ISCTE Business School
Instituto Universitário de Lisboa

CUSTOMER JOURNEY: A NEW APPROACH FOR RETAILERS

Sara Alexandra Gonçalves Rodrigues

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Supervisor:
Prof. Mónica Ferreira, ISCTE Business School, Marketing, Operations and General Management Department

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- Spine -

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Abstract

How can we distinguish a remarkable business from an ordinary one? Through their customer experience, the way the business is designed (Salsberry, 2017).

Customer journey appears as a starting point for organizations to start understanding their business and their customers, by mapping all the journey since awareness until the post-purchase stage. Identifying our company's critical touchpoints and crucial moments can be decisive to improve and lead our customers to the effective act of purchase or, in a more negative perspective, avoid losing them for competition.

Pure old marketing is based on the idea of rational customers and that they act according to their needs and to some defined reasoned stages, the amount of offers on the market and competition. In contrast, customer experience focus and sensory marketing develops experiences and feelings for the customers that go beyond mere functional aspects.

This dissertation aims to provide deeper understanding on how food retail companies can attract and retain customers', by understanding their customers' customer journey and by improving the shopping experiences developed for customers, rather than just relying on having the best prices and promotions on the market, and propose recommendations on how to create customers' journey and improve customer experience in store.

In terms of conclusion, organizations still lack in developing remarkable experiences and providing post-purchase follow up to question customers' shopping experience. The research suggests that five dimension must be taken into account when drawing the shopping experience, according to Schmitt (2000): sensory, physical, emotional, cognitive and social.

Keywords: Customer Journey, Customer Experience, Touchpoints, Food Retail

JEL Classification: M31, M37

Resumo

Como conseguimos distinguir um negócio memorável de um comum? Através da experiência do consumidor, da maneira como esta foi projetada (Salsberry, 2017).

O percurso do cliente surge como o ponto de partida para as organizações darem início à melhor compreensão dos seus negócios e clientes, através do mapeamento de toda a jornada desde que o consumidor ganha consciência que tem uma necessidade até à fase da pós-compra. A identificação dos pontos de contato críticos (touchpoints) da nossa empresa e os momentos considerados cruciais durante o percurso do consumidor, podem ser decisivos para a melhoria da experiência de compra e para levar os nossos consumidores ao ato efetivo de comprar ou, numa perspetiva negativa evitar perdê-los para a concorrência.

O marketing puro e antigo baseia-se na ideia de que os clientes são racionais e que atuam de acordo com suas necessidades e com algumas etapas racionalmente definidas, na quantidade de oferta disponível no mercado e na concorrência. Contrariamente, o foco na experiência do consumidor e o marketing sensorial desenvolvem experiências e sentimentos nos clientes que conseguem ir além dos meros aspetos funcionais.

Esta dissertação pretende fornecer informações sobre o modo como as empresas do setor do retalho alimentar podem atrair e reter clientes, através da melhoria de conhecimento ao nível do tema percurso do consumidor e através da melhoria das experiências de compras desenvolvidas para os clientes, ao invés de apenas apostar em ter os melhores preços e promoções do mercado, e por fim propor recomendações sobre como criar a jornada do consumidor e melhorar a experiência do cliente em loja.

Concluindo, as organizações ainda falham em desenvolver experiências notáveis e em fornecer acompanhamento pós-compra aos clientes para questionar a sua experiência de compra, em loja. A pesquisa sugere que existem cinco dimensões a ser tomadas em consideração ao desenhar a experiência de compra, de acordo com Schmitt (2000): sensorial, física, emocional, cognitiva e social.

Keywords: Percurso do Consumidor, Experiência do Consumidor, Pontos de Contacto Crítico, Retalho Alimentar

JEL Classification: M31, M37

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Chapter 1 – Introduction

Sometimes, we question ourselves *"what makes me like something"* and, more often than not, we cannot find the answer, either because it is ambiguous or unreasoned. This happens because our preference for a certain service or good is unconsciously realized. Consumers are self-interested, like contrast and stories, while at the same time being lazy by nature and visual and where emotion overcomes reason. However, as "traditional marketing" tends to be too rational, there was a need for another type of marketing, one that would fill its deficiencies (Rieunier, 2002).

What we are now witnessing is the birth of interactive consumers. Today's generations are growing up already knowing how to use a computer or a mobile phone.

Customers each day interact more with organizations through several touchpoints in multiple channels, fact that leads to the urge of complex customer journeys.

Meredith (2016a) explains that the true moment of experience for the customer is a unique and personal event that becomes memorable in customers' mind.

Having this said, the purpose of mapping our customers' journey is to get further understanding on ours customer's greatest motivations for purchase (Richardson, 2010b).

The research approach relies on an explanatory research where a convenience sample was considered. In order to complete the dissertation, a quantitative method was used as a primary source data, literature information gathering. In a second stage, a quantitative analysis was made from a questionnaire made to a convenience sample, followed by data analysis and recommendations.

The target population were all the Portuguese consumers' that do grocery shopping, more specifically in one or more of the supermarket under analysis: Continente, Pingo Doce and Lidl.

Regarding final conclusions collected, this dissertation aims to generate awareness to the importance of customer journey and providing the customer with a unique and memorable customer experience in store, in food retail organizations. Moreover, to detected some gaps of the Portuguese supermarkets and contribute as a basis for future researches on this matter to assist on creating sustainable solutions. For the purpose of the study the term *"customer"* will be used, rather than consumer, since the aim of the dissertation is to focus on the experience in store and in all of those that visit store, even if purchase and consumption may not occur.

According to Cormac Hughes (2014) companies considered customer-centric are more profitable than those that are not focused on the customer (Cormac Hughes, 2014).

Chapter 2 – Literature Review

2.1. Marketing and the customer

Back in the 50's marketing *was "based on a push/pull model in which the manufacturer designs a product to fill a need and then convinces the customer to buy with aggressive advertising, promotions, and distribution tactics"* states *"Customer Advocacy: A New Era in Marketing?"* (Urban, 2005). Nowadays, the author continues by explaining that the customer has gained power over time, leading to a new era in marketing called *"customer advocacy"*. This era is based on organizations providing complete and unbiased information to customers, in such way that allows to create a long-term loyal relationship among them.

In fact, if we look to the definition of marketing provided by the American Marketing Association (2013) *"Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large"*. Furthermore, Marketing is a tool for organizations to create, retain and satisfy customers.

Shaw & Tamilia (2001), explain that marketing has always existed and that one of the first definitions to urge was that marketing was a combination of factors to consider before accomplishing certain promotional and selling activities.

In 1990, findings showed that demand was much more than simply the *"purchasing power"*. Indeed, demand reflects customers' desires and their aptitude to purchase, and marketing has a major role in customers demand in such way that the author refers that new marketing experiences can increase customers' desire for purchasing. Nowadays, most organizations are customer focused, this means that organizations focus their activities, products and services on the customers' demand. Before implementing strategies, they must pass the test of customers' research (Robert, 1976).

"Advocate for your customers and they will advocate for you!" (Urban, 2005).

2.2. Customer Experience

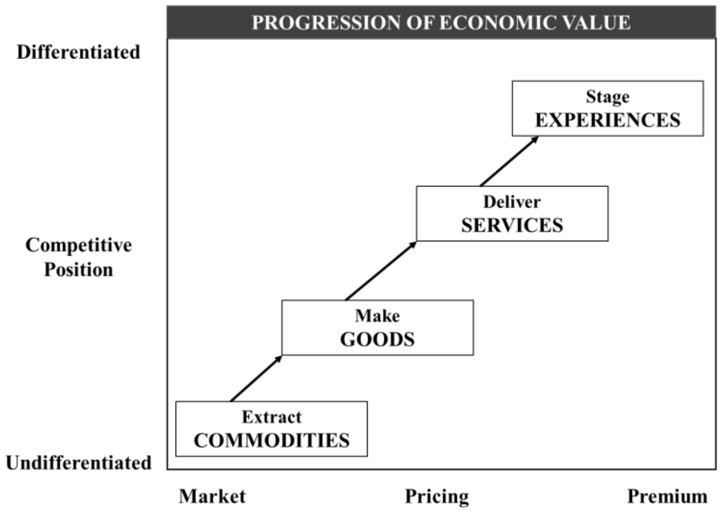
"Work is theater and every business a stage" – The Experience Economy (Gilmore & II, 1998).

Lemon & Verhoef (2016: 70) gave special attention to the conception that "*what people really desire are not products but satisfying experiences"*.

Indeed, great advances were made in this field when Gilmore & II (1998: 3) the concept of "experiences" as different from goods and services, enhancing that customers seek for an experience to *"spend time enjoying a series of memorable events that a company stages – as in a theatrical play - to engage him in a personal way."*

With the book *"The Experience Economy"*, Gilmore & II (1998), customer experience concept gained more relevance when the authors explained that *"experiences"* were new ways of economic offering, emerging after commodities, goods and services in such way that is called the *"progression of economic value"*.

Figure 1 - *The Progression of Economic Value*



Source: Welcome to the Experience Economy (Gilmore & II, 1998)

J Josko Brakus, Schmitt, & Zarantonello (2009) state that regardless of its nature and form, every time it exists a service exchange we are moving into a customer experience.

Deeper on the definition, Schmitt (2000) adopts a broader perspective while suggesting that customer experience is multidimensional and therefore that there exist five types of experiences (Gentile, Spiller, & Noci, 2007):

1. *Sensory (sense)* - the component directly related to sense stimulus and the goal when managing this dimensions is to provide the customer a good sensorial experience through the sight, smell, taste, touch and hearing (Gentile et al., 2007);
2. *Affective/Emotional (feel)* - this dimension deals with the customer affective system in order to incentive a specific mood, feeling or even emotion and the final purpose of such dimension is to create emotional bond between the customer and the organization (Gentile et al., 2007);
3. *Cognitive (think)* - is the customer experience dimension that relates to the customer's conscious mental process, or the thinking process (Gentile et al., 2007).In is dimension it is relevant to distinguish product of high involvement and products of low involvement. By high involvement FREITAS et al. (2013) defines those product in which the customer puts some effort to reach a decision on whether to purchase or not, searches for other brands and studies the prices in the market. On the other hand, products considered to be of low involvement are those that the customer does not puts any effort in collecting information about it before purchase (FREITAS et al., 2013).
4. *Physical (act)* - Refers to the layout and architecture of the store, features like having an elevator, good products signalization, cleanness of the space, having a large number of showcases, use wood as the main furniture material or even having low furnishing can improve customers' satisfaction (Martineau, 1958).
5. *Social-identity (relate)* - the dimension that includes the customer and his/her social context and relationships with others, in which customer experience can lead customer's to sense of a community and even incentivize consumption with other people (Gentile et al., 2007).

Brian Meredith (2016) refers to customer experience as being the outcome of a relationship over time between an organization and the customer, considering the existence of several interactions among them such as customer's awareness, desirability, curiosity and consumption.

Accenture (2015) explains that customer experience is about the way customers and organizations' stakeholders perceive all the existent interactions with the organization, through several touchpoints, which can occur either after or before the purchase moment.

It is crucial to have the customer's *"rational, emotive, sensorial, physical and spiritual"* involvement for the customer experience to happen. Furthermore, all of the events lived by the customer formerly and subsequently to the purchase are considered customer experience (Meredith, 2016a).

In the traditional marketing point of view, the physical elements, such as accessibility, availability, service, products and quality, are seen as main differentiators (Hong, 2016). In contrast, the author continues by saying that emotions are considered to be differentiator elements in customer experience management, as customers are not merely rational beings but indeed emotional ones that most of the times makes consumption decisions upon the search for fun, feelings and fantasies (B. Schmitt, 2000). Such emotional factors are almost impossible to replicate and *"cost-effective to produce"* (Hong, 2016).

Accordingly, McColl-Kennedy et al. (2015) argues that customer experience is created by elements that organizations can control and also by elements out of their control, for instance word-of-mouth, electronic devices and emotions.

Therefore, the effective moment of the experience is for the customer a unique and personal event, which can become memorable in the customer's mind due to the help of sensorial, emotional and even psychical stimulation (Meredith, 2016a).

Customer experience can start through a direct or indirect contact with the customer. The direct contact occurs when the customer is the one to start the purchase, no incentive is given by the organization. On the other hand there is the indirect contact which involves advertisements, newspapers reviews both positive or negative ones and word-of-mouth (Meredith, 2016a).

Additionally, Hong (2016) defend that organizations must focus in the customer experience design *"outside in"* instead of the regular *"inside out"* method, in order to provide greater experiences. That is, design the experience by thinking on what the customer will want to experience and not by focusing on what the organization will want customers to experience.

Over the years researchers have investigated and developed several theories on the consumer behavior, and in the 1980's a new experimental approach brought a whole new perspective to the studies of consumers' behavior. It was the first appearance of the concept customer experience (Gentile et al., 2007).

The main question is to understand if customer experience is actually new as a research topic, explain Doorn et al. (2010). In terms of marketing development, customer experience as a topic pursues the combinations of multiple long-lasting concepts of the marketing literature and, at the same time, contempt concepts strongly established to it such as customer satisfaction, service quality, relationship marketing and customer equity. The authors continue by saying that in order to comprehend the growing focus given to the concept of customer experience, *"we need to understand its roots"* (Lemon & Verhoef, 2016).

2.2.1. Customer Buying Behavior Process Models

The first steps on marketing theories urged in the 1960s, giving special attention to the topics customer decision process and experience when purchasing products (Lemon & Verhoef, 2016). One of the greatest contributions for this discussion, according to the authors, was Howard & Sheth (1969) model.

In the publications "A Theory of Buyer Behavior", Howard & Sheth (1969) enhance their objective of explaining the buying behavior of people over a period of time, more concretely *"to explain the brand choice behavior of the buyer"*.

The brand choice is not a random act, but instead systematic. The authors approach is that a great part of the customer buying behavior is "more or less repetitive", and that the customer defines different purchases cycles for different products which will define the periodicity of the buy. For some products, the cycle might be lengthier and the purchase less frequent, while for others it might be a shorter cycle and a more frequent buy. In order to simplify the repetitive brand-choice decision, the customer begins to store relevant information and establishes a routine in his decision process (Howard & Sheth, 1969).

The buyer's-choice decision, according to this theory, contains three main elements to be considered:

1. *A set of motives* that are usually specific to a product class and mirror the underlying need of the theory.
2. *Several alternatives course of action* that have the potential of fulfilling the customer's motives. There are three notions to retain regarding alternative brands. (1) The brands considered to be alternatives to the customer must belong to the same product class, according to the industry definition; (2) The brands that are alternatives of the customer's choice decision are frequently few, only a small portion of brands that the customer is aware of; (3) The alternative brands can differ among customers.
3. *Decision mediators* are a set of rules establish by the customer that will allow him to match his motives and his mean of satisfying them. Their function is to order and structure the customer's motives and then order and structure the several brands potentially available to satisfy them. Decision mediators are strongly influenced by the information gathered by the customer and also by the past and current experience of purchasing the brand.

Regardless of the source, the customer creates enough decision mediators to support him in the decision of purchasing a brand. If the brand reveals to be satisfactory, *"the potential of the brand to satisfy his motives for subsequent purchases is increased, and the probability of his buying that again is likewise increased".* Repeated satisfactory purchases lead the customer to a routine decision process, implying that decision mediators are well defined and that the customer has strong preferences. Nevertheless, it is important to be aware of variables that influence this whole process such as time pressure, customer financial status, personality traits, social and organization settings, social class and culture.

Despite the previous models, there are other that were a great contribute for the development of customer buying behavior: Lavidge & Steiner (1961) presented the AIDA model, attention-interest-desire-action; Schmitt (2003) states that the importance of tracking an experience is to better gain deeper understanding on how an experience can be enriched for the customer throughout the customer decision-making process; Neslin et al (2006) proposed a behavior process starting from problem recognition to search to purchase and to after-sales using multiple channels, built upon the theory of Howard & Sheth (1969).

2.2.2. Customer Satisfaction and Loyalty

The ability to measure and monitor customers reaction to organizations offerings is fundamental for the understanding and managing of customers' experience, mention Lemon & Verhoef (2016).

Customer satisfaction has been defined as the confirmation or disconfirmation of expectation of products performance by authors in the customer behavior literature, such as Olson & Dover (1976). Discussing satisfaction measurement under this definition is of great relevance to divide expectations into three categories: (1) expectations on the performance of the product or service, in which the customer predicts the benefits of such product or service; (2) expectations about the costs and efforts needed for the customer to purchase the product or service; and (3) expectations of social approval (Day, 1977).

According to Ralph L. Day (1977), the paradigm of confirmation/disconfirmation of expectations involves a direct multidimensional comparison process, since most of the products have more than one attribute capable of influencing customers' satisfaction level, in which the customer measures the extent to which his predicted expectations meets or surpasses the actual performance of the purchase. The evaluation process can occur based on (1) only one attribute that will be the essential one for the customers' confirmation or disconfirmation of expectations, leading to satisfaction or dissatisfaction respectively; (2) several attributes to be considered against expectations. Satisfaction is confirmed when all salient attributes, and dissatisfaction occurs when expectations do not correspond on any attribute; and (3) several salient attributes, in which the overall satisfaction happens when expectations meets or exceeds on a sufficient number of attributes that compensates the unsatisfactory ones.

Thus, customer expectations and effort are extremely important topics to investigate since they are *"major components of customer behavior"* and also, because management is able to influence the effort spent by customers on their expectations design (Cardozo, 1965).

The author explains that *"Customer effort includes the physical, mental and, financial resources expended to obtain a product"* and that the amount of effort may oscillate depending on the amount of information provided to the customer, turning the purchase decision into a more difficult process (few information or tremendously detailed information leads the customer to additional effort on information gathering and processing) or a more facilitate one (great deal of information available and relevant one simplifies and reduces the effort of the customer). Accordingly, customers' expectations on a product or service depends on the information collected from several sources by himself.

Some findings in the experiment conducted by the author are considered relevant:

- Effort and expectation are proved to be influencers of customer's evaluation of a product or service and, even more, a shopping experience;
- Negative disconfirmed expectations lead to a non-positive shopping experience;
- The more positive an evaluation of a product is, the higher the probability of a consecutive buy;
- Customers rely on expectations as their guidelines when evaluating a product or service and guidelines can be defined based on previous experiences;
- Customer satisfaction does not depend only on the product itself, but also on the experience of acquiring it, being considered a very complex concept to define since customer satisfaction may consider an "entire product bundle or offering" evaluation.

Roger Hallowell (1996) explains the link between customer satisfaction and customer loyalty, enhancing the influence that customer satisfaction has on customer loyalty. Loyalty is defined as behavioural and, when it includes ongoing relationships or even recommendations such as word-of-mouth, it urges from the beliefs customers' have that the *"quantity of value received from one supplier is greater than that available from other suppliers"*(Hallowell, 1996).

On the other hand, (Fournier, 1994) presents loyalty as an attitude, stating that customers' have different feeling, leading to an individual emergence of affection upon a product, service or organization. Feelings define the *"purely cognitive degree of loyalty"* of customers'.

Customer loyalty is of extreme importance for the main objective of strategic market planning among organizations, being a key factor to enable the creation of sustainable competitive advantages (Dick, 1994).

According to John H. Fleming & Asplund (2007) customer satisfaction is no longer enough and this topic is in fact a major concern amongst business leaders, researchers and academics when building robust customer relationships. More recently empirical results have distinguished customer's satisfaction in two groups: emotional satisfaction and rational satisfaction. *Emotionally satisfied* customers are those customers that are extremely satisfied with the organization and at the same time have a strong emotional connection with the brand. On the other hand, the *rationally satisfied* customers are the ones that even though they show to be extremely satisfied with the company, they lack on emotional connection with the brand. The author goes further in his explanation when stating that emotionally satisfied customers are the one that deliver greater value to organizations since they tend to *"buying more products, spending more for those products, or returning more often to or staying longer with the business".*

2.2.3. Service Quality

Since the 1880s that one of the major concerns among organizations was the achievement of quality in products and services. Although quality in tangible goods is possible to be described and measured by researchers, quality in terms of services remains poorly defined and researched (Parasuraman, Zeithaml, & Berry, 1985).

Moreover, the authors state that as a result of the rapid deregulation and growing competition between retail organizations, a massive search for *"profitable ways to differentiate themselves"* began. In fact, the delivery of high service quality proved to be one of the best strategies to accomplish success in such organizations.

Positive contributions for the market share and return on investment arise as benefits coming from quality inside the organization (Anderson & Zeithaml, 1984). Even more, the reduction of production costs and also the increase of productivity can be achieved through quality (Parasuraman et al., 1985).

Parasuraman et al. (1985) that services are intangible (because most services are not able to be counted, measured or verified, they are performances instead of products, heterogeneous (services performance varies from organization to organization and from customer to customer, (Lehtinen & Lehtinen, 1982) and impossible to separate the production from the consumption (services quality is usually delivered upon an interaction between the organization and the customer, argument that leads them to define service quality as an abstract and elusive concept. The authors continue by stating the difficulty in assessing service quality of organizations and that the most appropriate way of measuring it is to *"measure consumer's perception of quality"*, a huge challenge for researchers considering the inexistence of quantitative measures for such perceptions. In accordance, Takeuchi & Quelch (1983) convey that consumers have some constraints when trying to articulate quality and its requirements.

"Consumers are now demanding higher quality in products than ever before"(Takeuchi & Quelch, 1983).

Quality is defined by Parasuraman et al. (1985) as the *"conformance to requirements"*. For Garvin (1983), quality must be measured through *"internal"* and *"external"* failures. The author proposes counting the frequency of *"internal"* failures – failures that occur before the product abandons the factory – and *"external"* failures – failures that occur once the product is instore – in order to quantify quality.

As mentioned before, the purchase of good holds tangible variables to measure quality, such as label, package, feel or even style. On the other hand, services lack tangible components when measuring quality, customer can however relate services quality to the physical facilities, equipment and personnel experience (Parasuraman et al., 1985).

Following the same authors, service quality shows the level of how well customer's expectations were matched by the service level delivered. Furthermore, insights gained from the study *"A Conceptual Model of Service Quality and Its Implications for Future Research"* led to the construction of a tool to measure service quality, called the SERVQUAL scale. The definition of this scale is based on the concept of perceived quality.

Perceived quality is the customer's opinion of an organization overall merit (Zeithaml, 1988) product of the comparison made between customer's expectations and their perception of performance (Parasuraman et al., 1985).

For a better understanding of the scale proposed by the authors, it is essential to analyse the five gaps that affect the level of services quality identified by them.

First, *"the gap between consumer expectations and management perceptions of those expectations"*. Organizations are not always aware of what features a service must have to achieve greater quality in customer's mind, what features it must have to fulfil customer's needs, what features are synonym of high quality to customer's in advance.

Second, *"the gap between management perception of consumer expectations and the firm's service quality specifications"*. Organizations face some constraints in the pursuit to match customer's expectations, such as lack of resource, market conditions and even management indifference to the commitment to service quality.

Third, *"the gap between service quality specifications and actual service delivery*". One of the major challenges faced by organizations is their employees' performance. Although it is tried to create guidelines for employees on how to deliver the service correctly and on how to treat the client correctly, the performance of employees cannot be standardized.

Fourth, *"the gap between actual service delivery and external communications about the service"*. Communications and advertisements have the power of influence customer's expectations. Therefore, organizations must be aware of the existing risk of promising more than what they have to offer. If so, customer's expectations will start out high but soon the evaluation on the perceived quality of the service will ended up by being negative.

Fifth, *"the quality that a consumer perceives in a service is a function of the magnitude and direction of the gap between expected service and perceived service"*. The secret to achieve favourable service quality levels is to meet or surpass customer's expectations. Customers define the quality of a service according to the perspective they have of the current service performance, relating to what was expected.

Parasuraman, Zeithaml, & Berry (1985) continued the study by identifying the ten determinants of service quality: (1) Reliability, (2) Responsiveness, (3) Competence, (4) Access, (5) Courtesy, (6) Communication, (7) Credibility, (8) Security, (9) Understanding the customer, (10) Tangibles.

The authors conclude by stating that *"the perceived service quality is the result of the consumer's comparison of expected service with perceived service"* and that regardless of the service type, customers use the same criteria to evaluate the service quality.

The SERVQUAL model measures the quality of a service through the comparison of customer's expectation before and after the purchase. The model contains five dimensions of quality to measure: tangibles, reliability, responsiveness, assurance and empathy. Through each dimension, the SERVQUAL scale measures the gap between the desired by the customer and the real performance of the service, evaluating a total of 22 elements, using a Likert scale from 1 to 7 (Parasuraman, Zeithaml, & Berry, 1988).

2.2.4. Relationship Marketing

Creating a strong relationship with customers appeared to be a growing concern among organizations, state Lemon & Verhoef (2016). Marketing researches addressed their focus on the exchange amongst buyers and sellers. However, one of the main limitations in most studies and marketing strategies is their way of looking to this buyer-seller exchange as a discrete event, instead of an ongoing relationship (Dwyer, Schurr, & Oh, 1987).

For Dwyer, Schurr, & Oh (1987), before looking into relationship marketing it is important to notice that there are discrete transactions, those based on restricted communications and limited content, and relational exchange, that has discrete transitions as its starting point, with customer franchise as foundations showing an ongoing process.

Kotler & Zaltman (1971) enhance that the purpose of marketing is the existence of an exchange process, since marketing is only possible upon the presence of two or more parties with something exchangeable (goods and services exchanged for other goods, services or money), and even capable of providing communications.

Indeed, marketing main goal is the exchange relationship (Dwyer et al., 1987), while quality and customer service are the links between the relationships (Christopher, Payne, & Ballantyne, 1991).

Relationship marketing goes further in its definitions, since the focus relies on developing relationships with the suppliers, employees and market 'influencers'. Organizations must define strategies to address such markets and, to easily succeed, guarantee that they become embedded in the organizations' culture (Christopher et al., 1991).

Morgan & Hunt (1994) proposal on relationship marketing, is that the concept *"refers to all marketing activities directed toward establishing, developing, and maintaining successful relational exchanges"*. Authors continue by explaining the existence of "network paradigm" which defends that global competition increases considerably amongst organizations network, and furthermore the authors state that relationship marketing is part of this paradigm under development.

As for Dwyer et al. (1987) relationship marketing can be perceived as a marriage between the customer/buyer and the organization/seller. It all begins with the effective act of purchase; the moment begins that *"consummates the courtship*". Once the engagement is accomplished the *"marriage begins"* and the quality of the marriage will be defined by the way the organization/seller manages the relationship. Still, the author argues that both customer and organization *"agree to exchange"* exclusively with each other, as long as the trade proves to be favorable for both parties - *"Marriage [is a] restrictive trade agreement"*.

To succeed in relationship marketing it is crucial to have the presence of commitment and trust in the relationship. Upon the existence of such aspects, organizations become motivated to cooperate with exchange partners or customers in order to develop and preserve a better relationship investment, remain loyal to their partners hoping to achieve the long-term benefits projected and perceive their high risk actions as prudent due to belief that their customers will not act opportunistically. In the presence of commitment and trust, cooperative behaviours emerge leading to a successful relationship marketing (Morgan & Hunt, 1994).

The challenge marketing faces is the existence of traditional organizations functionally focused, instead of market attentive. Organizations should be giving special attention to the attempt of bringing employees together, through multi-disciplinary teams or by incentivizing networking. The relationship approach is the existence of a *"'pool of resources' from which the market facing teams draw members in order to achieve market based objectives"* (Christopher et al., 1991).

Emotions and perceptions related to the experience were only taken into account to the development of customer relationships, customer experience and marketing theories after the advances made in the field of relationship marketing (Lemon & Verhoef, 2016).

"The purpose of business is to create and keep customer" (Christopher et al., 1991).

2.2.5. Customer Relationship Management

The first appearance of the term *"customer relationship management"* occurred in the 1990s among the information technology (IT) vendor community and it is commonly used when discussing technology-based customer solutions (Payne & Frow, 2005).

How to manage relationships effectively with customers is a topic that over the years gain great importance among the academic community (Reinartz et al., 2004), more precisely, with the beginning of the 21st century organizations became more aware to the value they could earn from the relationship with customers (Lemon & Verhoef, 2016). Therefore, according to Reinartz et al. (2004) organizations have been adjusting their offerings and communication style, aiming to be more customer-centric rather than product- or brand-centric.

According to Reinartz et al. (2004) there are several valid CRM definitions, depending on what organizations believe about the right level of CRM: *"(1) functional, (2) customer-facing and (3) companywide."*. The challenge relies on defining CRM.

According to Payne & Frow (2005) organizations when adopting CRM strategies find several limitations in its implementation. For instance, in the article A Strategic Framework for Customer Relationship Management, the authors explain several interviews conducted to organizations executives and the finding were that to some executives CRM *"meant direct mail, a loyalty card scheme, or a database",* for the rest of them CRM relates to *"a help-desk or a call centre", "populating a data warehouse or undertaking data mining"*. Their conclusion on the topic is that the verified lack of knowledge in conceptualizing CRM processes has a major negative impact on CRM projects inside organizations, contributing to its failure.

Lemon & Verhoef (2016) state that several authors, such as Morgan and Hunt, Websterm Dwyer, Schurr and Oh, Mullhem, agree that organizations must recognize the following factors when conceptualizing CRM:

(1) To deliver the truly essence of marketing, it is crucial to build and manage ongoing customer relationships: Organizations must aim to build the right type of relationships, rather than building as much relationships as they can;

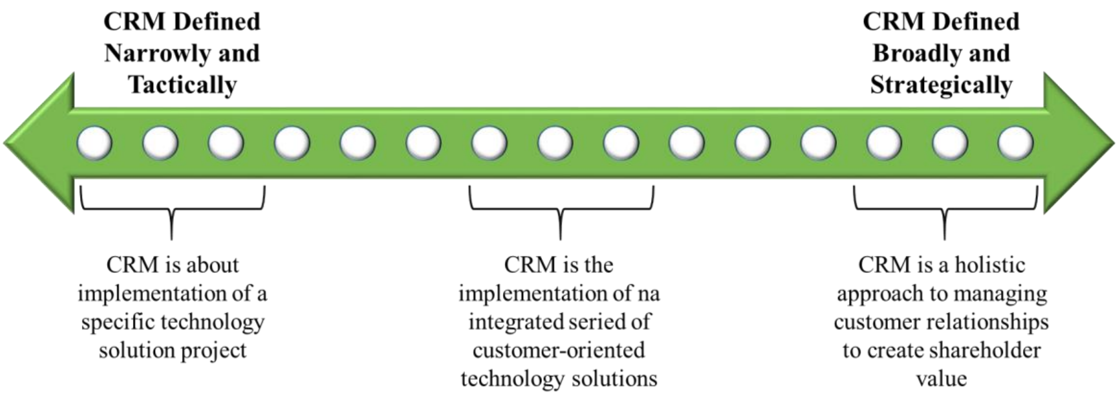
(2) Relationships progress and grow according to the different existing phases of relationships: CRM process evolves throughout time, based on interdependent transactions, leading to dynamism within the relationship;

(3) Organizations, at each stage, interact with customers and manage the corresponding relationships: Recognise that relationships evolution affect the organization and depending on the relationship stage, the interaction with the customer must be adapted accordingly;

(4) Relationship value is not homogeneously scattered to the organization: Happens due to the newest accounting practices adopted by organizations, more specifically "activity-based costing" (Reinartz et al., 2004).

"CRM can be defined from at least three perspectives: narrowly and tactically as a particular technology solution, wide-ranging technology; and customer centric. These perspectives can be portrayed as a continuum" (Payne & Frow, 2005).

Figure 2 - *The CRM Continuum*



Source: Adapted from "A Strategic Framework for Customer Relationship Management" (Payne & Frow, 2005)

CRM aim is to route all the organizational activities focus to the creation and maintenance of customers. Indeed, customer relationship management is about *"developing a cooperative and collaborative relationship"* amid the organization and the customer (Jain & Sharma, 2013).

Managing relationships brings several benefits for organizations, conclusion that proved to be the common statement of the innumerous approaches to relationship marketing literature (Reinartz et al., 2004). Furthermore, study findings showed that CRM process implementation lead organizations to higher performance levels, especially when organizations create and implement *"incentives and organizational scheme to support CRM-compatible behavior"*.

"Further exploration of CRM and its related phenomena is not only warranted but also desperately needed." (Zablah, Beuenger, & Johnston, 2003).

2.2.6. Customer Centricity

"It is the customer who determines what a business is, what it produces, and whether it will prosper" states Peter Drucker (1954).

Organizations should focus on fulfilling customers' needs, instead of just care about selling their products. Customer centricity had been a discussed topic over the years, but it was only in the 20th century, with the technological revolution, that organizations realized the opportunity urging. Managing their relationships with customers' towards information technologies, in such way that soon it became possible for organizations to collect, store and analyze relevant data about customers' habits and preferences (Shah, Rust, Parasuraman, Staelin, & Day, 2006).

A new era was coming and product centricity began to be replaced by a customer centricity approach among organizations.

