E-grocery Business in Digital Age: ICA MAXI in Gävle

Ali Mahmood & Peiying Kuang

19.08.2014

Second Cycle

Supervisor: Maria Fregidou-Malama
Examiner: Akmal Hyder
Abstract

Aim: The purpose of this study is to identify factors that can attract customers to buy online and help the grocers to improve their online grocery services to retain and obtain customers.

Design/Methodology/Approach: A qualitative method was used, based on triangulation methodology including observation and interviews of manager and employees. Quantitative data was collected by handing out questionnaire to 204 potential customers and 30 existing customers.

Findings: The study shows that product and service quality, time saving and convenience, web page layout, customers’ trust in grocers (service providers), store image and advertising are the important factors that customers consider when they decide to use online grocer service. E-grocers also need to consider these factors when they start online grocery service.

Suggestions for Future Research: An extensive study with large population sample and cooperation from other companies can help to generalize the results. Future studies can be extended to include drive-in and shared reception box service method, and consider the cost for the customers in e-grocery sector.

Key Words: Home delivery, Store based picking, Product and Service quality, Time saving and Convenience, Web page layout, Trust, Store image.
Content
1 Introduction .............................................................................................................................................. 1
  1.1 What is E-grocery? .......................................................................................................................... 1
  1.2 The Advantage and Disadvantage of E-grocery ............................................................................. 2
  1.3 Online Groceries in Sweden .......................................................................................................... 2
  1.4 ICA Background ........................................................................................................................... 4
  1.5 Motivation and the Aim of the Study ............................................................................................... 4
  1.6 Delimitation .................................................................................................................................. 4
  1.7 Outline .......................................................................................................................................... 5
2. Literature Review .................................................................................................................................. 6
  2.1 Four types of Online Grocery Service ............................................................................................ 6
    2.1.1 Stored-Based Picking Model ................................................................................................. 6
    2.1.2 Home Delivery Model .......................................................................................................... 7
    2.1.3 Drive-in Model ...................................................................................................................... 7
    2.1.4 Shared Reception Boxes ....................................................................................................... 8
  2.2 Key Factors for E-Grocery ................................................................................................................ 8
    2.2.1 Quality of the Products ......................................................................................................... 9
    2.2.2 Time and Convenience ........................................................................................................ 9
    2.2.3 Web Page Layout ................................................................................................................. 10
    2.2.4 Quality of Service ............................................................................................................... 11
    2.2.5 Variety of Products .............................................................................................................. 11
    2.2.6 Brand Image/Store Image .................................................................................................... 11
    2.2.7 Trust of Customers ............................................................................................................. 12
    2.2.8 Advertising .......................................................................................................................... 12
    2.2.9 Word Of Mouth .................................................................................................................... 13
  2.3 Theoretical Framework .................................................................................................................... 14
3. Methodology .......................................................................................................................................... 16
  3.1 Research Strategy ........................................................................................................................... 16
Figures

Figure 1.1 Percentage of Swedish consumers who bought food online ......................... 3
Figure 1.2 Online shopping of food and groceries in Sweden \ Billions SEK ......................... 3
Figure 2.1 Factors Affecting Customers to buy E-Groceries ............................................. 14
Figure 4.1 E-grocery Sales of ICA MAXI ........................................................................ 22
Figure 4.2 Specific area for ICA MAXI Home Delivery Services .................................... 79
Figure 4.3 Existing Customers’ Family Members at Home .............................................. 79
Figure 4.4 Distance Information of Existing Customers ................................................. 26
Figure 4.5 Existing Customers transportation source .................................................... 79
Figure 4.6 Existing Customers Buy Products On-line ..................................................... 80
Figure 4.7 Existing Customers Buy Groceries at Store ................................................... 80
Figure 4.8 How Existing Customers Know about E-grocery Service of ICA MAXI .......... 27
Figure 4.9 Potential Customers’ Family Members at Home ......................................... 82
Figure 4.10 Potential Customers Distance between home and ICA MAXI ....................... 82
Figure 4.11 Potential Customers Transportation source ............................................. 82
Figure 4.12 Potential customers buy products on-line ............................................... 83
Figure 4.13 Potential customers buy groceries at store ................................................. 83
Figure 4.14 Potential Customers know the ICA MAXI Online Service ........................... 83
Figure 4.15 Intention to use ICA MAXI Online Service .............................................. 84
Figure 4.16 Store Preferences for the Online Groceries .............................................. 32
Figure 4.17 Reasons that Drive Customers to Use E-Grocery Service ......................... 32
Figure 4.18 Intention to Use the Online Grocery Service ............................................ 34
Figure 4.19 Online Grocery Service Preferences ......................................................... 34
Table 3.1 Presentation of the Respondents

Table 4.1 Existing Customers’ Gender and Age

Table 4.2 Existing Customers’ Job Status and Income per month

Table 4.3 Existing Customers’ Response to Products and Service Quality at Store and Online

Table 4.4 Why Existing Customers Buy E-Groceries, Importance of Web Page, What Service Method they Use and Why

Table 4.5 Potential Customers Gender and Age

Table 4.6 Potential Customers’ Job Status and Income per month

Table 4.7 Potential Customers’ Response to Products and Service Quality at Store and If Buy Online

Table 4.8 Why Potential Customers don’t Buy E-Groceries, Expectation of Webpage Layout, Desired Service Method and Why

Table 4.9 Age-Family Member-Buy Online

Table 4.10 Family Members-desired e-grocery service method

Table 4.11 Age-Know about ICA MAXI E-grocery-Intention to buy in Future

Table 4.12 Why not Buy Online-Importance of Product Quality

Table 4.13 Distance from ICA MAXI-Transportation Source-Desired service method

Table 4.14 SPSS Table/Correlation Table (Potential Customers)

Table 4.15 SPSS Table/Correlation Table (Existing Customers)

Table 4.16 Summary Empirical Chapter

Table 4.17 Summary Analysis Chapter
Acknowledgement

This work is our final assignment of master degree in University of Gävle during the August of 2014. We would like to thank for our supervisor Maria Fregidou-Malama for her great support during writing of our thesis. We sincerely appreciate your patience in answering all our questions and providing guidance for us. We would also like to thank the manager ICA MAXI Henrik Stööp and Magnus who permitted us to conduct the survey at ICA MAXI Gävle. They also co-operated us a lot during our data collection. We would also like to thank all the ICA MAXI staff who also helped us during data collection. We would like to thank all respondents and people who have helped us.

Thank you so much!

Ali Mahmood and Peiying Kuang
1 Introduction

In this chapter an introduction to the topic is presented. We describe the trend of e-grocery in Swedish market and the advantages and disadvantage of e-grocery. We narrow down to the background of a specific business followed by aim of study, delimitation and the outline of our study.

1.1 What is E-grocery?

The increasing growth of online retail sales demonstrates customer enthusiasm for the online shopping channel, and highlight that online shopping has become a well-accepted way to purchase products (Hollenbeck & Hall, 2004; Lim et al., 2009). More and more traditional grocery retailers entered the online market in recent years in order to make the internet a profitable and a complementary market channel (Lim et al., 2009).

Electronic grocery (we will use e-grocery or online shopping interchangeably further in the study) saves customers’ time. The consumers can order groceries from home electronically (i.e, internet, telephone and fax) and having the groceries subsequently delivered home (Verhoef & Langerak, 2001; Lim et al., 2009).

There are two kinds of e-grocery services: “Brick and click” companies and “Pure-players”. Brick and click companies have both physical store and online channel to reach customers; Pure-players only have online channel to reach customers (Kämäräinen et al., 2001). As compared to pure-players the “brick and clicks” company have more advantages, such as a strong brand name, a national customer base, established warehouses, large-scale distribution, an already trained staff and low customer acquisition costs (Laudon & Traver, 2007).

These operators attempt to apply different models delivering goods to the customers (Colla & Lapoule, 2012). Kämäräinen et al., (2001) identified five potential receiving concepts for electronic grocery shopping; Home delivery, Pick-up in store, Shared reception boxes, Own Reception box, Drive-in.
1.2 The Advantage and Disadvantage of E-grocery

As mentioned earlier that there is less waiting time, transportation time and planning time needed for it. Then this less time required to order the products from home; lessens the time required for in-store shopping (Verhoef & Langerak, 2001). Furthermore, it is convenient for customers to order products from internet. The convenience refers to different form of costs, such as the time, effort, monetary and stress related to purchase & even physical effort involved in picking the purchased items (Verhoef & Langerak, 2001; De Kervenoael et al., 2006).

Despite advantages of e-grocery that drive the customers to buy e-grocery; companies have to face difficulties to provide e-grocery services to its customers. For example, cost-effectiveness in e-grocer’s supply chain, especially in “Last mile” (operation from the distribution center to the customers), has become the biggest challenge for e-grocery business (Fallgren & Sundborg, 2013; Kämäräinen & Punakivi, 2002). Packing of products is also a big challenge as different temperature is required for different products like for fridge and freezer items (Kämäräinen & Punakivi, 2002). And customers can’t look, smell or touch the products (Cimana & Phoosangthong, 2013). Geunes et al., (2005) highlights some disadvantages of e-groceries like product freshness, need for immediate delivery, shipping cost, card security.

1.3 Online Groceries in Sweden

According to retailer sales index in UK online retailers are experiencing fastest growth in over a decade. According to a survey one fifth of the families in UK buy their food and groceries online which is 10% higher than those buying online food and groceries in Europe and rest of the world. Online groceries are getting popular in Swedish market as well but it is not growing with the pace as it is growing in UK (Delaney-Klinger et al., 2003). Online sales of food and beverages has not taken off in Sweden yet as it adds up only 6% to the total revenue of e-grocery and only 1% to total food sector in Sweden (Svensk Digital Handel, 2014, P-5).

The number of people buying online is increasing every year. During the year 2013-14; this number raised from 17% to 22% (Svensk Digital Handel, 2014, P-9) (figure 1.1). Jonas Oqvall, CEO of Svensk Digital Handel thinks that online food industry also has some problems like the handling of the food, logistic issues, presentation of goods and the customer’s concern that they
can not touch and smell the products before they buy them online. So these are a few concerns that the industry needs to take into consideration for the flourishment of their business.

Figure 1.1 Percentage of Swedish Customers who bought food Online

Source: Svensk Digital Handel. 2014, Page-9

According to Svensk Digital Handel, (2014) online food industry in Sweden accumulated the revenue of 2.2 billion Kronor (243 million euros) last year which means 38% growth from the previous year (figure 1.2). All the numbers shown in figure 1.2 are in billions. It also shows a growing trend of online shopping of food and groceries in Sweden. According to this report the reasons that people buy online are; it is convenient, saves time and there is a wide range of products available.

Figure 1.2 Online shopping of food and groceries in Sweden, Billions SEK

1.4 ICA Background

ICA Group is one of the Nordic region’s leading retail group and its core business is grocery items. It has 2,400 own and retailer-owned stores in five geographic markets. The idea of ICA is based on individual retailers working in cooperation. Each retailer owns and operates his store to meet the demand of customers by adopting local concepts and offerings. Its vision is to make every day a little easier for its customers (ICA, 2014b). ICA has four store formats across the markets: hypermarkets (Maxi ICA), supermarkets, convenience stores and discount (ICA, 2014a). In 2013, ICA had 21,000 employees, markets in Sweden, Norway and the Baltic countries and ICA Group’s sales were SEK 100 billion (ICA, 2014b). Maxi ICA Stormarknad Gävle provides two kinds of online grocery services; home delivery and store based picking services (Maxi ICA).

1.5 Motivation and the Aim of the Study

Most case studies conducted research on e-commerce in general, especially for non-food products (Jiang et al., 2013; Ha & Stoel, 2012; Colla & Lapoule, 2012). In addition, a lot of research has pointed out the critical success factors of e-grocers or introduced online grocery service models. Some researchers also conducted research that how online grocery business can improve by considering factors (products quality, time and convenience and service quality etc.) (Kämäräinen & Punakivi, 2002; Colla & Lapoule, 2012; Kämäräinen et al., 2001). There has been significant increment in number of online grocery buyers in Sweden (figure 1.1). But still the companies (e.g. ICA MAXI) are struggling to gain significant number of customers. We wanted to identify what could be possible factors that can help companies to attract more customers and how these factors can help companies to improve their online grocery service. So, aim of this study is to identify factors that can help the e-grocery service providers to attract new customers and improve their e-grocery business. Following research questions are addressed:

1) What factors can attract customers to buy online groceries?
2) How can e-grocers improve their online grocery services?

1.6 Delimitation

The study focuses on e-grocery sector. It is delimited to e-grocery business in Gävle market using ICA MAXI as case study while there are 5 other companies that also provide e-grocery services in Gävle. The study is also delimited to interview of the manager and employees
responsible for E-grocery services; hand out questionnaires to existing stores based picking service customers and the potential customers for E-groceries in future. We didn’t interview the employees working temporarily for this service and we couldn’t hand out the questionnaires to the customers who use home delivery service.

1.7 Outline

Chapter 1 – Introduction: Introduction of e-grocery service, the aim of the study and research questions are described in this chapter.

Chapter 2 – Literature Review: A literature review of relevant studies regarding aim and research question of the study is presented in this chapter. In addition, own theoretical framework is presented.

Chapter 3 – Methodology: The research approach of study; the chosen approaches, data collection method and interpretation of finding are discussed in this chapter. In addition, data presentation and data analysis methods are described.

Chapter 4 – Empirical study: Primary data and findings are presented in this chapter. The data is collected from interview of 5 employees and a manager responsible for the e-grocery services. The data is also collected from 30 existing and 204 potential customers.

Chapter 5 – Analysis: The findings are analyzed in relation to the literature in this chapter. The findings are analyzed according to two online services and eight factors.

Chapter 6 – Conclusions: The main results from the analysis are summarized and the research questions are answered in this chapter. Theoretical, managerial implications and social implications are discussed and provided some suggestions for further research.
2. Literature Review

In this chapter we discuss service methods that can be used by grocers to provide online services. We also discuss factors that can affect customers’ intention to buy online and eventually can affect e-grocery services. In addition, we construct own theoretical framework.

2.1 Four types of Online Grocery Service

Customers like the idea of time saving and reduction of physical effort associated with online sales of all kinds of products (Kämäräinen & Punakivi, 2002; Boyer & Hult, 2005). In general, there are four types of online grocery sales methods: stored-based picking (Kämäräinen & Punakivi, 2002) home delivery (both attended reception and unattended reception) (Colla & Lapoule, 2012), drive-ins (Hand et al., 2009) and shared reception boxes (Kämäräinen et al., 2001).

2.1.1 Stored-Based Picking Model

Stored-based picking was the first service model introduced; the customers pick up online orders from local supermarket or a warehouse (Kämäräinen et al., 2001; Kämäräinen & Punakivi, 2002). Stored-based picking is main strategy for retailers who have a strong network of supermarket to enter e-grocery business (Kämäräinen & Punakivi, 2002) due to the low investment and existing business network. Furthermore, store based picking model helps retailers to provide a full product range easily and take full advantage of existing assets and resources (Kämäräinen & Punakivi, 2002). Even stored-based picking make the shopping easier for customers, but it does not eliminate all trouble of the customers; as they still need to come to the store and pick up their groceries by themselves (Kämäräinen et al., 2001; Breugelmans et al., 2007). It is easy to implement when sale volume is low. However, if the sales volume increases, store based picking service is not considered effective as it troubles customers as well as the store management. So the stores have to come up with other effective service models to cope with this issue (Kämäräinen & Punakivi, 2002, Breugelmans et al., 2007). Warschun et al., (2012) argue that most online grocery shoppers are willing to pay for home delivery over picking up by themselves.
2.1.2 Home Delivery Model

Home delivery consists of attended (customers have to wait at home to receive their order) and unattended (customers don’t have to wait) reception (Kämäräinen & Punakivi, 2002; Colla & Lapoule, 2012). To ensure convenience for customers, the orders need to be delivered within a specified time period (Lunce et al., 2006, Kämäräinen et al., 2001). In this model, no investment is required in reception technology. Compared to store-based picking, customers spend less time to receive their order in home delivery service, since they don’t have to come to the store. However, the personal contact with the customers and tight delivery time windows increase the delivery time for grocers that also increase the cost of e-grocers (Kämäräinen et al., 2001). In addition, customers are required to wait at home to receive their groceries instead of being independent of timetable (Lunce et al., 2006, Kämäräinen et al., 2001).

The unattended home delivery can solve the problem of flexibility of delivery timetable. In this concept; e-grocers deliver the orders to reception boxes owned by customers (Kämäräinen et al., 2001; Kämäräinen & Punakivi, 2002). These reception boxes are refrigerated; it can be installed in the customers' garage or the yard of their home (Punakivi & Saranen, 2001). The reception box is efficient and offers advantages for both customers and e-grocers. For example, the customers are independent of the delivery timetable and get their orders directly from home. E-grocers have to spend shorter delivery time in this approach as compared to attended reception, because they don’t have to have face-to-face contact with customers (Kämäräinen et al., 2001). However, the problem involved in this model is, high initial cost of the box which is estimated up to €2000 per box (Kämäräinen et al., 2001; Lunce et al., 2006), high initial cost and low demand of such boxes makes it difficult for grocers to invest (Agatz et al., 2008).

2.1.3 Drive-in Model

The expensive delivery cost is a big challenge for home delivery model (both attended and unattended), thus, drive-in concept was introduced to reduce delivery cost (Colla & Lapoule 2012). In drive-in concept, goods are delivered only ‘half way’ and customer has to pick them up within the pick-up time window and at the pick-up point defined by service provider” (Colla & Lapoule 2012). Drive-in offers customers a new way of rationalizing purchases (Colla & Lapoule 2012). The customers save a part of time and money needed to go to stores, since most
of pick-up point (purpose-built warehouse and pick up point, co-location store) is near to customers (Hand et al., 2009) and non-home delivery reduces logistical costs of groceries up to 70% (Yrjölä, 2003; Hand et al., 2009). The customers are required to stay home at a certain time of the day to wait for their orders. Thus, this approach reduce delivery costs and provides free time to customers that can be used for other activities (Colla & Lapoule 2012).

Drive-in concept is also beneficial for grocery products: it improves the utilization of existing assets and resources; it requires low investment; facilitates to achieve a rapid rate of geographical expansion and provides a number of logistical advantages to e-grocers (Fernie et al., 2010, Hand et al., 2009). Flip side of drive model is; it relies on retailer to impair the standard of service for customers. The conflicts between online retailing and conventional stores are likely to emerge and to intensify as the volume of online sales increases (Hand et al., 2009).

