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DEVELOPMENT OF E-COMMERCE WITHIN FAST MOVING CONSUMER GOODS

What business models will be successful when the traditional food industry move online?

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Master of Science thesis

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Abstract

Today, we can observe a shift in consumer behavior where more products are being consumed online. For food or so called fast moving consumer goods it has taken longer to start this transition than for other industries such as books and electronics but now it is on the rise and it has been an overall increase of 30 to 37 % in the last couple of years. A continuous increase in e-commerce will most likely lead to major changes in the real estate industry as the retail industry will not be in need of physical stores to the same way as they are used today. In line with these structural changes new business models will be created that strikes out old ones.

The aim of this report is to account for the development of e-commerce within fast moving consumer goods (FMCG) and to evaluate the business models of the main traditional retailers. By comparing how retailer's business models meet the underlying theory of consumers purchasing behavior online, the purpose is to explain what retailers will be successful in the future. To fulfil the aim of the report an examination has been made of relevant theories such as the theory of planned behavior and its key factors essential to run a successful business model for online retailing within FMCG. Apart from the theory of planned behavior, the business model of IKEA that has been proven to be successful, is used as a reference model.

The research is restricted to two of our four main retailers in Sweden for food which is ICA and Bergendahls (City Gross). To answer the research questions a qualitative method has been used in the thesis by performing two case studies on ICA respectively Bergendahls with the collection of primary data in form of interviews, which have been complemented with secondary data. By comparing the business models of ICA and Bergendahls with the theoretical models and the reference object IKEA the purpose is to determine if they will be successful online or not.

The key to having a successful business model and online platform is to focus mainly on the *wired lifestyle* and the customers attitude towards it, which is the most important factor affecting the consumers' intention towards buying food online. *Freshness* and *novelty* are the second and third most important factors affecting the consumers' intention towards buying food online and therefore shall these factors be the retailers next focus area. In order to pin point what is important for their business and to be able to focus on the right factors for being successful and gaining market shares the retailers should have a separate model for e-commerce.

Acknowledgement

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Julia Olsson och Julia Samaan
Stockholm, June 2018.

Examensarbete

Titel	E-handelns utveckling inom dagligvaruhandeln
Författare	Julia Olsson & Julia Samaan
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Handledare	Berndt Lundgren
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Sammanfattning

Idag kan vi observera ett förändrat konsumentbeteende där fler produkter konsumeras online. För mat som hör till så kallade snabbrörliga konsumtionsvaror har det tagit längre tid att påbörja denna övergång mot e-handel i jämförelse med andra industrier så som böcker och elektronik, men denna förändring är nu på god väg och det har skett en övergripande ökning med 30 - 37% under de senaste åren. En kontinuerlig ökning av e-handel kommer sannolikt att leda till stora förändringar inom fastighetsbranschen eftersom att detaljhandeln inte kommer att behöva ha fysiska butiker i samma utsträckning. I linje med dessa strukturella förändringar skapas nya affärsmodeller som slår ut gamla.

Syftet med denna rapport är att redogöra för utvecklingen av e-handel inom snabbrörliga konsumentvaror (FMCG) och att utvärdera affärsmodellerna hos de största detaljhandlarna. Genom att jämföra hur detaljisternas affärsmodeller uppfyller den underliggande teorin om konsumenters köpbeteende online, är syftet att förklara vilka återförsäljare som kommer att lyckas i framtiden sett till den nämnda teorin. För att uppfylla syftet med rapporten har relevanta teorier granskats så som teorin om planerat beteende och dess centrala faktorer som är nödvändiga för att driva en framgångsrik affärsmodell inom online-detaljhandel för snabbrörliga konsumentvaror. Förutom teorin om planerat beteende används affärsmodellen för referensobjektet IKEA som referensmodell på grund av IKEA:s framgång.

Forskningen är begränsad till två av de fyra största återförsäljarna av mat i Sverige vilka är ICA och Bergendahls (City Gross). För att besvara forskningsfrågorna har en kvalitativ metod använts i avhandlingen genom att utföra två fallstudier på ICA respektive Bergendahls med insamling av primära data i form av intervjuer, vilka kompletterats med sekundära data. Genom att jämföra ICA:s och Bergendahls affärsmodeller med de teoretiska modellerna samt med referensobjektet IKEA är syftet att bestämma om återförsäljarnas affärsmodeller kommer att bli framgångsrika online eller ej.

Slutsatsen som nåtts är att nyckeln till att ha en framgångsrik affärsmodell och online-plattform är att fokusera främst på den uppkopplade livsstilen och kundernas inställning till den, vilket är den viktigaste faktorn som påverkar konsumenternas intention till att köpa mat online. Färskhet och nymodighet är den andra och tredje viktigaste faktorn som påverkar konsumenternas intention till att köpa mat online och därför bör dessa faktorer vara detaljhandlarens nästa fokusområde. Detaljhandlarna bör ha en separat affärsmodell för e-handel för att kunna precisera det viktigaste för deras affärer, kunna fokusera på rätt faktorer för att nå framgång och ta marknadsandelar.

Förord

Detta examensarbete har utförts under våren 2018 vid KTH som det avslutande momentet på det tvååriga mastersprogrammet Fastigheter och Byggande och efter en utbildning inom Samhällsbyggnad på KTH om totalt fem år.

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Julia Olsson och Julia Samaan
Stockholm, juni 2018.

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1 INTRODUCTION

The following chapter aims to clarify the background behind the development of retail within fast moving consumer goods (FMCG) and the influence of digitalization. The definition of FMCG will be clarified, an overview of the current market will be given and lastly will the aim for this report be presented.

1.1 BACKGROUND

As the commerce is constantly evolving and takes new shapes in line with structural changes, new business models are created that strikes out old ones. Because of urbanization, a great part of the trade has been concentrated to our major cities and when people move out on the web, the trade follows. According to Svensson et al. (2016) the place of the trade naturally is, and has always been, where the customers are.

Digitalization and technology have been the number one driving force in the development of the welfare in modern economies. Sweden has been through different industrial revolutions and at the moment we can see a structural change in a lot of traditional industries such as financial services just to mention one, where technology plays an important role (Brånby, 2016). E-commerce has been growing rapidly over the past years for industries of rarely merchants such as books, electronics and clothes but the online industry for food i.e. fast-moving consumer goods (FMCG) has taken longer. This is due to high restrictions on how to transport and manage food, making it harder to develop profitable business strategies within the field (Storesupport, 2017) but this is about to change.

"Ikea tvärnitar – skrotar utbyggnad i Kungens kurva. Vi har valt att inte gå vidare med planerna på ett nytt varuhus. Vi ser ett ändrat konsumtionsbeteende och vill till exempel satsa mer på e-handel." - Anna Pilkrona Godden

On the 1st of Mars 2018 the Real Estate paper Fastighetsvärlden, wrote about IKEA not pursuing their plans of expanding their warehouse in Kungens Kurva. Anna Pilkrona Godden, responsible for the communication about IKEAs expansion and business development, said that they want to allocate resources for e-commerce instead. These headings have been seen a lot lately where both IKEA and H&M among others are closing stores or putting expansion of the physical retailing on hold. This can be seen in the segment for FMCG as well. Although the e-commerce has taken longer for this segment to evolve it is now the fastest growing market for e-commerce which have had effects on the physical retailing as well. In Fastighetsvärlden (2018) it was also recently revealed that Coop are closing two bigger stores whereas one is consisting of 15 000 sqm of retail area.

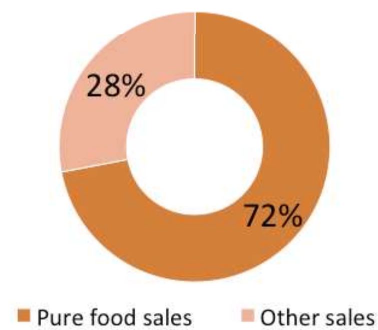
There has been an overall increase of 37% in e-commerce for food in Sweden the last couple of years (Market, 2017). This can be compared to the growth within the physical retailing of 4% during 2015. Although the portion for e-commerce of the total market for FMCG still is a small part, 1,4% in 2016 and 1% in 2015, it is still believed that this market will continue to grow rapidly and gain greater market shares (Svensk Digital Handel, 2016). The future of e-commerce and what impacts it will have on the traditional forms of retailing is uncertain, the speculations vary between existing physical retailing being demolished and assumptions about retailing being limited (Burt & Sparks, 2003).

This change in consumer behavior and demand will have effects on our retailers and create both risks and opportunities depending on how adaptable the retailers are to the new landscape. Adaptability towards the new landscape of consumer's demands and being up to date with the business model will be key for retailers to survive this structural change.

1.2 FAST MOVING CONSUMER GOODS (FMCG)

The definition of retail is divided between *rarely merchants* and *fast moving consumer goods (FMCG)*. When deciding what is included in FMCG, the definition from HUI Research (2017) is used where the following is included; Food, tobacco, papers, flowers, Systembolaget, pharmacy's and prescription free- and selfcare products. Food represents most of the sales within FMCG as can be seen in figure 1. FMCG in its turn represent about 50 percent of the total retail industry (Storesupport, 2017).

Figure 1: Division between sales within FMCG



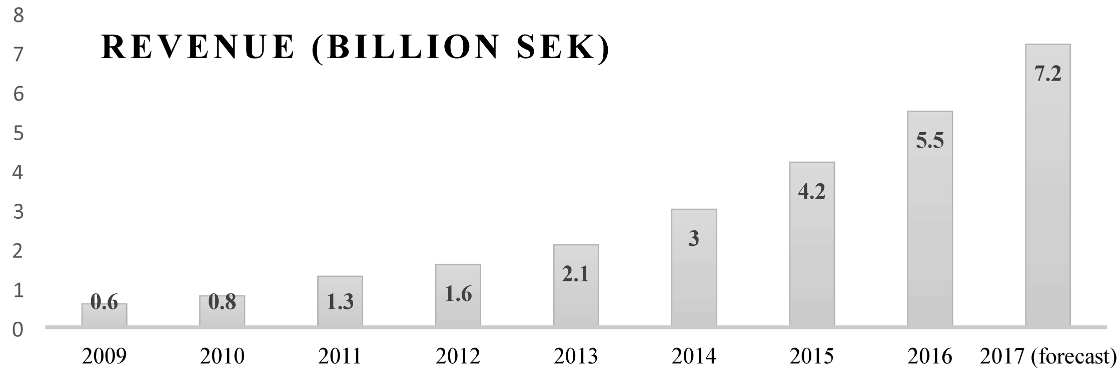
Source: Svensk Digital Handel (2016)

1.3 MARKET ANALYSIS

A continuous increase in retail in Sweden can be observed and it is mainly due to the e-commerce which affects not only the companies but also the customers and the society at large. From a societal view the e-commerce can help accelerate economic growth as well as opening opportunities (Becker, 2007).

As mentioned earlier there has been a steady increase in the e-commerce for food since 2009 (see figure 2). This increase is believed to continue and as can be observed, there is a forecasted increase in growth for 2017 as well (Market, 2017).

Figure 2: *Development of e-commerce for foods from 2009-2017*



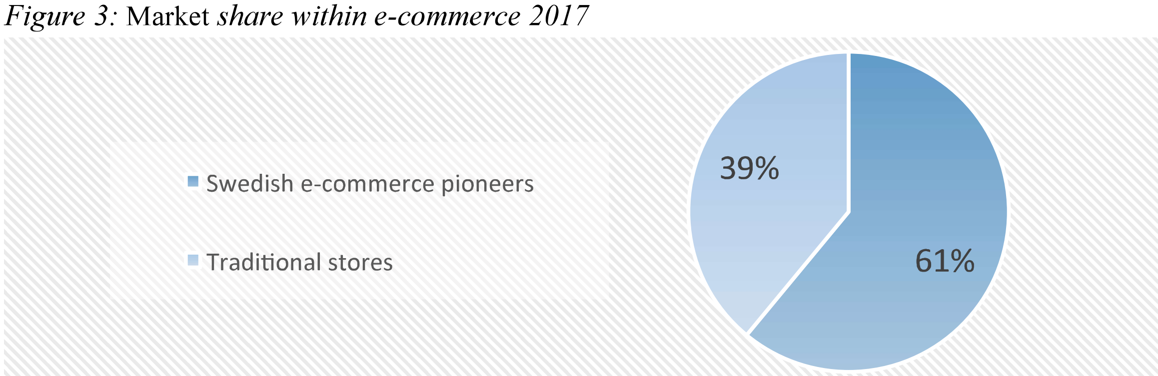
Source: Market, 2017

The industry had a total turnover of 5,5 billion SEK in 2016 (Market, 2017). The increase for food within e-commerce in 2016 was 30% and it is believed to be 30% in 2017 as well according to the latest report by Svensk Digital Handel (2017). This is a bit lower than the historical growth that has been 37% on average.

1.3.1 BIG PLAYERS WITHIN E-COMMERCE

When studying the current market of e-commerce within the food industry in Sweden, it is not the traditional big players that are overrepresented but instead pioneers such as Mathem, Mat.se, Middagsfrid and Linas Matkasse that dominate the market. Mathem is the biggest player with a turnover of 976 MSEK in 2016. Figure 3 illustrates the division between e-commerce pioneers, as mentioned above, and traditional retailers. Some of the traditional retailers that are present in the e-commerce business are ICA, Coop, Axfood and Bergendahls. Together these four enterprises account for 90% of the market in traditional FMCG but within e-commerce they are behind the smaller pioneers, where they represent 39% respectively 61% of the total market, as seen in figure 3 below (Market, 2017).

Figure 3: Market *share within e-commerce 2017*



Source: Market, 2017

In the same study from Market (2017) they mention big investments being made by the traditional retailers in order to close the gap in between these retailers and the pioneers within e-commerce. Most of the stores have developed pre-packed food bags imitating the concept from the pioneers.

Food stores also offer purchases of individual selected products (Market 2017). Will the traditional retailer's business models allow them to challenge the pioneers in the future?

1.3.2 PROFITABILITY WITHIN E-COMMERCE

Profitability within the pioneers who rely solely on their online retailing is also interesting to study. These tables below show the results and revenue for the pioneers within e-commerce. What can be observes is that the high increase in revenue has been very costly as the results are negative for most actors. Mathem has the highest losses who also is the leading pioneer within e-commerce for food.

Table 1: Results for pioneers

RESULTS	2016 (KSEK)	2015 (KSEK)	2014 (KSEK)
Linas Matkasse	-7 282	24 716	20 548
Mathem	-118 629	-97 243	-103 595
Mat.se	-76 201	-66 600	-56 797
Middagsfrid	509	-466	867

Source: Allabolag.se

Table 2: Revenue *for pioneers*

REVENUE	2016 (KSEK)	2015 (KSEK)	2014 (KSEK)
Linas Matkasse	701 741	635 519	530 329
Mathem	975 954	732 512	453 547
Mat.se	300 052	212 591	125 912
Middagsfrid	74 667	73 016	79 729

Source: Allabolag.se

The results and revenue of the traditional retailers is harder to calculate and get an overview of since their figures of online retail is not separated from the physical retailing or at least have not been so historically.

