Attended-collection-and-delivery points as supplementary service:
A case study of a Swedish food retailer and its customers

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Postombud som tilläggstjänst: En fallstudie av ett svenskt dagligvaruföretag och dess kunder

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Abstract
E-commerce has increased rapidly during the last years and this has impacted everyone involved in the value chain, all the way from the manufacturer to the consumer. The delivery of the products bought online is an important part of the purchase and a large proportion of the volume is handled via collection-and-delivery-points. Collection-and-delivery-points is a system where companies act as an agent for postal services to deliver parcels and mail to consumers. The rapid parcel volume increase has caused the collection-and-delivery-point service to become a larger part of the business even though it only is a supplementary service. This has in turn led to stores questioning and evaluating if this supplementary service is something they should provide over other activities.

The purpose of the study is to understand what it implies to have supplementary services as a part of the value proposition for grocery store owners. The aim of the study is to discuss and establish what value collection-and-delivery points bring to both the store owners and the customers. Furthermore, the aim is to generalize the insights to supplementary services in the retail industry. This is accomplished through interviews with store owners and a survey to 3500 customers.

The result shows that the main reasons to why stores are collection-and-delivery-point agents are the increased traffic they get and the additional customer value it provides. The store owners are forced to rely on gut-feelings rather than facts as a support in the decision to provide collection-and-delivery point service or not. From a customer perspective, the customers do not prioritize the consumer values such as to do several errands at the same time. However, the customers are satisfied with the collection-and-delivery-points as a service and appreciate it more than several other alternative services that could be offered in the same area of the store. The survey also found that the lack of collection-and-delivery-point is a reason for customer to change their main store. The conclusion that could be drawn regarding supplementary services in the retail industry is that in context of the Business Model Canvas there are challenges in every aspect of the business model when a company adds a supplementary service to their value proposition.
Sammanfattning

Näthandeln har ökat kraftigt under de senaste åren och detta har fått konsekvenser för alla inblandade i värdekedjan, från tillverkare till konsumenter. Leveransen av alla varor som handlas över nätet är en viktig del av köpet och en stor del av detta hanteras i Sverige via postombud där privata aktörer delar ut paket och brev som ett ombud åt postföretag. Den stora ökningen av antal paket som skickas via postombud har medfört att postombudet blir en allt större del av butikernas verksamhet trots att det endast är en tilläggstjänst till kärnverksamheten. Många butiksinnehavare utvärderar därför om denna tilläggstjänst är något de verkligen ska ägna sig åt.

Syftet med studien är att förstå vad det innebär att ha tilläggstjänster som en del av sitt värdeerbjudande och affärsplan. Målet är att diskutera och etablera vilket värde postombudet ger till butiken och kunderna för att sedan generalisera insikterna till tilläggstjänster inom detaljhandeln. Detta syfte uppfylls genom intervjuer med butiksägare och enkäter till 3500 kunder.

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1. Introduction

The introduction includes background and problematization of the subject for this thesis. This is followed by the purpose, research questions, expected contribution, delimitations, and lastly disposition for the thesis.

1.1. Background

Sweden’s e-commerce sales have grown rapidly during the last years and saw an 19 % increase throughout 2015 accounting for 50 billion SEK (Post- och Telestyrelsen [1], 2016). This has led to an increasing interest for the logistics of parcel delivery and especially the so called last-mile delivery. The last-mile delivery is the last part of a delivery process and is often considered the most important aspect of the order process of a purchase over Internet. As of today, home delivery and delivery through collection-and-delivery points (CDP) are two established forms of last-mile solutions for business-to-consumer parcels in Sweden. Among e-commerce retailers the most common delivery method to consumers in Sweden is via CDP (Postnord, 2015). The system of CDPs in Sweden is arranged through a number of service points where distributors make their services and products accessible through agents (Forslund, et al., 2016). These agents are retailers that have made the decision to add a supplementary service, the CDP service, to their core business. Thus, empirical research will contribute within supplementary services as a part of a business model and more specifically CDP as a supplementary service in a company’s business model.

The increase in e-commerce sales and the popularity of CDP as a last-mile delivery solution have led to a significant increase in the number of parcels delivered through the different agents hosting the CDPs. As acknowledged by both CDP agents and the Swedish Post and Telecom Authority (PTS) the agents have experienced difficulties when it comes to capacity both in terms of personnel and store-room (Post- och Telestyrelsen [2], 2016). Furthermore, with the current growth rate the e-commerce market will double until 2020 and the agent model will still be an important part of parcel distribution in the near future.

With the large yearly volume increases of parcels many CDP agent stores have found
themselves in a position of re-evaluating whether they should provide this sort of supplementary service or not. Larger volumes require new investments and more resources in order maintain the daily operations. As a result, the CDP service has over the years grown to be an important aspect for many stores in Sweden. Therefore, it important to understand the reasoning to why the CDP agent stores are offering this service, how the customers view it and what could be learned in terms of offering supplementary services. This study focuses on the CDP agents and its customers, an area that few studies have focused on.

1.2. Problematization
This study is focused on ICA Sverige and its CDP services. Currently their stores have approximately 800 of the 1600 CDP agents of PostNord, which is the largest postal service in Sweden. The stores do often offer many supplementary services but the CDP service has a complex issue of evaluating what value it brings.

From a store perspective, there are many problems with the evaluation this kind of supplementary service as a part of their business model. One of them is space in the store. Increased parcel volumes mean more store-room is needed to run the service. Many stores have dimensioned their store capacity for the volumes several years ago and thus suffer from overfilled storerooms. A second problem is time, as volumes increases the more time is required to handle the parcels and the customers. A suboptimal stock storeroom situation also amplifies this. The third problem is profitability, the profitability of this service is hard to evaluate since there are multiple possible streams of income. One of them is the direct compensation of running the CDP such as compensation per parcel. The other one is the indirect benefits of being a CDP such as additional sales because of the additional customer visits.

Each store is also working in a unique market environment with their unique modification of how to run their company, something that makes the evaluation even more complex. One example is the customers. Different customers have different preferences for services and every store has a unique set of customers. Another example is the competition. Every individual store has competition that will impact their choices and it will certainly impact the decision to offer CDP services and the
evaluation of this decision. The nature of the CDP is that one business will need to provide a certain area with their parcels. As a result, one store’s decision to cancel the CDP service will most likely lead to a competitor picking it up.

The postal service providers using the CDP to reach their customers are not a part of the ICA organization and therefore complications such as partnership and lack of information exchange are factors that makes this issue more complicated for both store owners and ICA Sverige as an organization.

As demonstrated, the CDP service involves many factors such as customers, competitors, internal resources, and supplier partnerships. The effort needed to run a CDP has rapidly grown from handling a couple of parcels per day to being a large part of the daily operations of the stores. It is not a trivial problem and could not be fully comprehended. However, initial steps into understanding the CDP as a supplementary service in a business model and the choice of the CDP agents in particular could be taken by reaching out to both the CDP agents and its customers.

1.3. Purpose

The purpose of the study is to understand what it implies to have a supplementary service as part of a value proposition and business model for retailers.

The aim of the study is to discuss and establish what the value a supplementary service as CDP bring to both the store owners and the customers. The insights from this case will be generalized to be applied to supplementary services on a retail industry level. This is done in order to provide retailers with more information to further develop their business model and value proposition and take more informed business decisions.
1.4. Research question

RQ1: What are the store owners’ opinion on CDP service as a value proposition?

RQ2: What are the consumers’ opinion on CDP as a value proposition?

- Sub-RQ2.1: What aspects in a food retailers’ consumer value proposition do consumers prefer?
- Sub-RQ2.2: What are the consumers’ opinion on CDP service compared with possible alternative services?
- Sub-RQ2.3: What are consumers’ opinion on the CDP service?

RQ3: How do the opinion from food retailers and consumers regarding CDP service correspond?

RQ4: What challenges and possibilities arise for a retail company when adding a supplementary service to a value proposition?

1.5. Expected contribution

There are several studies that cover tangents of what this study aims to cover but there is not much research focused on the stores that offer CDP as a supplementary service and how the customers respond to this service. The research as of today mainly focus on how different last-mile delivery strategies affects the customers, one example of this is Boyer & Hult (2005). This study will mainly take the perspective of the agents that has taken the decision to offer CDP as a supplementary service.

A secondary contribution of this study is that it will dig deeper into the customer view on CDP as a service and its implication for the store offering the service. This is done by evaluating alternative services compared with CDP and how different groups of customers value different services.

The study also aims to illustrate the differences in how the CDP agents reason about adding a supplementary service as part of their business model. The ambition is to analyse these opinions in contrast with the view of customers to get a broad understanding of both this delivery method but also a more general view on how this decision impacts a retailer.
1.6. Delimitations

This study is conducted as a case study studying one retail chain but only includes a few grocery retail stores that are operating under the case company. Therefore, it is important to understand that there are discrepancies between different parts of the country and in what environment the store operates in. The study will not focus to give a general view of the situation nor striving to find differentiating factors between stores. All the studied stores are selling groceries and therefore gas stations as well as convenience stores are not part of the scope.

The scope of the study is understanding the store owners view of being a CDP as well as the consumer's view of the CDP and to analyse the differences and similarities. The study only focuses on attended CDPs in food retail stores, in other words service points with staff handling the parcels and not delivery boxes which are termed unattended CDP. Furthermore, the study is done from a business-to-consumer point of view and will not lay significant focus on the business to business aspect. It sole focus is to study the situation as it is today and it is not striving to propose improvements to the system.
1.7. Disposition

The report consists of 5 chapters:

**Chapter 1, Introduction:** The introduction includes background and problematization of the subject for this thesis. This is followed by the purpose, research questions, expected contribution, delimitations, and lastly disposition for the thesis.

**Chapter 2, Literature review:** This chapter starts with existing theory on CDP including CDP in Sweden. Secondly, theory on customer value and customer value proposition with multiple frameworks that have been in the thesis is presented.

**Chapter 3, Methodology:** This chapter describes the method for the thesis. Firstly, the methodological approach and research design. Secondly, a detailed research process describing the author's thoughts and choice of path. The final part of chapter covers reliability, validity, and ethics.

**Chapter 4, Results and analysis:** This chapter consists of the results from interviews gathered in the first phase of the study and results from the survey that was done in phase two of the study.

**Chapter 5, Discussion and conclusion:** This chapter consists of two parts. In the first part, the research questions are answered. The last part includes limitations with the study and gives suggestions on further research.
2. Literature review

This chapter starts with existing theory on CDP including CDP in Sweden. Secondly, theory on customer value and customer value proposition with multiple frameworks that have been in the thesis is presented.

2.1. Business models

A business model has no clear definition in the previous research in this area (Zott, et al., 2011). Some define the concept in a very simple manner such as Stewart & Zhao (2000) who say, “the business model is a statement of how a firm will make money and sustain its profit stream over time”. Others have a more extensive definition of business models, one of these authors is Magretta (2002) who define the business model with the following words: “A good business model answers Peter Drucker’s age-old questions: Who is the customer? And what does the customer value? It also answers the fundamental questions every manager must ask: How do we make money in this business? What is the underlying economic logic that explains how we can deliver value to customers at an appropriate cost?”

Another author, Teece (2010) explains how the business model should describe how the enterprise delivers value to the customer, convinces customers to pay for value, and furthermore convert payments into profit. In his article Teece (2010) explains how: “In essence, a business model is a conceptual, rather than financial, model of a business.” Further, the author explains the elements needed in order to build a sustainable business model, see figure 1.
For the business model literature to provide guidance and structure to the study, the more extensive and structured definitions have been prioritized. Chesbrough and Rosenbloom (2000) described that the business model consists of the following parts:

- Value proposition
- Market segments
- Value chain
- Cost structure and profit
- Value network
- Competitive strategy

In an attempt to simplify and synthesize the existing literature Osterwalder, Pigneur & Tucci (2005) put together a framework that later developed into the Business Model Canvas.
The Business Model Canvas is a business model framework that consists of 9 basic building blocks to describe the business model. The blocks are divided into four different parts of a business model: customer, value offer, infrastructure, and financial viability (Osterwalder & Pigneur, 2010). The nine building blocks are:

- Customer Segments
- Value Propositions
- Channels
- Customer Relationships
- Revenue Streams
- Key Resources
- Key Activities
- Key Partnerships
- Cost Structures

Below are descriptions to what every building block contains.

**Customer Segments**
This block involves all the different segments of customers that the company wants to provide value to. For an organization, by asking the questions: “For whom are we creating value? Who are our most important customers?” the different customers that the company wants to create value for will appear. The model describes the importance of dividing up the customers into different customers groups in order to be able to fulfill their individual needs. The framework highlights different examples of typical customer segments (Osterwalder & Pigneur, 2010):

- **Mass market** - Here there is no clear distinction between how the different customer segments are divided

- **Niche market** - The value proposition, distribution channels, and customer relationships are typically specialized for this individual niche segment of customer.