Gulati & Oldroyd (2005) explain that the understanding of customer focus journey will enable organizations to predict coming challenges and to make investments on organizational resources. The authors present a four-stage path to a customer-focused culture:

(1) Communal Collaboration: create a centralized database with customer information, allowing to record all interactions amongst customer and organization. Primarily, the organization collects and standardize all the information gain through the contact of customers with the organization in the identified touch points. Secondly, the information is organized by customer, to further on the organization analyze each customer. The goal is to have a communal pool of information, constructed with the collaboration of every department;

(2) Serial Coordination: Once the pool is created, organizations move forward to *"drawing inferences"* from the information collected and analyses in the pool. Business units receive the information analyses and they start to *"identify how best to apply it in marketing efforts, building on their knowledge of the local markets"*. The most common departments that handle this type of information are marketing and sales, however in some organizations other departments might be involved;

(3) Symbiotic Coordination: This stage requires greater coordination than the previous ones, since organizations will now look to anticipate and shape the future of customers' interactions. The objective is to understand and question which customers are more likely to purchase a new product in the future or even which customers have higher probability of moving their purchases to a competitor. To correctly address this sort of questions, organizations enter a *"dynamic give-and-take"* flow, instead of the *"one-way information flow"* used until this stage. Meaning that *"information and decision flow back and forth between central analytics units, operating units, and marketing, sales, and other organizational units";*

(4) Integral Coordination: Finally, using the insights gained from the previous stages, organizations focus in the fourth stage is to present a more sophisticated understanding of their current customers, while including this understanding in the organization daily operation. From this moment on all areas within the organization were granted with autonomy to focus on the customer, becoming drivers of customer-focused initiatives. Organizations begin *"coordinating key activities across vertical*

and horizontal boundaries". A real-time response to customers' needs is now possible.

For Shah et al. (2006) the focus was to serve the customer, to take care of the relationship between organization and customer, enhance product's benefits in meeting customers' needs, customer satisfaction and customer loyalty, instead of merely focusing on selling products, highlight products features, having the largest portfolio of products and even the profitability gain per product (Table 1).

***Table 1** - Comparison of the Product-Centric and Customer-Centric Approaches*

	Product-Centric Approach	***Customer-Centric Approach***
Basic philosophy	Sell products, no matter who will buy	Serve customers, decisions start with the customer
Business orientation	Transaction-oriented	Relationship-oriented
Product positioning	Highlight product features and advantages	Highlight products benefits in meeting personal customer needs
Organizational focus	Internally focused, new product development, market share growth	Externally focused, customer relationship development, profitability through customer loyalty
Performance metrics	Number of new products, profitability per product, market share by product	Share of wallet of customers, customer satisfaction, customer lifetime value, customer equity
Management criteria	Portfolio of products	Portfolio of customers
Customer knowledge	Customer data is a control mechanism	Customer data is a valuable asset

Source: Adapted from "A Comparison of the Product-Centric and Customer-Centric Approaches"(Shah et al., 2006)

Shah et al. (2006) continues by saying that customer centricity is a fundamental condition for organizations to succeed in the 21st century and the challenge of this approach is finding a way to create value for both the customer and organization, and not on how to sell products.

2.2.7. Customer Experience Management

Tiina Hong (2016)affirms that customer experience management emerged as an extension of customer relationship management concept, a strategy used to manage interactions amongst organizations and customers', through the usage of technology to "*organize, synchronize and automate business processes".*

Criticisms to customer relationship management started to appear due to the concept non-considerations of customers' emotions and its impact on the relationship with the organization (Hong, 2016).

"Customer experience is created by the contribution of not only the customer's values but also the company providing the experience. It's a partnership" (Meredith, 2016a).

In 1998, Gilmore & II claim that an experience happens when organizations intentionally makes use of their services and products to provide a unique and memorable experience leading to the customer engagement. In other words, the authors state that the experience is the organizations responsibility.

However, Meyer & Schwager (2007) share a different perspective from the previous authors, suggesting that customer experience is *"advocated by the customer instead of the company".*

More recently, the proven theory to use when discussing who is ultimate responsible for creating the experience is the one, in which Prahalad & Venkat Ramaswamy (2004) argue that *"experiences are co-created by the customer and the company"*. In accordance, McColl-Kennedy et al. (2015) mention customers as co-creators of the customer experience and not merely passive recipients of what organizations provides them.

Nowadays customers' have the power to influence others consumption decisions (McColl-Kennedy et al., 2015), shape organizations internal processes (Alexander & Jaakkola, 2015) and even make suggestions for service innovation, design and experience delivered (McColl-Kennedy et al., 2015). As Achrol & Kotler (2012) state, *"the* *boundaries between customers, organizations, and other suppliers are becoming blurred”*.

According to Brian Meredith (2016) *“The customer experience is king”* and furthermore the author highlights some topics:

- Referring to customer experience is talking about the customer’s journey. Every customer starts their journey with a discovery followed by a first contact with the organization;
- Always remind that the customer journey also includes reviews and ratings;
- During customer’s journey, each and every touchpoint must be memorable and have an impact on the customer;
- Customer’s experience must stay simple, intuitive and personal, at the same time that incentivizes customers on future interactions and encourages loyalty.

Reinforcing, customer experience can occurs after, during and before the purchase moment (Hong, 2016).

According to (C. Shaw & Ivens, 2002) customer experience is based on a five stages theory: *(1) experience setting*, when customers define their expectations on a product or service, based on the brand image they have on the organization, adds or word-of-mouth *(2) pre-purchase interactions*, are all the activities that lead to purchase decision *(3) purchase interactions*, happens when the customer effectively decides to purchase *(4) product/service consumption*, relates to the experience customers’ have when consuming the product or service *(5) post-experience*, when customers’ reflect on the overall experience versus their expectations after consumption, in which customers’ will decide whether to keep on purchasing the product/service or to move to a competitor. After the final stage, the cycle starts all over again.

In addition, Gentile et al. (2007) state that the scientific contributions on customers’ experience discussions are getting richer and diverse, since there exist several authors with different perspectives and approaches to the concept of customer experience. The authors continue by saying that even though most authors have their own conceptualization of the customer experience, there are some aspects in which they all agree. Customer experience has a temporal dimension urged by the entire set of touchpoints between the customer and the organization (Gentile et al., 2007). Moreover, it is considered to be completely personal, allowing the engagement of customer on such levels as rational, emotional sensorial, physical and spiritual levels in various different ways.

Customer experience management framework proposed by (Lemon & Verhoef, 2016) contains five steps: *"(1) analyzing the experiential world of the customers, (2) building the experiential platform, (3) designing the brand experience, (4) structuring the customer experience, and (5) engaging in continuous innovation"*.

Johnston & Kong (2011) explain that customer experience is mostly used in the entertainment industry, for instance in theme parks.

Regardless of the service or product purchased by the customers, they will always live an experience, either positive, negative or even indifferent (Johnston & Kong, 2011).Hence, the author continues by defending that *"service always comes with an experience"*. Furthermore, overall services are opportunities for organizations to emotionally engage their customers.

The challenge relies on how organizations can design their customers' experience systematically, since *"good customer experiences are not prevalent"* (Johnston & Kong, 2011).

Indeed, customer experience is nowadays a *"fundamental business driver",* states Manning & Bodine (2012). Customer experience is a type of business innovation that cannot simply be copied, it is born from the need and desires of each organization customers', and in a way that expresses the uniqueness of the organization DNA (Gobble, 2015).

Bain & Co. made a survey to over 362 companies of several different industries and to the respective customers'. The findings show that 80 per cent of the interviewed senior executives mention that their organizations provide customers' a greater customer experience. In contrast, only 8 per cent of the respective customers agree with it (Johnston & Kong, 2011).

Over the years operations people have given much emphasis to service design, leaving behind the experience design (Johnston & Kong, 2011).

"The business man must understand the workings of the minds of his customers, and must know how to influence them effectively; he must know how to apply psychology to advertising" by Walter Dill Scott (Dragolea & Cotîrlea, 2011).

Zaltman (2003) encouraged the need for a deep understanding of the consumer through an analysis of emotional and unconscious aspects linked to rational and linear features. To relate these aspects, the author suggests a permanent interaction between areas that represent the comprehension of consumer studies: the brain, mind, society and body. This interaction allows for the understanding of the individual as a whole since the brain interacts with the social and physical world, the body captures information about the world that surrounds it producing thoughts and emotions, while society develops cognitive abilities of the individuals.

Customer journeys are one of the most fast developing areas nowadays, to manage the way customers' visit and behave in the store. The key to success is to rely on the touch, taste, and hearing, creating experiences, managing expectations, emotional bounding and triggering customers' memories. Supermarket chains such as Wal-Mart, Tesco and Carrefour invest hundreds of thousands of dollars per year to develop studies that aim to research their customers, track them inside their stores and, therefore, invest in innovation (Dixon, 2011).

Relationships between organizations and customer takes time to build and come from the experience customers have when purchasing a product or service from a certain organization (Hong, 2016).

2.2.8. Value Creation

When discussion the term *"value",* Vargo (2008) states that the definition of value differs from customer to customer, being *"always uniquely and phenomenologically determined by the beneficiary"*.

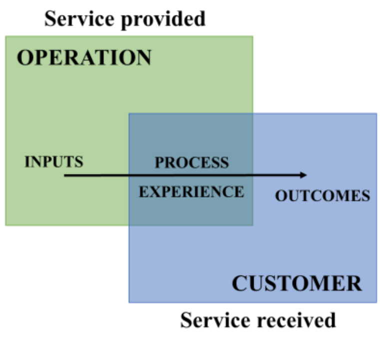
From the point of view of organizations, value exists when customers' pay for a service or product (Johnston & Kong, 2011).

When analyzing from the customer perspective side, the previous authors continue by saying that the value is created in the service received, from the experience had by the customer and the outcomes of this service, usually benefits.

Customer experience is customer's individual understanding of the service process, as well as their interaction and engagement during the whole purchasing journey, which is possible due to the journey touchpoints and the emotions they bring up on customers (Ding, Hu, Verma, & Wardell, 2010).

As we have seen previously, both organizations and customers' have different opinions when it comes to value creation on the purchase process (Figure 3) and it appears to exist misunderstandings in the literature when defining an experience and its difference to a service (Johnston & Kong, 2011).

Figure 3 *- The operation and customer perspective on service*



Source: Adapted from "The Customer Experience: A Road Map for Improvement" (Johnston & Kong, 2011)

The experience and value given to it is inherently personal, it depends on the point of view of the customer (Johnston & Kong, 2011), meaning that two people cannot have the same experience (Gilmore & II, 1998).

2.2.9. Neuromarketing

Reaching consumers' attention requires a deep understanding of all types of communication, verbal and non-verbal, aiming to achieve the unconscious minds of consumers (Zaltman & Coulter, 1995).

According to Damasio (1994), for an audience to process and understand a message they must be able to seize the rational and emotional meanings that are hidden behind the advertisements so that the next step may lead to a purchase. The common ways of hearing consumers' voices are still very limited and influenced by a great diversity of factors. Surveys, interviews or focus groups assume that consumers are able to describe their own cognitive process, but factors such as incentives, time or pressure tend to mislead participants into actually describing their feelings, focusing only on a rational and incomplete perception of the advertisements.

Zaltman (2003) encouraged the need for a deep understanding of the consumer through an analysis of emotional and unconscious aspects linked to rational and linear features. To relate these aspects, the author suggests a permanent interaction between areas that represent the comprehension of consumer studies: the brain, mind, society and body.

This interaction allows for the understanding of the individual as a whole since the brain interacts with the social and physical world, the body captures information about the world that surrounds it producing thoughts and emotions, while society develops cognitive abilities of the individuals (Zaltman, 2003). Any change triggered in one of the aspects will affect individuals as a whole. Due to this and in order to understand the emotional aspects of consumers, urges the need to develop a method that stimulates consumer information via multisensory channels.

If brands are able to understand consumers and the way they think, then they can offer consumers what they need and come up with the best way to communicate it. Neuroscience is the key to this issue as it "opens up" consumers' brains and allows neuroscientists to explore them (Maria, Ciprian-Marcel, Lăcrămioara, & Ioana, 2004).

According to Morin (2011), we must emphasize some key points of neuromarketing through which companies can improve their products, services, marketing, strategies and advertisements. Most of the aspects are made subconsciously and according to the author *"We buy, he says, out of fear"*. For the purpose, there exist some human features that should be considered strong "buy buttons" and they are:

(1) *Consumers are self-interested* – Many theories have been developed on whether the human being is or not selfish by nature such as Karl Marx *"Individuals are not selfish by nature; however, they are selfish through the environment they are in. Individuals cannot be selfish at all in order for society to function properly"* or Christophe Morin *"People are completely egocentric and all they want is something that will create a difference in their lives, eliminate pain and possibly bring them more pleasure."* Nevertheless, it is important to say that egotism is an important milestone (Maria et al., 2004);

(2) *Consumers like contrast* – Most of the time, customers actions can be explained due to inedited things. We try to captivate people's attention and memory through contrast (Maria et al., 2004). Looking to Christophe Morin (2011) perspective on such topic, the authors explains that customers will receive over 10,000 ad messages and only the ones with great contrast can captivate our attention;

(3) *Consumers are by nature lazy* - *"Keep it simple, stupid"* – U.S Navy 1960. Simplicity is an important aspect to take into account when advertising messages, and concerning the message it is recommended to keep it simple, but strong (Maria et al., 2004). According to Morin (2011), *"most companies tend to create abstract messages and use too many words";*

(4) *Consumers like stories* - Dooley (2011)

Morin (2011) recommends entrepreneurs to sum up and recap their strong selling points at the end of any promotional material since advertising with a strong beginning and end is catchier and appealing for consumers – generally, people's brains tends to pay more attention to the beginning and end of something than to the middle;

(5) *Consumers are visual* - Visual memory is stronger than the hearing one, hence the impact caused amongst consumers is higher. Most of the time humans make decisions visually without being aware of them, and only later realize the decisions they made (Maria et al., 2004);

(6) *Emotion overcomes reason* - "Give us the right emotion to ride on, and we'll buy what you're selling "When we experience an emotion, it creates a chemical change in our brain, hormones flood our brain and change the speeds with which neurons connect, and it's through those connections we memorize. We don't remember anything if there isn't an emotion attached to that experience." – (Morin, 2011). Reason is overcome by emotion. 'Zapping' has a tendency to progressively replace logic. The prevalence of emotive factors is invading the entire communication domain. Only a new emotive message can quickly take the focus off an older message (Maria et al., 2004).

According to Kotler (1973), *"the creation of a consumption environment that produces specific emotional effects on the person, like pleasure or excitation that can increase his possibility of buying".*

According to the Valentini & Riviere (2008), the atmosphere is comprised by the physical characteristics of the store such as layout, signs, colour, lighting, noise, smell and architecture that creates an image in the customer's mind. Rieunier (2002) states that the atmosphere has five main components:

1. **Visual factors**

Out of the considered *"five senses",* vision was seen as the most powerful one. However, there are studies that now indicate that this might no longer be the case. Whatever the case, there is no denying that any distinct design generates a distinct brand and that successful brands are, in their nature, capable of surviving the test of deconstruction (Lindstrom, 2013).

According to Rieunier (2002), the differences come from the light source and its intensity: natural light, or softened artificial one, will increase the well-being sensation and the time spent in a point of sale. In contrast, artificial and intense lights will increase customers' dynamism. As identified by the author, the colour and its degree of intensity play a major role in the retention of an image in our brain.

Lindstrom (2013) found that more than 80% of companies use sight to promote theirs brands. The eye is the most important component of a person's sight. Each eye creates a

2 dimensional image of visible objects, and then turns it into a visual image which the brain changes into a 3D image of objects, this sensation is called sight (Sayadi, 2015).

This is the sense we use most frequently, making sight the most used sense in marketing. In fact, we use it all day, every day, and every second since we wake up. Sight is the most relied upon and important sense for most humans and often drives a first impression. The human brain updates images must faster than it sees them. It is prepared to deal with each one of our head movements, oscillation, colour and image (Lindstrom, 2013).

2. Sonorous factors

Sound is crucial to create emotions in people and, moreover, to create an atmosphere for the story that is being told. Sound is connected to our emotional circuits. Hearing is passive, but listening is an active gesture. The sound of a brand must take into account those who hear and those who listen, since both hearing and listening influence consumers behaviour (Lindstrom, 2013).

Grahn & Brett (2007) demonstrates how the rhythm of music playing in store influences the service, the spending and even the movement of the store. Fast-tempo music will push the customer to leave earlier. On the other hand, slower music played at low volume will increase the time and the money spends inside the store. Music helps to put customers in a specific mood corresponding to the type of products that are sold and, sometimes, music, if connected to the product, can be a way to influence the buying behaviour of the customer.

Recent studies prove that people stay longer in a restaurant if the music playing has a slower rhythm, and that means more money spent. On average, clients spent 29% longer in restaurants that have calm and peaceful music, when comparing with restaurants with a more “energetic” music (Millman, 1985). Music has the power to create new memories, to recall the past and can take us to other places and periods.

In conclusion, music is a key aspect that must be included in every point of sale because it helps in creating a coherent sales environment, as well as having the power to influence the behaviour of customers (Lindstrom, 2013).

3. Olfactory factors

Our olfactory system can identify an endless list of smells that surround us on a daily basis and bring out pictures, sensations, feelings and memories. Smells affect us more than we think. Scientific studies have shown that 75 % of our emotions are generated through smell (Lindstrom, 2005). This may be the reason why the use of smells in a commercial way is increasing every day. The most famous technique of olfactory marketing in the food industry is the use of artificial smells to appeal to customers in the street, subway or supermarkets.

This sense is the oldest part of our brain and played a vital role in the survival of humanity, alerting us to distant dangers like fire. Through smell, animals know instinctively how to reproduce, find preys and avoid danger. And smell can also change our mood. The study results show an improvement of 40% in the mood of consumer when exposed to a pleasant fragrance, especially if this fragrance reminds us of a happy memory (Mood, 2016).

There are over one hundred thousand smells all over the world, where one thousand are considered primary odours. Each primary odour has the potential to influence moods and behaviours, and each person has a different perception of the same smell (Mood, 2016).

Different perceptions can result from differences in people, such as age, ethnicity and gender. For instance, women are more sensitive to smell than men (Valentini & Riviere, 2008), but it depends on the products, men stay longer than women in a shelf perfumed with spicy scent, while women are more sensitive to shampoo smelling than men.

When it comes to age, (Sarno, Doty, & Colburn, 2014), the sense of smell reduces as the person gets older; as for generation, people born before 1930 are more likely to recall natural when compared to younger generations, which respond more to food or artificial smells (Hirsh, 1992).

“Smell is a powerful wizard that transports us across thousands of miles and through all the years we’ve lived” – Helen Keller in Lindstrom (2013).

4. Tactile factors

Brands try to set off emotions in customers when they touch the product (pen, clothes, car steering wheel) or its packaging (perfume bottle, packet of chips) (Lindstrom, 2013).

"Customers instinctively want to touch things." Having an environment where customers' are encouraged to touch the products increases customer connection with the product (Reyhle, 2012).

Touch is one of the major determinants of the sensation of well-being (Rieunier, 2002). The feelings that a product creates in us are essential for the formation of brand awareness. According to recent studies, the feeling we get when we sit in a car or slid our hands through the steering wheel and the buttons has a greater influence in 49% of consumers that are thinking about buying the car. Only four out of a hundred people inquired say that the tactile feeling that the car transmits is irrelevant (Lindstrom, 2013).

Touch is one of the major determinants of well-being sensation. In a restaurant, the weight of cutleries, the softness of the napkins, and the comfort of a chair can affect the perception the customers has of the atmosphere, according to (Rieunier, 2002).

5. Gustative factors

The gustative sense is being used more and more nowadays as a way of convincing customers, by making blind-tests or just by providing samples of their products or free tasting promotional operations (Lindstrom, 2013). According to Rieunier (2002), customers are more willing to purchase a product that they have already tasted and liked. This sense is now highly mastered and exploited by producers in order to adapt their products to regional preferences: e.g. German consumer likes the sweet-salty mix, while the softly sour is preferred by the British consumer (Célier, 2004).

According to Dani & Pabalkar (2013), eating and drinking are associated with happiness and positive memories and that highlights that taste aspects should not be neglected by marketers. Also, the impact of adding taste or offering tasting experiences in a store not only increases the value but also the perceived benefits by customers inducing a positively view of the brand. Notice that even considering the mouth the first taste receptor, taste is a much more complex sense due to the dependence relation with the other senses. This has a real importance in the targeted market (Lindstrom, 2013).

Taste can therefore fuse all the different senses together in order to create a holistic brand experience. Name, presentation, environment, scent, sound and texture must be taken into account when branding with taste keeping in mind its deep connection to emotional states (Mittal, 2010).

Considering the Rieunier (2002) studies, the use of gustative marketing to convince customers, namely by blind-testing, sampling or free-tasting can be determinant in the food industry, as customers are more likely to purchase a product that they already tasted.

Summing up, Lindstrom (2013) suggests that the combination of senses can activate other sensory channels and create a greater impact on consumers mind. In a nutshell, this is Multisensory Marketing. *"You can't bore people into buying your product – you can only interest them"* – Jim Stengel, Global Marketing Officer P&G.

2.3. Customer Journey

Customer journey is the story of the customer experience, since the customer first contact with the organization until the stage where both customer and organization have a lasting relationship (Meredith, 2016b) and it is considered to be a iterative and dynamic process that flows from pre-purchase to purchase to post-purchase, incorporating past experiences and external factors (Lemon & Verhoef, 2016).

The interactions taken by customers' before they obtain their aiming is for Edelman & Singer (2015) the definition to use when discussing customers' journey.

For Norton & Pine II (2013), customer journey is a sequence of events in which the customer goes through to collect information, purchase and interact with the organization's products or services, this means, all the interactions amongst organization and customer at any touchpoint.

During customer's journey to purchase there are several critical moments when the customers is in contact with the organization and its offering, those moments are known as touchpoints (Rawson et al., 2013). The touchpoints can be divided into four categories, explains (Richardson, 2010a), *(1) Products*, refers to products, services, a specific software, hardware and even the existence of a website that customers can use during the purchase decision making *(2) Interactions,* more specifically a two-ways interactions that can be done in person (in store visits), on the phone, on website chats, discussion forums and social communications *(3) Messages,* is a one-way communications that includes branding, advertising, packaging and guide books *(4) Settings*, this means anywhere were the product or service can be seen or used, for example in a store, at a friend's house, during an event, a placement on TV.

For Lemon & Verhoef (2016) touchpoints can be *(1) Brand-owned:* customer interactions that occur during customer experience, being designed, managed and totally control by the organization like advertisement and website; *(2) Partner-owned:* customer interactions that occur during customer experience, being jointly designed, managed and control by the organization and its partners such as marketing agencies; *(3) Customer-owned:* characterized by being customers actions during the experience that are not under the control of the organization or associated partners, for example customer desires; *(4) Social/External:* external factor that might influence the customers actions, such as peers influence or online reviews for instance.

When proceeding in the journey to purchase, customers are in contact with several touchpoints that can have direct and indirect effects on the purchase and behavior of other customers. Even though it is a complex exercise, it is crucial that organizations identify their critical touchpoints, the ones that play a major influence in customers' (Lemon & Verhoef, 2016).

Customer journey can be mapped in many ways, but most commonly it appears in the form of an infographic map. When mapping it is possible to enhance the total experience or just give emphasis to a particularly part of the journey (Meredith, 2016b).

Richardson (2010b) refers to customer journey map as a *"very simple idea: a diagram that illustrates the steps your customer(s) go through in engaging with your company"*. Mapping customers' journey allows the identification of key interactions between the customer and the organization, bringing up questions about customer's feelings, its motivations and some considerations in each touchpoint of the journey.

It is a tool used to help organizations understand better each and every step taken by customers thought out all stages of customer experience and the amount of contact points between organization and customers' (Hong, 2016).

Even though touchpoints are a very important aspect to analyze when mapping customer's journey, the focus must be the entire end-to-end journey (Rawson et al., 2013).

The outcome of mapping journeys is the discovery of our customer's greatest motivation for purchase (Richardson, 2010b). Organizations should point out the journeys in which they need to standout, measure their level of performance in each journey so it is possible to later build cross-functional processes that will allow them to redesign and sustain the journeys. In parallel, organization must spread among employees the culture of change and continuous improvement to support the modifications on customers' journeys. Herewith, organizations can *"embed customer's journey into their operating models"* (Rawson et al., 2013).

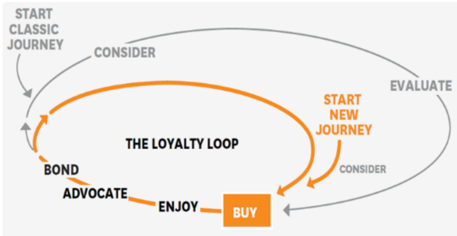
The more organizations know about their customers, the more they are able to respond effectively to their needs. Customer journey maps appeared as a method for organizations to know more and to better understand their customers (Meredith, 2016b).

Due to the competitive market, organizations are now more than ever trying to anticipate customers' moves and desires. Instead of just reacting to the journey chosen by the customer, organizations have begun to define customers' path, *"leading rather than following"* (Edelman & Singer, 2015).

The classic journey, in which consumers start their decision making journey with a deep and extend consideration and evaluation process before entering the loyalty loop or moving forward to a new round of consideration and evaluation that might lead consumers into a different brand purchase, has been replaced for a new journey (Edelman & Singer, 2015).

Hence, the authors move on explaining that the new journey shortens the consider step and moves right away to the buy one, leading the customers' directly to the loyalty loop and locking them within it.

Figure 4 *- Classic Journey versus New Journey*



CLASSIC JOURNEY

In the classic journey, consumers engage in na extended consideration and evaluation phase before either entering into the loyalty loop or proceeding into a new round of consideration and evaluation that may lead to the subsequent purchase of a different brand

NEW JOURNEY

The new journey compresses the consider step and shortens or entirely eliminates the evaluate step, delivering customers directly into the loyalty loop and locking them within it

Source: Adapted from "Competing on customer journeys" (Edelman & Singer, 2015)

2.3.1. Customer Journey Mapping Framework

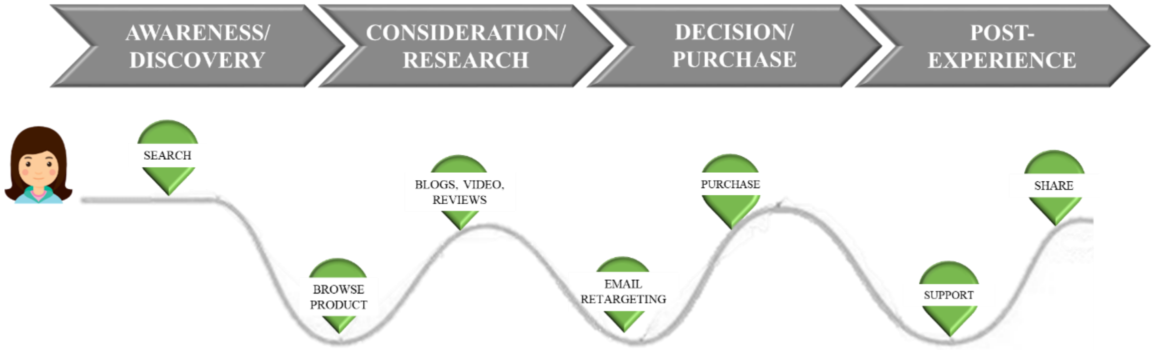
"There is no single right way to create a customer journey" – (Richardson, 2010b).

Customer journey is a diagram that represents the several interactions and touchpoints of a customer, as he/she moves from awareness to the post-purchase phase. The traditional marketing perspective on this topic is that the customer journey can be associated to a *"funnel",* containing five stages: Awareness, Consideration, Preference, Action, and Loyalty (Figure 5). Customer can either go through all five stages or can jump for stage 1: Awareness to stage 4: Action, for example, if someone trustable of him recommended the purchase. This leads to the conclusion that customer journey is not always linear. However the reality of today is slightly different in such way that the stages considered in the journey are: Awareness/Discovery, Consideration/Research, Decision/Purchase and Post-Experience (Figure 6) (Salsberry, 2017).

Figure 5 *-The traditional, linear funnel*

Source: Adapted from "Customer Journey Mapping Framework 1" (Salsberry, 2017)

Figure 6 *- General path of a digital customer journey*



Source: Adapted from "Customer Journey Mapping Framework 1" (Salsberry, 2017)

The empirical work on customer journey as proven to be limited, so Lemon & Verhoef (2016) focus their attention in the insights collect from what they consider to be the key elements in comprehending customer journey:

1. Service Blueprinting: the aim is to create an optimal service design, being customer-focused and searching for service innovation and service improvement. Service blueprinting is usually presented in the form of map, in which it is possible to see the *"entire service delivery process from back-office internal processes to front-facing customer interaction";*

2. Multichannel Management: with the entrance of the internet and the e-commerce the need to use a multi-channel approach became higher. Studies proved that most customer nowadays search for information before the purchase in a specific channel and then purchase in another channel. Different channel brings several benefits for organizations, as well as costs, leading most organizations to focus their investment in specific channels depending on the stage of the purchase;
3. Mobile Channel: the appearance of new channels and touchpoints made it possible for customer to switch across channels more easily, making the customer journey more complex. Mobile channel, due to its specific characteristics, are more suitable for customers to do their search and purchase, and moreover this type of channel makes possible cross-channels synergies.

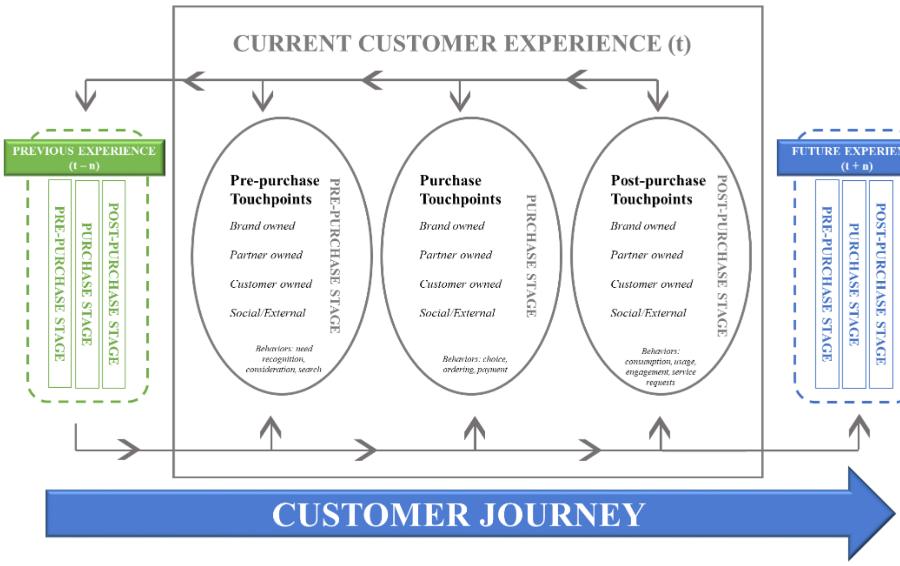
To start mapping the customer journey, organizations must guarantee that they know their customers *"intimately"*, by this Salsberry (2017) explains that an enormous level of customer understanding is required and for that organizations must understand their customer's experience with the brand, interaction with the employees and even the experience of purchasing specific product or service. Once collect the customer's motivations, desires and feelings, organizations are prepared to begin mapping.

The author continues by sharing that *"Starbucks does a remarkable job by mastering the concept of customer intimacy. It has a calculated journey of what the experience will be like right when the customer steps foot through the door. Take a moment, close your eyes and think about your experience right when you enter. The first thing that stimulates your olfactory sensors is the rich and pleasant aroma of roasted coffee beans. As you walk toward the smiling barista, you feel the warmth and cosiness around you while you hear the muffled chit-chat disappear into the tranquil background music. When you're handed your cup of joe, you see your name handwritten by one of the friendly baristas. If you're a regular, your barista knows you by name and your exact order. And this is just the beginning of the Starbucks experience. People generally do not remember the product that initially attracted them to the storefront or website. This coffee giant doesn't just sell a product. It sells what people are best at remembering – the experience. By packaging the product with the unforgettable experience, the company not only retains the most loyal customers, they are able to charge up to 10x more what a competitor could. Starbucks is* *one of the handful of companies who clearly understands customer experience and infuses that into the core of their business strategy."*

Lemon & Verhoef (2016) explain that customer experience, and therefore customer journey, can be structured towards three main stages (Figure 7):

- Pre-purchase: contemplates all interactions amongst customer and the brand, category and environment before the act of buying. Literature as considered the need of recognition, search, previous experiences and consideration as possible behaviors in this stage;
- Purchase: considers all the interactions between customer and brand, and environment, during the purchase. Some behaviors in this stage are choice, ordering and payment. Also, it is during this phase that the effective shopping experience occurs and due to it researchers' awareness towards this topic increased over years;
- Post-purchase: encompasses all interactions customer-brand and the environment after the purchase. Includes behaviors such as usage, consumption, post-purchase engagement and service requests. In this stage, the product becomes a major touchpoint and also the consumption experience, the repurchase, the return of a product or even service recovery are critical aspects to the analyses of the post-purchase stage. It is in this stage that the *"loyalty loop"* can emerge.

