all 4 categories

3 Do you think this product is unique? What features on this product that makes you consider this product is (not) unique?
4 Repeat in all 4 categories

5 How different is this product (product name) compared to (other product name)?
6 Repeat in all 4 categories

7 What do you think of this product (product name) originality?
8 Repeat in all 4 categories

Perceived Technology Newness

1 Could you share your experience with this technology or its features?
2 Could you describe any experiences you've had with this technology or its features?

Perceived Relative Advantage

1 What aspects of this product when compared to (other products), set it apart from others in the market? How do these unique benefits align with your preferences or needs?
2 What do you think of this product (product names) overall quality and user experience in comparison with other product (picture) in the market?
3 Repeat in all 4 categories

4 In your experience with (the name of the category), what challenges have you met that you believe could be solved by manufacturers? Additionally, in your opinion are there any innovative features or improvements that could be developed for this category?
5 How does this product contribute to meeting your needs differently compared to other options you have consider?
6 Repeat in all 4 categories

Additional questions towards ssustainability

1 What are your thoughts on innovative product design and sustainability? Can you discuss a product you find particularly innovative in its sustainability approach and compare it with a main product? How do you perceive the significance of integrating sustainability into product innovation?