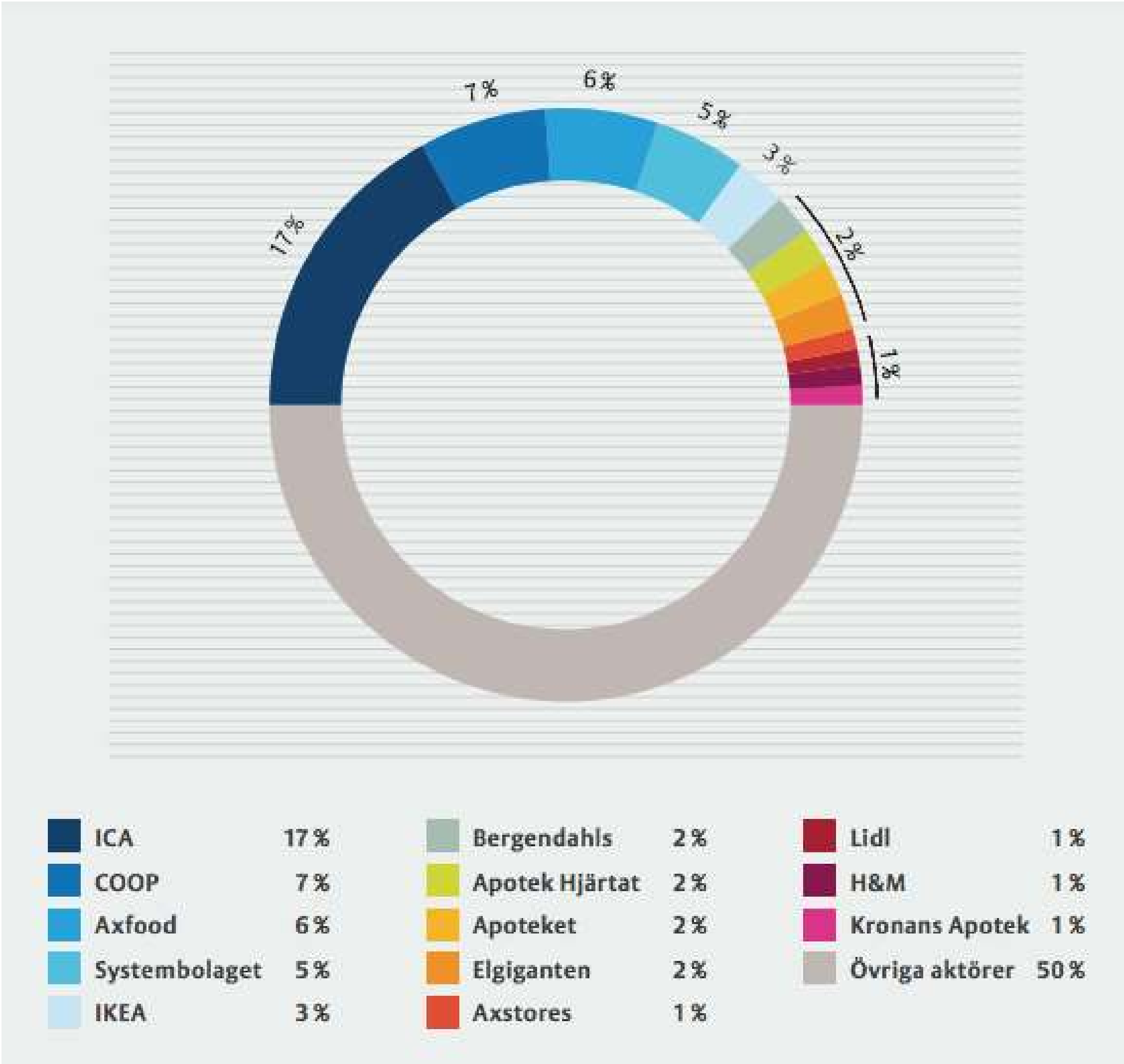
1.4 AIM OF THE REPORT

The aim of this study is to account for the development of e-commerce within FMCG and to evaluate the business models of the main traditional retailers. By comparing how retailer's business models meet the underlying theory of consumers purchasing behavior online, we strive to explain what retailers will be successful in the future.

1.5 RESTRICTIONS

The research has been restricted by focusing on Bergendahls (City Gross) and ICA which are two of the four main retailers within food in Sweden. The four biggest players are ICA, Coop, Axfood (Willys and Hemköp) and Bergendahls. Their respective market share of the total retail in Sweden is presented in figure 4 below. One can easily observe the very dominant position ICA has on the Swedish market.

Figure 4: 13 retailers represent 50% of the total sales on the market in 2016



Source: Svensson et al., 2016

The research has been restricted to a smaller number of actors in Sweden in order to have sufficient time to examine their business models and make relevant connections to and analyzes of the theories behind what drives food consumption and especially e-commerce within FMCG. Further, it is believed that there is a common interest to read about the retailers that we know off and that affects the daily retail of most people. Another benefit from focusing on the main retailers is that it is easier to find secondary information online, which will streamline the work and increase the validity of the results.

2 LITERATURE REVIEW

Previous chapter explained what the current market conditions look like within e-commerce and it is easy to conduct that there is a strong trend towards e-commerce right now. How this trend will continue is harder to forecast. The following chapter aims to account for what previous researchers have identified as drivers towards e-commerce and the effects of it.

2.1 DRIVERS FOR BUYING FMCG VIA INTERNET

In the following literature review a thematic literature review is presented as the research question covers different aspects of the development of e-commerce and retailers business models. Firstly, what has been found as drivers for an increase in e-commerce is investigated, both for food as well as for other goods. Secondly, if and what challenges this has on the retailers within FMCG as when it comes to delivery and logistics is invested, and lastly what is believed to happen with the value of these properties.

According to research by Grunert & Ramus (2005) there is an increase in demand on the food market for intangible products whose qualities are invisible. This could be one driver for shopping these products online since the online platform more easily can provide sources of the benefits of the products and what the process chain looks like. Degeratu, Rangaswamy & Wu (2000) and Bakos (2001) also examines this topic but focuses more on the aspects of lower search costs online when demanding products of certain qualities and amenities i.e. the customers would buy a product online even though it has a higher price than in the traditional grocery store if they get the advantages with not having to search for certain product information themselves.

Another major driver for shopping online is convenience. Products that are easily accessed online and who will be home delivered in a fast and reliable way as well, will sell online and change the behavior of the consumers. Convenience as the major driver has been stated by many researchers such as Grunert & Ramus (2005), Morganosky & Cude (2000) and by Yrjölä (2001) who made a study in Finland which states that convenience is a major driver. Although, her study focuses more on the importance of increase in time efficiency for busy families with children which e-commerce can contribute to, hence becomes a driver.

Finally, security and trust are fundamentals for engaging in e-commerce. Safety when it comes to payments is of major importance according to Kolsaker and Payne (2002). In today's society we have well known and secure payment options online due to enterprises as Klarna, Paypal and Mobile Bank ID.

When there is an increase in e-commerce there will also be an increase in demand for logistics and the channel performance. According to Bello et al. (2002) poor channel performance of basic processes is due to the inadequate management of the dependencies existing among the tasks and resources. More specifically, the coordination links between those tasks and resources may not be well defined. Theorists define coordination as "managing dependencies between activities". According to the coordination theory dependencies across organizations constrain how tasks can be performed and motivate the actors to engage in additional activities to overcome coordination problems that will be an important aspect for the increase in logistics due to e-commerce as stated.

The future of e-commerce and what impacts it will have on the traditional forms of retailing and the town center is uncertain, the speculations vary between existing physical retailing being demolished and assumptions about retailing being limited. (Burt & Sparks, 2003) There are implications by some analysts that the Internet shopping will have a negative impact on the retail sales while it is also argued that there is no future for Internet and that the physical stores still will be attractive to shoppers. The retailers in UK and the US have a relaxed approach towards the impact of e-commerce and it is stated that some retailers might be impacted by the e-commerce but stores with a strong brand will still be successful. The value of the retail property will not be decreased since the online retailers also will need property for storage and operation. However, will the retailers likely demand more flexible leases on these properties and due to increased risk move their properties off the balance sheet.

3 THEORY

In the following chapter, the theoretical framework that are relevant to fulfil the aim of the report will be accounted for. An examination has been made of relevant theories regarding the theory of planned behavior and its key factors essential to run a successful business model for online retailing within FMCG. Lastly, there is a description of the business model of IKEA which is used as a reference model.

3.1 GROWTH OF ONLINE RETAILING FOR FOOD

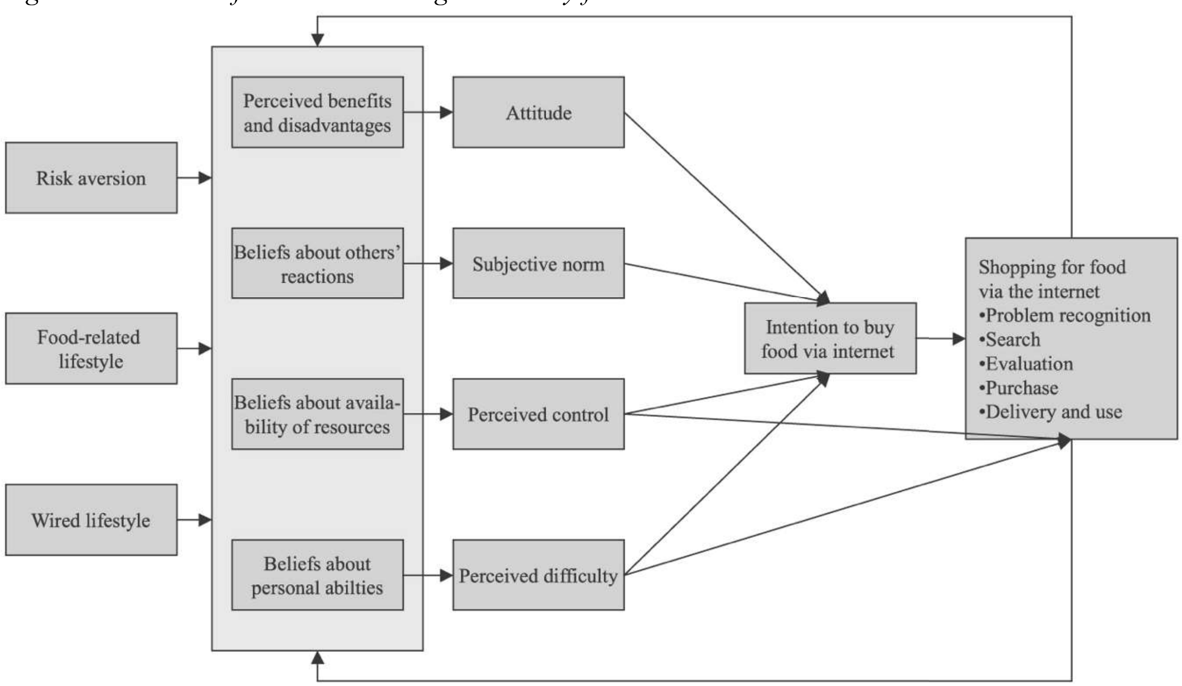
There are different factors and drivers behind the growth of online retailing for food. It can be observed that there is an increase in the demand but in order to foresee what the customers want i.e. what the market wants, to stay up to date and to keep or even grow market shares it is necessary to understand the underlying drivers for e-commerce for food.

3.1.1 THEORY OF PLANNED BEHAVIOUR

Development of a model

Klaus G. Grunert, professor at Aarhus University and Kim Bjarne Ramus are two researchers who have spent a lot of time doing research about food consumption and the willingness of buying food via the Internet. They conducted a literature review and produced a model that is presented in Figure 5 below. The model has been derived from the theory of planned behavior and presents different factors that the authors believe have an impact on consumers' willingness to buy food via the Internet. Other researchers have later tested the significance of this model as Grunert and Ramus suggested should be done before any conclusions about the accuracy of it can be drawn, which is presented later on in this report.

Figure 5: A model of consumer willingness to buy food via the Internet



Source: Grunert & Ramus (2005)

The model defines the various aspects and beliefs that affect people's choice of buying food via the Internet. From the theory of planned behavior consumers intentions to buy food online are influenced by their attitude, subjective norm, perceived control and perceived difficulties. Grunert and Ramus show in their model how these elements in their turn are influenced in different ways depending on the different preferences of the consumer. These aspects and beliefs that affect the consumers intentions are first of all; perceived benefits and disadvantages from buying food online where our beliefs originate from our perception and create memories. Secondly, we consider beliefs about others reactions, about availability of resources and also about personal abilities. These four factors in their turn are influenced by the characteristics of the consumer i.e. risk aversion, food-related and wired lifestyle.

From each outcome of buying food online the experiences will be valued with either positive or negative experiences and the sum of these values will account for the future belief and attitude towards buying food online. The subjective norm is our belief about how we think others will react to our actions such as buying food online. This belief will then influence our choices. Furthermore, the model says that perceived control and difficulty will influence our choices. Perceived control refers to our belief that we have access to the necessary resources to perform the action and our ability of doing so. Perceived difficulty is connected to the process of examining the online purchase. This is connected to search functions, the layout and the product information on the online platforms. If we perceive the process as easy we will be more willing to buy food online.

All these four beliefs that results in certain outcomes will influence our intention to buy food via the Internet. Ultimately, according to the model of Grunert & Ramus (2005) we recognize that we have a problem, for instance the fact that it is too heavy to carry home the bags from the food store. Therefore we search for alternatives and finds that it is possible to buy food online and get it home delivered instead, we then evaluate our options and makes a purchase and lastly we get the products delivered and we use them. After we have gone through this process we will be provided with new information, which again will influence our perceived beliefs and attitudes about buying food via the Internet, and then the process starts all over again.

Further development and testing of the model

In a later report from 2016 by Quevedo-Silva, F. et al. which also was published by the British Food Journal, the authors have examined the effects and the significance of the different drivers for buying food online based on the developed model by Grunert and Ramus (2005) and presented above. The authors constructed 14 hypotheses based on previous literature about the intentions to buy food through the Internet and based on Grunert and Ramus model. They created an online questionnaire that was distributed to respondents that had Internet access in the Brazilian territory, they received 528 respondents initially but after cleaning up the respondents from missing data the researchers were left with 403 respondents.

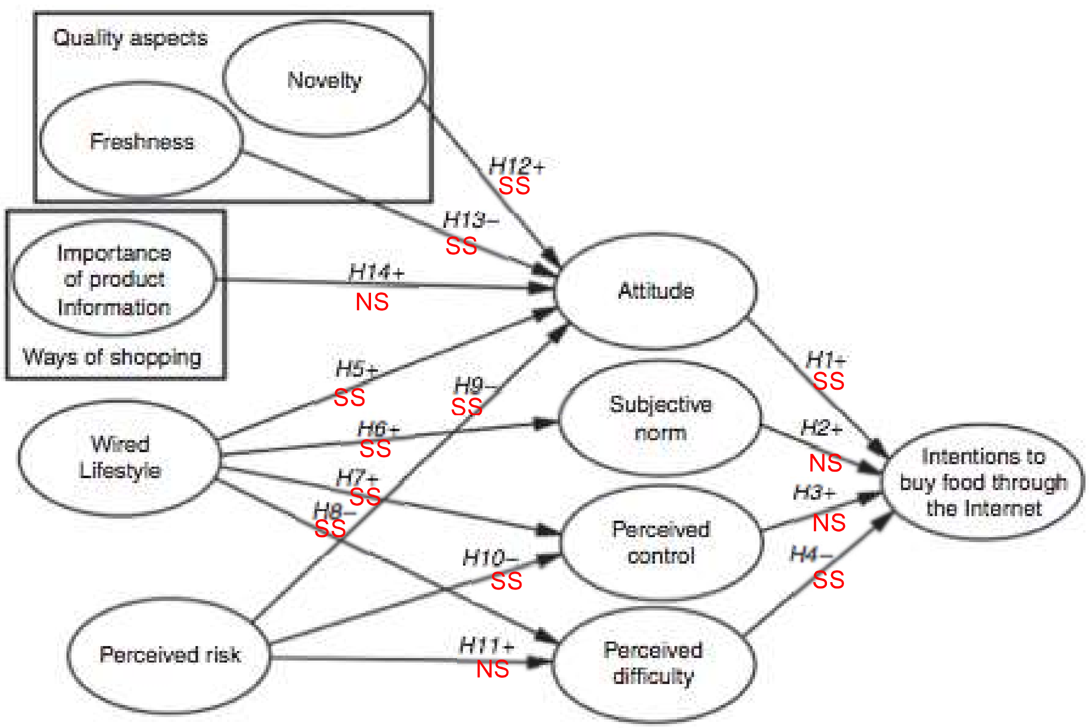
The 14 hypotheses are presented below:

- *H1. Attitude towards buying food through the Internet is positively related to intention to buy food through the Internet.*
- *H2. Subjective norms are positively related to intention to buy food through the Internet.*
- *H3. Perceived control is positively related to intention to buy food through the Internet.*

- *H4. Perceived difficulty is negatively related to intention to buy food through the Internet.*
- *H5. A wired lifestyle is positively related to attitude towards buying food through the Internet.*
- *H6. A wired lifestyle is positively related to subjective norms.*
- *H7. A wired lifestyle is positively related to perceived control.*
- *H8. A wired lifestyle is negatively related to perceived difficulty.*
- *H9. Perceived risk is negatively related to attitude towards buying food through the Internet.*
- *H10. Perceived risk is negatively related to perceived control.*
- *H11. Perceived risk is positively related to perceived difficulty.*
- *H12. Novelty is positively related to attitude towards buying food through the Internet.*
- *H13. Freshness is negatively related to attitude towards buying food through the Internet.*
- *H14. Information searching is positively related to attitude towards buying food through the Internet.*

The relationship between the hypothesis and the four factors are illustrated in figure 6 below (Quevedo-Silva, F. et al., 2016). Where there is a plus it is believed that there is a positive relationship between the variables. For example, novelty is positively related to attitude towards buying food through the Internet. As for the minus sign the factor has a negative impact on the aspect. Freshness is negatively related to the attitude towards buying food online i.e. if the food appears less fresh online it will have a negative impact on the attitude towards the purchase (Quevedo-Silva, F. et al., 2016).

Figure 6: Intentions to buy food through the Internet



Source: Quevedo-Silva, F. et al. (2016)

The figure above has been integrated with the results from testing the significance of the hypothesis, as seen in table 3 below. These results are marked in red where SS refers to the results being significant hence the hypothesis was accepted, and NS refers to the results not being significant hence the hypothesis was rejected. This integration in figure 6 was made by the authors of this report in order to visualize the results for easier understanding.