- **Segmented** - Customers with similar profiles but small differences in needs and problems.
• **Diversified** - Typically when there is a large spread of how different customer profiles. Here the customers have very varying needs and problems.

• **Multi-sided platforms** - Where the company bond two or more interdependent groups of customers. Typically, by hosting events that enable different groups to take advantage of each other.

**Value Propositions**

The value proposition is the set of activities, services or products that creates value for a Customer Segment. How this value is created is varying depending on the proposition. It could be factors such as (Osterwalder & Pigneur, 2010):

- Performance
- Price
- Design
- Brand/Status
- Accessibility

**Channels**

Channels represent the different channels that the company reaches the customers. It could be both in terms communication channels but also physical channels such as distribution and sales. The channels have five phases representing different stages of a customer engagement from making the first impression, all the way to after an interaction has been done. The phases are (Osterwalder & Pigneur, 2010):

- Awareness
- Evaluation
- Purchase
- Delivery
- After sales
**Customer Relationships**

This block describes how the interaction and relationship between each of the different customer segments identified in the Customer Segments block. The model separates different incentives for having a customer relationship: *customer acquisition, customer retention, and boosting sales*. For understanding how much resources that should be allocated to each relationship the companies must understand the value of having each and how costly they are. The authors divide the customer relationships with different customer segments into: *personal assistance, dedicated personal assistance, self-service, automated services, communities, and co-creation* (Osterwalder & Pigneur, 2010).

**Revenue Streams**

This block represents the generated income from the Customer Segments. The cash flows could be generated through different strategies and pricing mechanisms. How these streams are modified are depending on what type of value proposition that the company has (Osterwalder & Pigneur, 2010).

**Key resources**

The resources that allow a company to offer a Value Proposition and earn revenue is what constitutes the Key Resources. The key resources can be both tangible and intangible. Some examples of key resources are (Osterwalder & Pigneur, 2010):

- Physical
- Human
- Financial

**Key activities**

This building block is the most important activities that a company does to contribute to the business model that the company has. These has a broad range of variety depending on what the value proposition and within what industry the company are active (Osterwalder & Pigneur, 2010).

**Key Partnerships**

A company form partnerships with suppliers, competitors and non-competitors to
further optimize their business model. The different partnerships could be divided into four different types (Osterwalder & Pigneur, 2010):

- Strategic alliances with non-competitors
- Strategic partnerships between competitors
- Joint ventures
- Buyer-supplier relationships

Cost Structure
The cost structure includes the most important costs that are associated with running a particular business model. The costs could be derived by analyzing Key Resources, Key Activities and Key Partnerships. The two extremes in terms of Cost Structure are cost-driven business models and value-driven business models. Cost-driven business models are mostly focused on minimizing costs in all aspects of the business. Value-driven business models are focused on creating high value in their offerings and have more premium Value Propositions (Osterwalder & Pigneur, 2010).

2.2. Consumer value
The concept consumer value dates to the 1990s where the subject began to emerge in marketing. It has been defined in many ways and no agreement among researcher has been reached. This is partly due to the term ‘value’ being a vague concept but also that there are different notations of value such as consumption value, relationship value, and perceived value. The different variations of definitions could be categorized into these general types of values listed by Sánchez-Fernández & Iniesta-Bonillo (2006).
| **1st type:** Value as low price | (Oliva, 2000) |
| **2nd type:** Value as whatever the consumer wants in a product | (Afuah, 2002); (Butz & Goodstein, 1996); (Hunt & Morgan, 1995); (Van der Haar, et al., 2001); |
| **3rd type:** Value as the quality the consumer gets for the price he/she pays | (Dodds, et al., 1991); (Fornell, et al., 1996); (Gale, 1994); (Lichtenstein, et al., 1990); (Monroe, 1990); (Sinha & DeSarbo, 1998) |
| **4th type:** Value as what the consumer gets for what he/she gives | (Chen & Dubinsky, 2003); (Hoolbrook, 1994); (Holbrook, 1999); (Holbrook & Corfman, 1985); (Kothandaraman & Wilson, 2001); (Lapierre, 2000); (Liljander & Strandvik, 1993); (McDougall & Levesque, 2000); (Oliver, 1999); (Rust & Oliver, 1994); (Sirohi, et al., 1998); (Slater & Narver, 2000); (Walter, et al., 2001); (Woodruff, 1997) |

*Figure 2 - Definitions of Consumer value (Sánchez-Fernández & Iniesta-Bonillo, 2006).*

The 4th type from figure 1, is the broadest definition of consumer value and seem to be the most appropriate for this study. Consumer value is a concept that has been around for several decades and there are many well cited works conducted in the area. One of them is by Woodruff (1997) where he described customer value as the next source of advantage for firms and defined customer value as the following:

“Customer value is a customer’s perceived preference for and evaluation of those product attributes, attribute performances, and consequences arising from use that facilitate (or block) achieving the customer’s goals and purposes in use situations.”
Customer value could be described as a hierarchy in three levels, see figure 2. At the bottom of the hierarchy is where customers think about products as a range of attributes and attribute performances. At the second level, the customer has purchased and are using the product and they perceive value for the products’ ability to achieve desired consequence experience. At the third level, the customer has goals and purposes that he or she wishes to achieve through the consequences of the product (Woodruff, 1997).

![Customer value hierarchy model](image)

**Figure 3** - *Customer value hierarchy model (Woodruff, 1997).*

### 2.3. Customer value propositions

Customer value propositions (CVP) has no commonly accepted definition. It is a core concept in strategy literature and it is closely linked to competitive advantage of the firm. The first appearance of the concept was in the 1980’s and has developed in the literature until today (Frow, et al., 2014).

A value proposition could be described as an offering where different assets comes together to create a value-creating process. The company create these offerings in the hopes to match the customer’s value-creating processes (Normann, et al., 1995).
There are three different ways to classify the term value proposition and companies usually have one of these three approaches to a value proposition (Anderson, et al., 2006).

- All benefits
- Favorable points of difference
- Resonating focus

**All benefits**
This is when the manager lists all the benefits with a certain proposition that might deliver value to the target group it is intended for. While this method is simple it provides drawbacks. One of them is that the listed benefits might not all be an actual benefit for the customer. Another drawback with this method is that the listed benefits could be features that are competing alternatives on the market. This means that the points of difference for the value proposition compared with the alternatives will be vague for the target customers (Anderson, et al., 2006).

**Favourable points of difference**
This is the approach when you are aware that the customer has an alternative and therefore points out the differences from the next best alternative. However, this does not mean that this difference is of value for the customer. Even though a product or service has several points of difference it does not mean that they provide greater value for the customer. Therefore, it is important to have a detailed understanding of customer’s preferences to deliver the favourable points of difference that deliver value (Anderson, et al., 2006).

**Resonating focus**
Resonating focus in a value proposition focus on the few points that deliver value to the customers. The improvement of these points should deliver the greatest value to the customer in the future (Anderson, et al., 2006).


2.3.1. Identifying competitive customer value propositions in retailing

The customer value is closely linked to a customer value proposition which according to Rintamäki, et al., (2007) is a:

“Strategic management decision on what the company believes its customers value the most and what it is able to deliver in a way that gives it competitive advantage.”

The research on customer value propositions is a mixture of the research on customer value and competitive advantage and it is something a tie the perspective of the customer and the perspective of the company together. For a company to perform superior than its competition it needs develop and maintain a competitive advantage. Customer value is something that comes from the customers and the competitive advantage is a company’s use of resources and capabilities to create customer value, a customer value proposition (Rintamäki, et al., 2007).

In other words, the choice of customer value proposition is how the company uses its resources and capabilities and what customer they choose direct it to.

According to Rintamäki et.al (2007) customer value proposition should:

- increase the benefits and/or decrease the sacrifices that the customer perceives as relevant
- build on competencies and resources that the company can utilize more effectively than its competitors
- be recognizably different (unique) from competition result competitive advantage
To understand the different value propositions available a framework from Rintamäki, et al., (2007) for identifying customer value propositions can be used and holds these three main steps:

- identify the key dimensions of customer value
- develop the value proposition
- evaluate the value proposition for its ability to create competitive advantage

For this thesis, the main focus has been on the first of the three steps where the result is less coverage on the second and third steps.

**Step 1: Identify the key dimensions of customer value**

The different value dimensions that this framework consist of are hierarchically organized as Rintamäki, et al., (2007) describe accurately:

“from more concrete to more abstract, from more utilitarian to more hedonic/psychic, and from more transaction-based to more interaction-based”.

Their research has been inspired by prominent researchers within customer value such as Colgate & Smith (2007).

Colgate & Smith (2007) are integrating and extending previous research regarding customer value, including both Woodruff and Holbrook, and to build a new framework based upon the strengths from past research and frameworks. In the framework, the authors have identified four major types of value; functional/instrumental value, experiential/hedonic value, symbolic/expressive value, and cost/sacrifice value with the following description of the values.

**Functional/instrumental value**

Colgate & Smith (2007) explains it as:

“A value that is concerned with the extent to which a product good or service has desired characteristics, is useful, or performs a desired function.”
For food retail shoppers, functional value can be finding the right products with as little effort as possible. It could be looked at as a value that is perceived when you minimize the non-monetary sacrifices or utilitarian sacrifices. Creating functional value in food retail environment is about offering products that meet the customer’s needs or offering processes that increases convenience (Rintamäki, et al., 2007). Which in this study was translated into the food retail situation with questions regarding how much they during grocery shopping value comfortability, quickness, and functionality.

Experiential/hedonic value
Colgate & Smith (2007) describe this as:

“Values concerned with the extent to which a product creates appropriate experiences, feelings, and emotions for the customer.”

This value can be seen as a value that the customer gets when the shopping experience is more than getting the needed products, it is an activity that are appreciative for its own sake. This could be created by having the right store environment and personal service. But it could also be achieved through product or services such as in-store cafés (Rintamäki, et al., 2007).

Which in this thesis is translated into the food retail situation with questions regarding how much, the customers during grocery shopping, value to not feel stressed, to feel inspired, and question regarding their emotions during their time in the store.

Symbolic/expressive values
Colgate & Smith (2007) uses the description:

“Concerned with the extent to which customers attach or associate psychological meaning to a product. Some products appeal to consumer’s self-concepts and self-worth - that is, they make us feel good about ourselves - either in possession or giving.”

Symbolic value could be perceived by the products or by the shopping experience.
The symbolic can be defined by positive feelings that are associated to self, communicated to others, or a combination of the two. Symbolic value is about representing something more than the product itself (Rintamäki, et al., 2007).

In order to fit this into a food retail situation this thesis has used questions regarding how much the customers during grocery shopping value to find products that suits them, the possibility to buy products such as Fair-Trade that align with their values and way of living, and how important it is for them that the store is run in a way that they can stand for.

Cost/sacrifice value
Colgate & Smith (2007) describes the customers that value this as:

“Customers that try to minimize the costs and other sacrifices that may be involved in the purchase, ownership, and use of a product. Cost/sacrifice value is concerned with these transaction costs.”

This is typically customers that values price as one of the most important drivers of customer value and Rintamäki, et al. (2007) describes the typical customer are after:

“the lowest price or the best trade-off between quality and price”.

For understanding how grocery store costumer’s values this it was translated into the questions regarding how much customers during grocery shopping value to save money, purchase at a good price, and take part of special offers.

Step 2: Develop the value proposition
Companies should concentrate on one or two points where they want to differentiate their company from the competition and these points should be such that it creates the best value for the target customer segments. From this it is possible to create a matrix of different combinations of customer values that creates a customer value proposition (Rintamäki, et al., 2007).
Step 3: Evaluate the value proposition for its ability to create competitive advantage

In order to evaluate the value proposition, you have to look at the suitability of the use of resources and competencies that is needed to deliver a value proposition and what competitive advantage it creates.

2.4. Supplementary services

In many industries, there is a trend that are moving more traditional products or goods companies into having a larger “servitization” in their businesses. Vandermerwe & Rada (1988) visualized this with three stages for how companies have evolved from offering either service or goods to its consumers into being more servitized.

- **Stage 1: Goods or Services** - Companies branded themselves to either offering goods or services.

- **Stage 2: Goods and services** - With more advanced technology this opened for new opportunities to in a more convenient way offer both goods and services.