### 2.1.4 Shared Reception Boxes

Combining the advantages of both drive-ins and unattended home delivery model, shared reception boxes are introduced (Hand et al., 2009, Kämäräinen et al., 2001). In this model, grocers deliver the orders to locked reception boxes that are allocated to specific customers with every delivery, which makes it possible for many customers to use the same reception box. The customers are not required to stay home to receive their order. When the orders are delivered to the reception box, they will receive the number of the box and s code to unlock the box by a text message. The reception box is like a normal refrigerator, it operates on an appropriate temperature to keep the groceries in good condition (Kämäräinen et al., 2001). Furthermore, it is the most cost-effective solution for e-grocers. The e-grocers can drop off many orders at one stop rather than drop off one order per stop, which reduces grocery delivery time per customer. But this method requires a third party, e-grocers and customers to invest in the reception boxes. Currently, there are no e-grocers using this concept, but it has a huge potential in future (Kämäräinen et al., 2001).

### 2.2 Key Factors for E-Grocery

Online shopping enables customers to buy their desired products whenever and where ever they want without any physical effort; and it is convenient when they buy large or heavy items. And there are some key success factors defined as strategic factors that can be attained or influenced
by the managers to improve their firm’s activity and gain competitive advantage over their competitors (Johnson & Scholes, 2002). Below we discuss key factors that can influence customers’ intention to buy online groceries.

2.2.1 Quality of the Products

Product Quality is considered as an important aspect of purchasing; whether it is purchase in stores or purchase on internet. As Mahatanankoon et al., (2005) argue customers would purchase more fresh products (perishable products like meat, vegetables, cheese and fruits etc. (Hansen, 2005)) if they are convinced of its quality. They further argue that managers also accept this reality that if product range is deeper and wider – having fresh products – then it would enhance purchase frequency on internet, customer loyalty and even to gain new customers.

Retailers should be careful about product quality as switching cost between retailers has reduced because of internet. Customers can be locked in, by ensuring better quality or service or by introducing user friendly and interactive web pages. 5% increase in customer retention can help to boost bottom line profitability by 25 to 95% (Boyer & Hult, 2005). Tanskanen et al., (2002) point out customer’s perception of product quality as one of the biggest hurdle to adopt online grocery channel. Homburg et al., (2005) argue that product freshness is correlated with customer satisfaction and (Boyer & Hult, 2005) also describe product quality as most important factor that influences customers’ purchasing behavior. Boyer & Hult, (2005) argue the grocers need to improve freshness of products (product quality) to attain more or maintain current customers.

2.2.2 Time and Convenience

Internet shoppers think and cite time saving as one of their prime reason to shop online. Online shoppers are less sensitive to price and have great desire for increased services and time saving (Boyer & Hult, 2005). Customers adopt online shopping because it saves their time and hassle of picking up the products they need (De Kervenoael et al., 2006; Boyer & Hult, 2005). Picot-Coupey et al., (2009) also argue that the main reason of consumers buying online is time saving and convenience. Ghesquière, (2011) argue that customers think in store grocery as a negative activity and would like to spend their time in other activities rather than wasting it in stores to pick up items they need. Colla & Lapoule, (2012) also argue that customers like online shopping just because of time saving associated with it and reduction in physical effort i.e. convenience.
Lunce et al., (2006) argue that super markets are losing customers who are not sensitive to price but are time starved. So they try to attract those customers by introducing online grocery services. They are trying to reduce the time window on packing and delivery of the products so that they satisfy and maintain their customers. Yrjo, (2001) argue that value of time spent on shopping represents 20% of the grocery products purchased. Colla & Lapoule, (2012) mention that grocers are also trying to reduce the time window by introducing new service methods like drive in, store based picking, home delivery etc. as discussed earlier. So, Online shopping is most popular and convenient for people who are time starved regardless of whatever aspect of life they belong (Colla & Lapoule, 2012).

2.2.3 Web Page Layout

Internet shopping is different from traditional shopping method in physical stores and it still involves challenges like ordering correctly on web pages (Boyer & Hult, 2005). Lim et al., (2009) and Colla & Lapoule, (2012) argue that effective web page having better functionality, user friendliness, easy to navigate and interphase of website could be a vital factors for the success of electronic businesses. Lee et al., (2002) and Yen et al., (2007) also argue that almost 35% of the customers consider website accessibility, its user friendliness and efficiency as a critical factor of their purchasing from a particular store. McKinney, (2004) argue that – coupons, discount offers, specific event offer like Christmas or Easter, describing products organically, out of stock products, pictures and cost of the product with delivery charges, option to delete selected products or previously purchased products – as vital element for online buying. Colla & Lapoule, (2012) argue that toll free numbers and order confirmation via email can also contribute to customers’ satisfaction.

Web pages having easy navigation and user friendliness will save the time and will lead to customer satisfaction (Yoo & Donthu, 2001). Lim et al., (2009) argue that web pages should also include quality signals; providing information such that nutritional content of products and their origin. Dholakia & Zhao (2009) and Raijas, (2002) regard web pages as one of main source to meet customer expectations which (web pages) should provide option for customers feedback, include search option, follow order by order number, create featured list, or list of frequently purchased products. Web page layout and time saving is inter related so grocers should try to make an interphase according to customer’s perception of innate simplicity and user friendliness.
(Yoo & Donthu, 2001). Boyer & Hult, (2005) argue that customers’ past experience of web usage with a particular company is expected to affect future ordering by customers.

2.2.4 Quality of Service

Service quality is considered as a fundamental element in every business related to services. It is a predictor of customer satisfaction and loyalty to a certain company/brand (Zeithaml et al., 1996). But Meuter et al., (2003) argue that service quality in groceries sector is directly relational to product quality. And Delaney-Klinger et al., (2003) argue service quality is also very important for customers who think convenience more important than price. There is a thin line between attaining new customers or losing current customer if service quality is not up to customers’ expectation (Boyer, Hult 2005).

2.2.5 Variety of Products

Arnold et al., (1998) argue that grocers need to provide a wide range of products to attain customers and to gain competitive advantage over other potential web based competitors. Alba & Lynch, (1997) also argue that most important customer benefit of e-commerce is based on wider availability and selection of items so grocers should provide additional value to the customer on the products offered. Nguyen et al., (2010) believe that E-grocers can also be successful if they succeed to attract distant customer by offering wide range of products to them. It might be difficult for physical stores to imitate and will help online grocers to gain competitive service advantage over their competitors in the market. Hackney et al., (2006) also highlight the significance of wide range of products and services regarding value of the offer that would help the business to differentiate it from its competitors. In terms of online business components of offer; range of products offered, payment, advice and interactivity of webpages and advertising are considered more important than logistics (Kotzab & Madlberger, 2001).

2.2.6 Brand Image/Store Image

Hartman & Spiro, (2005) define brand image/store image as an overall memory resulting of store attribute perceptions based on exposure to stimuli. It means that store image is a perception that customers have in their mind about the services and products offered to them. Dennis & Sandhu, (2002) argue grocers who can integrate e-grocery and a strong brand image/store image will
perform better in their business. According to Colla & Lapoule, (2012) grocers need to create an interaction between physical stores and online stores, and put continuous efforts to improve their brand/store image by adopting a coherent marketing strategy. Integrated data bases of customers can also help in this regard to devise a marketing strategy.

2.2.7 Trust of Customers

Chen & Barnes, (2007) argue that for online business the companies need to have user friendly websites, secure system for online transaction, good reputation and have user interaction forum on its web page (e-forums). Kracher et al., (2005) argue that easy to understand information on websites reduces the confusion of the customers, lifts their trust level and positively influences their intension to buy online. Shek et al., (2003) argue that trust overcome customers’ apprehension of can’t touch and smell barrier. Many people are willing to buy products online because they trust the capacity of online companies that they will provide good quality products and services to them (Sahney et al., 2013; Salo & Karjaluoto, 2007). Urban et al., (2000) argue that customers buy products online or do transaction online because they trust the retailers. So grocers need to be careful about their customers’ records and providing them the products they order. According to Colla & Lapoule, (2012) if grocers succeed to gain customer’s trust, they can expect an increase in their customers. They further argue that interactive web pages ensuring transaction security can also help retailers to gain customer’s trust.

2.2.8 Advertising

Advertising is the first communication tool to introduce a new product into the market (López & Sicilia, 2013). Print media, such as magazines and newspapers, can provide detailed product information but make it difficult to vividly demonstrate product attributes (Keller et al., 2011). Since traditional advertising media – especially TV advertising and print media - are becoming less effective, marketers try to use billboard and poster to advertising and reach people where they work, shop, play (Keller et al., 2011). Some marketers use billboard-laden trucks to drive around all day in marketer-selected areas for advertising (Keller et al., 2011). Fundamental purpose of advertising is to enhance brand name recognition (Clark et al., 2009). Companies spend millions of dollars every year on advertising to create brand loyalty amongst their customers which leads towards customer loyalty (Chioveanu, 2008). Advertising not only creates
awareness about certain products or services but also affects customers’ preferences and purchase behavior (Mehta et al., 2008). Advertising has positive influence on customers’ experience about a certain product or service and could lead towards increased customer loyalty (Verhoef et al., 2009). Advertisement has positive effect on adoption of a new services and also has positive affect on adoption timing of customers (Prins et al., 2009).

Marketers also use short message service (SMS) technology as marketing tool to promote goods, services and ideas by sending messages directly to individual consumers as one-to-one marketing (Phau & Teah, 2009). They argue that SMS advertising is particularly attractive to younger consumer, as mobile phones are becoming necessary part in the young consumers' life. Marketers use 'Push' mobile (send directly to customers’ phone as a message) advertising campaigns to attract them (Phau & Teah 2009). Customers are invited to participate in sweepstakes or get discount coupons by dialing a short code promoted by the company on its products. Leppäniemi & Karjaluoto, (2008) argue that mobile marketing enables frequent consumers’ involvement and interaction through repeated content downloads.

2.2.9 Word Of Mouth

Word of mouth (WOM) is oral person-to-person communication between a sender and a receiver, which involves a brand, product and service (Wu & Wang, 2011). Since online shopper lack direct interaction with products WOM can influence consumers’ purchase decisions (Ha & Im, 2012). Customers consider such feedback from a trustworthy third party (such as a relative or friend); and are more willing to use positive and reliable word-of-mouth as an important reference for purchase decision (Kuo et al., 2013); because this feedback help customers to reduce their uncertainty about product quality (Chen & Huang, 2013). The more WOM consumers receive; they are more likely to be affected by it (Kuo et al., 2013). With the emergence of internet, customers tend to interact with other web users (Chen & Huang, 2013) and publicly share their experiences about services, brands, and products (Kuo et al., 2013; Chen & Huang, 2013). A user-generated online customer review is regarded as electronic word-of-mouth (e WOM), which may include negative or positive statements about the products, services and brands; can influence other customers’ decision-making (Chen & Huang, 2013). It also helps manager to monitor customers’ perception toward their products through observing online reviews and to adjust marketing strategies accordingly (Chen & Huang, 2013).
2.3 Theoretical Framework

This theoretical framework (figure 2.1) shows how factors discussed in literature can affect customers’ decision to buy online groceries. We consider seven factors that can affect the customers’ decision to buy online groceries. For example if service quality provided by grocers is not good then it will affect repurchase (Boyer, Hult 2005). Customers are time starved and quality conscious (De Kervenoael et al., 2006; Boyer & Hult, 2005; Lunce et al., 2006; Colla & Lapoule, 2012; Picot-Coupey et al., 2009). So if service and delivery time will not be good then it will not save customers’ time as they will have to wait for the products they ordered online (Lunce et al., 2006; Kämäräinen et al., 2001). Web page layout is also important (Lim et al., 2009; Colla & Lapoule, 2012; Lee et al., 2002; Yen et al., 2007) if web page will not be user friendly then it will not provide convenience or save time.

Figure 2.1 Factors Affecting Customers to buy E-Groceries

![Diagram showing factors affecting customers to buy e-groceries](image)

Source: Own Construction

It will also affect customers’ trust in grocers (Chen & Barnes, 2007) which can hurt the brand name or brand image (Colla & Lapoule, 2012). So if grocers don’t consider these factors they could lose customers and customer maintenance is considered important in online groceries (Boyer & Hult, 2005).

In the next step we consider four delivery methods that grocers use to provide e-grocery service. Customers choose the service method that suits them; we use double headed arrows (figure 2.1)
because the customer may not buy online groceries if none of the service method suits him/her. The grocers use different methods like store base picking to save their own delivery cost (Kämäräinen & Punakivi, 2002) which also helps the customers to save time as they don’t have to pick their desired products by themselves (Kämäräinen & Punakivi, 2002, Breugelmans et al., 2007). But if number of customers increases then grocers have to consider another method like home delivery (Kämäräinen & Punakivi, 2002; Breugelmans et al., 2007). It is also a win-win situation for both grocers and customers as it saves logistics cost of grocers and saves customers’ time (Lunce et al., 2006, Kämäräinen et al., 2001). Grocers consider home delivery option after the number of customers increase; but it is not cost efficient for grocer and reduces their profit margin (Kämäräinen et al., 2001).

After these two important steps; customers buy their groceries online and have a good or bad experience and provide their feedback to grocers. We use a blue arrow (figure 2.1) leading back to customers’ intention to buy online showing the word of mouth. Word of mouth can affect customers in a positive or negative way (Kuo et al., 2013; Ha & Im, 2012). Word of mouth can also affect grocers in negative or positive way. Customers could believe the customer who would tell them something positive (Kuo et al., 2013) and could neglect the factors, go directly to choose the service method that suits them and buy their groceries online. This feedback helps new customers to reduce their uncertainty about quality of online products (Chen & Huang, 2013). Customer having experience of buying online may not consider the factors and go to service methods directly to see if he/she wants to choose some other service method and buy their groceries online. If customers have negative WOM from customers then they may consider all the factors again and by taking into account different methods could choose suitable method for them and buy their groceries online.
3. Methodology

In this chapter we discuss methods that we use for our study like observation, interview, and quantitative approach. We also present the reliability and validity of methodical approach used in this study.

3.1 Research Strategy

Methodological triangulation is used for primary data in this study. Triangulation means using multiple sources of data, more than one research method to collect and/ or analyze the data (Collins & Hussey, 2009, p.85). Collins & Hussey, (2009) further suggest that collecting data through more than one method can provide a richer view of the studied phenomenon. Three data collection methods are used in this study. The first data collection method used is observation; secondly the authors interviewed employees and the manager using semi-structured interview questions. Then for the third method of data collection the authors used questionnaire having closed ended questions and one open question to gain customers’ perspective. The purpose of using three different data collection methods is to obtain different perspective and to have detailed data about the studied phenomenon. The secondary data is collected from relevant literature like articles, web pages, and text books.

3.1.1 Case Study:

ICA MAXI is one of traditional supermarkets in Gävle and it provides e-grocery service so we choose it as a case study. Yin, (2009) suggests that case studies are suitable to answer "how" and/or “why” research questions. Yin, (2009) argues that, it is important to define the boundaries of a case study. The research questions of this study are what factors can attract customers to buy online groceries? And how can e-grocers improve their online grocery services? Thus, case study is an appropriate method for this study. According to Collins & Hussey, (2009, p.82) and Silverman, (2010) the basic idea of case study is that one case will be studied in detail, using a variety of methods to obtain in-depth knowledge.
3.1.2 Observation

The observers record the data by watching and listening to a phenomenon or interaction (Yin, 2009; Ranjit Kumar, 2011). Merriam, (2009) argue that observation can be done in an activity, event, or situation. The researchers cannot be at all places at all times and also watch everything that is going on (Yin, 2009; Merriam, 2009). Thus, it is important to regard the researcher’s purpose to decide “when”, “where” and “what” to observe (Yin, 2009). In this case, the manager told that ICA MAXI has store-base picking and home delivery service. As a part of study is focused on service methods used i.e. stored-based picking and home delivery service, thus, the authors consult the manager of ICA MAXI that “when” and “Where” the online grocery activities occur. Authors reached the store on Monday 10 am (as told by the manager) to observe packing process of store based picking. During observation, authors also act participant-observers; as Merriam, (2009) argue that authors can also be volunteers to participate the service for data collection through observation. And then next day we went to store again to observe packing process of home delivery service. In order to record the data, the researcher uses his/ her own words to describe the interaction (Ranjit, 2011). In this case, the authors made brief notes while observing the process and made detailed note after completion of observation.

There are some limitations of observation. An observer may be biased in his/her observation therefore the conclusions from observation may also be biased. Furthermore, the conclusion drawn could be subjective reflecting researcher’s perspective. Thus, the conclusion drawn could be different from person to person. Also if authors concentrate on observation, then he or she might forget to record an important piece of interaction. In addition, when a group or individuals become aware that they are being observed, then they may change their behavior. The change could be positive or negative, which depends on situation which may influence the quality of data collection (Merriam, 2009).

3.1.3 Interview

We conducted semi-structured interviews of six employees who work for online grocery services at ICA MAXI. The interviews are sorted by the date they are conducted (table 3.1). An interview is a process in which a researcher and participant are engaged in a conversation focused on questions related to a research study (Collins & Hussey, 2009, p.195; Merriam, 2009).
The purpose of interviewing is to allow the researcher to enter into other person's perspective (Merriam, 2009). Even though authors used observation strategy to collect data yet we cannot observe feelings and thoughts of people during observation. Thus, interview is necessary to have in-depth knowledge about online grocery services. In order to ensure the interviewees have related knowledge and experience to provide answers, selection of interviewees should be based on the kind of information needed and research questions (Merriam, 2009; Krueger et al., 1998). The authors conducted face-to-face interviews with the manager and five employees working for online grocery services at ICA MAXI. All the interviews were semi-structured and the authors designed two types of interview questions; one for the manager (appendix 5), and another for employees (appendix 4).