Table 3. Result from testing the significance of the hypothesis

Hypotheses		Result
H1	Attitude→buying intention	Accepted
H2	Social norms→buying intention	Rejected
H3	Perceived control→buying intention	Rejected
H4	Perceived difficulty→buying intention	Accepted
H5	Wired→attitude	Accepted
H6	Wired→social norms	Accepted
H7	Wired→perceived control	Accepted
H8	Wired→perceived difficulty	Accepted
H9	Perceived risk→attitude	Accepted
H10	Perceived risk→perceived control	Accepted
H11	Perceived risk→perceived difficulty	Rejected
H12	Novelty→attitude	Accepted
H13	Freshness→attitude	Accepted
H14	Importance of the information→attitude	Rejected

Source: Quevedo-Silva, F et al. (2016)

What can be good to reflect upon is H9-11, which is related to risk. When Quevedo-Silva, F et al. (2016) defined these hypothesizes they based it on studies that had showed that the consumption of products online leads to a greater distance between the seller and the buyer which increases the risk being associated with the purchase. This is due to fear of having your data stolen or being exposed to fraud. Consequently, it becomes important to have trust in the seller which is accomplished in a larger extent if the consumer is familiar with the brand and/or payment system already. Both H9 and H10 was accepted which shows that these factors influence the decision of the buyer.

Further the results showed that H2, subjective norms, did not influence people's decision to consume food online as the model of Grunert and Ramus suggested. This might although be because the trend is rather new and that there is not yet a developed e-commerce behavior hence people do not feel any pressure shopping food online from their peers. The aspect of subjective norms has although been studied by other researchers such as Al-Swidi et al. (2014) in Pakistan where they found significant relationships. In their research paper they examined the role of subjective norms in theory of planned behavior in the context of organic food consumption. Their study showed that subjective norms significantly influence the relationship between attitude and buying intention as well as it influences the relationship between perceived control and buying intention. Intentions to buy organic food is not the same as intentions to buy food through the Internet but there is however a similarity in the way people makes decisions as both research papers origin from the theory of planned behavior why the results in these studies are relevant for our paper.

Relating these studies towards the aim of this report we want to test whether the retailers for FMCG in Sweden have considered these different factors in their business models when developing their online platforms. If that is the case, we want to know how they have implemented it in order to conduct whether they will be successful or not in the future.

Quantitative method

Quevedo-Silva, F et al. (2016) have tested the model by using a quantitative method as can be seen in the results above. As the questions used in their research and the corresponding measurement scales has not been presented in the paper as a whole, the sources that Quevedo-Silva, F et al. (2016) have referred to in their paper have been examined. Appendix B presents the relevant questions from these sources that have been adapted fully or partly when testing the model of "Intentions to buy food through the Internet". *The authors of this report have reached out to the responsible author of Quevedo-Silva, F et al. (2016) to retain the questionnaire sent to the respondents but have not received answer.*

Raju's (1980) scale (the Arousal Seeking Tendency scale), composed of three items, was used to measure risk aversion. In Raju's (1980) paper this scale has 40 items scored on nine-point Likert scales ranging from "very strong disagreement" (-4) to "very strong agreement" (+4). Wired lifestyle was measured through a five-item scale adapted from Park and Jun (2003). Park and Jun (2003) used both a five- and seven-point Likert-type scale for measuring different items as well as they used open-ended questions. Search for information, novelty and freshness was measured using the food-related lifestyle instrument (Grunert et al., 1997). Each dimension was composed of three items. Grunert et al. (1997) using a five-point Likert-type scale when measuring the items. Subjective norms, perceived control and perceived difficulty was measured using Chen's (2007) scale, adapted to the context of the research and composed of two, three and three items, respectively. All measures were operationalized through a Likert-type scale, ranging from 1 (completely dissatisfied) to 7 (completely satisfied). Attitude towards buying food through the Internet was adapted from Ahluwalia and Burnkrant (2004) and the measurement was carried out using four semantic differential items. Ahluwalia and Burnkrant (2004) measured these items using a seven- or nine-point scale. Finally, Kozup et al.,'s (2003) scale was adapted to measure the intentions to buy food online through semantic differentials. Kozup et al. (2003) used a seven-point scale to measure all items.

3.2 IKEA – REFERENCE FOR A SUCCESSFUL BUSINESS MODEL

With a solid frame of theories derived from behavioral science and their relationship to the demand for e-commerce for food, it can add value to link the research to a reference object that has proven to have a successful business model not just in Sweden but all over the world which is IKEA. The IKEA business started as a mail-order company in Småland 1947 by Ingvar Kamprad. IKEA became a success and has developed into the world's biggest furniture store chain. New department stores are being established all over the world and the IKEA-empire extends from Norway to China and from Australia to USA (Inter IKEA Group, 2017).

When starting IKEA, Ingvar could not understand why good-looking furniture was more expensive than the less good-looking furniture. Bruzelius & Skärvad (1999) explain that IKEAs vision was "not for the rich but for the smart" and the aim was to create a better everyday life for the people. The idea of the business was to offer furniture with good function and a good design to a lower price enabling as many people as possible affording the furniture.

IKEAs business model is based on a partnership with the customer resulting in the suppliers and the customers being brought closer together. The primary focus of the business is the need of the customer and this need is partly met by offering a low price which is due to the shortage of the distance between the needs of the customers and the suppliers. By primarily taking the customer into consideration IKEA responds to the home furnishing needs of people around the world and by that considering all different kinds of tastes, dreams, needs and abilities to pay. (Inter IKEA Systems B.V. , 2013)

Figure 7: Business model IKEA

Source: IKEA Supplier Portal (2013)

IKEAs business idea is "to offer a wide range of well-designed, functional home furnishing products at prices so low that as many people as possible will be able to afford them". The view on how IKEA will create products deserving their brand is called Democratic Design which includes five different dimensions. These five dimensions that IKEA values are form, function, sustainability, quality and low price. Even though all products do not meet all five requirements it is a guideline for better products, which results in better homes as well as a better everyday life for the people (Inter IKEA Group, 2017).

The main focus of IKEA and their way of creating value is their openness to ideas. The design and development of the products is made by the many people in collaboration with the IKEA suppliers. By being open to ideas and involving the people in the product development they create products that people really need. When having a collaboration between the people and the suppliers, the expertise is being shared which leads to better knowledge about product design, development of materials as well as knowledge about distribution and sustainability. As a result, IKEA can actualize their idea of producing better products at a lower price. When it comes to following the trends and the changes happening in our society IKEA is not hesitant to test and develop new formats. They are expanding all over the world and to support this expansion they are, together with their franchisees, working on developing city-center stores as well as pick-up and order points where the customers can place an order or pick up their online order (ibid).

By focusing on the customer's interaction with IKEA they have also launched IKEA Place where the customers can visualize the products in their own homes by using augmented reality. These are some of the ideas IKEA are working on right now and apart from this they are making improvements of their website as well as the capabilities of their e-commerce. By doing these improvements they want to make shopping from home convenient, easy and fun for the customer. By investing in new e-commerce capabilities, they want to improve the website and enable the customers to rate and review the products based on democratic design and the five dimensions included (ibid).

In order to meet the expectations of the people, IKEA opens up the design process of their products for collaborations. According to Inter IKEA Systems (2018) IKEA have made collaborations with designers such as the Danish design company HAY, the Dutch designer Piet Hein Eek as well as the British designer Tom Dixon. They have also collaborated with the American fashion designer Chris Stamp as well as the Swedish fashion activist and stylist Bea Åkerlund. These mentioned names are just some of the collaborations IKEA have done and they will continue to be open to collaborations with for example designers, students, scientists, IKEA customers and start-ups all over the world.

Aside from collaborating with the previously mentioned actors, IKEA have contributed to addressing social problems around the world to help changing less fortunate communities. An example of this is when in November 2016 IKEA begun purchasing products from Jordan which resulted in job opportunities for 47 female refugees from Syria as well as 50 women from Jordan. The products from this collaboration was made available in IKEA Amman in December 2017. For reaching out to people in poor communities IKEA initiated the IKEA Social Entrepreneurship Initiative with the aim to support these communities by empowering the social entrepreneurs belonging to this group (Inter IKEA Group, 2017).

Another one of IKEA's focus areas is to make the effort for ensuring the good qualities of their food ingredients. When launching their new range of coffee, called PÅTÅR, they made sure it was UTZ-certified as well as organic in accordance with EU-standards. By doing this they want to ensure that their production of food is made with respect to both people and the planet and to use ingredients from responsible and sustainable sources (ibid).

In conclusion, it can be assumed that one of IKEAs main success factors is their focus on bringing the suppliers and the customers closer by being open to the ideas of the people. Their business model is customized for peoples' real needs in their homes, real spaces, real life situations, real preferences and real wallets. IKEA does not focus on a specific target group rather the aim is to reach out to as many people as possible which they try to do by having high volumes resulting in lower costs as well as lower prices. The higher volumes and the fact that they have removed one production step by having a storage in all of the stores and the people assembling their own furniture is of course another success factor. By being open to the ideas of the people and considering them in the design and development of their products they make people feel included and as a part of the company as well as they create products that the people really needs. Another success factor is their way of making themselves visible both in Sweden but also all over the world by collaborating with famous designers and by addressing social problems around the world.

3.3 RESEARCH QUESTIONS

After conducting a literature review and presented relevant theory for the research, the following research questions have been formulated which will be answered in order to fulfil the aim:

1. How do the retailer's business models relate/deviate from the model of Quevedo-Silva et al. (2016)?
2. How do the retailer's business models deviate from IKEAs?
3. Why will retailers within FMCG be successful on their online platforms?

4 METHOD AND DATA COLLECTION

In this chapter, the choice of method will be accounted for in order to answer the research questions. Apart from this, will also the research philosophy be clarified i.e. what lenses we use to look up on things, so the reader better understands the assumptions of the report. Lastly, the choice of data collection and what limitations there are to the method will be presented.

4.1 QUALITATIVE METHOD

To answer the research questions a qualitative method has been used in the thesis, with the collection of primary data which have been complemented with secondary data. The purpose of qualitative research is to collect empirics in order to understand a subject or to understand meanings, values, different aspects and views of people. For making a qualitative study, the main point is to present an outline which sums up the evidence of the research, and that focuses on meaning rather than measurement in accordance to Holloway & Biley (2011).

The report has been conducted during 4,5 months between the period of 16th of January to the 4th of June year 2018.

4.1 RESEARCH PHILOSOPHY

For conducting the thesis an interpretative research philosophy is adopted. The definition of interpretivism is: "the epistemological position that advocates the necessity to understand differences between humans in their role as social actors". Those researchers who are positive towards interpretivism mean that there should be some complexity in the world and not only law-like generalizations. (Saunders et al., 2016)

Interpretivism states the importance of the researcher to understand the differences between people in their role as social actors. For the researcher, the challenge is to enter the social world of the research subject and to understand the world from their point of view. When preferring interpretivism the researcher believes that the society is shaped by the individuals and the researcher is interested in getting a deeper insight into the meanings and motives of the individuals. (ibid)

The subjectivist view is an interpretative view where one think that external circumstances have an effect, i.e. that perceptions and actions of social actor's results in social phenomena. If studying customers consumption behavior for example, which is done in this report, the customers will most likely have different interpretations of the world and therefore perceive different situations in different ways which will influence the choices they make. According to the subjectivist, the social entities is constantly changing and cannot be defined as something similar for all organizations, the culture of an organization is viewed as something it *is* rather than something it *has*. (ibid)

4.2 CASE STUDY

In this research paper a case study research method has been chosen in order to answer the questions. According to Robert K. Yin (2008) this method is most suitable when *how* or *why* questions are being asked. Further it is suitable when the researcher has little control over events and lastly when the focus is on contemporary phenomenon within a real-life context. E-commerce within FMCG is definitely a contemporary phenomenon. As the authors of this report relates to the research philosophy of interpretivism this choice of research method goes in line with that philosophy as the method suggests that the world is more complex and cannot simply be described by a few data points. The case study method further suggests that one uses multiple sources of evidence to cope with the different variables that affects the phenomena that are tried to be explained. The method allows the researcher to retain a holistic view and see meaningful characteristics of real-life events. The method easily enables the use of triangulation hence increases the validity of the research.

Robert K. Yin (2008) also suggests in his book Case Study Research – Design and Methods that "the case study inquiry benefits from the prior development of theoretical propositions to guide data collection and analysis". This adds on too the reason why this research method is fitting for this report since it is based on the theory and model developed by Grunert and Ramus (2005) about *Consumers' willingness to buy food via the Internet* and the model of Quevedo-Silva, F. et al. (2016) *Intentions to buy food through the Internet.*

One should be aware of that there are some criticism towards case studies as research methods. This criticism primarily refers to the absence of the opportunity to generalize the results that the case studies show (Bell, J. 2014). Further criticism is directed towards the uniqueness of a single-case study, which makes it hard to perform empirical work. This criticism may be encountered by having multiple cases or at least two in order to increase the analytical benefits. According to Yin (2008) this proves that the method can be replicable hence increase the credibility of the research. In this report, two different cases is studied which are the cases ICA and Bergendahls.

4.2.1 PRIMARY DATA

Primary data is the data that the authors collect on their own. In order to understand the business models of two of our biggest retailers within fast moving consumer goods (ICA and Bergendahls) and to be able to evaluate whether these models will be successful in the future, the business models of these retailers have been studied. This have been done by testing their online platforms as well performing interviews with the relevant people at the firms.

The interviews have been semi structured interviews. A semi structured interview is an interview with specific substances which the researcher have selected in advance where the questions often are pre-determined and open-ended (DiCicco-Bloom & Crabtree, 2006). Semi structured interviews might be performed when having a certain amount of objective knowledge about a research topic, but lack of subjective knowledge (McIntosh et al., 2015). According to Saunders et al. (2016) should the researcher who uses semi-structured interviews have a few topics and questions that need to be covered but they may differ from interview to interview as well as the questions can vary depending on the answers and the flow of the conversation.

By doing interviews there will be an understanding for the views of the respondents which also will give an understanding for the problem and hopefully an explanation as well as a conclusion to the research questions. By using open-ended questions, the anticipation is to take certain answers further as well as the questions will be adapted to the interviewee. With the advancement of digitization and the rapid evolution of e-commerce for groceries in recent years, there is an interest to understanding how the retailers meet this development and what the future business models will look like.

Interviews have been conducted with Anders Danielsson, Chief of Marketing within E-commerce at ICA Sverige AB and Magnus Adler, Chief of Business Development within IT for Bergendahls AB. Danielsson has a background within management consulting and used to work with the launch of Hemköp's (owned by Axfood) e-commerce platform. At the time of the interview (4th of April 2018) Danielsson had worked at ICA for about 4 months. The meeting was held at their headquarter in Solna and the duration of the interview was about 50 minutes. Adler have worked as a consultant within retail during his career and after the leading of a big project for Bergendahls he was asked to start working with them and take on his current position where he now have been for two years. The interview took place via telephone on the 6th of April 2018 and the duration was about 45 minutes.

The interviews were constructed from four different segments which were originated from the theory by Quevedo-Silva, F. et al. (2016) about *Intentions to buy food through the Internet* which was: Wired Lifestyle, Freshness & Novelty, Perceived risk and Importance of Product Information

The procedure of the segments was set after what had been seen being the most relevant factors in the research of Quevedo-Silva, F. et al. (2016) where they tested what factors were significant and what factors that were not. It was observed that wired lifestyle had a significant impact on all four factors; Attitude, Social norms, Perceived control and Perceived difficulty why a lot of focus was put into this area and was given a sufficient amount of time during the interviews. The questions regarding wired lifestyle was handled in the beginning of the interviews to ensure that they were answered before the time expired, which could have been the case if the questions were handled last. The last section about Product information only affects the attitude towards e-commerce and it tested to be insignificant in the research by Quevedo-Silva, F. et al. (2016). Although this might not always be the case since the environment is changing rapidly meaning that in a couple of years or even in another part of the world or another sample this factor might be significant why we still chose to evaluate our retailers on this aspect but not put as much focus on it as for the other aspects.

Validation and Ethics

The duration of the interviews (45 to 50 minutes) was considered good as it enabled time to answer all relevant questions, but it also allowed freer exposures when needed. Both interviews were recorded and transcribed in connection with the interview to eliminate the chance of missing any information. A summary of the answers was later on sent to the respondents, so they had the chance to consent with the authors' interpretations of their answers, hence follow the research ethics. The focus have been on quality and interviewing the relevant people to answer the research question why a fewer number of people have been interviewed but of high quality, following the motto "less is more" (Mc. Cracken, 1988). After the interviews further mail correspondence have taken place with the retailers to follow up on certain questions in order to gain information that hasn't been public on the market yet.