- **Stage 3: Goods, services, support, knowledge, and self-service** - Today, with even more advanced technology, this is the more common way for companies to offer their value proposition. They tend to bundle their value offering into being not only goods and services but also adding extra dimensions such as support, knowledge, and self-service (Vandermerwe & Rada, 1988).

A service in value offering that is not the core business of the company is defined as a supplementary service in the value proposition. Lovelock & Wirtz (1991) explains and defines the core products as: “the central component that supplies the principal, problem-solving benefits customers seek”. Further, he describes supplementary services as: “These services augment the core product, facilitating its use and enhancing its value and appeal to the customer’s overall experience”.

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The supplementary services have by Lovelock & Wirtz (1991) been divided into two categories:

- **Facilitating supplementary services** - The authors explains this as services required for either service delivery or aid in the use of the core product. With examples such as billing, payment, information, and order taking.

- **Enhancing supplementary services** - All the supplementary services that adds extra value for the customers. Lovelock & Wirtz (1991) argues that these fall under one of the following categories: expectations, safekeeping, hospitality, and consultation.

### 2.5. Collection-and-delivery points

Collection-and-delivery points are one part of the different last-mile delivery solutions which is explained by Stanley, et al., (2014) as a system of a linear movement of merchandise from the source of merchandise to customer homes. This movement can typically happen in one of three ways, see figure 4:

- **push** - merchandise 'sent' to customer homes by someone other than the customer
- **pull** - merchandise 'fetched' from the source of merchandise by the customer
- **hybrid** - merchandise 'sent' to some intermediate site from which the merchandise is 'fetched' by the customer.

*Figure 4 - Last-mile distribution structures (Stanley, et al., 2014).*

Where the hybrid alternative where the merchandise is sending to an intermediate site is where the CDP solutions are used. McKinnon & Tallam (2003) mapped out the last-mile delivery points where the CDP solutions are one of the secured delivery methods which can be divided into two different types: unattended and attended, see figure 5. The unattended CDPs could be realized through locker points or communal reception boxes where the customers are able to fetch and send parcels, as the name indicate, without any staff present.
In this study will focus on the attended CDPs, also known as service points, and more specifically figure 5’s sub-category for attended CDPs within the commercial outlet solutions on existing premises. This sub-category within attended CDP is a shop-in-shop concept where parcels are delivered to typically an existing shop, a postal office or a petrol station and the services such as payment, collection, and return of parcels are usually offered and managed by the store personnel. This study will not touch upon other kinds of attended CDP solutions such as; neighbours as collection point nor purpose-built facilities solutions.

The last mile problem is about getting the parcel to the home of the customer and there is a need to balance customer convenience, distribution cost and security. As Fernie, et al., (2010) mentions, most customer would like to have deliveries made fast, at a very precise time with no exceptions or failed deliveries. However, few customers would be willing to pay the price of such delivery. Collection-and-delivery points located in strategic places such as retail outlets, petrol stations, or transport terminals will soon offer the best possibility to commercial viability since they balance the three dimensions earlier mentioned.

**Figure 5** - Last-mile delivery solutions (McKinnon & Tallam, 2003).
Benefits from offering CDP service

W.J. Weltevreden (2008) performed a study in the Netherlands where the retailers earn €0.20 - €0.25 on every parcel that was collected or returned via their store. With the given volume of parcels being a service point is not a very profitable activity for retailers. Instead the extra traffic to the store generated may be where the bulk of the value of being a CDP relies. According to a study done by Kiala, a Dutch network of collection points, where visits from 1199 users of service points showed that circa one fourth of the customers either collecting or returning parcels at the service point also made a purchase (W.J. Weltevreden, 2008).

CDP’s in Sweden

There is no necessity to have a permission to distribute parcel in Sweden and there is no legal definition of a parcel. Therefore, there are few data on parcel volumes and the size of the different companies with regards to parcel volumes.

The network of CDPs which distributors use to make their products and services available for the consumer is called service network. This service network was redesigned in the early 2000’s where the largest distributor of mail and packages Posten, today known as PostNord, replaced the traditional post offices with CDP agents. These agents are mainly from the fast-moving consumer goods industry (Forslund, et al., 2016).

To measure the size of the different existing distributor actors one could look at the number of service points in their service network. Today there are three major players in the parcel delivery market, PostNord (1531 service points), DB Schenker (1436 service points) and DHL (1382 service points).

The Swedish Post and Telecom Authority has over the years conducted multiple surveys on the postal services in Sweden. For instances, a survey from 2016 that analysed the user’s demand of postal services and concluded that there is a changing demand of postal services powered by trend such as growth in e-commerce, digitalization, regional differences in service, and new regulations (Liljenstolpe & Lindberg, 2016).
2100 individuals participated in this survey done by Liljenstole & Lindberg (2016) and interesting results from CDP perspective are the following:

- 79% are very pleased or fairly pleased with the location of the service point where they normally fetch their parcel or letters with goods

- 55% says “the place where I can collect or deliver parcels is close the place where I normally do errands” is most important compared to “the place where I can collect or deliver parcels is close to public transport”, “the place where I can collect or deliver parcels is close to my home”, “the place where I can collect or deliver parcels is close to my work” and “Other”

- 69% preferred the current system with attended CDPs over increasing the total number of CDPs but replacing some of them to unattended CDPs (locker points) open all day and night when collecting or delivering large parcels
3. Method

This chapter describes the method for the thesis. Firstly, the methodological approach and research design. Secondly, a detailed research process describing the author's thoughts and choice of path. The final part of chapter covers reliability, validity, and ethics.

3.1. Methodological approach

Due to the area of study being relatively unexplored, an abductive research design was chosen so the study could have an iterative process between data and theory. This allowed the problem to be approached from an appropriate angle and the study to change direction when surprising facts occur no matter where in the process they emerged (Saunders, et al., 2012). This process alternate between empirics and theory will in most cases lead to that the initial theories will get modified or replaced as gathered data gradually will improve (Blomkvist & Hallin, 2014).

3.1.1. Research design

The methodology used was a mix of both qualitative and quantitative divided up in three separate phases. In phase one, qualitative interviews were performed with representatives from the food retail stores that are providing the CDP service. In the second phase, a quantitative method was used where a survey directed to food retail customers was conducted. In the third phase, the two perspectives of the customers and store owners are analyzed together and the research questions are more specifically targeted.

The 3-step process inspired the mentioned 3-step process to identifying competitive customer value proposition introduced by Rintamäki, et al., (2007). The three steps proposed in that study are:

- identify the key dimensions of customer value
- develop the value proposition
- evaluate the value proposition for its ability to create competitive advantage
A breakdown of the three phases of the study could be described as:

Phase 1:
- Interviews with retailers
- Preliminary literature review

Phase 2:
- Construct and send out survey to CDP service customers

Phase 3:
- Analyze data
- Conclusion

Phase 1 consists of interviews with food retail store owners to understand the reasoning behind why they have CDP service as a value proposition and how store owners rationalize it. This will address “develop the value proposition” in the 3-step process by Rintamäki, et al., (2007).

Phase 2 will partly cover “identify the key dimensions of customer value” by identifying what dimensions the customers value but also address “evaluate the value proposition for its ability to create competitive advantage” by evaluating the CDP in comparison with other customer value propositions. Phase 3 we will combine the knowledge from both phase 1 and phase 2 in order to evaluate how the CDP performs from a customer value propositions perspective.

This research design for the study is of an exploratory character with elements of theory building and theory testing. The advantage of this approach is that the findings will both be of importance for future research but they will also be of practical relevance.

During the entire project, close contact with ICA Sverige was held which is the central function of the food retail stores. At ICA Sverige we have had 8 meetings with different employees from the organization mainly focusing on constructing the survey, get in contact with the right stores and understand the system as a whole. Throughout the project we have also been coached from an academic point of view.
from our supervisor Maria Hammarén at KTH. Main purpose with these meetings has been to discuss how to move forward, how to concretize results and how to use our findings.

3.2. Research process

3.2.1. Literature review

The literature review has been a continuous activity throughout the study and only small part the review ended up in the literature review section. The constant reading gave a deep understanding of different subjects, helped positioning the study and gave a broader understanding of subjects encountered during the study. It was obvious that this study could go down many different paths which meant that articles in many different topics were reviewed. In the literature review section, the relevant articles and frameworks for the path chosen are summarized and explained.

To find articles, two main databases were used, Google Scholar and KTHB Primo. With these two databases, a large amount of the published papers and articles are available.

Key words used for finding relevant published papers were the following: “Service quality”, “Additional services”, “Servitization”, “Product-service systems”, “Value creation”, “Value-adding services”, “Relationship marketing”, “Store-within-a-store”, “Order online pickup in-store”, “Collection-and-delivery points”, “Last-mile delivery”, “Last-mile delivery structure”, “Customer experience”, “Customer value”, “Customer value proposition” and “Competitive advantage”.

During the literature review all relevant literature was organized according to keywords to keep the search structured. To each article a small summary was written to easily go back and forth in the reviewed literature. The keywords presented above are from that list and they give a perspective of the chronological order that the key words were researched. Early in the study a large part of the reviews was focused on the service aspect of CDPs. When more and more interviews were held the focus shifted towards aspects such as customer value, customer value proposition and last-mile delivery solutions.
3.2.2. Phase 1 – Interviews with store owners

Interviews with store owners were done at the beginning of the study to gain understanding of the existing CDP as a service and what challenges the food retailers with CDP services faces. The results of the interviews combined with the literature review gave understanding of what area the research were going to focus on. Since the first phase is exploratory, in-depth interviews is helpful to understand context and develop grounded theory (Saunders, et al., 2012). In this study, each case consists of an interview with different food retail store owners.

Choosing method and format for the interviews

The interview format that suited our purpose of understanding their situations and learn about the area the best was semi-structured telephone interviews. This allowed us to ask several store owners the same questions in order to analyze differences and similarities. At the same time, it allowed us to ask open ended and exploratory questions when surprising or interesting aspects were discussed. The initial desire was to perform face-to-face interviews to gain higher reliability from the interviews, but due to the time restraint of this project combined with long distances between the stores, face-to-face interviews were not a plausible alternative. The facial expressions of the interviewees could be valuable information in an interview situation, and hence the option to hold the interviews via Skype was offered. However, all store owners preferred interviews via telephone instead of Skype since telephone is more convenient and some lack the technology needed for Skype.

The reason store owners were chosen was because the study is focused on the CDP as a value proposition and therefore the respondents need to be well-grounded in the strategic issues of the store and how the CDP service relates to this. This is in alignment with Voss, et al., (2002) have chosen to interview the persons who are best informed regarding the data that are being researched, which for this case is the retail store owners that sits as the strategic decision maker and are well informed with the everyday business of running the CDP service. This will enable the interviewees to give both a broad and deep insights in the field of study.

When deciding on what food retail stores to interview we had meetings with the Senior Category and Purchasing Group Manager at ICA Sverige who is well-informed
about the subject. The aim was to get an understanding of different food retailers and reach food retailers with different situations regarding revenue, population, location, store layout, and frequency of postal service errands per day. We settled for a mixture of 14 stores with varied sizes and surroundings well spread over Sweden.

When formulating the interview questions, we had the intention of making the store owners talk about their thoughts on the CDP service and rationalize why they have it as a value proposition. For getting the most out of the interviews and enhance the reliability we called the interviewees up to book a meeting and gave them a short brief of the interview and followed up with sending out information regarding the purpose and context of the study (Saunders, et al., 2012). We also attached the interview questions in the mail where we encouraged the interviewees to read the questions before the interview to make them start thinking about their situation. In the beginning of every interview the interviewees were asked if they read the questions.

During the interviews, the first section was dedicated to the interviewee explaining how the store was located and how the postal service was functioning. The interviewees were encouraged to talk about the first things that came to their minds when talking about the postal service. This was followed by more guided questions regarding areas such as the benefits, challenges, profitability, and plans regarding the postal service. With the exploratory purpose of the interviews the level specificity for questions regarding for example profitability was “Do you see the CDP service as something profitable?” rather than “Can you give us the exact numbers for costs and income for the CDP?” For full interview questions, see appendix A1.

The interviews spanned between 35 - 50 minutes per store and during the interview we held a conference call with one person as interviewer and one person muted in the background making transcript of the interview. During this process, we always had the same person as interviewer and the same person taking transcript. By doing so we used the material to go back and discuss the interviews. After each interview, a short summarizing discussion was held between the two authors focusing on both the interviewee’s responses and possible bias of the interviewer. For the possibility to go back and hear the exact words the interviewee used, all interviews were recorded.
This is well aligned with how Yin (1994) explain how to get exactness of what people say during the interviews.

**Understanding the interview outcome and biases**

Listening to the interviews have revealed interviewer biases in how the questions were asked. This bias was stronger during the first interviews, probably due to inexperience in interviewing, and after two interviews the bias issue became less noticeable.

