Experiential Marketing and Customer Experience

How apparel stores build customer experience and interaction using in-store touchpoints

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Abstract

Purpose:
The purpose of this study is to explore in-store touchpoints that help creating a positive customer experience in apparel stores. The aim of this thesis is to provide further insight that may be used for implementation of experiential marketing in stores.

Problem:
As e-commerce channels are gaining more customers to the detriment of brick and mortar stores, the authors of this thesis believe it is relevant to study what apparel stores can do to enhance their customer experience. There is substantial research done on customer experience but not as much on the combination of touchpoints in-store and how that connects to customer experience. This literature gap forms the problem discussion and the research question the thesis strives to explore.

Method:
An exploratory strategy with a combination of deductive and inductive research approach has been applied for the study. Through secondary data and literature search the authors explored the field of experience and in-store touchpoint elements contributing to customer experience and interaction. Further, a qualitative approach was used to form case studies on three companies; Firstly, Qmatic a global leader in helping companies seamlessly integrate online and offline touchpoints, through pioneering software and hardware systems. Secondly, the women’s fashion brand NA-KD, having sold clothes to more than 150 countries in less than two years. Thirdly, Partners, a traditional family-owned brick and mortar store selling apparel to gentlemen.

Findings and Conclusion:
The analysed empirical findings present that apparel stores work differently with touchpoints depending on who their customer is. Based on the three case studies, the authors conclude that “employee and customer interaction” is the most prominent touchpoint connected with in-store environment. This element can be reinforced by other touchpoints customized for specific brands and stores, which also plays a big role for the customer experience and interaction.
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_________________  __________________
Emma Nyberg            Mathias Soini
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1. Introduction

This section will give an overall background to form understanding of the research topic, further leading into a problem discussion, presenting the research question and purpose of the thesis. Lastly the introduction will present definitions and delimitations of the research.

1.1 Background

According to the early researchers of customer experience, Pine and Gilmore (1998), the world has moved from selling commodities to a more service-focused society and predict the next transformation to be a shift into experience economy. To satisfy the customers, companies will need to provide experiences on top of the products or services they are selling. Pine and Gilmore (1998) argue that quality, price and service features are becoming standard requirements, rather than tools for companies to differentiate. Companies will need to provide more stimuli and experience to their customers to compete (Lin & Liang, 2011). According to Holbrook and Hirschman (1982) customer experience is defined as the subjective emotion that triggers our physiological senses from interacting with goods and services consumed. Stein and Ramaseshan (2016) claims that the experience is only partially controllable by the company (decor, music, interaction with employees). According to Rawson, Duncan and Jones (2013) organizations use touchpoints, which are the various critical moments when a customer interacts with an organisation or business during the customer journey. Hultén et al. (2009) states that the first step in delivering superior customer experience is understanding drivers of loyalty and defection through finding the touchpoints which customers interact with. According to Kohan (2016) a successful and consistent brand experience, exceeding customer expectations can be achieved through interaction between shopper and retailer across touchpoints. Other elements of the experience are affected by inter alia customer interactions and the purpose of shopping (Stein & Ramaseshan, 2016).

In the era of rising e-commerce and customers being more price aware, fashion retailers need to find solutions to provide sufficient customer shopping experience for the
apparel stores. Customers can search for the lowest price using various digital and
ecommerce tools leading to comparable prices for brands in different regions
(Mckinsey, 2017). Furthermore, consumers are getting increasingly comfortable with
buying online and the challenge arises for fashion retailers to create seamless strategies
between their off- and online stores. However, fashion retailers stumble upon
limitations and struggle with creating value for the customer in the same way as offline-
stores. Physical and online stores should instead of competing be enveloped to reach
customers, leveraging from the mixture of online content and sensory information
(Tengström, Björkman & Egardsson, 2015)

Morse (2011) states that online stores mostly compete with price and compatible
shipping conditions and the difficulty to translate the offline-experience to online stores
is the reason why the fashion-industry has been slower to move into e-commerce. The
competitive advantage offline stores have, according to Jones (1999) and Morse (2011)
is the customer’s opportunity to physically feel and sense the products and the added
value connected to the enjoyment of going shopping. Additionally, the interaction
between customer and employee is perceived as important by many customers, resulting
in most consumers still choosing to purchase in-store. According to Mckinsey (2017)
the role of e-commerce in the fashion industry has grown faster in the recent years, than
in other industries, due to improvements in IT technologies; new online-based platforms
are emerging adding further pressure to offline stores, department stores being affected
the most. The apparel industry is a multi-trillion-dollar business, experiencing a shift to
e-commerce like various other industries. It is interesting to study brick and mortar
apparel stores, since experiences can be designed in physical stores, which is more
difficult in the online environment as interacting with brand's peers and familiarising
with new products is challenging to achieve (Saviolo & Marazza, 2013). New
innovative solutions and technologies are sought for, to add value to the consumers and
increase sales (Mckinsey, 2017). Schmitt (1999), Saviolo and Marazza (2013),
identifies the importance of lifestyles as an experience for brands. In 2016, the
companies that have been able to respond to different lifestyles have been most
lucrative (Mckinsey, 2017).
1.2 Problem discussion

E-commerce channels are constantly gaining more foothold on the market and with new digital opportunities available, many offline retailers are finding it difficult to gain and maintain market shares (Deloitte, 2017). Many customers find it more convenient to shop online, as shopping can be done so effortlessly on a phone, pad or laptop wherever and whenever the customer has a minute to spare (Deloitte, 2017). The competitive edge for the brick and mortar apparel stores is the experience that can potentially be contributed (Forbes, 2014). Flexibility and agility are expected from retail companies to cope with competitive markets and delivering superior customer value (Deloitte, 2017). Shoppers are more demanding when it comes to product, process and service elements; expecting products being of high quality, easy to buy and quickly delivered, at minimum costs (McKinsey, 2017). This motivates incorporating theories of service management in this paper by including Bitner and Grönroos.

The experience economy first introduced by Pine and Gilmore (1998) is relevant for this research, since the importance of customer experience cannot be stressed enough defining the competitive advantage for brick and mortar stores in 2017. Pine and Gilmore (1998), Deloitte (2017) and McKinsey (2017) emphasizes the demand of stimuli and experience from the customer side, which contradicts older concepts of selling clothes. 20 years ago, Alba, Lynch and Weitz (1997) predicted that e-commerce would disassemble brick and mortar shopping except for experience products. The fashion industry is growing fastest in e-commerce, however, two years ago, online-apparel sales in the U.S. amounted to only 17% of the overall dollar value sales (Market Realist, 2015). The most value is still gained from the sales of brick and mortar apparel stores, which is another reason to why studying this subject is interesting and relevant.

There is substantial research done on customer experience but not so much on the combination of touchpoints, in-store and customer experience. As e-commerce channels are gaining more customers to the detriment of brick and mortar stores, the authors believe it is relevant to study what apparel stores can do to enhance their customer experience. Touchpoints between customer and company occur throughout the purchasing journey, from information search to after-sales (Lin & Liang, 2011). This
Paper will study the in-store touchpoints and customer experience attained in brick and mortar apparel stores.

1.3 Purpose

The aim of this thesis is to further explore in-store factors contributing to the customer experience and how in-store touchpoints help creating a positive customer experience in apparel stores. This can provide further insight that may be used for implementation of experiential marketing in stores.

1.4 Research question

Based on the problem discussion and the purpose of our research, the following research question guides the direction of the bachelor thesis and provides the basis for the study:

“How do apparel stores build customer experience and interaction using in-store touchpoints?”

1.5 Delimitations

To restrict the fields of experiential marketing, in-store experience and interaction across touchpoints, the main delimitation includes restricting the customer journey to only include the time spent in the store. Experiences, advertisements and promotions to attract customer before coming to the store as well as after-sales and service, are excluded from this research. Moreover, this rejects the communicative touchpoint element mentioned in research made by Stein et al. (2016), including one-way promotional and informative communication from the retailer to customer, before and after purchase, but includes the other elements mentioned in their research. The typical elements connected to the in-store experience such as display techniques, free samples, pricing, special offers, shelf talkers and sales methods can be referred to as merchandising (Businessdictionary.com). Since the concept of touchpoints cover these
elements the authors of this research have decided to exclude the term merchandising from the paper. In this paper, the following touchpoints will be discussed: atmospheric elements, employee and customer interaction, service and process elements, product interaction and technological elements.

For the object of this study, case studies will be conducted on companies designing extraordinary hedonistic experiences, involving elements of joy, amusement and play, as characterized by Hoolbrook and Hirschman (1982). Furthermore, exploring the simpler everyday retail experience, incorporating shopping in the sense of carrying out duties (Miller, 1998) will not be the focus of this paper. The chosen companies have a clear focus on customer experience and operate within the same industry. Although the authors recognize both positive and negative effects of integrating various touchpoints, the research will be focused on the positive aspects and advantages of them.

1.6 Target group
This thesis is focused towards marketing students and marketing professionals. The authors of this thesis believe that SME’s within the clothing industry might be assisted and find support by reading this thesis.

1.7 Definitions
Throughout the thesis, definitions of concept will be used that are not explained in the text. They are presented here:

1.7.1 Brick and mortar apparel stores
According to Hudson (2017) brick and mortar refers to a business that have physical presence rather than only being available online. The concept origins from the building materials of brick and mortar, which create a store the customer can physically see, touch and enter. Hudson (2017) continues that nowadays most brick and mortar stores not only have a physical, but a virtual existence. In this thesis, the term brick and mortar
will be referred to as retail shops, physical stores, offline stores and apparel stores which will all refer to the mentioned definition.

1.7.2 E-commerce

Arlene (2015) describes electronic commerce (E-commerce) in opposite of the brick and mortar stores, as the buying and selling of goods and services over electronic networks, mainly over the internet. Online retailing is also used as an alternative expression when referring to e-commerce (Arlene, 2015). The thesis will use terms referring to the concept of e-commerce, such as; online retail store, online buying process and shopping online.

1.7.3 Touchpoints

A touchpoint is “the point of contact when products or services encounter a customer” (Dictionary.com). According to Kohan (2016) a successful, consistent experience, exceeding customer expectations, can be pursued through interaction between shopper and retailer across touchpoints. This thesis has a chosen focus on in-store touchpoints which limit the research to the interaction with customers while in the store. The discussed touchpoints will be connected to atmospheric elements, employee and customer interaction, service and process elements, product interaction and technological elements.
2. Frame of reference

In this section, the frame of reference will be presented by introducing experience and experiential marketing, including theories and key definitions within the field of study. Additionally, lifestyle brands will be discussed, followed by customer experience, sensory elements and sensory marketing. Lastly customer experience will be connected to the impact of touchpoints in store environments followed by the authors presenting effects of experience on customers, as well as customer involvement.

2.1 Experience and experiential marketing

Experience has been conceptualized both in the academic and business world. Research by Schmitt (2010) has shown that experience influences customer decision-making and is adding to the competitive advantage and the differentiation of companies’ offerings in competing markets. The term experience is mainly used in two different ways; firstly, experience as something that have been learned or experiences over time and secondly, as ongoing emotions that are created from interacting with a product or service (Schmitt, 2010). In this paper, the focus will be in the present; how situations are interpreted and the thoughts and emotions provoked from visiting apparel stores and memories connected to such experiences.

In his bestseller “Experiential marketing”, Schmitt (1999) compares the traditional product focused view, concentrating on the benefits and value of products, with the more recent customer-centred experience marketing; instead of looking narrow-mindedly on certain product categories, the customer experience can be complemented by combining the benefits of using a range of products together with focus on the consumption situation. In other words, solely focusing on product features will not be efficient as marketers today are using senses, feeling and emotions to appeal curiosity and self-image, rather than focusing on rational and purposive interpretations of value.

Pine and Gilmore (1998) mention Walt Disney, often seen as the pioneer of experience-economy, and how he refers to the buyers of experiences as “guests”. Further, Pine and
Gilmore (1998) visualize the economic progress consisting of four steps, through an example of a birthday cake: During the agrarian economy, mothers baked the cake from scratch at home, costing only a few dimes. In the times of the goods-based economy, mothers shifted to buying pre-mixed ingredients, spending a few dollars. Subsequently, during the times of the service economy, busy parents decided to buy a premade cake from a bakery or grocery store, costing 10-15 dollars. Lastly, in the experience economy, parents neither bakes or buys cakes anymore. Instead, they outsource the entire arrangement of the birthday party to a company that can stage a memorable event and offer a cake as part of the experience. This example shows the increased perceived value of service and experience and how the world has moved from selling commodities to a more service-focused society.