Tables 3.1 Presentation of the Respondents

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Organization</th>
<th>Position</th>
<th>Method</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee A</td>
<td>ICA MAXI</td>
<td>Employee Store based picking &amp; Home delivery service</td>
<td>Face to Face</td>
<td>2014-05-14 8:00 - 8:30</td>
</tr>
<tr>
<td>Employee B</td>
<td>ICA MAXI</td>
<td>Employee Store based picking</td>
<td>Face to face</td>
<td>2014-05-16 14:30-15:00</td>
</tr>
<tr>
<td>Employee C</td>
<td>ICA MAXI</td>
<td>Employee &amp; Driver Home delivery Service</td>
<td>Face to face</td>
<td>2014-05-20 13:30 –14:00</td>
</tr>
<tr>
<td>Employee D</td>
<td>ICA MAXI</td>
<td>Employee Home delivery service</td>
<td>Face to face</td>
<td>2014-05-14 8:30-9:00</td>
</tr>
<tr>
<td>Employee E</td>
<td>ICA MAXI</td>
<td>Employee &amp; Driver Home delivery Service</td>
<td>Face to face</td>
<td>2014-05-20 14:00-14:30</td>
</tr>
<tr>
<td>Manager</td>
<td>ICA MAXI</td>
<td>Manager Sales (Looks upon online service as well)</td>
<td>Face to face</td>
<td>2014-05-14 13:00-14:00</td>
</tr>
</tbody>
</table>

Source: Own Construction

In part one of questionnaire for the manager from (Q1 to Q9) mostly the question are raised to obtain general information about manager’s responsibility and process of e-grocery service "what" services methods are used. In the second part from (Q10- Q37) we asked questions regarding factors (Time & convenience, Web page layout, Variety of products, Trust, Brand image, Product quality and Service quality) that could affect online groceries business. The purpose to raise these questions was to know if the management at ICA MAXI considers those factors or not. This part also included an open question to know manager’s opinion about services or if he could mention more factors to be considered.

The authors also divided the questionnaire for employees into two parts. Part one included questions (Q1 to Q12) regarding "how" they provide online services (process of packing and
delivery of the bags). In this part we also had question regarding product and service quality. In the second part From Q13 to Q17; we raised question regarding issues of employees and if they had a suggestion for this service.

3.1.4 Correlation Analysis

Quantitative analysis was conducted using Statistical Package for the Social Science (SPSS) software, Version 20.0. Correlation analysis was introduced by Karl Pearson; it is used to measure and identify linear relationship among two sets of variables, for example, X and Y. It is used to identify the existence of straight line relationships between the variables indicating level of variation in X in relevance to variation in Y. In addition, Pearson correlation coefficient is named after Karl Pearson. It is used as statistical indicator in correlation analysis. The correlation coefficient (r) is used to measure the strength of the relationship between variables which can range from -1.00 to +1.00. If value of coefficient is 1.00 then it represents a perfect positive relation, if value is between 0.6 – 1 it indicates a strong positive correlation. It value is between 0.3 – 0.6 it demonstrates a moderate relationship between variables. If value is -1.00; it represents a perfect negative correlation. If value is 0.00 it means that there is no relationship between variables (Malhotra, 2007; Zikmund, 1997).

3.1.5 Data Collection through Survey

The authors developed two types of questionnaires; one questionnaire was designed for existing customer and the second questionnaire was designed for potential customers (who do not buy online groceries now). Existing customers questionnaires was designed to find out which factors drive them to buy online, and if they are satisfied with the service method ICA MAXI uses to provide them online grocery services. And the second questionnaire for potential was designed to find out why they do not buy their groceries online. The questionnaire for potential customers also included questions that if they will their groceries online in future; what service method they would like to use.

The Existing customers come to self-checkout counter at 4 pm on Monday to collect their bags. Authors reached their store before 4pm and the manager provided us a table and a place beside the counter. He instructed attendant at counter to tell the customers about our survey and request them to fill out the questionnaire for us. One author took responsibility to hand out questionnaire
to existing customers and the other author went around the store to hand out questionnaire to potential customers. To be on safe side we would ask customers before handing out questionnaire that if they buy online groceries or not. Because during data collection the authors observed that there were a few customers who ordered their groceries online but they were also buying other products from store and then they would come to self-check-out counter for their bags collection.

3.2 Data Presentation and Analysis

In next chapter we present the data in four parts. In first part the primary data collected from interviews (manager and employees) and observation (packing process of store based picking) is presented (4.1, 4.2 and 4.3) to provide information about the service method that ICA MAXI. We also describe what are future plans of the store and where does it lacks compared to its competitors. In second part, we present data using tables and figures from both existing and potential customers' surveys (4.4, 4.5 and 4.6). We also entered data into Statistical Package for Social Science software, version 20.0 to do the correlation analysis. In third part, we developed tables combining different questions to obtain findings from data collected. We present our results in this part using tables and highlighted our findings in those tables. In the last part, we present the results obtained through correlation analysis. In the analysis chapter we discuss two service methods (store based picking and home delivery) and factors (Products quality, Service quality, time and convenience etc.). We compare our findings (tables and figures, and correlation analysis) with theories to draw the conclusion of our study.

3.3 Reliability and Validity

There are different threats for validity of data; it could be internal threats that the results obtained from the study or with in study are true. Then there are external threats like; can results obtained from the study be generalized i.e. population, setting of different events, timings of data collection, and periods of data collection (Ghauri P. & Gronhaugh K., 2010. pp.63). The data for research should be valid producing reliable knowledge presented in an ethical manner so that results can be trusted (Merriam, 2009).

The authors used triangulation techniques to collect data. Triangulation means using multiple sources of data, different research methods to collect and/ or analyze the data (Merriam, 2009,
In this study authors used three techniques – observation, handout questionnaire to existing and potential customers, and finally interviewing the manager and employees – for reliability and validity of data and to have in-depth findings of studied phenomenon. For observation the authors went to ICA MAXI and observed the packing the bags for store basis picking service. In the second step authors handed out questionnaires to existing customers for online groceries at ICA MAXI. Then authors handed out questionnaire to potential customers who could use this service in future. And to avoid bias the authors chose random sampling on different days so that people from different age groups can be included in sample as (Merriam, 2009, pp.209) argue that selective sampling can also cause unreliability of data. In last step the authors interviewed the manager and employees of ICA MAXI responsible for e-groceries business both for store based picking and home delivery services. We used triangulation method, adequate engagement in data i.e. the authors spent one week for variation of sample and to avoid bias and peer review i.e. discussed the process of study with our colleagues, to make sure the validity and reliability of data as suggested by Merriam, (2009, pp.229).

The reliability of data means that even if the study is repeated it should generate same results (Merriam, 2009, pp.220). But it will be difficult in this study as the behavior and choices of people can vary with time (Merriam, 2009, pp.210). The authors tried not to harm any participant, respect them and to be honest to present the data collected from all the participants. As Bryman & Bell, (2011) argue it is crucial to not harm the participants by publishing sensitive information about them. We used four perspectives i.e. the manager and employees who work for online grocery service, existing and potential customers’ perspective to enhance the validity of data collected.
4. Empirical Study

In this chapter the collected empirical data and findings are presented. The qualitative data is collected from six interviews of employees responsible for online grocery services at ICA MAXI. The quantitative data is collected by 204 potential customers and 30 existing customers.

4.1 Background ICA MAXI

ICA MAXI started its online grocery services in May, 2013 and doesn’t provide online services for clothes and shoes etc. The manager told authors that the number of customers (especially for home delivery services) has been flexible throughout the whole time period. They had maximum number of customers and turnover in March, 2014 for home delivery services (figure 4.1). He further said that people like to buy themselves in red days (holidays like Christmas or Easter) so they don’t provide home delivery services during those days. ICA MAXI has three time slots for home delivery; 10 to 12, 13 to 16 and 17 to 20; and last slot is normally the biggest one in term of orders.

4.2 Store-based Picking

For store based picking; customers order almost 10 days before the week they need their groceries. ICA MAXI provides four types of bags for store-based-picking; Bistro (3-days & 5
days i.e. either bag will have food for three days or five days), Inspiration (3-days & 5-days), Cheap Week (3-days & 5-days), Lactose Free (3-days & 5-days). These bags have fixed menu or grocery items for one week but manager told authors that the menu changes every week. Employee A has been working since five years while employee B has been working since two years at ICA MAXI. Employee A is responsible for dry grocery items while employee B is responsible for fruits & vegetables. Other employees help employee A & B for freezer or fridge items. According to almost all the interviewees ICA MAXI has 45 customers per week on average.

Employees can see the order and category of bag (i.e. Bistro, inspiration etc.) from data base. Employee A & employee B collect items according to orders and enter all the items into data base. Both the employees said that they pack meat and dairy items at the end, so that these items remain in warm temperature for a little time. Then bags are put into to freezer or fridge room according to contents of the bags. During survey; customers who don’t buy online groceries showed their concern about quality of products. So upon query all the employees told the authors that they choose the grocery items as they would choose for themselves. Employee B said that she chooses products from newly arrived lot on Sunday to provide best dates to customers. In case of short expiry dates the employees tell customer to check the dates of the products and start with the recipe which could go bad. Employee B said that she is instructed to be careful about quality or consult the manager if something is beyond her authority. If customers order something and store is out of stock for that certain product then there can be a complaint. They provide alternate products; sometime customers accept but sometimes they don’t.

If sometimes employees miss something in the bag or products go bad upon delivery then customers would complain to employee B about minor complaints. If there is a big quality issue then she consults the manager who can instruct to provide new products. Customers can cancel the orders if they have any issues or they have to go somewhere suddenly. For store based picking ICA MAXI provides the option to pay online. Those customers are then included into pre-paid list and the others come at self-check-out counter to pay there at store. According to the manager most of customers who use store based picking service; live at long distance where ICA MAXI don’t provide home delivery services like Skutskar, Alkolby.
The customers come at self-check-out counter; attendant at the counter confirms the name of the customer, and if the customers has already paid or not. Then they see that the customer’s order i.e. if it is bistro, inspiration etc. After this process the attendant calls in the store to bring the bag for customer. The authors also observed that customers were a bit uncomfortable as they seemed to be in hurry to leave. But they had to stand in queue for 2-3 minutes to get their bags. The manager and employee B told authors that management is aware of this problem and thinking to resolve this issue by introducing drive in facility at store.

**4.3 Home Delivery Service**

ICA MAXI also provides Home delivery services to its customers every day as stored based picking is only limited to Monday. For home delivery services customers can make customized orders in home delivery service and have to order one day earlier between 11:00 to 23:00 (before 00:00). The customers also have the facility to delete their order or change the time if they want. Employee C (driver for home delivery) is responsible for most of the process carried out in home delivery services from packing to delivery of products. Employee C said that we have 20 to 25 customers and on average every customer has 5 bags. They use iPads to see the orders, it also shows the option if customer has selected alternate products or not and quantity of products ordered by customers.

After employees finish packing, customer gets an email regarding whatever has been packed into their bags and if they pack any substitute in case of store is out of ordered products. Then employee C plans the route for delivery of the orders and can make changes if needed i.e. in case the customer would get back home late or has to go somewhere. ICA MAXI uses a refrigerated van to maintain quality of frozen and fridge items. The manager and employee C told authors that they have specific areas or boundaries in Gävle where they deliver the groceries. They don’t go beyond those boundaries which are Furuvik, Mårtsbo, Forsbacka and Trödje (figure 4.2, appendix 7).

The manager thinks the website is important for online business and they only update the prices and products on their website every Monday to Tuesday. ICA MAXI web page does not provide the option of tracking orders by order number but every customer gets an SMS after packing of bag and another SMS when the van for home delivery leaves the stores. It reduces the waiting
issue and employee C always reaches with 3 to 4 minutes before or after the time texted to customers. In case of home delivery service web page provides the option to choose alternate products. If customers don’t choose alternates then they call the customers to ask if they need alternate product with almost same price and quality. The manager and all the employees also said that mostly the customers complain about expiry dates of products, quality of vegetables or fruits.

The manager raised another very important point that word of mouth is very important for advertisement. ICA MAXI also doesn’t have a specific portal for discussion or feedback for everyone on their webpage. It has a Facebook page where people can give their feedback and share their views with each other. On web page portal if customer gives a feedback then only the managers can see it, it is not public for everyone. For advertisement ICA MAXI uses printed advertisements like newspaper. The manager that they also advertise on TV and newspaper but mostly old people like to see printed advertisement, TV or newspaper and young generation wants everything on their Android or smart phones. But old people don’t have Android phones. So it is a new and big problem for us that how do we attract young generation. In future we also have plan to introduce smartphone application for our store. We conducted a survey at the place where old people live to ask if they want to use online grocery service but they think it is expensive.

Employee C also suggested that ICA MAXI should provide pay online service for home delivery customers as it could facilitate customers living at distance to pay for their relatives or parents. The manager said that “City Gross provides the biggest store based picking service because mostly they provide fresh meat not frozen. So, they should also do that. He also said that we are planning to start drop box service for customers in summer, for example in Furuvik there is camping in summers.

4.4 Existing Customers

In this part, ‘existing customers’ represent customers who obtain online grocery services from ICA MAXI. There were 42 existing customers at the data collection week in total and 30 of existing customers answered the questionnaires.
4.4.1 Personal Information of Existing Customers

There were 14 male and 16 female respondents in existing customers (table 4.1, appendix 7). 13 respondents had their age between 20 to 35, 12 respondents had their age between 36 to 50 and 5 respondents belonged to (51-65) age group. 13 respondents have 3 family members followed by 10 respondents having 4 family members. 4 respondents have 2 family members and 3 respondents have 5 or more than 5 family members (figure 4.3, Appendix 7). 24 existing customers have full time job, 5 respondents work part time, and 1 respondent didn’t answer this question. 12 respondents have their income between 20001-30000 SEK per month, followed by 9 respondents having more than 40000 SEK per month, 7 respondents have their salary between 30001-40000 SEK and 2 respondents have 10001-20000 SEK salary (table 4.2, Appendix 7).

[Figure 4.4 Distance Information of Existing Customers]

Source: Own Construction

The authors want to find out whether distance and transportation influence the customers to use online grocery service in perspective of save time and convenience factors. 13 respondents (figure 4.4) mentioned that they live 3-4km far away from ICA, 8 respondents live 5 and more than 5 km. And 26 (76%) respondents drive the car to the store (Figure 4.5, appendix 7).

4.4.2 The Purchase Behavior

The customers who buy other products online; could also buy their groceries online so authors raised question that how often customers buy products online, any products not only groceries. According to response 22% respondents buy products online once a week or more often, 15% respondents buy online once every 2-4 weeks, and 22% respondents buy online every 2 months, 26% respondents buy the products online once every 3-6 months (4.6 figure, appendix 7). The
authors raised another question to see that how often customers buy their groceries keeping time saving factor and quality factor in mind. 72% customers responded that they buy their groceries twice a week followed by 24% respondents who buy their groceries once a week (4.7 figure, appendix 7).

4.4.3 The way to Know about the Service

Figure 4.8 How Existing Customers Know about E-grocery Service of ICA MAXI

Source: Own Construction

The authors included the question 8 in existing customer questionnaire to find out how they came to know about online grocery service of ICA MAXI (figure 4.8). 40% respondents come to know it by others’ recommendation i.e. word of mouth. 30% watched advertisement on internet, 18% know it though printed advertisement, 9% respondents know it through newspaper and 3% respondents watched advertisement on TV.

4.4.4 Why Choose to buy Online Service?

In this part, the authors want to know which factors drive existing customers to use online grocery services and importance of those factors to them. The question 13, 14, 15, 18 and 19 (table 4.3), were asked with purpose to find out importance of key factors for customers when they decide to use online grocery service. The respondents could give a score for each factor in a
scale from 1 to 5, where 1 is the lowest and 5 is the highest. “Σ” represents number of respondents and “%” represents percentage of total respondents, “Mean” represents average score. 13 respondents totally agree and 12 respondents agree that it is safe to provide credit card

Table 4.3 Existing Customers’ Response to Products and Service Quality at Store and Online

<table>
<thead>
<tr>
<th>Questions</th>
<th>Likert Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Trust (Q 13)</strong></td>
<td>1 (Totally Disagree/</td>
</tr>
<tr>
<td></td>
<td>Totally Unsatisfied)</td>
</tr>
<tr>
<td></td>
<td>2 (Disagree/ Unsatisfied)</td>
</tr>
<tr>
<td></td>
<td>3 (do not have idea)</td>
</tr>
<tr>
<td></td>
<td>4 (Agree/ Satisfied)</td>
</tr>
<tr>
<td></td>
<td>5 (Totally Agree/</td>
</tr>
<tr>
<td></td>
<td>Totally Satisfied)</td>
</tr>
<tr>
<td></td>
<td>Mean</td>
</tr>
<tr>
<td></td>
<td>SD</td>
</tr>
<tr>
<td>Σ</td>
<td>%</td>
</tr>
<tr>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>5x</td>
<td>16.67</td>
</tr>
<tr>
<td>12x</td>
<td>40.00</td>
</tr>
<tr>
<td>13x</td>
<td>43.33</td>
</tr>
<tr>
<td>4.27</td>
<td>0.74</td>
</tr>
<tr>
<td>Product Quality at store (Q 14)</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>1x</td>
</tr>
<tr>
<td>3.33</td>
<td>2x</td>
</tr>
<tr>
<td>6.67</td>
<td>15x</td>
</tr>
<tr>
<td>50.00</td>
<td>12x</td>
</tr>
<tr>
<td>4.27</td>
<td>0.74</td>
</tr>
<tr>
<td>Product Quality (Online) (Q 18)</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>1x</td>
</tr>
<tr>
<td>3.33</td>
<td>2x</td>
</tr>
<tr>
<td>6.67</td>
<td>17x</td>
</tr>
<tr>
<td>56.67</td>
<td>10x</td>
</tr>
<tr>
<td>33.33</td>
<td>4.20</td>
</tr>
<tr>
<td>0.71</td>
<td></td>
</tr>
<tr>
<td>Service Quality (Q 15)</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>0</td>
</tr>
<tr>
<td>0</td>
<td>2x</td>
</tr>
<tr>
<td>6.67</td>
<td>9x</td>
</tr>
<tr>
<td>30.00</td>
<td>19x</td>
</tr>
<tr>
<td>63.33</td>
<td>4.57</td>
</tr>
<tr>
<td>0.63</td>
<td></td>
</tr>
<tr>
<td>E- grocery service Q 19</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>1x</td>
</tr>
<tr>
<td>3.33</td>
<td>2x</td>
</tr>
<tr>
<td>6.67</td>
<td>11x</td>
</tr>
<tr>
<td>36.67</td>
<td>16x</td>
</tr>
<tr>
<td>53.33</td>
<td>4.40</td>
</tr>
<tr>
<td>0.77</td>
<td></td>
</tr>
</tbody>
</table>

Source: Own Construction

and other information on ICA MAXI’s web page (Q13). 12 respondents totally satisfied and 15 satisfied with quality of online grocery products (Q 14). 10 respondents totally agree and 17 respondents agree that ICA MAXI always provides fresh grocery products when they order online (Q18). 19 respondents totally agree and 9 respondents agree that ICA MAXI provides their orders in time (Q15). 16 respondents totally satisfied and 11 respondents satisfied with online service of ICA MAXI (Q19) (table 4.3).