Figure 7 *- Process Model for Customer Journey and Experience*



Source: Adapted from "Understanding Customer Experience Throughout the Customer Journey" (Lemon & Verhoef, 2016)

As mentioned previously, (Salsberry, 2017) suggests the creating of a timeline so organizations can better understand customers' interactions in each stage. There are four critical points to comprehend and some questions to address when mapping are the following:

1. Actions: Identify que main actions performed by the customers; Identify customers' key actions that make them move forward to the next stage;
2. Motivations: Identify what drives the customer to move to the next stage; Identify the customer goal when proceeding to the next stage; Understand what the customer is feeling;
3. Questions: Identify customer's uncertainties; Understand if the customer is confused, looking for something specific; Understand in which stage the customer has more questions and address them as quickly as possible;
4. Pain Points: Identify the obstacles that do not let the customer move to the next stage (e.g. process, price).

Nevertheless, Lemon & Verhoef (2016) suggest that when drawing customers' journey customer segmentation must be taken into account, for instance the authors explain that *"millennials may prefer electronic connections, whereas for other generations, in-person contact (salespeople, customer service, and call centers) may remain crucial elements of the journey".*

2.4. Food Retail Market in Portugal

The food retail industry has been suffering major changes in what concerns business model, pricing model and store concepts over the last years (Loureiro, 2014).

The Autoridade da Concorrência, the entity that regulates competition in Portugal, states that the food retail is composed by all the stores along the Portuguese territory with formats of minimarkets, supermarkets or hypermarkets (Loureiro, 2014).

According to Doplbauer et al. (2016) it exists three formats regarding food retail stores: hypermarkets, supermarkets and discounters. Hypermarkets are the biggest stores, such has Continente, Jumbo and Pingo Doce hypermarkets, containing an enormous variety of products and prices in a well-organized and appealing space. In the essence of the definition of hypermarkets, its main characteristics are the existence of competitive prices and extended opening hours. Customers' usually visit theses stores for their monthly grocery shopping. In accordance, "Nielsen" (2017) characterize hypermarkets as being stores that sell food products, personal care and cosmetics, home-made cleaners and other products, working on a free-service and having a sales area greater than or equal to 2500 square meters.

Supermarkets, on the other hand, are smaller stores, with less diversity of products at affordable prices. These factors combined with location of the stores in the urban centers makes supermarkets the store for weekly and daily grocery shopping, identical to convenience stores. Some examples of stores are the Continente Bom Dia and Pingo Doce supermarkets (Rosa & Varatojo, 2004). Following the same reasoning, "Nielsen" (2017) definition for supermarket is stores that sell food products, personal care and cosmetics, home-made cleaners and other products, working on a free-service and having a sales area between 1000 – 2499 m^2, the large supermarkets, and those stores with a sales area between 400 – 999 m^2, the small supermarkets. To be considered in this definition there are still contemplated some stores having a surface inferior to 400m^2, such as a few stores of Pingo Doce and Mini-Preço.

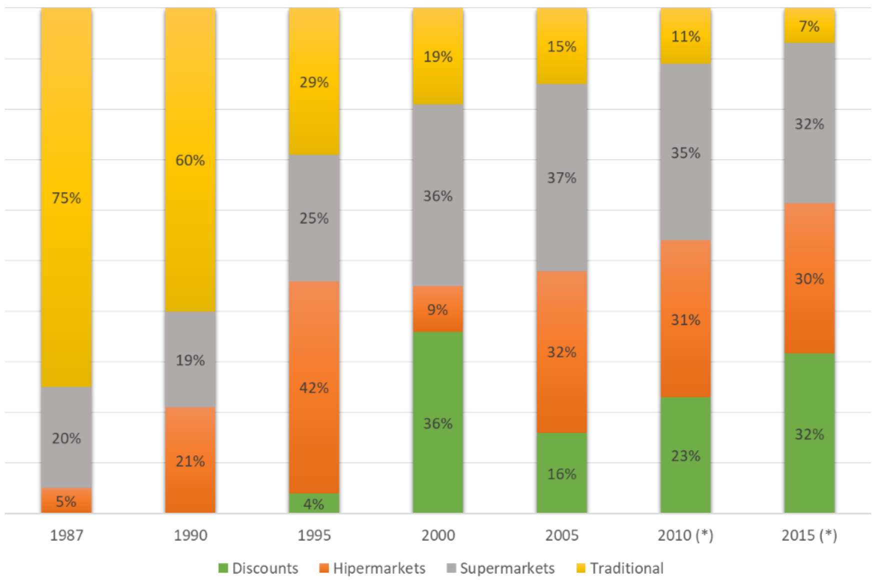
Discount format stands for a type of store less organized and careless when it comes to store appearance and products display. Focused on clients that are only concerned about price when facing the purchase decision making moment. Lidl, E'leclerc and Aldi are some players with discount format stores (Rosa & Varatojo, 2004).

The story of food retail stores in Portugal starts in the 70's with the opening of several super and hypermarkets of the nowadays Auchan Group. Later on the 80's, the food retail market begins to expand with the opening of Pingo Doce supermarkets, from Jerónimo Martins Group, and Continente hypermarkets, from Sonae Distribuição. It was the beginning of food retail industry expansion in Portugal (Loureiro, 2014). Later in the 90's Lidl enter the Portuguese market.

By the end of the 20th Century super and hypermarkets sales and market share had increase and surpassed the traditional retail stores (Loureiro, 2014).

However, with the new millennium some challenges emerged for the food retail organizations. Some factors such ha stores location and price began to gain great importance for the customer when purchasing. Indeed, the author refers, when analyzing figure 8, that the discount stores format had a fast growth, proving the customers' growing care in finding the best price, explains the author.

Figure 8 *- Food retail market share per format, in Portugal*



Source: Adapted from "Distribuição Retalhista Alimentar em Portugal: Análise do Impacto da Concentração e do Desequilíbrio do Poder Negocial Sobre os Produtores Agropecuários" (Loureiro, 2014); (*) Predicted data

According to Nielsen (Loureiro, 2014), the discount stores format were reversing the Portuguese consumption decreasing trend, representing 18% of the consumption market. Customers' have the idea that discount format stores have lower prices and a more convenience geographic location when comparing to hypermarkets and supermarkets format stores. The author reinforces this point by stating that customers' are now more than ever price sensitive.

Quoting news released by Jornal de Negócios (Aveiro, 2013), *"Five of the biggest food distribution groups concentrate 73% of the market in Portugal. The concentration degree* *of food distribution is "particularly high" in Portugal, even when comparing with Spain, according the last analysis of Informa D&B".*

Indeed, according Nielsen (2017) the ranking for Hypers+Supers in Portugal is the following (the data used to achieve such ranking were sales in value for the year 2016 using the dashboard service for FMCG products, total basket type):

***Table 2** - Food retailers in Portugal ranking, per market share*

Retailer in Portugal	Ranking
Total Sonae	1st
Total Jerónimo Martins	2nd
LIDL	3rd
Intermarché	4th
Mini-Preço	5th
Auchan	6th

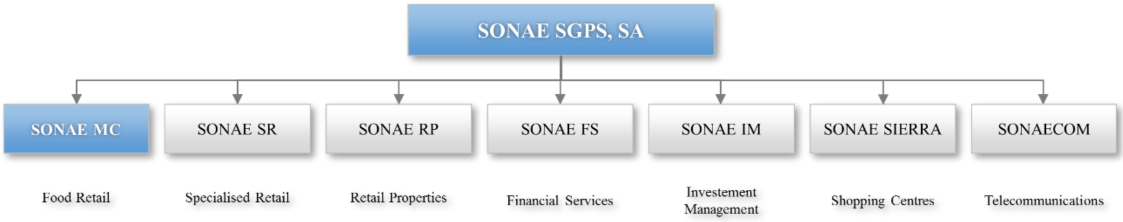
Source: "Nielsen" 2017

2.4.1. Sonae SGPS, SA

Founded in 1959, Sonae's initial core business was processed wood, more specifically, the production of high-pressure decorative laminated panels. Over the year the Group began to diversify its portfolio of companies and in 1983 Sonae and Promodès create a joint-venture with the purpose of renew the distribution and retail industry in Portugal. Later on, in the same year, the holding Sonae Investments, SGPS, SA was created and Sonae entered with success the Portuguese stock market (Sonae website: History).

Sonae SGPS, SA holding is divided into sub-holdings being Sonae MC the one corresponding to the food retail business within the Group:

Figure 9 *- Sonae SPGS, SA Portfolio*



Source: Adapted from Sonae SPGS website page (Sonae website: The Group and the Businesses)

Sonae SGPS, SA in their corporate website present the group main shareholders:

- Efanor 52,64%
- BPI 8,9%
- Fundação Berardo 2,5%
- Bestinver 1,98%
- Others 33,53%

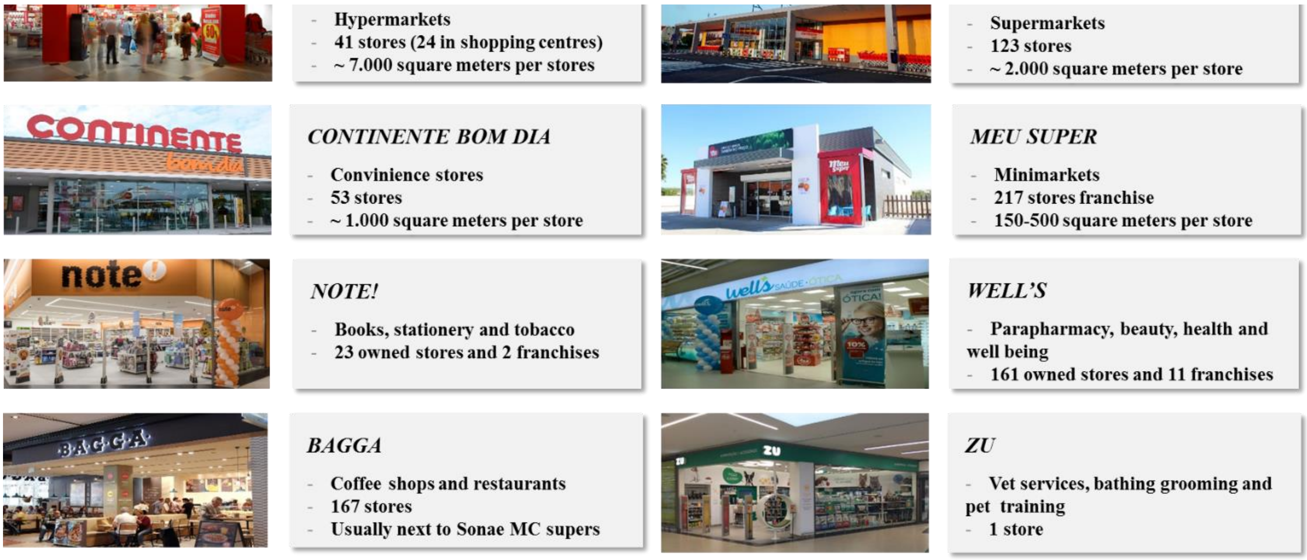
Table 3 - *Sonae SPGS, SA Portfolio*

Sonae MC
Sonae MC is the food retail national leader in Portugal, with a wide and diverse range stores formats offering an enormous variety of products with high quality and best price: Continente hypermarkets, Continente Modelo supermarkets, Continente Bom Dia convenience stores, Meu Super minimarkets considered to be proximity stores in a franchising model, Bom Bocado and Bagga cafeterias and restaurants, Note! book and stationery stores, Well's health care and optics stores, and ZU vet services stores. Sonae MC is 100% owned by Sonae SGPS, SA.
Sonae SR
Sonae SR concerns the non-food retail, more specifically the specialized retail through the brands Worten for household appliances, electronics and entertainment, Worten Mobile for mobile telecommunications, Sport Zone for sports clothes and equipment, MO for clothes, shoes and accessories, Zippy for baby and child clothes, shoes and accessories and Losan for wholesaler of child clothes. Sonae SR is 100% owned by Sonae SGPS, SA.
Sonae RP
Sonae RP is the sub-holding of Sonae SGPS, SA that cares retail properties. It was founded in 2009 and it aims to optimize the management of the retail real estate assets in alignment with Sonae strategy, facilitating this way the growth of its retail business. Sonae RP is 100% owned by Sonae SGPS, SA.

Sonae FS
Sonae FS it is the most recent business unit of the group, responsible for the coordination of financial services. This segment includes the “Cartão Universo”, “Cartão Dá”, Continente Money Transfer and the credit services in store, Sonae FS is 100% owned by Sonae SGPS, SA.
Sonae IM
Sonae IM is the portfolio investment management area with the purpose of create and manage a portfolio of technological companies connected to the retail and telecommunication industries. Currently, Sonae IM portfolio includes the WeDo Technologies, Saphety, Bizdirect, S21sec, Movvo and Bright Pixel companies. Sonae IM is 16% to 89,9% owned by Sonae SGPS, SA.
Sonae Sierra
Sonae Sierra is an international company dedicated to serve the needs of retail real estate investors. The company holds 44 shopping centres with a market value of €6 billion. Sonae Sierra is 50% owned by Sonae SGPS, SA.
Sonaecom
Sonaecom is the telecommunications sub-holding of the group with participation on NOS, a company with services in the telecommunication, television and entertainment sector. The participation of Sonae on NOS is 23,4%.

Source: Adapted from Sonae SPGS website page (Sonae website: The Group and the Businesses)

Figure 10 *- Sonae MC, business formats*



Source: Adapted from Sonae SPGS website page (Sonae website: The Group and the Businesses)

According to the news released (Sonae website: Press Releases, 2016), Sonae MC, the food retail unit of Sonae SGPS, SA saw its sales grow in 8,4% in the third trimester of 2016, a significant value of €993 million euros, accelerating the growth trend observed in the last trimesters. Summing up, in the first 9 months of 2016 Sonae MC reported to grow 5,3% of its business volume, reaching €2.685 million euros.

With these results, Continente reinforces its position as market leader in Portugal, counting with 79 new stores under the most recent concept of the group, Continente Bom Dia convenience stores and Meu Super minimarkets.

According to Luís Moutinho, Sonae MC CEO (Sonae website: Press Releases, 2016) *"2016 has been a permanent progression, due to our clients' recognition on the group new value proposition that includes the best prices in Portugal. This evolution has been potentiated thanks to the investment made on the expansion of our convenience stores format, more specifically Continente Bom Dia and Meu Super, which are taking Sonae MC benefits to more and more customers all over the country".*

Continente

According to Sonae website: History, Continente is one of the biggest chain of hypermarkets in Portugal that belong to the Sonae Group. Appeared in 1985, with the opening of the first hypermarket in Matosinhos, a huge mark in the history of Sonae.

Sonae retail business Continente, counts with 3 stores formats: hypermarket stores format with an average area of 7.000 square meters per store (Continente), supermarket stores format with an area around 2.000 square meters per store (Continente Modelo) and convenience stores format with an area of 1.000 square meters (Continete Bom Dia).

According to Brito (2015), Continente in Matosinhos was known by *"Gigantão Baratão",* meaning the *"Cheap Giant"* and during the first months the store received excursions coming from all over Portugal just to visit the store.

In 2007, Carrefour Group in Portugal announced their intention to sell their hypermarkets and further in that year Sonae closed the deal, buying 12 Carrefour stores to open in 2008 has Continente hypermarkets.

The success of Continente hypermarket was such that it counts now with 41 Continente hypermarkets, 53 Continente Bom Dia supermarkets and 123 Continente Modelo supermarkets (Sonae website: The Group and the Businesses).

2.4.2. Jerónimo Martins

According to Jerónimo Martins website: The Group, in 1792 a young boy named Jerónimo Martins, born in Galicia, arrived to Portugal and soon opened a small store in Chiado, Lisbon. The store quickly became the most reputed in the capital, supplying the royal house and the embassies. During the 19th century the store prospered and gain reputation.

In 1920, two of the partners of the great warehouses of Porto (Francisco Manuel dos Santos and Elísio Pereira do Vale) reach an agreement with Jerónimo Martins family and buy the store in Lisbon. In 1940, Jerónimo Martins establishes a partnership with Unilever for the development of margarines and detergents.

10 year later, the group made the decision of entering the business of the modern food distribution in Portugal, with the creation of Pingo Doce and in 1980 the first stores opened. Pingo Doce made a joint-venture with Delhaize, the largest Belgian food retailer, a strategic move that allowed to reinforce the growth of the Group and to bring to Pingo Doce the know-how and the passion for the perishables business.

When completing 200 years of history, Pingo Doce reposition its strategy and at the same time begins to count on the Dutch Ahold as a partner for the development, support and growth of the supermarket chain.

The group acts currently in 3 different regions: Portugal, Poland and Colombia (Jerónimo Martins website: Our Business) .

Figure 11 *- Jerónimo Martins Business Structure*

Source: Adapted from the *Annual Report 2016: The Jerónimo Martins Group* (2016)

Jerónimo Martins SGPS, SA is 56,1% hold by Sociedade Francisco Manuel dos Santos, SGPS, S.A., 5,0% hold by Aberdeen Asset Managers Limited, 5,0% hold by Heerema Holding Company Inc., 2,2,% hold by BNP Paribas Investment Partners, Limited

Company and the others 31,7% are from scattered capital and own shares (*Annual Report 2016: The Jerónimo Martins Group*, 2016).

The consolidated sales of Jerónimo Martins Group reached the €10.738 M in the first nine months of 2016, 5,5% higher than in the same period of 2015. The net income on a comparable basis reached €266 M, more 12%. Pedro Soares do Santos, Chairman of the Board of Directors and Chief Executive Officer of the Group, states that *" The performance of the first nine months of the year validates the strategy defined and ensures the achievement of the goals we set for 2016"* (Jerónimo Martins website: Media, 2016).

Pingo Doce closed the first nine months with 5% of sales growth over the homologous period, Biedronka represents already 67% of the total amount of sales of Jerónimo Martins Group and Ara arrived to the region of Bogota and the acceptance of the insignia is encouraging for the Group refers Pedro Soares dos Santos (Gonçalves, 2016).

According to Jerónimo Martins annual report (*Annual Report 2016: The Jerónimo Martins Group*, 2016), in Portugal Jerónimo Martins the leader in terms of food distribution, counting already with 413 Pingo Doce stores and 42 Recheio, the leaders in the Supermarket and Cash & Carry segments respectively. Moreover, the group invested in developing projects that proved to be complementary to the food retail business such as Refeições no Sítio do Costume Restaurants and Take Away, Petrol Stations and Bem-Estar stores. Other brands developed by the group in partnership with specialised operators are Code (clothes) and Spot (shoes and banners).

The most recent investment of the Group is Jerónimo Martins Agro-Business (JMA), a branch of the business that will allow the Group's *"direct access to the supply of strategic products, thereby guaranteeing the Group's internal need, most specifically in the areas of dairy products and beef".*

<u>Pingo Doce</u>

Pingo Doce is a Portuguese chain of supermarkets, considered to be the leader in this segment (*Annual Report 2016: The Jerónimo Martins Group*, 2016), with a sales volume of €3.558 M in 2016. The company counts has 404 stores divided in 3 stores format:

Super, Mega and Hyper depending on the area of sales available. Has 23.000 employees all over Portugal and its mission is to be the best supermarket chain operating Perishable products in Portugal, with capacity to maintain trust a long-term relationship with its customers, providing high quality, family-friendly solutions at competitive prices (Jerónimo Martins website: Our Business).

In 2012 with Portugal plunged into a deep economic crisis the bank holiday of the 1st of May was marked by Pingo Doce with the biggest promotional offer ever seen in the country – an immediate 50% discount. Furthermore, this was the moment of Pingo Doce repositioning in the market, turning from an everyday low-price supermarket to a discount one. Currently Pingo Doce counts already with 413 stores in Portugal.

Recheio

Recheio is the leader of the Cash & Carry segment in Portugal. With 42 stores, its mission is to contribute for the growth and sustainability of its clients. Aiming to be its client's main business partner, Recheio also enhances the importance of developing a trust relationship with the clients, offering them products that meet their businesses daily need, with great quality and low price (Jerónimo Martins website: Our Business). The company sales are €878 M, in 2016. Focusing on the HORECA channel, Recheio developed for each sector a trusted brand: MasterChef (to use for meals preparations), Gourmês (to have on the table of restaurants, cafes and similar) and Amanhecer (for traditional retail stores). Besides the stores, Recheio has three Food Service Platforms – Caterplus and the Amanhecer stores concept.

Biedronka

In 1994 Poland was identified by Alexandre Soares dos Santos as the ideal country for begin the Group's internationalization. Biedronka is a chain of food stores in Poland, whose positioning combines assortment high quality, store environment and proximity locations at competitive prices. The insignia is the food retail sales leader in the country, operating with 2.722 stores. Later on, Jerónimo Martins Group entered the drugstores sector with Hebe banner dedicated to cosmetic and dermocosmetics and the pharmacies sector with Apteka Na Zdrowie. Biedronka volume of sales was in 2016 €9.781 M (Jerónimo Martins website: Our Business).

Ara

Colombia was identified as the next country to move forward in terms of the Group's internationalization and in 2013 the first Ara stores opened. Ara is the food retail chain held in Colombia with a business model adapted to the Colombian customer, molded to the consumption habits of the population. Ara stores are characterized to be proximity stores, located in neighborhoods, with a cheerful and colorful store environment to provide a pleasant shopping experience. Ara has nowadays 221 stores and a value of sales ascending the €236 M in 2016 (Jerónimo Martins website: Our Business).

2.4.3. Schwarz-Group

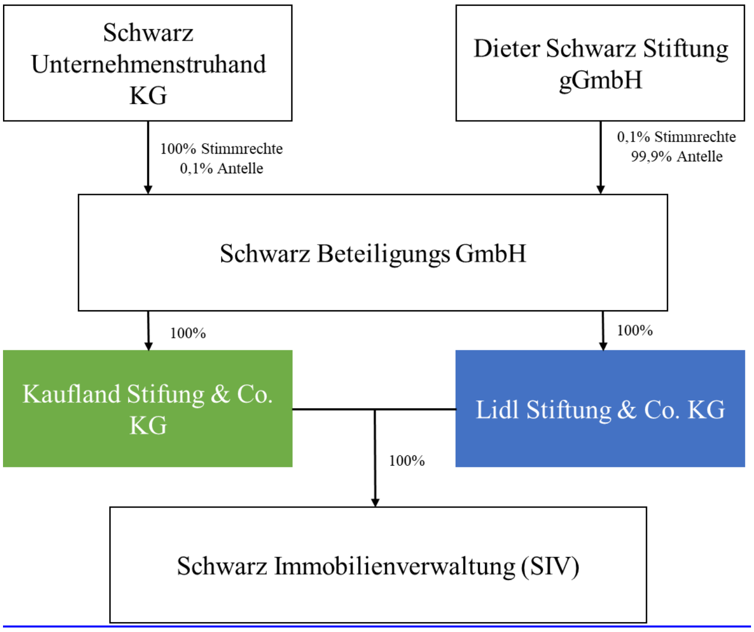
Schwarz Gruppe GmbH is a private German retail group, family-owned that operates with two insignias in the food retail market: Lidl - discount stores, and Kaufland - discount hypermarkets ("Lidl reports 9% revenue growth in 2015/2016," 2016).

Südfrüchte Großhandel Lidl & Co. was a fruit wholesaler until 1930, year when Josef Schwarz became partner of the company and transformed it into a general food wholesaler. Years later, due to the World War II, Lidl passed through a reconstruction period that last 10 years, since during the war it was completely destroyed (Schwarz Gruppe website). Continuing with the website information, after the opening of Lidl first stores, the expansion in Germany last until the end of the 80's. Only after, Lidl started its internationalization across Europe with the creation of independent companies in each country.

Later on, the focus began to be the discount markets, large supermarkets and cash and carry wholesale markets. The aim was to cut cost and therefore, Schwarz rigorously removed all the merchandise that did not sell and looked for small stores (Jochen & Treser, 2004).

In 1994 Lidl opened in the United Kingdom and since then its growth has been exponential. One year later it was established in Portugal with opening of thirteen stores. In 1997, due to the demanding market in Portugal, Lidl opened an area for Fruits and Vegetables (Lidl website: Lidl em Portugal).

Figure 12 - *Schwarz Group Structure*



Source: Adapted from Schwarz Gruppe website

The group had in 2015/2016 financial year a revenue of EUR85.7 bn, a growth of 7% when comparing with the previous year. As for Lidl and Kaufland, revenue numbers achieve the EUR64.4 bn, 9% growth, and EUR21.1 bn, 4% growth, respectively.

Lidl

Lidl Stiftung & Co. KG is a German discount supermarket chain, owned by the Schwarz-Gruppe the fourth largest retailer in the world, counting with more than 10,000 stores (*2017 Top 250 Global Powers of Retailing*, 2017).

The organization best performances were in the Spanish, Republican Czech and Austrian markets. Regarding investments, the majority of Lidl funds will be assigned to the new stores opening and stores remodelling, according to Lidl's' new store concept.

In Portugal, Lidl counts with 236 stores (Lidl website: Lidl em Portugal) and has been investing in their new stores model (Nobre, 2015).

Although the new store concept of Lidl, the organization aims to give customers' a better and new shopping experience, while at the same time remaining a discounter as Sven Seidel, Member of the Board, stated *"We are a discounter and we will remain a discounter. We will create a new moderns shopping experience, but we will not give up on our discount store model which lies on fundaments like limited assortment, simple processes and good price"* ("Lidl reports 9% revenue growth in 2015/2016," 2016).

Kaufland has stores in seven countries: Germany, Bulgaria, Croatia, Czech Republic, Poland, Romania and Slovakia and it is nowadays under a five-year programme to remodel all stores in Germany.

Chapter 3 – Methodology

3.1. Identification of type of thesis

The scope of this thesis is to get further knowledge in customers' journey and customers' shopping experience in the Portuguese food retail segment, and how organizations can differentiate themselves from competitors by providing their customers with a better shopping experience through rethinking customers' journey.

Due to the fact that this does not concerns a case-study on a specific organization, neither a business plan or project development, the thesis form to develop is a dissertation.

3.2. Research Problem

Roland Berger (2009) released a report aiming to analyse the evolution and concentration of the retail industry and modern distribution and the impact on client satisfaction. According to the report, some arguments presented by the European Parliament highlighted are fact that *"The distribution industry, in most of the European Union countries, is increasingly dominated by a reduced number of supermarket chains"* and *"Consumers can be confronted with a smaller variety of products, retail outlets and culture".*

At the same time, Haitong bank analyst reveal that the promotions developed by the two major players in the Portuguese food retail industry, Sonae and Jerónimo Martins, can have a great negative impact in the market and in both companies revenues – *"We believe that with all the promotional noise in the market, it is increasingly difficult for these promotions to take effect and we believe that the increase in sales is largely outweighed by erosion in profit margins"* (Sanlez, 2017).

On the other hand, as the world is becoming more and more advanced technologically so are marketing strategies also growing, and in a world where consumers have the power due to the technological tools available but lack time in their busy daily life, some choices must be taken in the customer experience strategies (Luthy, 2017).

In 2016, Meredith (2016b)explained the importance of customer experience and defined it as the story of customer experience, from the very first customer contact with the organization until the stage of a lasting relationship between customer and organization.

Regarding the previous thoughts, urges this dissertation research problem:

"How can food retail companies attract and retain more customers through the use of customer journey and customer experience strategies?"

3.3. Research questions

Below are presented the main guideline of the research questions:

- Do customers purchase more if they are emotionally satisfied with the supermarket brand where they shop?

- Does the existence of stimulus on the 5 dimensions of customer experience (5 senses, physical, emotional, cognitive and social), in store, leads customers to emotional purchases?

- Do supermarket chains provide their customers with post-purchase follow-up on their shopping experience?

- What is important for customers to enter the loyalty loop and become loyal ones?

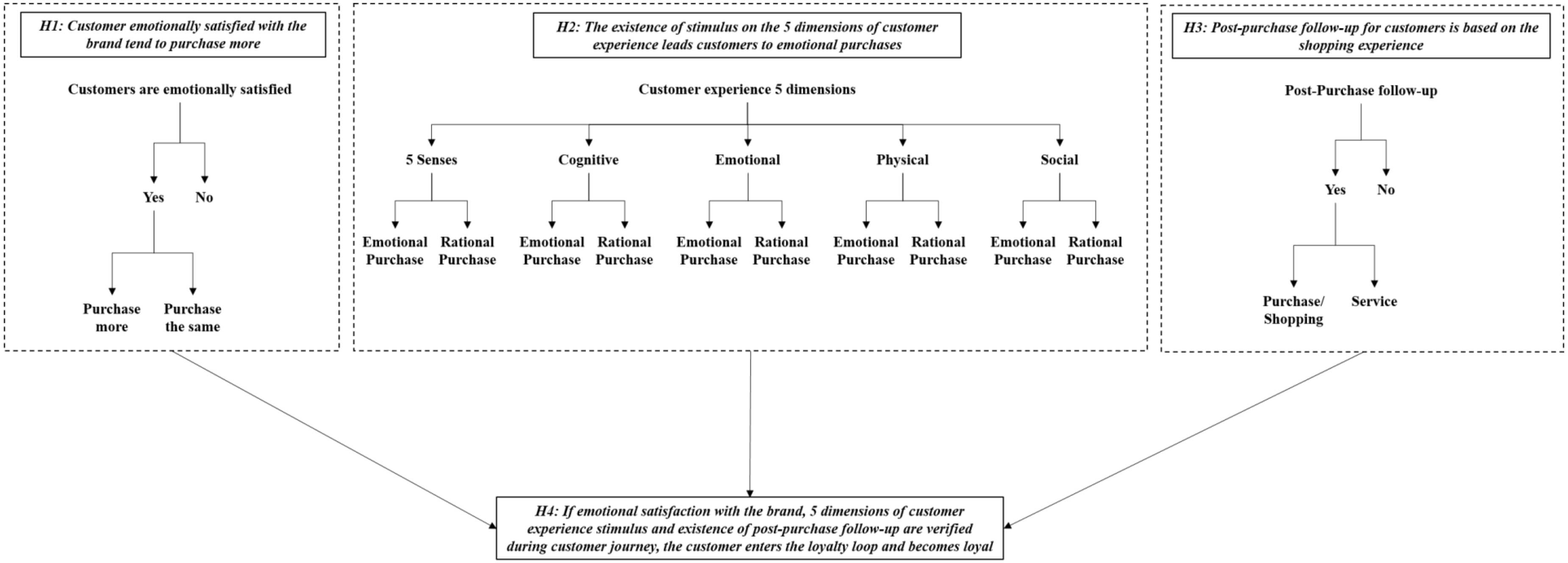
3.4. Research Objectives

Following the research problem of this dissertation, the research will focus on the understanding and evaluation of customers' journey and customers' shopping experience in the food retail stores, based on customers' opinion and previous purchasing experiences of three of the main players in this sector in Portugal: Continente, Pingo Doce and Lidl. Defining the main goals of this study is fundamental for a better understand of the dissertation purpose.

By answering and analysing the research questions mentioned above the dissertation end goals are to:

- Identify customers' preferences on supermarket brands;
- Identify the main sources of information used by customers' when searching for information about a supermarket chain, before purchasing for the first time;
- Identify and understand if customers are emotionally or rationally satisfied with the supermarket brand(s) they visit;
- Identify customers' top three preferences on each one of the five dimensions of customer experience;
- Identify which products categories are considered to be of high involvement for customers;
- Identify the three main touchpoints of customers' journey in the supermarket;
- Identify the three main improvement points in the Portuguese supermarkets;
- Identify the factors considered important for customers to become loyal;
- Propose recommendation on the previous topics based on the insights collected from customers.

3.5. Research Approach: Conceptual Framework



This dissertation, as observed in dissertations' conceptual framework scheme (Figure X), will start with the definition of the research problem, of theme under investigation and the respective objectives of the study, passing through the literature review of the main concepts to provide theoretical support on the topics. For this last topic scientific articles, institutes papers, journals publications and books will be used.

After this process and to complete my dissertation, the final work can be divided in two phases, concerning the methodology to use:

Phase 1: Perform a **qualitative research** to provide deeper insights on the subject, supported by **scientific articles, journals and books**. The aim is to collect information on customer journey and customer experience designing practices, customer journey mapping methods and theoretical contributions to the topic;

Phase 2: Perform a **quantitative and qualitative research** in form of an online **surveys/questionnaire** targeting to a representative sampling of customers. The purpose with this process is to map the general customer journey in the food retail market and to identify strengths and pain points of the shopping experience and customer journey.

After conducting both qualitative and quantitative research, the outcome results will be linked to the literature review in order to answer the research problem questions previously defined, to analyse the state-of-the-art of customer journey nowadays and, finally, to deliver a panoply of recommendations for the design of shopping experiences and respective customer journey.

Chapter 4 – Data Analysis

This section aims to present the conclusions collected from the analysis of the questionnaires performed throughout this study, with the purpose of answering the research questions by using the valuable insights gathered.

Throughout the questionnaire Continente, Pingo Doce and Lidl are the supermarket that will be used as object of study.

4.1. Sample characterization

377 valid questionnaires were collected during August 2017, through social networks group discussions and LinkedIn connections, and sending them by email. The initial goal was to collect 300 answers out of a 1000 contact made, however due to the amount of contacts reach it was possible to collect more valid questionnaires.