According to Pine and Gilmore (1998) a business is not offering an experience if they do not charge for it. This is demonstrated by presenting an example of coffee and how it can be sold as a commodity in the supermarket for a cheap price, whereas luxury hotels can sell a single cup for a much higher price. The reason for this, is that the customers are not only consuming the coffee itself, but the experience in full. Thereby it is concluded that companies offering experience can charge more. Schmitt (1999) argues that customers want marketing communication which dazzles the customer and that product features, quality and benefits are increasingly taken for granted. Experiences may be provoked by aesthetic packaging, sales relationships, events, products and in-store interactions (Schmitt, 1999). Lastly, it is important to address that experience is not staged only for entertainment or business to consumer purposes, but it is relevant also for business to business purposes (Pine and Gilmore, 1998). A start-up founded in Helsinki, that have later expanded to Singapore, named Huone are calling themselves a “meeting hotel”, where they are transforming otherwise ordinary meetings, into events where companies can rent desired and differently themed meeting rooms, that encourage creative thinking.

2.2 Lifestyle Brands
Saviolo and Marazza (2013) claim that lifestyle brands aim to sell something more than the core product, as they incorporate a certain way of life into the brand. Furthermore,
lifestyle brands describe the people who are using them, to what group of people they belong to, their status and what their aspirations are. Schmitt (2006) claims that lifestyles in marketing evoke emotions, especially in women, which might lead to purchasing decisions. Furthermore, she continues that 80% of household purchasing is influenced by females. According to Saviolo and Marazza (2013), successful lifestyle brands are simple, original and direct. Furthermore, great lifestyle brands are based on relevant social issues, which are communicated through original and interesting storytelling through all touchpoints in a consistent manner. The stories must be memorable and emotionally involve the target group of the brand, as well as have the potential to spread virally. If a brand represents a person or a group of people, it needs to have its own perspective on the world to make it stand out (Saviolo & Marazza, 2013). New media enable companies to involve customers in unspoiled touchpoints and stage the views of the brand. It has become important for brands to manage their social medias efficiently, which allows expression and involvement of customers (Saviolo & Marazza, 2013). Furthermore, lifestyle brands become relevant as digitalisation is increasingly leading to the extinction of physical distribution. Brick and mortar distribution is difficult to virtualise, as it has been proven important for customers to interact with the brand and its peers and familiarize with new products (Saviolo & Marazza, 2013). Employees also illustrate product features and tell brand stories which adds to the experience of the customer in brick and mortar stores. The store might act as a venue for lifestyle brands, where fans of the brand gather to share stories and ideas (Saviolo & Marazza, 2013).

2.3 Customer Experience

Richardson (2010) claims there is a wide spread of definitions of customer experience. He states that it can be defined as digital experiences and interactions, or focused on retail and customer experience and service processes. Richardson (2010) believes that to retain a successful business, the digital experience, retail customer experience and the service process should be incorporated to create engagement and interaction between customers and brand, to build customer experience. Based on extensive reviews of influential research on experience marketing Gentile et al. (2007, p. 397) defines it as:
“The Customer Experience originates from a set of interactions between a customer and a product, a company, or part of its organization, which provoke a reaction. This experience is strictly personal and implies the customer’s involvement at different levels (rational, emotional, sensorial, physical and spiritual. Its evaluation depends on the comparison between a customer’s expectations and the stimuli coming from the interaction with the company and its offering in correspondence of the different moments of contact or touch-points.” (Note: the references in this quote have been removed).

According to Schmitt (1999) experiences stimulate faculties in the brain, the heart and the mind that give touchable, enthusiastic, intellectual, behavioural, and social values to a person. Schmitt (2010) addresses that offering brand experiences for customers is crucial for differentiating offerings in competitive markets. Pine & Gilmore (1999) specify that companies do not sell the experiences, but creates the desirable and memorable circumstances for customers to experience something unique. According to Verhoef et al. (2009) customer experience is partly controllable by the company as each person responds differently to its touchpoints such as: atmosphere, interior, assortment, price and service. Further it is concluded that it is impossible for companies to fully control the influence of customers and their reason of shopping.

Meyer and Schwager (2007) propose that customer experience is the inward and subjective reaction customers have towards any kind of contact with a product and service. This contact may include a buying procedure, the usage of product or service, or verbal exchanges and advertisement. What is equivalent between these definitions and clarifications is the subjectivity of the matter; the procedure occurs inside the psyche of the individual and evoke feelings and thoughts which leads to diverse behavioural reactions. Last year, Burberry, a British clothing retailer, had artists decorating their signature clothes, such as the trench coat, by hand while in store, to attract customers to their brick and mortar stores in London.
2.4 Sensory elements

Schmitt (1999; 2003) and Pine and Gilmore (1998) defined experience to consist of five sensory elements which are: sense, feel, think, act and relate.

2.4.1 Sensing: Is referred to as the aim of creating experience through senses like: hearing, sight, touch, taste and smell. Hultén (2009) identifies the “sensory elements”, covering the same five senses, which will be further elaborated on later in this chapter. These sensory elements are expected to add value to the product and motivate customers to purchase.

2.4.2 Feeling: Illustrates the aim to generate emotional response from the customer, by understanding the stimuli that generates feelings. The emotions towards a brand or product can vary from slight positive moods to strong feeling of satisfaction and pride.

2.4.3 Think: Is the aspiration of evolving the customers in the creative process through intellectual activities and problem solving, creating experience. Technology companies use campaigns connecting the customer to this sense, through elements of surprise and/or by arousing the curiosity or provocation.

2.4.4 Act: Is the initiative to affect the customer’s lifestyle and interactions often through bodily experiences. It may also display ways of doing everyday activities or living life in a new way. This element of experience creates social-identity by relating to a culture or reference group.

2.4.5 Relate: Goes further than the feelings of individuals aiming to connect customers with other individuals or cultures. It can contain aspects from any of the other sensory concepts discusses above; sensing, feeling, thinking or acting. It might be impossible to generate all experiences modules at once, but Schmitt (1999), claims that incorporating a few of them lead to lucrative marketing. Further, he addresses the opportunity to implement experience marketing in companies going through change.
2.5 Sensory Marketing

Sensory marketing can be included in the sensory element “sense” described by Pine and Gilmore (1998) and Schmitt (1999; 2003). Hultén (2009) claims that sensory marketing might lead to a customer making a purchase decision, where the five senses plays a part in the experience with the brand. Hultén identifies sound, taste, scent, sight and touch as sensory elements.

2.5.1 Sound

According to Hultén et al. (2009) Sound can be used to shape a brand's identity and strengthen its brand. They further state that the selection of music is essential, as music has been proven to affect customer’s behaviour. Different forms of sound like: jingles, music and voice enables companies to create an experience and become memorable for the customer (Hultén et al., 2009). Using technology or sound beams to eliminate disturbing sound is a strategy implemented by many companies to enhance the experience. Bitner (1992) acknowledge this with a case where the style of music at a 7-11 store was changed from modern music to classical music, which resulted in driving away misbehaving youthful clientele from the store.

2.5.2 Taste

Hultén et al. (2009) argues that companies should be open-minded towards using the taste sense in marketing, since it can be achieved so easily. Giving out a snack or something to drink to customers standing in a queue, is an example of a situation where marketing through taste could be practised and subsequently making the waiting time feel shorter. Firms that are associated with food or beverages, naturally have an advantage of using taste as a part of their marketing, but there are opportunities for companies in other industries too (Hultén et al., 2009).

2.5.3. Scents

Hultén et al. (2009) specify that using scents in retail stores is becoming more widespread and it have been shown that profits have increased significantly as an effect in some cases. Apparel brands often using scents to positively impact the brand in the
long run can create an identity that customers associate with the brand. It has been shown that people from different generations remember different smells from their childhood. Hence specific scents could be used to target specific age groups.

2.5.4 Sight
According to Hultén et al. (2009) sight is the brightest, most prominent sense among humans and most decisions in everyday life are based upon the impressions received through sight. The sense of sight has been dominant in promoting goods and services for marketing practitioners for a long time and is told to be the most powerful seductive sense of the five (Hultén et al., 2009).

2.5.5 Touch
The sense of sight is reinforced by the sense of touch, which assist to comprehend greater understanding of what we see. In apparel stores feeling and touching the garments is a big part of the experience (Hultén et al., 2009).

2.6 Touchpoints
There are various factors contributing to the in-store experience and help building interaction between company and customer across many touchpoints, and should thus be emphasised by companies (Rawson, Duncan & Jones, 2013). Touchpoints are the critical, physical and communicational interactions, when customers encounter the organization, product, brand or service (Rawson et al, 2013). As previously mentioned, a successful and consistent experience, which exceeds customer expectations, can be pursued by using touchpoints to build interaction between shopper and retailer (Kohan, 2016). According to Rawson et al. (2013) touchpoints are applicable from the beginning of the customer journey, during and after the purchase. Gad (2016) identifies the *human, static* and *digital* touchpoints. Human touchpoints are bilateral including interaction with: call centres, employees and management. Static touchpoints are traditional one-way touchpoints and include the product or service itself, promotion, PR, or direct communication. Subsequently, digital touchpoints are multi-lateral communication between customers, sometimes excluding the company entirely. Digital
touchpoints include: blogs, emails and social media communication. Gad (2016) further states that some brands manage to differentiate their offerings with personal and unexpected touchpoints. Moreover, some airlines have been able to advance their experience by humanizing their touchpoints. Emirates congratulates birthday celebrants in first class with complimentary gifts and in Virgin Atlantic’s first class there is a guest book, to make the passengers feel homely (Gad, 2016).

Stein and Ramaseshan (2016) identify distinct elements that comprises touch points related to customer experience. Their research aims to gain understanding and help retailers orchestrate the customer experience at the different touchpoints. The touch points discussed are; atmospheric, employee-customer interaction, service and process, technological and product interaction elements.

2.6.1 Atmospheric elements
Atmospheric elements cover the physical characteristics and surrounding that customers observe when interacting with the retailer (Stein & Ramaseshan, 2016). According to Bitner (1992) and Lin and Liang (2011) the physical atmosphere constructs in-store experiences linked to customer emotion. In physical channels, atmospheric elements such as the design, colours, lighting, music and aromas provide visual and tangible stimuli that customers use to interpret the experienced situation (Hultén et al., 2009).

Bitner (1992) identifies servicescape as the physical establishment where the service is staged, which incorporate elements such as air quality, noise and style of decor. Based on literature within the field of environmental psychology, he claims that the physical surroundings affect the behaviour of both customers and employees. Furthermore, environmental psychology suggests that when being in a certain surrounding, behaviours such as: desire to stay, commitment, spending money, attraction, returning, friendliness to others and carrying out the plan, might unfold. Oppositely, avoidance behaviour such as the desire not to stay, might also occur (Bitner, 1992). People might feel discouraged and uncomfortable by poor air quality, improper temperature or lightning.
Empirical studies show that customers respond emotionally to different physical environments, such as design and ambient factors. Design elements are connected to the store environment and includes the facility, layout and colouring, while the ambient factors are non-visual background elements such as air, lightning, scent and music (Lin et al., 2011). According to Bitner (1992) the customer’s perception of the quality of products sold in stores might change according to the atmospheric elements. He also suggests that customers categorize a store based on these elements. For example, white linens might indicate a high-end restaurant, whereas TV-screens and plastic mugs gives atmospheric clues of a fast food restaurant. Customer’s generally look for extrinsic clues about a company’s qualities and capabilities before the purchase and the physical environment enclose such clues and are efficacious in compelling the firm's purpose and image to its customers (Bitner, 1992). He further states that the environmental elements generate internal responses in both employee's and customer’s, which might either be positive or negative. The internal responses include cognitive, incorporating: beliefs, meaning, categorization and symbolic, emotional, incorporating: attitude and mood and psychological, incorporating: pain, comfort, physical fit and movement (Bitner, 1992). He also implies that the environment in the facility can impact the perception of the service for customers and the motivation, satisfaction and productivity for employees.