16 respondents buy online because it save time, 17 respondents buy online because it is convenient and 5 respondents think it saves money (Q9). 24 (80%) respondents said web page of store should be user friendly 5 (16.7%) respondents want informative content store’s web page, 5 (16.7%) respondents suggest that web page should show variety of products. 3 (10%) think that web should have search option (Q12). 46% respondents said they want to home delivery service because it saves time and 25% said it is convenient while 28% want to use because independence of delivery timetable (table 4.4). All (30) existing customers said that they would recommend this service to others.
In this part, ‘Potential Customers’ represent customers who do not buy groceries online from ICA MAXI. The authors use tables and figures to show data obtained from potential customers. 204 potential customers participated the survey.

### 4.5.1 Personal Information of Potential Customers

56 respondents were male and 148 were female. 113 respondents (both female and male) were between 20 to 35 year age group, followed by 64 respondents between 36 to 50 year age group. 13 respondents were from 51 to 65 year age group while 10 respondents belong to more than 65 year age group (table 4.5, appendix 8). 61 respondents have 3 family members, 52 have 4 family members, 32 respondents live alone, 30 respondents have 5 or more than 5 family members and 29 respondents have 2 family members (figure 4.9, appendix 8).

Furthermore, 178 respondents provide their job status information. 132 of them work full time, 14 respondents have part time job, 12 respondents have their own business, 16 respondents have no job and 4 respondents work as attendants. 67 respondents earn less than 10,000 SEK per month, 66 respondents earn 10,001 to 20,000 per month, 46 earn 20001 to 30000 per month.
Only 11 respondents have their income between 30,001 to 40,000 while 14 respondents have more than 40,000 income per month (table 4.6, appendix 8). 68 respondents live 3-4 km away from ICA MAXI 62 respondents live 5 or more than 5 km away from ICA MAXI, 49 respondents live 1-2 km away, 16 respondents live 500-900m away from the store and 9 respondents live less than 500 m from store (Figure 4.10, appendix 8). For transportation 152 (67%) respondents drive their cars, 32 (14%) respondents ride their bicycle, 20 (9%) respondents take bus, and 19(8%) respondents walk to the store (figure 4.11 appendix 8).

4.5.2 Potential Customers’ Purchase Behavior

75 respondents shop online (any products other than groceries) once every 2 month, 42 respondents use online service once every 3-6 months, 22 respondents buy online once every 2-4 weeks, 48 respondents chose other option, 45 of them said they never buy online service (figure 4.12 appendix 8). 108 respondents buy groceries at store twice a week, 59 respondents buy groceries once a week, 9 buy groceries twice every week, 7 respondents buy groceries once a month (figure 4.13 appendix 8). 56% respondents do not know about e-grocery service of ICA MAXI while 44% respondents know this service (figure 4.14 appendix 8).

4.5.3 Why do not use Online Service?

Table 4.7 Potential Customers’ Response to Products and Service Quality at Store and If Buy Online

<table>
<thead>
<tr>
<th>Questions</th>
<th>1 (Totally Disagree/Unsatisfied)</th>
<th>2 (Disagree/Unsatisfied)</th>
<th>3 Do not have idea</th>
<th>4 (Agree/Satisfied)</th>
<th>5 (Totally Agree/Satisfied)</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust (Q 13)</td>
<td>Σ 49</td>
<td>% 24.02</td>
<td>Σ 36</td>
<td>% 17.65</td>
<td>Σ 70</td>
<td>% 34.31</td>
<td>Σ 33</td>
</tr>
<tr>
<td>Product Quality (If buy online) (Q 14)</td>
<td>2x</td>
<td>0.98</td>
<td>3x</td>
<td>1.47</td>
<td>17x</td>
<td>8.33</td>
<td>57x</td>
</tr>
<tr>
<td>Service Quality (Q 15)</td>
<td>0</td>
<td>0</td>
<td>3x</td>
<td>1.47</td>
<td>30x</td>
<td>14.71</td>
<td>56x</td>
</tr>
<tr>
<td>Product Quality (At store) (Q 18)</td>
<td>3x</td>
<td>1.47</td>
<td>2x</td>
<td>0.98</td>
<td>63x</td>
<td>30.88</td>
<td>110x</td>
</tr>
</tbody>
</table>

Source: Own Construction
49 respondents totally disagree and 36 disagree that they do not use online service because it is not safe to provide their credit card information or any other information at ICA MAXI web page. 16 respondents totally agree and 33 respondents agree that is safe to provide their credit card information at ICA MAXI web page (Q13). 125 respondents express that the quality of online groceries is very important, while 57 respondents consider quality of online groceries is important (Q14). 115 respondents express that the delivery time of the online service is very important for them to consider when they use the service while 56 respondents mention that delivery time is important for them to choose the service (Q15). 110 respondents agree and 26 respondents totally agree that ICA MAXI always provides fresh grocery products (Q18) (table 4.7). 74% respondents mentioned that they would use online grocery service in future while 26% respondents said no (figure 4.15, appendix 8).

Table 4.8 Why Potential Customers don’t Buy E-Groceries, Expectation of Webpage Layout, Desired Service Method and Why

<table>
<thead>
<tr>
<th>Questions</th>
<th>Multiple Choices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q9: Why you don’t buy Groceries online?</td>
<td>Expensive</td>
</tr>
<tr>
<td>Answers</td>
<td>7 (3.9%)</td>
</tr>
<tr>
<td></td>
<td>Can’t touch and smell the Grocery Products</td>
</tr>
<tr>
<td></td>
<td>97 (53.6%)</td>
</tr>
<tr>
<td></td>
<td>Poor quality of Product</td>
</tr>
<tr>
<td></td>
<td>26 (14.4%)</td>
</tr>
<tr>
<td></td>
<td>Poor Quality of service</td>
</tr>
<tr>
<td></td>
<td>9 (5.0%)</td>
</tr>
<tr>
<td></td>
<td>Other</td>
</tr>
<tr>
<td></td>
<td>43 (24%)</td>
</tr>
<tr>
<td>Q12: How do you expect the webpage of grocery store?</td>
<td>Easy to understand</td>
</tr>
<tr>
<td>Answers</td>
<td>80 (40%)</td>
</tr>
<tr>
<td></td>
<td>Has search option</td>
</tr>
<tr>
<td></td>
<td>91 (45.5%)</td>
</tr>
<tr>
<td></td>
<td>Informative content</td>
</tr>
<tr>
<td></td>
<td>79 (39.5%)</td>
</tr>
<tr>
<td></td>
<td>Variety of Products</td>
</tr>
<tr>
<td></td>
<td>48 (24%)</td>
</tr>
<tr>
<td></td>
<td>Others</td>
</tr>
<tr>
<td></td>
<td>6 (3%)</td>
</tr>
<tr>
<td>Q20: If you decide to buy Online Grocery which products would you buy?</td>
<td>Dry grocery items (Coffee, Pulses, )</td>
</tr>
<tr>
<td>Answers</td>
<td>152 (74.5%)</td>
</tr>
<tr>
<td></td>
<td>Fruits &amp; Vegetables</td>
</tr>
<tr>
<td></td>
<td>87 (42.6%)</td>
</tr>
<tr>
<td></td>
<td>Dairy Products</td>
</tr>
<tr>
<td></td>
<td>48 (23.5%)</td>
</tr>
<tr>
<td></td>
<td>Meat Items</td>
</tr>
<tr>
<td></td>
<td>48 (23.5%)</td>
</tr>
<tr>
<td></td>
<td>None</td>
</tr>
<tr>
<td>Q21: Which e-grocery service would you like to use if you decide to buy online?</td>
<td>Stored-based Picking</td>
</tr>
<tr>
<td>Answers</td>
<td>19 (9.8%)</td>
</tr>
<tr>
<td></td>
<td>Home Delivery</td>
</tr>
<tr>
<td></td>
<td>152 (78.4%)</td>
</tr>
<tr>
<td></td>
<td>Drives-ins (Take Away)</td>
</tr>
<tr>
<td></td>
<td>20 (10.3%)</td>
</tr>
<tr>
<td></td>
<td>Shared Reception Box</td>
</tr>
<tr>
<td></td>
<td>5 (2.6%)</td>
</tr>
<tr>
<td></td>
<td>Other</td>
</tr>
<tr>
<td></td>
<td>11 (5.7%)</td>
</tr>
<tr>
<td>Q22: Based on the above question why you prefer this service than others</td>
<td>Independent Delivery time table</td>
</tr>
<tr>
<td>Answers</td>
<td>13 (7%)</td>
</tr>
<tr>
<td></td>
<td>Save the time</td>
</tr>
<tr>
<td></td>
<td>129 (69%)</td>
</tr>
<tr>
<td></td>
<td>Save the money</td>
</tr>
<tr>
<td></td>
<td>35 (18.7%)</td>
</tr>
<tr>
<td></td>
<td>Convenience</td>
</tr>
<tr>
<td></td>
<td>80 (42.8%)</td>
</tr>
<tr>
<td></td>
<td>Others</td>
</tr>
<tr>
<td></td>
<td>7 (3.7%)</td>
</tr>
</tbody>
</table>

Source: Own Construction
It is important for the authors to know the reasons that the customers do not want to use the service and if they want to use online service, which factors they will consider, how important they consider the factors, the suggestion for the online service to improve and attract them to use the online grocery service. Considering the reasons for the customers do not use online service in ICA MAXI (table 4.8, Q9), 97 (53.6 %) respondents said that they cannot touch and smell the groceries that’s why don’t buy online. 26 respondents show their concern about quality of online groceries, and 9 respondents were worried about the quality of the service. 7 respondents consider the online service is expensive. 152 respondents would like to use home delivery service in future, 20 respondents chose drives-in service, 19 respondents chose store based picking service. 91 respondents want search option on web page, 79 respondents think web page should have informative content, 80 respondents expect web page to be user friendly and 48 respondents expect web page should have variety of products (Q12). 152 respondents would like to buy dry grocery items, 87 respondents would buy fruits and vegetables, 48 respondents would buy dairy products and 48 respondents would buy meat items Q20 (table 4.8).

4.6 Combine the Potential and Existing Customers’ Data

In this part authors decided to combine the data from same question form both potential and existing customers’ questionnaire and show through figures to know brand image of ICA MAXI, intention to use online grocery services and online service preference.

4.6.1 Store Preference and Reasons to Use Online Service

Figure 4.16 Store Preferences for E-grocery Services Figure 4.17 Reasons that Drive Customers to Use E-Grocery Service

Source: Own Construction
129 potential and 28 existing customers would like to choose ICA MAXI when they decide to buy online groceries (figure 4.16). Upon a query of potential customers’ motivation to choose ICA MAXI; 92 potential and 11 existing customers showed concern about product quality, followed by ‘variety of products’ with 38 potential and 7 existing customers. Service quality slot represents 23 potential customers and 11 existing customers (figure 4.17).

4.6.2 Intention to use Online Grocery Service

Authors asked both potential and existing customers if they would use online grocery service in future, and which service method they would choose. 150 potential customers and 30 existing customers mentioned that they would like to use the online grocery service in the future while 54 potential customers said no (figure 4.18). 152 potential customers and 13 existing customers chose (figure 4.19), home delivery service followed by 19 potential customers and 7 existing customers who chose store based picking service, while 20 potential and 3 existing customers chose drive-in option and 5 Potential and 1 existing customer chose shared reception box service. 11 potential customers did not mention the service they would like to use in future.

![Figure 4.18 Intention to Use E-Grocery Service](image1.png)  
![Figure 4.19 Existing & Potential Customers’ E-Grocery Service Preferences](image2.png)

Source: Own Construction

4.7 Findings

The authors combined age of customers with number of their family members and if they would like to buy groceries online in future. The purpose to combine these three question is to see if there is positive relation or if the number of respondents saying ‘yes they would like to buy groceries online’ increases as number of family members will increase. At the top of table 4.9 it
is Age of customers and in dark red horizontal line it is the number of respondents under different age brackets set by authors. Vertical green lines show breakdown of those respondents according to number of family members they have. For example; under the age bracket of “21-35 years” there are 113 respondents, 19 of them have 1 family member, 14 respondents have 2 family members, 42 have 3 family members, 21 have 4 family members and 17 respondents have more than 5 family members.

The authors also combined customers’ intention to buy groceries online in future and number of family members to see if there is positive relation between buying products online and number of

Table 4.9 Age-Family Members-Buy Online

<table>
<thead>
<tr>
<th>Age</th>
<th>Less than 20 yrs</th>
<th>Buy online groceries in future</th>
<th>Buy online groceries in future</th>
<th>Buy online groceries in future</th>
<th>Buy online groceries in future</th>
<th>More than 65 yrs</th>
<th>Buy online groceries in future</th>
<th>SUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of respondents</td>
<td>4</td>
<td>113</td>
<td>64</td>
<td>13</td>
<td>10</td>
<td>204</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Family Members</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Member</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>0</td>
<td>19</td>
<td>7</td>
<td>12</td>
<td>8</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>2 Member</td>
<td>1</td>
<td>0</td>
<td>14</td>
<td>13</td>
<td>1</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>3 Member</td>
<td>0</td>
<td>0</td>
<td>42</td>
<td>31</td>
<td>11</td>
<td>17</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>4 Member</td>
<td>1</td>
<td>1</td>
<td>21</td>
<td>17</td>
<td>4</td>
<td>24</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>More than 5 member</td>
<td>2</td>
<td>1</td>
<td>17</td>
<td>12</td>
<td>5</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>SUM</td>
<td>4</td>
<td>3</td>
<td>1</td>
<td>113</td>
<td>80</td>
<td>33</td>
<td>64</td>
<td>50</td>
</tr>
</tbody>
</table>

Source: Own Construction

family members. Authors expected that number of respondents saying ‘yes they would like to buy groceries online’ will increase as number of family members increases. The authors also expected that respondents from age 21 to 35 bracket would show greater tendency to buy online groceries. But interestingly; overall 75% respondents from age bracket less than 20 years, 71% respondents from age bracket 21 to 35, 78% respondents from 36 to 50, 68% respondents from 51 to 65 and 20 % from more than 65 years of age said yes they would online groceries. It means that regardless of age all respondents want convenience and save time.
It can be seen on right side of table 4.9 in orange area that 41% respondents having 1 family member regardless of age bracket want to buy their groceries online in future while 59% said no. If we see this orange area of table from top to bottom, percentage of respondents saying yes they will buy their groceries online increases as the number of family members increases except last option. It shows that respondents with more family member want convenience and save their time spent on groceries.

The authors combined data about family members and the online grocery service they want to use in future. Even though charges of home delivery service (SEK 129) are more than store based picking (SEK 99) (manager) yet customer want to use home delivery service (table 4.10). 63% respondents having one family member want home delivery service. The percentage increases significantly as move down in home delivery column (table 4.10). So it can be argued that customers need convenience and they want to save their time.

Table 4.10 Family Member-Desired E-Grocery Service Method

<table>
<thead>
<tr>
<th>Family Members</th>
<th>Total family members</th>
<th>Which E-grocery service you want to use in future?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Store based Picking</td>
</tr>
<tr>
<td>1 Member</td>
<td>32</td>
<td>6</td>
</tr>
<tr>
<td>2 Member</td>
<td>29</td>
<td>2</td>
</tr>
<tr>
<td>3 Member</td>
<td>61</td>
<td>2</td>
</tr>
<tr>
<td>4 Member</td>
<td>52</td>
<td>7</td>
</tr>
<tr>
<td>More than 5 Member</td>
<td>30</td>
<td>2</td>
</tr>
</tbody>
</table>

Source: Own Construction

Potential customers’ questionnaire also included a question (Q8) that if they know about online grocery service of ICA MAXI. All respondents (204) answered this question; 44% knew about this service while 56% respondents did not know this service (figure 4.14 appendix 8). 74% of respondents said yes they would buy their groceries online in future, and 26% said no (figure 4.15, appendix 8). So if ICA MAXI succeeds to decrease 56% who don’t know about its online grocery service it would be easier for it to gain more customers.
The authors combined question 8 with age as the manager told authors that they use newspaper, printed advertisement, and TV as main source of their advertisement for this service. We wanted to see if sources of advertisement being used can capture audience for this service. 71% respondents from 21 to 35 years of age group don’t know about this service but if they know about it then they would use this service as 77% of the respondents under 21 to 35 years age bracket said yes they would like to buy groceries online in future (table 4.11). The problem is that they don’t know about this service. Interestingly number of respondents saying yes they would like to buy groceries online in future increases every time as compared to those who said no they don’t know about online grocery service of ICA MAXI.

Table 4.11 Age-Know about ICA MAXI E-Grocery Service-Intention to Buy E-groceries in Future

<table>
<thead>
<tr>
<th>Age</th>
<th>Less than 20 yrs</th>
<th>21-35 yrs</th>
<th>36-50 yrs</th>
<th>51-65 yrs</th>
<th>More than 65 yrs</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of respondents</td>
<td>4</td>
<td>113</td>
<td>64</td>
<td>13</td>
<td>10</td>
</tr>
<tr>
<td>Do you know about ICA Maxi Online Grocery Service?</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>No. of respondents</td>
<td>3 (75%)</td>
<td>1 (25%)</td>
<td>42 (37%)</td>
<td>71 (63%)</td>
<td>35 (55%)</td>
</tr>
<tr>
<td>Do You Want to Buy online Groceries in Future?</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>No. of respondents</td>
<td>3 (75%)</td>
<td>1 (25%)</td>
<td>87 (77%)</td>
<td>26 (23%)</td>
<td>50 (78%)</td>
</tr>
</tbody>
</table>

Source: Own Construction

The authors used arrows (table 4.11) to demonstrate their point. 29 respondents under age bracket 36 to 50 said they don’t know about online grocery service of ICA MAXI but this number decreases to 14 when asked if they want to buy their groceries online in future. Almost half of them (15) said yes they would like to buy their groceries online. The advertisement source is more significant to people having age 36 and above. People below 36 could be considered as new generation who uses Facebook, Twitter or other websites but they don’t use newspapers so message is not conveyed to them. Mostly they use android phones or smart phones and ICA MAXI has no source to convey this message to them on their phone for example an application of ICA MAXI or anything similar that can target young generation. Mostly
existing customer (40%) know about this service from others (figure 4.8) while according to manager, ICA MAXI spends a lot of money on printed advertisement, TV and Newspapers.