4.2. Gender, age group and education

The sample is composed by 377 individuals, where 49,1% are male gender and 50,9% are female gender, with no missing values **(Attachment 36).**

Looking at the age groups we can see that we have 6 groups, in which 60,2% of individuals from the sample have ≤ 25 years old, representing the biggest age group, followed by the age group that have between 26 to 35 years old with 18,8%. In the third position, there is the age group between 36 to 45 years old, with 10,1% of the sample individuals **(Attachment 35).**

Through the graph presented in **Annex 3,** that illustrates the age groups distribution in relation to the gender, it is possible to see that in both male and female gender the greatest values concentration occurs in the same age group, ≤ 25 years old.

Regarding the education variable, the sample counts with 46,7% of graduated individuals, 30,2% of Masters and 19,4% with high school level. Summing up, more than 50% of the sample has graduated level or more **(Attachment 37).**

4.3. Supermarket grocery shopping characterization

After conducting the questionnaires analysis, it was possible to conclude that supermarket grocery shopping is made, in its majority, weekly, with 69% of individuals. 17% claimed to do their household supermarket grocery shopping daily, 9,3% fortnightly and only 4,8% monthly **(Attachment 2).**

On average, and as we can see in **Attachment 3**, out of the 377 individuals 21,8% spend ≥ 251€ on grocery shopping monthly, 18,6% spend between 51€ and 100€ and, with the same percentage, 18,6% spend between 101€ and 150€.

In relation to shopping concentration, 70% of individuals do not concentrate their grocery shopping in one supermarket only **(Attachment 4).** Having Continente, Pingo Doce, Lidl and None under analysis, when asked to "Indicate using the scale 1 to 4 the monthly distribution of your purchases by the following supermarkets", Pingo Doce was the supermarket with the higher percentage (28,1%) of answers in the value 4 – "Supermarket where I make most of my grocery shopping" **(Attachment 5, Attachment 6, Attachment 7).**

Another important issue to understand for better respond to the research questions is whether customers always visit the same store(s) or not and according to the information gathered from questionnaires, 55,2% of individuals state that they always visit the same supermarket store(s) **(Attachment 8).** To complement, another goal was to understand the 3 main reasons why most individuals always visit the same store and the conclusion is that store proximity (30,3%), existence of parking lot (15,9%) and store is always organized and with good layout (15,7%) are the main reasons for visiting the store **(Attachment 9)**.

4.4. Customer journey: Pre-purchase phase

Before making grocery shopping for the first time in a supermarket, only 35,4% of the customer under study stated to seek for information about the supermarket before purchase (**Attachment 10)** and from those seeking for information the sources used are the following **(Attachment 11)**:

- Brand flyers and brochures (49,1% of individuals);

- Opinion from closest people (36,6%);

- Social Networks (8%);

- Other (3,6%) – some answers were "Products promotions" or "Visit the store first to see if it is worth it to shop there";

- Opinion Blogs (2,7%).

Recommendations: Most of the brand flyers and brochures are those providing the customers with the ongoing promotions. As recommendation, organizations focus should be to provide/show the customers', by using social networks, television adds or even the brochures and flyers, the brand actions on issues related to store initiatives, events developed, social responsibility, rather than focusing on showing prices.

4.5. Customer journey: Purchase phase

One of the purposes of the study is to understand if customers are emotionally satisfied with the brand(s) of supermarkets they attend, and by categories of products with which brand are they the most satisfied. In some questions Continente, Pingo Doce and Lidl will be studied, but in most of the questions individuals are asked to answer according to their preferences concerning the general food retail industry.

Therefore, 79,8% of individuals consider it important to be emotionally satisfied with the brand of supermarkets they visit **(Attachment 12),** 64,7% state that they would buy more if they were emotionally satisfied **(Attachment 13)** and when questioned whether they are emotionally satisfied or rationally satisfied with the supermarket brand where they concentrate most of the grocery shopping, most individuals (75,1%) answered rationally satisfied **(Attachment 14)**.

Looking to the 3 supermarket brands under analysis (Continente, Pingo Doce and Lidl), individuals were asked to indicate with which of the brands they were emotionally satisfied, per products categories and the results collected are the following **(Attachment 15):**

- Continente: Health and Beauty Care (34,7%);

- Pingo Doce: Household Products (34%), Cookies and Chocolates (37,7%), Cereals (33,2%), Pasta and Rice (41,4%), Canned Goods (38,7%), Charcuterie (37,1%), Milk, Yogurts and Cheese (36,6%), Butter and Margarine (32,4%), Frozen (35,8%) and Take-Away Meals (42,2%).

4.5.1. Sensory Dimension

The first dimension to analyse is the sensory one. 62,1% of individuals say they would buy more if in the act of purchase, they had some sensorial stimulation in the store, such as tasting stands or the existence of ambient music **(Attachment 16).**

Regarding **Attachment 17**, the 3 main factors that would lead customer to an emotional purchase are the attractive products display (22,2%), existence of a smooth and pleasant smell (16,2%) and a spacious store (13,3%). In conclusion, the senses associated to the 3 main factors are the olfactory and vision.

4.5.2. Physical Dimension

The second dimension is the physical, concerning store structures, decoration, furniture, cleaning and accessibilities.

In the act of purchase, 72,4% of the respondents say that a store with good structure, good decoration and good cleaning would lead them to an emotional purchase **(Attachment 18)**.

Good signage of products with 20,2% of answers, good store cleaning with 17,1% and existence of self-checkout with 11,1% were the 3 main factors given by respondents for the existence of an emotional purchase **(Attachment 19).**

4.5.3. Emotional Dimension

Third, there is the emotional dimension in which 58,9% of individuals claim that the existence of an emotional connection with the brand would lead them to an emotional purchase rather than a rational purchase **(Attachment 20)**.

4.5.4. Cognitive Dimension

Fourth the cognitive dimension, in which it is analysed the customer's mental process and, therefore, it appears the products of high involvement and products of low involvement.

Respondents were asked to classify a few products categories as high involvement and low involvement for them and the results gathered are the following **(Attachment 21)**:

- Products categories considered to be of high involvement: Health and Beauty Care (74%), Cookies and Chocolates (52,3%) and Charcuterie (72,7%);

- Products categories considered to be of low involvement: Household Products (65,3%), Cereals (52,5%), Pasta and Rice (62,6%), Canned Goods (67,9%), Milk, Yogurts and Cheese (51,7%), Butter and Margarine (73,7%), Frozen (52%) and Take-Away Meals (55,2%).

Moreover, 71,9% of individuals consider it more propitious to make an emotional purchase in products considered to be of high involvement **(Attachment 22).**

4.5.5. Social Dimension

Finally, there is the social dimension and for this one customers were inquired about the power of influence in the supermarket choices, with 75,3% of individuals saying that sometimes they influence or are influenced by their peers in the choices of supermarket visited and the grocery purchases made **(Attachment 23).**

86,7% of individuals consider that the social context and the relationship with others can propitiate emotional purchases **(Attachment 24).**

4.5.6. Touchpoints and improvement areas

Regarding the size of stores, individuals reveal preference for shopping in large commercial surfaces with 69% of answers **(Attachment 25).** Respondents were also asked to indicate from a list of "moments" the 3 moments they considered to be decisive for their purchase decision, with this question it was possible to collect the crucial touchpoints of the customer journey in supermarkets. Therefore, the 3 moments most selected by the sample were the "Existence of all the products that I am looking for" with 21,8%, followed by "Products display" with 15,3% and "Store cleaning" with 14,4% **(Attachment 26)**. With this information, we can see that customer's give more importance to the products availability and the physical dimension of the store, more specifically products display and store cleaning, rather than dimensions such as sensory, emotional connections, social or even cognitive one.

When discussing the improvement points in Portuguese supermarkets, individuals pointed out "Waiting time in line to pay" with 17,9%, "Customer service" with 13,7%, "Products ruptures" with 12,2%. Aspects related to the dimensions of customer experience under analysis, namely Sensory, Emotional, Cognitive, Social and Physical, were not given much importance as we can observe through the percentages obtain i.e. "Promotional area poorly highlighted" with 3,7%, "Luminosity of stores" with 2,7% or "Inexistence of background music" with 2,6% **(Attachment 27).**

Recommendations: Most customers reveal to be rationally satisfied, however they admit that they would buy more if instead they were emotionally satisfied. The aim must be to have our customers emotionally satisfied and one of the ways to achieve such state is to provide them with the best shopping experience in store. Through the questionnaires it is possible to observe customers preferences in terms of initiatives to develop to have better experiences. Hence, the main message in this point is that the stimulus and investment on developing one of them 5 dimensions of customer experience can bring great benefits, but if instead organizations are able to create a multi-sensory experience by developing all of the five dimensions que probability of success in getting emotionally satisfied customers is higher.

Also, we can see that the customers give great attention to aspects such as price, products ruptures, waiting time in line to pay, and in contrasts factors related to store luminosity, thematic initiatives or even tasking stands are in the bottom of the list. Therefore, a great investment must be made in developing a remarkable customer journey and customer experience during the shopping.

4.6. Customer journey: Post-Purchase phase

About post-purchase follow-up, 89,1% of individuals said they did not received any source of post-purchase follow-up from the supermarket brands they shop and 10,9% claimed to receive it **(Attachment 28).** From those receiving some type of post-purchase follow-up (41 individuals out of 377), 63,4% state that the follow-up received is to question their shopping experience and 36,6% say it is to question the supermarket service received **(Attachment 29).**

Furthermore, 57,6% of respondents considered to be of great importance to receive post-purchase follow-up on their shopping experience **(Attachment 30).**

Recommendations: Post-purchase follow-up is very important and is a powerful tool for organizations to improve their weaknesses and at the same time a major opportunity for customers to share their perspectives and preferences in terms of want they want/need when doing their grocery shopping. Post-purchase follow-up show start to be gradually integrated in customer service strategies.

4.7. Customer journey: Loyalty Loop

The main subjects of this study are the customer emotional satisfaction with the supermarket brand, customer experience 5 dimensions: sensory dimension, physical dimension, emotional dimension, cognitive dimension and social dimension; and post-purchase follow-up. Concerning this, respondents were asked to indicate how important each of the main subjects of this study/areas are for them to become a loyal customer using a Likert type scale where 1: Not at all important and 5: Extremely important.

Emotional satisfaction with the brand, the Sensory Dimension, the Physical Dimension, the Emotional Dimension, the Cognitive Dimension and the Social Dimension were most rated with 4: Very important, with 47,5%, 52,8%, 54,9%, 46,9%, 53,1% and 47,5% respectively. Concerning the Post-Purchase Follow-up, this subject was in its majority rated with 3: Indifferent for the aspect of becoming a loyal customer **(Attachment 31).**

Recommendations: From the factors under analysis: emotional satisfaction with the brand, customer experience five dimensions – sensory, physical, cognitive, emotional and social – and post-purchase follow up only the last one was pointed as indifferent in terms of loyalty. To potentiate customers' loyalty, organizations must ensure the existence of emotional satisfaction and dynamism in all five dimensions of customer experience.

4.8. Supermarket brand preferences

Globally the sample selected Pingo Doce as the first supermarket they go whenever grocery shopping must be made, with 45,9%, followed by Continente as the customers second choice with 37,7% and Lidl with 8,2% **(Attachment 32).**

Concerning customer loyalty, respondents were asked to indicate whether they considered themselves to be loyal customer in Continente, Pingo Doce and Lidl. Out of 377 respondents, 198 claimed to be loyal customers in Continente, representing 52,5% of the sample. Looking at Pingo Doce, out of the 377 individuals' sample, 211 considered themselves as loyal customers, representing 56%. And finally, Lidl faced different results, with most individuals, 265 out of 377, saying that they do not considered themselves as loyal customers **(Attachment 33).**

Even more, information about which supermarket brand best develops some aspects of customer experience was gathered **(Attachment 34):**

- Luminosity of Stores (61,8%), Spacious Stores (71,4%), Attractive Products Display (57,3%), Possibility of Touching the Products (40,1%), Pleasant Smell (49,1%), Background Music (52,5%), Tasting Initiatives (68,4%), Good Products Signage (56,2%), Store Cleaning and Hygiene (54,4%), Store Structure Conditions (53,6%), Store Decoration (58,4%), Counter Service (43,8%), Waiting time in line to pay (45,6%) and Thematic Initiatives (62,9%) were pointed out as being best developed by Continente;

- Promotional Area Highlight (46,9%) was the only aspects point out as being best developed by Pingo Doce and Counter Service (43%) is just under the value given to Continente.

Continente is the supermarket brand that best develops most of all the aspects presented, followed by Pingo Doce. Lidl staid in the bottom of the list in all aspects.

Chapter 5 - Hypothesis test

For the purpose of the study 4 hypotheses will be tested. However, notice that hypothesis 2 aims to study customer experience 5 dimensions, splitting into 5 tests, one for each dimension. Due to the sample size, n=377, non-parametric tests were made for H1, H2 and H3 – *Binomial Test* – using IBM SPSS Statistics 24. For the test of H4 Microsoft Excel 2013 was used.

The first one **(H1)** intends to verify if “***customers that are emotionally satisfied purchase more”.***

H1: Customers emotionally satisfied with the brand tend to purchase more

$$\begin{cases} H0: p = 0{,}5 \\ H1: p > 0{,}5 \end{cases}$$

p: $Answers$ "Yes" $to\ question$ 9

*For this test, answers to question 19 – “*Would you buy more if you were emotionally satisfied with that brand?”* - were used

According to the sample results and value on the binomial test (Annex B), *we reject the null hypothesis (H0)* where we admit that p=0,5. Thus, there is statistical evidence against the null hypothesis. The binomial test indicates that the proportion of “*Yes” answers of 0,65 was higher than the expected 0,5*. In other words, sample results points to Yes > No.

From the results obtain, it is possible to state that customers emotionally satisfied with the brand tend to purchase more, *hypothesis 1 (H1) of this study is verified.*

Second, hypothesis ***H2* – “*The existence of stimulus on the 5 dimensions of customer experience leads customers to emotional purchases”*** relies on the study of the stimulus on the 5 dimensions of customer experience. Therefore, 5 binomial tests were performed:

H2**^Sensory^*: In the act of purchase, the existence of sensory stimulus leads the customer to an emotional purchase **(Annex C)**

$$\begin{cases} H0: p = 0{,}5 \\ H1: p > 0{,}5 \end{cases}$$

p: *Answers* "Yes" *to question* 12

*For this test, answers to question 12 – “*In the act of purchase, would sensory stimulation in store lead you to an emotional purchase? (Eg. existence of tasting stands, existence of ambient music, etc.)”* - were used

H2^Physical^: In the act of purchase, the existence of a store with good structure, good decoration and good cleaning leads the customer to an emotional purchase (Annex D)

$$\begin{cases} H0: p = 0{,}5 \\ H1: p > 0{,}5 \end{cases}$$

p: *Answers* "Yes" *to question* 14

*For this test, answers to question 14 – *“In the act of purchase, would a store with good structure, good decoration and good cleaning lead you to an emotional purchase?”* - were used

H2^Emotional^: The existence of an emotional connection with the brand leads the customer to an emotional purchase (Annex E)

$$\begin{cases} H0: p = 0{,}5 \\ H1: p > 0{,}5 \end{cases}$$

p: *Answers* "Yes" *to question* 16

*For this test, answers to question 16 – *“Would the existence of an emotional connection with the brand lead to an emotional purchase, rather than a rational purchase?”* - were used

H2^Cognitive^: Emotional purchase is more propitious to occur with high involvement products (Annex F)

$$\begin{cases} H0: p = 0{,}5 \\ H1: p > 0{,}5 \end{cases}$$

p: *Answers* "Yes" *to question* 18

*For this test, answers to question 18 – *"Do you consider it more propitious to make an emotional purchase in what type of products?"* - were used

***H2^{Social}*: *Social context and the relationship with others propitiate emotional purchases* (Annex G)**

$$\begin{cases} H0: p = 0,5 \\ H1: p > 0,5 \end{cases}$$

p: $Answers$ "Yes" $to\ question$ 20

*For this test, answers to question 20 - *"Do you consider that the social context and the relationship with others propitiate emotional purchases?"* - were used

Annexes C, D, E, F and G all indicate that the proportion of *"Yes" answer was higher than the expected 0,5 (Yes > No).* It exists statistical evidence against the null hypothesis and therefore null hypothesis, where we assume that p=0,5, is reject in all 5 binomial tests performed:

***Table 4** - Hypothesis Test for H2 (Binomial Test)*

Hypothesis	Binomial Test p value	Test Conclusion
H2^{Sensory}	p=0,62	p=0,62 greater than 0,5 so we *reject the null hypothesis*
H2^{Physical}	p=0,72	p=0,72 greater than 0,5 so we *reject the null hypothesis*
H2^{Emotional}	p=0,59	p=0,59 greater than 0,5 so we *reject the null hypothesis*
H2^{Cognitive}	p=0,72	p=0,72 greater than 0,5 so we *reject the null hypothesis*
H2^{Social}	p=0,87	p=0,87 greater than 0,5 so we *reject the null hypothesis*

According to the binomial tests, some conclusions were gathered:

1. Sensory stimulus during the purchase act leads customers to emotional purchases;
2. In the act of purchase, visiting a store with good structure, decoration and cleaning leads customers to emotional purchases;

3. The existence of an emotional connection between the customer and the supermarket brand leads the customer to emotional purchases;
4. Emotional purchases are more propitious to occur with high involvement products;
5. Customers' social context and relationships can lead to emotional purchases.

Summing up, *hypothesis 2 of this thesis (H2:* "*The existence of stimulus on the 5 dimensions of customer experience leads customers to emotional purchases") is accepted.*

Hypothesis 3 intends to verify whether post-purchase follow-up for customers is based on their shopping experience or not.

H3: Post-purchase follow-up for the customer is based on the shopping experience

$$\begin{cases} H0: p = 0{,}5 \\ H1: p > 0{,}5 \end{cases}$$

p: $Answers$ "Shopping experience" $to\ question$ 25

*For this test, answers to question 25 - *"The post-purchase follow-up received is to question your shopping experience or the supermarket service?"* - were used

Sample results and the value of the binomial test indicate the *null hypothesis rejection*, in which we admit p=0,5. Binomial test provides *p value of 0,63, being this value greater than the expected value of 0,5.* It exists statistical evidence against the null hypothesis, meaning that *Shopping Experience* > *Service*.

Hypothesis 3 of the dissertation is verified – Post-purchase follow-up for customer is based on the shopping experience.

Finally, ***H4: If emotional satisfaction with the brand, 5 dimensions of customer experience stimulus and existence of post-purchase follow-up are verified during the customer journey, customer enter the loyalty loop and becomes loyal.***

To verify this hypothesis, a qui-squared test will be used to verify the following 7 variables uniformity in terms of level of importance for customers to become loyal customers:

V_1: Emotional satisfaction with the brand

V_2: Sensory dimension

V3: Physical dimension

V4: Emotional Dimension

V5: Cognitive Dimension

V6: Social Dimension

V7: Post-purchase follow-up

$$\begin{cases} H0: Uniform\ distribution \\ H1: Not\ uniform\ distribution \end{cases}$$

For the purpose of this test, 7 degrees of freedom were considered and the following formula:

$$x_k^2 = \sum_{i=1}^{k} \frac{(F_i - E_i)^2}{E_i}$$

k - Degrees of freedom

F_i- Frequency value

E_i – Expected value

Table 5 *- Hypothesis Test for H4 (Qui-Square test and Uniform Distribution)*

	Qui-square test (χ^2)	**Critical Value**
V_1: Emotional satisfaction with the brand	210,86	11,07
V_2: Sensory dimension	282,29	
V_3: Physical dimension	371,07	
V_4: Emotional Dimension	231,52	
V_5: Cognitive Dimension	300,46	
V_6: Social Dimension	234,87	
V_7: Post-purchase follow-up	102,29	

As the test value is bigger than critical we reject the null hypothesis where we assume the uniform distribution. None of the variables under analysis have a uniform distribution. Thus, the statistical evidence points for differences on absolute frequencies as we can see in **attachment 31**. The V_1, V_2, V_3, V_4, V_5 and V_6 are in its majority considered as *"Very Important"* by customers for them to become loyal. Only V_7 is considered by individuals as *"Indifferent",* with 137 absolute frequency values.

In conclusion, ***H4: If emotional satisfaction with the brand, 5 dimensions of customer experience stimulus and existence of post-purchase follow-up are verified during the customer journey, customer enter the loyalty loop and becomes loyal*** is not verified, since the stage of the post-purchase follow up was considered as *"Indifferent"* for the matter of customer loyalty towards the supermarket brand.

Nevertheless, further research is recommended to confirm and strengthen the conclusions gathered.

Chapter 6 - Conclusion

This dissertation aimed to provide deeper understanding about customers' preferences on supermarket brands in Portugal, emotional satisfaction versus rational satisfaction of customer in the food retail industry and collect information about the customer journey in this sector, while at the same time propose recommendations to improve the gaps identified (Figure 13).

Relying on the data collected it is possible to observe that most customers do not seek for information before visiting a supermarket for the first time. For those that do search, the most used source are flyers and brochures, customers still seeking for promotions available rather than information on the brands actions For example new products, social responsibility initiatives and new stores openings.

Most of the individuals considered that it is crucial to be emotionally satisfied with the supermarket brand they visit, and further on stated that they would buy more if they were emotionally satisfied. However, 75,1% of the sample admits not being emotionally satisfied. When looking to customers preferences, by products categories, Pingo Doce assumes the podium position of the table.

As for the 5 dimensions of customer experience and as the literature review suggests, according to B. Schmitt (2000) *"customer experience is multidimensional and therefore it exists five types of experiences"*. Similar to the Lindstrom (2013), that suggests that the combination of senses can activate other sensory channels and create greater impact on consumers mind. If we extrapolate this thought to customer journey the output can be very rich. Sensory, physical, emotional, cognitive and social dimensions are considered by customers as *"Important"* for them to become loyal ones. Therefore, the combination of all five types of experiences during the purchase act can be beneficial for both the customer and the organization.

Pingo Doce is the supermarket brand with most customers considering themselves as loyal, followed by Continente. In contrast, Continente beats Pingo Doce in terms of best developing customer experience in store.

Given these conclusions collected from the study made, as final recommendations organizations should focus on engaging the customers through emotional satisfaction, since it will not only potentiate customer loyalty and connection with the brand, but also potentiate sales derived from the increase of emotional purchases.

Supermarket organizations should focus, as recommendation, in the leverage of experiences in store through providing (1) senses stimulus with pleasant and smooth smell and attractive products display, (2) physical attractive store conditions by guaranteeing products good signage and the existence of self-checkout payment boxes, (3) emotional connection with the products, mainly own brand products, and the brand itself, (4) enhancing high involvement products categories since they are more propitious for emotional purchases, but at the same time change customers perspective on the categories considered by them as low involvement and last, but not least (5) social influences on grocery shopping choices, for example by providing a diversified products offer to reach different social and cultural groups. Inventing in such experiences will allow organizations to create emotional connection with their customers and therefore, propitiate emotional purchases.

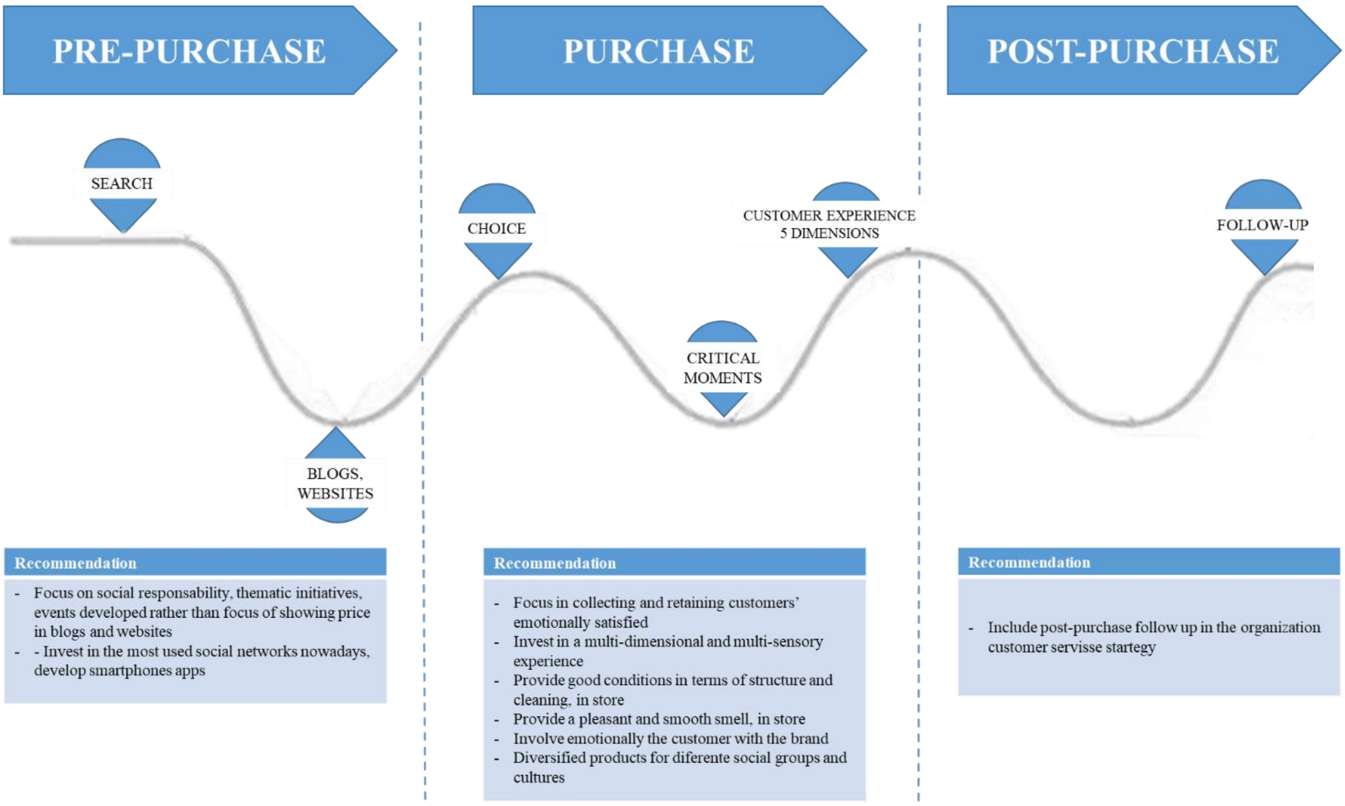
During the customers journey, customers seem to give no importance to the post-purchase follow-up on the shopping experience being this an aspect that requires deeper research to better understand whether it is a crucial step for customer journey or not.

Hence, each organization as its own customer journey and there is no correct method for its definition. The economic crisis opened doors to food retail companies' price promotion and we are no facing a promotions war amongst companies. However, it is important to notice that price strategies are cyclical, the current one will start to decline someday, even more now and in the coming years due to the entrance of a new competitor in the Portugal, Mercadona that can *"shake"* the market and change the price strategy as we know it today.

Organizations can no longer rely only on the price strategy. Projecting customers' journey through the understanding of customers' preferences, the main touchpoints and by providing the customer with a remarkable experience can be key to succeed.

To sum up, the scheme below demonstrates customers' journey stages, main moments and final recommendations in the food retail sector.

Figure 13 *- Customer Journey final scheme conclusions*



6.1. Literature vs Main conclusions

According to Doplbauer et al. (2016) customers' usually visit supermarket stores for their monthly grocery shopping. However, the study performed showed that customers' nowadays visit supermarkets weekly, in order to do their grocery purchase (69% of respondents).

Even though the literature suggests the importance of the need of recognition, search, previous experiences and recognition (Lemon & Verhoef, 2016), looking at the data collected only 35,4% of the customer under study stated to seek for information about the supermarket before actually purchase. Showing that most customers' do not give much importance to this stage, since most them do not seek for information before visiting a new supermarket store for purchase.

In the traditional marketing point of view, the physical elements, such as accessibility, availability, service, products and quality, are seen as main differentiators (Hong, 2016). In contrast, the author continues by saying that emotions are considered to be differentiator elements in customer experience management, as customers are not merely rational beings but indeed emotional ones that most of the times makes consumption decisions upon the search for fun, feelings and fantasies (B. Schmitt, 2000). If we observe the information collect with the questionnaires done, we can see that customers' give great importance to emotional satisfaction (64,7% state that they would buy more if they were emotionally satisfied **(Attachment 13).** However, if we look to the main factors why customers' visit a specific store (store proximity – 30,3%; existence of parking lot – 15,9%) or the main improvement points in the Portuguese supermarket (waiting time in line to pay – 17,9%; products ruptures - 12,2%) we can see that customers' still give much attention to the physical elements on the traditional marketing rather than the elements of customer experience management.

Another aspect to highlight is the fact that 75,3% of the respondents admit to sometimes influence or be influenced by their peers in the choices of supermarket visited and the grocery purchases made, being in accordance to the literature statements: which customer experience can lead customer's to sense of a community and even incentivize consumption with other people (Gentile et al., 2007).

Finally, curiously even though Continente is on the top of the list of the Portuguese retail rank in terms of market share, Pingo Doce was selected as the first supermarket customers' visit whenever grocery shopping must be made.

6.2. Contribution for the academy

For the academy, this dissertation matches some of the literature findings such as customers' power of influence on peers' supermarket choices, the importance of emotional satisfaction and emotional bond within the brand of supermarkets visited or even the fact customers nowadays are more aware of sensory and physical aspects of the store experience.

Regardless of all that, the academic community is provided with an innovative method of customer journey mapping, based on very practical issues and combining several authors' perspectives on the topic. There is no correct way of mapping our customers' journey being this dissertation an interesting starting point for future and deeper researches on the topic.

6.3. Contribution for professionals

This dissertation offers a simple way of mapping customers' journey, by combining aspects such as customer experience dimensions and post-purchase follow-up that organizations can use within their environment. Moreover, during this study specific factors were analysed, providing organizations with some rich insights on customers' preferences on what they would like to have when visiting a store, allowing organizations to act upon this:

- Health and beauty care products category is the only one in which customers considered to be emotionally satisfied. Therefore, it shows that they do not have any emotional connection with all the other categories;
- In terms of sensory stimulus, customers' want: attractive products display, existence of smooth and pleasant smell and spacious stores;
- In terms of physical stimulus, customers' want: good signage of the products, good cleaning of the store and more self-checkout payment points;
- Emotional purchases lead the customer to spend more, and so the existence of emotional connection with the brand increases the probability of emotionally purchase. An investment must be made in order to create an emotional bond with the brand;
- Focus on low involvement products in order to convert them into products of high involvement;
- Guarantee that the main touchpoints of customers' journey are granted: Existence of all the products customers' search for, good products display and, once again, good store cleaning;
- As for improvement areas, food retail brands must focus on reducing products ruptures, reducing the waiting time in lines to pay and with providing a better customer service to customers.

- Include the post-purchase follow-up into the organizations strategy, since it is a powerful tool to get further knowledge on customers' preferences in terms of shopping experience.

Chapter 7 - Limitations and Future Research

Due to time and digital platforms (social networks) used some limitations urge with the fact that the sample was a convenience one, for a better understanding of the topics discussed a questionnaire aimed at specific groups of people would allow to gather deeper information.

Another limitation detected through the data analysis was the choice of question, for future research questions with answers using Likert scale type, to measure the level of importance or the level of agreement, can allow the collecting or deeper information.

As for future research, it is recommended to develop deeper studies in each of the stages presented in this dissertation, including broader lists of factors to analyse in terms of sensory and physical stimulus for instance.

Moreover, it would be interesting to do an analysis by generations and see the difference of perspectives between millennials, generation z, baby boomers.

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Attachments

Attachment 1: Online questionnaire

Customer Journey: A new approach for retailers

My name is Sara Rodrigues and I am currently completing my master's degree in management at ISCTE-IUL. In the context of my thesis, this questionnaire is used to gather information about consumers' shopping experience in Portuguese supermarkets, as well as their preferences.
The responses provided will remain anonymous.

Thank you in advance for your contribution!

SEGUINTE

Página 1 de 18

Nunca envie palavras-passe através dos Formulários do Google.