4.2.2 SECONDARY DATA

For collecting the secondary data different medias and reports have been used to establish a good understanding of the subject. Firstly, daily newspapers and articles that are not of scientific character have been investigated in order to increase the awareness about the current market situation and what the expectations are on future development within the e-commerce for FMCG. Secondly, reports have been used that have been developed from statistics and surveys by associations within the industry such as HUI Research, Svensk Digital Handel and Market. Lastly, annual reports from the retailers as well as IKEA have been used to find relevant figures and to get further insight in their strategies.

Using secondary data will provide the reader with insight about the current market situation, information about the development as well as the forecast. By contributing with existing material in combination with primary data the aim is to help the reader get a better overview of the respondents reasoning and what their thoughts and views may be based on. This will also enable triangulation and help improve the validity of the results of the case study (Saunders et al., 2016).

4.3 LIMITATIONS

There are certain limitations of this study where one is the time limit, which have been restricted to the period of January to the end on May 2018. This time-limit makes it hard to go deep into every aspect of the problem and the research questions must therefore be narrowed down and focus must be put into certain parts only. Even though this is done, there is still a large market for the food industry and to collect all relevant data is very time consuming, therefore will time always be a limitation when it comes to doing research as there are limited resources and a conclusion must be attained eventually anyway.

The knowledge from this research will be of use for the retailers within FMCG as well as for the property owners of these stores especially in more rural venues but will not be of use for the general consumer. The target group is therefore quite narrow. The transformation from physical retailing towards e-commerce is a quite new phenomena within FMCG why there is a lack of some data to compare the results with.

In the method there are some limitations regarding validity and generalization. As primary data is collected, by performing interviews which is very time consuming, there is no possibility to use quantitative methods to test and analyze our data. This might limit the validation of the research as the purpose is to test hypotheses to get objective results as well as there is an interest in subjectivity. According to Saunders et al. (2016), by using more qualitative methods and allowing more space for subjectivity there are some limitations in how the results are being interpreted. There must be an awareness of and clear communication about the values of the authors in order to document and make the research possible to be replicated and repeated for future studies.

In this case the authors wanted to make four case studies of the main retailers within FMCG in Sweden (ICA, Coop, Axfood and Bergendahls) but as it only was possible to get hold of two of these retailers, ICA and Bergendahls, and perform the relevant interviews we chose to eliminate the other two retailers. The fact that there are two respondents in our study is another limitation.

5 EMPIRICS AND RESULTS

In the following chapter the results from both the primary and the secondary data-collection is presented. What should be noted is that the interviews have been performed in Swedish, but the questions and content has been translated into English for the compilation. The interview guide in the original language can be seen in the appendices.

5.1 BUSINESS MODELS OF ACTORS WITHIN FMCG

From annual reports, websites and articles, information has been gathered about the two retailers in this case study to provide some background information about the companies. Understanding their origin and how the companies are structured will help understand how they operate on their online platforms as well as it will help when analyzing what challenges and opportunities they face with the e-commerce.

5.1.1 ICA

ICA Gruppen is a company that focus on food and health where the grocery retail is the core business of ICA Gruppen's business. The grocery retail operations go under the segments ICA Sweden and Rimi Baltic. The other segments within ICA Gruppen are Apotek Hjärtat, which is pharmacies, ICA Real Estate who owns and manages properties, ICA Bank who offers financial services and the home furnishing chain Hemtex. The initial idea of ICA has its roots from 1917 where the idea already then was that individual retailers with their own stores could join, what was at that time called Hakonbolaget, with the aim to form purchasing centers and reach the same economies of scale as the chain enterprises. ICA celebrated 100 years last year (2017) but ICA AB as a company was founded in 1938. (ICA Gruppen, 2018)

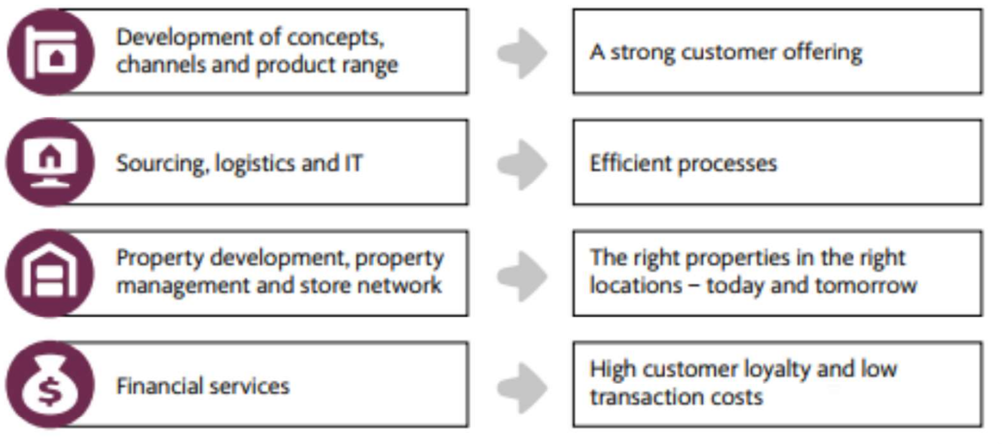
There is a shared vision for all operations within ICA Gruppen to make every day a little easier for the ICA customer. ICA aims to reach this vision by cooperating and making use of the benefits that comes with economies of scale. When it comes to ICA Sweden and the grocery retail, this is based on the ICA Idea where the commitment of the local retailers, the knowledge on the local market as well as the entrepreneurship is combined with ICA Sweden's capability for large scale operations as well as their efficiency. ICA Sweden’s idea results in the right to the store location and the brand is owned by ICA Sweden while the stores are owned by the retailers who also are responsible for the operation. (ICA Gruppen, 2017)

Figure 8: Illustration of ICAs business strategy

Source: Annual report ICA Gruppen, 2017

A central part of ICA's business strategy focuses on the customer experience and the development of the loyalty of the brand, which are the areas that mainly affects the growth of the company. For ICA it is important to secure attractive and affordable offers for the consumers, create a strong retail network, a personal experience as well as strong relationships with the customers. (ibid)

Figure 9: Illustration of ICAs business model



Source: Annual report ICA Gruppen, 2017

The business model say that "coordinated value creation provides clear benefits and strengths and results in stable cash flows for ICA Gruppen and makes everyday a little easier for our customers". In order to meet the future needs and demands from the customers it is important for ICA to understand the business environment as well as having an understanding for the environmental changes and its impact on ICA Gruppen according to their Annual Report (2017).

In the third quarter of 2018 ICA Sweden will launch a central solution for the e-commerce regarding the full assortment goods, i.e. the food bags where the customer chooses the products entirely rather than ordering a pre-packed food bag, and the storage will serve most of Mälardalen when it is fully staffed. By having a central storage, the delivery times offered to the customers will be improved. It will however be up to each store to decide if they want to be connected to the central storage since each store is owned and operated by the retailers (ICA Gruppen, 2018).

In the 2nd of May 2018 did ICA Gruppen through ICA Sweden announce that they have entered a cooperation agreement with the UK e-commerce company Ocado who has a world-leading e-commerce platform for groceries and have been on the UK market since 2000. The platform is especially developed for groceries and ICA Sweden will use the company's e-commerce platform and technology for highly automated e-commerce storage. The agreement will help ICA improve their customer offerings and streamline the e-commerce within food. ICA Sweden will start using Ocado's e-commerce platform in 2021 and will build a new, highly automated warehouse for e-commerce in the Stockholm region, which is expected to be finished in 2022. (ibid)

ICA had 17% of the total retail industry in 2016 (Svensson et al., 2016). When studying the market share within only fast-moving consumer goods, where the market is defined as the total turnover of that year, ICA had 50,8% of the market in 2016. This is an increase of 0,1% compared to the year before (DLF et al., 2017). Within e-commerce ICA had a turnover of about 1 200

MSEK in 2017 (e-handel.se) and a total net turnover in 2017 of 76 400 MSEK compared to 74 050 MSEK in 2016 (ICA Gruppen, 2017).

5.1.2 BERGENDAHLS

Bergendahls started in 1922 with a small agency to sell margarine, coffee and cheese in Hässleholm, and has evolved into a profitable Northern European retail trading company. Bergendahls Food AB is a company engaged in wholesale and retail through its own subsidiaries City Gross and Eko as well as they collaborate with independently owned stores. The company acts as a full-range wholesaler, partly to customers within the Bergendahls Group and partly to independent customers. Bergendahls Food AB owns the supermarket chain City Gross AB and the e-commerce company CG Matkasse AB (Bergendahl Food AB, 2016).

Bergendahls operates within three business areas, focusing on food (Bergendahls Food), fashion (Bergendahls Fashion) and home furnishings (Bergendahls Invest & Granit). With strong brands such as City Gross, EKO, Glitter and Granit with over 4,500 employees in Sweden, Norway, Denmark, Finland and Germany, Bergendahls is constantly developing (Bergendahls AB, 2018).

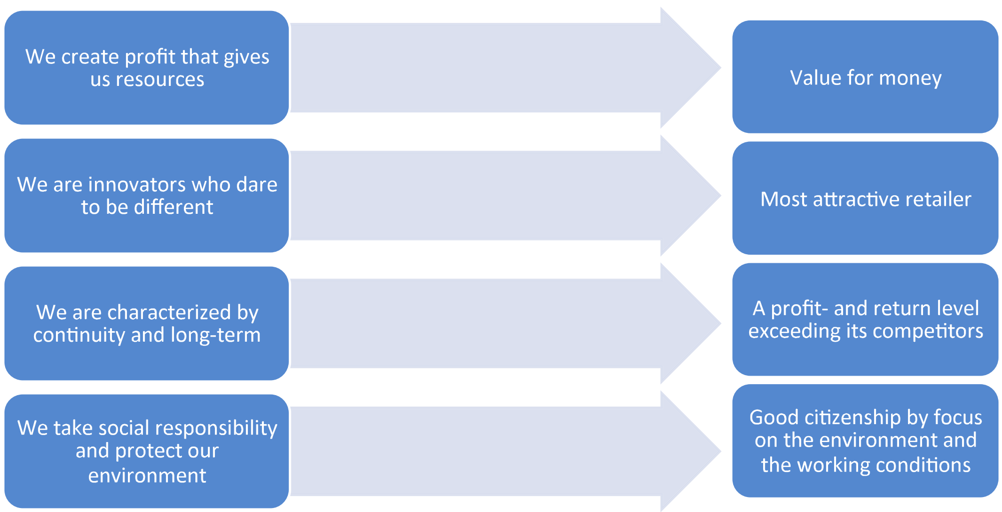
Bergendahls is a decentralized concern in which each business area has a clear area of responsibility based on the owners' strategic focus. The controlling company's board is responsible for the overall focus in terms of strategic and financial framework, but each business area has its own board of directors with external members who can make independent decisions such as investments and strategic choices. A clear family ownership in cooperation with external advisors has become an important success factor for Bergendahls over the years (ibid).

In 2013 City Gross launched their pre-packed food bags, which was the start for the development of their e-commerce. This was a great success and led to a powerful growth within their food bags as well as a development of new City Gross stores and several planned investments. (ibid) In 2017 Bergendahls established a new storage terminal in Staffanstorp which supplies southern Sweden with e-traded food. When establishing the storage terminal Pontus Andersson, who is e-commerce manager at Bergendahls, said in an interview with Ehandel.se that there will be a new unit to take care of the pre-packed food bags and the full assortment goods i.e. all the online grocery sales and that the aim is for their e-commerce to continue growing. (Grönlund, 2017) The storage terminal was opened in order for City Gross to be able to offer tighter deliveries to their customers in southern Sweden (Bergendahl Food AB, 2016).

In 2017 Bergendahls Food made a new business structure where they divided the business into four business areas which are City Gross Store, City Gross E-commerce, Wholesale and Assortment. The reason for the decision was, according to the company, the strong growth within the company combined with environmental factors such as digitalization, price pressure and industry sliding. Peter Lund who is the CEO of Bergendahls said that they need to be more efficient and shorten the decision making in the company. Before the restructure they had a central overhead but by making the new structure each business area will be able to control itself more. (Dyrberg Skog, 2017)

For Bergendahls, the vision is to achieve and maintain a profit- and return level in the long run that exceeds its competitors as well as being perceived as the most attractive retailer by the customers, employees and other stakeholders. They have some long-terms goals consisting of certain cornerstones. Firstly, the want to have clear values rooted in a strong corporate culture which their employees should be aware of. Secondly, they have a vision of having a good reputation and a strong brand which they will create through good business and by being respected for what they do. Their profile as an employer must be strong and they want to be a platform for good entrepreneurial spirit and development. The businesses of Bergendahls shall have strong brands and clear positions characterized by "value for money". The third part of their goals in achieving their vision is to stand for good citizenship by having a Corporate Social Responsibility (CSR) work rooted in their ongoing activities, focusing primarily on the environment and the working conditions in which they operate. They want to be known for promoting design, art and culture through the interests and abilities of their employees. (Bergendahls AB, 2018)

Figure 10: Illustration of Bergendahls business model



Source: The authors based on Bergendahls AB, 2018

Bergendahls had 2% of the total retail industry in 2016 (Svensson et al., 2016). When studying the market share within only fast-moving consumer goods, where the market is defined as the total turnover of that year, Bergendahls had 7,7% of the market in 2016. This is an increase of 0,3% compared to the year before (DLF et al., 2017). Within e-commerce, Bergendahls Food AB had a net turnover of 275 MSEK in 2017 compared to 339 MSEK in 2016 (Månsson, 2018). This represents a decrease of 19%, which is a direct result of a reduced demand for pre-packed food bags in 2017 (ibid). Overall, Bergendahls Food had a total turnover in 2017 of 9 406 MSEK compared to 9 296 MSEK in 2016 (allabolag.se).

This shift in demand for pre-packed food bags is something that has changed for the whole market and not only for Bergendahls' customers. The fully stocked grocery stores overtook dinner solutions in 2014. In the beginning of 2010 special goods that only certain stores sold was the most popular product but then dinner solutions became the number one around 2013 before fully stocked grocery stores took over in 2014. This gap has kept on increasing since then (Svensk Digital Handel, 2016).

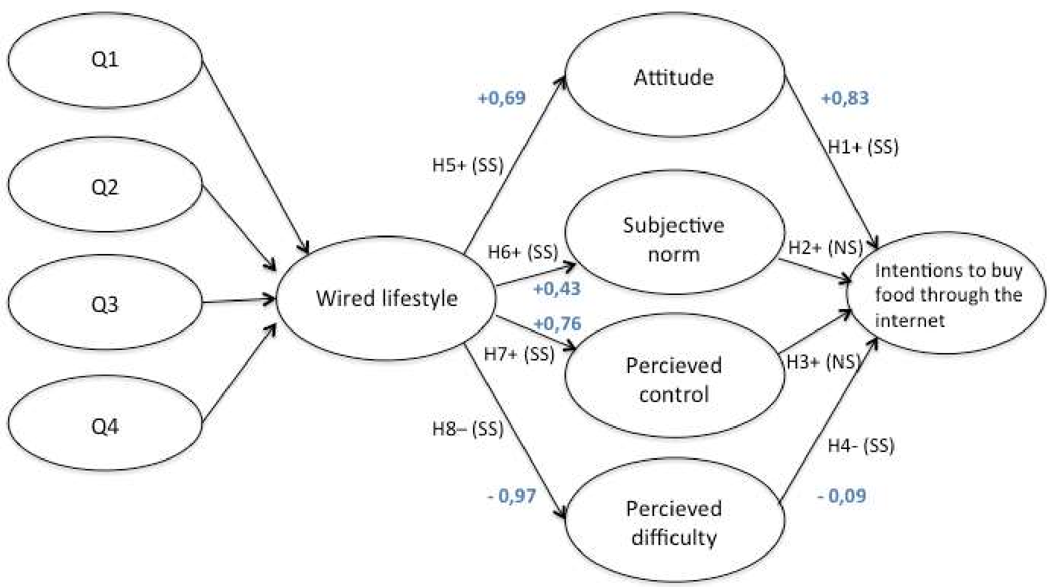
5.2 RESULTS FROM INTERVIEWS

The results from the interviews have been compiled in the following section. The answers have been divided into four different focus areas derived from the theory of Grunert & Ramus (2006) and Quevedo-Silva, F. et al. (2016); Wired lifestyle, Freshness & Novelty, Perceived risk, Product Information. The area that are of most importance when deciding whether to shop online or not is presented first, followed by the second most important area and so on. In order to conduct what area is the most important the factor scores of the attributes have been calculated (marked in blue in the figures). A compilation of their importance is presented in table 4 in the analysis. Some secondary data from the study of Svensk Digital Handel (2016) have also been include where the perception is that it could add to the understanding of the development of e-commerce and the challenges as well as the opportunities that the retailers are facing.