According to Baker and Parasurman (1994) the atmospheric elements can both have functional and esthetical characteristics, where the functional aspects incorporate privacy, comfort and store layout, that may include the probability to try on clothes or help finding the right product in the store, while the aesthetic elements include colours, materials and architecture and style of the store. Ismail (2011) states that the store atmosphere contributes to arouse emotions affecting how customers approach the brand and their perception of the customer experience. According to Baker and Parasurman (1994) the store environment strongly contributes to the brand image. Having a well thought out fashionable décor with luxurious details might give the impression of a store selling merchandise of high quality, whilst other varieties of store surroundings form other impressions.

Bitner (1992) claims that the effect of visual and esthetic atmospherics, such as decor and design are well known by managers. However, he suggests that even though
organisations frequently change their physical surrounding, the effects on the users of reconstructions on design are not fully clear. Further he suggests that the internal responses to the physical environment can influence the social interaction between customers and employees as well as among customers.

2.6.1.1 The importance of Atmospheric elements

(Kotler, 1973) identifies that atmospheric elements become increasingly important when customers have much to choose from and in situations where the product is purchased or consumed. Therefore, these elements are more important for retailers than it is for manufacturers or wholesalers. When only one company exists in the market offering certain goods, there is no pressure for the company to invest in atmospherics, as it can rely on the demand keeping the customers coming (Kotler, 1973). However, a monopolistic merchant should identify the opportunity of increasing the level of atmospherics and hence provoke customers to buy more. When the level of competition in the market increase, also the investments on atmospherics tend to do so (Kotler, 1973). Another market situation that drives investments is when differences in products and/or prices are insignificant. In such circumstances customers will evaluate criteria such as: location of the store, parking garages, owner personality or atmosphere (Kotler, 1973).

When in-store atmospheric elements are designed, the focus should be on the customer segment, as the expectations of the buyers must be met (Bergqvist, Sargezi & Andersson, 2011). Furthermore, they claim that atmospherics should be designed considering what the company wants the customer to feel and experience.

2.6.2 Employee-customer interaction elements

According to the findings of Stein and Ramaseshan (2016) the direct interaction between customer and employee is a critical aspect when confronting different touch points, especially during purchases in store. However, as easily as sales staff can help creating a pleasant experience, unhelpful or overly assertive sales personnel might be perceived as offensive, and poor performing sales staff can lead to negatively perceived shopping experiences (Jones, 1999). Hansemark and Albinsson (2004) agrees that an
employee interacting with customers can either enhance the customer satisfaction or impoverish it. Employees at such positions should therefore have the skillset to adequately serve customer needs. Furthermore, it is the experience with the employees serving the customers that is most likely to decide whether the customer returns to the company. Unhappy customers are expensive for the company, since they often require more support and return more products (Kriss, 2014). Moreover, if the cause of satisfaction is systematically sourced, the cost spent on serving these customers can be reduced.

The employees can be helpful by giving the customer insights, opinions or advice to guide the customer through the purchase. By relying on the personal advice from well trained, experienced staff, a positive and memorable experience is created (Pine & Gilmore, 1998; Stein & Ramaseshan, 2016). Jones (1999) agrees that providing a high level of service incorporating knowledge, professionalism, friendliness and helpfulness, will increase the perception of a more enjoyable shopping experience and the brand will be associated with high quality service.

According to Bitner (1992) both employees and customers are part of the servicescape, performing actions. What implicates on designing the environment therefore depends on to what extent employees or customers are present. In remote services, such as customer support, where only the employee is performing actions, the environment should naturally be focused on the wellbeing and performance of the employee. In apparel stores, however, as both customer and employee are present in the servicescape, both parties should be consulted, when deciding on the physical environment of the store (Bitner, 1992). However, employees are often left when researching effects of environmental touchpoints (Bitner, 1992).
2.6.2.1 Customer satisfaction connected to employee interaction

Customer satisfaction leads to many advantages such as: less price sensitivity among customers, loyalty towards brand, customers buying additional products and staying longer in store (Hansemark & Albinsson, 2004). However, there are some customers whose satisfaction is not that important for the company, such as customers that are unprofitable or that cannot be served by the company. Oppositely, there are customers whose satisfaction is crucial for a company’s success.

An important factor in customer satisfaction is according to Hansemark and Albinsson (2004) managing complaints. They claim that customers rarely complain, but when they do it might be too late to retain the customer. According to Gad (2016) a customer complaining out loud still allows the employees to salvage the situation, and should be seen as the preferred situation compared to being met by total silence. Hence, complaints implies that the customer still has an interest and is willing to see improvements to solve the emerged situation. No matter if they are forced to be interested because of no other alternatives, they still want to help and sometimes, be used as advisors (Gad, 2016). Moreover, if the employee listens and invites the unsatisfied customer to participate in the reasoning, they might get a feeling of being important and respected. If they perceive that the employee can change the business to become better, they begin to believe in the employee’s capabilities and respects him or her (Gad, 2016).

The overall experience together with attitudes held by the people in closest contact with customers are most likely to have the greatest impact on the customer satisfaction and their willingness to return to the company (Hansemark & Albinsson, 2004). The people in closest contact, usually employees, are also determinators of the retention of satisfaction and how they treat the customers strongly influence the in-store experience. Hansemark and Albinsson (2004) discuss that satisfaction necessarily does not lead to retention or repurchase and states that even though a customer is currently satisfied, he or she can suddenly choose to shift to another service and product provider. However, a customer can also stay with a provider not retaining their satisfaction, in lack of other options. Hansemark and Albinsson (2004) further discuss that even though retention
levels at a company remains the same, customer satisfaction might increase. To conclude, it is difficult controlling the retention of customers connected to customer satisfaction and understand all factors affecting the customer’s decisions for return visits. Hansemark and Albinsson (2004) propose managers to ensure the employee’s understanding of key concepts and values concerning service quality, dissatisfied customers and how this might impact the profitability of the company. Finally, they state that establishing and evaluating goals, guiding employees in customer satisfaction and retention, is not enough; the manager also need to understand and evaluate the employee's perception of these concepts.

2.6.3 Service and Process elements
Service is described as supporting the customer’s individual process and providing value, through enabling skills and knowledge as resources (Grönroos, 2015). He further states that the aim of service is to create value from the relationship with a customer, using service as the tool. By engaging individuals and using services to create a memorable event, an experience is staged (Pine & Gilmore, 1998). The resources offered by the company can be of any kind, such as physical goods (e.g. apparel), information, service activities (e.g. helping with choosing sizes) or a combination of these resources (Grönroos, 2015).

According to Grönroos long-term contracts, insight into the customer’s processes and mutually benefiting win-win situations, are commonly characterized as relationships. He defines an important shift from focusing on the firm’s resources and processes to moving into focusing on the customer and serving her based on gathered in-depth insight. Service business management is also called outside-in management (Grönroos, 2015). In service, selling price is only one selling point, as the value creating support grounds to be the most important element. Therefore, an unappealing price can be balanced out by a better service and long-term value (Grönroos, 2015). What matters is the ability to offer additional services better than the competitors and make sure that the total offering is better. The core product or service is rarely the reason to disappointment, but it is the elements surrounding it. For example, an experience in a restaurant can be dissatisfying if the service is poor (Grönroos, 2015). Based on
research on service quality in many countries, he concludes that reliability and trustworthiness as well as accessibility and flexibility are important criteria for service quality to be perceived as good. It is crucial that the customer can trust the company, its employees and systems, to always perform in the best intentions of him or her and keep promises. Additionally, flexible opening hours, convenient location and easy accessibility is required by companies (Grönroos, 2015). The perception of value can be perceived in different ways based on the experience.

Service management can be connected to service processes, which is a part of the touchpoint process elements, presented by Stein and Ramaseshan (2016). They provide an in-store example to describe service processes; if a store offers a poorly estimated delivery time to receive the correct size of an item, the customer might cancel the purchase. In other words, the process element refers to the different steps or actions a customer take to achieve a certain outcome with the retailer. Stein and Ramaseshan (2016) further explain that the procedure that customers take to accomplish a specific result, plays an imperative part in moulding their perceptions and assessments of retail experiences. In physical in-store settings, the procedure includes phases such as: checkout time, the administration procedure, service process and the way customers move around the store. In incorporation of a digital environment, the process element also includes the way customers explore the technological platform or website (Stein & Ramaseshan, 2016).

2.6.4 Product interaction elements
According to Stein and Ramaseshan (2016) the product interaction element refers to the various interactions, both direct and indirect, that customers have with products and services offered by the company. Product interaction elements can be related to the quality of products, product assortment and how customers interact with the products in store (Stein & Ramaseshan, 2016).

Stein & Ramaseshan (2016) argues that product interaction, with both direct or indirect encounters, play an important role in the retail experience across the customer journey. They describe that with good product quality, the customers are more likely to enjoy the
items, buy them, and return to buy more in the future. Furthermore, they describe that having a good product assortment and providing a variety of products, might positively affect the brand image and increase the chance for the customer to find what he or she is looking for. Product elements can be connected to previous stated factors in this thesis, such as how the garments are presented, how they feel to touch and how they are promoted. Yoo, Donthu and Lee (2000) states that having repeated price promotions and campaigns on products, is often connected with low brand equity. However, high price of goods and service, good store image, high distribution intensity and high spending on advertisements are connected to good store image and higher brand equity. According to Mckinsey (2017) digital upgrades have led to a “discount culture” as customers have been able to use digital tools in search for discounts and promotions, which have led to better price transparency across borders and brands. Daneshkhu and Vandevelde (2016) states that customers today tend to wait for discounts before purchasing.

2.6.5 Technological elements
Brynjolfsson, Hu and Rahman (2013) states that recent technological advancements blur the distinctive boundaries between physical shopping and online retail shopping, allowing retailers to accomplish customer interaction across multiple touchpoints, revealing a combination of offline information and online content. It is further described how the retail industry moves towards a seamless online and offline experience without clear distinctions between physical and offline, creating what is described as showrooms without walls. Brynjolfsson et al. (2013) argues that offline retail stores are increasingly being supplemented with virtual content. They state that customers are increasingly using their smartphones while in store, viewing online content and searching for items online, as they see them in store. Additionally, retailers may integrate with customers through sending promoting offers directly to their phones, while in the store. This can be done if customers activate location services on their devices (Brynjolfsson et al., 2013).

Digital solutions becoming more sophisticated and strategically integrated, people are less afraid to buy online (Stein & Ramaseshan, 2016). The first attempts to online
trading emerged among tech-savvy companies in the 1990’s, aiming to allow their customers to shop at home. It has taken retailing two decades to arrive at this point where, online sales are increasing significantly faster than brick and mortar stores (Doherty & Ellis-Chadwick, 2010).

Burke (2002) states that new technological advancements can improve the customer experience and retail stores can increase their competitive edge by noticing the value of incorporating technology in the in-store experience. New technologies enable incorporating exciting new experiences such as: virtual reality, interactive games and motion-based simulators (Pine and Gilmore, 1998). Implementing touch screens, identification scanners and portable technologies, can create a unique, enhanced shopping experience (Burke, 2002). Furthermore, consumers enjoy visually stimulating screens in-store, but focus should be put on the content displayed. Stein and Ramaseshan (2016) agreeably states that the technological element refers to a customer's interaction with technological components during an encounter with a retailer, which plays a big role during the customer experience.

2.7 Effects of experience on customers

Tengström, Björkman and Egardsson (2015), argue that, customers are likely to visit stores where they can get inspired, surprised or attain satisfaction. A study by Sahin, Zehir and Kitapçı, (2011) claim that brand experience is positively correlated with trust and brand satisfaction. Furthermore, trust relates to brand loyalty and buying new products introduced under the same brand, paying a premium price for it as well as maintaining a relationship with the brand. Companies delivering good customer experience are also the ones that people tend to recommend to their peers and become loyal to (Kriss, 2014). For executives, however, experience is often a tough subject, due to the many opinions that comes with the subject and the perceived difficulty or price of quantifying it (Kriss, 2014).