During the interviews, we also noticed how the interviewees expressed biases. The interviewees are well aware of how the organization ICA Sverige functions and that the outcome from these interviews will be used as data for taking decisions regarding the postal service. Therefore, it is a risk that the interviewees skewed their answers in negative way, especially for questions regarding the profitability of the postal service.

During the 14 semi-structured interviews, many aspects of the CDP were discussed areas and interesting ways to focus our study emerged. The area that we found the most interesting and at the same time most impactful for the store owners was their reasoning about what it implies to have a CDP service as part of a value proposition for grocery store owners. This is a service they have chosen before other alternatives. But is this the right kind of service for the customers? Are there other services that will enhance the brand and shopping experience even more?
3.2.3. Phase 2 - Survey to customers

The method chosen for this phase was a survey directed to ICAs consumer panel. The consumer panel consists of 3500 individuals that has agreed to be on the panel and receive surveys in order to gain points that can be converted into purchases in the ICA stores. The consequences of this are that the customers might be more positive towards ICA and grocery shopping than if the individuals were randomly chosen. The assessment was made that this method and target group were superior compared to the alternatives. For the process of constructing and analyzing the survey, see figure 6.

![Diagram of survey process]

*Figure 6 - The process of constructing and analyzing the survey.*

**Choosing method**

From the results in phase 1 we had an idea of how to proceed in phase 2. This involved reaching out to customers to what they appreciate, what values they prioritize and how those values match what CDP offer. When investigating what method to use answer these questions we turned to ICA Sverige and after discussions with them there was two options:

- **Option 1:** Perform interviews or surveys in store with customers that has just made an errand at the postal service. This either by an external firm for a broader data gathering or performed by the authors in person.

- **Option 2:** Use ICA Sverige’s customer panel group. A group of customers that has volunteered to participate in studies that ICA Sverige does. The size of this group is a total of 3500 people all over Sweden.

When evaluating these two options we initially were interested in the first one, to interview people that just made their errand. The primary reason for this was that it would give a more reliable view on the customers’ actual experience. Furthermore,
interesting insights could possibly also be drawn if asking questions about their actual situation such as why they are in the store, if they purchased anything and how much they spent.

Asking customers in the store would add some challenges with the reliability and validity. One argument was that the customers would possibly only take their most recent errand in concern when answering the questions and thereby give an incomplete view on their behavior and thoughts. The most substantial reason for not choosing this option was the lack of understanding what type of customers that would choose to answer questions in store and what customers that would not. This would likely lead to skewed results in a non-predictable way. In this study, a pilot of the survey questions was done in-store on two different occasions to test the questions and during this pilot the issue of getting people with limited time to answer the survey was apparent.

We also identified challenges regarding the reliability and validity from the sample group of ICAs customer panel. One of ICA’s representative stated that the customer panel group in general tends to be a bit more positive than people that is not in the customer panel group. One possible explanation to this is that they are already loyal customers that often are pleased with ICA as a company and ICAs stores.

With the arguments above in mind, the method of sending a survey to the consumer panel was chosen since it had many benefits and very limited detriments compared to the alternative option.

**Constructing the survey**
The survey was constructed in three parts, each one addresses various aspects. See appendix A2 for full survey questions.

The initial plan was to have two major parts in the survey. The first part with main purpose to give us understanding of what consumer value the respondent did value. Followed by a second part that provided an understanding of how they value the CDP service compared with other potential services that could be provided in the same floor area as the CDP service. After discussion with both Maria Hammarén and
Senior Category and Purchasing Group Manager at ICA Sverige we expanded with a last part for gaining understanding about what parts of the CDP service that the customers values with the CDP service.

**Part 1 - Identifying customer values**
The first part is focused on identifying what customer value dimension that each respondent prefers and values highest. The questions used is heavily inspired by the framework from Colgate & Smith (2007) who has conducted similar surveys for similar purposes. The questions used is addressing the four dimensions of customer value where definitions used by both Rintamäki, et al., (2007) and Colgate & Smith (2007) were used. The answers enable a categorization of the respondents depending on what dimensions they value.

A challenge in constructing the questions was that even though inspiration was taken from other researchers they had to be alternated in a way that they would be applicable in grocery shopping setting. Doing this while maintaining the overall meaning and purpose of the question is a matter of balance and therefore the questions were reconsidered and tested several times before they were sent to the respondents.

**Part 2 - Identifying what services different customer groups prefer**
In this part, we investigate how the different customers value various kinds of services that can be in or in connection with a grocery store. The purpose is to get an understanding what alternatives to the postal service the customers appreciate.

When choosing what alternatives to pick to compare the postal service we listed different services that are in or in connection to grocery stores today and could be seen as substitutes to the postal service. The list with potential services was also sent to the co-workers within ICA Sverige that work in the area of add-on services such as postal service and in-store cafés for feedback.

**Part 3 - Understanding the customer experience for their CDP service**
The last part of the survey is focused on understanding how the customer experience the CDP. The questions are designed to get an understanding of if the customers are willing to change their main store, defined as the store where they spend most
money, because they are a CDP followed with questions regarding why they like or dislike the CDP.

The main challenge of constructing this part of the survey was to keep the number of questions down and at the same time cover as many areas as possible. The questions are a combination of insights developed in phase 1 as well as knowledge from the employees at ICA Sverige that cooperated with this study. The questions are not collectively exhaustive and are not intended to be so but they serve as a way to get some insight into the way customers think about CDPs.

**Analyzing the survey**

As earlier mentioned, the survey was sent out to a ICA consumer panel where people have volunteered to receive survey in exchange for points that could be converted to in-store purchases.

Most of the questions in the survey were structured with a scale of 1 to 10. Therefore, most of the answers were analyzed using averages and the distribution visualized using bar graphs. Since the survey was sent out in combination with other questions from ICA Sverige only the ones relevant for this study are declared in appendix A2.

When analyzing the survey several more or less advanced ways of cutting the data could be used. As the research questions are broad and focused on general opinion of the customers no apparent need of advanced analytics was seen.

One segmentation was used when analyzing if the highest prioritized consumer value dimension impacted how the customers rated different services. This could be done in several ways. The one chosen was to label each customer to the dimension that they prioritized highest among the four consumer value dimensions. If they had two top prioritized dimension (the same score for two dimension) the customer was ignored in this particular analysis. The intention was to find the most extreme customers that valued one dimension more than the others and see if it impact the preferred services in part two in the survey.
3.3. Quality of research

3.3.1. Validity in literature review
One risk when performing the literature review is that the review is done in areas that are not relevant for the study. To deal with this, we used the interviews a form of a pre-study to secure that the theory is relevant for the research question (Saunders, et al., 2012). Additionally, with the abductive approach the literature was continuously reviewed with respect to the purpose and research question of the study. The majority of the sources in the literature review is from respected peer-reviewed journals and therefore should bring high level of validity to the literature review.

3.3.2. Reliability in the literature review
Reliability in the literature review is maintained by having a structured approach in the process of finding and reviewing the literature. In order to maintain high reliability, all relevant literature was stored in a document with a short summary in order to easily find relevant literature through the writing process (Saunders, et al., 2012). It is hard to ensure that the proper interpretation of the articles is done but by making correct and clear citations and references the interpretations could be traced by the reader. Accordingly, to Saunders, et al. (2002) we highlighted, in our summaries, aspects that differed from what we already read in previous articles.

3.3.3. Validity in phase one interviews
To remain validity in the initial semi-structured interviews with the CDP store owners the method for investigating their point of view and thoughts on the postal service we will use probing- and open questions (Blomkvist & Hallin, 2014).

The interview purpose is to learn more about the CDP store owners and what they think about this the decision to have CDP. Where from a validity point of view the focus is more of how we can ask the right questions and follow-up questions in order to put the interviewees in a situation where they feel comfortable to open up and be genuine during the interviews (Saunders, et al., 2012).
To be able to reach depth in their answers we wrote and sent out information about our project and the interview questions one-week prior the interview to give the interviewee’s the time to reflect upon their standpoint regarding the questions and areas for the interview (Saunders, et al., 2012).

3.3.4. **Reliability in phase one interviews**
Due to restraint time span in this project combined with the long travel distance and lack of video link equipment at the CDP stores the first rounds of semi-structured interviews had to be held via telephone. When comparing telephone interviews with face-to-face interviews the telephone interviews do in general have a reduced reliability where it is more challenging to get the interviewees to engage in exploratory discussion due to example the lack of visual cues (Saunders, et al., 2012). To handle this possible lack of reliability in the interviews, we as interviewers focused on establishing credibility before the interview by establishing the purpose of the project from both talking to them personally via phone and pushing out information about the project from the central analysis team via email.

Two significant factors that affect the reliability for the interviews is the interviewee biases and our interviewer bias. The CDP store owner has been informed about the purpose of the project prior the interviews and are well understood in that the responses he/she gives will affect the outcome from this project and in the end how he/she will be able to maintain the CDP in the store or not. By applying the advice from Easterby-Smith (2012) of using open questions in combination with appropriately worded probing questions we should be able to reduce these biases (Saunders, et al., 2012).

3.3.5. **Validity in phase two survey**
When making a survey like this the formulation of the questions and the sequence of the questions are a rigorous process that takes time and will influence what outcomes you get from the survey. Furthermore, this also affects what different conclusions that are possible to draw from the survey. For a critical part of the survey, part one, the questions used are similar to the questions used by prominent researcher in this area of study has done in the past (Saunders, et al., 2012).
When designing the second and third part of the study there were few previous studies done aiming to answer the same questions and therefore a large amount of time was spent on designing the questions. To ensure high validity, the questions were designed in close contact with representatives at ICA Sverige that are experienced in designing these kinds of surveys. Foddy’s (1994) stages for a question to maintaining high validity and reliability has been used as a template for designing the survey, see figure 7 for Foddy’s (1994) stages.

![Diagram](image)

**Figure 7 - Foddy’s (1994) stages that must occur if a question is to be valid and reliable.**

To ensure that they survey questions are understood correctly and that we understood the answers correctly we performed a pilot test (Saunders, et al., 2012). The pilot was performed in person with customers in two different stores where the respondent gave feedback on the questions asked and explained their answers.

### 3.3.6. Reliability in phase two survey

To ensure reliability an important part was the lengths of the survey. To understand the appropriate length of the survey we consulted with a representative of ICA who recommended to keep the time to answer the survey under 7 minutes. This was considered in the design but also in the pilot of the study. In total 3500 consumers received the survey and 1561 answered the survey resulting in a response rate of 44.6%.
3.3.7. Ethics

The authors conducted this study according to a number of ethical principles, for example ensuring integrity and objectivity of the researchers, respect for others and voluntary nature of participation (Saunders, et al., 2012).

The study was conducted in collaboration with ICA Sverige whom provided us with contacts, data and knowledge. Therefore, a non-disclosure agreement was signed by both authors which implies that all data coming from ICA Sverige in the study has been approved by ICA Sverige.

All participants in this study participated voluntarily and had the ability to withdraw their participation at any stage in the process.
4. Result and analysis

This chapter consists of the results from interviews in phase 1 and results from the survey in phase 2.

4.1. Phase 1

The first phase of the empirical results is gathered from the 14 exploratory telephone interviews held with food retail store owners who provide the CDP service in collaboration with PostNord. For full interview questions, see appendix A1.

4.1.1. Outcome from interview questions

The outcome from the interview was divided up in 5 different areas:

1. Store owners general view on CDP service
2. Benefits
3. Detriments
4. Future
5. Storage room and investments

Detailed information regarding every area will be presented below. The stores and store owners are held anonymous.

**Store owners general view on CDP service**

The store owners were in the beginning of every interview asked to give a short description on how the CDP service operates today followed up by the store owners’ general thoughts and feeling when discussing the CDP service. Their answers had a wide spread, from store owners having positive associations to others being more concerned with the collaboration with PostNord.

One store owner to a medium sized store explained: “The customers show criticism towards PostNord, but only because it is a thing. The service given to the customers are fantastic with the quick deliveries any day of the week. On a normal day, I attract 200 customers to the use this great CDP service. Giving the customer superb service at the CDP service is a great way for us as a store to market ourselves.”
The store owner emphasized the unwarranted criticism towards PostNord and did try to give the customers great service when using the CDP as a way to market the store.

A store owner to a larger sized store explained: “There is a lot of trouble associated with the CDP service and at the same time there are periods where it works just fine. The most common problem in our CDP are customer not having their ID with them but still wanting to collect their parcels, this is against our regulations and some customers do not like that. The CDP service is a part of a larger service offering we give to the customers where they can use the CDP service and at the same time buy a hotdog or something to drink.”