5.2.1 WIRED LIFESTYLE

Quevedo-Silva, F. et al. (2016) refers to the relationship between people and Internet as the wired lifestyle. As been mentioned earlier in the method this factor has showed to have a significant relationship to all four factors that influence the intentions to buy food online why it is of great importance to study how retailers think and work around the concept. In it is turn attitude and perceived difficulty are the two factors that have a significant impact towards intentions to buy food through the Internet.

Figure 11: Wired lifestyle



Source: The authors based on Grunert & Ramus (2006) and Quevedo-Silva et al. (2016)

Question 1: Attitude towards wired lifestyle

Danielsson (2018) at ICA Sverige AB said that when ICA recognizes changes in consumer behavior, as people get used to using the Internet, their shopping habits changes also. Instead of the purchase going in a straight line it is a constantly on going activity that is more similar to a circle where the consumer can be at different stages all the time. The fact that consumers always carry the Internet with them enables the possibility to search for information, to plan, to shop and to interact with the company afterwards anywhere at all the time.

Bergendahls have been following the development towards a wired lifestyle but have not acted on it as much as they could have according to Adler (2018). At Bergendahls they have traditionally had a trade where the customers take the car to reach and transport goods from the stores. Although sales of groceries at Bergendahls mainly is made in the physical stores, they are aware that information search outside the stores affects purchasing patterns of the customers.

The question why people choose to consume food through e-commerce have been asked in the study of Svensk Digital Handel (2016) as well. 31% of the people that consume food through e-commerce think that one of the biggest advantages is that they *do not have to carry their groceries home*, 25% rate *not having to physically visit and be in the grocery store* as the greatest advantage with e-commerce, 19% say the biggest advantage is that they can *choose from a broader assortment*, 12% think the advantage is that *they make less impulsive decisions* and 5% think there is *no advantages* grocery shopping through e-commerce.

Question 2: How to support a wired lifestyle of the customers
ICA puts a lot of effort into supporting their customers to move freely between platforms and different medias. Firstly, by being present at these platforms and secondly by making it possible to pick up from where the consumer left when moving between different platforms. ICA regards their physical stores as a part of the lifestyle with the omni-thought where the customer can start online and finish in the physical store or shop the other way around.

About a year ago Bergendahls launched a new role for the responsibility for social media with the purpose to communicate with and help the stores. There is also a coordinator in each store whose role is to communicate with the local market about current content. Due to their investment in e-commerce the digital profile of the brand is stronger than before and Bergendahls now have a greater presence in social media. Thus, they do work with different channels to meet the customer needs and in addition they try to keep track of the industrial development while building the competencies within the company.

Question 3: Different customer segments
Families overrepresent the segment of people who purchase food through ICAs online platform as well as people with higher income and people who live in more urban areas. This corresponds with the picture that Svensk Digital Handel presented in their report Digital Mathandel (2016) which said that families with children in urban areas dominate the online retailing and most frequent buyers are within the age-span of 26 to 35 years old. ICA has not had any collaborations with influencers or likewise in order to attract other customer segments. Danielsson explains that it is hard for ICA to have these kinds of collaborations since it is the local retailers who decide what and how to market their stores.

Since Bergendahls mostly have hypermarkets that are located outside of the city center you most likely need a car to go to the store. Due to this, the target group is mainly weekly shoppers who are middle aged. Adler mentions the car aspect as a main reason for their typical shopper being in the higher age segments than the industry colleagues such as ICA, Axfood and Coop. Consequently, it is natural that the younger customers who lives in the city center does not choose Bergendahls as their first-hand option. It is not an active choice for Bergendahls to exclude the younger customer segment, they do try to reach those customers actively to initiate a relationship with the brand. It is important for them to be top of mind when these youths start families which leads to changing patterns and new shopping habits.

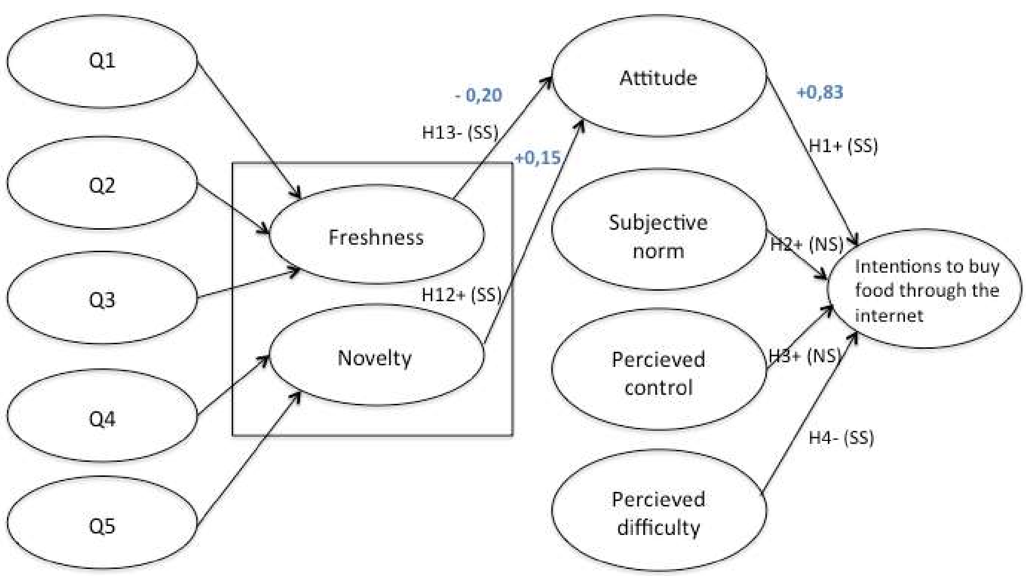
Question 4: Stress and possibility to plan food purchases
ICA recognizes that people have different needs and that they, as a retailer needs to support their different demands when shopping. They do this by making it possible to move through the website in different ways. There are shortcuts where you easily can purchase your food based on products that you usually buy, or you can base your purchases on previous orders. This is a way for people who want to buy their products in a fast and efficient way. They also work with pre-packed grocery bags that allow people to subscribe on a deal and get the groceries delivered every week or month.

The concept of pre-packed grocery bags is something Bergendahls have had for a long time. In the beginning it was not possible for the customers to choose their own recipes within the bag. Today, they work with more options, flexibility and recipes, and to reduce food waste by having an optimization engine in the background when ordering food online that ensures that you as a customer contribute to as little food waste as possible. They try to find optimal combinations for each order to make it easier for the e-commerce customers.

5.2.2 FRESHNESS AND NOVELTY

According to Quevedo-Silva, F. et al. (2016) freshness and novelty are two factors that influence the decision of whether to purchase food online or not. Quevedo-Silva, F. et al. (2016) tested these factors and as can be seen in figure 12 below they both were significant. Freshness has a negative effect on online retailing whereas novelty has a positive effect. People who have very strong preferences about the freshness might choose not to shop online since they cannot verify the quality of the products as they can in the conventional shopping. Novelty is connected to the attitude towards buying food as it is related to the desire to try new things within food.

Figure 12: Freshness & Novelty



Source: The authors based on Grunert & Ramus (2006) and Quevedo-Silva et al. (2016)

FRESHNESS

Question 1: Compensation for being further away from the products

When the customers cannot walk around in the store they do not have the chance to see or feel the quality of the products as well as they cannot have the same preferences as if they picked the products on their own. ICA recognizes this and have very strict routines in the stores when picking the food for online orders. Danielsson explains that the products, when being picked, need to have a certain number of days left until they are not fresh anymore. They are also very selective in their picking and always makes sure they do not pick any bad fruits or vegetables that sends home to the customers. Both ICA and Bergendahls experience that they have higher standards when picking fruits and vegetables for the customers than what the customers have when they pick for themselves. More fresh food goes to waste within e-commerce for groceries since the customers does not accept getting goods with lower standard when home delivered, in contrary to picking the goods in the store where the customers pick the goods themselves and might purposely pick the products with lower quality (if the price is lower for instance).

Bergendahls also focus on the right media to illustrate what the products will look like so that the customer gets a good feeling for them. Adler recognizes that for example bananas and avocados are products that does not sell as well online as apples and tomatoes. Today most customers have no problem going to the store, doing complementary shopping, but in the future Adler believes that the habits will be different and there will be a need for a better handling of preferences on the online platform.

Both ICA and Bergendahls have a limited assortment through their online channels today. This is partly due to the fact that some products will not be as fresh when sold online as they are in the store in the current supply chain. This goes for some deli products or as Adler mentions that City Gross grinds meet in the store, so it becomes minced, but this does not work for the online platform today as it takes too long until the product reaches the customer in relation to the expiry date.

Question 2: Bad products – a big deal?

Having good routines for the picking and the operation of the fresh food is key to get happy customers and prevent mishaps. If you get a bad product from ICA then you go to the closest store and replace it. Adler at Bergendahls experience is that you do not get many chances when delivering food online. If you deliver something that is not of right quality the customer will most likely go somewhere else.

Bergendahls has a history of being a wholesaler and are used to have certain qualities of the products when they deliver them to the stores. Dairy products have some expectations as for how long until expiration day it should be and the same with fresh fruits and vegetables. Therefore, they have a habit in working with customer' expectations and this experience makes the routines for e-commerce towards customers easier to handle.

Question 3: Specific preferences from the customers when order

At the moment ICA does not have a function on their platform that allow for specific preferences of how to get their bananas for example. Danielsson says that this is of course something that can improve the quality on the website, but it is not something that they put their focus on developing at the moment.

Like ICA, Bergendahls does not have the possibility for the customer today to choose specific preferences when ordering groceries. Since Bergendahls wants to send goods with high quality to their customers they believe that they are more selective in their choice of groceries when sending it online than what the customers are in the physical stores as have been mentioned earlier. Adler sees a challenge in sending for example avocados online since they do not know whether the customer is eating the avocado today or in a week and in that case, it is hard for the store to make that decision for the customer. They have no rational process for the customer to communicate when the avocados for instance is to be eaten and making sure that this information follows the entire flow from order to delivery.

In the study of Svensk Digital Handel (2016) they saw that most of the goods that are being consumed through e-commerce are dry goods; 54%, followed by canned food; 37% and chocolate and candy; 35%. Fruits and vegetables are placed fourth and constitutes 31% of the market. As for food for children that only represent 4% of the market. This supports the perception of the fact that some products are less suitable to offer online.

NOVELTY

Question 1: Attitude towards Novelties within FMCG

The fact that ICA have developed their online platform is something Danielsson sees as a good way to be up to date with the current changes within technology and novelties. Although e-commerce is an important novelty and service to offer not all of ICAs stores are represented on the platform. It is still up to the local retailers within ICA to join the online platform and offer such a service to their customers. The locally strong connection and power that ICAs retailers have are big part of ICAs business model and local knowledge about what the customers want has contributed to their success. But it is a challenge to create an online platform, that is originally a central model, and make it into a distributed one according to Danielsson. ICA is constantly working with innovation and what products to offer to the customers. This is an on-going work and a big part of the business of FMCG.

Since Bergendahls have their category chiefs who each monitors a specific product area such as the “food of the world” or the dairy section, they are updated in terms of trends according to Adler. Even though they are updated, they cannot always innovate and follow all the trends on the market, but they do work on being aware of the outside world. Due to the fact that they have a few chains outside their own City Gross stores, such as Matrebellerna and Matöppet who uses Bergendahls as wholesaler, they also keep themselves updated through the requirements and wishes from these chains.

According to Adler, it is a challenge to constantly innovate the e-commerce in a pace the consumer has come to expect. He believes that today the industry has a sluggishness because of old structures. For example, there are many different products with different audit windows, dairy for example may be revised twice a year, which is when some news is added, and some products are deleted. Due to this, he believes that the industry is rather static so far but that this is changing as a result of the development of digital trade with new players who do not comply with the old rules of the game.

Question 2: Finding those trendy products within the online platform
Vegetarianism, veganism, ECO, gluten- and lactose intolerance are all some preferences that occur today when people shop. A lot of customers are very health aware and wants to choose products after these preferences. Danielsson says that ICA puts a lot of focus into this area at the moment to develop good search functions and categories at the website to make it easier for the customers to navigate and find the products they are looking for. Another trend registered within e-commerce is that people shopping online buy food of special diets in a larger extent than in the physical stores. There has been an increase in demand for these special diet products within the whole retail industry but the customers that shop online has even stronger preferences hence have come further. In the report from Svensk Digital Handel (2016) they saw that one of the reasons for people shopping online is that they more easily find products for special diets. Another reason for shopping online which have increased the most in the last couple of years is the fact that customers can get access to a broader assortment (ibid).

ICA has also during the last couple of years offered special pre-packed food bags for Christmas. This is a concept that they want to continue developing for more holidays. Danielsson think it is a fun way to shop and it adds revenue to ICA as well as it reduces some stress for the customer.

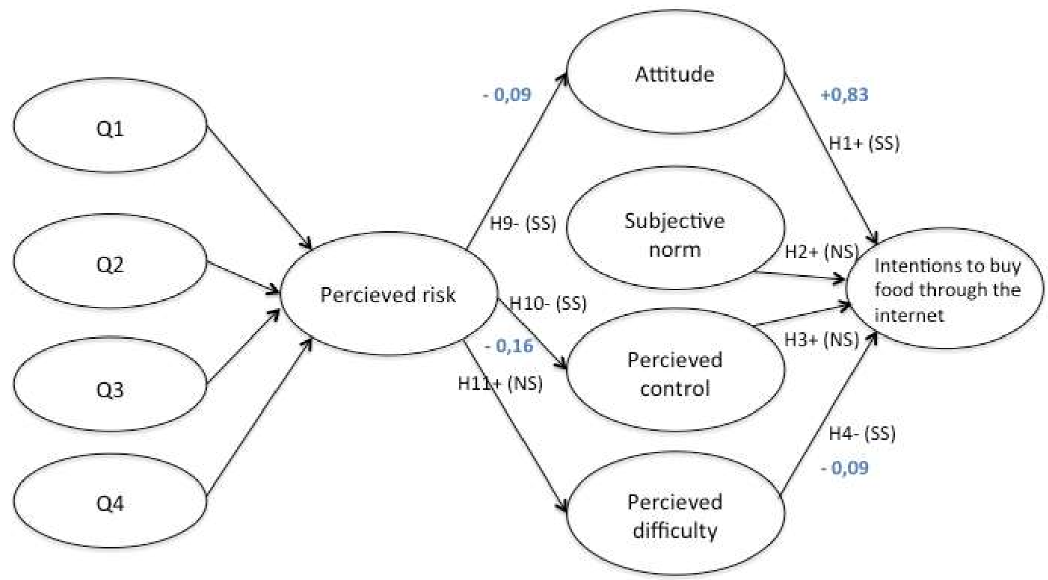
In order to meet the increased demand for special diets and lifestyles Bergendahls has their gluten-free pre-packed food bag and vegetarian food bag which they are constantly developing. When Adler started at Bergendahls about four years ago, they had three or four pre-packed food bags but now they have over 20 different food bags. He mentions that people nowadays prefer to order their own recipes and choose the goods in their food bags from the full assortment instead, he therefore believes that the pre-packed food bags are gradually being reduced. Although there are several food bags on the market, he believes that the new generation wants to choose for themselves and not let anyone decide what's going to be in their food bags.
Bergendahls finds it important to secure the product information process to ensure that all the products are categorized correctly for example as gluten free or lactose free. They want to provide functions where the customer can choose to avoid certain foods, for example products with lactose or gluten, whereas the customer will be warned if there is a product in the shopping cart containing an ingredient that the customer wants to avoid. This could be implemented both online and in the physical stores when the customers/cashier scan their goods.

5.2.3 PERCEIVED RISK

Consumers who consider the online platform as unsafe is much less probable to shop online. A realization is that companies need a stronger brand for the customers to believe in, since there is bigger distance from the customers when they are shopping online than in the physical store. Some customers are afraid of getting their data stolen or to even be exposed to fraud.

Since the main retailers in Sweden within food are being studied, an assumption is that they already have very strong brands and it is a widespread knowledge about their existence, which contributes to their validity and credibility. Still the risk of companies storing data about the customer remains. In the concept of perceived risk, the risk of non-delivery is involved. There is a fear of the products not being delivered on time, that they will be damaged or not fulfil the quality expectations of fresh food for example. In a study by Mohd Shoki Md Ariff et al. (2014) they found that this sort of risk is very often discussed when shopping online why this is perceived as an important perspective to include in the concept of perceived risk.