Providing experience, brick and mortar stores can generate foot traffic to their stores by having customers visit with expectations of experiences. The increased foot traffic can
then be transformed into buying customers and increased revenue (Tengström et al., 2015). Stores offering experiences also tend to attain the customers in the store for longer periods of time (Ismail, 2011). Thereby spontaneous shopping takes place more frequently. It has become evident that customer experience breeds increased future revenues (Kriss, 2014). Satisfied customers in transaction-based businesses, have been observed to spend 140% more than people dissatisfied with the experience (Kriss, 2014). Moreover, effects of experience on revenues in subscription-based businesses are equally impressive, indicating that the probability of a member retaining his or her membership after a year is 31% higher, when satisfied with the experience.

2.8 Customer involvement

Mossberg (2001) believes that to create a positive experience in a customer's mind, the customer must be involved in the process. According to Pollnow and Österlund (2005) involvement is defined as the degree of interest evoked, or the realized individual importance towards stimuli in a specific situation. It is further described that there are different levels of involvement; passive and active participation. When a customer is involved passively, he or she is simply listening, sensing or observing the surroundings without physical input. When actively involved, the customer is a co-producer of the experience (Mossberg, 2003). Given an example of football, a passive involvement would correspond to watching the game including mental presence, whereas active involvement would take place if a person would participate in the game and thereby be present both mentally and physically (Mossberg, 2003). The degree of presence depends on what is required for consuming the experience (Mossberg, 2003). Further she claims that the involvement depends on how basic the product or service is. Pine and Gilmore (1999) argue that customers absorb experiences in different ways depending on the offering. They identify four different attributes to experience presented below:

**Entertainment:** is passively absorbed when listening, viewing or reading. This takes place for instance when we see a piece of theatre or a play and it entertains us.
**Educational**: experiences require active involvement, as the mind and body are taking in information to learn. The purpose is to teach and for the customer to learn. A customer taking part in an educational experience thereby wants to learn.

**Escapist**: experiences are opposite to entertainment and involves active participation. The consumer wants more than observing. Visiting a theme park is an example of co-producing the experience (Pollnow and Österlund, 2005).

**Esthetic**: experiences are passively engaged with. Enjoying art at a gallery gives us aesthetic satisfaction without other participation than glancing the work.

Generally, the richest experiences encompass aspects from all four attributes. Examples presented by Pine and Gilmore (1998) include visiting Disneyland or gambling in Las Vegas.
3. Method

*This section will present the research strategy guiding the purpose of this study. Further, the research philosophy and research approach will be presented as it will lead the course of action conducting the empirical research. Additionally, data collecting strategies will be described, leading to the process of conducting case studies through interviews and observations. Lastly the quality and ethics of research and limitations of method is discussed.*

3.1 Research Design

According to Saunders, Lewis and Thornhill, (2016) a research can be descriptive, explanatory or exploratory, depending on how the research problem and questions are formulated. To research the problem of this thesis, an exploratory technique was used, with influences of descriptive research design. Further elaboration of the two approaches will follow below.

3.1.1 Exploratory research design

The authors have chosen an exploratory research approach since the authors wish to further explore and gain understanding about how apparel stores build customer experience and interaction using in-store touchpoints. The objective of the exploratory research is to clarify the chosen subjects of experience and experiential marketing, lifestyle brands, customer experience, sensory elements, touchpoints and customer involvement. As the word, exploratory implies, the intention of this type of research, is to merely explore the research questions without intention to offer definitive and concluding resolutions to the prevailing problems (Saunders et al., 2016). Oppose to provide certain evidence, the intention is to gain a deeper understanding of the presented problems. According to Singh (2007) a researcher conducting exploratory research might change direction as new data is found and new results and insights are revealed. The exploratory research approach allows the authors to modify and add relevant findings, specifically not aligning with the thesis purpose, or answering the research
question, but contributes to additionally explore the theme of experiential marketing and in store experience.

3.1.2 Descriptive research design
Descriptive research aim to, through a process of collecting data, allow the researcher to identify, describe or determine a certain matter, in a more comprehensive way, than what would have been possible without using this method (Saunders et al. 2016). This thesis aims to describe, explain and validate the research findings in the chosen area, which makes the research partly descriptive.

3.2 Research philosophy
According to Saunders et al. (2016) the research philosophy is of high significance and underlines the author's assumptions when gathering data. The authors of this thesis have chosen interpretivism as their philosophical commitment as it involves the authors to interpret elements, as well as integrate their interest into the study. Accordingly, Lee and Lings (2008) describe the reality as subjective and to be interpreted by the participants. They further state that the general approach to research within the interpretive method is theory gathering with focus on exploring the subject and generating local understanding, which fits the purpose of this study.

3.3 Research approach
For this study, the authors have chosen a deductive approach with incorporation of inductive elements. A qualitative approach has been used when collecting primary data for this study.

3.3.1 Deductive research approach
A deductive research approach was chosen for this research, as it aims to explore already existing theory and not to develop new theories. According to Saunders et al. (2016) the deductive approach is characterised by the assumption that existing literature is true. Therefore, the literature published by Bitner (1992), Hultén (2009), Grönroos
(2016), etc. standing for the foundation for this thesis, is not challenged in this study, but considered as true. Authors such as Kotler (1973), Pine and Gilmore (1999), Mossberg (2003) etc., known within the field of research, further strengthen the assumption to consider the literature as true. This thesis aims to discuss and gain understanding regarding the theories and literature found in secondary data, by further exploring the field of topic. The use of hypothesis testing in this deductive research will be excluded because of the exploratory nature of this study. A research question will be used to explore how apparel stores build customer experience and interaction using in-store touchpoints (Saunders et al., 2016).

3.3.2 Inductive research approach
The inductive approach often starts with observations and creating meanings from the collected set of data to identify patterns for developing explanations and theories (Saunders, 2016). In the beginning, no hypothesis applies in an inductive study and as previously mentioned, the researcher may alter the direction of the study along the process (Singh, 2007). According to Saunders (2016) an inductive approach does not imply ignoring theories, when forming the research question and the intentions of the study. Thus, the approach does not inhibit the researcher to use existing theory to form the research question. This study will focus on further developing the theories found in the used literature and connect them to each other. The thesis will, through the research question, explore the in-store elements and touchpoints and how they interact to build customer experience and interaction.

3.3.3 Qualitative research approach
For the collection of primary data, a qualitative approach was selected. According to Maylor & Blackmon (2005) there are many tools and techniques to be used in the qualitative research method. These often include a research question that can be answered through qualitative data and through a process of indirect data collection, observations, interviews, participation or a combination of all, where the personal involvement level increase with the subject of the study. The authors have conducted three case studies where in-store observations have been performed at two companies,
to gain understanding through personal experience. The websites sites of all three companies were also observed as an initial phase in the qualitative research design. Elaboration of the three case studies will follow in the paragraph 3.5.1 “Choice of interview subject”.

Methods involving more contact are informal discussions or interviews (Maylor & Blackmon, 2005), which allows the authors to grasp the entirety of the company as well as personal stories and viewpoints of the interviewed person, regarding the company. In following paragraphs of “Primary data” and “The semi-structured interviews” structure and layout of the interviews will be further developed and explained.

3.4 Data collection

To conduct this study, three different kinds of data were collected, secondary data, literature search and primary data. The secondary data and literature forming the basis of the study and used as a tool to discover and find the problem and research question for the thesis, the primary data to further explore the chosen subject.

3.4.1 Secondary data

According to Saunders et al. (2016) secondary data is developed by previous studies, collected to cover existing research and used to fit the purpose of another research study. The authors of this thesis started the research process by collecting material relevant to the field of study, obtaining extended knowledge about the chosen subject area and restricting the research focus. The secondary data was mainly collected from research reports and academic articles, found at online databases such as Google scholar, Emerald, Oxford Press etc. The authors used a peer reviewed article written by A. Stein and B. Ramaseshan, two Australian doctors in marketing, as a foundation for the chapter of touchpoints. The research is the newest found article with high relevance to the field of study and incorporates touchpoints connected to an in-store environment. When searching articles appropriate for the subject, relevant keywords were used; experience in store, experiential marketing, touchpoints, servicescape, customer behaviour, apparel stores, service management, technology in store etc. The relevance
of the articles was based on publication year, thus studies conducted recently are in certain regards of higher relevance when discussing e.g. consumer trends and new technology used in stores, which is only available in newer research conducted in the last 20 years. However, to serve the purpose of this thesis, older research had to be incorporated to fit the in-store environment, which few writers have covered. The relevance of a study can be determined by the number of citations, where a high number of citations indicate higher academic value, although, the authors took into consideration that recent published research might obtain a lower number of citations due to being new.

As preparation for interviews, the authors used secondary data to research the three the companies, forming a base for the case studies, before starting the interview process.

3.4.2 Literature Search

In the scope of the purpose, the authors chose to add and modify some touchpoint elements by conducting research from older significant literature. Suitable parts of research made by Grönroos (2015) were used when describing service and interaction between employee and customer. Dr Grönroos is highly recognised in the field of marketing and service management and cover research suitable for this thesis. Hultén (2009), was used in describing sensory marketing and literature by Saviolo & Marazza (2013) was used discussing lifestyle brands. Additionally, books covering the chosen topic were found at Jönköping University Library, and used as a supplement to gain further input.

3.4.3 Primary data

A qualitative research was pursued through in-depth interviews with management and employees of three companies. Additionally, two observation were made. The gathered information allowed the authors of this thesis to conduct three case studies. By conducting individual interviews with a small number of respondents, the aim is to explore their perspective on specific situations and ideas regarding the company in question. By conducting interviews, it is possible to collect detailed information connected to the research question and the interviewer gains direct control over the
collection of primary data, with the chance to ask for clarifications about certain issues (Maylor & Blackmon, 2005). According to Saunders et al. (2016) interviews can be conducted in a structured, unstructured or semi structured format. The interviews of this thesis were conducted in a semi-structured way, meaning that the authors of the thesis, asked a set of prepared questions, and furthermore added questions along the interview to clarify or further expand certain issues (Saunders et al., 2016). However, the challenge of using interviews include difficulties associated with longer time requirements and arranging the group to be interviewed within a certain time frame. The authors chose to conduct interviews at three different companies. One providing services in creating customer experience along the customer journey, one online store working with pop-up store events, and one traditional offline brick and mortar store. The authors of this paper believe that choosing three totally different companies serving different purposes, have given interesting response from different viewpoints of the apparel industry and allowed the authors to form three interesting case studies.

3.5 The semi-structured interviews
To begin the process and making a plan regarding the construction of the interviews, decisions about participation was made. According to Maylor and Blackmon (2005) interviews of unstructured or semi-structured character, made by a project group, should be carried out singly or in pairs to increase the efficiency within the group. Since the project group of this thesis solely involves two people, both participated in the interviews, which ensured the conversation to flow and that no thoughts, considerations or questions were excluded from the discussion. Additionally, being two was helpful when summarising the conclusions retrieved from the semi-structured interviews.

3.5.1 Choice of interview subject
The aim was to find companies working with providing extensive customer experience using touch points in innovative ways to interact with customers. The authors wanted to find a company being experts on how to build experiences in store, providing services connected to the mentioned in-store touchpoints. This resulted in choosing Qmatic, which will be elaborated on in point 3.6.1. Additionally, the authors aimed to find a
company that rethinks how marketing communication is done in fashion business. Having stated in the problem discussion that retail business is moving towards online-retailing, it is interesting to study a company that is based in online-retailing, but is expanding to the offline environment. This resulted in choosing the clothing brand NA-KD, which will be further elaborated on in point 3.6.2. On the other hand, the authors were looking for a brick and mortar store that stands out in the way they stage an experience and use the five senses as a part of it, which made the authors choose the brick and mortar store Partners, that will be further elaborated on in point 3.6.3. At Qmatic and NA-KD the initial contact person recommended a suitable person with knowledge within the field of study and someone who was appropriate for the interview. At Qmatic Fredrik Johansson, responsible for Qmatic’s global consulting department was interviewed, due to his extensive knowledge within customer experience and interaction throughout the customer journey. Viktor Vitell, sales enablement manager at Qmatic was also interviewed due to his overall knowledge about the brand and expertise in sales of their products and services. At NA-KD, the person in charge of the pop-up stores, Alexander Sologub, was assigned to be interviewed for this thesis, as he was most knowledgeable in the field of the author’s interest. At Partners the interview subject was easily selected through choosing the owner of the store, who was also the manager.