1. How often are supermarket grocery purchases made for your household? *

- Daily
- Weekly
- Fortnightly
- Monthly

2. On average, indicate approximately the monthly amount spent for grocery shopping *

- ◯ ≤ 50€
- ◯ Between 51€ and 100€
- ◯ Between 101€ and 150€
- ◯ Between 151€ and 200€
- ◯ Between 201€ and 250€
- ◯ ≥ 251€

3. Do you concretate all of your grocery shopping in one supermarket? *

- ◯ Yes
- ◯ No

3.1. Indicate using the scale 1 to 4 the monthly distribution of your purchases by the following supermarkets *

	1 - Supermarket where I do not shop	2 - Supermarket where I make a minority of my grocery shopping	3 - Supermarket where I make some of my grocery shopping	4 - Supermarket where I make the most of my grocery shopping
Continente	◯	◯	◯	◯
Pingo Doce	◯	◯	◯	◯
Lidl	◯	◯	◯	◯

4. Do you make your grocery shooping always in the same store? *

- ◯ Yes
- ◯ No

5. What makes you visit that store? *

Escolha apenas 3 opções

- [ ] Service received
- [ ] Store proximity
- [ ] Has parking lot
- [ ] Emotional connection with the brand/store
- [ ] Store always organized and with good layout
- [ ] Store is clean
- [ ] Spacious store
- [ ] Store with good light
- [ ] Other

6. Before you shop for the first time in a supermarket, do you seek for information about it? *

- ○ Yes
- ○ No

7. What source of information do you use? *

- [ ] Brand website
- [ ] Opinion blogs
- [ ] Social Network
- [ ] Opinion from closest people
- [ ] Brand flyers and brochures
- [ ] Other

Considering Emotional Satisfaction as satisfaction with the brand and at the same time existence of emotional connection with it and considering Rational Satisfaction as satisfaction with the brand but non-existence of emotional connection with the brand consider the following questions

8. Do you consider it important to be emotionally satisfied with the brand of supermarkets that you attend? *

○ Yes

○ No

9. Would you buy more if you were emotionally satisfied with that brand *

○ Yes

○ No

10. Are you emotionally satisfied or rationally satisfied with the brand where you concentrate most of your grocery shopping? *

○ Emotionally Satisfied

○ Rationally Satisfied

11. From the following product categories, indicate with which of the brands you are emotionally satisfied *

Choose only one brand for each category

	Continente	Pingo Doce	Lidl	None
Health and Beauty Care	○	○	○	○
Household Products	○	○	○	○
Cookies and Chocolates	○	○	○	○
Cereals	○	○	○	○
Pasta and Rice	○	○	○	○
Canned Goods	○	○	○	○
Charcuterie	○	○	○	○
Milk, Yogurts and Cheese	○	○	○	○
Butter and Margarine	○	○	○	○
Frozen	○	○	○	○
Take-Away Meals	○	○	○	○

Considering Emotional Purchase as an in store purchase without thinking carefully and influenced by emotional factors such as prestige of the product or brand, affection, comfort, willingness to eat or drink something, habit of buying and considering Rational Buy as an in store purchase considered carefully before made and influenced by factors such as price, sustainability, safety, utility and durability of the product, consider the following questions

12. In the act of purchase, would sensory stimulation in store lead you to an emotional purchase? (Eg. existence of tasting stands, existence of ambient music, etc.) *

- ○ Yes
- ○ No

13. Indicate which factors would lead you to an emotional purchase *

Choose only the main 3

- ☐ Existence of natural light
- ☐ Existence of artificial light
- ☐ Store light with high intensity
- ☐ Store with lots of colour
- ☐ Spacious store
- ☐ Store with low furniture where I can easily see everything
- ☐ Attractive products display
- ☐ Possibility of touching certain products (eg. feel the softness of the toilet paper or napkins)
- ☐ Smooth and pleasant smell
- ☐ Existence of slow-paced ambient music
- ☐ Existence of fast-paced ambient music
- ☐ Existence of tasting stands

14. In the act of purchase, would a store with good structure, good decoration and good cleaning lead you to an emotional purchase? *

- ◯ Yes
- ◯ No

15. Indicate which factors would lead you to an emotional purchase *

Choose only the main 3

- ☐ Good signage of products
- ☐ Existence of parking lots
- ☐ Accessibility for people with disabilities
- ☐ Existence of self check-out
- ☐ Existence of single rows
- ☐ Good store cleaning
- ☐ Attractive outside appearance of the store
- ☐ Recent equipments and in good condition (eg. butchery cutter, juicer)
- ☐ Store furniture in good condition
- ☐ Appealing decoration

16. Would the existence of an emotional connection with the brand lead to an emotional purchase, rather than a rational purchase? *

- ◯ Yes
- ◯ No

Considering high involvement products as the type of products that the consumer strives to make an appropriate buying decision, searches in various stores and studies the prices before buying them and articles of low involvement as the type of product purchased without great contemplation, without there being a great deal of prior knowledge about the object of consumption, define which categories are considered to be products of high involvement and low involvement

17. Indicate from the categories below, which ones are consider to be of high involvement and low involvement for you *

Health and Beauty Care	○	○
Household Products	○	○
Cookies and Chocolates	○	○
Cereals	○	○
Pasta and Rice	○	○
Canned Goods	○	○
Milk, Yogurts and Cheese	○	○
Charcuterie	○	○
Butter and Margarine	○	○
Frozen	○	○
Take-Away Meals	○	○

18. Do you consider it more propitious to make an emotional purchase in what type of products? *

- ◯ Low Involvement
- ◯ High Involvement

19. Do you consider that sometimes you influence or are influenced by your peers in the choices of supermarkets you go to and the grocery purchases you make? *

- ◯ Yes
- ◯ No

20. Do you consider that the social context and the relationship with others propitiate emotional purchases? *

Ex: my purchase is more likely to be emotional when it was recommended / encouraged by someone I know / like

- ◯ Yes
- ◯ No

21. Do you prefer to shop in large commercial surfaces or small supermarkets? *

- ◯ Large Commercial Surfaces
- ◯ Small Supermarkets

22. When you start your journey in the supermarket, indicate from the following list the 3 moments you consider to be decisive for the purchase decision *

Choose only the main 3

- [ ] Existence of color
- [ ] Existence of new technologies (eg. Pingo Doce Express)
- [ ] Store cleaning
- [ ] Pleasant smell
- [ ] Background music
- [ ] Products display
- [ ] Counter Service
- [ ] Highlight of new products
- [ ] Receive 'good morning' or 'good afternoon' greetings when I enter the store
- [ ] Existence of all the products that I am looking for
- [ ] Existence of several promotions
- [ ] Help in putting the products in the bag at the moment of payment
- [ ] Other

23. What do you consider to be the most critical and of improvement points in the Portuguese supermarkets? *

Choos only the main 3

- [ ] Customer service
- [ ] Products ruptures
- [ ] Products display
- [ ] Luminosity of stores
- [ ] Store should be more spacious
- [ ] Inexistence of olfactory stimulus (pleasant smell in the store)
- [ ] Inexistence of background music
- [ ] Equipments and structure of the stores in bad conditions
- [ ] Inexistence of tasting initiatives
- [ ] Waiting time at the counter service
- [ ] Waiting time in line to pay
- [ ] Store cleaning and hygiene
- [ ] Promotional area poorly highlighted
- [ ] Few tematic initiatives
- [ ] Other

24. After your grocery purchases, do you receive any type of post-purchase follow-up from the supermarket brand? *

- ○ Yes
- ○ No

25. The post-purchase follow-up received is to question your shopping experience or the supermarket service? *

- ◯ Shopping Experience
- ◯ Service

26. Do you consider it important to have post-purchase follow-up about your shopping experience? (How was your experience in store, if you enjoyed the space, color, luminosity, tasting stands, etc?) *

- ◯ Yes
- ◯ No

27. From the factors below, indicate how important each one of them is for you to become a loyal customer *

	Not at all important	Slightly important	Indifferent	Very important	Extremely important
Being emotionally satisfied with the brand	◯	◯	◯	◯	◯
Existente of sensory stimulus (good store luminosity, tasting stands, pleasant smell)	◯	◯	◯	◯	◯
Store with an attractive physical look	◯	◯	◯	◯	◯
Existence of emotional connection/involvement with the brand	◯	◯	◯	◯	◯
Highlight for high involvement products	◯	◯	◯	◯	◯
Good social context of the brand	◯	◯	◯	◯	◯
Post-purchase follow-up	◯	◯	◯	◯	◯

28. When you have to make grocery shopping, which is the first supermarket you go to? *

- Continete
- Pingo Doce
- Lidl
- Other

29. Indicate whether you consider yourself to be loyal customer in the following Supermarkets *

	Yes	No
Continente	○	○
Pingo Doce	○	○
Lidl	○	○

30. From the factors below, indicate which supermarket brand best develops each of them regarding consumer experience *

	Continente	Pingo Doce	Lidl
Luminosity of Stores	○	○	○
Spacious Stores	○	○	○
Attractive Products Display	○	○	○
Possibility of Touching the Products	○	○	○
Pleasant Smell	○	○	○
Background Music	○	○	○
Tasting Initiatives	○	○	○
Good Products Signage	○	○	○
Store Cleaning and Hygiene	○	○	○
Store Structure Conditions	○	○	○
Store Decoration	○	○	○
Counter Service	○	○	○
Waiting time in line to pay	○	○	○
Promotional Area Highlight	○	○	○
Tematic Initiatives (Easter, Christmas, etc)	○	○	○

Age: *

- ○ Until 25 years old
- ○ 26 to 35 years old
- ○ 36 to 45 years old
- ○ 46 to 55 years old
- ○ 56 to 65 years old
- ○ More than 66 years old

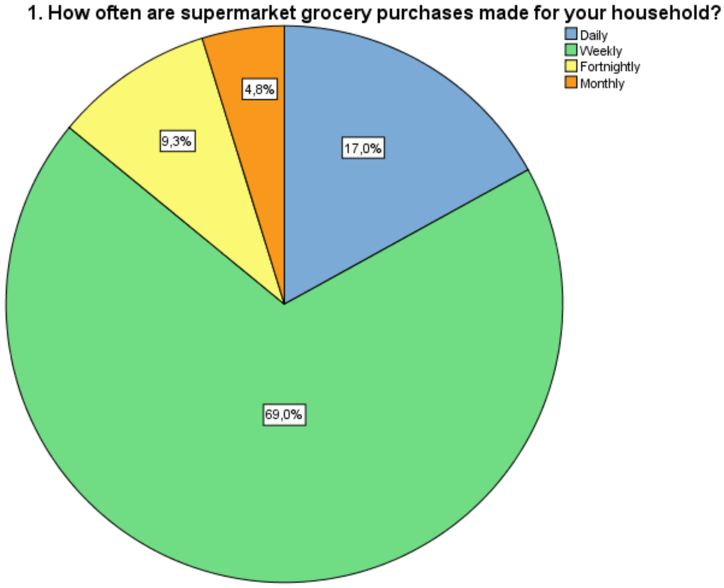
Gender *

- ○ Male
- ○ Female

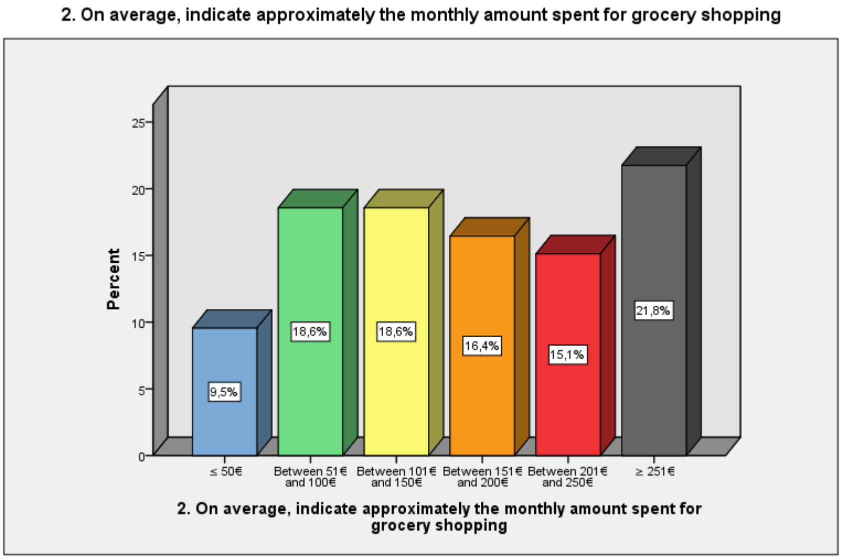
Completed Level of Education *

- ○ Elementary school
- ○ Middle school
- ○ High school
- ○ Graduated
- ○ Master
- ○ PhD

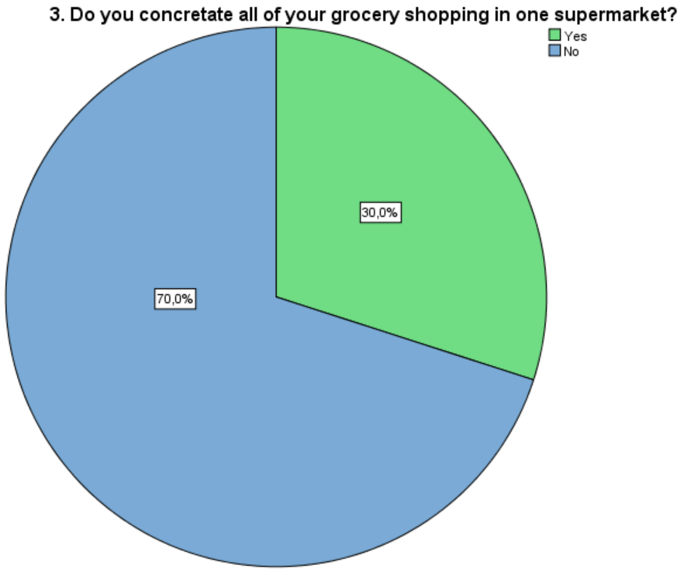
Attachment 2: Household supermarket grocery purchases frequency



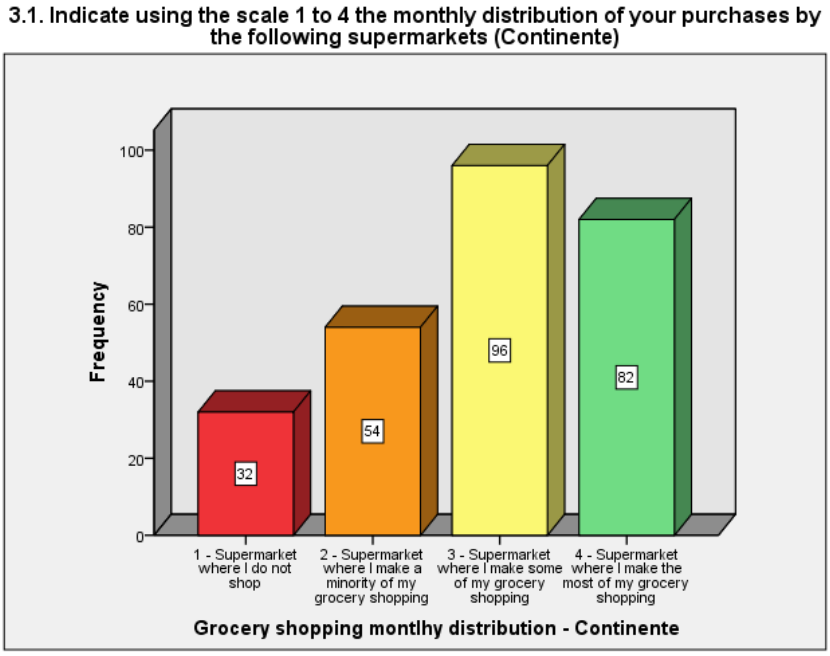
Attachment 3: Monthly amount spent for grocery shopping



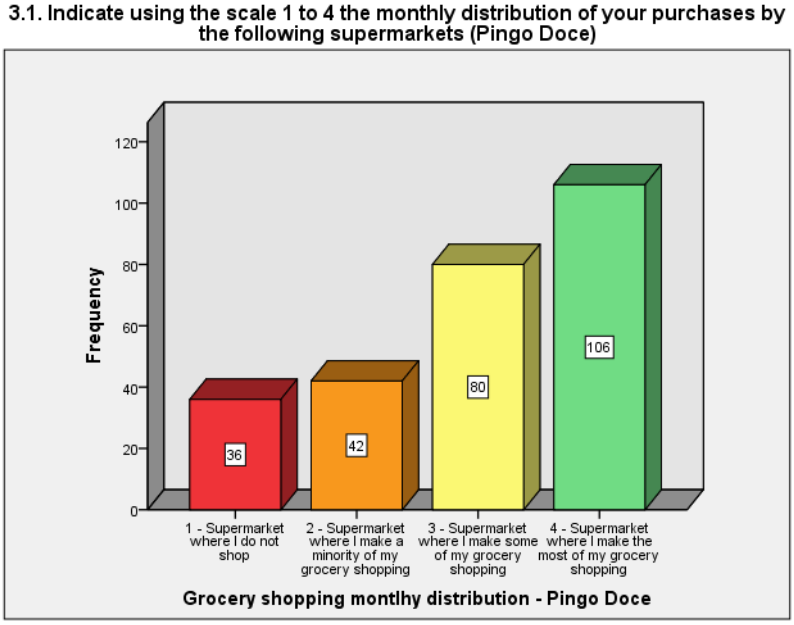
Attachment 4: Supermarket grocery shopping concentration



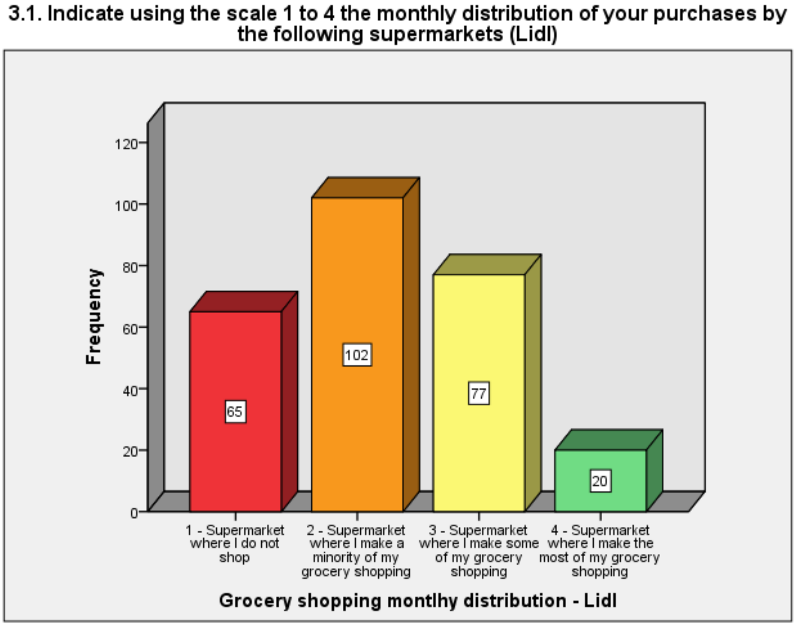
Attachment 5: Purchases monthly distribution per supermarket (Continente)



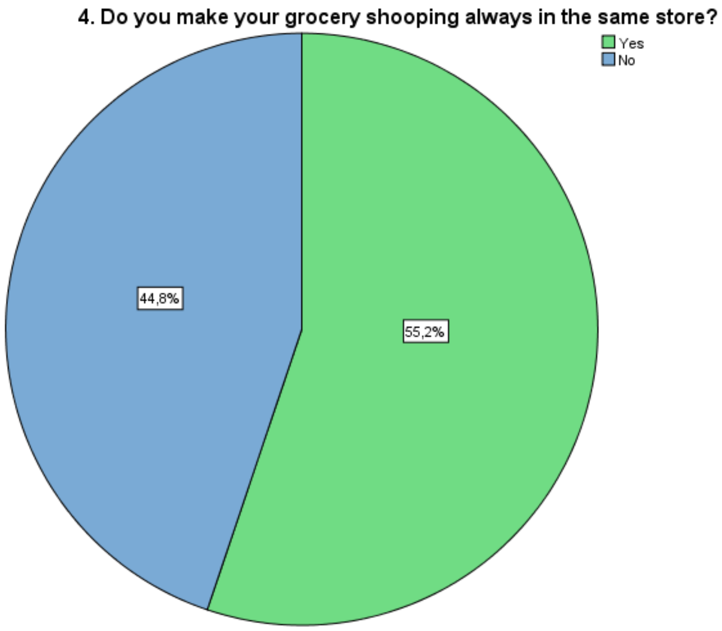
Attachment 6: Purchases monthly distribution per supermarket (Pingo Doce)



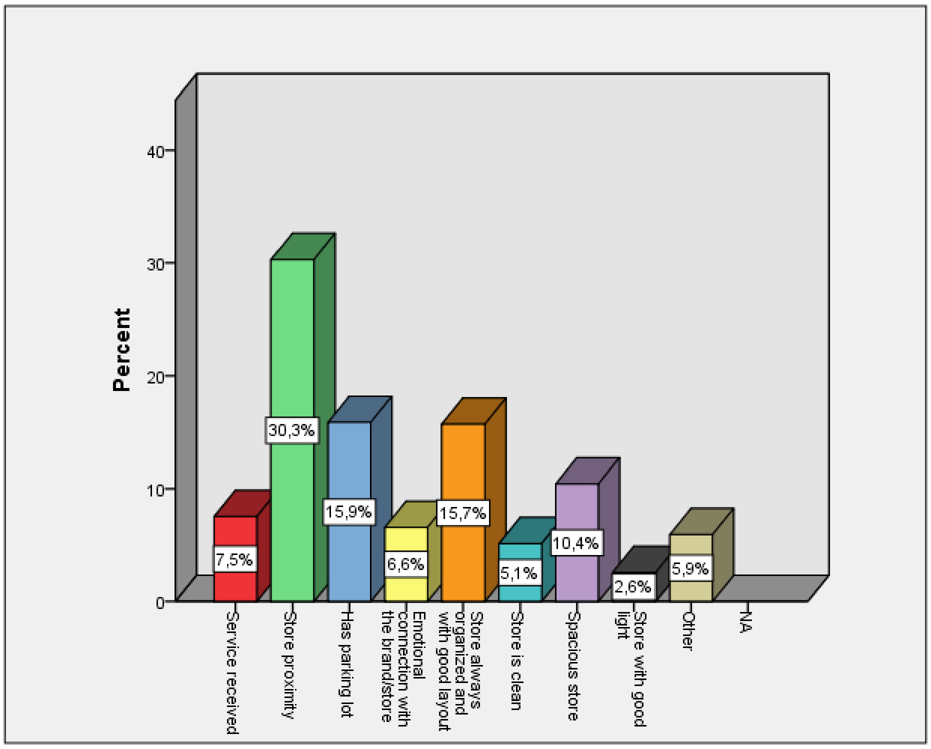
Attachment 7: Purchases monthly distribution per supermarket (Lidl)



Attachment 8: Grocery shopping store concentration

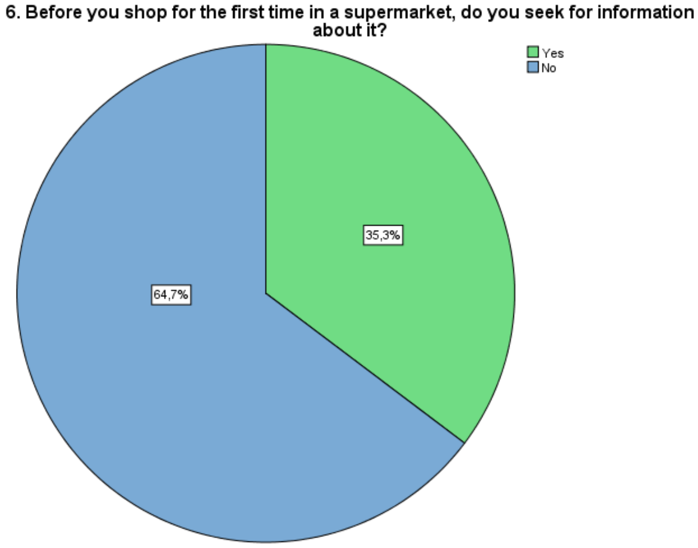


Attachment 9: Main reasons for visiting the store(s) visited

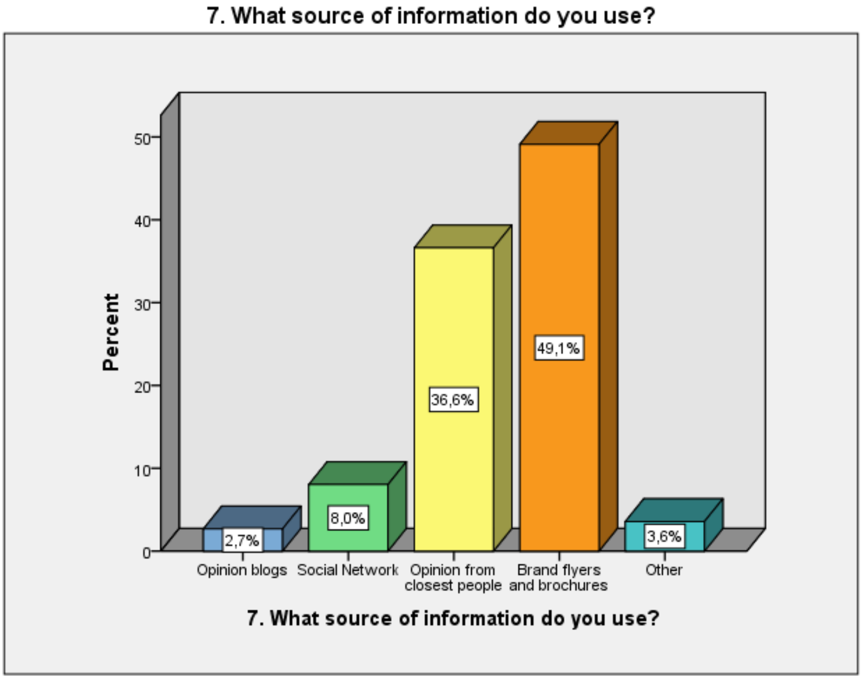


Attachment 10: Brand information seeking, before purchasing for the first time

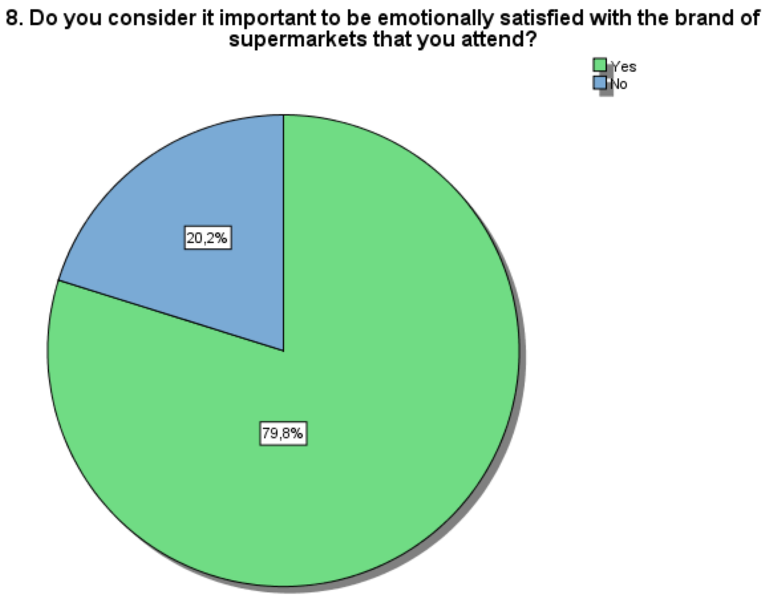
6. Before you shop for the first time in a supermarket, do you seek for information about it?



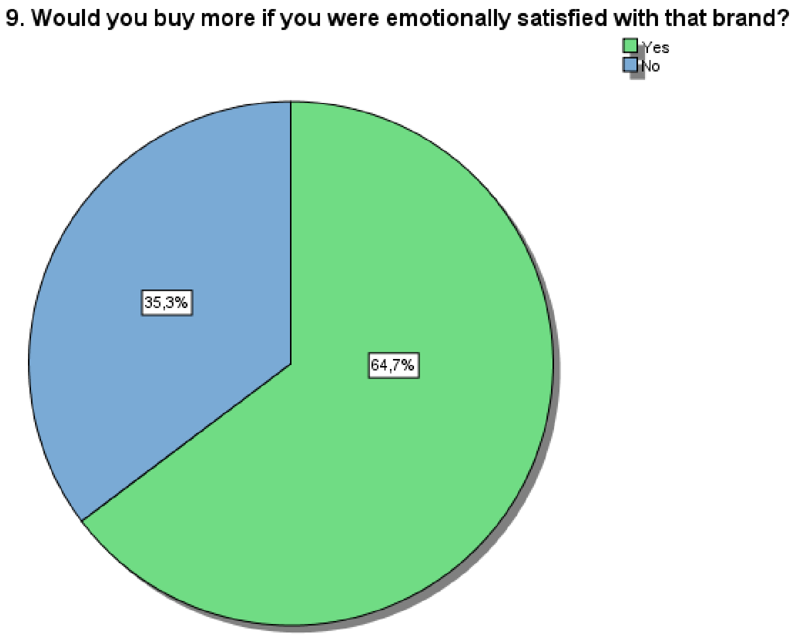
Attachment 11: Sources if information most used to seek for brands' information



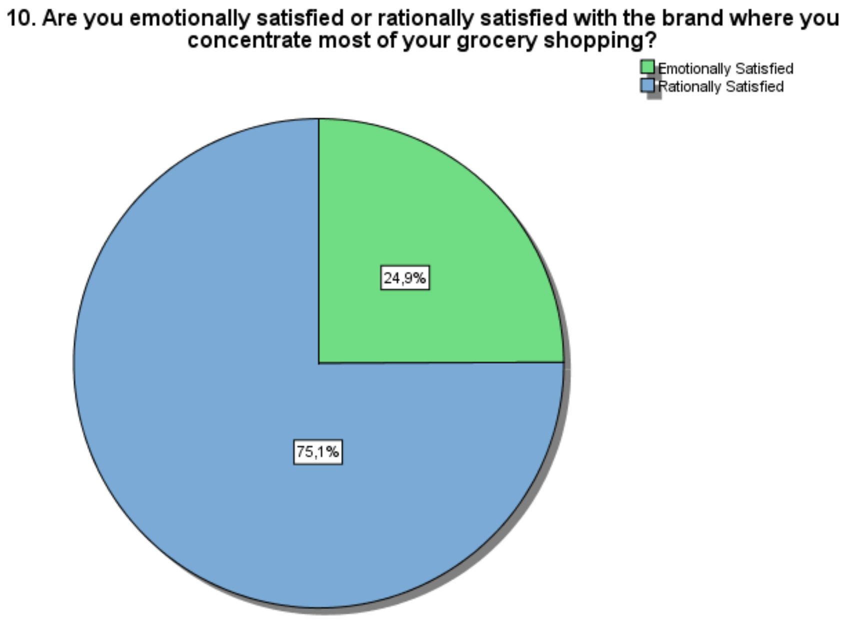
Attachment 12: Importance of emotional satisfaction with the supermarket brand visited



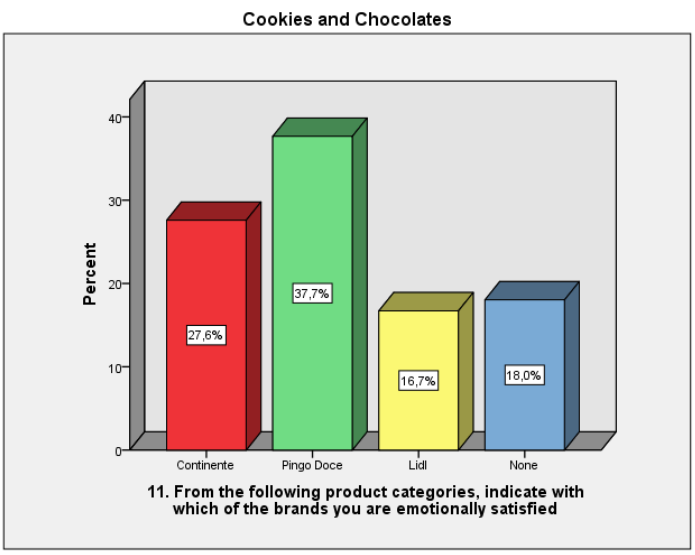
Attachment 13: Emotional satisfaction and purchase level

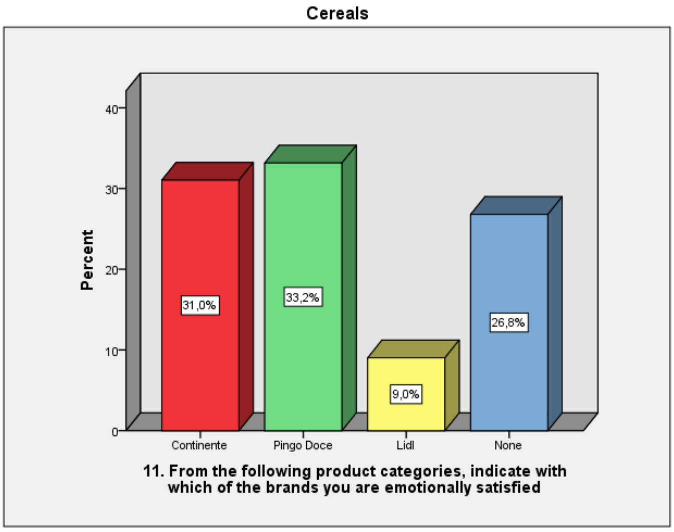


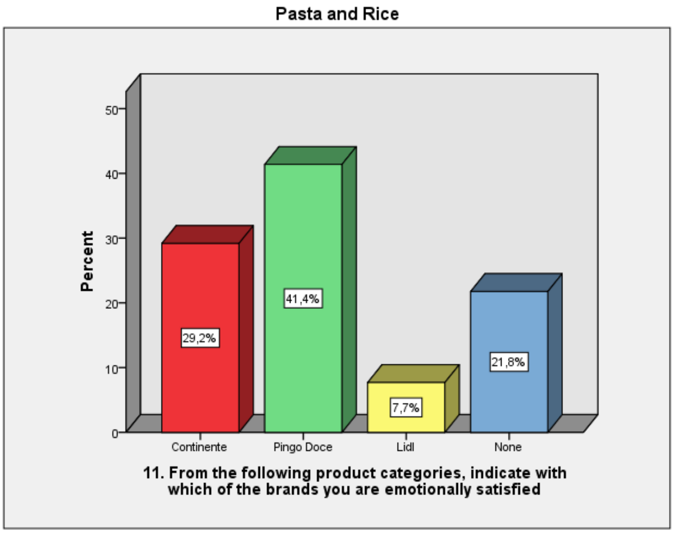
Attachment 14: Customers' emotional satisfaction with the supermarket brand visited