Later in the interview, the store owner did explain how the profitability from the CDP service isolated is negative due to too high costs for personnel. However, with the solution to combine the CDP with the café made it sustainable from an economic point of view.

**Benefits**
The answers from asking the store owners about what benefits that comes with having a CDP service there were many individual smaller benefits but also two thoroughgoing answers were given:

1) driving customers into the store
2) enhancing the customer experience by offering them another service

**Driving customer into the store**
By driving customers into the store there are two different opinions on how this traffic benefits the store. One is that this traffic will generate more sales since the customer is forced to enter the store and likely will make a purchase during the visit. The other opinion is that this traffic is valuable since it gives the store an opportunity to influence the customer in a positive way and therefore will have the chance to convert the customer into a recurring one.
One store owner expressed how this opened the opportunity for new customers to see their store. Further, the store owners explained how each CDP agent has a catchment area for the CDP based on ZIP-codes. This opened the opportunity for new customers who live close to the store but for some reason do not visit the store. Also, this opens for customers further away from his store, who usually visits stores closer to their home, to instead visit his grocery store. By driving traffic to the store several store owners did explain how this affects the customers' behaviour pattern, something that the store owners did point out as an important matter in order to expand the recurrence for customers and thereby building regular customers.

**Enhancing the customer experience by offering another service**

Answers regarding how the CDP service contributed to the store by adding an extra service did differ from the stores, mainly depending on the store size. A general argument is that their store can offer something that many other stores cannot and therefore they will have additional value in their offering and thus being more competitive. A subject that often was brought up was the alternative offerings that the stores could offer but the stores lack information regarding the behaviour of CDP customers makes it difficult to evaluate the offering relative to other services.

For the smaller stores, the reasoning was more towards how the CDP service gave their store a more serious impression. The small store owners also explained how the CDP service was their only large service provided today and how the customer had new incentives to visit their store, something that tended to be of larger importance for smaller stores compared than the larger stores.

The larger stores explained how this CDP service was adding an extra service onto their already broad supply of services. This was rather enhancing a strategy of offering the customers all needed services in the same store. They explained how the store itself was the main incentives for the customer to visit their stores rather than the errand that they had to do at the CDP service.

Store owners did articulate how the CDP service also contributed to an extra service that differentiate them from their competitors. This argument did occur more often for stores who acted in areas with a strong competitive landscape. One store owner to
a medium sized said: “With the CDP service the consumers have to visit my store in order to receive their parcels. We have the possibility to meet and interact with the consumer. This is something that builds relationships and might result in that the consumer will come in more frequent. Something that hopefully will lead to them doing their grocery shopping at my store instead of visiting my main competitor across the street.”

The store owners see potential in having the CDP service due to the growing number of customers that will visit their store because of the CDP service. However, in the situation that they are in today, they have a hard time understanding how the CDP service contributes to the stores profitability.

**Detriments**

There no detriments that all stores perceive but many of the interviewees say that being a CDP takes resources such as time and store space that could be used to other services. The rest of the detriments mentioned could not be generalized to all stores or one format. They seem to be highly dependent on the unique situation of each store. The most widespread detriments that the store owners expressed are listed and explained below:

- Problems with understanding the aggregated value from the CDP service:
- Low profitability in respect to the CDP service isolated
- Collaboration with PostNord
- Problems with security and dissatisfied customers

**Problems with understanding the aggregated value that from the CDP service**

Consistent throughout all the interviews was an uncertainty regarding if the consumers using the CDP service also grocery shopped. ICA Sverige do not have access to information regarding what consumers that visits the CDP service as this data is held and protected by PostNord.

Store owners also expressed uncertainty regarding if the consumers that are using the CDP service would visit the store even if they did not have the CDP. Some expressed
how their store was the obvious place to grocery shop due to lack of competition where there was an uncertainty regarding if the CDP service was needed in order to attract customer to the store. However, due to the lack of information regarding how the CDP affects the store and often in combination of the fear of losing this service in an irreversible decision and thereby letting it go to a competitor, the easier decision for the store owners is to remain a CDP agent.

The store owners are used to have plenty of data about sales of different products and then make business decision based on this data. In the case of being a CDP the data is scarce or even non-existent which causes the evaluation to be based on feelings rather than facts. Also influencing the decision of being a CDP is that the decision is irreversible. That means that if the store will give up the service another store, most likely a grocery store, will pick it up and the original store will have no option to get it back. Therefore, many store owners argued that they are not certain that the benefits such as the customer traffic and customer value outweigh the detriments and costs associated with the having this service. This leads to a situation where store owners feel that being a CDP might not be an optimal decision but the circumstances mentioned above make them take on more households to their parcel service.

Low profitability with respect to the CDP service isolated

Regardless of store size, the store owners did express how the CDP service was not especially profitable when considered isolated. One out the 14 interviewed stores perceived the profitability of being a CDP as positive. However, that does not count in the potential extra revenue generated from the traffic. A majority said that the costs of being a CDP breaks even with the revenues that the store gets from direct compensation for running the service for the logistics partners.

One of the store owners who suffered from negative profitability from the CDP service meant that the collaboration with PostNord was under unreasonable conditions. The store owner described the situation as:

“The deal that we have with PostNord is unreasonable, my costs for offering the CDP cannot be met by the compensation that I retrieve from PostNord. PostNord’s argument when I ask them is that the CDP service will bring customer that will
grocery shop. It can be compared with the Coca Cola company telling me that I can sell Coca Cola in my store, but with the condition that the purchasing price that I have from Coca Cola is lower than the selling price to the customer. With the argument that the Coca Cola will attract more customers that also will buy crisps.”

**Collaboration with PostNord**

The CDP agents have expressed how there is a discrepancy in how they and PostNord prioritize the development of the CDP service. During the interviews, the store owners expressed how they have suggested different improvement proposals to PostNord but that the two parts do have a different view on how to prioritize consumers. There was also reasoning on how the store owners comes from a more entrepreneurial way of working compared with PostNord more bureaucratic. One store owner of a large sized store explained:

“*Negotiating with PostNord is not like negotiating with any other of the partners I have. My personal feeling is that the process of evolving the service is very bureaucratic, not like I am used to in my store where I can make a change on the day.*”

The interviewee continued with explaining how he saw an opportunity to improve the service by adding an extra hand scanner to the staff in order to improve handling time per customer when receiving their parcel. When discussing this opportunity with PostNord, who provide the hand scanners, this was nothing that could be implemented. The store owner expressed how this was such a small effort for gaining a large improvement to the service, but due to what he explained as bureaucracy this was not possible.

From hosting the interviews, we registered how the store owners had an underlying frustration from collaborating with a part who viewed the consumer differently from them. Generalized, the two involved parts both work tightly with their customers but with different incentives when it comes to satisfying their consumers. A store owner typically resonates in a manner where every meeting and interaction with the consumer should be as well handled as possible in order to enhance their relationship which can lead to a recurring customer to their grocery store. This can be compared
with the typical reasoning for a logistics company, such as PostNord, where the focus rather is to deliver the parcel on time. In other words, the store owner typically works face-to-face with the consumers on a daily basis where the interaction and relationship with the consumer is vital for them in comparison with PostNord, whose less focused on the relationship or face-to-face interactions.

**Problems with security and dissatisfied customers**

With e-commerce comes also ordering of illegal parcels, such as illegal drugs. These are most often coinvestigated by the police. When this happens, the illegal parcel does not reach the CDP but the customer still goes there to collect their parcel. This has led to conflicts where the customer threatens and causes other security issues towards the staff at the CDP. This has led to multiple complications for CDP agents, such as staff not wanting to work with the CDP. There have also been thefts and smash and grabs on CDPs, this is something that causes extra costs for the store owners where time must be spent on writing police reports. One store owner explained how the problems with security has become so severe that the store hired a security guard that are active during the opening hours of the CDP.

Another interesting subject that came up during the interview was how the store owners do everything they can in order to make the customers visit as pleasant as possible. With the CDP service, the store owners are dependent of PostNord’s rules and do not always have the mandate to help customers with their problems. The store owners expressed how this lead to a dissatisfied customer in their store when handling an errand and taking complaints regarding a service that is a function of another company. Similarly, the store owners described situations where there has been problem with PostNord’s delivery and that the customer will get the information regarding the problem when in the stores CDP service area.

**Future**

Due to the growing number of parcels being sent, almost every interviewed store owner expressed that they must make a change in their CDP service in order to handle the new demand. Store owners described how the storeroom for the CDP service had to take up a larger part of the stores area in order to handle all the parcels.
The store owners had mixed thought regarding the future. One store owner to a medium sized store argued for how the CDP service contributed to the stores competitive advantage and was vital for the store.

“As a store owner, I feel that I cannot say no to the having the CDP service because if I do so the customer traffic that comes with having a CDP service will instead go to a competitor who takes over the CDP service.”

Further in the interview the store owner also explained a belief of a growing importance to have the CDP service in the store.

A store owner to a large sized store argued for how the CDP service contribution to the stores profitability was too low and how there are other alternatives, such as selling food or offering other services, that would have a larger impact on the stores profitability. One store owner to a small sized store explained:

“The compensation from PostNord must increase due to the growing volume of parcels leading to a situation where our store has to invest in a larger storage room.”

However, the statements regarding the CDP services contribution to profitability was not entirely based on facts due to the lack of information on how many of the customers using the CDP service that also grocery shop.

**Storage room and investments**

Almost every interviewed store owner did express how the CDP storage room was under-dimensional as it is today. This could be seen especially during more intense periods, such as Christmas, where the majority of interviewed stores had to come up with temporary special solutions in order to handle the storage for the parcels. When asked much more parcel volumes that the store owners could handle before having to make new investments only one of the 14 interviewed stores could handle more than an increase of 20%. With the growth rate that PTS is predicting, a growth to 20% more parcels will happen during the next year, a situation that the store owners were aware of. With the uncertainty of what effect of having the CDP has on the store
combined with the low direct profitability that comes from the CDP service made the store owners hesitant in if they should invest or exchange the CDP service with other possible services.

Interestingly, some of the interviewed store owners expressed how the number of consumers that visited their store was restricted by the number of parking spots they had available. Here the store owners expressed how they rather would give the parking spot to a consumer that rather would grocery shop than a consumer just using the CDP service, possible without grocery shopping.

4.2. Phase 2

4.2.1. The priorities of the customers

In the surveys part 1, identifying customer values, the respondents have the following average score regarding consumer value. This result, seen in table 1, is an average from three questions focusing on the different consumer value; cost/sacrifice, functional/instrumental, experiential/hedonic value, and symbolic/expressive value. What stands out in this question is that the customers, on average, value cost/sacrifice values the highest and the other three dimensions is fairly even scored with functional/instrumental value as the second highest followed by experiential/hedonic value and symbolic/expressive value.

<table>
<thead>
<tr>
<th>Average score for consumer value dimensions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost/Sacrifice Value</td>
</tr>
<tr>
<td>Functional/Instrumental Value</td>
</tr>
<tr>
<td>Experiential/Hedonic Value</td>
</tr>
<tr>
<td>Symbolic/Expressive Value</td>
</tr>
</tbody>
</table>

Table 1 - Average score for consumer value dimensions.
Looking at the breakdown of the different consumer value dimensions, see table 2, some facts stand out. The aspect of “I feel like a better person” when choosing store is the least prioritized one followed by “The store makes me feel inspired”. Since the dimension values are calculated based on the average of three questions that target the specific value it is apparent that these two sub-questions lower the score for their respective dimension.

**Table 2 - Average score for sub-questions to consumer value dimension.**

Another way to look at what consumer value dimensions the customers prioritize is to look at each individual respondent and analyze what dimension they scored the highest in comparison to the others, see table 3. The respondents that had multiple dimensions scored equally high as their highest priority were disregarded. The result was that 431 respondents had Cost/Sacrifice Value as their highest prioritized dimension.
4.2.2. The customers’ preferences for different services

By segmenting the respondents after what dimensions they prioritized the highest we can analyze how different respondents value different services, see table 4. The services focused in this study is CDP but also alternative services that the stores could offer instead of CDP. As illustrated by the graph below there are few differences between respondents of different dimensions and the services that they view as important for their store choice.

Table 3 - Number of respondents that prioritize each dimension highest.
Table 4 – Results from: How important is the following services to have in connection to your main grocery store? Divided with customers prioritized customer value (Prio 1) from table 3.