3.5.2 Interview structure
The interviews, were as previously mentioned, conducted in a semi-structured way with a plan to ask open questions and engage the interviewed into an open discussion about all aspects concerning the company. This enabled the authors to gain a wide base of information, where relevant parts were later carefully selected to be incorporated in the thesis. Maylor and Blackmon (2005) suggests an interview structure including seven points, which the authors of the thesis chose to follow. Firstly, the authors were introduced, by stating who they are and the purpose of the meeting. Secondly, the authors established a relationship with the interviewed person and broke the ice through showing interest in the company and asking some effortless questions. When the interviewed person felt relaxed and started to talk more openly, the intensity of the questioning was increased. The authors used pre-structured questions and followed up
with new ones, following the direction of the discussion. If the authors felt that the discussion lost focus from the original topic, they *intervened*, and politely referred to the initial question. The session was ended through a *wrap up* and some conclusions, where the interviewed was acknowledged for his time and participation. Before leaving the meeting, the authors requested the opportunity to get in touch again *in case* of clarifications or further questions. Lastly, the authors followed the last step in Maylor and Blackmon's (2005) structure by *interpreting the data* soon after the interview. This was done by writing down critical points of the recent conversation and going over notes made during the interview. The recorded tapes from the interviews were also audited shortly after.

3.6 Case study structure
The authors gathered information about the three selected companies through secondary data, which worked as the foundation to conduct the case studies. Further, the authors pursued interviews with managers at each company to retain an in-depth insight of their organisation and how they work with customer experience and interact across in-store touchpoints. Additionally, in-store observations were made to gain a visual understanding of the information obtained during the interviews. These insights allowed the authors of this paper to construct three case studies in the chapter of empirical data.

3.6.1 Case Study Qmatic

3.6.1.1 Interview Qmatic
On May 2nd, the authors had the opportunity to visit Qmatics headquarters in Mölndal, Gothenburg, where Fredrik Johansson, responsible for their global consulting department was interviewed, as well as Victor Vitell, who works as Sales Enablement Manager for Qmatic. The first interview was longer and more in depth than the second, where the interviewed was more pressured by time, resulting in a shorter interview. Both interviews were held in Swedish and later translated into English for this paper. The interview with Fredrik Johansson was recorded which was helpful to ensure all the perceived information to be correct. The authors perceived that the visit at Qmatic
helped gaining a deeper understanding of customer journeys and how organisations can be helped through different process and service elements to achieve increased customer experiences.

3.6.2 Case study NA-KD

3.6.2.1 Interview NA-KD

An introductory discussion with NA-KD was held in connection with their presence at a business exhibition hosted by Jönköping International Business School, where the authors made contact with the H&R manager of the company, named Antonia Dahlin. The authors of this paper had the opportunity to visit NA-KD’s headquarters in Gothenburg to interview the Legal Counsel and the person responsible of the pop-up stores at NA-KD, Alexander Sologub on April third, 2017. With well designated time, there was no time pressure and the authors could ask questions until satisfied with the amount of information gathered. The discussion took one and a half hours and covered all relevant topics connected to the field of study. The discussions were held in Swedish and it has been translated into English for this paper. The full interview data was recorded to eliminate inaccuracy when writing the conclusions drawn from the interview. This also insured that all information was included and no details were lost. To ensure that the conversation was understood correctly, the paper was sent to them for approval.

3.6.2.2 Observation Emrys fashion (NA-KD)

An observation at a pop-up store for Emrys fashion was made to explore how NA-KD as an organisation works with their other brands and how they are creating in-store experience in their pop-up stores. The observation was made after the interview at the headquarters of NA-KD to gain visual understanding as well as experiencing the concepts described in the interview.
3.6.3 Case study Partners

3.6.3.1 Interview Partners

The authors of this paper also had the opportunity to meet with the owner of the men’s fashion store, Partners, at Östra Storgatan in Jönköping, on April 4th, 2017. The interviewers had previously visited the premises, appreciating the various elements incorporated to increase the customer experience, such as: store layout, scent and strong customer and employee interaction, which makes it more service focused than competitors in the same city. The meeting took place in the store before opening hours which allowed an in-depth discussion without interruptions. The authors of the paper were invited to sit in armchairs in the middle of the store and observe the atmospheric elements and layout of the brick and mortar store. This allowed the authors to form a perception of the store manager Henrik Jerkingers’s way of interacting with customer and how service is provided in the store. The 45 minutes’ interview was held in Swedish and recorded to ensure the correctness of the perceived information. The recorded tape helped the authors make fair translations to English to include the information in this thesis.

3.6.3.2 Observation Partners

The authors of the paper observed Partners apparel store centrally located in Jönköping, Sweden. The observations were made during the interview which took place at the store, as well as during additional visits before and after the interview. This gave the authors a feeling of the atmospheric, process and product elements mentioned in the interview, as well as a genuine experience of how the employees interact with customers.

3.7 Quality and ethics of research

To draw accurate conclusions from the findings of the study, the scientific methodology should be seen in its true colours and from its original nature (Saunders et al, 2016). To
decrease the risks of assembling poor information Saunders et al. (2016) states that validity of the research must be emphasised. Robson (2002) defines validity as the concern, whether the findings are valid and demonstrate what they appear to be about. By conducting a research with regards to validity the study will, according to Robson (2002) be more transparent.

It has been within the author’s greatest interest to manner transparent, accurate and reliable research within the field of experience and in-store touchpoint elements. When interviewing the owner of a company, they might have reasons to be positively biased towards the own brand. Yin (2003) identifies two varieties of being biased; participant bias and observer bias. Both can affect the study. The interview subjects at the visited companies might have had reasons to be biased do to ownership or being employed by the company. Not to disclose the immediate purpose from the beginning, the interviews started with some general questions. This allowed the authors of this thesis to get the interview subjects general thoughts regarding experience and other relevant topics before studying the companies more comprehensively. The data has been carefully selected and by using authors who are highly recognised within their field such as Pine and Gilmore, Grönroos etc. the authors of this paper feel confident in regarding the information as true. Furthermore, the interviewers avoided allowing own beliefs and emotions affect the obtained answers. To decrease the risk to be observer biased, both writers of this thesis took part in preparing the interview questions (Saunders et al., 2016). The authors felt ethically obliged to make sure that all three companies could stand by what was written about them in the empirical findings. Therefore, all written material regarding the companies was sent to the interviewed for approval before publication.

3.8 Limitations of method

With limited previous experience of creating interview material and performing interviews, the authors selected qualitative approach could be considered as a weakness and may influence the quality of the analysis. The challenge is to ensure obtaining answers from all interviews that have relevant connections to the frame of reference. Throughout the method section it is motivated why a qualitative research approach was
selected. The qualitative approach allows an in-depth insight about the subject, but excludes the benefits of quantitative method. This research will through the exploratory research design, primarily explore how to build interaction and experience in an in-store environment, without concluding definite answers to what is the right or wrong strategy to create customer experience in apparel stores.

3.9 Summary of method

An exploratory research design was chosen as the most suitable approach with regards to the thesis purpose to further explore a rather new topic within the field of creating experience within apparel stores. The research strategy was evolved through an inductive approach with interpretivism as the philosophical commitment. Moreover, the authors carefully gathered information through primary and secondary data, complemented by literature search, where the primary data was developed through in depth interviews conducted during visits at three companies, and additional observations connected to two of the companies. This, together with information search about the different companies, formed case studies as empirical data to be discussed and analysed in this study. The secondary data and literature was collected through academic articles and books with high relevance and validity to the field of study. The collected data and interview material was discussed with the information gathered in the frame of reference, with continuous evaluation of its relevance to the research question. Lastly conclusions were drawn and recommendations for further research were provided.
4. Empirical findings

Presented in this sections is the results from the three interviews at Qmatic, NA-KD and Partners and the observations at Emry’s fashion pop-up store and in the physical store of Partners. Together forming three case studies.

The authors carried out case studies at three different companies. The first, Qmatic, providing service in creating customer experience along the customer journey. The second, NA-KD mainly working online, incorporating in store-experience to the brand through pop-up stores. The third, Partners, working solely offline with an in-store service focus. The case studies were formed through an in-depth interview at each company. Additionally, an observational visit was made at Emry’s pop-up store to give an impression of how NA-KD, who is the owner of the brand, works practically within their stores. Furthermore, an observation at Partners was made while visiting the store for the interview.

4.1 Qmatic

Qmatic, founded in Sweden in 1981, is a global leader in helping companies seamlessly integrate online and offline touchpoints, through state of the art software and hardware systems. Ticket printers, LED-displays, touchscreens and card readers are examples of products they offer (Hoovers, 2017). More specifically they aid companies design customer journeys and add personal and smooth experience. They build queue management systems to increase efficiency and revenues and most importantly decrease customer waiting times. Qmatic also offers solutions for customer feedback and advanced business intelligence. The solutions result in increased amounts of experiences, that advance companies, guides employees and delights users in four industries including: financial, public, healthcare and retail.

Qmatic, founded over 35 years ago, started by creating queue systems. The founders of the company owned a restaurant where it all began; they had customers coming for lunch every day, but had trouble keeping track of who came in first and thereby, who should be served first. They created a box with illuminated pictures of the different
meals, which the customers could click on to order their food. A signal was sent to the kitchen to start preparing the meal and furthermore a display notified the customer when the food was ready. Today, the concepts have developed into more advanced solutions, aiming to help organisations optimize the customer journey with high technology-customer interaction resulting in increased sales.

Fredrik Johansson, responsible for Qmatic’s global consulting department, mentions that handling queues is the start and foundation of the company, including managing the attitudes and behaviour of customers, making them feel sure about having a spot in the queue through a physical or digital queue ticket. The company is now selling their solutions to various sectors within: retail, hospitals, pharmacies, banks and the public sector. Their services can be connected to booking systems, digital signage, workforce management and solutions for providing feedback. Johansson states that the organisation is integrated with creating relevance for the customer through the customer journey.

Qmatic mentions that a big part of analysing organisations is identification. By identifying the customer when entering the physical store, the company can create interaction, which is adjusted to that specific customer. It also allows the company to match the customer with an employee with the right knowledge and competence for the customer’s needs. In a hospital or a bank, the customer would register at a reception desk, while in a retail store the customer can be identified e.g. through scanning a QR code after actively made a booking or order at home. The identification can be done through Qmatic self-service kiosks, which greets customers, patients or citizens. The kiosks have a check-in function capable of generating information, which helps the operations to work more efficiently. A touchscreen where the customer can choose what type of product or service he or she is looking for, does not personally identify the customer, but still identifies the customer's needs. In Helsinki at the flagship store of Elisa, a humanoid robot was used for the first time in Europe in a retail store, to enhance the customer interaction and add to the in-store experience. The robot greeted the customers and offered help checking in for service. Johansson mentions an example where a customer is interested in a demo of a product, but all employees are occupied, so the customer is asked to enter his or her phone number at a Qmatic kiosk, to later be
notified when there is an employee available. This enables the customer to move more freely while waiting; he or she can even leave the store, as well as it enables the company to send push-notifications and information to the customer in a later phase of the customer journey.

Technology is a core part of Qmatic.” Our focus is on customer journeys, and how they can be improved in all sectors of concern, in a new way”, Johansson states and continues: “Many of the new ideas and solutions are connected to technology and how it can support different parts of the customer journey; therefore, technology plays a big part in our organisation”.

One tool for Qmatic to gain information about the customer flow is through statistics. At Qmatic, the collected statistics can provide information regarding: how many customers enter the store in one day, the type of customer, on what times customers enter and how many visitors that are spontaneous versus pre-booked. It can also show customer waiting times and how long the transaction time is for each customer, indicating the time employees interact with customers. Johansson provides an example of how to construe the transaction time through contemplating how much time each customer takes to serve. “You need to consider if it is a reasonable time, and how much time would be ultimate for optimising the service experience for the customer and the efficiency of the company”. He also concludes that the transaction time is depending on in which sector the company operates and what product or service that is sold. “A quick transaction such as picking up a pre-ordered product, should be optimised to be quick and easy for the customer, whereas other products and services demand more time”, Johansson states. A longer transaction time might allow the employee to show other goods to reach additional sales, or to build customer relationships for future business.