Figure 13: Perceived risk



Source: The authors based on Grunert & Ramus (2006) and Quevedo-Silva. et al. (2016)

Question 1: Attitude towards risk within e-commerce

ICA believes that consumers perceive risk towards non-delivery and the risk of not getting fresh products at the right quality. Bergendahls believes that the customer today, especially the young consumers, is not focused on the “risks” in the same way as the elderly consumers who are more careful when it comes to shopping online. Adler means that a trust for the company is required as well as he believes that the trust lies in communicating relevant things to the customer and acting with integrity. For example, by making sure that the customer really understands what their personal data are used for (and not misuse it). He believes that it is more about a relationship between the store/company/brand and the customer rather than a perception of “risk”.

Question 2: Perceived risk of deliveries - a hinder towards e-commerce

Danielsson at ICA says that in order to manage the retail within FMCG, which include a large number of people and products, routines are the key. Communication is also very important between the people who deliver and the consumer. After an order is placed the consumers receives a confirmation on their order. Further they will be informed that their delivery is on its way. ICA has a service so that the customers can follow where the delivery-car is and see when it will arrive at their homes. If there would be any delays or bigger problems making delivering impossible the customer will be informed about this as well. For ICA the customers are in focus and they constantly send out surveys in order to be able to improve their business and services and fulfil expectations. The questions are usually similar to: Was the delivery on time? Were the products of the right quality? How was the interaction with the driver?

For Bergendahls, late or missing deliveries is not viewed as a “risk” rather they look at it as giving a promise to the customer and keeping it. What Adler sees a risk in, is that they might not fulfil their promise to the customer by meeting the customer’s expectation on the retailer. He means that this expectation must be met in the same way as the customers have expectations on the physical stores that the right goods are in the right shelf. One challenge Adler sees is when the customer puts the goods in the basket and that the store will not be able to fulfil the delivery after that. He believes that the store might get one new chance if they do not meet the customers’ expectations, but he does not believe that they get a second chance given the competition that are on the market.

Question 3: Branding

ICA has one of the strongest brands in Sweden, which is an advantage since people are curious and interested in their new products according to Danielsson. The challenge is to clearly position the ICA brand through its local retailers why it is harder to develop an online platform and make it into a distributed model.

At the moment, Bergendahls focuses primarily on developing their e-commerce concept so that it suits their existing target group, and, in this context, they will keep developing their brand. They are working with a marketing program where they are making more movies, for example with Tina Nordström who is a famous chef and tv host where they have made the concept "Tina knackar på" which means “Tina knocks on the door” and is a concept where she helps families with small children to cook. According to Adler, Bergendahls constantly tries to innovate and progress in order to reach out to the important young family segment as well as other customers.

Question 4: Secure payments within e-commerce

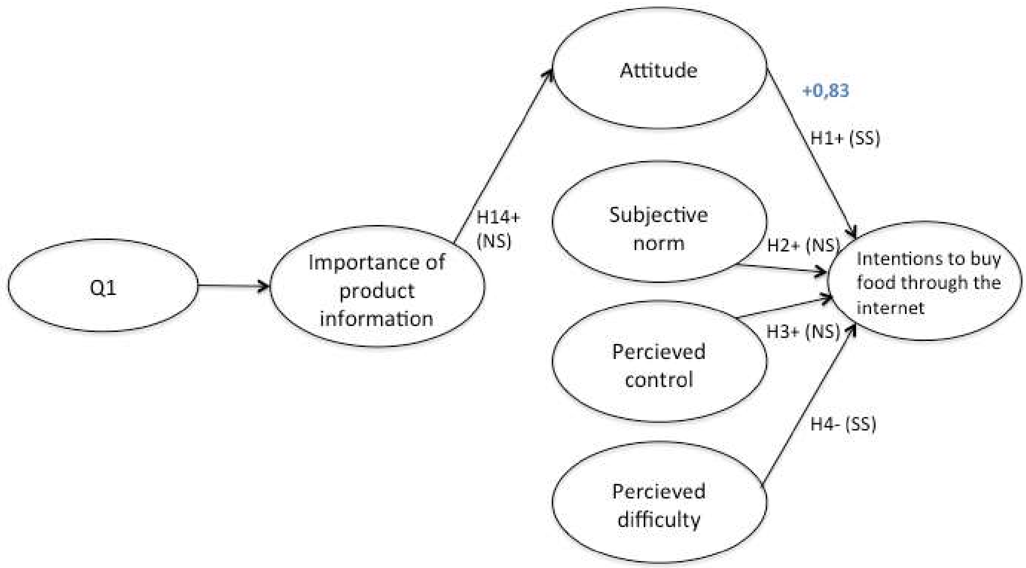
The problem with people not feeling safe making payments online is not something that ICA has faced according to Danielsson. What ICA do is that they cooperate with other brands having a high legacy which people recognizes. Also, they allow for different payment alternatives as invoice, card, bank account etc. which satisfy the feel of security for the customer.

As mentioned earlier Adler states that the customer today, especially the younger consumers, do not have the same unease when it comes to payments online as before. They do have a security department at Bergendahls, which works with security risks and leakage of personal data etc., but cyber security is not where Adler thinks the focus area is for the younger consumers. Rather this is something they take for granted and would not interact with them unless they felt safe that it is handled in a good way by Bergendahls.

5.2.4 PRODUCT INFORMATION

Once one has access to the Internet and can buy food through this channel it enables the possibility to compare all the different promotions on the market. For people who value product information, e-commerce makes this possible almost instantly why it has a positive relationship towards the attitude of the intention of buying food online.

Figure 14: Importance of product information



Source: The authors based on Grunert & Ramus (2006) and Quevedo-Silva et al. (2016)

Question 1: Attitude towards the importance of product information

Product information is not an area that ICA has put a lot of focus on. They have information about their private label products on their website and provides the necessary information that is legally required about origin and ingredients, but they recognize that this information is enough. In the future Danielsson believes that product information will become more important and that the industry will push the development regarding this, which ICA will be a part of.

At Bergendahls they do work a lot with product information maintenance but mainly by providing base information on their products, which is a challenge in itself since some of the stores have an assortment of 70.000 items that are frequently changing. The share of the online sales is still small but growing. It is important to balance the food waste and assortment within this process.

Since City Gross is working with Swedish meat with the focus to reduce animal transport and taking a stand against antibiotics they still try to create more awareness about this while they try to adapt to current trends.

6 ANALYSIS

In this section, the results of the research are linked to the relevant theory presented earlier in the report. The research questions are answered and lastly is the proposal of our own business model for e-commerce within FMCG presented, fulfilling the aim of the report.

6.1 WHAT BUSINESS MODELS WILL BE SUCCESSFUL IN THE FUTURE?

Firstly, the research question of "How do the retailer's business models relate/deviate from the model of Quevedo-Silva, F et al. (2016)?" will be answered. In table 4 below the factors that showed to be significant from the model have been examined and ranked after their size of impact on the buying intention for food through the Internet. The ranking has been done by multiplying these factors' factor scores on their paths to buying intention. When ranking them, the absolute numbers have been considered and where it says minus (importance marked in red) the factor have a negative influence on the buying intention, however the level of impact is still as big as the absolute number.

Table 4: Factor scores

SIGNIFICANT PATHS	FACTOR SCORES	IMPORTANCE
Wired lifestyle → Attitude → Buying intention	0,69 * 0,83 = **0,573**	1
Wired lifestyle → Perceived difficulty → Buying intention	-0,97 * -0,09 = **0,087**	4
Freshness → Attitude → Buying intention	-0,20 * 0,83 = **-0,166**	2
Novelty → Attitude → Buying intention	0,15 * 0,83 = **0,125**	3
Perceived Risk → Attitude → Buying intention	-0,09 * 0,83 = **-0,075**	5

Source: The authors based on Quevedo-Silva et al. (2016)

What can be observed is that the impact of a wired lifestyle on buying intention for food through the Internet has the highest factor score (0,573). This factor is therefore the most important to focus on as a retailer. On second and third place comes freshness and novelty. Freshness has a slightly higher impact on attitude (-0,166) than novelty has (0,125) resulting in a bigger impact on the buying intention for freshness as well. Furthermore, wired lifestyle also significantly influence perceived difficulty which in its turn negatively influence the buying intention with a total factor score of 0,087. Lastly, does perceived risk negatively influence the attitude which results in a total score of -0,075.

6.1.1 WIRED LIFESTYLE

A wired lifestyle, which is the most important factor, is different for different customer segments hence they require different support in order to influence their attitude and perceived difficulty. As have been observed families with children dominate the e-commerce for food today. ICAs business model say that they will focus on development of concepts, channels and products. Bergendahls want to create profit that gives them resources. Both ICA and Bergendahls offer different kinds of pre-packed food bags that help families with the planning and decrease the perceived difficulty of buying food online. Since the pre-packed solutions for dinners usually target families of more people they are not as suitable for single households. Why we believe that ICA and Bergendahls relate to the model of Quevedo-Silva, F et al. (2016) when it comes to supporting families but deviate from the model when it comes to supporting single households.

The younger segment, teenagers to young adults (13-25 years old), definitely have a wired lifestyle where smart phones and tablets always are present, which increase their attitude towards e-commerce and lower their perceived risk according to the theory. In order to support this segment with their wired lifestyle we believe that ICA and Bergendahls need to provide platforms that fulfil the youths high demands by being smooth to navigate through and smart functions so that the youths choose their site over others. Within this segment ICA and Bergendahls are not only competing with the traditional retailers within food but with pioneers as well. Both ICA and Bergendahls work with the appearance on their online platforms and with developing search functions. ICA mentions that they put a lot of focus on being present within different platforms and making it possible for customers to move freely between them and pick up where they left. They focus on the Omni-thought where the shopping is circular and can take place anywhere at any time. Bergendahls have increased their presence within social media in order to attract younger segments. In this way both ICA and Bergendahls is supporting the wired lifestyle of youths and relate to the model.

The support for a wired lifestyle of elderly people is probably the segment that has gotten least attention from the retailers. For this segment we believe that they are mainly in need of support with the technology of how to use the platform to buy their food online and by helping them change patterns. Within this segment of elderly people who usually consume other goods through Internet the study from Svensk Digital Handel (2016) shows that a big part has never bought food through e-commerce. This is explained by old habits and that elderly people prefer shopping in physical stores where they can squeeze and feel the products. If a retailer can find a way to attract this segment to their online platform it could be a way to increase their market share since there are advantages for elderly people to buy their food online such as the fact that they do not have to carry heavy bags home but can get them delivered to the door. We believe that neither ICA nor Bergendahls support the wired lifestyle of elderly people within their business model today why they deviate from the model within this aspect.

ICA also focus on supporting different type of customer journeys no matter what customer segment they belong to. They do this by enable the possibility to purchase your goods in a fast way based on your previous purchases or buy choosing among your most common products, in order to use this function you need to have a log in on their web site. If a customer is not looking for a fast way through but for inspiration ICA provide recipes and the possibility to select your products based on that. Bergendahls also provide recipes where you easily can purchase the ingredients needed and have a model that optimizes the products that you buy so they can be shared between different recipes and minimize the food waste. In this way ICA and Bergendahls are supporting the wired lifestyle of all segments.

6.1.2 FRESHNESS & NOVELTY

Second and third most important factors are freshness and novelty. Freshness will influence the attitude towards e-commerce negatively this can also be tracked in the products that are currently being purchased online as explained in the results where dry goods are consumed in further extent compared to fresh food or food for children. ICA and Bergendahls are aware of this fact and when interviewing them they describe what strict routines they have when picking fruit and vegetables for e-commerce. Within their current business models there is not a clear focus on freshness but in the way ICA and Bergendahls practical handles this aspect today they do have it in mind and relate to the model of Quevedo-Silva, F et al. (2016).

Novelty is slightly less important than freshness with a factor of 0,125 towards buying intention. One of Bergendahls key values is "We are innovators who dare to be different" with the intention to become the most attractive retailer. Bergendahls have category chiefs as mentioned in the result and by having people that specialize within certain areas they strive to be up to date with the products within all the different segments. Bergendahls is also a wholesaler to a few chains outside their own City Gross-stores that enables Bergendahls to be up to date through the requirements and wishes from these chains. ICAs business model have a focus on "development of product range". ICA have their private-label products (ICAs egna varor), which represent about 25% of their turnover and it has had a positive trend during the first quarter of 2018 as well. This number is higher than for Bergendahls who sell about 15% of private-label products. From the above mentioned actions we can state that both ICA and Bergendahls business models relate to the model "Intentions to buy food through Internet" within the aspect of Novelty.

Special diets and requirements are also becoming increasing popular such as vegetarian and veganism as well as the fact that more people buy lactose and/or gluten free products especially online. This is another aspect within novelty and by being able to offer these products in an easy way online is key to support this demand. Both ICA and Bergendahls offer pre-packed food bags that are lactose or gluten free as well as pre-packed food bags that are vegetarian. Bergendahls also offer different flexi-solutions that are mixed food bags of meat, fish and vegetarian among others. Within this aspect Bergendahls offer more variations for the consumers than ICA within their pre-packed food bags. ICA however has categories on their site for products that are free from gluten or lactose as well as products that are vegetarian for easier navigation when customer pick their groceries on their own, which is something that Bergendahls has not developed yet.

Both ICA and Bergendahls offer food bags that are seasonal and for holidays. Today both offer a pre-packed food bag focused on grill. They also provide food bags for the Christmas holiday and these will probably continue to develop and be provided for more holidays onwards. When it comes to categories within the online platform neither ICA nor Bergendahls have categories for special diets or vegetarian/veganism. This could be improved to support the aspect of novelty within e-commerce. ICA although have a category that changes after season and holidays. For example in the beginning of summer there is a category called "Grill" with food related products for that and before the Easter holidays they had a category for that, which supports novelty and relate to the model examined.

6.1.3 PERCEIVED RISK

Perceived risk will influence the attitude towards buying intention in a negative way. The factor score is although only -0,075 which means that the importance of the impact is not as big as the other aspects. Yet it is significant and should be considered to some extent.

ICAs business model focus on sourcing, logistics and IT. They also focus on financial services in order to establish customer loyalty and low transaction cost. None of these focus areas are directly connected towards minimizing the perceived risk of secure payments. When interviewing ICA although Danielsson explained that since ICA is such a well-known brand they rarely meet problems with customers not trusting their online payment system. The same goes for Bergendahls which also is a well-known brand. This attitude might shift between the younger and older customer segments although. Since ICA offers different payment alternatives that is enough to decrease the friction when pursuing payments online according to Danielsson. Both ICA and Bergendahls cooperates with recognized brands that are familiar to the customers, which makes them feel safe. Neither ICA nor Bergendahls has an explicit focus on secure payments within their business models why they deviate from the model of Quevedo-Silva, F. et al. (2016) but in practice they work with familiar brands for payment services which increases the credibility towards the customers and they are also certified with Trygg e-handel from Svensk Digital Handel.

Data-collection is another aspect of perceived risk. Neither ICA nor Bergendahls focus on this area within their business model. They are although aware of this phenomenon but Bergendahls sees it more as a relationship between the customer and the company and not specifically as a perceived risk. Both retailers focus on using the data in a way that it becomes beneficial for the customer. Bergendahls also believes in communicating to the customer what the data is used for to increase understanding of the benefits with data-collection.

The fear of non-delivery is another important aspect of perceived risk. Routines, continuous information about the delivery and customer surveys are key for ICA to meet the expectations of the customers. Logistics is a defined focus area within ICA's business model hence it relates to the model of Quevedo-Silva et al. (2016) within this aspect. Bergendahls has a history of being a wholesaler hence they are used to handle and deliver products of a certain quality and make sure to meet expectations of the customers why this has not been the main challenge within e-commerce for Bergendahls. One of Bergendahls values are “We are characterized by continuity and long-term”. This can be connected to the fact that Bergendahls strive to have a high quality and meet the expectations of the customers, value the relationship between customer and the retailer hence increase the perceived risk why Bergendahls relate to the model within this aspect.

6.1.4 SUMMARY OF RESEARCH QUESTION ONE

To conclude we can see that ICA and Bergendahls both relate more to the model of Quevedo-Silva et al. (2016) then what they deviate. Although more focus could be put on supporting the wired lifestyle of other target groups in order to attract a broader flow to their online platforms and evidently gain greater market shares. Today there is no separate business model for e-commerce that the authors have gained access to at least. As Bergendahls is putting their e-commerce in to a separate enterprise this might be in pipe or probably already exist internally. We believe that a separate business model for e-commerce is key to gain clear goals and ensure focus on the most critical factors in order to be successful. Developing a successful platform is not something that will be done all at once but ICA and Bergendahls need to be observant on what other retailers are offering as well as the pioneers within e-commerce. When the commerce move online the competition increase and functionality as well as reliability becomes key in order to attract customers.