In table 4.12 the authors combined age with reason why people don’t buy their groceries online (Q9) to see what is core reason of not buying groceries online. 55% respondents said that ICA MAXI comes to their mind if they decide to buy online groceries (figure 4.16) which means that ICA MAXI has good perception amongst its customers. 52% respondents want to buy their groceries online from ICA MAXI because they think product quality of ICA MAXI is good (figure 4.17); so it can be argued that customers have trust in ICA MAXI.

### Tables 4.12 Why not buy Online-Importance of Product Quality

<table>
<thead>
<tr>
<th>Age</th>
<th>Less than 20 yrs</th>
<th>21-35 yrs</th>
<th>36-50 yrs</th>
<th>51-65 yrs</th>
<th>More than 65 yrs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of Resp. (%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Why don't you buy groceries online?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expensive</td>
<td>3 (75%)</td>
<td>4 (4%)</td>
<td>3 (5%)</td>
<td>0 (0%)</td>
<td>0 (0%)</td>
</tr>
<tr>
<td>Can't touch &amp; smell</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poor Product Quality</td>
<td>-</td>
<td>11 (10%)</td>
<td>14 (24%)</td>
<td>1 (1%)</td>
<td>1 (23%)</td>
</tr>
<tr>
<td>Poor Service Quality</td>
<td>4 (4%)</td>
<td></td>
<td></td>
<td>5 (9%)</td>
<td>0 (0%)</td>
</tr>
<tr>
<td>Other</td>
<td>1 (25%)</td>
<td>29 (28%)</td>
<td>8 (14%)</td>
<td>4 (33%)</td>
<td>0 (0%)</td>
</tr>
</tbody>
</table>

| If you buy online, Do you think product quality is important? | 1 | 2 | 3 | 4 | 5 | 1 | 2 | 3 | 4 | 5 | 1 | 2 | 3 | 4 | 5 | 1 | 2 | 3 | 4 | 5 |
|                                                              | 1 | 2 | 3 | 4 | 5 | 1 | 2 | 3 | 4 | 5 | 1 | 2 | 3 | 4 | 5 |
|                                                              | 1 | 2 | 3 | 4 | 5 | 1 | 2 | 3 | 4 | 5 | 1 | 2 | 3 | 4 | 5 |
|                                                              | 1 | 2 | 3 | 4 | 5 | 1 | 2 | 3 | 4 | 5 | 1 | 2 | 3 | 4 | 5 |
|                                                              | 1 | 2 | 3 | 4 | 5 | 1 | 2 | 3 | 4 | 5 | 1 | 2 | 3 | 4 | 5 |

Source: Own Construction

But in table 4.12 orange line shows high concentration of respondents regardless of their age. 75% of respondents from “less than 20 years” age group, 54% respondents from age group 21 to 35, 48% from age group 36 to 50, 58% respondents from 51 to 65 years of age group and 67% of respondents having more than 65 years of age said they don’t buy online because they can’t touch and smell the products.

After ‘can’t touch and smell’ reason mostly respondents showed their concern about product quality. Even 52% said they want to buy products from ICA MAXI because of better product (figure 4.17). But some respondents also showed their reservation regarding product quality of
ICA MAXI. For example 10% of the respondents from 21 to 35 years of age group said that they don’t buy online products from ICA MAXI because of poor product quality. This argument can be supported from another likert scale question in which collectively 104 respondents said product quality is important to them as can be seen in the orange area at the bottom of (table 4.12). 24% of the respondents from age group 36 to 50 also expressed the same reason that they don’t buy groceries online because the product quality is poor and 58 of 64 respondents in this age group also mentioned that product quality is important to them as can be seen in the yellow area at the bottom of table 4.12. Customers think that they cannot check the quality of products if they cannot touch them.

The authors combined three dimensions i.e. distance, transportation and preferred e-grocery in Tables 4.13 Distance from ICA MAXI – Transportation source – Desired Service Method

Source: Own Construction

Key: S1: Store Based Picking; H: Home Delivery; D: Drive-in; S2: Shared Reception Box; O: Other

63% respondents living 1-2 km, 72% respondents living 3-4 km, 82% respondents living 5 or more than 5 km away from store drive their cars to store (table 4.13). Interestingly as distance from store increases; percentage of respondents using car also increases. Percentage of customers who choose home delivery option also increase with increase in distance from store. 74% respondents living at 1-2km, 75% respondents living at 3-4km, 77% respondents living at 5 or more than 5km away from ICA MAXI want to use home delivery service. So it can be argued that respondents not only want to save their time and to have convenience but they also want to
save their transportation cost i.e. they want to save money. After home delivery services 21 (10%) respondents chose store based picking service of the customer as almost overall 10% of the respondents want to use store based picking services. These two services were most selected during survey so we will ignore other two i.e. shared reception box and drive-in.

4.7.1 Correlation for Potential Customers

<table>
<thead>
<tr>
<th>Potential Customers</th>
<th>Frequency of Buying Grocery</th>
<th>Frequency of Online Shopping</th>
<th>Know the Online Service</th>
<th>Distance from ICA MAXI</th>
<th>Importance of Quality of Product</th>
<th>Importance of Delivery Time (Srvc Qty)</th>
<th>Intention to use online Grocery Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age group</td>
<td>.015</td>
<td>.254**</td>
<td>-.068</td>
<td>-.063</td>
<td>-.212**</td>
<td>-.111</td>
<td>.215**</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>.829</td>
<td>.000</td>
<td>.331</td>
<td>.371</td>
<td>.002</td>
<td>.115</td>
<td>.602</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Family Members</td>
<td>-.227**</td>
<td>-.034</td>
<td>-.036</td>
<td>.057</td>
<td>.054</td>
<td>.042</td>
<td>-.106</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>-.001</td>
<td>.646</td>
<td>.609</td>
<td>.414</td>
<td>.441</td>
<td>.546</td>
<td>.133</td>
</tr>
<tr>
<td>Frequency of Online Shopping</td>
<td>.197**</td>
<td>1</td>
<td>.224**</td>
<td>.008</td>
<td>-.002</td>
<td>-.047</td>
<td>.286**</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.007</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Know online Grocery Services of ICA MAXI</td>
<td>.065</td>
<td>.224**</td>
<td>1</td>
<td>.258**</td>
<td>.242**</td>
<td>.086</td>
<td>.220**</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.360</td>
<td>.002</td>
<td>.900</td>
<td>.974</td>
<td>.912</td>
<td>.519</td>
<td>.600</td>
</tr>
<tr>
<td>Quality of the Products</td>
<td>.013</td>
<td>-.002</td>
<td>.242**</td>
<td>.055</td>
<td>1</td>
<td>.472**</td>
<td>-.076</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.857</td>
<td>.974</td>
<td>.000</td>
<td>.437</td>
<td>.000</td>
<td>.278</td>
<td></td>
</tr>
</tbody>
</table>

Source: Own Construction

There was a moderate correlation amongst variables in case of potential customers’ data. In first two variables there is a weak positive correlation (r = .254; Sig. = .000) between age of customers and their frequency to buy online. It indicates that as customers’ age increases they want convenience and save their time. There is a weak positive correlation (r = .215; Sig. = .002) between age of customers and their intention to buy their groceries online in future (table 4.14). It proves that people who buy other products online will also be willing to buy their groceries online. This argument leads towards customers' need for convenience and time saving.

There was a negative correlation (r = -.227; Sig. = .001) between customers’ frequency of buying groceries and the number of family members they had at home. There is a weak positive correlation (r = .224; Sig. = .002) between frequency of online shopping and that if people know
about online grocery services of ICA MAXI. It indicates that intent users are more likely to know about e-grocery service of ICA MAXI. There is a positive correlation \( r = .286; \text{Sig.} = .000 \) between frequency of customers' buying other products online and their intention to use online grocery services of ICA MAXI. It indicates that customers know the level of convenience involved in this process and time it saves. It can also be argued they want to buy their groceries online from ICA MAXI because they trust the store and have its good image in their mind.

There is a positive correlation \( r = .258; \text{Sig.} = .000 \) between knowing about ICA MAXI e-grocery service and distance from store. There is also a positive correlation \( r = .220; \text{Sig.} = .002 \) between knowing about ICA MAXI's online services and intension to use e-grocery services in future. We describe these two variables together because we think that they are interrelated. People who live far from store want to seek convenience, so they try to find out a way which can help them to seek this convenience and even save the money. It can be argued that 75% potential customers chose home delivery service (figure 4.19) because they want convenience.

Customers want convenience and save their time yet they don’t want to compromise quality of products. This is indicated by a positive correlation \( r = .242; \text{Sig.} = .000 \) between knowing online grocery services of ICA MAXI and importance of products quality to customers if they buy online. They don’t want to save their money at the cost of their health as they could get sick if they use low quality products. So product quality is a sensitive issue and ICA MAXI needs to handle it with care if it wants to gain new customers or sustain existing customers. There is a positive correlation \( r = .472; \text{Sig.} = .000 \) between quality of products bought online and delivery time involved in online grocery service i.e. service quality. So it can be argued that if quality of products delivered to customers will be good then people would be satisfied with service.

4.7.2 Correlation for Existing Customer

There is moderate positive correlation between variables of existing customers’ data (Table 4.15). There is a positive correlation \( r = .559; \text{Sig.} = .001 \) between customers’ trust in store and products quality that ICA MAXI shows on its web page and then delivers to its customers upon their order online (Table 4.15). It indicates that if ICA MAXI shows good quality products to its customers as it shows on its web page which help to gain customers’ trust.
But if the store provides poor quality products to its customers then it could breach their trust in store and they could switch the retailer. Same is the case with delivery time of products and trust of customers as there is a positive correlation \( r = .482; \text{Sig.} = .007 \) between service quality and trust. If store provides customers' order within the scheduled delivery time then it would also build customers' trust in store. There is also a positive correlation \( r = .483; \text{Sig.} = .007 \) between perishable grocery products quality and trust of the customers. It means that if the store provides fresh meat, fruits and dairy item to customers then it would build its trust among the customers.

Table 4.15 SPSS Table/Correlation Analysis table (Existing Customers)

<table>
<thead>
<tr>
<th>Source: Own Construction</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Existing Customers</th>
<th>Product Quality Shown on Web and Delivered</th>
<th>Deliver Orders In Time?</th>
<th>Provide Fresh Grocery if Ordered Online</th>
<th>Quality of Online Grocery Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust</td>
<td>Pearson Correlation ( .559^{**} )</td>
<td>.482^{**}</td>
<td>.483^{**}</td>
<td>.472^{**}</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.001</td>
<td>.007</td>
<td>.007</td>
</tr>
<tr>
<td>Product Quality</td>
<td>Pearson Correlation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>shown on Web</td>
<td>Sig. (2-tailed)</td>
<td>1</td>
<td>.548^{**}</td>
<td>.714^{**}</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Existing Customers</th>
<th>Product Quality Shown on Web and Delivered</th>
<th>Deliver Orders In Time?</th>
<th>Provide Fresh Grocery if Ordered Online</th>
<th>Quality of Online Grocery Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust</td>
<td>Pearson Correlation ( .559^{**} )</td>
<td>.482^{**}</td>
<td>.483^{**}</td>
<td>.472^{**}</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.001</td>
<td>.007</td>
<td>.007</td>
</tr>
<tr>
<td>Product Quality</td>
<td>Pearson Correlation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>shown on Web</td>
<td>Sig. (2-tailed)</td>
<td>1</td>
<td>.548^{**}</td>
<td>.714^{**}</td>
</tr>
</tbody>
</table>

There is a significant positive correlation \( r = .714; \text{Sig.} = .000 \) between product quality that ICA MAXI shows on its web page and service quality that it provides to its existing customers. It means that even though customers are using this service from ICA MAXI but still they are concerned about quality of products. Service Quality of ICA MAXI is highly dependent on quality of products that ICA MAXI provides to its customers. In table 4.16 below we highlight our empirical findings. Table 4.16 shows that what do existing and potential customers think about different factors and what is manager and employees’ perspective about those factors and service methods they use to provide e-grocery services i.e. we summarize our empirical chapter in table 4.16.
Table 4.16 Summary of Empirical Results

<table>
<thead>
<tr>
<th>Factor/method</th>
<th>Service method</th>
<th>Manager/Staffs</th>
<th>Existing Customers</th>
<th>Potential Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Store based picking</td>
<td>Pick order from store.</td>
<td>-</td>
<td>43% respondents want to use this service.</td>
<td>74.5% respondents want to use this service.</td>
</tr>
<tr>
<td>Home delivery</td>
<td>-Limited Geographical area.</td>
<td>-</td>
<td>-Positive correlation with distance</td>
<td>-Can’t touch &amp; smell is weakness of E-grocery</td>
</tr>
<tr>
<td></td>
<td>-Plan to have Shared reception box in future.</td>
<td>-</td>
<td>-Concern about freshness of products</td>
<td>-Concern about freshness of products</td>
</tr>
<tr>
<td>Product quality</td>
<td>-Set a quality standard.</td>
<td>-</td>
<td>70% respondents go shopping twice a week.</td>
<td>-Good product quality to retain the customers.</td>
</tr>
<tr>
<td></td>
<td>-City Gross provides fresh products in E-grocery; ICA doesn’t.</td>
<td>-</td>
<td>-Satisfy with online grocery quality</td>
<td></td>
</tr>
<tr>
<td>Time and Convenience</td>
<td>ICA MAXI Has SMS service to save customers’ time.</td>
<td>-Motivational factor to buy online groceries</td>
<td>-Motivational factor</td>
<td>-Reduce physical effort</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-Distant customers want to buy online</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Web page layout</td>
<td>Has Product info but no Toll free number or feedback/discussion portal.</td>
<td>User friendly (80%), Search option (10%), provide informative content (16.7%)</td>
<td>Easy to understand (40%), search option (46%), informative content (40%)</td>
<td></td>
</tr>
<tr>
<td>Quality of Service</td>
<td>-Set quality standard.</td>
<td>-Satisfied with service &amp; will recommend others.</td>
<td>-In time delivery is important.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-Deliver order in time.</td>
<td>-Product &amp; service quality inter-related.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand image, Store image</td>
<td>-The store with good product quality image</td>
<td>-Provides good product quality, fresh product, variety of product.</td>
<td>Will Choose ICA MAXI if buy E-Groceries in Future</td>
<td></td>
</tr>
<tr>
<td>Trust</td>
<td>-User Friendly web page.</td>
<td>-The way to gain trust: Provide good product and service quality.</td>
<td>-Cannot touch and smell is main factors that they do not want to use the service.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-Effective complaint system</td>
<td>-Safe to provide credit information on webpage.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising</td>
<td>-Newspaper, Reklam and TV.</td>
<td>40% WOM, 30% internet, 18% Reklam, 9% newspaper, 3% TV.</td>
<td>56% respondents do not know about online service.</td>
<td></td>
</tr>
<tr>
<td>WOM and E-WOM</td>
<td>-Discussion portal on Facebook.</td>
<td>40% know this service through WOM.</td>
<td>86% will recommend to others.</td>
<td></td>
</tr>
</tbody>
</table>

Source: Own Construction
5 Analysis

In this chapter findings are analyzed in relation to literature review. Findings are analyzed according to two different online service methods: stored based picking and home delivery. We also analyze factors: product quality, time and convenience, web page layout, quality of service, variety of products, brand image, trust, advertising and word of mouth.

5.1 Store Based Picking

Kämäräinen et al., 2001; Breugelmans et al., (2007) argue that, store based picking makes shopping easier for customers because they don’t have to spend time on making shopping list and picking groceries around store but they still have to go to store to pick their bags by themselves. During observation, authors observed that customers who use store based picking service seemed to be in hurry, however, they had to wait for two or three minutes to get their bags which made them feel a bit uncomfortable. Picot-Coupey et al., (2009) argue saving time and having convenience are main reasons for most of customers to use online service. But based picking service could be not effective if sales volume would increases. As Kämäräinen & Punakivi, (2002) and Breugelmans et al., (2007) argue if sales volume increases, store based picking service is not considered effective as it troubles customers as well as store management.

The manager and employee B mentioned they are considering to start drive-service for customers in future to eliminate waiting issue. Currently ICA MAXI only has 45 customers on average if the number goes beyond 200 then it can be a problem for store management. Kämäräinen & Punakivi (2002) and Breugelmans et al., (2007) also argue that stores have to come up with effective service models to cope with this issue. Even though most of potential customers want to use home delivery services if they want to buy online (table 4.13) but still store has to come up with innovative ideas to provide convenience to its customers which will help the store to keep customers intact, and would lead towards customer satisfaction.

5.2 Home Delivery

(152) 74.5% potential and (13) 43% existing customers using store based picking services want to use home delivery services in future. Home delivery services has great potential even though it is costly than store based picking service but it reduces the most of the customers’ involvement.
It also proves argument that customers need convenience and time saving. Boyer & Hult, (2005) and Warschun et al., (2012) argue that customers adopt online groceries to avoid hassle they have to face going to stores by themselves and picking the items they need. Lunce et al., (2006) and Kämäräinen et al., (2001) argue customers who use home delivery service are required to wait at home in the specified time. The manager and employee C told authors that ICA MAXI try to resolve this issue by sending SMS to customers about delivery time of their orders. It also provides option to customers to change delivery time of their order in case of being late. The manager and interviewees told authors that employee C almost always reaches in time so customers do not have to wait. As Lunce et al., (2006) and Kämäräinen et al., (2001) argue that to ensure convenience for customers, orders need to be delivered within a specified time period. Employee C also told authors that sometimes customers meet problem such like they have to go to hospital, then he contacts customers and reschedules the time, or they cancel their order or customer come themselves to pick their bag from store. But this involves more time which increase the grocers’ cost (Kämäräinen et al., 2001).

Customers living at long distance from store are more likely to use home delivery service (table 4.13). However, ICA MAXI has specific areas (Furuvik, Mårtsbo, Forsbacka and Trödje (figure 4.2 appendix 7) in Gävle where they provide home delivery services (manager and employee C) and do not go beyond those boundaries. ICA MAXI will have to come up with innovative idea to cope with this issue whether it is shared reception box or some new service method. Shared reception boxes involves high installation cost of refrigerated boxes at customers’ places (Kämäräinen et al., 2001; Lunce et al., 2006) which can be a challenge for ICA MAXI but it is only one time cost. It will be convenient for customer so they could be ready pay onetime cost, as (Picot-Coupey et al., 2009) also argue that main reason of consumers buying online is time saving and convenience. The manager told authors that they have a plan to start share reception box service in summer at a camping spot in Furuvik.