4.2.3. The customers’ view on CDP as a service

1129 out of 1561 (72.3%) do their postal errands in an ICA store. Of the 1137 respondents that do their postal errands in an ICA store 686 (60.8%) say that this is their main store (the grocery store where they spend most money in). Out of these 686 respondents 60 (8.8%) answered that they have shifted their main store because of the lack of postal services.
Looking at the overall satisfaction with the CDP services in ICA stores, see table 5, in general it is fairly positive with an average score of 8.2 out of 10.

**Table 5** - Score distribution on how satisfied or dissatisfied the respondent with the CDP where they do their postal errands.

<table>
<thead>
<tr>
<th>Min</th>
<th>Max</th>
<th>Median</th>
<th>Mean</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,00</td>
<td>10,00</td>
<td>9,00</td>
<td>8.16</td>
<td>1.96</td>
</tr>
</tbody>
</table>

**Table 6** - Minimum, maximum, median, mean, and standard deviation from table 5.
5. Discussion and conclusion

This chapter consists of two parts. In the first part, the research questions are answered. The last part includes limitations with the study and gives suggestions on further research.

5.1. Answering the research questions

5.1.1. RQ1: What are the store owners’ opinion on CDP service as a value proposition?

Answering this question is a complex task since the problem involves many possible perspectives and also issues that are unique for each store. However, the question will be answered in a way that both attempts to generalize answer but at the same time highlight the complex issues that this question involves.

The general view is that being a CDP does not have any direct profitability incentives. Most of the store owners argue that the CDP has negative or very low profitability if analyzed isolated. However, there are other reasons to why the store owners are offering CDP as a service which could be impacting the profitability in an indirect way but the store owners did not explicitly describe it in that way.

For all the interviewed stores, regardless of size, the common incentives for having the CDP service was that the service drives customer traffic to the store and are adding to the offered consumer value. The store traffic is an outcome that is tangible but is in practice hard to measure and since the system and availability of data in this area is scarce this is just an assumption based on experience or entrepreneurial gut feeling. The other driver is customer value which is an area that is more intangible in terms of measuring how the business is benefiting from this. The underlying assumption is that the overall value proposition of the store will be better if they offer CDP and that this will lead to more regular customers and thus more revenue.

The store owners did also express different detriments with having the CDP service. The most widespread was problems regarding direct profitability and understanding the aggregated value from the CDP service. These two issues oriented from a dissatisfaction in the collaboration with PostNord. The store owners expressed how
they experienced the collaboration to be of a bureaucratic nature, where improvements to the service was not easy to implement. Where a frustration regarding how the store owners are used to work in a more entrepreneurial way in order to develop service offerings. When relating to Rintamäki, et al. (2007) who expresses that a customer value proposition should fulfil to “build on competencies and resources that the company can utilize more effectively than its competitors”, the store owners has a hard time to develop the service in order to keep it more innovative and efficient compared with competitors. From the interviews, a store owner gave a good example on when he wanted to improve the time it takes for every customer to collect their parcel by adding an extra hand scanner, something that was not possible to receive from PostNord who provide these. He further explained how this was a result of collaborating with a government owned company with a different level of bureaucracy.

The store owners did also express how the view on how to handle customers differentiated the two parts. A store owner explained how he typically resonates in a manner where every meeting and interaction with the consumer should be as well handled as possible in order to enhance their relationship which can lead to a recurring customer to their grocery store. Furthermore, he explained how this could compare with the typical reasoning for a logistics company, such as PostNord, where the focus rather is to deliver the parcel on time. This differentiated view on customers is also something that affects how the CDP service will be improved and be utilized more effectively than competitors.

In many areas, no clear distinction between larger stores and smaller stores in terms of how they argue for their decision to be a CDP could be identified. In one area, a pattern could be seen where small stores saw CDP as a bigger part of their overall value proposition and therefore see CDP as more crucial part of their store. Larger stores on the other hand say that their overall offering is both large and wide where this extra service is relatively small compared to the entire offering. Another way to see this is what dimensions of customer value that each store addresses as the nature of their format. The small stores are often located close to the customer’s home or work and would in theory please customers that prioritize Functional/Instrumental
values and as both logic and data suggests a CDP are fulfilling Functional/Instrumental values as well. Therefore, CDP could be seen as a core service by smaller stores and their customers.

Since customer value and value propositions are tightly connected with competitive advantage the use of resources and capabilities is a relevant consideration when discussing this topic. The store owners argued that one disadvantage of this value proposition is that it uses resources, such as time and space, that could be used for other activities. This also raises the question on what alternative value propositions that could be offered to the consumers and would have a larger impact upon profitability, this issue will be addressed in RQ2.

With forecasts from PTS indicating a doubling of the e-commerce market till 2020 will also affect the amounts of parcels being sent via the CDP services. 11 out of the 12 interviewed store owners had to make new investments for their CDP service if the number of parcels increased by 20%. With the forecasts, this is possible to happen during the next coming year.

There are factors that add extra complexity to this issue which makes it harder to make a rational business decision to remain CDP service or not. One of these factors are the nature of the decision is irreversible. If one store that today provides the CDP service decides to not be a CDP, it is likely that a competitor in the same city or area will take over the CDP service. This combined with the fact that there is little to no information regarding if the consumers that uses the CDP service contributes to the overall in-store sales, a factor that makes it even harder to evaluate the decision. The result is that most store owners is reluctant to cancel the service even though they sense that it might not be the best decision to make. The fact that that ICA store owners are often entrepreneurs with a strong spirit of competition is probably strengthening this phenomenon.
In summary, the first research question could be answered with the following bullets:

- Increased store traffic and additional customer value is the general expected outcome from offering the CDP service
- Bureaucracy and differentiated views on customers affects the development process of the service
- Irreversible decision, lack of information and competitiveness are factors that make the decision hard to describe with pure rationality
- The decision to be CDP is mostly based on gut feeling or entrepreneurial experience

5.1.2. RQ2: What are the consumers’ opinion on CDP as a value proposition?

Sub-RQ2.1: What aspects in a food retailers’ consumer value proposition do consumers prefer?

With help of Rintamäki’s (2007) framework we wanted to explore what aspect of a value proposition the consumers find most crucial when choosing grocery store. According to the consumer value framework there are four categories of consumer value where three questions for each category were used to determine how crucial the particular category is for the customer. The customers ranked the different customer value categories from a scale from 1 (Unimportant) to 10 (Crucial) and the result was:
Several conclusions could be drawn from this. Firstly, Cost/Sacrifice is the most important aspect for store owners to consider when creating value propositions to the consumers. Secondly, the difference in how consumers value the various categories are not prominent. The data suggests that ICA consumers are looking for a mix of all four categories which mean that the store owners have to be concerned with balancing each dimension.

There is not any extraordinary spike in one dimension but this could be explained by the fact that ICA is by far the largest player on the grocery market in Sweden with over a percent market share and clearly attract several different customer segments. For example, it is likely that Cost/Sacrifice value will stand out more for a store chain with a low-price niche. It is also likely that Symbolic/Expressive value will stand out

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
<th>Subcategory</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1) Cost/Sacrifice Value (8,3 / 10)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) I save money (8,2 / 10)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) I can shop and do other errands at a good price (7,9 / 10)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) I benefit from sale offers/discounts (8,7 / 10)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2) Functional/Instrumental Value (8,0 / 10)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) It is convenient to do my errands (8,3 / 10)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) I can do my errands quickly (7,9 / 10)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) I can do many of my errands in one place (7,7 / 10)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>3) Experiential/Hedonic Value (7,9 / 10)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) I don’t feel stressed in the store (8,1 / 10)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) The store makes me feel inspired (7,3 / 10)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) I end up in a good mood (8,5 / 10)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>4) Symbolic/Expressive Value (7,8 / 10)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) I feel like a better person (6,7 / 10)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) I find products that fit me (8,8 / 10)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) The store has products and a business that are operated in a way that I can stand for (8,0 / 10)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
more for niche store chains that focuses solely on organic and fair-trade products. Future studies will have to confirm these statements.

Looking at the different sub-questions that lead up to the averages of the categories a similar even and wide spread could be found. One particularly interesting sub-question for this study is the one addressing “I can do many of my errands in one place” which is a sub-question to the Functional/Instrumental Value questions. Many store owners emphasized this as one of the more important argument to why they have CDP as a value proposition. However, the consumers rated this aspect as the 9th most important out of 12 which would suggest that there are factors the consumers value more. As a result, there might be options for the store owners that would have more impact from a consumer value perspective.

In summary, the following conclusions could be drawn:

- Cost/Sacrifice Value is the most prioritized dimension
- The four consumer value dimensions is viewed fairly similar in terms of how important they are for the customers when choosing food retail store.
- “I can do many of my errands in one place” is a statement that match well with CDP service but is rated third from the bottom by the consumers.

Sub-RQ2.2: What are the consumers' opinion on CDP service compared with possible alternative services?

The responses from customer survey’s second part where 1608 respondents assessed how crucial different services are to them when choosing a food retail store. From fifteen different services that could be seen as a substitute to having a CDP service, the highest ranked service from the entire sample group was personal service with possibility to handle reclamation. The second most important service for was the possibility to handle postal service errands and at third most important service was the possibility to buy items such as stamps and envelopes. For full results see table 4. The conclusion is that CDP should be a highly valued service in comparison with the alternatives that could be offered in the same space in the store.

When splitting up the sample group into how respondents with different primary consumer values, see colored piles in table 4, ranked the different services, barely any
differences in their average score could be distinguished. From phase one, the interviews with the store owners, many of the interviewees stated that the CDP is a service that contributes to values that could be categorized as Functional/Instrumental value for the consumer. Interestingly, there was no significant difference in how the survey respondents with Functional/Instrumental as primary value had ranked the importance of CDP service, all the groups with different primary values did have similar importance score with the average results varying from 6,6 - 7,2 on a scale to 10.

In summary, two conclusions could be drawn:

- CDP the second most prioritized service compared with the fourteen other alternatives presented
- The primary consumer value dimension does not have a significant impact on what kind of services the consumer prioritizes

Sub-RQ2.3: What are consumers’ opinion on the CDP service?

For understanding the sample group’s overall attitude towards the CDP service in the main food retail store that they use today the respondents were asked “How satisfied or dissatisfied are you with the CDP service you use today?” and the average score for the respondents are 8,1. This suggests that the consumers are overall satisfied with the CDP service in ICA stores.

For contextualizing the importance of having the CDP service in a food retail store the survey results from the question: “Have you changed your main food retail store because they provide the CDP service?” where main food retail store is defined by the store that the respondent spends the majority of their grocery shopping budget in. 8,8% of the respondents answered that they have changed store because of the CDP service. This supports that 8,8% of the consumers see this service as crucial enough that they change main store if this service is missing. Even though this number seems fairly low one should acknowledge the portion stores that already offers a CDP service in the food retail store is high. Around half of the ICA Sverige’s stores are a CDP service point. The answers in the survey does not include the consumers that would change main store if their main store would stop offering CDP as a service. As a
result, implications of cancelling the service will likely have a larger impact than that 8.8 % of the customers will change main store.

I short, there are two bullets that answer the research question:

- Consumers are overall satisfied with the CDP service at ICA
- 8.8% of consumers value CDP service so much that they have switched main store because of the lack of CDP service

5.1.3. RQ3: How do the opinion from food retailers and consumers regarding CDP service correspond?

The store owners all had a common idea of how the CDP service provides additional customer value and increased store traffic. The answer of this question will be in two parts. The first one will focus on how the CDP service provides additional consumer value. The second part will discuss store traffic caused by the existence of CDP service.

Providing additional consumer value

From the interviews with the store owners they all agreed upon that the CDP service is providing additional consumer value. Firstly, the stores owners explained how a relationship is being built between the staff and the consumer when handling the consumers errands. A quote from an interview with a medium sized store: “We have the possibility to meet and interact with the consumer. This is something that builds relationships and might result in that the consumer will come in more frequent”. Which according to Rintamäki (2007) is to focus on Experiential/Hedonic consumer values. Secondly, one of the store owner to a smaller sized store did reason about how the CDP provided a more genuine and serious image for their store which is targeting Symbolic/Expressive consumer values in the Colgate & Smith (2008) framework. Lastly, all store owners, independent of store size, argued that the CDP service made the everyday life easier and more convenient for the consumers by enabling the possibility to do more errands at the same location. This aligns with how Rintamäki (2007) and Colgate & Smith (2008) describes having a value proposition more focused on the Functional/Instrumental consumer values.
For understanding how this corresponds with the consumer's view on the CDP service the results from survey questions regarding consumer value was investigated. Firstly, the general tendency is that consumers with different primary consumer values do not differ significantly in how important the CDP service is for them when choosing a food retail store. The survey showed that the respondents with different primary consumer value only varied between 6.6 - 7.2 on a scale to 10 when answering the question how important the existence of a CDP service is for them when choosing a food retail store.