6.2 COMPARE MODELS OF ACTORS WITHIN FMCG TO IKEA

In this section, the question "How do the retailer's business models relate to/deviate from IKEAs?" will be answered. For doing this, a comparison has been made between IKEA, ICA and Bergendahls by looking at their business models, information from their annual reports as well as publications on their websites and published articles. The comparison has essentially been made by examining the focus areas of the reference object, IKEA, and what is assumed to be the company's success factors and further analyzing these in relation to the focus areas of ICA and Bergendahls which is based on the earlier mentioned information sources as well as the information derived from the interviews with Magnus Adler and Anders Danielsson.

As a part of including the people and meeting their expectations IKEA collaborates with designers as well as they are being open for collaborations with students, scientists, start-ups, IKEA customers etc. ICA mentions that collaborations for them with influencers for example, in order to attract different customer segments, is hard since every local retailer decides how to market their stores. Bergendahls does not have the same problem and are open for collaborations and as mentioned they are working on a marketing program and making movies with the famous chef Tina Nordström. The concept of "Tina knocks on the door" is targeted on families with small children which is something of importance for Bergendahls as well as reaching out to the youths, who they have had difficulties reaching out to with the intention to be top of mind when these youths start families.

Both ICA and Bergendahls focuses primarily on strengthening the relationship with their existing target group which is understandable especially for Bergendahls who is further behind in their e-commerce development than ICA. If comparing to IKEA however, an important part in the continuation of building their brands would be to reach out to a bigger customer segment and to make all people feel included in the development of the stores and as they are contributing to the companies. Neither ICA nor Bergendahls have a certain strategy for including the customers in for example deciding on the product supply. ICA does however send out customer surveys in a larger extent than Bergendahls as a way to improve their business and to fulfill the expectations of the customers.

When it comes to offering alternatives for as many people as possible, Bergendahls has a lead regarding the pre-packed grocery bags where they have a greater supply with more alternatives. Both ICA and Bergendahls have alternatives for people with special diets such as lactose- and gluten intolerance but City Gross also have alternatives such as the "cheaper grocery bag", the "weight-watcher grocery bag" and the "ecological grocery-bag" which gives them an advantage in including as many people as possible by offering a broader variety.

As mentioned in the background, IKEA cancelled their plans regarding the expansion of the warehouse in Kungens Kurva. The reason for this is that they want to allocate resources for e-commerce instead due to the changed consumption behavior. From their financial summary for 2017 they mention their focus on the customer by launching IKEA Place as a part of following the digitalization as well as they are improving their website and the capabilities of their e-commerce. They want to make shopping online as convenient as possible for the customer and also make it fun and easy. Both ICA and Bergendahls is adapting to the digitalization and puts effort into supporting their customers in their wired lifestyles by being present on many platforms. For ICA, effort is put into making it easy for the customer online by making it possible to pick up from where the customer left when moving between different platforms. They see the wired lifestyle resulting in an interaction between the physical stores and the online platform. For Bergendahls, effort has been put into creating a new role of social media responsibility with the aim to help the stores with communication and to have an even greater presence in social media.

One obvious success factor for IKEA is their packaging strategy where they have flat packages which makes it easier both to transport the products and to store them in the warehouses due to them taking little space. In addition to this, the warehouses where people pick the products themselves creates efficiency for IKEA which enables them to put the saved time and finances resulting from this, into other projects for example. Having large storages for supplying the e-traded food is something both ICA and Bergendahls are up to. ICA is in the development phase of creating a storage for the Stockholm area but as for right now the retailers pack the online ordered grocery bags in the stores. Bergendahls did establish a storage terminal in 2017 supplying southern of Sweden with e-traded food.

Regarding the categories on the online platforms and the simplicity of digitally buying food, ICAs online platform is by the authors considered to be more problematic than the online platform of City Gross. One difference is that the steps for reaching the ICA online store is longer than for City Gross since you must choose what store you want to order from which also is perceived to be problematic due to different stores having different supplies. If having a central storage for different areas this problem could be diminished. ICA on the other hand have categories for holidays such as Christmas or Easter which simplifies the online shopping in these certain times as well as their delivering times are better than for City Gross who only delivers certain days between 5 pm and 10 pm while ICA delivers the entire week between 8 am and 10 pm except for weekends when they deliver between 2 pm and 10 pm.

According to Danielsson is the fact that the customers can choose which store to shop from online a way to support the customers in their online shopping by offering the same assortment that they would have in the physical store. He means that they are used to a certain store and therefore can the customer feel safe when shopping from this store since the customer is familiar with the store. In the report from Svensk Digital Handel (2016) however, it is mentioned that one reason for the increase in e-commerce for food is the fact that customers can get a broader assortment which is more likely that they get if having a central storage to choose from rather than a certain store.

Another thing that IKEA works with is social responsibility by addressing social problems around the world and by having certifications ensuring that the production of food is made with respect to both people and the planet and to use ingredients from responsible and sustainable sources. This is something that both Bergendahls and ICA also puts lots of effort and focus into by concentrating on the environment, health and the working conditions in their operations. For ICA, sustainability shall be present in everything that they do, and their mantra is "For a good tomorrow". At City Gross they want to do everything in their power to reduce the environmental impact with the purpose to make it easier for the customers to make good environmental choices.

Some things we can point out from comparing IKEA to ICA and Bergendahls is first the importance to focus on bringing the retailer and the customer closer together in order to meet the needs of the customer. IKEA opens up the design process of their products for collaborations with the purpose to meet the expectations of the people, this is a way for them to reach out to different customers by being visible and marketing themselves. Since we are becoming more digitalized and people spend more time online it is important to follow this development and to be visible in the platforms where the customers are located. ICA as well as Bergendahls are developing their online platforms and both mentions the importance of the omnichannel strategy, which means the interaction between different channels such as the collaboration between the physical stores and the online platforms.

6.2.1 SUMMARY OF RESEARCH QUESTION TWO

A conclusion from this section is that both ICA and Bergendahls relate to IKEAs business model more than they deviate. They do however relate and deviate in different ways where Bergendahls is more present in social media as well as they make collaborations which relates to the part where IKEA includes the people and meets their expectations. What they both can work on however, which is a great success factor for IKEA, is to reach out to a broader customer segment as well as strengthening the relationship with their customers. This can be connected to IKEAs inclusion of people, which they can do by involving them in the development of their stores for example. They also relate to the model of IKEA by their adaption to the digitalization where both retailers put lots of focus into developing their e-commerce by developing storage terminals for instance. Since one obvious success factor for IKEA is their packaging strategy, this is something both retailers can work more on and we believe that a part of their future success would be to have storage terminals for all food supplied through e-commerce.

6.3 CREATING A SUCCESSFUL ONLINE PLATFORM

In this section, the last research question of “Why will retailers within FMCG be successful on their online platforms?” will be answered. This will be done by examining the retailers from a SWOT-analysis. In addition to this, a business model is developed by the authors as a proposal for retailers within FMCG on what to focus on in order to be successful within e-commerce. The developed model has been derived from the results from the theory of Quevedo-Silva, F et al. (2016) who in their turn based their research on the model of Grunert and Ramus (2005), combined with the knowledge gained from performing the two case studies on ICA respectively Bergendahls.

6.3.1 SWOT-ANALYSIS

In table 5 below a SWOT-analysis for ICA and Bergendahls has been performed. Strengths and weaknesses are factors that origin from the internal organization and these factors can be monitored and changed by the retailers. Opportunities and threats are external factors that originate from macro-factors from the environment that is constantly changing. These external factors are out of the retailers control but affect their business why retailers must be aware of and relate to them in order to be up to date and to stay in business for the long run.

Table 5: SWOT-analysis of retailers within e-commerce

	STRENGTHS	WEAKNESSES
ICA	• Market leader within FMCG • Large resources	• Distributed model – a challenge to apply within e-commerce
Bergendahls	• Central model • Cheap prices • Experience from being a wholesaler	• Further behind in the e-commerce development • Narrow customer base • A lot of special/ deli products in the stores are hard to sell online

	OPPORTUNITIES	THREATS
ICA	• Development into a more complete omnichannel • Increase in sale for shops in immediate areas (ICA Nära)	• Pioneer's progress • Increased distance between customer and retailer
Bergendahls	• E-commerce enables access for more target groups • New technology for automatization and better logistics – economies of scale	• Pioneer's progress • E-commerce cannibalize mainly on hyper markets

Source: Developed by the authors

Strengths and Weaknesses

ICA and Bergendahls have different customer segments today. ICA has a broader spread among its customers compared to Bergendahls since they provide hypermarkets (ICA Maxi) as well as supermarkets (ICA Supermarket/ICA Kvantum) and stores for complementary shopping (ICA Nära). ICAs strategy and business model presented earlier have had a lot of success why they dominate the market today with 50,8% in 2016. Their presence and domination of the market is definitely one of their strengths. As for Bergendahls their market situation looks different from ICAs. They had 7,7% of the market in 2016 and they mainly attract families with access to a car since they only offer hypermarkets in more rural areas. Bergendahls is aware of the fact that they have an older customer segment than the other retailers within the industry due to the need of a car for accessing their stores in a smooth way. This narrow customer base is a weakness for Bergendahls.

Being successful within e-commerce is very costly as we have seen in table 1 and 2 that shows the results and revenues for pioneers, where the biggest pioneer Mathem also shows the biggest losses. Logistics is key to be able to meet the high demands from customers, it is however very costly and requires big investments to develop storage terminals of high technology for efficiency. For ICA one of their strengths as the leading market actor is their availability of financial resources. These resources enable the possibility to offer many options for deliveries and carry through necessary investments in central storage terminals for scaling and efficiency such as their investment in the British online grocer Ocado, which was announced the 2nd of May 2018, for being able to use their e-commerce platform and technology for highly automated e-commerce storage terminals.

Bergendahls have a central model with a very clear focus on hypermarkets. In comparison to ICA, this narrower business model where the stores are located in more rural areas enables cheaper prices overall which is one of Bergendahls strengths since having one owner for all of the City Gross stores, opposed to ICA, they can more easily move and develop online which gives them an advantage. Although Bergendahls have been aware of the shift towards e-commerce they have not acted on it as much as they could have why they are behind the other retailers at the moment, which is a weakness for them. For ICA, their distributed model is to some extent a weakness since each store is privately owned and makes decisions regarding their own stores when it comes to for example marketing, logistics and accessibility. It also becomes more expensive to operate the logistics if every ICA owner will do it on their own and pick the products in the stores. ICA themselves on the other hand sees it as an advantage that they can offer the same range of products online as in the physical store based on their local knowledge so the customers recognize themselves. The authors are not of the same perception though, considering the fact that the most upcoming trend of why people shop food online is because they can choose from a broader assortment than in the physical store according to the survey of Svensk Digital Handel (2016), which goes against ICAs argument.

As been mentioned in the first part of the analysis it is mostly dry goods that are being consumed through e-commerce while fruits and vegetables stands for a smaller share. The problem regarding fruits and vegetables online comes with the difficulty of ensuring the quality of the groceries. Bergendahls has a history of being a wholesaler hence they are used to handle and deliver products of a certain quality and make sure to meet expectations of the customers why this is one of their strengths as an actor within e-commerce. As opposed to this, their supply of deli products and baking their own bread and cakes as well as providing services where they cut or grind meat on demand in the store is a weakness when it comes to e-commerce since these products are hard to sell online as the logistics are too limited today why this competitive advantage cannot be used online.

Opportunities and Threats

As mentioned one of Bergendahls weaknesses is their narrow customer segment due to the physical location of their stores. Nevertheless, when e-commerce emerges within food this gives Bergendahls an opportunity to extend their customer base and attract some segments that have not visited their physical stores before but now can do so online, in other words there is an opportunity for Bergendahls to increase their overall customer base. By reaching out more through social media and through their collaborations the possibilities to enable access for more target groups are good.

ICA mentions the importance regarding the presence within different platforms and to make it possible for the customer to move freely between these platforms. They do already focus on the omnichannel strategy which enables a shopping that is circular and can take place anywhere at any time. An opportunity for ICA is to develop their omnichannel strategy to create an even better experience for the customers when choosing to shop at their online platform. The report from Svensk Digital Handel (2016) states that increase in e-traded food will result in an increase in complementary shopping which mainly will affect the local shops (ICA Nära) since it is most unlikely to go to a hypermarket such as ICA Maxi to complement the shopping with a few things. This can be connected to their privately-owned stores which earlier was mentioned as one of ICAs weaknesses within e-commerce, according to the authors. This can however at the same be an opportunity for the retailers, especially for the owners of the local shops, since they have a possibility to adapt for instance the design and the assortment of the stores based on the local market conditions and their local customer segment. Furthermore, is this an opportunity to strengthen the relation to the customers and to create a more personal profile around the brand, which is a way to increase the customer satisfaction as well as increasing the loyalty for the brand.

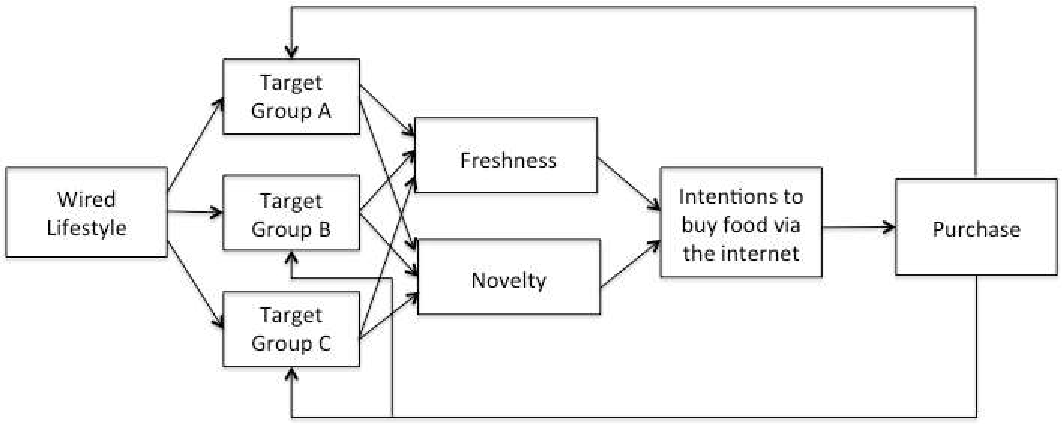
Nevertheless, a threat for ICA when the commerce moves online is the increase in distance between the customer and the retailer, which is contradictory to ICAs business model today that is based on and highlights the local knowledge with privately owned stores. Another threat that concerns both ICA and Bergendahls is of course the progress of the pioneers, which changes the landscape and market shares within food online. This will have an impact on the business for traditional players and increase the competition, especially if the customers do not have a high loyalty towards the brand and are indifferent when choosing retailer. By having a high customer loyalty though, the impact from the competitors can be reduced since the customers will not be indifferent when choosing store to buy groceries from.

New technology for automatization in central storage terminals is an opportunity for Bergendahls to increase their efficacy for logistics and be able to offer deliveries more often than what is offered today. This will also enable scaling in a higher pace, which will bring economic benefits and the possibility to increase their market share. There is although a drawback of the creation of another market place online due to the fact that all new channels will cannibalize on the existing ones, which is a threat towards retailers. E-commerce mainly cannibalizes on the hypermarkets why we identify it as a bigger threat towards Bergendahls than ICA since their physical stores are limited to hypermarkets only. But then again, as mentioned before, Bergendahls becomes available to a broader segment through e-commerce which might increase their overall customer base.

6.3.2 PROPOSED BUSINESS MODEL

From the previous sections of the analysis there has been different conclusions regarding how the business models of ICA and Bergendahls deviates and relates to the model of Quevedo-Silva, F. et al. (2016) as well as conclusions regarding the deviation and relation to the business model of IKEA have been reached and thereby how they support the consumers intentions to buy food through the Internet. With the theoretical framework and these conclusions, the authors have developed a business model together with their supervisor that they believe to be successful when the traditional food industry transforms into e-commerce. This model is presented in figure 15.

Figure 15: Proposed business model for e-commerce within food



Source: Developed by the authors together with the supervisor

Since wired lifestyle is the most important factor in the model regarding the consumers' intentions to buy food online this is the cornerstone of the proposed business model. The meaning of a wired lifestyle is although different for different target groups whereas they require different amount of support. Due to this shall the business model consist of three different focus areas regarding their target groups where target Group A is *Teenagers and young adult*s (13 to 25 years old), target Group B is *Families with children* (26+ depending demographic differences between cities) and target Group C is *Elderly people* (65+ years old). The online platforms being provided should fulfil the needs and meet the requirements of the different target groups whether it has to do with smart functions, platforms easy to understand, technological support or inspirational needs. When supporting the wired lifestyle of the different target groups in the right way this will influence these target groups' attitudes concerning the buying intention for food online. The attitude is thus included in the relationship between wired lifestyle and each target group.