Statistics can be identified through observations and collected information through e.g. Qmatic self-service kiosks where the customer e.g. can click on different options, informing the company about the purpose of the visit. This provides the information to the employees that a new customer is present and what he or she is looking for. If the employee knows before meeting the customer what he or she is looking for, the employee can make sure to have the required information and be able to directly help
the customer with the specific needs. The information also helps providing the employee with more control and preparation, gaining efficiency to the company as well as providing the best possible service for the customer. Qmatic’s analyses can generate suggestions of how to educate the staff to deal with the customer flow as well as provide information about customer movement in the store. This enables managers to decide how many staff members that are needed at a certain time of the day, and what competences they need to possess, to match the customer’s needs entering the store at the time. Johansson states that some customers are very knowledgeable about the products they aim to buy, thus the company must in response, have a very knowledgeable staff not to disappoint the customer.

Viktor Vitell, sales enablement manager at Qmatic, states that brands carry different levels of expectations and if companies do not meet the expectations, the customer will be disappointed. “Creating an experience does not always imply extraordinary activities in store, but the company must meet the brand expectations not to disappoint.” He provides an example by describing walking into a cheaper, low quality clothing store where the brand expectation refers to cheap price. In a more expensive store, the brand might carry expectations of high quality and since the customer has an expectation of high price, it will not be a problem, but if the quality is bad, this may create disappointment. “When entering a store like IKEA, the customer expects good prices and a quick and easy buying process; if this is not provided, the customer expectations will not be reached, creating disappointment, which is devastating for the brand image” Vitell says.

“Our focus is to provide the right information at the right time, having content at various places in the store, handling priorities and matching customer with staff”, Johansson says. He further describes how to analyse the customer journey and the critical points, where the company may lose the customer. It is possible for Qmatic through observations to analyse if the customer stays or leaves. Too many people within the same area, long lines or no available employees may result in customers leaving the store. “People turning at the door is a definite loss of opportunity, probably resulting in loss of revenues”, Johansson states. Qmatic can help the company to identify problems and organise every part of the customer journey to increase sales. By working
proactively in all touchpoints, e.g. insert extra staff members during critical hours of the day, making the employees more reachable from the fitting rooms or changing the store layout, companies can create the better customer experience.

Johansson provides an example of stores showcasing special products or having a product to customer interaction event going on in the store. “Many people located within the same area just waiting for their turn, does not increase the sales”. “If we can provide the customer the option to walk around in the store while keeping their spot in the line, the opportunity to generate sales increase”. According to Qmatic, these solutions could be implemented in various retail stores, including clothing shops. Another way to increase customer interaction during waiting times is, according to Qmatic, gamification. Johansson presents their app “My fun wait” which allows the customer to play games while waiting in line. The application is connected to the front desk and keeps track of the customer’s queue ticket and notifies the customer when it is his or hers turn. At the same time the person is stimulated and engaged by the company as well as receiving information with relevance to the product or service the customer is there to buy.

Measurements of atmospheric elements such as sound, lighting and kindness of employees as well as psychological factors that might affect the customer's attitudes and behaviours in-store, are hard to measure and analyse. When creating various queue solutions, the psychological factors are something that Qmatic must take into consideration. Johansson described the significance of “perceived waiting time”, stating that a customer aiming to do a quick errand is less willing to wait than a customer knowing beforehand that a certain matter will take time. When imposing a priority-line for quick pickups or easy errands, the company must make sure to clearly communicate distinctions between the different queues and customer categories, not to confuse or irritate customers.

To conclude, Qmatic is a company providing products and services helping companies to design customer journeys for increased company efficiency and customer experience. Their solutions result in experiences that advance companies, guides employees and delights users in industries such as financial, public, healthcare and retail. The brand is
strongly connected with the seamless interaction with technology, that Qmatic believes can support all types of businesses in different ways. They also emphasise on the importance to understand the customers and their movement around the store as well as their behaviour and attitudes, when engaging with the business and the employees. Qmatic has a focus on technology and product and process elements. They place less emphasis on atmospheric elements such as music, lightning, scent and sentiments of an in-store environment.

4.2 NA-KD

Na-KD is an online clothing site founded in 2015 by Jarno Vanhatapio, a serial entrepreneur, also famous for founding Nelly.com. NA-KD sells clothing, shoes, accessories and other items within women’s fashion. During its first year, the company reached a revenue of 160 million SEK and this year (2017) they are expecting a revenue of 220 million SEK (Leijonhufvud, 2017). NA-KD is an interesting company for many reasons, as for example its exceptionally strong social media strategies with nearly 1000 000 Instagram followers and many more in other platforms. Another reason is their global vision right from the start, having sold clothes to more than 150 countries and the fact that they started off purely as an online company (Leijonhufvud, 2017). Their increased presence in pop-up stores, makes it interesting for the writers of this paper, to investigate which strategies they have implemented in the shift to the offline market.

The strategic choice of showcasing and selling its clothing in occasional pop-up stores is based upon the will of increasing the faith and goodwill with the customers in locations where NA-KD is strongly present. NA-KD uses social media influencers as one of its main marketing strategies and it is important to let the customers “meet & greet” with these influencers and the staff. According to NA-KD, touching and feeling the products is important, but not as important for customers as getting to know the people behind the brand. In this paper, social media influencers or opinion leaders will be referred to as (social media) influencers. Alexander Sologub claims that: “Rock stars were the thing of the 70’s and 80’s. Social media influencers are the thrill of today.” Furthermore, NA-KD describes their events as a brand-building practise, where a large
social movement is created. “Our movement goes further than a shopping experience, a lifestyle or something trendy” according to Sologub. He further claims that “the customers are proud to be a part of the NA-KD family.” NA-KD has a strong social media strategy to appeal to its target group consisting of young females and to create a movement. They are using feminine, almost feminist captions on Instagram together with photos of good looking suntanned girls, fruit juices and brunches. “Having more bikinis than I have fuckboys texting me” and “I’m not medium hot. I’m spicy” are a few examples picked from their Instagram feed that Sologub referred to. NA-KD is receiving a lot of requests from fans to be ambassadors. “Usually, celebrities are being paid to promote brands, in this case Influencers ask to join the NA-KD family” Sologub claims.

The question for NA-KD is then to decide which social media celebrities to coordinate with. There is a team going through and making the strategical decisions of which celebrities to work with after several criteria have been fulfilled, including: amounts of followers, engagement rates, style and more. For NA-KD it is important that the social media celebrities share the right type of content that engage viewers to be part of the social movement and to feel that they are a part of a group. Because NA-KD is a global brand it is important to find social media celebrities also abroad, which might be challenging for a company based in Sweden. NA-KD has, however, by finding the right celebrities to target, succeeded to create a global presence. It is important for NA-KD not to come across as a Swedish or Nordic clothing retailer, but as global.

The shopping experience at NA-KD pop-up stores is primarily enhanced by technological elements and by employees understanding the core of NA-KDs brand. They believe that implementing edgy and up-to-date technology in stores supports their brand strategy. NA-KD strives to be a forerunner when it comes to technology. In the stores, many customers gather around the technology that is present. Technology integrated led-displays, allows customers to take photos with friends, choosing a virtual background of choice. The photos can then be sent to the customer's email and further be uploaded on social media, which is done frequently according to NA-KD. Virtual glasses with different games are also present to add to the experience.
Employees walk around with Ipads, helping with orders. Snapchat videos and Instagram pictures are taken with the social media influencers that are present for the customers to interact with. NA-KD have chosen to have mostly female employees in the stores, because they believe that women trust women better than men when it comes to fashion tips.

According to Sologub, long lines are usually formed outside the store. NA-KD occasionally hands out free merchandise and accessories to entertain the customers as they stand in line. This also enables the employees to interact with the customers as well as make the customers interact with each other.

NA-KD only makes a limited number of different pieces of clothes, because they believe that making clothes for everyone impair the brand image. They add value to their customers by offering limited collections designed by social media influencers and announcing new trends every week on social media. By adding value through offering clothes to buy before anyone else, the limited collections can also be charged a higher price for. Their collections are sold-out almost without exceptions.

All five senses are important for them to strengthen the customer experience. Music is carefully chosen to match with the specific collections. Sporty apparel requires different music than more urban clothing, as explained by the company. Fragrance is also something that interests the company although it is not yet used in stores.

When asked if the company intends to open a permanent apparel store, it is confirmed that the matter has indeed been evaluated within the company and if a store would be opened, flagship stores would most probably be relevant. Flagship stores would suit their brand building activities most accurately.

In conclusion, being present physically increases the faith in the company and strengthens the NA-KD brand. Decreased amounts of returned clothes have also been verified as an effect of moving into offline stores, since the customers can try on the clothes before buying them. Digitalisation and the use of digital marketing tools such as social medias have enabled NA-KD to establish itself like a brand without nationality.
Without making further research it is difficult for a customer to judge whether the brand originates from Australia, South Africa, US, Germany or Sweden. NA-KD believes in the importance of experience in the store and they will be implementing new strategies shortly, that cannot yet be discussed due to competitive reasons.

4.2.1 Observation Emrys fashion

Although NA-KD have a female target group, they also own the male fashion brands Emrys and Bright Bespoke, which are sold on emrysfashion.com. The authors visited their pop-up store to observe the atmospherics and the experience in-store and to ask the employees some questions. The store was located in the premises of a hair salon at Kungsgatan 32 in Gothenburg. NA-KD’s founder & CEO Jarno Vanhatapio had posted on Linkedin, stating that NA-KD had intended to move into selling men's apparel, which was then rejected at last minute, leading to them selling the clothes at price of manufacturing at a 40-70%. This post was seen by the authors leading to a spontaneous trip to Gothenburg, to be able to experience the pop-up store in person.

The authors were met and greeted by two employees, unaware of the purpose of the visit. One male and one female employee. No activities including technology or the presence of social media influencers were experienced, in contrast to what NA-KD had described doing when selling clothes to women. One of the employees had worked in NA-KDs pop-up stores and described them to be more eventful, interactive and more encouraging towards customer to engage in social media promotion etc. Emrys Fashion store played modern house music suitable for their target customer; a young and trendy male, looking for something stylish and modern. The employees were fashionable and attractive and seemed knowledgeable and passionate about the brand. They were also glad to give clothing advice. Even though all items were on sale, there was a comprehensive assortment of all sizes. Because of the sale, the shopping terms allowed exchanges of items bought in the store, but not returns.

The authors perceived the store to have well trained employees providing good service, but without spectacular elements in terms of store layout, merchandising, atmosphere,
technological or process elements. On the other hand, judging on the last-minute announcement of the event, it might not have given NA-KD enough time to prepare a more extensive event.

4.3 Partners

The Brick and Mortar store, Partners, opened in 1975 and is a family-owned company, where father and son are part owners and working in the premises. At Partners the brands have been carefully chosen, with handcraft and quality in focus. Apparel from brands such as: Sonrisa, Boglioli, Tramarossa and La Martina are sold in the store. It could be argued that they respect the Italian fashion traditions, with a touch of Scandinavian elegance. The store was renovated in year 2000 into a modern, yet timeless setting to match their business pillars of being a brand of quality, style and service.

The store has a lot of open space with clothes merchandised in a visible way; hung and folded to showcase the products properly. The brands in the store are carefully selected to match the target customers fashion style and price range. The clientele is focused to men in all ages, with an interest in fashion and the willingness to invest some money on dressing fashionable. The aim of Partners is to attract the customers through high quality products in a reasonable price range and in a welcoming setting with knowledgeable staff guiding them through their purchase. The employees play a big part in creating an experience in the store. “People come here to relax after a long workday, chat with the staff about their everyday life; we talk about clothes and fashion, but not always”, Jerkinger said.