The CDP service is by Rintamäki’s (2007) definition of a typical Functional/Instrumental value, which from survey results was the second highest ranked primary consumer value and enforces that the consumers appreciate the value. Fortunately, the sub-questions from Colgate & Smith (2008) that was used for dividing in the consumers into different primary consumer value groups used one sub-question aligning well with the aspect of how the CDP service enabling the consumer to do more errands at one place. The consumers were asked to rate how important “I can do many of my errands in one place” is when choosing primary food retail store. When comparing the level of importance in with the 12 other sub-questions directly regarding consumer values this aspect had the third lowest importance for the consumers. An indication of a relative low level of importance compared with the other aspects when choosing food retail store.

Interestingly, when comparing the CDP service with other potential services that can be provided in the same locational area, the survey results also shows that having the CDP service was the second highest rated service for consumers when choosing primary food retail store. This points towards how this kind of service is value adding in comparison with other, mostly Functional/Instrumental services.

Understanding the value proposition and how customer react to it
As earlier discussed the store owners had different approach to CDP as a value proposition. Some store owners described the CDP as a customer value proposition that according to research by Anderson, et al. (2006) could describe more as an *all benefits* approach where the service was described as offering more value to the customer whereas some of the stores saw it as one of the crucial *points of difference*
that made the customer choose their store. The latter is more similar to a favourable points approach of difference or resonating focus approach. What this all boils down to is the understanding of what the customer value and how the store owner can channel its resources to create the most customer value possible. Close to all interviewed store owners had a low or negative profitability on their CDP if analysed isolated and as a result these store owners sacrifice some profitability in order to deliver more value Functional/Instrumental value to the customer.

From a customer point of view the importance of CDP services can be manifested in many ways. As earlier discussed, the consumer value dimension perspective does not provide strong evidence that the CDP would be a crucial service for the customers that would heavily affect their choice of store. On the other hand, when the respondents that do their postal errands in their primary grocery store were explicitly asked if they had changed their primary grocery store due to lack of CDP service 8.8% answered that they had done it. This together with the fact that the CDP ranked highly compared to the alternatives suggests that the lack of CDP service or removal of the service could affect the customers in that particular store negatively.

When working with such complex questions it hard to draw clean-cut conclusions but the results in this study indicate that a large part of the store owners seem to have difficult to evaluate the impact of the CDP service on their store’s performance. Many of the store owners claim that removing this service will have little to no impact on the store and its customers. However, the result from this study indicate that a removal of the service will likely have negative impact on the store’s performance and might cause customer to switch main store.

As the store owners highlighted in the interviews the choice is not only about having a CDP service or not but also about channeling its resources to the right activities. One could argue that the choice to channel resources into CDP is an investment into the Functional/Instrumental value dimension where an investment into another service with another focus could have bigger returns. Especially when the profitability is low or negative the choice to simply not offer CDP as a service could lead to cost savings and as a result lower prices for the customer which in turn could lead to a higher
possible Cost/Sacrifice value being created. This highlight the complex issue of knowing where to focus a company’s resources and to know where the highest value is created. The lack of information and the irreversible nature of decision is making this choice even harder for the store owners.

Three conclusions could be drawn:
- The store owners highlight the Functional/Instrumental value that the CDP brings but the customers that value Functional/Instrumental value highly do not appreciate this service more than others
- Many store owners seem to undervalue the importance of CDP for their store
- Store traffic will likely decrease if stores decided to cancel their CDP service

5.1.4. RQ4: What challenges and possibilities arise for a retail company when adding a supplementary service to a value proposition?
The goal with this research question is to highlight how the conclusions from this study can be helpful for a broader audience of retailers in context of supplementary services as part of their business model rather than only the food retail companies with CDP service. The discussion is structured with help from the Business Model Canvas framework. Findings from the thesis in the context of each building block is discussed from a broader retail perspective. This is followed up with a final part consisting of summarizing conclusions.

Customer Segments
To understand the customers and choose the right customer segments are crucial parts of delivering value in the company’s business model. When working with supplementary services there are no guarantees that a company is targeting the same customer segments that it usually does with their main service or product. A lack of understanding of the targeted customer will transition into several misconceptions about the service and the perceived value of it. This is exemplified in this study where store owners believed the CDP service was directed to functional customers where in reality the other type of customers valued the service just as much.

The supplementary services could also attract new customer segments to the store where the company lack knowledge on how to optimally serve those segments.
Additionally, the customer segments that are logical for the core business might not be logical for the supplementary service.

**Value Propositions**

It can be difficult to understand what the exact value that a supplementary service contributes with, especially with services where the customers are not explicitly paying for the service. As for this study, the majority of store owners underestimated the value that the supplementary service contributed to their value proposition. When the supplementary services have no effect on how the core business of the company will run there are more ways to examine what value that comes from having the supplementary service. By experimenting and temporarily removing the supplementary service and thereafter evaluate the results, parts of the value that comes from having the supplementary service can be derived. For supplementary service of an irreversible nature, as for the case in this study, the value that comes from having the supplementary service directly become much more complex to understand. With supplementary services of this nature, it is harder to understand what value that comes from it and this is something that can be generalized to many kinds of supplementary services in the retail industry.

**Channels**

Supplementary services are a way to increase the number of channels of the business model. As shown for the case company, it could both increase the communication channels from the store to the store to the customer but also be a way to get customers into the store and thus creating store traffic. With that in mind, the case study did show how the traffic generated from the supplementary service have led to new situations with the customers that have had both positive but also negative nature. It is therefore important to understand the consequence of adding a supplementary service for the different channels.

It is a very complex task to analyze whether this increase in traffic is beneficial or not. To just measure the direct sales from the supplementary service traffic is simplistic and will not capture the true value of the traffic such as increased customer relationships.
Customer Relationships
To continue the discussion from the Channels building block above, there is often a large interest within the retail industry to make the customers feel happy in order to make them spend more or gain enhanced feelings for their shopping experience. However, when adding a supplementary service this can contribute to an extra service for the customer but also to them finding new potential ways to get their mode affected negatively. For this study, the supplementary service did contribute to the customers having negative feelings if there was problem with their delivery at the CDP service, something unusual for the core business of the retail store to encounter and the retail store owners did argue for how this negatively affected their relationship with the customer and further could have an effect on the business performance as a whole. There is also great potential with adding a supplementary service to the retail store due to the possibility to positively affect the customer and gain an enhanced relationship. Especially in parts of the retail industry where the meeting and relationship with customers are few and of great importance.

Revenue Streams & Cost Structures
Obviously, no general conclusion on the profitability of supplementary services could be drawn. However, what could transition to more general terms is how difficult it is to measure the financial impact of the service. This difficulty is driven both from the revenue side and the cost side. On the revenue side, the direct revenues are an easy task to measure and evaluate since this is the customers using the service and paying for it or buying other products or services during the same visit. However, the revenues that theoretically could be derived from the decision to provide the supplementary service but are not measurable in a direct way are very hard to estimate. This could come in the form of recurring customers or changed habits of the customers.

On the cost side, the problem to track down every cost associated with a specific service or activity is apparent. As a result, the financial evaluation is not feasible when parts on both the revenue side and cost side are not complete.
**Key Resources**

When adding an additional supplementary service there will often be a need to sacrifice key resources, such as space in the store or time for employers. Space in the store is often a scarce resource with high alternative cost. There could be a trade-off between the extra service that are being offered and other use of the resources; such as helping customers or filling the shelves with products. This combined with the fact that some types of supplementary services can be hard to evaluate their contributed true value makes it hard to evaluate if this is the most efficient way to use key resources.

On the other hand, the opportunity that comes with using the key resources for supplementary services is the ability to explore how the resources are best being used. There might be supplementary services that will have greater contribution to the retail stores business model or services that can keep the employer’s active to create value during times when there is no other use for this resource. Furthermore, the interviewed retail store owners in this study did argue for how they by bundling many supplementary services into one working area could keep their employers busy and at the same time have many supplementary services running. Many of these services would have been hard to offer if they were offered in an un-bundled way.

**Key Activities**

The activities of the organization will naturally change as new services are added. In our case study, they changed in a way that could potentially be generalized to more organizations in the retail industry. When adding supplementary services, it will naturally create new activities that the organization need to adapt to. These activities could drive needs for extra equipment, competence, and support depending on the nature of the service.
For the case company in this thesis the results showed how these new key activities could contribute to new problems such as security problems and as a result employers not wanting to work with this particular service. A lesson to be learned is that every additional service will create potentially new activities that could impact operations in a both positive and negative way. Analyzing this before implementing could save the store or organization from unpleasant surprises.

Key Partnerships
Adding a supplementary service to the value offering for a retail store can often mean that there will have to be new collaborations with new partners. Furthermore, when the nature of supplementary service is different from the core business activities there are potentially a need to form partnerships with companies active within other branches or with other business models. This has shown to be something that can be an issue when the two partners have different views on how to they value customers and how they view customers. This discrepancy can lead to conflicts regarding how to develop and improve the supplementary service. For the more broader perspective with the retail industry this could be addressed by having an understanding for how the partnership company functions, how this can affect the collaboration, and further the development of the supplementary service.

On the other hand, collaborating with new partners also opens for great opportunities to find inspiration in how the other company operates and thereby improve the business models mutually.

Summarizing conclusions
Generalizing insights from a single case study relies heavily on the authors and their judgement of the situation. It is impossible to prove that these could be applied to the entire retail industry but could at least applied to the enhancing types of supplementary services. Below are four broad insights that could be useful for other retail companies considering adding a supplementary service.

Firstly, the Business Model Canvas could be a useful framework to use as a checklist when adding and evaluating supplementary services to a retail store. As the case of
CDP in grocery stores highlight, a supplementary service affects all parts of the factors that the business model canvas consists of. Just using this model will not solve some of the crucial problems such as assessment of profitability but could uncover some challenges and possibilities already in the planning or early stages of the implementation.

Secondly, supplementary services will in its nature be hard to evaluate financially since the impact on the core service or product is hard to measure.

Thirdly, it is important to understand the customers and customer segments in context of the supplementary service and not solely rely on knowledge that holds true for the core product or service.

Lastly, the supplementary services could be a crucial part of the value proposition to the customers. Even though a service or products is the core part of the company’s activities it does not necessarily mean that it is the core part of the value proposition for the customer. The CDP case study proved that a supplementary service could be a crucial factor in the store choice for customers even though most store owners did not predict it. Therefore, a deep understanding on what aspects the customer values is important when modifying the business model, no matter if is a core or supplementary part of it.

5.1.5. Reflections on sustainability
Sustainability is generally divided into three parts; environment, social and economic (Morelli, 2011). As the volume of parcel deliveries are increasing each year it puts more tension on the environment. The home delivery option always has the risk of a failed delivery which increases the environmental footprint. Thus, the CDPs could be more sustainable from an environmental perspective in many scenarios. The volume increase also makes stores question whether being a CDP is the most optimal use of resources. By understanding what it implies to be a CDP and the value it yields the store owners and society could make more informed decisions on how to spend resources. As a result, important aspects sustainability is addressed in this study. The parcel delivery could also be seen as an important function for society. Parcel delivery enables not only people to get their clothes or electronics but also crucial
items such as medicine. The CDPs enable more distant areas where no home delivery is available to be able to fetch parcels in their local grocery store. These aspects could be seen as targeting the social aspect of sustainability.

5.1.6. Limitations with the study and future research

This study is limited to focus around ICA Sveriges store owners and their customers. ICA Sverige with its profile as a large Swedish food retail company with its own special solution for CDP services, makes it harder for other companies within and outside of Sweden to generalize this research. The fact that Sweden’s CDP service has an especially comprehensive spread and are an established last-mile delivery solution compared to the rest of Europe also makes it harder to generalize for companies outside of Sweden. This study has not focused on other established solutions with smaller actors such as convenience stores or gas stations.

Due to mainly time restraint and with only two involved researchers there was no possibility to visit the interviewed stores for face-to-face interviews nor to have follow up interviews with the store owners. This restraint has also limited this study to not have any interviews with the postal company PostNord nor any other postal service companies for their opinion on this research.

This study has been of an exploratory character and naturally there are a wide arrange of areas that could be focused in future research. The ones that struck as the most interesting will be disclosed in this section.

To broaden this insights on supplementary services, studies similar to this could be done but focusing on other services to analyze if any new insights emerge and how these related to the type of service being offered.