Freshness and novelty are the second and third most important factors in the model of the consumers' intentions for buying food online where freshness is slightly more important than novelty. Different target groups have different requirements regarding freshness and novelty and therefore shall each of the three target groups be connected in a separate way to each of the categories freshness and novelty. Since the attitude towards online shopping is affected by different factors between the different target groups, they do have different incentives to shop online and due to that the online platforms must focus on each target group in itself and connect it to freshness and novelty.

In conclusion, the wired lifestyle will affect different target groups differently who in their turn will have different attitudes towards freshness and novelty. This will then affect their attitude and intention to buy food online. Whether the customer will shop online or not is depending on the intention which is a result from previous steps. When a purchase is made it is important to have routines for feedback, which shall provide the stores with information about adjustments according to the customers' preferences.

7 CONCLUSION

When answering the question regarding what business models will be successful when the traditional food industry transforms into e-commerce some conclusions have been reached.

- **Separate business models for e-commerce**
  First of all, it is of great importance in the future that the retailers have a separate business model for e-commerce which will be a way for the retailers to pin point what is important for their business and to be able to focus on the right factors for being successful and gaining market shares.
- **Wider their focus on target groups and support of a wired lifestyle**
  Another important aspect is to focus on increasing the support for youths and elderly people regarding their wired lifestyle in order for the retailers to attract these target groups to their online platforms. Both ICA and Bergendahls manage to attract the segment of families with children but they fail to attract other customer segments in the same extent. They must be aware of the different needs of the customers and to be able to meet these customers' requirements, which will give them incentives to buy food online.
- **Profitability through investments in logistics**
  E-commerce is very costly as seen in the profit of the pioneers in table 1 and 2 (red numbers) and key to meet the high demands from the customers is to have suitable logistics solutions. The traditional retailers however have bigger muscles than the pioneers mainly due to their establishment of the brand on the market, the relationship with the customers, a steady customer base and a good reputation, which leads to economies of scale whereas they have an advantage when developing their e-commerce platform and their logistics solutions.
- **Different opportunities for ICA and Bergendahls**
  For Bergendahls, the adaption to the e-commerce is further behind ICAs and they met some drawbacks with a decreased e-commerce due to a change in the demand from pre-packed food bags to full assortment shopping. They do acknowledge this and are focusing on developing their e-commerce. A weakness for ICA is their distributed model which is harder to apply within e-commerce since it is harder to scale, and they are losing their competitive advantage of local knowledge when the gap increases between the customer and retailer, as it does when the trade move online.
- **Strengthening their relationship to the customers in accordance to IKEA**
  From comparing the business models of ICA and Bergendahls to IKEAs, a conclusion is that they relate to IKEAs model more than they deviate which gives them both good prospects. Bergendahls does this through collaborations with "Mat-Tina" for example and they are both focusing on developing their storage terminals for better logistics, which is key in order to be successful. They do however need to reach out to a broader customer segment, continuing to strengthen the relationship with the customers where a part of this is to work on including the customers in their businesses since these are some of the most important factors for a future success within e-commerce.

To conclude both ICA and Bergendahls have good opportunities of becoming and continuing to be successful actors within e-commerce for food. When using their economic muscles and focusing on the right segments and attributes in combination with development of efficient logistics they will be further successful within e-commerce for food. Apart from this they need to put focus into food waste since this is a challenge within e-commerce. Since both retailers mentions that they are more selective than the customers when picking the groceries, it is important to find an efficient way to make use of all the groceries and reducing the food waste.

7.1 FURTHER STUDIES

- In this report, a business model for e-commerce within fast moving consumer goods have been developed. In further research it would be of interest to test the model and its significance. Wired lifestyle as mentioned is the cornerstone of the model and it would be relevant with further research on defining the needed support for different target groups to obtain a wired lifestyle.
- The change in consumer behavior for FMCG will affect the retailers but it will also affect the real estate owners of the current physical retail. It would be of interest to study new ways of both signing contracts with retailers within FMCG to be up to date with the new landscape as well as analyzing the future demand for different property types in order to foresee a potential shortage or prevent devaluation of current properties.

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FIGURES AND TABLES

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Svensk Digital Handel (2016)

Figure 2: Development of e-commerce for foods from 2009-2017

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Figure 3: Market share within e-commerce 2017

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Figure 4: 13 retailers represent 50% of the total sales on the market in 2016

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Figure 5: A model of consumer willingness to buy food via the Internet

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Figure 6: Intentions to buy food through the Internet

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Figure 8: Illustration of ICAs business strategy

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Figure 9: Illustration of ICAs business model

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Figure 10: Illustration of Bergendahls business model

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Figure 11: Wired lifestyle

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Figure 12: Freshness & Novelty

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Figure 13: Perceived risk

The authors based on Grunert, K. G., & Ramus, K. (2005). Consumers' willingness to buy food through the Internet: A review of the literature and a model for future research. *British Food Journal. Vol. 107, No 6, pp.*, 381 - 403., and

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Figure 14: Importance of product information

Based on the authors Grunert, K. G., & Ramus, K. (2005). Consumers' willingness to buy food through the Internet: A review of the literature and a model for future research. *British Food Journal. Vol. 107, No 6, pp.*, 381 - 403., and

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Figure 15: Proposed business model for e-commerce within food

Developed by the authors together with the supervisor

Table 1: Results for pioneers

Available at www.allabolag.se *[Accessed 2018-04-15].*

Table 2: Revenue for pioneers

Available at www.allabolag.se *[Accessed 2018-04-15].*

Table 3. Result from testing the significance of the hypothesis

Quevedo-Silva, F. Freire, O. Lima-Filho, D.O. Brandão, M.M. Isabella, G. Moreira, L.B. (2016) "Intentions to purchase food through the Internet: developing and testing a model", *British Food Journal*, Vol. 118 Issue: 3, pp.572-587, https://doi.org/10.1108/ BFJ-09-2015-0305

Table 4: Factor scores

The authors based on Quevedo-Silva, F. Freire, O. Lima-Filho, D.O. Brandão, M.M. Isabella, G. Moreira, L.B. (2016) "Intentions to purchase food through the Internet: developing and testing a model", *British Food Journal*, Vol. 118 Issue: 3, pp.572-587, https://doi.org/10.1108/ BFJ-09-2015-0305

Table 5: SWOT-analysis of retailers within e-commerce

Developed by the authors.

9 APPENDICES

A. INTERVIEW GUIDE

SEKTION 1 - UPPKOPPLAD LIVSSTIL:

1. Hur ser ni på begreppet uppkopplad livsstil?
2. Vad gör ni för att stödja ett uppkopplat liv hos kunderna?
3. En uppkopplad livsstil minskar den upplevda uppfattningen kring hur svårt det är att handla online. Hur ser er kundgrupp ut idag inom e-handeln?
4. Hur ser ni på att människor ofta är stressade i vardagen och att planering kan vara ett problem - Vidtar ni åtgärder för att underlätta detta?

SEKTION 2 – FÄRSKHET & NYMODIGHET:

1. Genom e-handel förlorar kunden möjligheten att klämma och känna på varorna, kunden måste acceptera ett mer passivt val. Finns detta i åtanke och hur kompenserar ni för detta?
2. Vad händer om man får hem dåliga varor?
3. Finns det utrymme för preferenser kring mognadsgrad på frukt och grönt vid köp online?
4. Hur ser ni på trender och nymodigheter inom dagligvaruhandeln?
    a. Vegetariskt mm
5. Hur arbetar ni med kategorier och sökfunktioner på era online-plattformar? (Ekologiskt, laktos/ gluten, vegetariskt/ veganskt, högtider (nyår, påsk, jul mm.))

SEKTION 3 - UPPLEVD RISK:

1. Hur ser ni på risk inom E-handel?
2. Risk för sena eller uteblivna leveranser är ett hinder mot att kunder handlar online. Hur ser ni på detta?
    a. Vad har ni för rutiner för klagomål och returer?
    b. Arbetar ni proaktivt för att förekomma missnöje kring detta?
    c. Hur många leveranser sker under utsatt tid?
    d. Jobbar ni med att få in kunders önskemål/åsikter kring leveranser? I sådant fall, hur?
3. Varumärkesbyggande - Hur etableras kännedom hos konsumenten som skapar incitament till köp online?
4. Hur tänker ni kring enkelhet på hemsidan och att hemsidan ska attrahera målgruppen?
5. Hur ser ni på betalning online och säkerhet kring det?

SEKTION 4 – BETYDELSE AV PRODUKTINFORMATION:

1. Hur ser ni på betydelsen av produktinformation och dess (oändliga) möjligheter på nätet?
    a. Länkar ni till information kring immateriella kvalitéer som produktionsprocess, arbetsvillkor och ursprung mm?
2. Hur tror ni att utvecklingen kommer att se ut framöver?
3. Har ni direktlänkar till tillverkarnas hemsidor idag för de olika produkterna från er plattform?

B. QUESTIONS ADAPTED BY QUEVEDO-SILVA, F. ET AL. (2016) TO TEST THE MODEL "INTENTIONS TO BUY FOOD THROUGH THE INTERNET"

WIRED LIFESTYLE: (Park and Jun 2003)
A typical online buyer has a "wired" lifestyle. The wired lifestyle variables include:

1. number of years on the Internet
2. hours online per week; hours per week working online
3. searching for product information online
4. the attitude that email is indispensable

These questions were asked as open-ended questions.

DSI = Domain specific innovativeness
RISK1 = Risk on privacy and security
RISK2 = Perceived risk on product

Questions tested using a five or seven point Likert-type scale:

Items	DSI	RISK1	RISK2
1. I know new Web sites on the Internet more than my friends	0.792	−0.114	−0.118
2. I am an early adopter of Internet among my friends	0.720	−0.128	0.124
3. When I hear about a new Web site, I try to visit it	0.661	−0.269	−0.214
4. I didn't want to use the Internet until others started using it a lot	−0.633	−0.01	−0.168
5. I seldom visit a new Web site with which I am not familiar	−0.511	−0.209	0.047
6. I do not feel safe exposing my personal information when I buy goods online	−0.138	0.884	0.037
7. I am not sure of Internet payment systems, and hesitate to use them	0.011	0.854	0.193
8. To buy a product from web retailers would be a high potential for loss	−0.024	0.155	0.873
9. Web retailers' product information is generally not trustworthy	0.024	0.061	0.868
Eigenvalue	2.52	1.89	1.20
Variance explained (%)	28.0	21.0	13.3

Note: Rotation method: Varimax with Kaiser normalization

Table AI. Factor analysis of measurement items (DSI, RISK1 and RISK2)

Source: (Park and June, 2003)

PERCEIVED RISK: (Raju 1980)
Risk taking
c. Risk taking: a preference for taking risks or being adventurous.

Variety seeking
a. Repetitive behavior proneness: the tendency to stick with the same response over time.
f. Brand switching: switching brands primarily for change or variety.

Curiosity
b. Innovativeness: eagerness to buy or know about new products/services.

1. Even though certain food products are available in a number of different flavors, I always tend to buy the same flavor. (a)
2. When I eat out, I like to try the most unusual items the restaurant serves, even if I am not sure I would like them. (c)
3. When I see a new or different brand on the shelf, I often pick it up just to see what it is like. (b)
4. l am the kind of person who would try any new product once (c)
5. A new store or restaurant is not something I would be eager to find out about. (b, g)
6. When I go to a restaurant, I feel it is safer to order dishes I am familiar with. (c)
7. l am very cautious in trying new/different products. (b, c)
8. Even for an important date or dinner, I would not be wary of trying a new or unfamiliar restaurant. (b, c)
9. I enjoy sampling different brands of commonplace products for the sake of comparison. (f, g)
10. I would rather stick with a brand I usually buy than try something I am not very sure of. (c, f)
11. If I like a brand, I rarely switch from it just to try something different. (a, f)
12. I would rather wait for others to try a new store or restaurant than try it myself. (b)
13. I get bored with buying the same brands even if they are good. (a, f)
14. When I see a new brand somewhat different from the usual, I investigate it. (b, d)
15. I never buy something I do not know about at the risk of making a mistake. (c)
16. I would get tired of flying the same airline every time. (a)
17. If I buy appliances, I will buy only well-established brands. (c)
18. Investigating new brands of grocery and other similar products is generally a waste of time. (b)
19. My friends and neighbors often come to me for advice. (e)
20. When I hear about a new store or restaurant, I take advantage of the first opportunity to find out more about it. (b, g)
21. I would prefer to keep using old appliances and gadgets even if it means having to get them fixed, rather than buying new ones every few years. (a)
22. A lot of the time I feel the urge to buy something really different from the brands I usually buy. (a, f)
23. I enjoy taking chances in buying unfamiliar brands just to get some variety in my purchases. (b, c)
24. If I did a lot of flying, I would probably like to try all the different airlines, instead of flying just one most of the time. (a, f)
25. I enjoy exploring several different alternatives or brands while shopping. (d, f)

IMPORTANCE OF PRODUCT INFORMATION: (Grunert et al., 1997)

1. To me product information is of high importance. I need to know what the product contains.
2. I compare labels to select the most nutritious food.
3. I compare product information labels to decide which brand to buy.

NOVELTY (Novelty + Organic products) (Grunert et al., 1997)

1. I love trying cooking recipes from foreign countries.

2. I like to try new foods that I have never tasted before.
3. I always buy organically grown food products if I have the opportunity.

FRESHNESS (Health) (Grunert et al., 1997)
1. I try to plan the amounts and types of food that the family consumes.
2. To me the naturalness of the food that I buy is an important quality.
1. I try to avoid food products with additives.

SUBJECTIVE NORM: (Chen 2007)
1. Most people who are important to me think that I should definitely avoid–definitely buy organic foods.
2. Most people who influence what I do think that I should definitely avoid–definitely buy organic foods.

PERCEIVED BEHAVIOURAL: (Chen 2007)
1. Whether I will eventually buy organic foods is entirely up to me
2. Control If organic foods were available in the shops, nothing would prevent me from buying it
3. How much control do you have over whether you will eventually buy organic foods? (absolutely no control–completely control)

PERCEIVED DIFFICULTY: (Chen 2007)
1. Even if I should want to buy organic foods, I do not think I would ever be able to do so.
2. If organic foods were available in the shops, I could easily buy it if I wanted to.
3. How difficult would it be for you to buy organic foods? (extremely difficult–extremely easy).

ATTITUDE: (Ahluwalia and Burnkrant, 2004)

Experiment 1: Source Favorability Manipulation

Independent variables
- "not at all clear/very clear"
- "weak/strong"

Dependent variables: (Subjects' attitude toward the target brand was assessed via three scales)
- Bad/Good
- Unfavorable/Favorable
- Awful/Nice

Perception of source pressure:
- Not pushy/ Pushy
- Not aggressive/Aggressive

It was also asked how much attention they paid to the writing style of the ad as well as arguments contained in it:
- No attention at all/A lot of attention

Experiment 2: Ad Execution: Comparative versus Noncomparative.
Independent variables:
Informativeness

- Not at all informative/Very informative

Argument quality
- Very weak/Very strong
- Very inferior/ Very superior

Perception of source pressure
- Not pushy/Pushy, Not aggressive/Aggressive

Subjects rated the ads on affect generated (Sad, Frustrated, Cheerful, Bad Mood, Happy, Good Mood; nine-point scales anchored by:
- Not at all/Extremely

Clarity (seven-point scales)
- Clear/Ambiguous

Expectedness of the writing style (seven-point scales)
- Expected/Unexpected,
- Consistent/Inconsistent

Dependent variables:

Additionally, a two-item measure of message quality perceptions was included
- Very weak/Very strong,
- Very inferior/Very superior

INTENTIONS TO BUY FOOD ONLINE: (Kozup et al., 2003)

APPENDIX
Multi-Item Dependent Measures[a]

Nutrition Attitude (coefficient αs = .84, .85)[b]
1. I think the nutrition level of this product is (poor/good).
2. Based on the information provided, how important would this product be as part of a healthy diet? (not important at all/very important)
3. This product is (bad for your heart/good for your heart).
4. Overall, how would you rate the level of nutritiousness suggested by the information provided? (not nutritious at all/very nutritious)

Attitude Toward the Product (coefficient αs = .98, .98)
Based on the information shown for this food product, what is your overall attitude toward the product? (favorable/unfavorable, good/bad, positive/negative; all reverse coded)

Purchase Intention (coefficient αs = .97, .95)
1. How likely would you be to purchase the product, given the information shown?
2. Assuming you were interested in buying a lasagna food product, would you be more likely or less likely to purchase the product, given the information shown?
3. Given the information shown, how probable is it that you would consider the purchase of the product, if you were interested in buying a lasagna product?

Source Credibility (coefficient αs = .89, .84)
Based on the information provided, I believe the company (restaurant) marketing this food product is: (dependable/not dependable [reverse coded], untrustworthy/trustworthy, honest/dishonest [reverse coded]).

[a]All items were measured using seven-point scales.
[b]Coefficient alpha estimates are reported for measures in Studies 1 and 2, respectively.

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