The customers are invited to touch and feel the garments, take a seat in one of the brown leather armchairs and have products showcased for them. Regulars or customers spending more time in the store shopping, might get served coffee or other refreshments from the bar furnished in a corner of the store. Clothes are sent to a tailor for free fitting adjustments, and the store also offers complementary tailor services for recurring adjustments. The experience is shaped through interaction between staff and customers, building conversations creating a pleasant atmosphere. “We don’t want a stiff, boring
atmosphere, we all have a background in sports and we aim to create cheerful environment, like in a locker-room. We want to make jokes and laugh together, making our customers feel comfortable”, Jerkinger states.

In the store, the owner Henrik Jerkinger works together with his father and one male employee. Having male staff in the store is not a consciously decision, but the owner claims that it fits the atmosphere and style of the shop and that the current employees are easy to relate to, as well as they are one of the main reasons the customers return. A key competence at Partners is to understand the needs and the shopping behaviour among men, and the differences compared to female shopping behaviour. At Partners, men are described to have a more concentrated customer journey which makes it easier to convey the customers into making a purchase. Jerkinger claims that “men are quicker in their decision making and do not enjoy walking in various shops trying on different looks”. Touching, sensing and trying on the clothing is necessary not something the men enjoy doing, but more a step in finding the right size not to be forced to return for changes. Furthermore, Partners is focused on offline shopping experience, and does not work with e-commerce and selling products online. Some of the brands found in the store have online services, although to the same price as the stores, not to compete with the offline sales prices. Conscious choices of brands are made to ensure that the brand do not have a wide sales spread over e-commerce, that might decrease the attractiveness to buy in-store. Clearance sales occurs twice a year to clear out odd pieces and old collections, which attract customers who normally not enter the store. The regular customers at Partners will not bother coming for attractive prices; but for new collections.

The different senses are seen as an important factor to increase the in-store experience. The store use a signature fragrance to stimuli the senses when customers enter the store. The fragrance attracts a lot of positive interest from the customers and is something that differentiates Partners from the competing stores in the area. Customers are also able to buy diffusers with the same fragrance to be used at their homes. The demand of these diffusers has positively surprised Partners and they repeatedly make new orders from Italy to fulfil the interest. Playing music specifically corresponding to the brand is of interest but is yet not implemented into the store experience.
When talking about technology in the store, the interviewed mention that many customers use their smartphones in store. They take pictures and compare clothes they have found on the internet to the apparel in the store. According to Partners this can have both positive and negative effects on their business, but it has primarily been learnt to complement the shopping experience for customers, as employees at Partners can help customers find the exact pieces of clothing they are looking for.

A discouraging aspect of selling clothes are the occasional thefts that are occurring. To ensure the right clientele to enter the store is a challenge, but according to Jerkinger, some potential thieves will not enter the store because the expensive looking display window might imply high service interaction and control, which might scare them away. The display window also help attract the right customers, but might also intimidate some customers because it appears to be too expensive. However, Jerkinger point out that they do not sell anything particularly costly.

To conclude, Partners is a classic brick and mortar store with a competitive edge in high quality shopping experience with supreme products and service delivery. The brand is strongly connected to the interaction with the employees of the store, and the main reason for recurrent visits. Other touch points used are atmospheric elements such as scent and how the clothes are organized and process elements such as being offered coffee. Digital services are not incorporated in any part of the customer journey and the in-store experience is concentrated to off-line involvement.

4.3.1 Observation Partners

The authors of the paper observed the Partners apparel store centrally located in Jönköping, Sweden. The first thing that a customer acknowledges when stepping into the store is a pleasant fragrance. Customers are greeted politely and offered help if needed. The employees seem passionate and knowledgeable. The store is spacious and the apparel is merchandised in a way that highlights the goods sold and favours the commodious feel. The style of the gentlemen’s clothing is elegant and stylistically pure and the assortment is comprehensive. The fabrics gives a look and feeling of good quality. Customers buying suits, participates in deciding how the trousers should be cut.
The ambience of dark wood and leather furniture is slightly freshened up with a few white walls. Whiskey bottles and other strong liquors are lined up on a shelf, accompanied by some high-end crystal glasses. Music is played from the radio on medium volume. Hearing advertisements in an elegant store like this, however, did not quite fit the atmospherics. The overall atmosphere of the store is elegant and masculine.
5. Analysis

In this section, the authors will analyse the empirical results using the theoretical perspectives outlined in the frame of reference, establishing the relation between the two chapters. Three separate analyses are conducted; one for each case study.

5.1 Analysis Qmatic

Qmatic is a company offering services and experiences for other organisations, which showcase the type of economy that Pine and Gilmore (1998) predicted the world to shift to. Qmatic believes that the customer experience can further be increased through gathering statistics of when customers enter the store, what they have been buying before and what they are interested in. Statistics of transaction times, meaning the time an employee interacts with a customer, are also measured. This information can further be analysed and used to ensure the right number of employees working at certain times as well as making sure that transaction times stay within bounds. Grönroos (2015) explains the shift from focusing on a firm’s resources and processes to serving a customer based on in-depth insight. Using Qmatic’s technology, employees will know the customer’s name and the purpose of his or her visit, which might positively add to the experience in store. According to Schmitt (2010) brands offering experiences are able to differentiate in competitive markets.

Qmatic incorporates technology touchpoint elements through customer identification. Their software recognises the customers’ needs and matches the customer with an employee with adequate knowledge for the specific needs. Jones (1999), Hansemak and Albinsson (2004) and Stein and Ramaseshan (2016) recognises the importance of employee and customer interaction elements in stores, as it can lead to a positively perceived shopping experience or impoverish it. Furthermore, it is the contact with the employee that most likely decides whether the customer returns. If an employee is not knowledgeable it often leads to a negatively perceived experience. According to Bergqvist et al. (2011) a customer will be disappointed if the expectations are not met in the store. Viktor Vitell at Qmatic mention the same statement and argues that when a customer walks into an expensive store, he or she expects good quality from the
apparel. He further states that identification and matching employee and customer interaction helps companies to decrease the level of disappointed customers.

Hultén et al. (2009) refer to sensory marketing when stating that queuing times can appear shorter and shopping times can be more convenient, through giving out something to eat to the waiting customers. Qmatic has adopted process elements that provides different solutions for making queuing more convenient. Technological elements such as digital queueing, enables shopping while waiting in line, as the customer will be notified when it’s his or her turn. Another solution provided by them is gamification and the ability for customers to play games while waiting. The games provide information about the company and its products, simultaneously entertaining the customer. This is in line with the arguments stated by Pine and Gilmore (1999), who believe that customers absorb experiences through educational and escapist attributes. Educational experience refers to involvement as the mind takes in information, and the escapist experiences involves active participation, and the customer being a co-producer of the experience. Agreeably, Mossberg (2011) states that to create a positive experience, the customer must be involved in the process.

Hansemark and Albinsson (2004) mention that customers rarely complain and when they do, it might be too late to retain them. At Qmatic they claim that they can help companies identify critical points throughout the customer journey where customers might drop out. Qmatic incorporates technological solutions to collect feedback from customers, which help them improve product, process and employee elements and keep satisfied customers. Qmatic believes that the overall experience can be increased by ensuring smooth processes and available employees in stores, providing desired service. Johansson mentions possible solutions applicable to apparel stores that enables employees becoming more reachable by using technology in the fitting rooms, allowing the customer to call for help.

In summary, all the solutions of Qmatic are not specifically designed for use in apparel stores and it has only been used in some apparel stores providing various queue systems. However, there are many features in Qmatic’s technology that increase both customer and employee satisfactions and build customer experience.
Qmatic emphasis on touch points such as employee and customer interaction, service, process, and product elements, with a clear focus on technology. They are not as focused on atmospheric and sensory elements since they aim to create technological solutions and provide smooth processes for their customers.

5.2 Analysis NA-KD

Saviolo and Marazza (2013) defines lifestyle brands as companies that are selling something more than just the core product, integrating a certain lifestyle into the brand. Schmitt (2006) claims that lifestyles evoke emotions; especially in women. NA-KD being a company only selling apparel to women, having a brand supporting the concept of strong, successful and active women through their storytelling, it could be argued to be a lifestyle brand. This is in line with Pine and Gilmore (1998) and Schmitt (1999; 2003) who define experience to be connected to five sensory elements and refers to the element of “Relate”, when customers connect with other individuals or cultures, and the element of “Act”, when the customers are affected to do certain activities or adopt a new lifestyle. This fits Sologub’s statement: “Our movement goes further than a shopping experience, a lifestyle or something trendy. The customers are proud to be a part of the NA-KD family”. Saviolo and Marazza (2013) acknowledge the importance of lifestyle brands being physically present, which has also been realized by NA-KD, which have lately moved to selling clothes in temporary pop-up stores. This is an interesting shift, since the standard in the industry is oppositely moving to increasingly selling apparel online (Deloitte, 2017).

The importance of brands efficiently managing their social media accounts and having a clear strategy for storytelling throughout all the company’s touchpoints is remarked by Saviolo and Marazza (2013). NA-KD has a big number of social media followers where they share content accordingly to their lifestyle brand. The interviewed, showed the authors their Instagram account including pictures of suntanned beautiful girls, sunsets, smoothies and bikini bodies posting captions such as “I’m not medium hot, I’m spicy” and “Having more bikinis than I have fuckboys texting me”.

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Jones (1999) and Morse (2011) claims that the competitive advantage brick and mortar stores have, is the customer's ability to feel and touch the apparel as well as the value connected to the enjoyment of going shopping. When it comes to NA-KD it seems that the latter claim is more accurate. Furthermore, the most important reason of NA-KD’s presence in brick and mortar stores is the ability for customers to meet the people behind the brand and the social media influencers, which is also something that Saviolo and Marazza (2013) attach value too. Gaining trust for the brand is more important for NA-KD’s customers than the touching and feeling of the garments. Stein and Ramaseshan (2016) describes product interaction elements and argue that good product quality leads to the customers enjoying the items and purchasing them. NA-KD however, have chosen the segment of being a fast-fashion brand, which implies that the quality of the clothes is nothing over the ordinary. The clothes are not made to last forever, and their target customers are frequently buying new items as fashion changes.

Saviolo and Marazza (2013) explains that a brick and mortar store can act as a venue, where fans of the brand gathers, share stories and collects ideas. At NA-KD’s pop-up events all this occurs, among other activities such as interacting with the brand and each other enabling in store technology, which increases the customer experience. This was also claimed by Pine and Gilmore (1998) who mention “educational” experiences and the requirement of active involvement when learning something new as well as “entertainment”, that only requires passive involvement. Pine and Gilmore (1998) also mentioned the possibility of using virtual reality, portable technology, touchscreens and interactive games in the stores which are all a big part of NA-KD’s customer experience. Mossberg (2001) argues that the customer must be involved in the process for a positive customer experience to be created. Pine and Gilmore (1998) also writes about experience and similarly acknowledge the “escapist” attribute which refers to the active participation of a customer. At NA-KD’s stores, many customer take snapchat videos and use touchscreens and photo walls and the company’s vision is to be a forerunner when it comes to technology used in store. Burke (2002) further claims that a lot of attention should be put on the content displayed on the screens. NA-KD have chosen to enhance their brand image by choosing to display similar vacation/lifestyle content on the screens in store as they are sharing on their social media accounts.
Pine and Gilmore (1998); Jones (1999); Hansemark and Albinsson (2004) and Stein and Ramaseshan (2016) identify the importance of a knowledgeable and friendly employees creating a pleasant shopping experience for the customer. This is emphasised by NA-KD; friendly and good looking employees who are happy to help the customers.

Hultén (2009) mentions the opportunity to engage with customers standing in line, making the waiting time seem shorter. Big lines are often formed outside NA-KD’s pop-up-stores and customers are entertained by sharing free accessories and merchandise and by taking pictures with the employees and social media influencers of NA-KD.

NA-KD adds to the experience by letting famous social media influencers design collections for them, which they can therefore charge a higher price for. According to Pine and Gilmore (1998) a business only offers experiences if they charge for it.

According to Hultén et al. (2009) Sound can be used to shape a brand's identity and strengthen its brand. The music played at NA-KD’s stores is carefully chosen to suit the brand identity and different clothing collections. The other four senses are also important for the brand, scents being something that they intend to incorporate in the future.