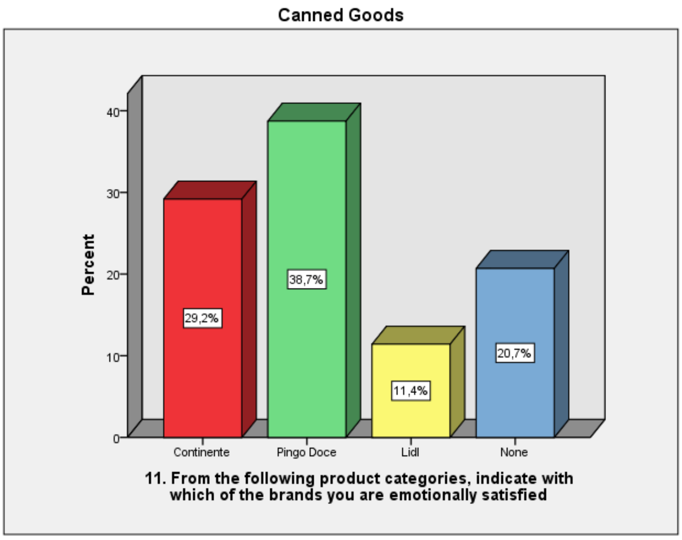


Attachment 15: Brands emotional satisfaction per products categories (Continente, Pingo Doce and Lidl)

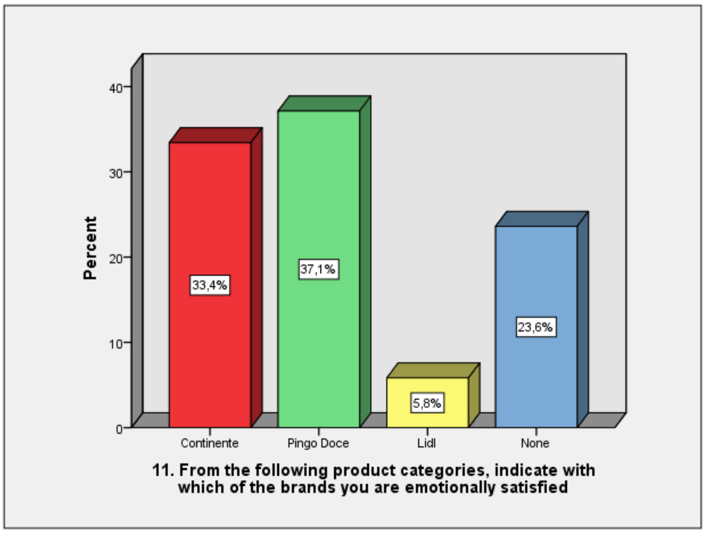



Cereals
Percent
40
30
20
10
0
31,0%
33,2%
9,0%
26,8%
Continente
Pingo Doce
Lidl
None
11. From the following product categories, indicate with which of the brands you are emotionally satisfied

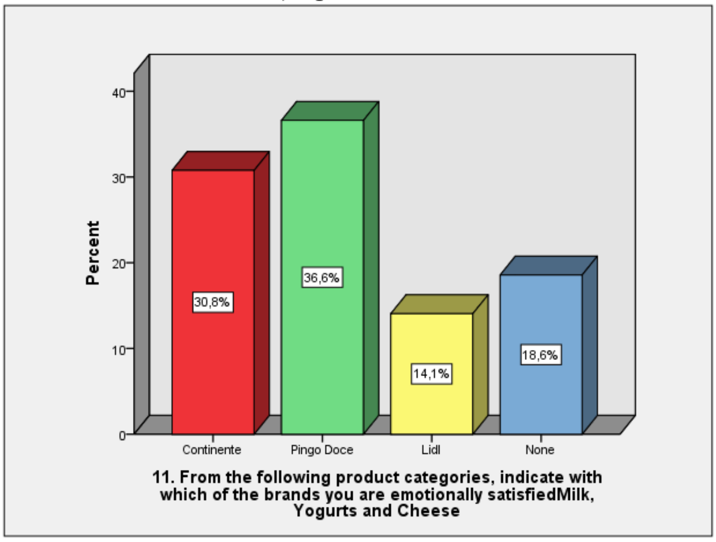

Pasta and Rice
Percent
50
40
30
20
10
0
29,2%
41,4%
7,7%
21,8%
Continente
Pingo Doce
Lidl
None
11. From the following product categories, indicate with which of the brands you are emotionally satisfied


Canned Goods
Percent
40
30
20
10
0
29,2%
38,7%
11,4%
20,7%
Continente
Pingo Doce
Lidl
None
11. From the following product categories, indicate with which of the brands you are emotionally satisfied

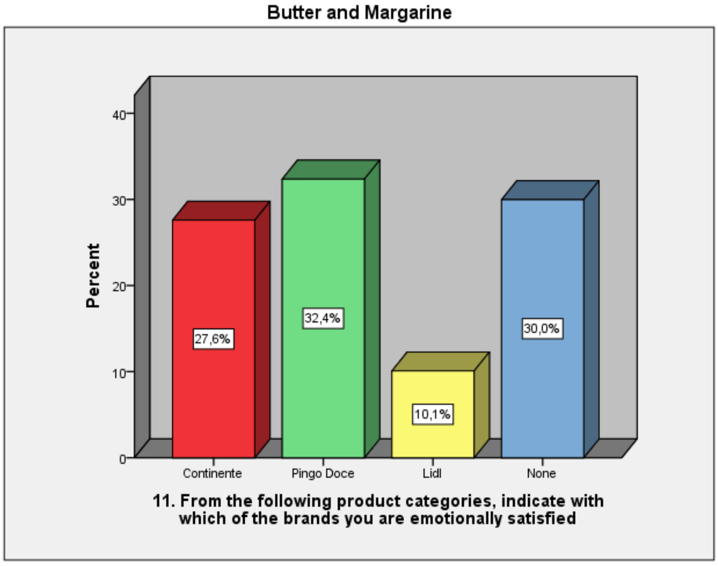
Charcuterie



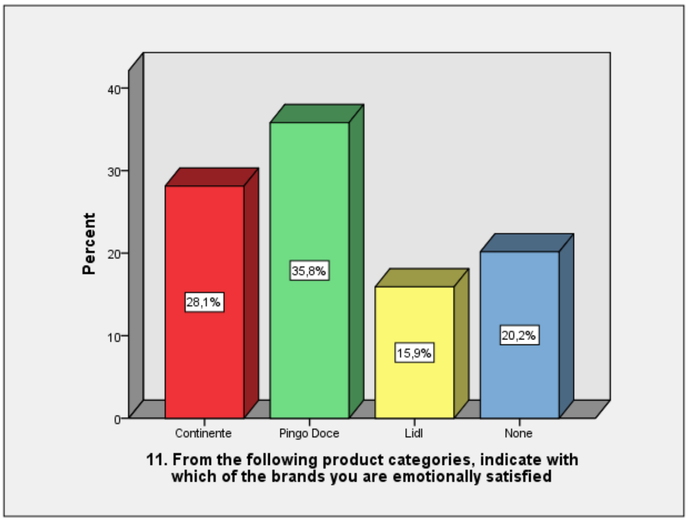
Milk, Yogurts and Cheese



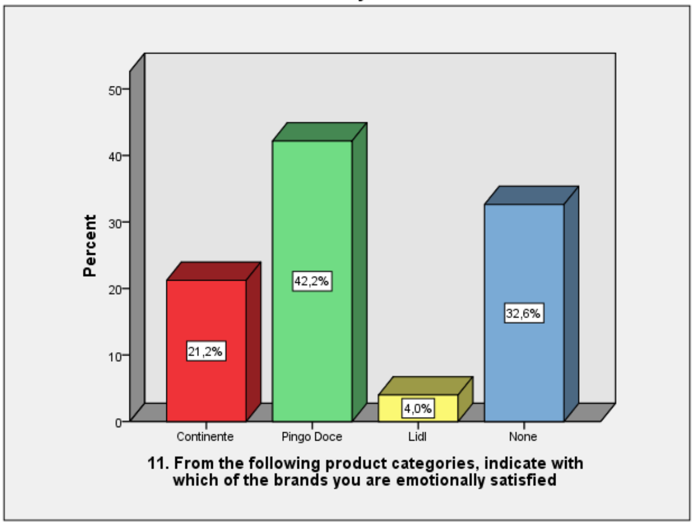
Butter and Margarine



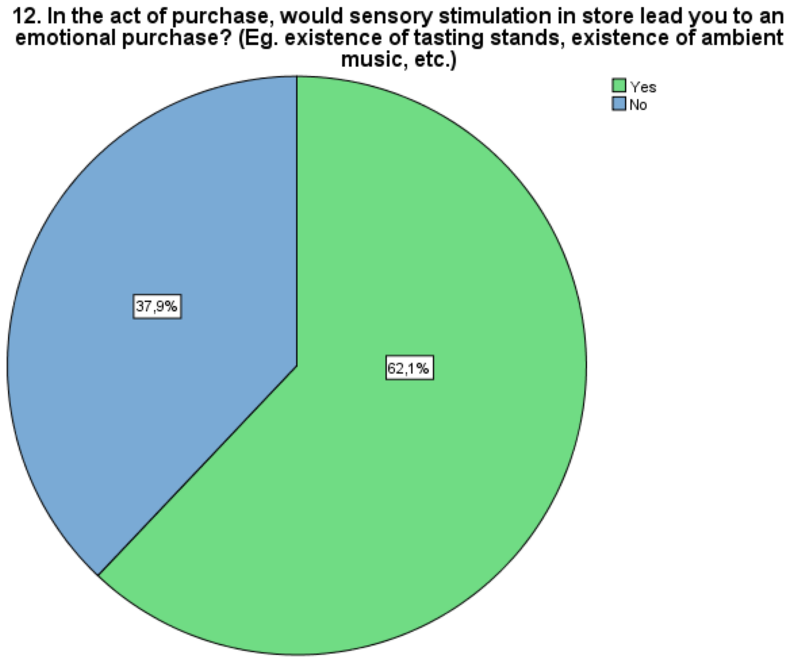
Frozen



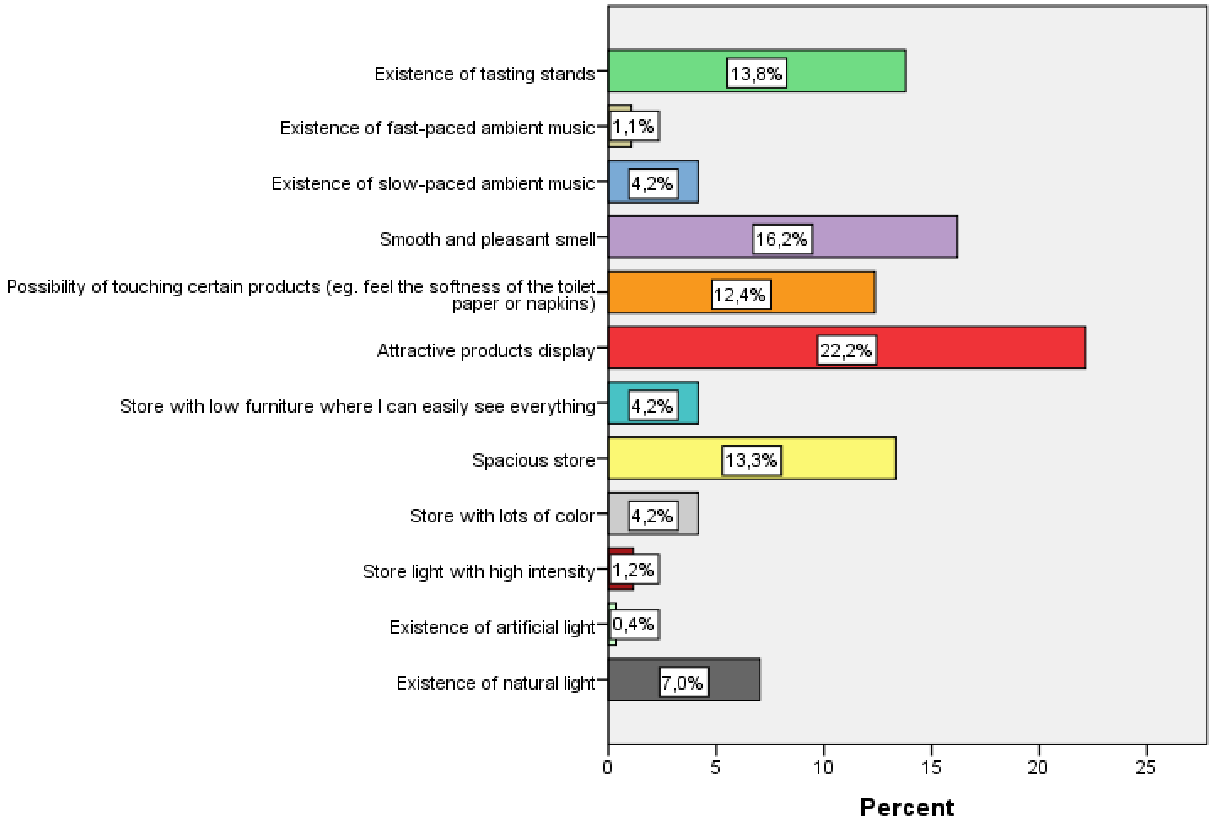
Take-Away Meals



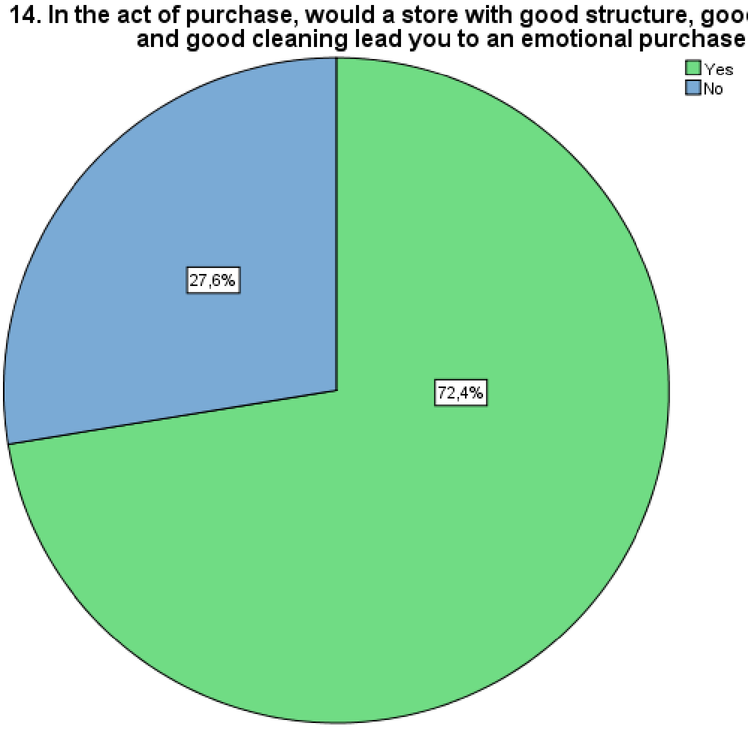
Attachment 16: Sensory stimulus and emotional purchase



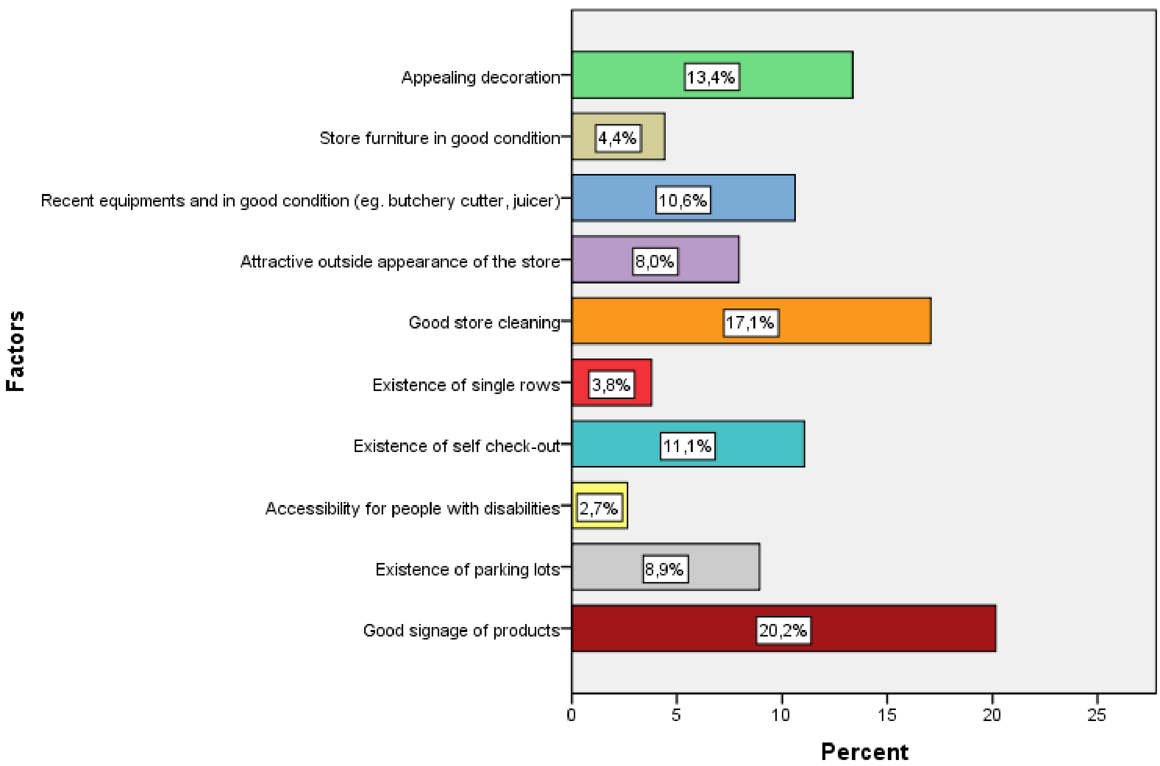
Attachment 17: Sensory factor that lead to emotional purchase



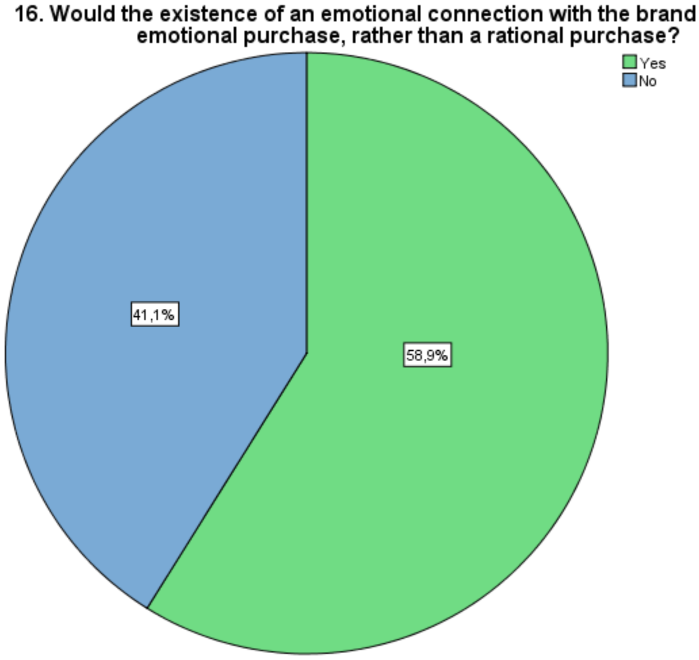
Attachment 18: Physical stimulus and emotional purchase



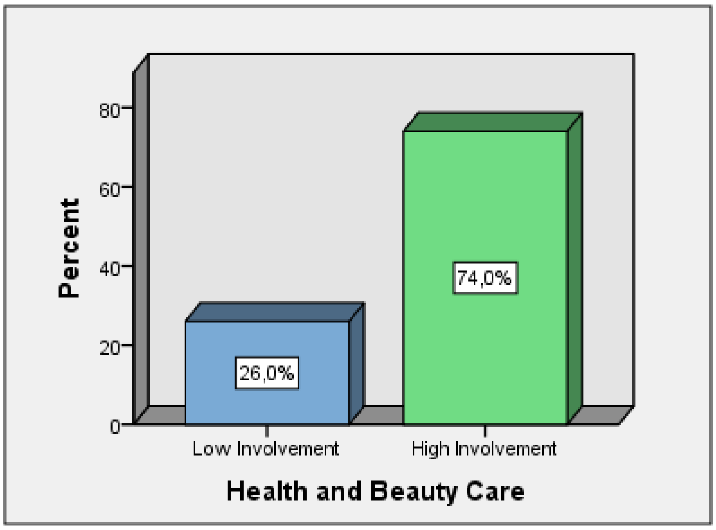
Attachment 19: Physical factor that lead to emotional purchase

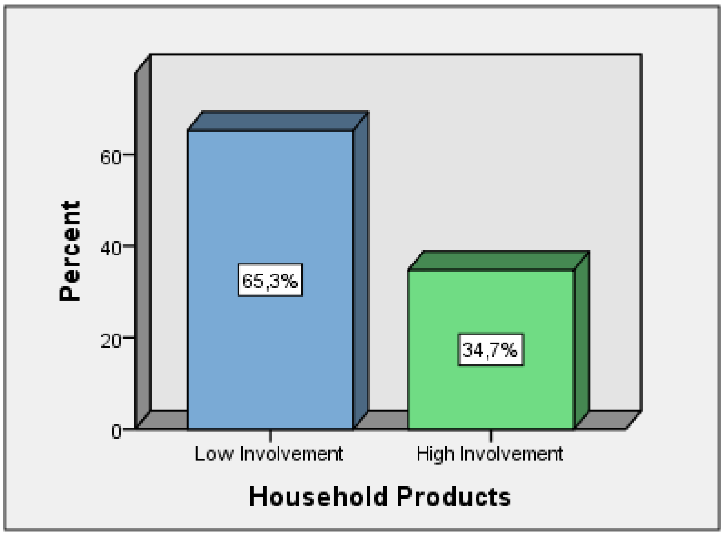


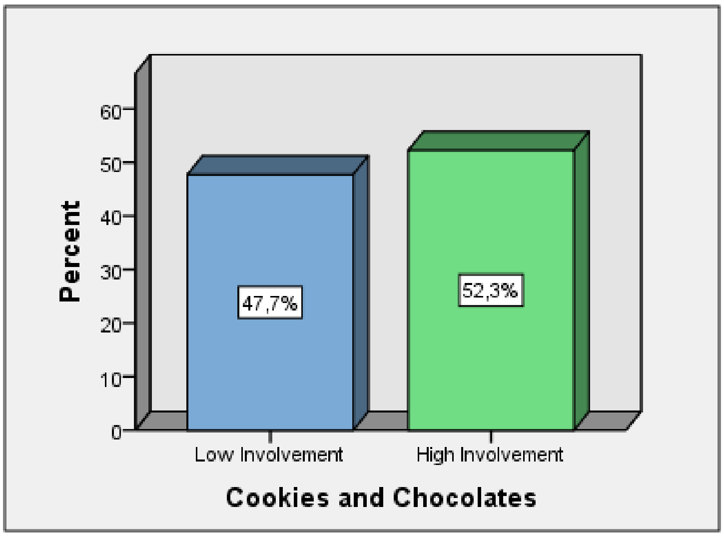
Attachment 20: Emotional connection with the brand and emotional purchase

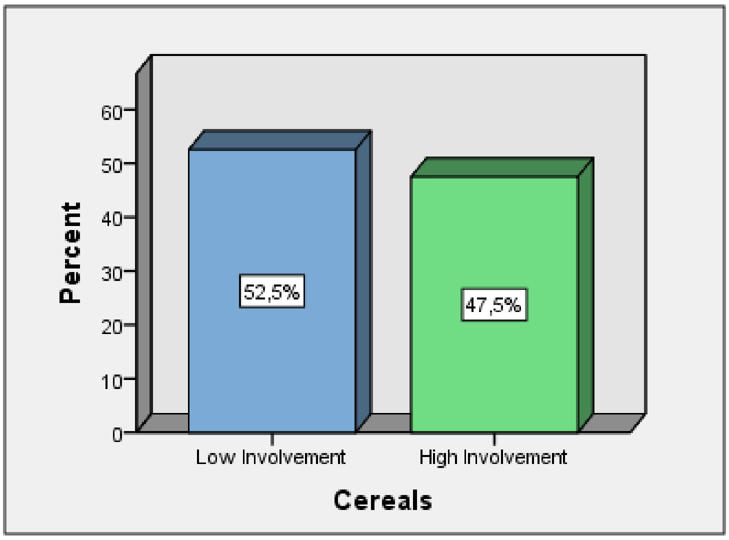


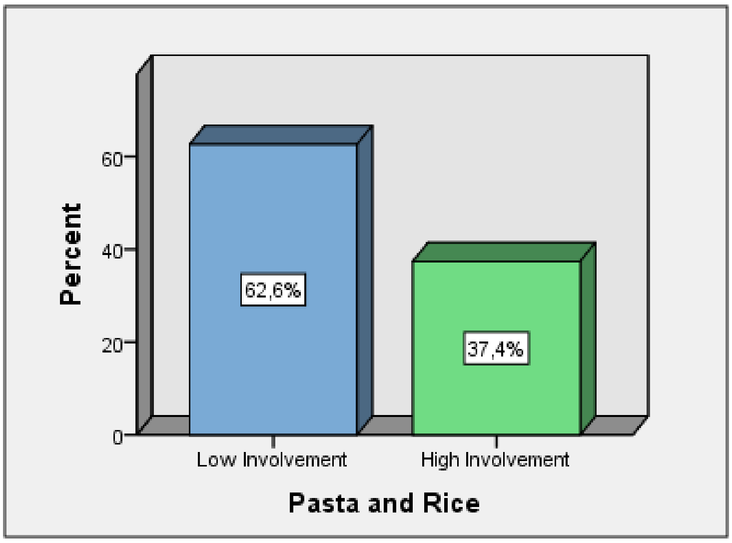
Attachment 21: High and low involvement products characterization, per products categories

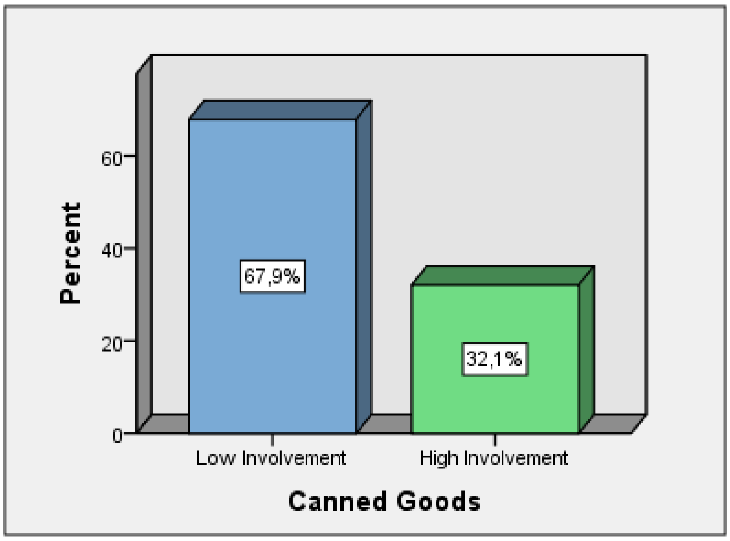


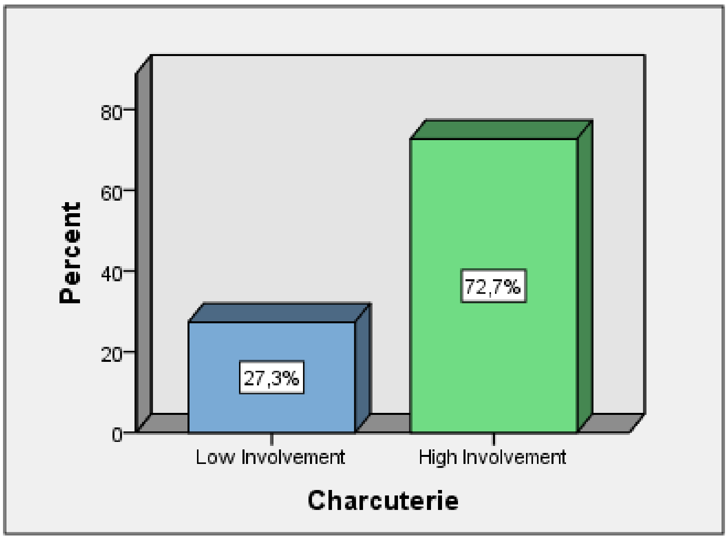

Percent
60
40
20
0
65,3%
34,7%
Low Involvement
High Involvement
Household Products

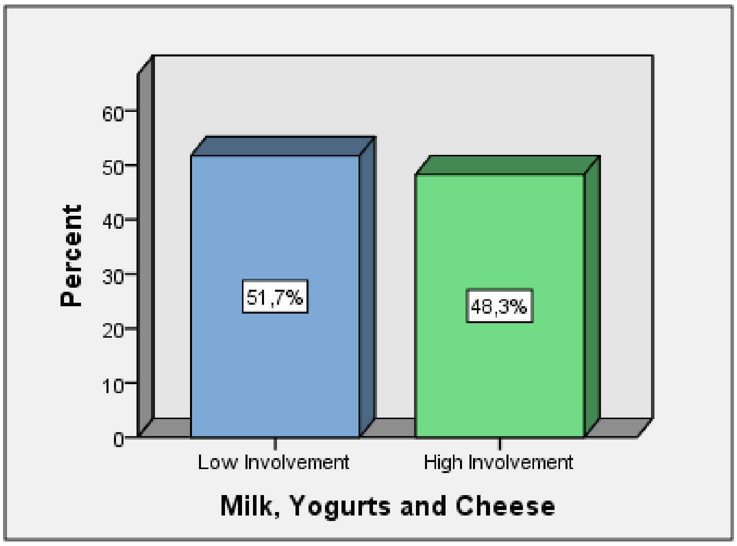

Percent
60
50
40
30
20
10
0
47,7%
52,3%
Low Involvement
High Involvement
Cookies and Chocolates

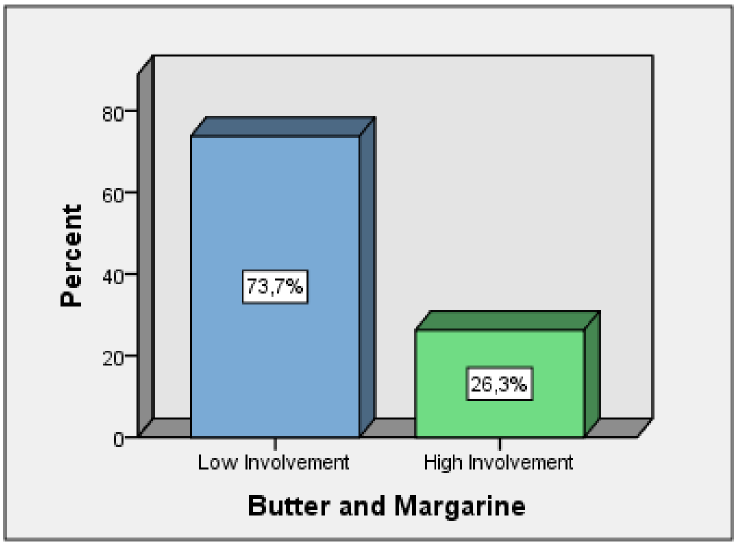

Percent
60
50
40
30
20
10
0
52,5%
47,5%
Low Involvement
High Involvement
Cereals

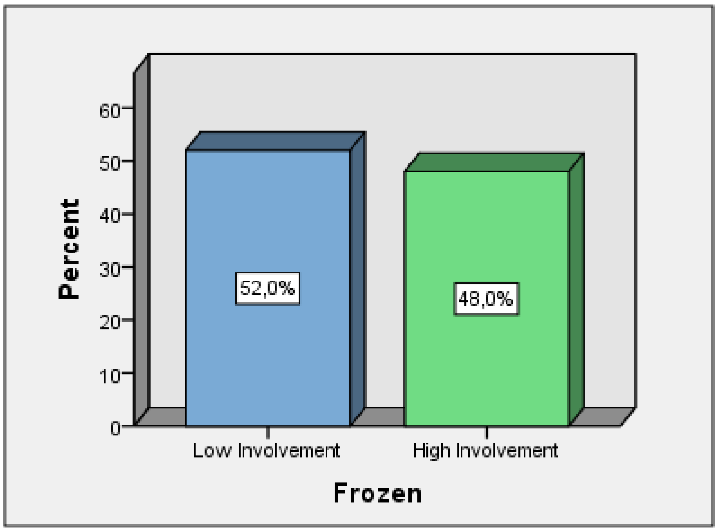

Percent
60
40
20
0
62,6%
37,4%
Low Involvement
High Involvement
Pasta and Rice

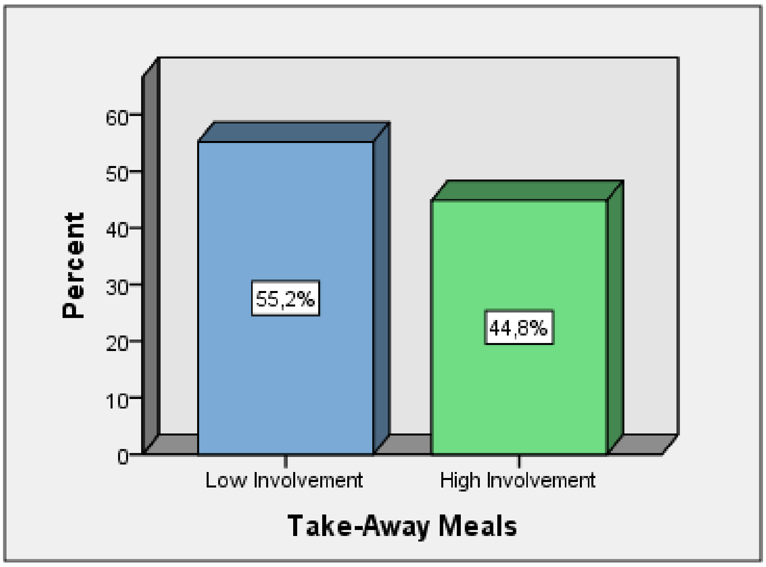

Percent
60
40
20
0
67,9%
32,1%
Low Involvement
High Involvement
Canned Goods


Percent
80
60
40
20
0
27,3%
72,7%
Low Involvement
High Involvement
Charcuterie

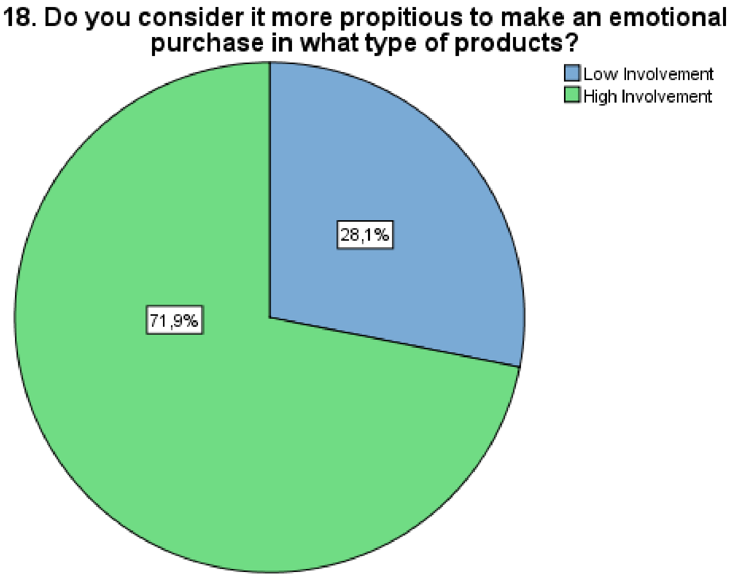

Percent
60
50
40
30
20
10
0
51,7%
48,3%
Low Involvement
High Involvement
Milk, Yogurts and Cheese