To broaden the picture of CDPs in Sweden, studies similar to this could be conducted with focus on other food retailers or the postal service companies. Even though there are some existing research focus on logistics this could be deepened by focusing more on the CDP store logistics. Additionally, research focused on the monetary benefits of being a CDP could help store owners to do a more fact-based decision whether to be a CDP or not.
The consumer value aspect of this study was an attempt to understand the interaction between value proposition, consumer preferences and consumer value. To dwell deeper into this subject by analyzing customers of other retail chains in the same industry and their preferences in terms of consumer value would open up for interesting analysis. For example, could the overall value proposition of the retail chain (for example cost/sacrifice for the low-cost retail chains) be connected to the consumer value preferences of their customers. Since this study focused on the largest food retailer in Sweden and as a result it has a broad target group the consumer value preferences were not extreme in any way. However, this could be different for other retail chains.

Another interesting area for future research that emerged during this study was the collaboration between the food retailer and the postal service companies. There are several factors that seem to impact the collaboration and this the development of CDPs in general. Many store owners mentioned the different cultures and view on the customer between the entrepreneurial stores and PostNord that has a history a monopolist in the postal services market. Since this study is a case study of one food retailer the view of the postal services companies was not in the scope. Studies focusing on both sides of this collaboration would greatly impact the understanding of CDPs and its development.
6. Bibliography


47. Sinha, I. & DeSarbo, W. S., 1998. An integrated approach toward the spatial


7. Appendix

7.1. A1 - Interview questions

- What are your general opinion regarding the CDP service you have today?
- When did you implement the CDP service?
  - How has the situation changed since implementing CDP?
- What benefits would you describe from having the CDP?
- What issues do you associate with CDP?
- How does being a CDP affect your store’s financial performance?
  - Costs vs revenue for the CDP service isolated?
  - Are there any other contributions that comes from the CDP service that indirectly adds to your stores revenue?
- How do you think store size impact the value of being a CDP?
- How do you think the future of the CDP service will look like for your store?
- What are your current situation with storage room linked with the CDP?
  - How much more volume of parcels can you handle without having additional costs?
  - How much more volume of parcels can you handle without having to make additional investments?
- How do you think the CDP contributes to the customer loyalty?
- How would you describe that the CDP contributes to your existing customers?
- How would you describe that the CDP contributes to the store getting new customers?
- What areas regarding the CDP would you find interesting if we investigated?

7.2. A2 - Survey questions

a) Where do you live?
   - Large city (in city center)
   - Large city (suburb)
   - Medium sized city
   - Country side

b) When I visit a grocery store, it is important for me to have the possibility to...
(Scale 1 – 10, 1 - “I do not agree”, 10 - “I fully agree”)

i) I save money
ii) I can shop and do other errands at a good price
iii) I benefit from sale offers/discounts
iv) I can do my errands quickly
v) It is convenient to do my errands
vi) I can do many of my errands in one place
vii) I don’t feel stressed in the store
viii) The store makes me feel inspired
ix) I end up in a good mood
x) I feel like a better person
xi) The store is operated in a way that I can stand for
xii) I find products that suits me

c) How important is the following services to have in connection to your main grocery store?

i) Gambling
ii) Pharmacy
iii) CDP service
iv) Collect order from Systembolaget
v) Buy envelope or stamps
vi) But gift checks
vii) Buy magazines
viii) Buy tobacco
ix) Personal service or reclamation
x) Buy precooked food solutions
xi) Sit down for a coffee break
xii) Buy cup of coffee or pastry
xiii) Buy pizza, hotdog, or hamburger
xiv) Buy something to drink
xv) Buy fruit or candy
We will now ask questions regarding if you have used the CDP service in an ICA store and how you experienced this service.

d) During the last year, have you used the CDP service in an ICA store?
   i) Yes
   ii) No

e) In what of the following store profile do you perform your CDP service errands?
   i) ICA Nära
   ii) ICA Supermarket
   iii) ICA Kvantum
   iv) ICA Maxi

f) Do you use another CDP service than the one ICA offers?
   i) Yes
   ii) No

g) If yes on 6, what are the reason that you do not use ICAs CDP service
   i) Please write your answer

h) Is the ICA store that you most often do your CDP errands your main store? (Explanation for main store, the store that you spend most of your money in while grocery shopping).
   i) Yes
   ii) No
   iii) Please comment

i) Have you changed main store because they are not offering the CDP service?
   i) Yes
   ii) N
j) In general, how satisfied or dissatisfied are you with the CDP service of the ICA store that you do your CDP errands? (Scale 1-10, 1 - Not satisfied at all, 10: Very satisfied)

k) How often do you do an errand at the CDP service?
   i) One time per year
   ii) One time per quarter
   iii) One time per month
   iv) 1-2 times per week
   v) 3-4 times per week
   vi) 5 or more times per week

l) What time during the day do you often do your errand at the CDP service?
   i) 07:00 – 11:00
   ii) 11:00 – 15:00
   iii) 15:00 – 18:00
   iv) 18:00 – 23:00
   v) Do not know
m) If you chose to grocery shop in connection to your CDP errand, what picture best describe how your typical shopping basket look like?

![Pictures of grocery baskets]

n) When you are doing a CDP errand, how well do the following statements accord? (Scale 1-10, 1 – Do not accord at all, 10 – Accords perfectly)

i) It is easy for me to get the received parcel and other groceries home

ii) CDP service in the store is a good service for the people living/working close to it

iii) When I do my CDP errand, I often waylay grocery shopping

iv) It is often a long queue to the CDP service

v) The staff is competent and capable

vi) I can do my CDP errands during a time that suits me

o) What is the most common reason to why you do not grocery shop in connection to doing your CDP errand.

i) Write your answer
p) How many times have you, during the last year, shopped online or gotten a mail order sent to you as a parcel or letter?
   i) 0-1
   ii) 2-3
   iii) 4-5
   iv) 6-10
   v) 11-20
   vi) More than 20

q) How do you agree with the following statements? (Scale 1 – 10, 1 - “I do not agree”, 10 - “I fully agree”)
   i) I chose (if possible) to do my CDP errands in the CDP service that are nearest my home
   ii) I chose (if possible) to do my CDP errands in the CDP service that are nearest my work.
   iii) I chose (if possible) to do my CDP errands in the CDP service where I have the possibility to do other errands (such as grocery shop).
### 7.3. **A3 - Time for interviews with stores**

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7.4. **A4 - Results from survey**

### 7.4.1. Cost/Sacrifice Value

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### 7.4.2. Symbolic/Expressive Value

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<td>1,00</td>
<td>10,00</td>
<td>8,00</td>
<td>7,93</td>
<td>1,58</td>
</tr>
</tbody>
</table>
7.4.4. Functional/Instrumental Value

<table>
<thead>
<tr>
<th>Average of Functional/Instrumental Value sub-questions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-2</td>
<td>2</td>
</tr>
<tr>
<td>2-3</td>
<td>7</td>
</tr>
<tr>
<td>3-4</td>
<td>12</td>
</tr>
<tr>
<td>4-5</td>
<td>43</td>
</tr>
<tr>
<td>5-6</td>
<td>106</td>
</tr>
<tr>
<td>6-7</td>
<td>179</td>
</tr>
<tr>
<td>7-8</td>
<td>296</td>
</tr>
<tr>
<td>8-9</td>
<td>360</td>
</tr>
<tr>
<td>9-10</td>
<td>556</td>
</tr>
<tr>
<td>Total</td>
<td>1561</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Min</th>
<th>Max</th>
<th>Median</th>
<th>Mean</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,00</td>
<td>10,00</td>
<td>8,00</td>
<td>7,95</td>
<td>1,64</td>
</tr>
</tbody>
</table>
### 7.4.5. Sub-questions to consumer value dimensions

<table>
<thead>
<tr>
<th>Sub-question</th>
<th>Min</th>
<th>Max</th>
<th>Median</th>
<th>Mean</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>I find products that suits me</td>
<td>1,00</td>
<td>10,00</td>
<td>9,00</td>
<td>8,76</td>
<td>1,47</td>
</tr>
<tr>
<td>The store operated in a way that I can stand for</td>
<td>1,00</td>
<td>10,00</td>
<td>8,00</td>
<td>7,99</td>
<td>1,79</td>
</tr>
<tr>
<td>I feel like a better person</td>
<td>1,00</td>
<td>10,00</td>
<td>7,00</td>
<td>6,72</td>
<td>2,40</td>
</tr>
<tr>
<td>I end up in a good mood</td>
<td>1,00</td>
<td>10,00</td>
<td>9,00</td>
<td>8,45</td>
<td>1,59</td>
</tr>
<tr>
<td>The store makes me feel inspired</td>
<td>1,00</td>
<td>10,00</td>
<td>8,00</td>
<td>7,28</td>
<td>2,13</td>
</tr>
<tr>
<td>I don’t feel stressed in the store</td>
<td>1,00</td>
<td>10,00</td>
<td>8,00</td>
<td>8,06</td>
<td>1,91</td>
</tr>
<tr>
<td>I can do many of my errands in one place</td>
<td>1,00</td>
<td>10,00</td>
<td>8,00</td>
<td>7,68</td>
<td>2,10</td>
</tr>
<tr>
<td>It is convenient to do my errands</td>
<td>1,00</td>
<td>10,00</td>
<td>8,00</td>
<td>8,29</td>
<td>1,64</td>
</tr>
<tr>
<td>I can do my errands quickly</td>
<td>1,00</td>
<td>10,00</td>
<td>8,00</td>
<td>7,89</td>
<td>1,84</td>
</tr>
<tr>
<td>I benefit from sale offers/discounts</td>
<td>1,00</td>
<td>10,00</td>
<td>9,00</td>
<td>8,71</td>
<td>1,60</td>
</tr>
<tr>
<td>I can shop and do other errands at a good price</td>
<td>1,00</td>
<td>10,00</td>
<td>8,00</td>
<td>7,95</td>
<td>1,99</td>
</tr>
<tr>
<td>I save money</td>
<td>1,00</td>
<td>10,00</td>
<td>9,00</td>
<td>8,20</td>
<td>1,90</td>
</tr>
</tbody>
</table>
### 7.4.6. Customer value dimensions and services

<table>
<thead>
<tr>
<th>Values</th>
<th>Cost/Sacrifice Prio 1</th>
<th>Experiential/Hedonic Prio 1</th>
<th>Functional/Instrumental Prio 1</th>
<th>Symbolic/Expressive Prio 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gambling</td>
<td>3.00</td>
<td>3.65</td>
<td>3.07</td>
<td>2.62</td>
</tr>
<tr>
<td>Pharmacy</td>
<td>5.45</td>
<td>5.39</td>
<td>5.39</td>
<td>4.87</td>
</tr>
<tr>
<td>CDP service</td>
<td>7.16</td>
<td>6.86</td>
<td>6.99</td>
<td>6.50</td>
</tr>
<tr>
<td>Collect order from Systembolaget</td>
<td>2.52</td>
<td>2.36</td>
<td>2.46</td>
<td>2.36</td>
</tr>
<tr>
<td>Buy envelope or stamps</td>
<td>6.95</td>
<td>6.77</td>
<td>6.50</td>
<td>6.52</td>
</tr>
<tr>
<td>Buy gift checks</td>
<td>4.38</td>
<td>4.58</td>
<td>4.08</td>
<td>3.53</td>
</tr>
<tr>
<td>Buy magazines</td>
<td>5.31</td>
<td>5.29</td>
<td>4.75</td>
<td>4.48</td>
</tr>
<tr>
<td>Buy tobacco</td>
<td>2.58</td>
<td>2.43</td>
<td>2.80</td>
<td>1.90</td>
</tr>
<tr>
<td>Personal service or reclamation</td>
<td>7.48</td>
<td>7.78</td>
<td>7.19</td>
<td>7.16</td>
</tr>
<tr>
<td>Buy precooked food solutions</td>
<td>4.18</td>
<td>4.19</td>
<td>3.98</td>
<td>3.60</td>
</tr>
<tr>
<td>Sit down for a coffee break</td>
<td>3.28</td>
<td>3.41</td>
<td>2.74</td>
<td>2.59</td>
</tr>
<tr>
<td>Buy cup of coffee or pastry</td>
<td>4.23</td>
<td>4.14</td>
<td>3.68</td>
<td>3.46</td>
</tr>
<tr>
<td>Buy pizza, hotdog, or hamburger</td>
<td>3.73</td>
<td>3.52</td>
<td>3.26</td>
<td>2.99</td>
</tr>
<tr>
<td>Buy something to drink</td>
<td>5.07</td>
<td>4.77</td>
<td>4.46</td>
<td>4.12</td>
</tr>
<tr>
<td>Buy fruit or candy</td>
<td>4.52</td>
<td>3.99</td>
<td>3.96</td>
<td>3.86</td>
</tr>
</tbody>
</table>