5.3 Product Quality
Boyer & Hult, (2005) argue that product quality is most important factor that influences customers’ purchasing behavior at supermarkets. It is also proven by customers’ concern about quality of products at ICA MAXI. 104 potential customers said that quality of products is important to them in response to a likert scale question (table 4.7). Mahatanankoon et al., (2005)
argue that customers would purchase fresh products (perishable products like meat, vegetables, cheese and fruits etc. (Hansen, 2005) if they have assurance and are convinced of its quality. Product quality would directly impact customers’ perception and experience. If product quality would be good then it can help to spread positive word of mouth for store. Homburg et al., (2005) argue that product freshness is correlated with customer satisfaction. Interviewees told authors that ICA MAXI has set quality standards to avoid quality issues, as they choose products for home delivery or store based picking services as if they would choose for themselves.

52% respondents want to buy their groceries online from ICA MAXI because they think product quality of ICA MAXI is good (figure 4.17). They have this perception about ICA MAXI when they buy groceries at store but when it comes to buy online; customers have reservation. This argument can further be supported by a positive correlation ($r = .242; \text{Sig.} = .000$) between knowing online grocery services of ICA MAXI and importance of products quality to customers if they buy online from ICA MAXI (see table 4.14). So ICA MAXI has to devise ways to convert its in store purchase perception to online stores perception as it can help them to retain or sustain their customers. Boyer & Hult, (2005) argue that manager should devise some method to lock customers in, methods like better quality or improved service or by introducing user friendly and interactive web pages; 5% increase in customer retention can help to boost bottom line profitability by 25 to 95%. This perception plays vital role for online purchase as Tanskanen et al., (2002) point out customer’s perception of product quality as one of the biggest hurdle to adopt online grocery channel (Particularly fresh products).

ICA MAXI doesn’t provide fresh meat as compared to its Competitor City Gross which can also be a reason that customers prefer to buy from City Gross. Boyer & Hult, (2005) also found that grocers need to improve freshness of products (product quality) to attain or maintain current customers. 54% potential customers expressed their concerns about quality of products, 70% existing customer buy their groceries twice a week, 23% buy once a week and one respondent buys 4 times a week which shows great quality consciousness in terms of freshness of products. Customers also expressed concern if expiry dates of products are short as told by employees; which can affect purchase frequency at ICA MAXI. Mahatanankoon et al., (2005) relate product quality and product range with possibility to enhance purchase frequency, customer loyalty and even to gain new customers. 54% potential customers said they don’t buy groceries online
because they can’t touch or smell products before they buy it. So ICA MAXI has to be careful about quality of products as their competitor in town also has same service (E-grocery); and switching cost for customers has also reduced because of internet (Boyer & Hult, 2005).

5.4 Time and Convenience

Internet shoppers think and cite time saving as one of their prime reason to shop online as customers can order any time they want from any place and they don’t need to be concerned whatever they are dressed up. A positive correlation (r = .258; Sig. = .000) between knowing about ICA MAXI online grocery service and distance from the store also indicates that people are more willing to look for option that can provide them Convenience. 46% existing customer use online grocery services because it save their time, 25% use this service because it is convenient (see table 4.4). De Kervenoael et al., (2006) argue that mostly customers adopt online shopping (whether it is groceries or any other products) because it saves their time. 26 of total 30 existing customers live 3 or more than 3 KM away from ICA MAXI which also supports of convenience. Boyer & Hult, (2005) argue that customers adopt online groceries to avoid hassle they have to face going to stores by themselves and picking up items they need.

69% potential customers want to home delivery service because they think it saves time and 43% said it is convenient (table 4.8). Picot-Coupey et al., (2009) argue that main reason of consumers buying online is time saving and convenience. 19% said it saves money which is also a convenience in financial aspect. This argument can also be supported with a positive correlation (r = .215; Sig. = .002) between potential customers’ age and their intention to buy groceries online in future (table 4.14), which means with increasing age people also want convenience in their lives as they have other activities so they don’t have time. There is positive Correlation (r = .254; Sig. = .000) between potential customers age and their frequency to buy online. So it can be argued that as age increases they get busy in their jobs, business research or even in their family life so they don’t have enough time to buy their necessities by going into stores. Colla & Lapoule, (2012) argue that consumers like online shopping just because of attraction of time saving associated with it and reduction in physical effort i.e. convenience.

The authors also wanted to investigate if age matters in case of buying online; 71% respondents from 20 to 35 years age and 78% from 36 to 50 year age group said they would like to buy their
groceries online. Ghesquière, (2011) argues in his study that the consumers think in store grocery as a negative activity and would like to spend their time watching some sports or entertainment programs rather than wasting it in stores to pick up the items they need. This percentage decreased to 68% when it comes to 51 to 65 year age group but even then it is quite remarkable because we expected that mostly respondents would say no as they would like to buy themselves at stores after touching and smelling their groceries and checking quality by themselves. It could be because they want to reduce their physical effort as Colla & Lapoule, (2012) also argue that consumers like online sale just because of the attraction of time saving associated with it and reduction in physical effort. 80% Respondents from 65 and more than 65 said they don’t want to buy online groceries. There can be a financial reason as the manager told authors that they conducted a survey at old people houses to see if they want to buy online groceries but they denied because they think it is expensive.

Having more family members; people would be busy in their family or professional life and it could be difficult to manage time for groceries. Lunce et al., (2006) argue that grocers or super markets are losing big number of those customers who are not sensitive to price but are time starved. So they try to attract these customers by introducing online grocery services. 41% respondents having 1 family member said they want to buy online groceries but this number increased to 72% in case of respondents having 2 family members, 74% having 3 family members 79% having 4 family members and 77% having 5 or more than 5 family members said yes they want to buy online groceries (orange area of table 4.9). It proved the argument of different studies like Colla & Lapoule, (2012); Lunce et al., (2006) and Ghesquière, (2011) that people want to have convenience and save time. Online shopping is most popular and convenient for people who are time starved regardless of whatever aspect of life they belong (married couples having small kids, working people, students, people living at distant places sick or physically disabled people etc.) (Colla & Lapoule, 2012).

We also did a comparison of family members and online grocery service respondents want to use. Even though charges for home delivery service are more than store based picking yet overall 78% customers want to use the home delivery service (table 4.8). Boyer & Hult, (2005) argue that mostly online shoppers are less sensitive to price and have great desire for increased services and time saving. If 78% is further broken down with respect to family members, 63% respondents
having one family member, 76% having 2 family members, 79% having 3 family members, 77% having 4 family members, 73% having 5 or more family members want to use home delivery service which means they want convenience and it also saves time according to 69% respondents (table 4.8). Yrjo, (2001) argues that value of time (customers’ time) spent on shopping represents 20% of grocery products they purchase.

5.5 Web Page Layout

Web lay out and time saving is inter related so grocers should take web page designs seriously and should try to make an interphase according to customer’s perception of innate simplicity and user friendliness (Yoo & Donthu, 2001). The manger of ICA MAXI also thinks web page is important for online grocery business; store management updates prices on Monday to Tuesday, or if there is a new product in store and headquarter is responsible for webpage layout. Although internet shopping involves many advantages like time saving, convenience, cost saving etc. but it still involves challenges like ordering correctly on web pages (Boyer & Hult, 2005). 80% existing and 40% potential customers mentioned that web page for online groceries should be user friendly. Lim, et al., (2009) and Colla & Lapoule, (2012) argue that effective web page having better functionality, user friendliness, easy to navigate and the interface of the website could be the vital factors for the success of electronic businesses. Lee et al., (2002) and Yen et al., (2007) also argue that almost 35% of the customers consider website accessibility, its user friendliness and efficiency as a critical factor of their purchasing from a particular store.

10% existing and 46% potential customers think that web page should have search option (table 4.8). Lim et al., (2009) argue that web page should include search option for products using key words as it can facilitate. 17% existing and 40% potential customers think that web page should provide informative content (table 4.8). Lim et al., (2009) argue that web pages should include quality signals such that nutritional content of products and their origin. So, web page should be interactive and facilitate customers to its best capacity. As Yoo & Donthu, (2001) argue that time saving is one of the fundamental factor for customers to buy online so web pages having easy navigation and user friendliness would also save customers’ time.

ICA MAXI online grocery service does not accept discount coupon and they don’t provide online services on Christmas, Easter or other festivals because they think that people like to buy
themselves on these events. While McKinney, (2004) argues that some atmospheric factors – coupons, discount offers, specific event offer like Christmas or Easter can also play vital role for online business of stores. The web page of ICA MAXI provides the option to customers to choose alternate products if store is out of stock; but only in case of home delivery services. Customers can also delete or cancel their order if they don’t want to buy online. McKinney, (2004) argue that web page should also show out of stock products, and provide option to delete selected products or previously purchased products. ICA MAXI doesn’t have a toll free number for online grocery services’ help. As Colla & Lapoule, (2012) argue toll free numbers for customer services should be available on web page and confirmation of order via email could contribute to customers’ satisfaction.

ICA MAXI web page does not provide the option to customer to follow their order by putting in their order number, and it also does not have customer feedback/discussion portal. As Dholakia & Zhao, (2009) and Raijas, (2002) argue that web pages is one of the main source to meet customers’ expectations which (web pages) should provide option for customer feedback, order following options by putting in order number. ICA MAXI sends an SMS to customers about their order as discussed earlier, and for feedback portal the manager told authors that they have Facebook page for discussion and feedback of customers. Customer can also register their complaints in complains portal which is only accessible to mangers.

5.6 Quality of Service

ICA MAXI is keen about quality of products and has set different quality standards about picking, packing and delivering products and complaints handling. As Zeithaml et al., (1996) discuss that service quality is considered as a fundamental element in almost any kind of business related to services and it is a strong predictor of customer satisfaction and loyalty to a certain company/brand. All (30) existing customers said they would like to use ICA MAXI online grocery service again. There is also a positive correlation (r =.714; Sig. = .000) between the product quality ICA MAXI shows on its web page and service quality of ICA MAXI that it provides to its existing customers (table 4.15). It indicates customers’ brand loyalty and satisfaction as Meuter et al., (2003) argue that service quality in groceries sector is directly relational to product quality. All the interviewees also told authors they have a quality standard that they will choose products for online customers as if they would choose for themselves. The
customers also seemed satisfied as 16 respondents were totally satisfied and 11 respondents satisfied with online service of ICA MAXI. This point is proven from existing customers’ response as 19 respondents totally agree and 9 respondents agree that ICA MAXI provides their orders in time (table 4.3). Delaney-Klinger et al., (2003) argue that service quality is important for customers who think convenience more important than price. 26 existing customers said that they would recommend this service to others which also shows their satisfaction.

All the interviewees told authors that employee ‘C’ always reaches almost according to time texted to customers. 115 potential customers said that delivery time of their orders is very important while 56 respondents that it is important for them if they choose online grocery service (table 4.3). Boyer & Hult (2005) argue there is a thin line between attaining new customers and losing current customer if service quality is not up to customers’ expectation. It can also be argued from positive correlation (r =.714; Sig. = .000) between product quality ICA MAXI shows on its webpage; and Service Quality of ICA MAXI (table 4.15). The manager and Employee C told authors that they text delivery time of customers’ order to them so that they don’t have to wait for long time at their homes; which is also a customer satisfaction technique. Lunce et al., (2006) and Kämäräinen et al., (2001) argue that customers are required to wait at home to receive their grocers instead of being independent of the timetable. There is a positive correlation (r =.472; Sig. = .000) between quality of products bought online and the delivery time involved in online grocery service i.e. service quality (table 4.15). Customers will be satisfied if they get their order with in the scheduled time Lunce et al., (2006) and Kämäräinen et al., (2001).

It can be argued that service quality is vital for customers but it is dependent upon product quality.

### 5.7 Variety of Products

The manager said that ICA MAXI provides a wide range of products to its customers except clothes and shoes etc. because it is difficult to come up with exact customers’ color choice, design fitness of dress etc. Arnold et al., (1998) argue that grocers need to provide a wide range of products to attain customers and it can also help them to gain competitive advantage over other potential web based competitors. 24% potential customers said that web page of store should have variety of products to offer. The manager, employee ‘C’ and ‘E’ also told authors that in case of home delivery service if store is out of stock for some products then customer can
choose alternate products from different brands. Alba & Lynch, (1997) argue customer benefit of e-commerce is based on wider availability and wider selection of items so they suggest that grocers should provide additional value on products offered to customers. The manager told the authors that they don’t provide home delivery services in areas like Skutskar or Alkolby as they are too far but customers from there use our store based picking service. As Nguyen et al., (2010) believe that e-grocers can be successful if they succeed to attract distant customer by offering wide range of products to them.

The manager and employee ‘B’ also told authors that they miss some customers because they don’t provide home delivery services in above mentioned areas. Hackney et al., (2006) argue that wide range of products and services is important regarding value of offer; as it would differentiate business from its competitors. So they have plan under consideration to introduce shared reception box service where customers can collect their bags. As Kotzab & Madlberger, (2001) argue that online business components of offer (range of products offered, payment, interactivity of webpage and advertising) are considered important than logistics. So ICA MAXI is planning to target long distance customers by introducing these new methods of service.

5.8 Brand Image/Store Image

Hartman & Spiro, (2005) define brand image/store image as an overall memory resulting of store attributes, perceptions based on exposure to stimuli. Which means that store image is a perception that a customer has in mind about services and products offered to customers. In multiple choice question from existing and potential customers 67% said that if they think to buy online ICA MAXI comes to their mind i.e. they would buy online from ICA MAXI (figure 4.16). So ICA MAXI has a good brand image in its customers mind. 103 existing and potential customers said that they choose ICA MAXI because its product quality is good and 4 said it offers variety of products (figure 4.17). Dennis & Sandhu, (2002) argue that grocers that can integrate e-grocery and a strong brand image/store image will perform well in their business. In another likert scale question, does ICA MAXI always provide fresh products to the customers; 26 totally agreed while 110 agreed to the statement having 3.75 mean (table 4.7), which means mostly respondents agreed to this statement, which is a healthy sign for ICA MAXI. As we will discuss in next chapter ICA MAXI needs to communicate their good will to their customer by constant advertisement as almost 56% don’t know about this service. Colla & Lapoule, (2012)
argues that grocers need to create an interaction between physical stores and online stores, and put continuous efforts to improve their brand/store image by adopting a coherent marketing strategy; integrated data bases of customers can also be a great help in this regard i.e. to devise a marketing strategy. But according to manager ICA MAXI for online services they don’t take any personal data of their customers which can also be a technique to win customers’ trust.

5.9 Trust of Customers

Web page can play a vital role to gain trust for online companies as 40% potential customers said that web should be easy to understand, 45% said it should have search option and 40% said it should provide informative content (table 4.8). Kracher et al., (2005) argue that easy to understand information on websites reduces confusion and uncertainty of customers, lifts their trust level and positively influences their intension to buy online. This argument can also be supported with a positive correlation of existing customers’ data; (r = .559; Sig. = .001) between customers’ trust in store and product quality that ICA MAXI shows on its web page (table 4.15). It indicates that ICA MAXI provides good quality products to its customers as it shows on its web page; this can help it to gain customers’ trust. Shek et al., (2003) argue that customers are apprehensive to buy products online that they can’t see or touch, and then it is trust that overcomes this apprehension barrier and makes people buy online. Positive correlation (r = .482; Sig. = .007) between service quality and trust (table 4.15) also indicates that better service quality would heap better trust for store. But the store management also needs to keep in mind that better service quality is dependent on product quality as indicated in positive correlation (r = .483; Sig. = .007) between service quality and perishable grocery items (table 4.15).

Trust can be a significant factor for online shopping since the customers can’t not touch and see the real product (Urban et al., 2000). 54% potential customers said that they do not buy online because they cannot touch and smell products, 14% do not buy online because they were concerned about product quality (table 4.8, Q9); means that 86% don’t have issue with products quality which is a good signal for ICA MAXI. So it can be argued that customers trust quality of the products and services provided by ICA MAXI. ICA MAXI needs to overcome the apprehension of customers regarding can’t touch and smell by converting this trust into online
buying. Customers are apprehensive to buy products online that they can’t touch, and trust can help to overcome this apprehension and drive customers to buy online (Shek et al., 2003).

This argument can be supported by data provided by existing customers as 90% were satisfied with quality of products of ICA MAXI at store, 90% respondents were satisfied with product quality when they buy online. 93% were satisfied with service quality of ICA MAXI and 83% said it is safe to provide credit card information on ICA MAXI web page (table 4.3). It indicates that customers trust ICA MAXI. Chen & Barnes, (2007) argue that for online business companies need to have user friendly websites, have secure system for online transaction and have good reputation and user interaction forum on its web page.

Employees of ICA MAXI inform customers to start the recipe with short expiry date. Urban et al., (2000) argue grocers need to be careful about needs of customers and should provide good quality products and service to satisfy their customers. ICA MAXI also has an effective complaint system, in case of a complaint either they would replace the products or would provide new product. This will also help the store to gain trust of the customers which could lead towards increase in online buyers. Colla & Lapoule, (2012) argue that if grocers succeed to gain customer’s trust then they can expect an increase in their customers.

5.10 Advertising

Successful introduction of new products is critical for company’s long-term strategy since customers rely on advertising to know about products (López & Sicilia, 2013). Companies spend millions of dollars every year on advertising which helps them to create brand loyalty amongst its customers (Chioveanu, 2008). The manager said that they spend a significant amount on printed advertisement, TV, & Newspapers to advertise; but still they cannot attract new customers. We consider that advertising sources of ICA MAXI are not effective and only 44% respondents know about online grocery services of ICA MAXI, while 56% respondents do not know it (figure 4.14, appendix 8). Keller et al., (2011) suggest that print media, such as magazines and newspapers, can provide detailed product information but make it difficult to vividly demonstrate product attributes.

We argue that ICA MAXI needs to use other sources of advertisement like SMS marketing or introducing the application for this service as Phau & Teah, (2009) argue that SMS advertising is
particularly attractive to younger consumer market within the age group of 18 - 34, as mobile phone are becoming necessary part in the young consumers' lifestyles. The store as manager also mentioned that the store in considering this idea to introduce an app for this service. Advertisement is a primary source which companies use to advertise their products or services to attract customer (Clark et al., 2009) but ICA MAXI is not succeeding despite spending a lot on advertisement. The authors argue that it is lack of advertisement that ICA MAXI does not has more than 50 customers for its e-grocery services. 71% respondents from 21 to 35 years of age group don’t know about this service but if they know about it then they would use this service. 77% respondents from 21 to 35 years age bracket said yes they would like to buy groceries online in future (table 4.11). But the problem that can be easily seen is they don’t know about this service.