Percent
80
60
40
20
0
73,7%
26,3%
Low Involvement
High Involvement
Butter and Margarine

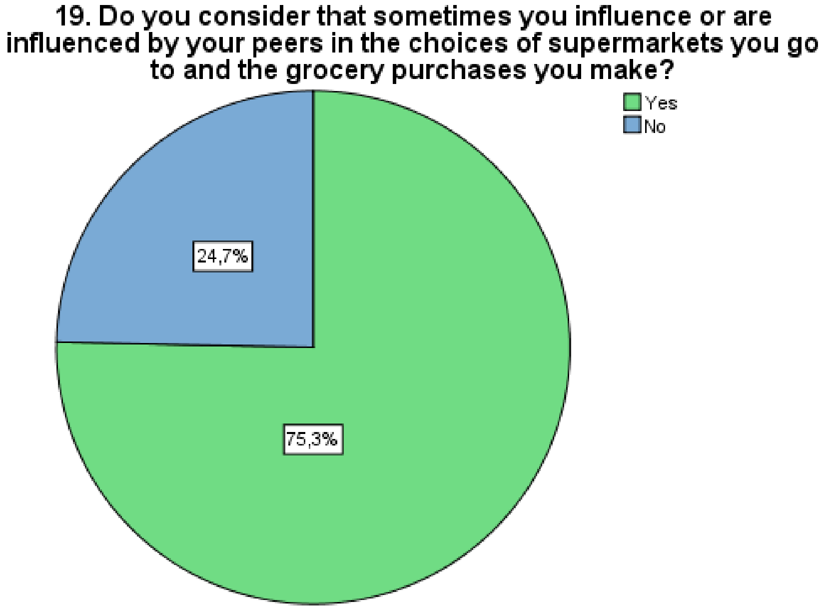

Percent
60
50
40
30
20
10
0
52,0%
48,0%
Low Involvement
High Involvement
Frozen



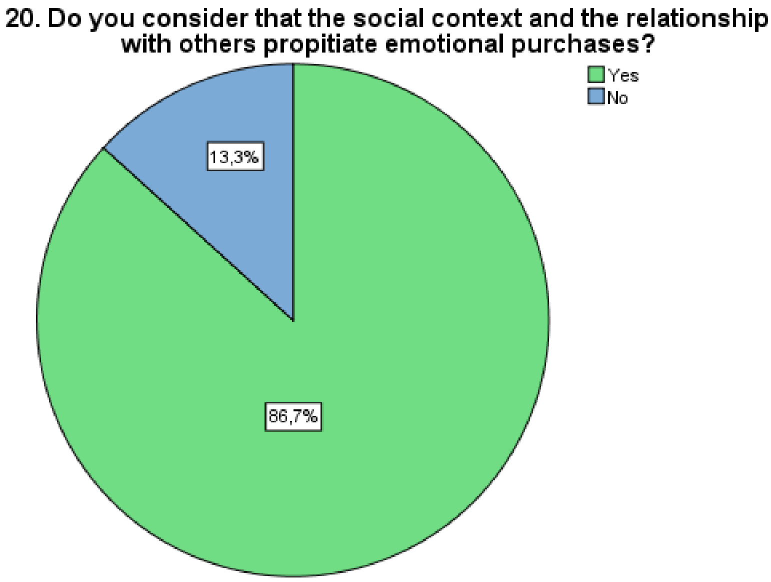
Attachment 22: High and low involvement products and the potential of purchase



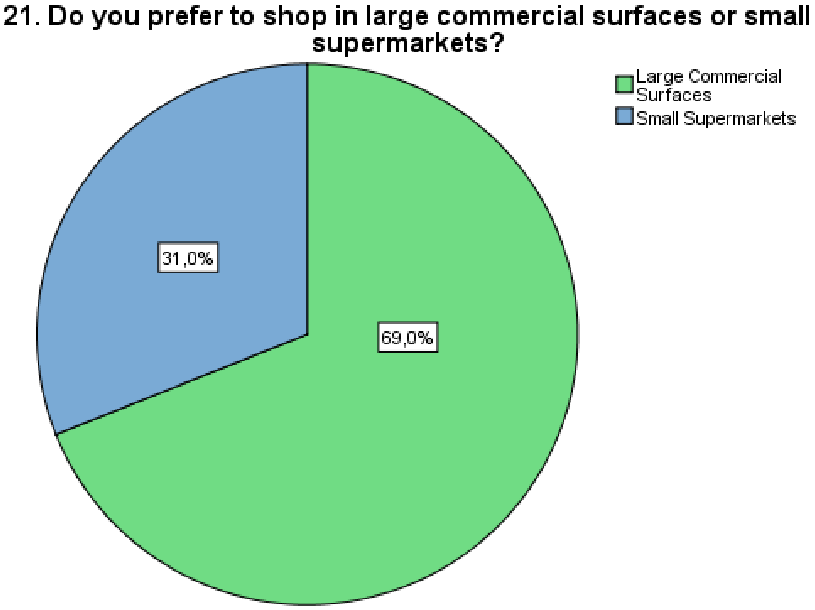
Attachment 23: Social influence and the purchase



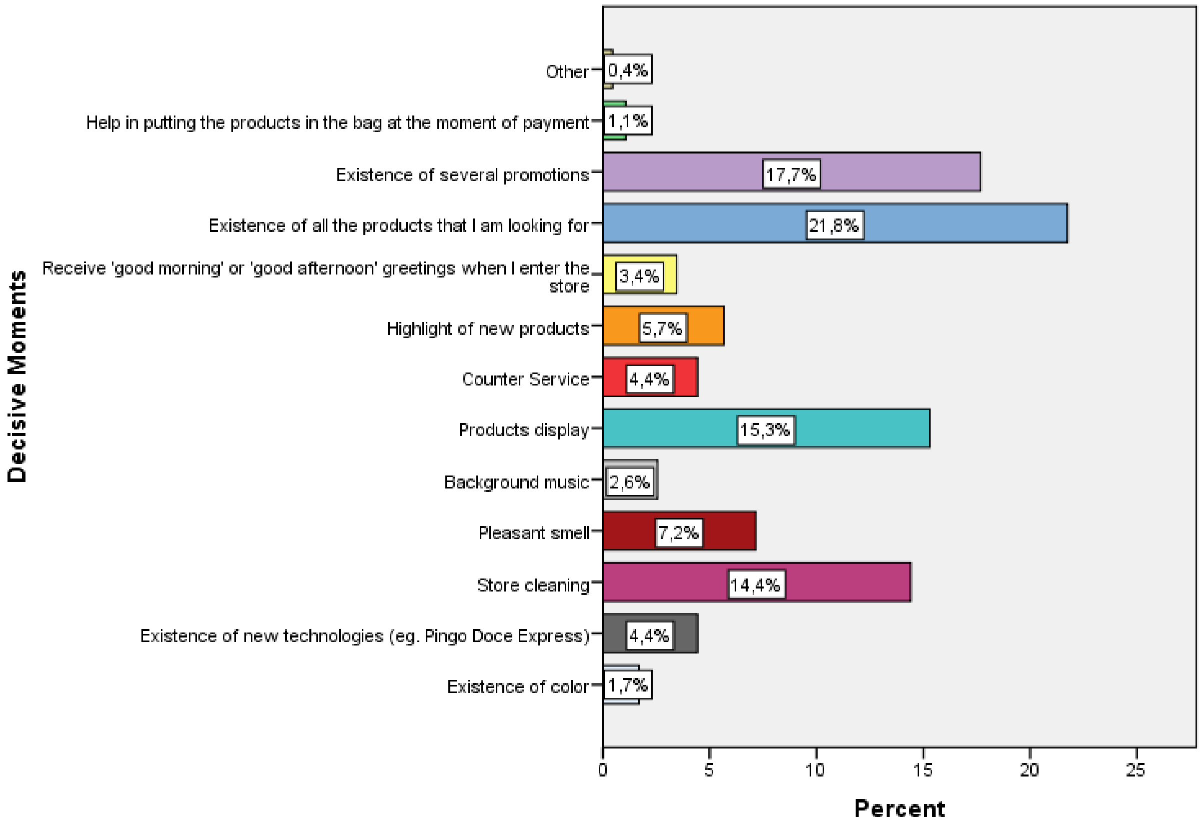
Attachment 24: Social context and emotional purchases



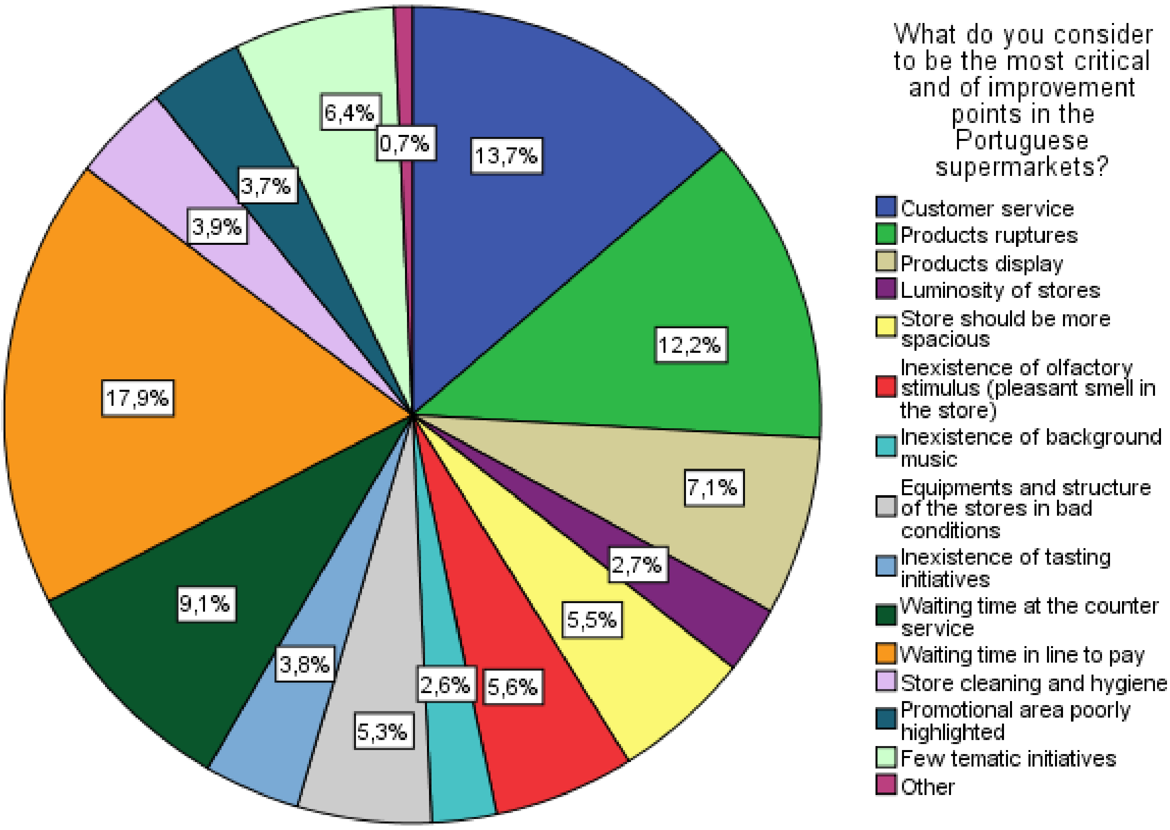
Attachment 25: Size of stores preference



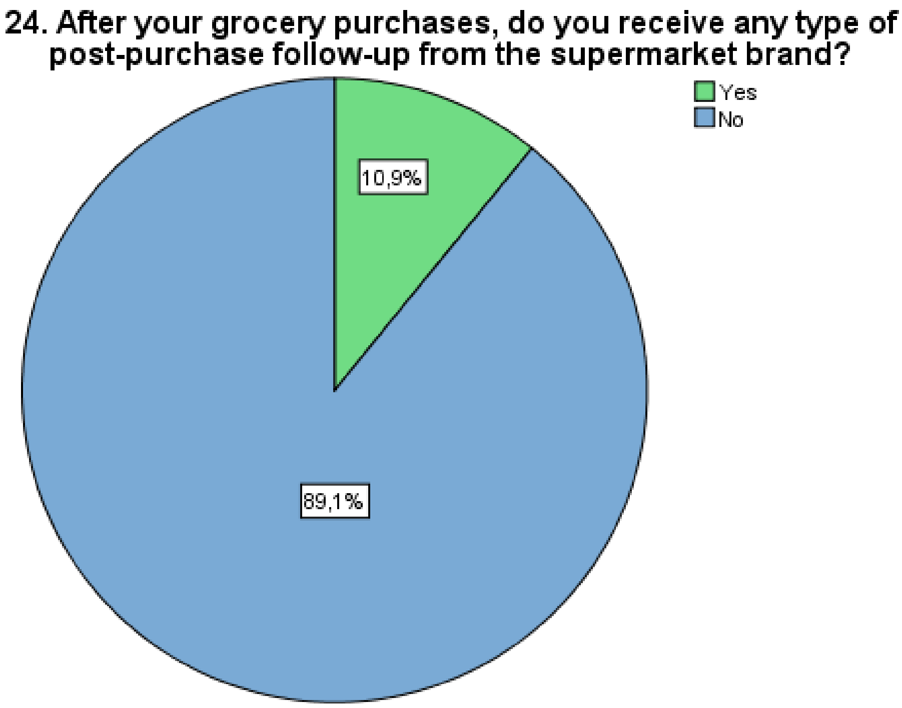
Attachment 26: Decisive moments for the purchase decision during the shopping visit



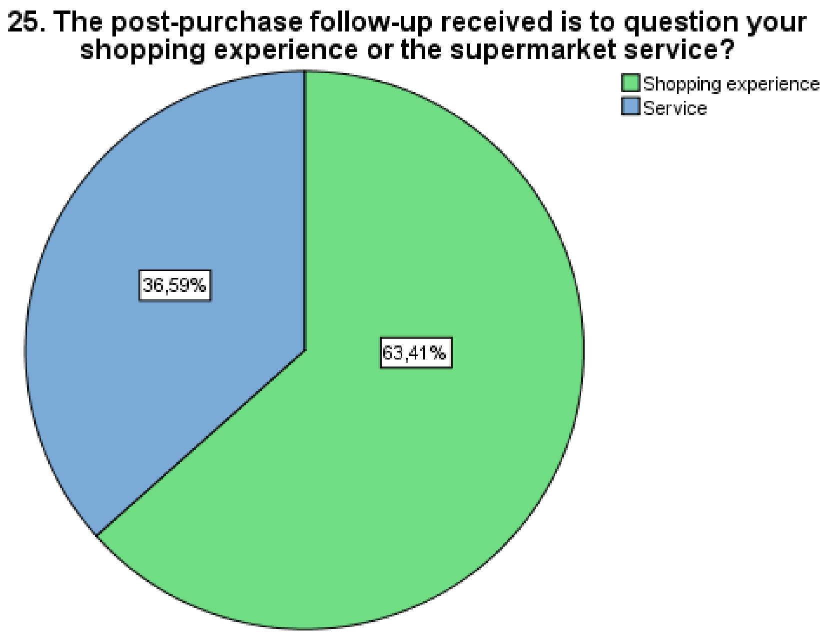
Attachment 27: Improvement points of the Portuguese supermarkets



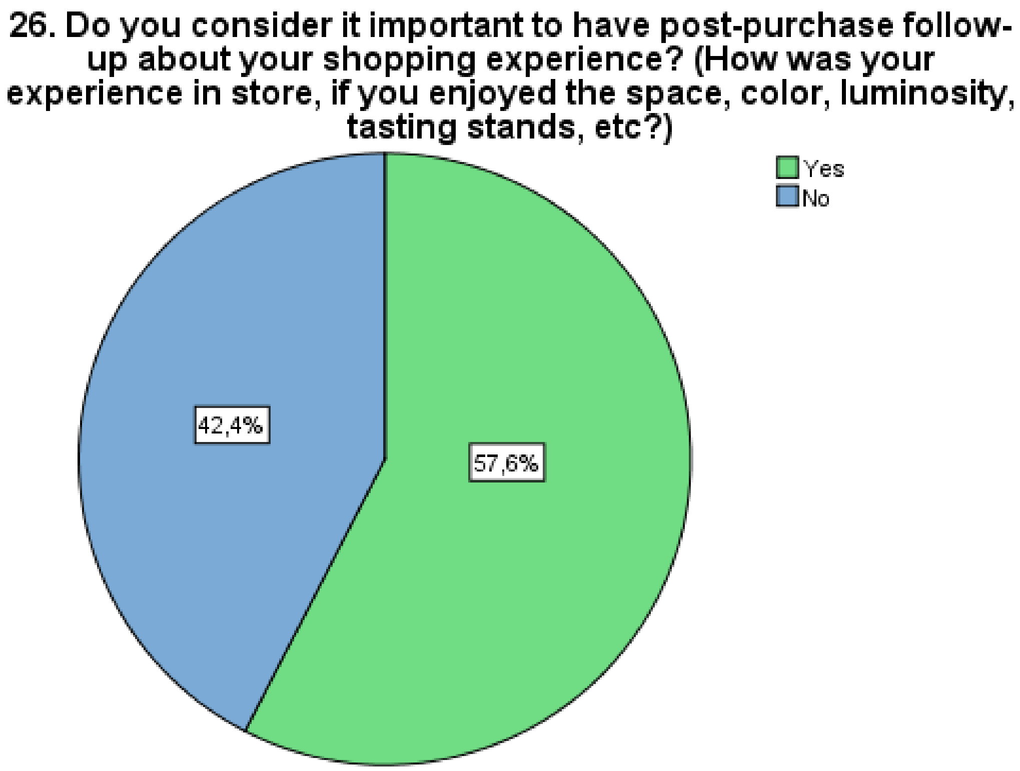
Attachment 28: Post-purchase follow-up



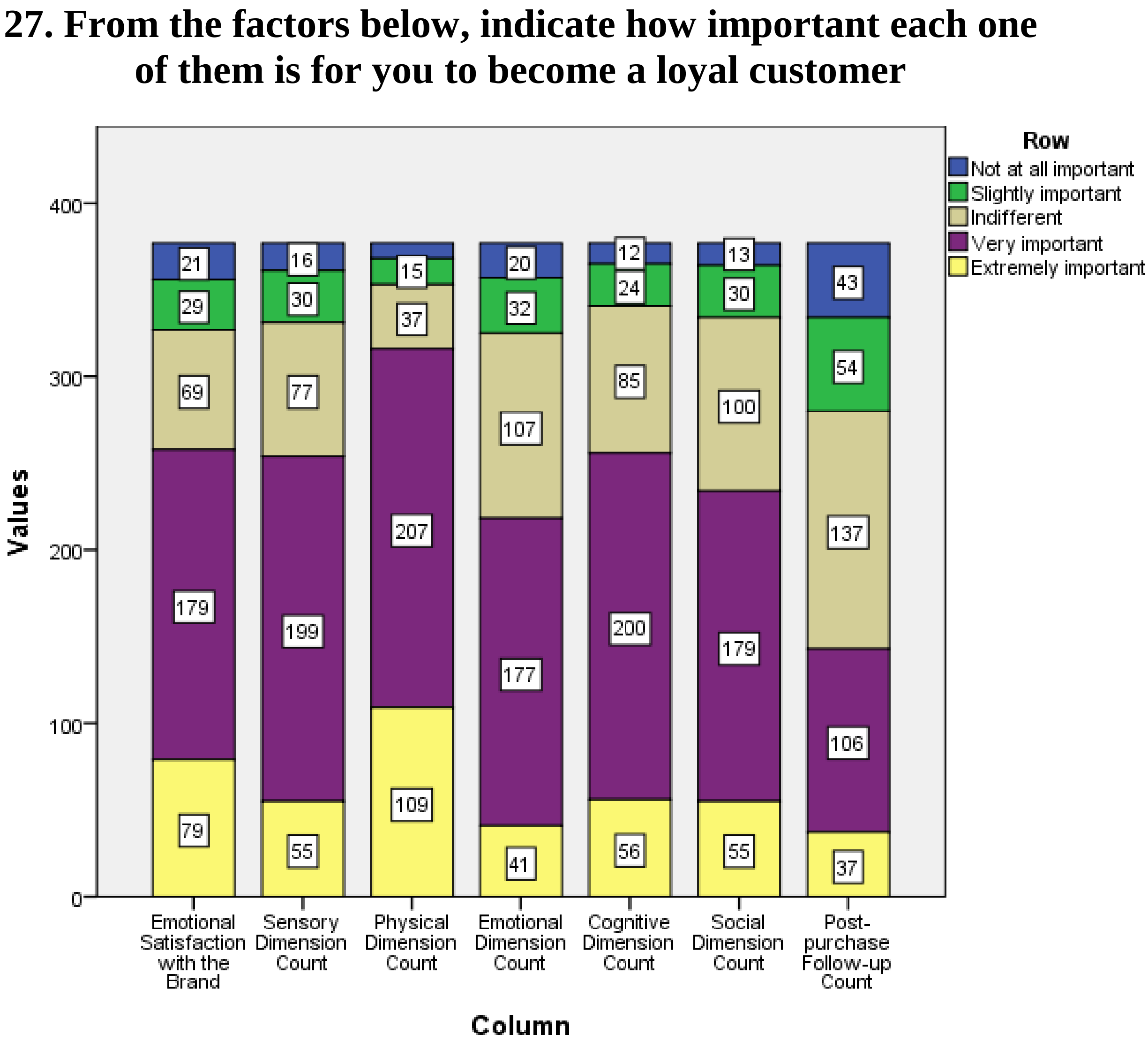
Attachment 29: Post-purchase follow-up type



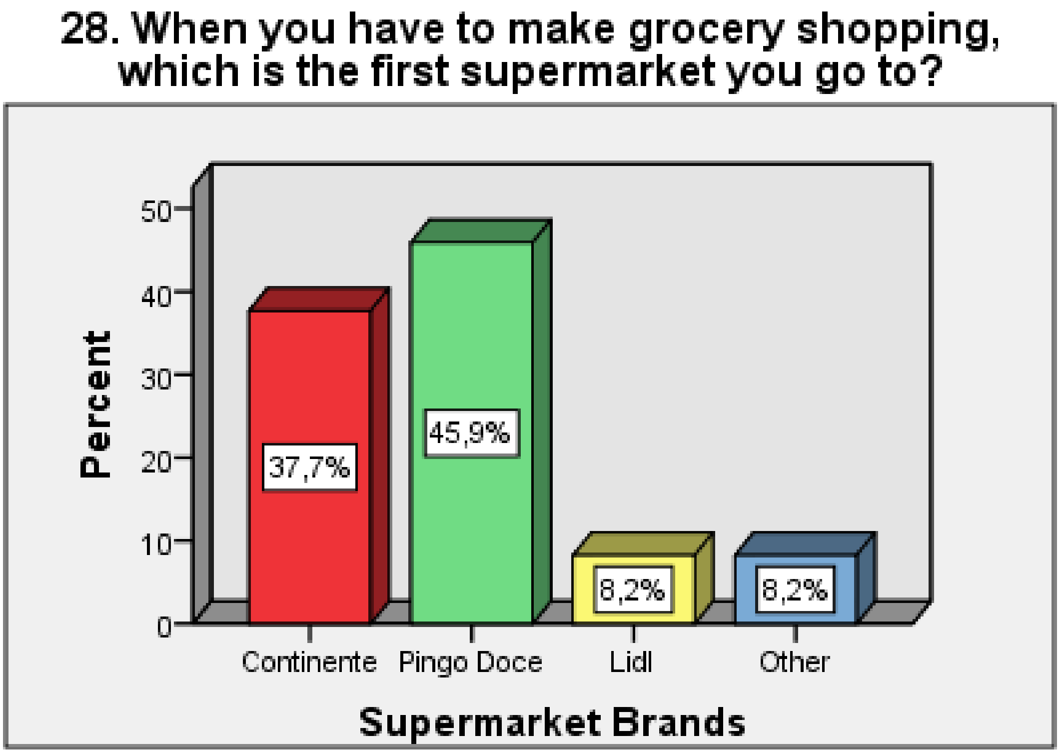
Attachment 30: Importance of post-purchase follow-up on the shopping experience



Attachment 31: Customer loyalty level of importance of 7 factors

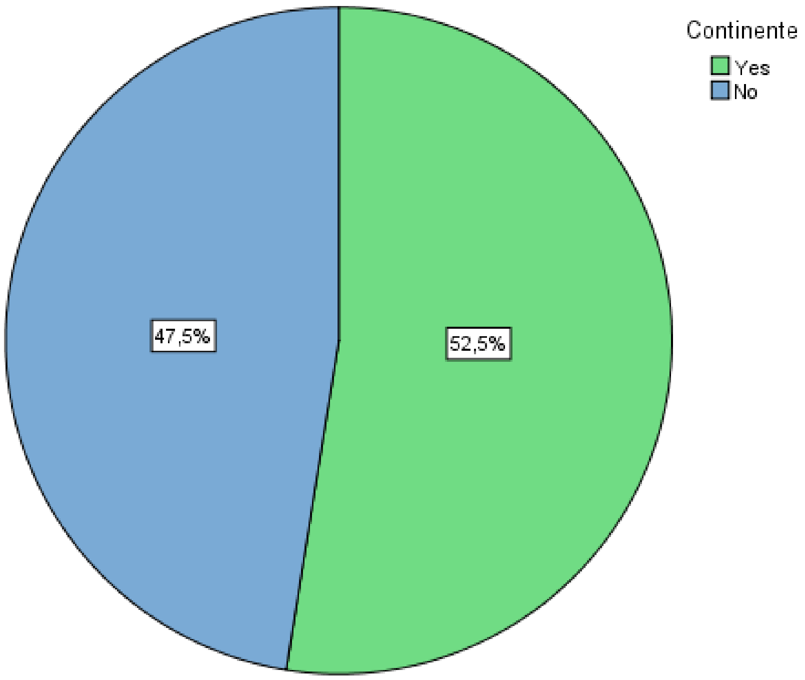


Attachment 32: Supermarket preference

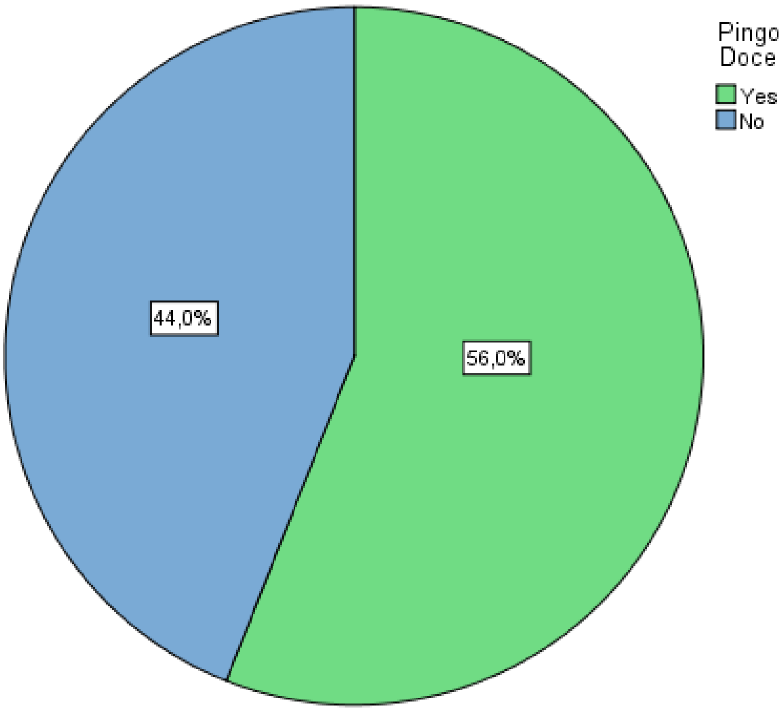


Attachment 33: Loyal customer (Continente, Pingo Doce and Lidl)

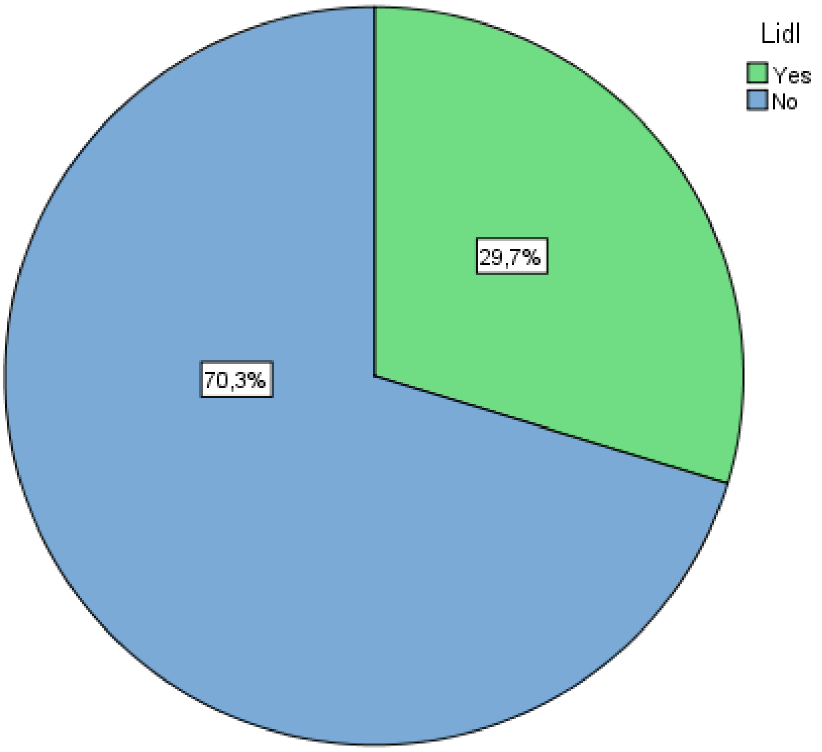
29. Indicate whether you consider yourself to be a loyal customer in the following Supermarkets (Continente)



29. Indicate whether you consider yourself to be a loyal customer in the following Supermarkets (Pingo Doce)

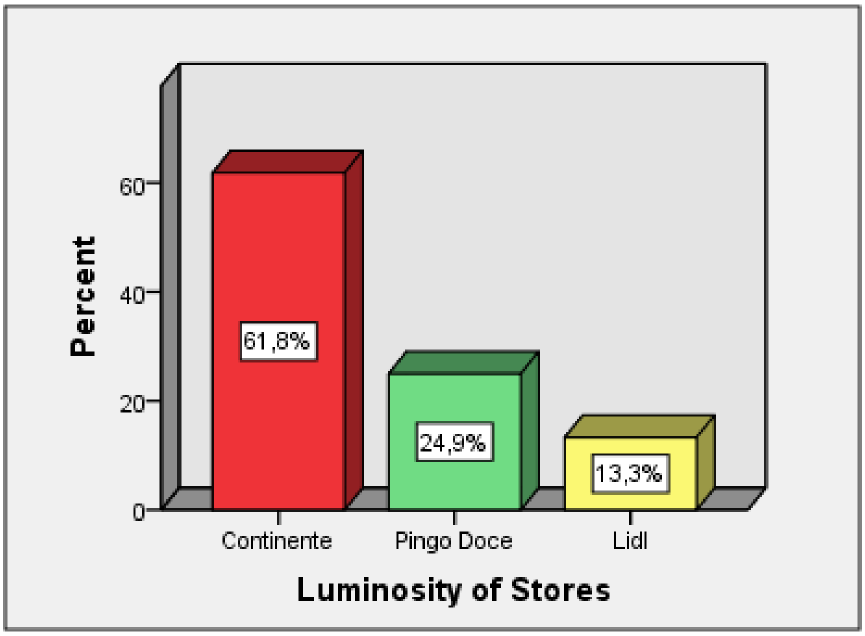


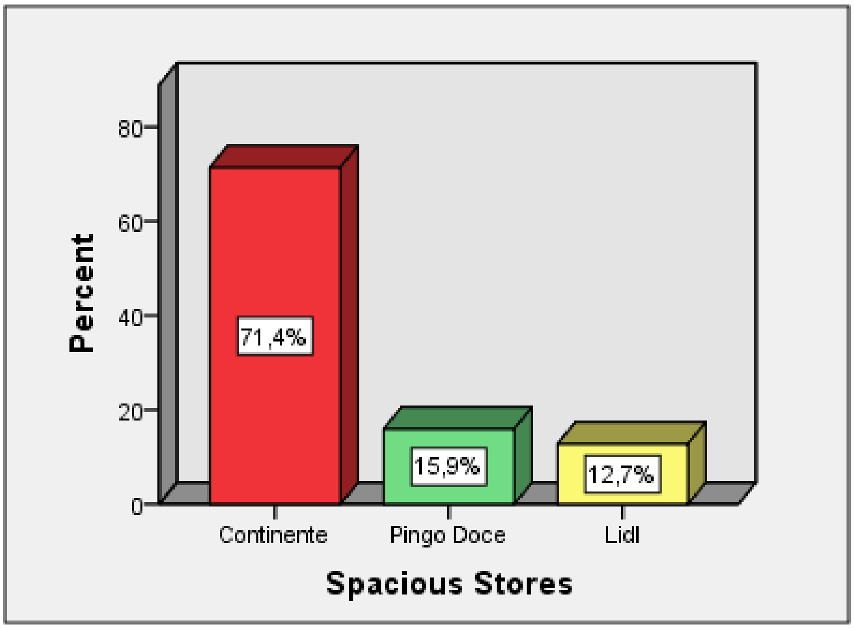
29. Indicate whether you consider yourself to be a loyal customer in the following Supermarkets (Lidl)

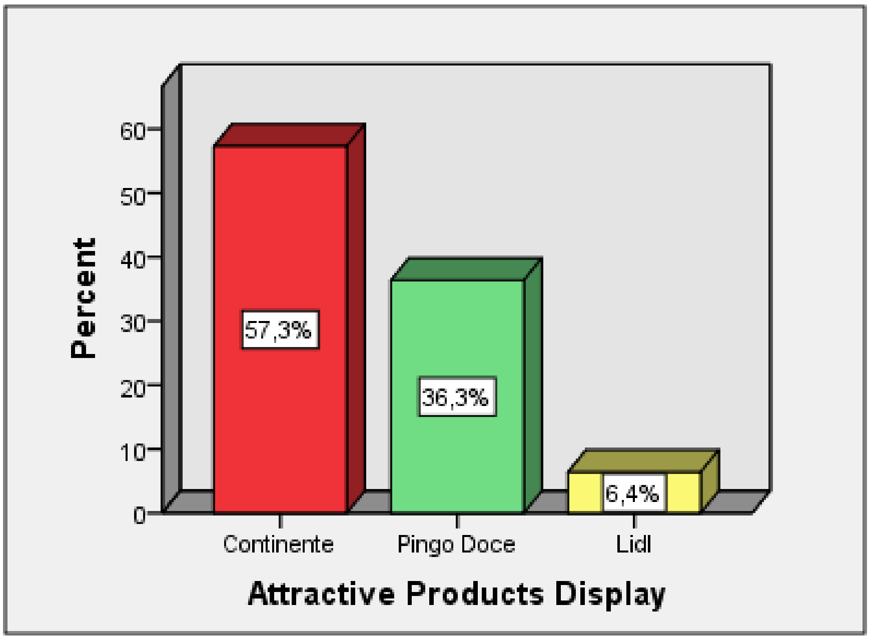


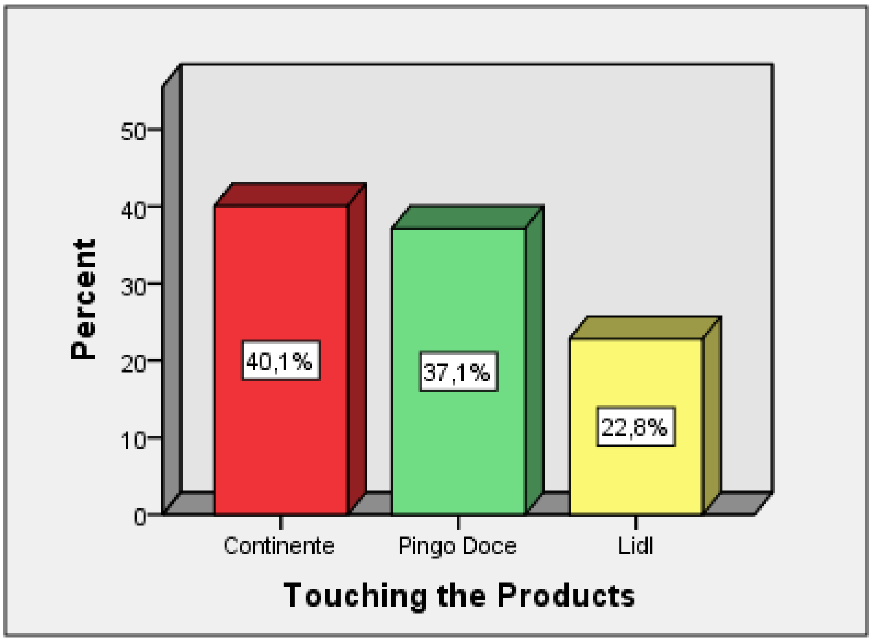
Attachment 34: Supermarket brand that best develops each customer experience

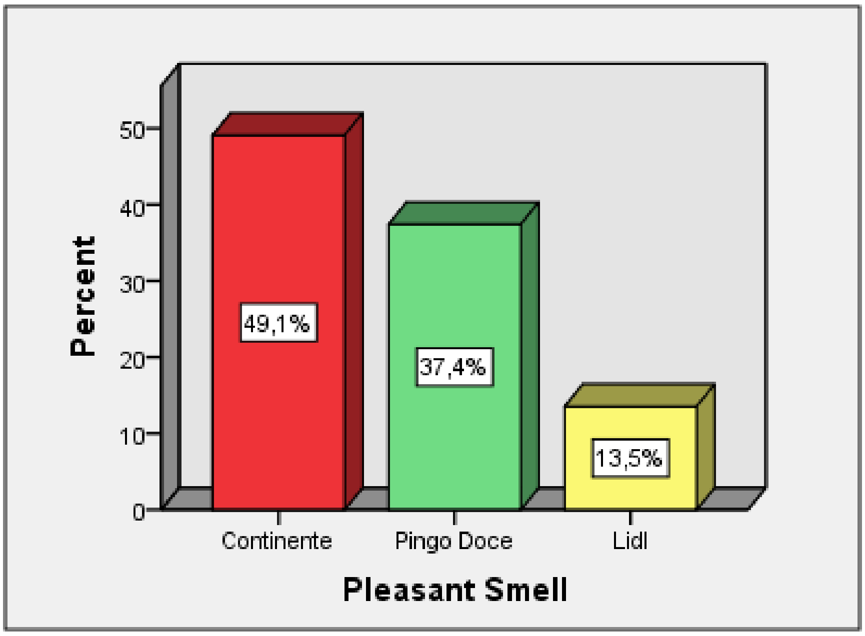
30. From the factors below, indicate which supermarket brand best develops each

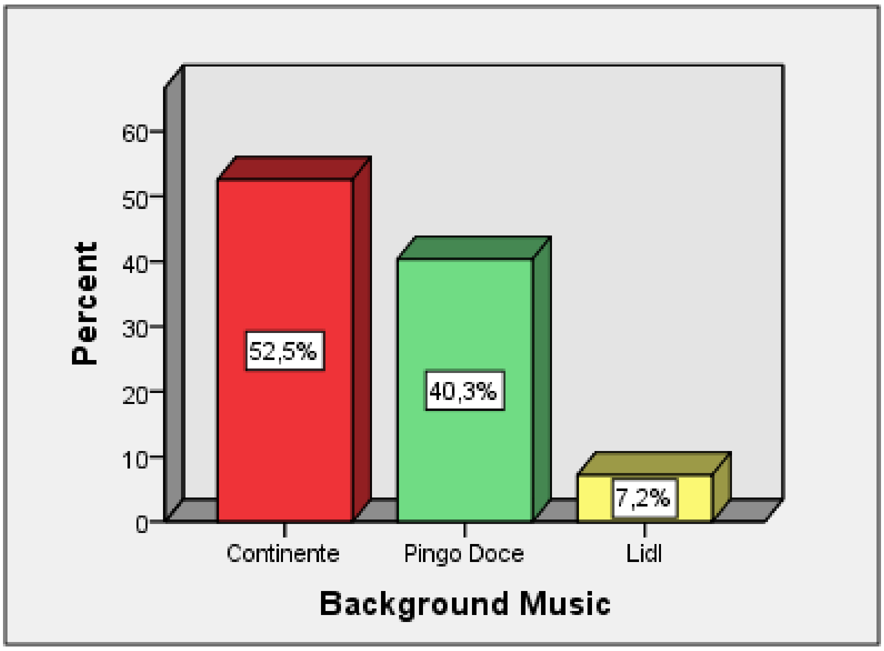


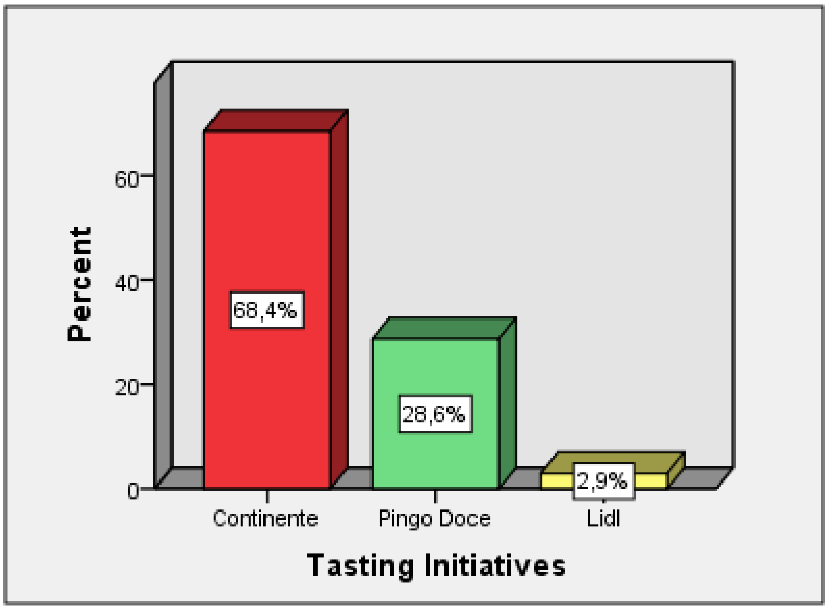

Percent
80
60
40
20
0
71,4%
15,9%
12,7%
Continente
Pingo Doce
Lidl
Spacious Stores

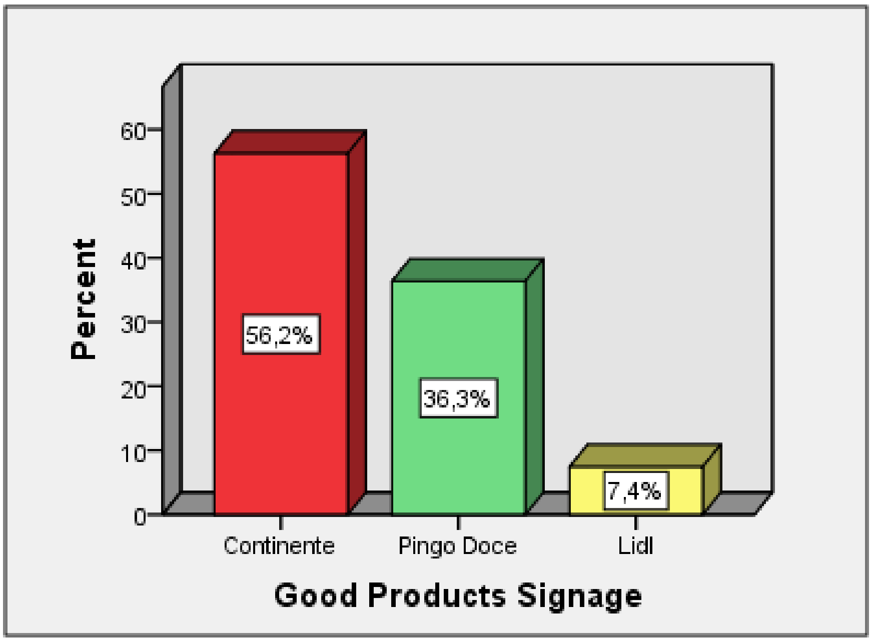

Percent
60
50
40
30
20
10
0
57,3%
36,3%
6,4%
Continente
Pingo Doce
Lidl
Attractive Products Display

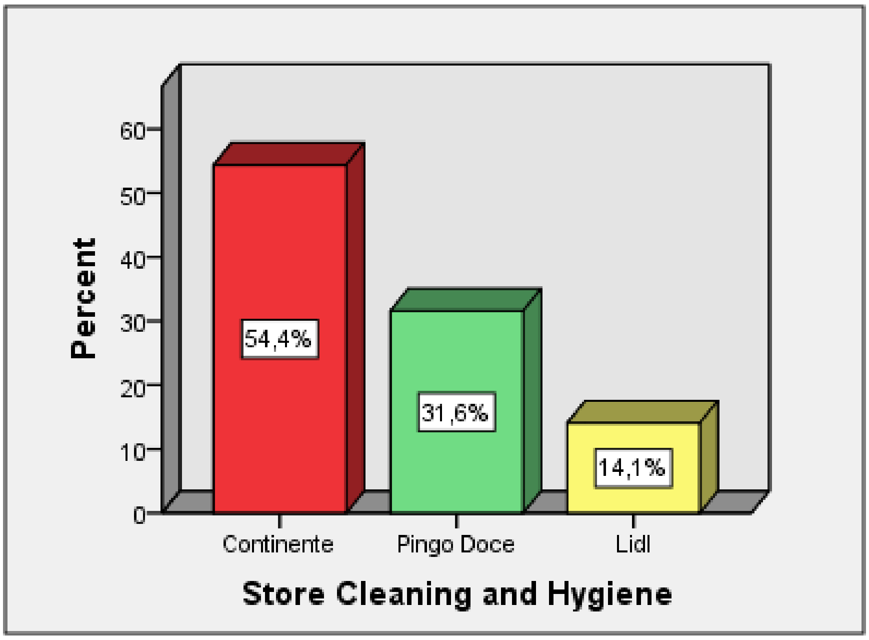

Percent
50
40
30
20
10
0
40,1%
37,1%
22,8%
Continente
Pingo Doce
Lidl
Touching the Products

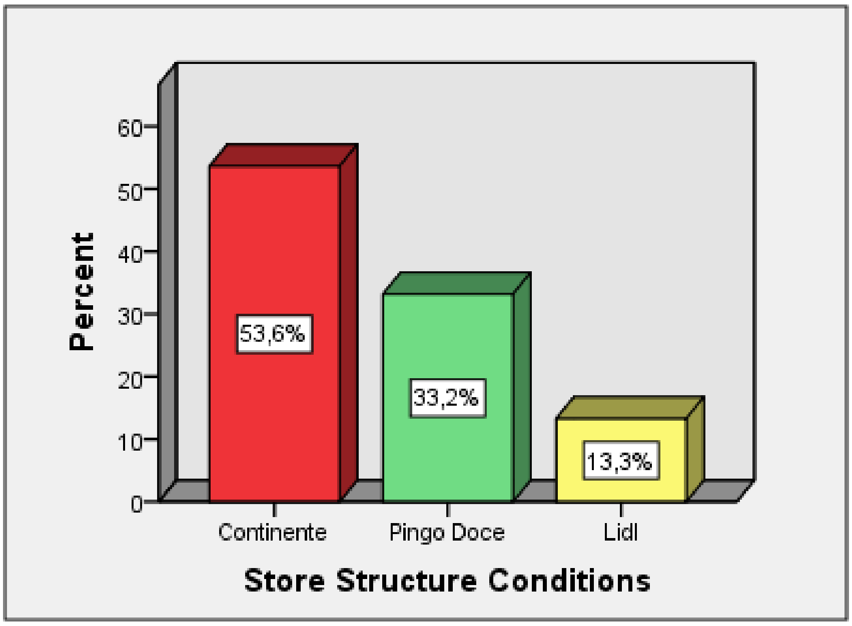

Percent
50
40
30
20
10
0
49,1%
37,4%
13,5%
Continente
Pingo Doce
Lidl
Pleasant Smell

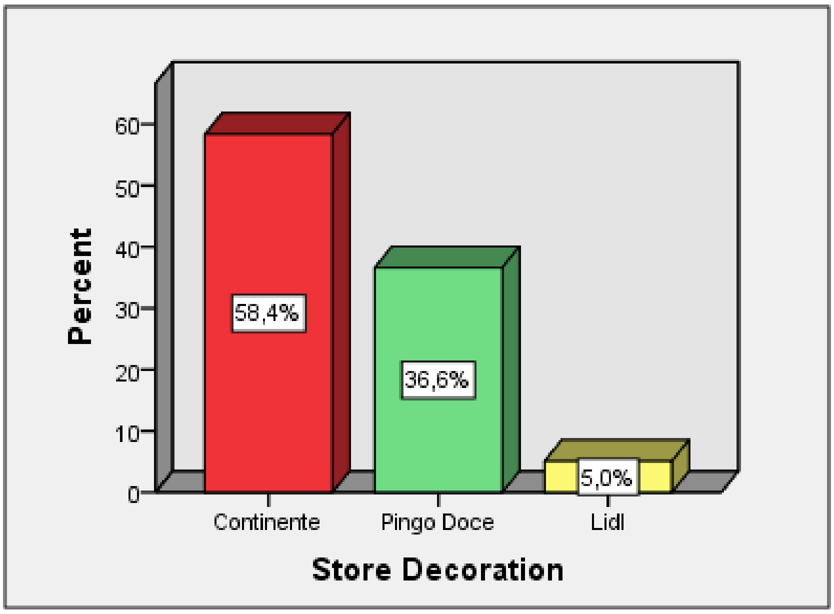

Percent
60
50
40
30
20
10
0
52,5%
40,3%
7,2%
Continente
Pingo Doce
Lidl
Background Music

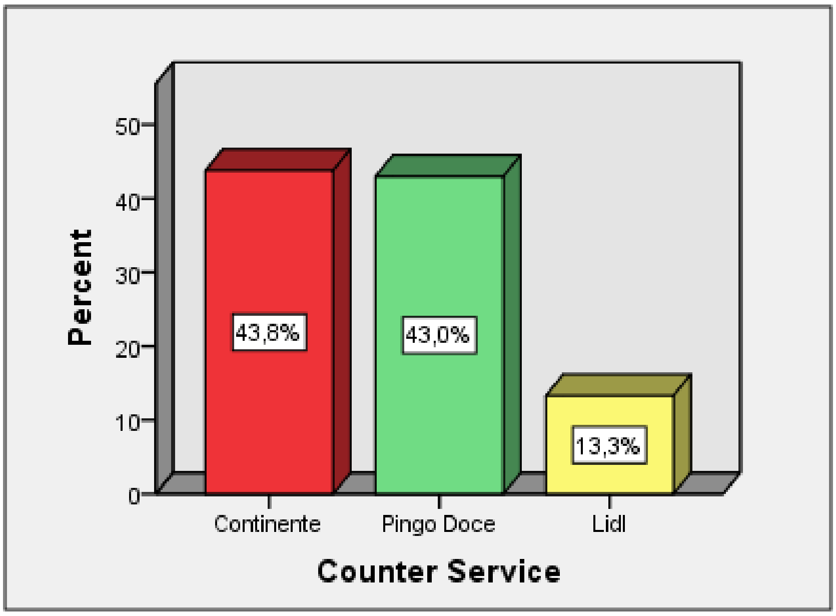

Percent
60
40
20
0
68,4%
28,6%
2,9%
Continente
Pingo Doce
Lidl
Tasting Initiatives

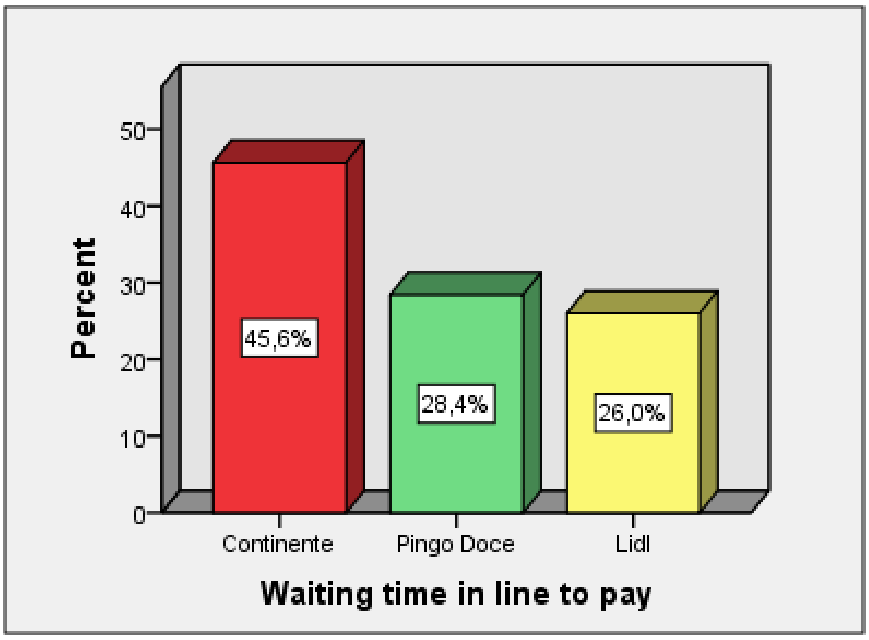

Percent
60
50
40
30
20
10
0
56,2%
36,3%
7,4%
Continente
Pingo Doce
Lidl
Good Products Signage

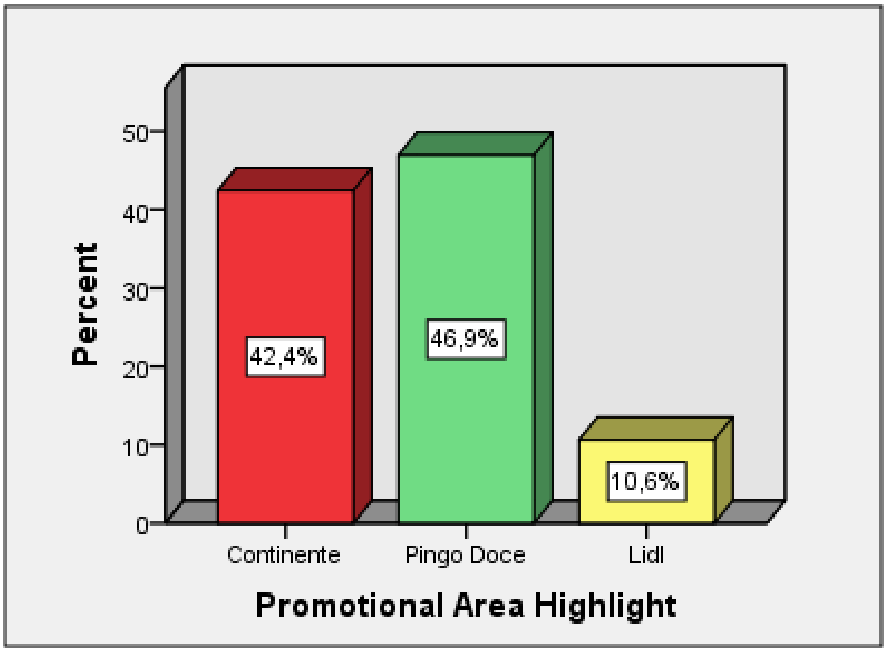

Percent
60
50
40
30
20
10
0
54,4%
31,6%
14,1%
Continente
Pingo Doce
Lidl
Store Cleaning and Hygiene

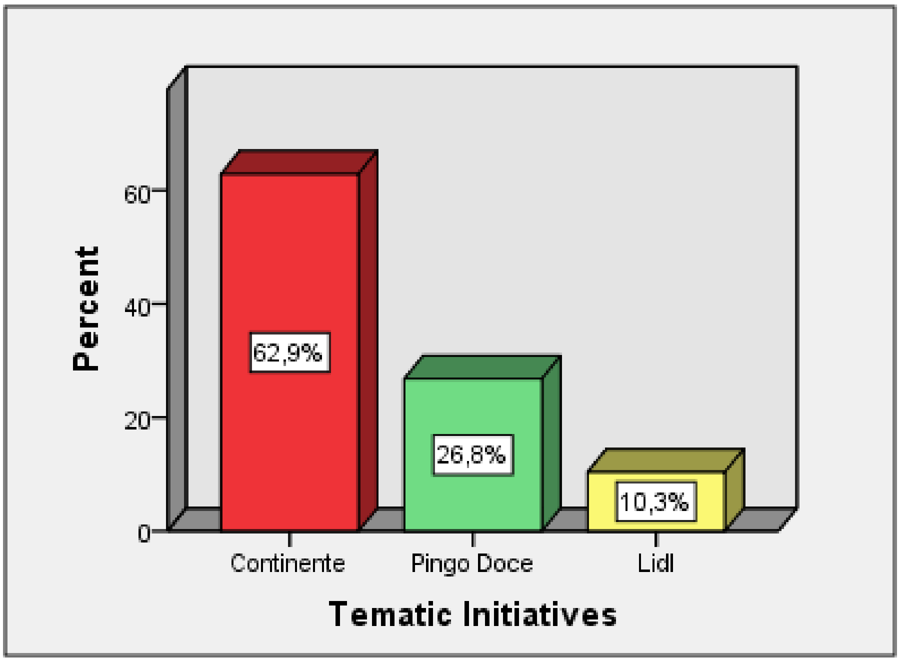

Percent
60
50
40
30
20
10
0
53,6%
33,2%
13,3%
Continente
Pingo Doce
Lidl
Store Structure Conditions


Percent
60
50
40
30
20
10
0
58,4%
36,6%
5,0%
Continente
Pingo Doce
Lidl
Store Decoration

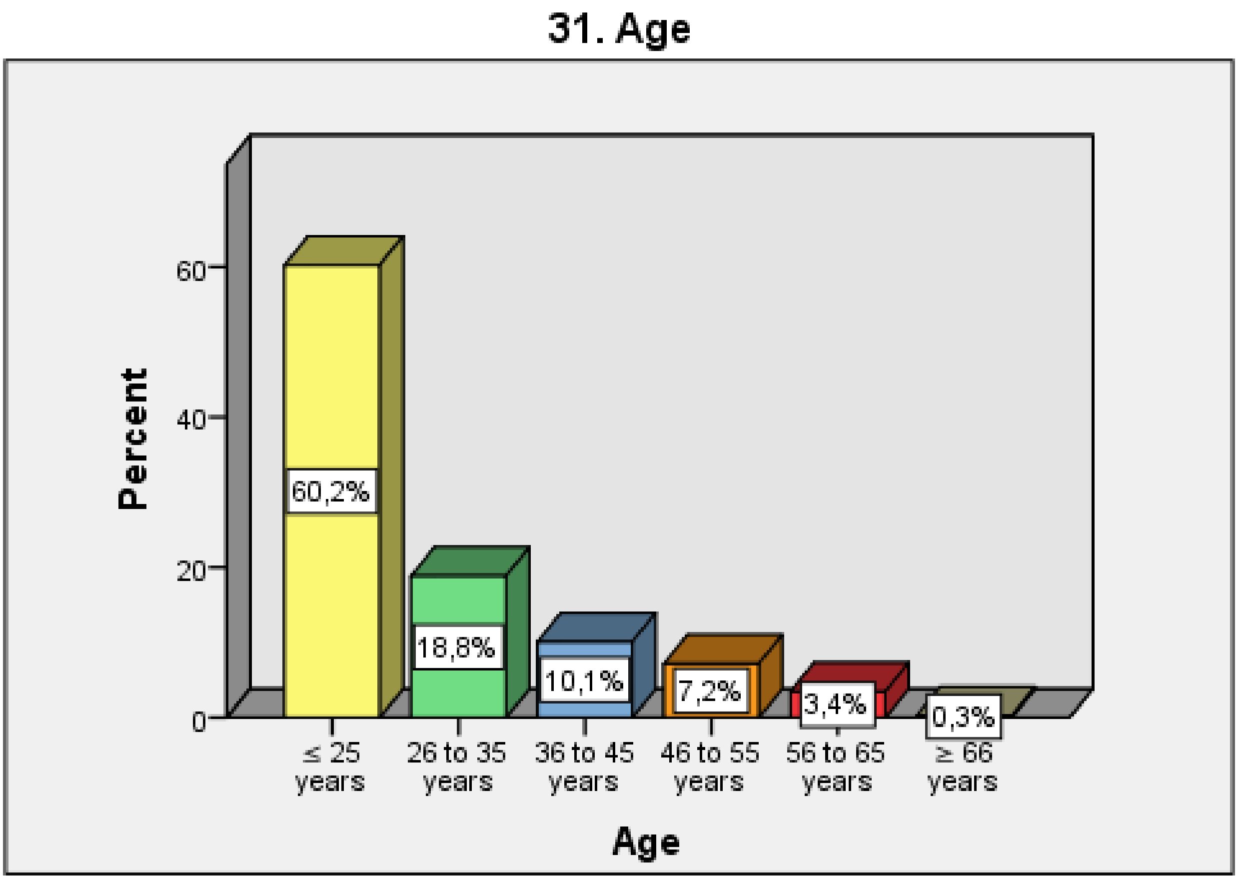

Percent
50
40
30
20
10
0
43,8%
43,0%
13,3%
Continente
Pingo Doce
Lidl
Counter Service


Percent
50
40
30
20
10
0
45,6%
28,4%
26,0%
Continente
Pingo Doce
Lidl
Waiting time in line to pay

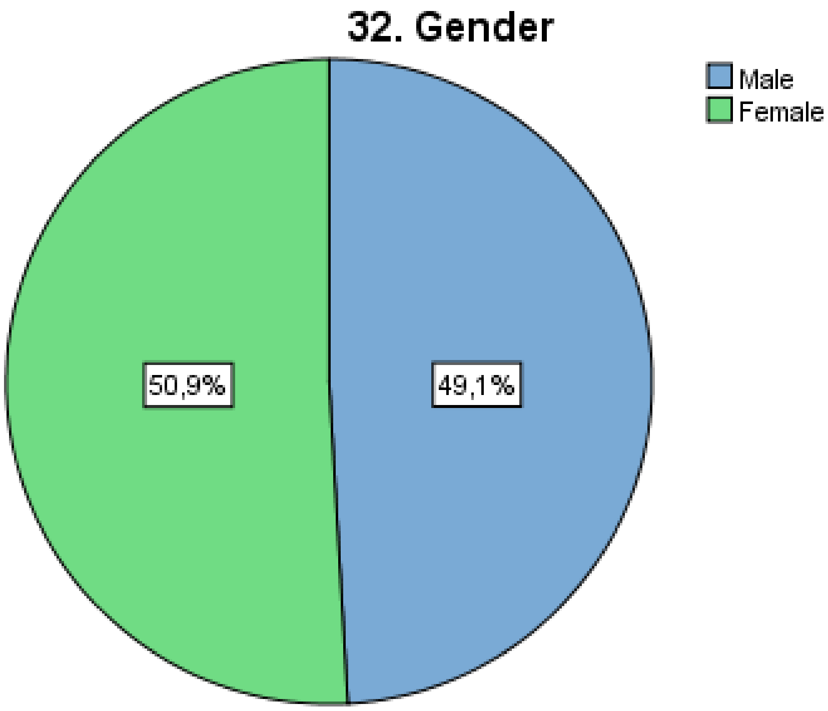




Attachment 35: Respondents Age



Attachment 36: Respondents Gender



Attachment 37: Respondents Level of Education