Interestingly number of respondents saying yes they would like to buy groceries online in future increases every time as compared to those who said no they don’t know about online grocery service of ICA MAXI (table 4.11). This argument can further be supported with a positive correlation (r =.220; Sig. = .002) from potential customers’ data between knowing about ICA MAXI's online services and intension to use online grocery services in future (table 4.14), it indicates that if customers would know about this service then they would adopt it. Effective advertising can also help ICA MAXI to attain or sustain its customers. Mehta et al., (2008) argue advertising not only creates awareness about certain products or services but also affects customers’ preferences and purchase behavior.

**5.11 Word of Mouth and E-Word of Mouth**

WOM is a strong communication channel to introduce products as WOM is oral person-to-person communication between a sender and a receiver, which involves a brand, product and service (Wu & Wang, 2011). The manager also raised the point that WOM is important for advertisement. 40% existing customers know about online service of ICA MAXI from others’ recommendation (figure 4.8) which means that mostly customers know and use online grocery because of WOM. All existing customers said that they would recommend this service to others. Ha & Im, (2012) argue that WOM has strong and powerful impact on consumer purchase decision since the online shoppers do not have direct interaction with the product.
There is a flip side of ICA MAXI web page that it does not have a portal for discussion on its website for its customers to share their experience of online grocery service. Kuo et al., (2013) and Chen & Huang, (2013) argue that online shoppers would like to interact with other web users, and publicly share their experience about service, brand and product through websites, which is regarded as an electronic word-of-mouth (E WOM). The manager told authors that ICA MAXI only has discussion portal on Facebook but mostly customers may not go there for discussion or may not join ICA MAXI Facebook page. This feedback can help customers to decrease their uncertainty about product quality (Chen & Huang, 2013). This argument can also be supported from correlation analysis of potential customers’ data as there is a positive correlation weak (r = .224; Sig. = .002) between frequency of online shopping and that if people know about online grocery services of ICA MAXI (table 4.14). It means that it is more likely to know about ICA MAXI’s online grocery services if people are online buyers. If they have online portals then it will increase the probability of people to know about this service as internet surfers are more like to spend more time on internet.

The manager mentioned that they have internal web page portal if customer give their feedback or complain about their service then only he and his fellow manager can see it, it is not accessible for everyone. It is also good as they can see problems and handle complaints but public forum is equally needed. Chen & Huang, (2013) argue that, the manager can monitor customers' satisfaction and comment toward their products through observing online reviews in order to adjust marketing strategies accordingly. Discussion portal is also important on webpage as it can impact consumers’ behavior negatively or positively. Chen & Huang, (2013) argue that EWOM could be negative or positive statement about products, service and brand; and may influence other customers' decision-making. As discussed earlier that 97 customer from all age groups expressed their concern that they don’t buy online because they can’t touch and smell the products (table 4.12). Ha & Im (2012) argue that online shoppers lack of direct interaction with product, impact of WOM on consumer purchase decisions could be more powerful. In table 4.17 below we summarize results of our study after analyzing our empirical results with the theory.
Table 4.17 Summary of Results after Analysis

<table>
<thead>
<tr>
<th>Factor/ Service Method</th>
<th>Results of Study After Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Store based picking</td>
<td>Do not eliminate trouble of customer; pick bag by themselves, wait in queue. If sales volume increases, effective service method is required.</td>
</tr>
<tr>
<td>Home delivery</td>
<td>74.5% potential customers want to use home delivery service because it saves time and it is convenient.</td>
</tr>
<tr>
<td>Product Quality</td>
<td>Potential customers don’t buy groceries online because they cannot touch and smell products; Product freshness is correlated with customers satisfaction.</td>
</tr>
<tr>
<td>Time and Convenience</td>
<td>Save time and convenience is main factor for customer to use online service.</td>
</tr>
<tr>
<td>Web page Layout</td>
<td>Web page should be user friendly, have search option; ICA MAXI web page does not provide the option to follow the order by order number, and do not have discussion portal for customers.</td>
</tr>
<tr>
<td>Service Quality</td>
<td>Service quality is correlated with customers’ satisfaction and loyalty to the brand; It depends on product quality and in time delivery time of customers’ orders.</td>
</tr>
<tr>
<td>Variety of Products</td>
<td>Provide a wide range of products and different service methods to satisfy different customers’ needs which can help to competitive advantage.</td>
</tr>
<tr>
<td>Brand Image, Store Image</td>
<td>67% customers have good perception about ICA MAXI because of its good product quality; provide variety of products and freshness of product.</td>
</tr>
<tr>
<td>Trust</td>
<td>The way to gain trust from customers: enhance webpage security, provide good quality products and service.</td>
</tr>
<tr>
<td>Advertising</td>
<td>ICA MAXI invests a lot on the print media which is not effective source to introduce online service to the customers as 56% respondents do not know E-grocery service of ICA MAXI. SMS advertising can be attractive for the customers at the age of 18-34.</td>
</tr>
<tr>
<td>WOM and E-WOM</td>
<td>WOM can be important advertising for online grocery service; 40% customers know online service by WOM. EWOM can help manager to know the demand of customers. It can help customers to know more about online services and reduce uncertainty about products’ quality.</td>
</tr>
</tbody>
</table>

Source: Own Construction
6 Conclusion

In this chapter the research questions are answered and we have recommendation for the e-grocer. Then, theoretical and managerial implications are discussed. Finally, further research is suggested.

6.1 Apprehension of Research Question

The goal of this study is to identify important factors that online grocers need to consider and what service method should they use to improve their online grocery services to attract the customers. The analysis of the collected data indicates eight factors and a service method that online grocers can consider to improve their service to attain new customers or maintain their current customers.

Product and service quality are primary factors that online grocers need to consider since the customers cannot touch and smell the online groceries, so they are dependent on grocers. Product and service quality factors have direct impact on customers' perception and their experience of e-groceries. If customers have good experience of online service then they are more likely to go for repurchase. They would spread positive word of mouth to other customers. Furthermore, time saving and convenience is one of reasons for customers to choose online shopping since they are busy in their professional and family life. So, the retailers need to take this factor into consideration when they provide online grocery services.

Web page layout is also regarded as one of major factors that grocers should consider when they design their web page for online services, as it is the main source of interaction for the customers to order their desired grocery items. For example, web page design, security, user friendliness, information content and customer interaction forums are the main features of the web sites for online businesses and help the retailers to build their trust among their customers.

Online business web page should also include customers’ interaction portal on its web page. As it can help to spread the e-word of mouth for grocer and also that the grocer can know customers’ problems through reviewing their feedback to improve their service or it can even help them to devise their marketing strategy in future. Furthermore, the grocers need to provide a wide range
of products and alternative services to attain customers since customers would consider the wider selection of item before entering online store. The wide range of products can help the retailer being different from the competitor and gain competitive advantage in the market.

In addition, it is important for retailer to gain their customers’ trust since customers cannot touch and smell the products which is the biggest flipside of online grocery service. The customers are dependent on what retailers provide them. If the retailers can gain trust of their customers, they can attain more business and also sustain their current customers. So, the retailers need to be careful about the needs of customers and provide good quality groceries and service to satisfy their customers.

Store image is also regarded as an important factor for retailers to consider as store image is a perception or an overall memory in a customer’s mind about the service and products of the store. E-grocer should provide good quality products and services to maintain and enhance its store image. Our study shows that if the customers have good memory about the store that can impact customers’ future intension to buy online.

Finally, grocers need to consider advertising of their online services using effective advertising sources. The study shows that young generation is more likely to use online service as they want to save time. At the same time, SMS advertising is attractive to the young generation. Thus, E-grocer can use SMS or app advertising to target the young generation. WOM is regarded as a strong communication channel to attain more customers. It can also help to reduce uncertainty about product quality and service quality for the customers who do not experience the online service. So if the store has an interaction forum on its web page it can also help the store to spread the word of mouth about its online services.

It is also proven that product quality, time and convenience, service quality, advertising, word of mouth and trust are the most significant factors that the grocers should consider. Even though the other factors like web page layout, brand image and variety of products are not proven to be significant in correlation analysis yet they should be considered as they are also proven important in literature. And mostly the customers wanted to use home delivery services in future. So it can
be argued that most of the respondents want convenience in their life to save their time and money they spend for their groceries. It also shows their trust upon ICA MAXI as in case of home delivery services the store will choose all the products for the customers.

6.2 Contribution of Study

The contribution of our study is that it identifies factors which can be important for online grocery service. These factors can be used for online groceries to have a general idea about e-groceries but it should be adjusted according to different geographies and companies’ operations. The theoretical frame work developed by the authors is a new contribution to the theory as few studies like Colla & Lapoule, (2012) have discussed different service methods offered by the stores and what is the motivation of the customers to use online grocery services. But they don’t discuss different factors and service methods together in one study.

*Theoretical Implication:* Our theoretical framework also has a limitation as it does not include the supply chain for online grocery services. The theoretical model developed by the authors also lacks a key factor that authors found during the survey. Advertising is also a key factor for online groceries business and targeting the right audience and using the effective advertising source according to the target audience is also important. Target the young audience is a big challenge for ICA MAXI. So advertising should also be added to the model constructed by the authors because during survey the authors find out that 56% respondents didn’t know about ICA MAXI online grocery service in Gävle. Conducting a longitudinal study using the same theoretical frame with large sample size can legitimize the theoretical frame work which can help the researchers for further research as well as the managers to start the online grocery services.

*Managerial Implications:* In order to sustain and gain customers to use online grocery service, e-grocers should be aware that handling food items is sensitive and having problems with the quality can heap severe effects for the companies. Our study mentioned above, ICA MAXI has an image of providing good quality products which has positive impact on potential customers to choose online service in future. The study also shows that freshness of products is a significant factor that customers consider. Thus, e-grocers need to improve the freshness of products to attain new customers or to maintain the current customers. Furthermore, time and convenience is the main motivational factor that drives the customers to use online services. E-grocers need to consider this factor when they provide online grocery service, such as, provide the pay online option for online shoppers.
In addition, trust is an important factor for buying online groceries. If the e-grocer can obtain the trust of customers, then they can expect to gain more business. Nevertheless, if the trust is breached, it can lead customers to switch the retailers because internet has made it easy to switch the retailer. This will eventually lead the company towards low share in the market and less turnover. So, the e-grocers need to be careful about the products and service quality they offer; in order to gain the trust of their customers and develop the good image of their company.

Furthermore, online grocery service is still a new concept in Sweden. In order to generalize the use of the online grocery service, e-grocer should apply a suitable advertising according to different target audience classified by age. Especially, E-grocer can use SMS and app advertising techniques to target the young generation, as mobile phone is an indispensable part of their life. In addition, the revenue of online food industry is growing each year so this business sector has a great potential. In order to gain competitive advantage, the e-grocers need to provide variety of products and good service to dress the convenience and time saving need of its customers. Furthermore, e-grocers need to consider the implication of word of mouth. A positive word of mouth can help the company obtain more customers. E-grocer can provide a feedback portal on its web page.

*Societal Implication:* Online shopping has become popular and our study gives more explanation of online grocery service and how it can be affected by different factors. Our study provides knowledge about online grocery service. Online grocery service is a new service sector in Swedish grocery market and it still has potential for expansion. The grocers who plan to start or have started the online grocery business can consider our study to know what factors they need to consider to attain customers and how they can improve their e-grocery business to attain and retain their customers.

### 6.3 Reflection on Our Study and Suggestion for Future Studies

Our study has limitation. We chose ICA MAXI Gävle as case study, but there are almost six other companies that provide online grocery services in Gävle, but we could not get in contact with them. This study includes four perspectives; the potential customers, the retailer (manager
and employees) and the existing customers who use store based picking services. But we could not interview the customers who use home delivery services of ICA MAXI. It was difficult to hand out the questionnaires to these customers as they live at different places, and ICA MAXI was bound to not provide the personal information of its customers to us. But still the store management co-operated with the authors and provided information regarding home delivery services and the complexities involved in this service. Another limitation is that we only considered eight factors but there could be other important factors.

We have addressed different factors that can affect or motivate the consumer to buy online groceries along with different service methods offered by retailers but still we could not touch all the factors, so the results of our study cannot be generalized. An extensive study having large population sample and co-operation from other companies may give a broader perspective and can change the results of our current study. Further, in this study, we discussed home delivery services and store based picking services as the store only provides these services up till the time of data collection, but there are other grocery companies that also have drive- in and shared reception box. Therefore, we suggest further research in this regard to shed light on this area as well. We didn’t include any question regarding cost involved in e-grocery services in our questionnaire because we could not find significant literature regarding cost of e-grocery service and how it can affect the customers’ intention to buy online groceries. But a research including this factor may also heap in different results.
References


Cimana, E. & Phoosangthong, N. 2013, Online Grocery shopping in Sweden: Identifying key factors towards consumer's inclination to buy food online, Mälardalens Högskola Eskilstuna Västerås.


Yoo, B. & Donthu, N. 2001, "Developing a scale to measure the perceived quality of an Internet shopping site (SITEQUAL)", *Quarterly Journal of Electronic Commerce*, vol. 2, no. 1, pp. 31-45.


APPENDICES

Appendix 1: Swedish Version of Questionnaire for Potential Customers


Personlig Information

För att besvara frågorna, bocka för (skriv ett X) i de tomma utrymmen (□) nedan.

1. Köen: □ Man □ Kvinna
2. Åldersgrupp: □ Yngre än 20 □ 20-35 □ 36-50 □ 51-65 □ Över 65
3. Hur många familjemedlemmar har du? □ 1 □ 2 □ 3 □ 4 □ 5 □ Fler än 5
4. Sysselsättning? □ Heltid □ Deltid □ Egen verksamhet □ Ingen □ Annat
5. Inkomst per månad: □ Mindre än 10000 □ 10001-20000 □ 20001-30000 □ 30001-40000
   □ Mer än 40000
6. Hur ofta köper du livsmedel i affären? □ Två gånger i veckan □ En gång i veckan □ En gång varannan vecka □ En gång i månaden □ Annat____ (Välj en)
7. Hur ofta handlar du på nätet?
   □ En gång i veckan □ En gång var 2-4 vecka □ En gång var 2 månader □ En gång var 3-6 månader □ Annat____ (Välj en)
8. Kom du i kontakt med denna tjänst här på ICA MAXI?
   □ Ja □ Nej
9. Varför du inte köper på nätet?
   □ Dyrt □ Man kan inte se, röra eller lukta på varorna □ dålig kvalitet på produkten □ dålig kvalitet på tjänsterna □ Annat____________________
10. Hur långt bor du ifrån ICA MAXI?
    □ Mindre än 500 meter. □ 500 - 900m. □ 1-2 km. □ 3-4 km. □ 5Km eller Mer än 5km.
11. Hur tar du dig till ICA MAXI för att handla?
    □ Gång □ Cykel □ Bil □ Buss □ Annat________________________
12. Om du vill köpa, Hur förväntar du dig att en hemsida för en livsmedelsbutik ser ut?
    □ Lätt att förstå □ Har sökfunktion □ Informativt innehåll om produkten □ Stort produktsortiment □ Annat__
13. Hur bedömer du detta uttalande, "Jag använder inte denna tjänst eftersom det inte är säkert att lämna min kreditkortsinformation på någon hemsida?"
Håller inte med 1 2 3 4 5 Håller absolut med (Ringa in ditt svar)

14. Om du använder en webbaserad inköpstjänst, hur viktigt anser du att kvaliteten på produkterna är?
Oviktigt 1 2 3 4 5 Viktig

15. Om du använder denna online-livsmedels tjänst, hur viktigt anser du att leveranstiden är?
Oviktigt 1 2 3 4 5 Viktig

16. Vilken butik tänker du på om du väljer att köpa online Livsmedel?
☐ COOP ☐ Willy: s ☐ ICA MAXI ☐ City Gross ☐ Annat ______

17. Baserat på fråga 16, varför väljer du denna affär?
☐ Tjänstekvalitet ☐ Produktkvalitet ☐ Webbsida ☐ Produktvariation ☐ Annat___________

Håller inte med 1 2 3 4 5 Håller absolut med

19. Vill du prova på webbaserade livsmedelstjänster i framtiden?
☐ Ja ☐ Nej

20. Om du vill köpa livsmedel på nätet, vilka produkter skulle du vilja köpa? (Du kan välja fler än ett alternativ)
☐ Torrvaror (till exempel kaffe, mjöl) ☐ Frukt & Grönsaker ☐ Mjölkprodukter
☐ Köttprodukter ☐ Ingenting

21. Vilken online-tjänst vill du prova i framtiden?
☐ Hämta direkt från lager ☐ Hem leverans ☐ Drive-in ☐ Delad box (likt en brevlåda som leveransen baseras på) ☐ Annat_____

22. Baserat på fråga 21 (ditt val av leveranstjänst), varför föredrar du denna tjänst före andra?
☐ Oberoende av leveransens tidsramar ☐ Spara tid ☐ Spara pengar
☐ Bekvämligheten ☐ Annat_____

23. Andra förslag om denna Tjänst / din personliga åsikt om att handla varor på nätet———
Appendix 2: Swedish Version of Questionnaire for Existing Customers


Personlig Information

För att besvara frågorna, bocka för (skriv ett X) i de tomma utrymmen (☐) Nedan

1. Kän: ☐ Man ☐ Kvinna
2. Åldersgrupp: ☐ Yngre än 20 ☐ 20-35 ☐ 36-50 ☐ 51-65 ☐ Över 65
3. Hur många familjemedlemmar har du? ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ Fler än 5
4. Sysselsättning? ☐ Heltid ☐ Deltid ☐ Egen verksamhet ☐ Ingen ☐ Annat
5. Inkomst per månad: ☐ Mindre än 10000 ☐ 10001-20000 ☐ 20001-30000 ☐ 30001-40000 ☐ Mer än 40000
6. Hur ofta köper du livsmedel i affären? ☐ Två gånger i veckan ☐ En gång i veckan ☐ En gång varannan vecka ☐ En gång i månaden ☐ Annat____ (Välj en)
7. Hur ofta handlar du på nätet?
   ☐ En gång i veckan ☐ En gång var 2-4 vecka ☐ En gång var 2 månad ☐ En gång var 3-6 månader ☐ Annat_____ (Välj en)
8. Hur kom du i kontakt med denna tjänst här på ICA MAXI?
   ☐ Tidning ☐ TV ☐ Reklam ☐ Andra människor ☐ Anslagstavlor ☐ Jag känner inte till denna känns☐ Internet ☐ Annat___(Välj flera)
9. Varför köper du på nätet?
   ☐ Sparar tid ☐ Bekvämlighet ☐ Sparar pengar ☐ Upptagen med andra aktiviteter
   ☐ Annat_______(Välj flera)
10. Hur långt bor du från ICA MAXI?
    ☐ Mindre än 500 meter. ☐ 500 - 900m. ☐ 1-2 km. ☐ 3-4 km. ☐ 5 eller Mer än 5km.
11. Hur tar du dig till ICA MAXI för att handla livsmedel? (Välj flera)
    ☐ Gång ☐ Cykel ☐ Bil ☐ Buss ☐ Annat_____________________
12. Vilka av följande alternativ anser du är de viktigaste på ICA MAXIs webbsida (du kan välja flera alternativ om du vill)
    ☐ Användarvänlig ☐ Sökruta ☐ Attraktiv produktvisning ☐ Informativt innehåll
    ☐ Produktbredd
13. Är det säkert att uppgive dina kreditkortsuppgifter eller annan information på ICA Maxi: s webbsida?
    Håller ej med 1 2 3 4 5 Håller med helt
14. Har produkterna som ICA MAXI visar upp på sin hemsida samma kvalité när du får de levererade?
   Håller ej med 1 2 3 4 5 Håller med helt
15. Kommer dina beställningar från ICA MAXI i tid?
   Håller ej med 1 2 3 4 5 Håller med helt
16. Vilken butik tänker du på när du väljer att handla livsmedel online? (Välj en)
    □ COOP □ Willey: s □ ICA MAXI □ City Gross □ Annat_______
17. Varför väljer du denna affär?
    □ Tjänst □ Produktkvalitet □ Hemsida □ Produktvariation □ Annat_______ (Välj flera)
   Håller ej med 1 2 3 4 5 Håller med helt
19. Hur bedömer du de tjänster ICA MAXI ger i sin online "matkasse"?
    Missnöjd 1 2 3 4 5 är nöjd
20. Kan du tänka dig använda ICA MAXIs nätjänster igen?
    □ Ja □ Nej
21. Vilken e-livsmedelstjänst använder du nu?
    □ Hämta direkt från lager □ Hemleverans □ Drive in □ Delad box(liknar postbox, men delad med andra) □Annat_____ (Välj en)
22. Baserat på fråga 21, varför föredrar du denna tjänst över andra?
    □ Oberoende av leverans tidtabellen □ Spara tid □ Spara pengar □ Bekvämligheten □ Annat_____ (Välj flera)
23. Vilken online-tjänst skulle du vilja prova i framtiden?
    □ Hämta direkt från lager □ Hem leverans □ Drive in □ Delad box
    □ Annat_____ (Välj flera)
24. Har du några förslag på den tjänst du använder?______________________________
25. Kan du tänka dig prova en annan online-tjänst i framtiden? □ Ja □ Nej
27. Andra förslag om denna Tjänst / din personliga åsikt om att handla varor på nätet__________
Appendix 3: English Version of Questionnaire for Potential Customers:

This questionnaire has been developed by students of University of Gävle for Master’s Thesis. The purpose of this questionnaire is to know how ICA MAXI should improve its online grocery service to attract customers. We will be grateful if you can take out a few minutes from your buy schedule. We assure you that all the data you will provide shall only be used for educational purpose.

Personal Information

To answer the question, please make a check mark (☐) in the spaces (☐) given below.

1. Gender: ☐ Male ☐ Female
2. Age group: ☐ less than 20 ☐ 20-35 ☐ 36-50 ☐ 51-65 ☐ More than 65
3. How many family members do you have? ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 or More than 5
4. What is your job status? ☐ Full time ☐ Part time ☐ Own business ☐ No Job ☐ Other ______
5. Income: ☐ less than 10,000 ☐ 10,001-20,000 ☐ 20,001-30,000 ☐ 30,001-40,000 ☐ More than 40,000
6. How often do you buy grocery?
   ☐ Twice a week ☐ Once a week ☐ Once every two weeks ☐ Once a Month ☐ Other_______________
7. How often do you buy products on-line?
   ☐ Once a week or more often ☐ Once every 2-4 weeks ☐ Once every 2 months ☐ Once every 3-6 months ☐ Other________________
8. How do you know about online Grocery services in Gävle?
   ☐ News paper ☐ TV ☐ Printed Advertisement ☐ Other’s Recommendation ☐ Bill Boards ☐ I don’t know about this service ☐ Internet ☐ Others________________________
9. Why you don’t buy Groceries online?
   ☐ Expensive ☐ Cannot touch and smell the Grocery Products ☐ Poor quality of Product ☐ Poor quality of service ☐ other____________________
10. How far do you live from ICA MAXI?
    ☐ Less than 500 m. ☐ 500 – 900m. ☐ 1-2 km. ☐ 3-4 km. ☐ 5 or More than 5 km.
11. How do you go to ICA MAXI to buy your Groceries?
    ☐ Walking ☐ Bicycle ☐ Car ☐ Bus ☐ Other________________
12. How do you expect the web page of grocery store should be?
    ☐ Easy to understand ☐ Has search option ☐ Informative content ☐ Variety of Products ☐ Others____________________
13. How do you rate this statement, “I don’t use this service because it is not safe to provide my credit card information or any other information on any Websites?
    Disagree 1 2 3 4 5 Agree
14. If you use the online grocery service, how important you consider the quality of the products?
    Disagree 1 2 3 4 5 Agree
15. If you use the online grocery service, how important you consider the delivery time of this service?
   Unimportant 1 2 3 4 5 Important

16. What store comes to your mind if you decide to Buy Online Groceries? ☐ COOP ☐ Willey:s ☐
   ICA MAXI ☐ City Gross ☐ Other____________________

17. Based on question 16, Why do you choose this store
   ☐ Service ☐ Product Quality ☐ Web Page ☐ Variety of Products ☐ Other____________________

18. How do you rate this statement? “ICA MAXI always provides fresh grocery products.”
   Disagree 1 2 3 4 5 Agree

19. Would you like to try online grocery service in the future?
   ☐ Yes ☐ No

20. If you decide to buy Online Grocery Products which products would you like to buy (You can choose more than one option if you want)?
   ☐ Dry grocery items (Coffee, Pulses, ) ☐ Fruits & Vegetables ☐ Dairy Products ☐ Meat items
   ☐ None____________________

21. Which e-grocery service would you like to use if you decide to buy online?
   ☐ Stored-based picking ☐ Home delivery ☐ drives-ins ☐ Shared Reception box ☐
   Other____________________

22. Based on the question 21, (the service you have chosen) why you prefer this service than others?
   ☐ Independence of the Delivery timetable ☐ Save the time ☐ Save the money
   ☐ Convenience ☐ Others____________________

22. General suggestion About this Service/Personal opinion about Online Grocery Service
Appendix 4: English Version of Questionnaire for Existing Customers:

This questionnaire has been developed by students of University of Gävle for Master’s Thesis. The purpose of this questionnaire is to know how ICA MAXI should improve its online grocery service to attract customers. We will be grateful if you can take out a few minutes from your busy schedule. We assure you that all the data you will provide shall only be used for educational purpose.

**Personal Information**

To answer the question, please make a check mark (☐) in the spaces (☐) given below.

1. Gender:  ☐ Male  ☐ Female
2. Age group:  ☐ Less than 20  ☐ 20-35  ☐ 36-50  ☐ 51-65  ☐ More than 65
3. How many family members do you have?  ☐ 1  ☐ 2  ☐ 3  ☐ 4  ☐ 5 or More than 5
4. What is your job status?  ☐ Full time  ☐ Part time  ☐ Own business  ☐ No Job  ☐ Other ________
5. Income:  ☐ less than 10000  ☐ 10000-20000  ☐ 20001-30000  ☐ 30001-40000  ☐ More than 40000
6. How often do you buy grocery?  ☐ Twice a week  ☐ Once a week  ☐ Once every two weeks  ☐ Once a Month  ☐ Other  ______________
7. How often do you buy products on-line?
   ☐ Once a week or more often  ☐ Once every 2-4 weeks  ☐ Once every 2 months  ☐ Once every 3-6 months  ☐ Other  ______________
8. How do you know about this service in Gävle?
   ☐ News paper  ☐ TV  ☐ Printed Advertisement  ☐ Other’s Recommendation  ☐ Bill Boards  ☐ I don’t know about this service  ☐ Internet  ☐ Others  ______________
9. Which factor drives you to buy online Groceries?
   ☐ Save time  ☐ Convenient  ☐ Save fuel Cost & Environment  ☐ Busy in Life (Work or House)  ☐ other  ______________
10. How far do you live from ICA MAXI?
    ☐ Less than 500 m.  ☐ 500 – 900m.  ☐ 1-2 km.  ☐ 3-4 km.  ☐ 5 or More than 5 km.
11. How do you go to ICA MAXI to buy your Groceries?
    ☐ Walking  ☐ Bicycle  ☐ Car  ☐ Bus  ☐ Other  ______________
12. In the following options which option do you think is more important on ICA MAXI Web page (you can choose more than one option if you want)
    ☐ User friendly  ☐ Search Facility  ☐ Attractive Product Display  ☐ Informative Content  ☐ Variety of Products
13. Do you think it is safe to provide your credit card or other information on ICA Maxi’s Web?
    ☐ Disagree 1 2 3 4 5  ☐ Agree
14. How do you rate the quality of grocery products ICA MAXI shows on its web page and provides you upon your order?

Unsatisfied 1 2 3 4 5 Satisfied

15. Does ICA MAXI provide your orders in time?

Disagree 1 2 3 4 5 Agree

16. What store comes to your mind when you decide to buy Online Groceries?

☐ COOP ☐ Willey:s ☐ ICA MAXI ☐ City Gross ☐ Other_______

17. Why do you choose this store

☐ Service ☐ Product Quality ☐ Web Page ☐ Variety of Products
☐ Other____________________

18. How do you rate this statement? “ICA MAXI always provides fresh grocery products when you order ONLINE”

Disagree 1 2 3 4 5 Agree

19. How do you rate the Online Grocery services of ICA MAXI?

Unsatisfied 1 2 3 4 5 Satisfied

20. Would you like to use ICA MAXI online Grocery Services again?

☐ Yes ☐ No

21. Which e-grocery service do you use now?

☐ Stored-based Picking ☐ Home Delivery ☐ Drives-ins (Take Away) ☐ Shared Reception Box ☐ other_______

22. Based on the question 21, why you prefer this service than others

☐ Independence of the delivery timetable ☐ Save the time ☐ Save the money ☐ Convenience
☐ Others_______

23. Do you have any suggestions for the service you use or any other suggestions?__________

24. Would you like to try another online service in the future?

☐ Yes ☐ No

25. Based on question 24, if yes, which online service you want to try in the future?

☐ Stored-based picking ☐ Home delivery ☐ drives-ins ☐ Shared box
☐ Others________________

26. Would you like to recommend online grocery services to others?

☐ Yes ☐ No

27. General Comment About this Service/Personal opinion about Online Grocery Service
Appendix 5: Interview Questions for Manager:

The background of the manager:

Background:

1. What’s your position and responsibility at this company?
2. How long ICA MAXI has started online Grocery Services in Gävle? Which service method you used first, why?
3. What is your target audience in Online Grocery Service?
4. How many employees do you have for online grocery service?
5. How many customers receive online grocery services every month?
6. Can you provide us a rough idea that how many customers you have on average every week since January 2014?
7. How many steps are there from customer’s order to final delivery?
8. What service method do you use to provide online grocery services to the customer?
9. Why did you choose this service method and not the other service method?
10. How do you think this service method can be convenient and save the time of customers?
11. How do you maintain the relationship with the customers?
12. Is there a specific time for customer to pick up their bags from the stores or they can come any time on Monday?
13. Is there a specific time for home delivery as well?
14. Can the customer obtaining the home delivery service have delivery of the products at different time than mentioned by the store?
15. Do you think that web page design and layout is important for online grocery service?
16. What factors do you consider when you design the web page for online grocery services?
17. How often do you update your web page?
18. Does your web page provide the option to the customer to follow their order?
19. Do you send any confirmatory email or SMS to the customers regarding the confirmation of their order?
20. Does your web page provide the option to the customer to cancel or change the order?
21. How do you ensure the orders are delivered on time to the customers?
22. How many kinds of bags you provide in this service?
23. Can customers choose any grocery product or there are specific products that are available online?
24. How do you ensure people that the information they provide on your web page will not be disclosed to others?
25. How do you ensure the security of transactions from customers’ credit card to your web page?
26. How do you think Online Grocery service of ICA MAXI is better than other online grocery providers in Gävle?
27. Do you prefer to provide more ICA MAXI products to the customers
28. Do you provide other brand (other manufacturer) to your customers?
29. Consider the temperature requirement is different from food, how dose ICA ensure the quality of product in whole process?
30. Do you have refrigerated vans to deliver products at customers’ home?
31. Do you have specific menu for each week or the customer can also order grocery products according to their choice?
32. What do you do if you don’t find the customer at home?
33. How do you settle down if there are some complaints regarding the quality of service or the quality of the products?
34. Which portals do you use to have feedback from customers?
35. What do you think are the challenges in online groceries business?
36. What do you think need to be improved in online Grocery business to attract new customers?
37. What’s your plan for e-grocery for next five years?
Appendix 6: Interview Questions for Employees

1. What’s your position and responsibility at this company?
2. Do you need to prepare the bag, every day or only once a week?
3. How many bags you need to prepare for one day.
4. Do you feel the time is limited to prepare the bag?
5. Can you describe the process from start to finish to customers?
6. How many steps are there from customer’s order to final delivery?
7. How many kinds of bags you provide in this service?
8. How do you ensure the quality of the products in the bag?
9. Consider the temperature requirement is different from food, how dose ICA ensure the quality of product in whole process?
10. Do you have refrigerated vans to deliver products at customers’ home?
11. How do you ensure the bag do not miss the groceries?
12. What do you do if you find some bag miss the groceries?
13. What are the difficulties you meet in preparing the groceries in the bag?
14. Do you have any suggestion for preparing this service?
15. How do you deal with complain of the customers?
16. What problems do you face during the whole process of packing the bag?
17. Do you have any suggestion for this service?
Appendix 7: Existing Customers Figures and Tables

Figure 4.2 Geographical Area of ICA MAXI home delivery service

Source: Own Construction

Figure 4.3 Existing Customers’ Family Members at Home

Source: Own Construction

Figure 4.5 Existing Customers transportation

Source: Own Construction
Figure 4.6 Existing Customers Buy Products Online

Source: Own Construction

Figure 4.7 Existing Customers Buy Groceries at Store

Source: Own Construction
Table 4.1 Existing Customers’ Gender and Age

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Male</th>
<th>Female</th>
<th>Sum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 20</td>
<td>0</td>
<td>0</td>
<td>0 (0.0%)</td>
</tr>
<tr>
<td>20-35</td>
<td>8</td>
<td>5</td>
<td>13 (43.3%)</td>
</tr>
<tr>
<td>36-50</td>
<td>5</td>
<td>7</td>
<td>12 (40.0%)</td>
</tr>
<tr>
<td>51-65</td>
<td>1</td>
<td>4</td>
<td>5 (16.7%)</td>
</tr>
<tr>
<td>More than 65</td>
<td>0</td>
<td>0</td>
<td>0 (0.0%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>14 (46.7%)</td>
<td>16 (53.3%)</td>
<td>30 (100.0%)</td>
</tr>
</tbody>
</table>

Source: Own construction

Table 4.2 Existing Customers’ Job Status and Income per Month

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Full time</th>
<th>Part time</th>
<th>Own Business</th>
<th>No Job</th>
<th>Other</th>
<th>Sum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 10000</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0 (0.0%)</td>
</tr>
<tr>
<td>10001-20000</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2 (6.7%)</td>
</tr>
<tr>
<td>20001-30000</td>
<td>10</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>12 (40.0%)</td>
</tr>
<tr>
<td>30001-40000</td>
<td>6</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>7 (23.3%)</td>
</tr>
<tr>
<td>More than 40000</td>
<td>8</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>9 (30.3%)</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0 (0.0%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>24 (80%)</td>
<td>5 (16.7%)</td>
<td>0 (0.0%)</td>
<td>0 (0.0%)</td>
<td>1 (3.3%)</td>
<td>30 (100.0%)</td>
</tr>
</tbody>
</table>

Source: Own construction
Appendix 8: Potential Customers’ Figures and Tables

Figure 4.9 Potential Customers’ Family Members at Home

Source: Own Construction

Figure 4.10 Potential Customers Distance between Home and ICA MAXI

Source: Own Construction

Figure 4.11 Potential Customers’ Transportation Method

Source: Own construction
Figure 4.12 Potential Customers Buy Products Online

Source: Own Construction

Figure 4.13 Potential Customers Buy Groceries at Store

Source: Own Construction

Figure 4.14 Potential Customers Knowing ICA MAXI E-Grocery Service

Source: Own Construction
Figure 4.15 Potential Customers' Intention to use ICA MAXI E-Grocery Service

Source: Own Construction

Table 4.5 Potential Customers’ Gender and Age

<table>
<thead>
<tr>
<th>Age</th>
<th>Male</th>
<th>Female</th>
<th>Sum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 20</td>
<td>0</td>
<td>4</td>
<td>4 (2.0%)</td>
</tr>
<tr>
<td>20-35</td>
<td>33</td>
<td>80</td>
<td>113 (55.4%)</td>
</tr>
<tr>
<td>36-50</td>
<td>15</td>
<td>49</td>
<td>64 (31.4%)</td>
</tr>
<tr>
<td>51-65</td>
<td>4</td>
<td>9</td>
<td>13 (16.4%)</td>
</tr>
<tr>
<td>More than 65</td>
<td>4</td>
<td>6</td>
<td>10 (4.9%)</td>
</tr>
<tr>
<td>Sum</td>
<td>56 (27.5%)</td>
<td>148 (72.5%)</td>
<td>204 (100%)</td>
</tr>
</tbody>
</table>

Source: Own Construction

Table 4.6 Potential Customers’ Job Status and Income per Month

<table>
<thead>
<tr>
<th>Job status</th>
<th>Full time</th>
<th>Part time</th>
<th>Own business</th>
<th>No Job</th>
<th>Other</th>
<th>Sum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income per month</td>
<td>less than 10,000</td>
<td>10,001-20,000</td>
<td>20,001-30000</td>
<td>30001-40000</td>
<td>More than 40,000</td>
<td>Sum</td>
</tr>
<tr>
<td></td>
<td>67 (32.8%)</td>
<td>66(32.4%)</td>
<td>46(22.5%)</td>
<td>11(5.4%)</td>
<td>14(6.9%)</td>
<td>204 (100%)</td>
</tr>
</tbody>
</table>

Source: Own construction