In summary, having conducted extensive research on NA-KD it can be addressed that technology, customer involvement and employee and customer interaction are the most important touch points for them.

5.3 Analysis Partners

Schmitt (2010) defines experiences as ongoing emotions that are created from interacting with a product or service. Partners sell carefully selected brands of high quality in a transparently designed clothing store where the customers are invited to interact with the products and with the service providers. Pine and Gilmore (1998) identifies the “escapist” element, involving active participation. Customers are also “entertained” and “educated” by the employees. Schmitt (1999) accordingly claims that
product features, quality and benefits are increasingly taken for granted, and that customers demand more in terms of experiences. Pine and Gilmore (1998); Jones (1999); Hansemark and Albinsson (2004) and Stein and Ramaseshan (2016) respectively, identify the importance of knowledgeable and friendly employees to enhance the customer experience. Partners being an apparel store for gentlemen the employee's attempt to create a laid-back atmosphere, where also other matters are discussed than just clothes.

Ismail (2011) believes that stores offering experiences, tend to attain the customers in the store for longer periods of time. Customers are often offered a seat in a comfortable leather armchair and a cup of coffee to drink. Sometimes even a drink from their bar. Hultén et al. (2009) gives many examples where beverages and food are used to appeal to emotions and to create a positive experience and evokes emotions. Furthermore, they claim that the sense of taste is closely connected with smell. Inside Partners a distinct scent is easily recognisable. According to Hultén et al. (2009) scents have a strong connection with well-being and memory and have been proven to increase sales. The scent in Partner's clothing store have received many compliments from customers, resulting in sales of a diffuser, which enables customers to have the same smell at home.

Hultén et al. (2009) further discuss how sound can be used to shape brand's identity. At partners, this sense has not been explored and specially adjusted to the brand and they play music from the radio. Jones, (1999) and Morse, (2011) states that physically touching, feeling as well as the entertainment of shopping is what gives brick and mortar a competitive edge. Interviewing Partners, however, with decades of experience they did not completely agree. They indicated that men are not always comfortable trying on different outfits, but rather make fast purchasing decisions. Discussing with the employees seems to create more trust than trying and feeling the garments. However, Partners being an offline store, their target customer might enjoy the experience of walking into a physical store being able to touch and see the clothes.

Something that makes Partner stand out as a store is the spacious atmosphere, airily merchandised apparel and manly decor. The importance of atmospheric elements is mentioned by Kotler (1973), Lin & Liang (2011), Stein & Ramaseshan (2016) etc. and
is one of the elements Partners focus on to create in-store experience. The atmospheric elements can be connected to sight which Hultén et al. (2009) claims to be most prominent sense humans have.

Bitner (1992) mention that being in a certain surrounding may evoke feelings and behaviour such as desire to stay, commitment, spending money etc. Since the merchandise sold is a bit more expensive than clothes found in other stores down the street, the aesthetics of the store is according to partners, one of the main reasons customer accept the price tags. In a less attractive environment the clothes would probably not sell in the same scale. Grönroos claims that value creating support is more important than price and that an unappealing price can be balanced out by a better service and long-term value. This is in line with Partners brand identity of selling high quality garments in pleasant premises, providing high service interaction between customer and employee.

Schmitt (1999; 2003) and Pine and Gilmore (1998) defined experience to consist of five sensory elements which are: sense, feel, think, act and relate. At Partners, all five senses are incorporated into the experience. The concept of “feel” refers to emotional response which Partners creates through a friendly locker room atmosphere with the goal to make customers feel comfortable. “Think” refers to involving customers in creative processes etc. which can relate to how Partners invite the customers to edit the garments for a tailored fit. “Act” refers to make choices, which can relate to Partners by the act of buying new garments. Finally, “Relate” contains of any of the previously mentioned aspects and refers to connecting customers to other individuals or cultures. At Partners, the customer may relate to a certain lifestyle as also mentioned by Saviolo & Marazza (2013).

Saviolo & Marazza (2013) states that lifestyle brands describe the people who are using them, to what group of people they belong to, their status and what their aspirations are. The clientele of Partners is men with an interest in fashion, willing to invest money in what they are wearing. The style is classic and elegant, which attracts customers living a certain lifestyle. However, Partners mention their target customer to be different types of men in all ages. No certain lifestyle is mentioned.
Mossberg (2001) believes that to create a positive experience in a customer's mind, the customer must be involved in the process. At Partners the customers are passively involved through sensing and observing the surroundings and listening to the employees’ advice. They are also actively involved through trying on garments and being fitted for potential tailor adjustments.

After having interviewed and made observations at Partners, their most essential touchpoint is arguably the employee-customer interaction. Additionally, the atmospheric elements such as visually attractive store layout, the quality of the products and the five senses contributes to the in-store experience.
6. Conclusion

The purpose of this thesis was to further explore in-store factors contributing to the customer experience and how in-store touchpoints help creating a positive customer experience in apparel stores. Furthermore, the mentioned purpose has throughout the writing process been guided by the chosen research question “How do apparel stores build customer experience and interaction using in-store touchpoints?” The findings of this thesis show that apparel stores work differently with touchpoints depending on who their customer is. Qmatic selling products and services to add value to customer journeys, the touchpoints implemented are dependent on the customer needs and requirements of certain processes and technologies. Saving the customer time and making waiting times more pleasant, as well as matching the right employee with customers are the most important factors that contribute to increased experience for Qmatic.

NA-KD on the other hand, focus on young females that expect the newest trends to be showcased at the store. Therefore, it is natural for them to use technological elements and involve the customers in activities that support their lifestyle brand. Thus, technological touchpoints and interaction with social media influencers contribute most to the experience for NA-KD. In contrast, Partners selling classical quality clothes to gentlemen, their focus is on creating a positive shopping experience, delivering exceptional service through employee and customer interaction in a pleasant atmosphere showcasing quality products. Their target group does not require modern music or technology.

Based on the three case studies, the authors conclude that “employee and customer interaction” is the most prominent element in the in-store environment. This element can be reinforced by other touchpoints customized for specific brands and stores, to increase customer experience and interaction.

With new emerging trends, ideas and means to increase experience in apparel stores, and with increased technology allowing businesses to create integrated touchpoints
through Omni channels, it is crucial not to build touchpoints on the expense of the most significant one, that is the employee and customer interaction.

The exploratory research approach allowed the authors to gain further insights in how companies within the apparel industry, work in new ways to engage their customers and build customer experience and interaction. Additionally, it has come to light that in-store touchpoints help building brand identity. Lastly, new insights about how apparel stores build customer experience and interaction using in-store touchpoints, have been presented, answering the research question.
7. Discussion

In this section, the authors discuss their findings and the study on a broader level by elaborating on thoughts that have not yet been fully discussed, yet being important for the thesis. Further, limitations and strengths will be discussed, leading into contributions of the research. Finally, the authors present suggestions for further research within the topic.

The authors encountered several interesting discoveries during the research. First of all, the touchpoints and the experience staged in stores, seems to be designed with regards to the brand and the expectations of the customer. It is important not disappoint the customer and to deliver a positive experience. Furthermore, it seems that the more touchpoints there are, the risk of dissatisfaction caused by poorly managed touchpoints is decreased. The authors argue that at Partners, the employee-customer interaction being the most prominent touchpoint, there is a risk that if this element is poorly managed, dissatisfaction is likely to occur. Furthermore, the customer experience cannot be salvaged by interaction with other elements, such as with in store activities at NA-KD’s stores.

Finally, the uniqueness of the message and the storytelling is something that seems to be crucial in today’s competitive markets, which goes in line with Saviolo and Marazza (2013). Successful brands tend to take stands in societal issues. This comes apart of companies aiming to appeal to a target group that shares the same values. It seems that brick and mortar stores in the era of online retailing, will be more about a venue where the brand is showcased, as also claimed by Saviolo and Marazza (2013). What surprised us when interviewing NA-KD, was that their main goal with pop-up stores is not the sales, but a brand building exercise. According to them, the clothes sell out anyway.
7.1 Limitations and strengths

A strength of this thesis is the many interesting touchpoints covered, which invites the readers of this paper to learn something new that can be applicable in their business. The authors wanted to find companies that stands out in their way of using in store touchpoints. The chosen companies for this thesis are interesting in this way, however, they do not have an equally broad target group, being world-renowned such as e.g., H&M, Zara or similar companies. Furthermore, the companies chosen, compete in different marketplaces and their target groups are fairly niche, which could aggravate applying the findings to mainstream stores. On the other hand, two of the chosen companies are international which gives a broader perspective and provides the readers with data applicable in many countries. Moreover, being inhibited by time, only 3 companies were interviewed. If more companies had been interviewed the results could have been even more profound. When conducting the interviews, only men were interviewed which possibly had an impact on the way the questions were answered. By including female interviewees, the research might have got additional viewpoints regarding implementation of various touch points. The research was focused on the positive effects of touchpoints; thus, these were the prominent effects mentioned in the interviews. This statement indicates the interview subjects to be biased towards their own company, which the authors had to take into consideration when forming the analysis of this paper.

7.2 Contributions

The authors of this thesis hope to inspire students and small to medium sized companies to acknowledge the opportunity that lies in the usage of touchpoints in different ways. The authors contribute with a thesis that have gathered essential data within the field of experiential marketing and in store touchpoints into one paper, which can be used as a guide for further research. The three most interesting findings applicable for companies were: firstly, the importance of pleasant and knowledgeable service by the employees. It does not matter how up-to-date the technological elements are or how elegant the design of the store is, if the personal reception is poor.
Secondly, the authors acknowledged the importance of brick and mortar stores to contribute with something more than just selling the core products. For Partners this extra value comes with the possibility for the gentlemen to relax and have a chat with the owners, and the store becomes a hangout. NA-KD’s customers on the other hand, visit the pop-up stores to meet social media influencers they admire and to get fashion advice. As buying online in the fashion industry is becoming increasingly popular, it is important for brick and mortar stores to ask the question: “why would a customer come to the store when they can purchase the clothes online”. Particularly, as e-commerce sites constantly improve and previewing garments before buying becomes easier. Furthermore, this paper suggests that trying and feeling clothes is not the main competitive advantage for brick and mortar stores.

Thirdly, it is important for companies to stage experiences using touchpoints in a way that agrees with its clientele, employees and brand. Additionally, as mentioned by Bitner (1992), it is important to pay attention to the needs of the employees, to succeed in creating a successful servicescape.

7.3 Suggestions for Further research

The thesis has a focus on apparel stores which limits the research to the apparel industry. Therefore, future research could be expanded to a broader variety of companies within the retail sector. Additionally, the study is limited to in-store experience which excludes research concerning what happens outside the store, before and after the purchase. Further research could include the full customer journey and further explore communicative touchpoints regarding marketing strategies to attract customers to the store, as well as after sales and services provided to the customer after leaving the store. Working with Omni channels, meaning the integration of online and offline services such as buying online and pick-up in store, is not explored in depth in this thesis and could be further research. Differences in customer behaviour and attitudes is sparsely researched in this thesis and could be further studied through looking at different types of customers and their behaviour. Furthermore, the authors suggest further research of culture differences and the impact of opening shops in various geographic and demographic areas. Finally, the authors suggest viewing the
clothing industry and building brands from an ethical perspective, incorporating sustainable clothes and fair trade.

Suggested readings


References


Appendix

Interview questions Qmatic

1. How would you describe your business and what you do?
2. Who are your customers?
3. What is your competitive advantage and your unique selling points?
4. Who are your competitors?
5. Which touchpoints are you working with overall as well as more specifically inside the store?
6. In which countries are you most successful?
7. Which current trends within your industry do you think are worth mentioning?
8. Which are the most crucial touchpoints within the retail industry?
9. Which touchpoints do you think are especially important for apparel stores?
10. How should apparel stores use the 5 senses, technology and interact with their customers?
11. What can organisations learn from using your products?
12. An experience is influenced also by factors such as: the clientele in store, the room temperature, the mood of the customer. Do you take these factors into consideration or do you leave it for the apparel store to handle?
13. What does “customer experience” imply for Qmatic? How do you achieve it?

Interview questions NA-KD

1. What do you think are the biggest trends in fashion right now?
2. Why did you decide to move into physical stores from only online stores?
3. How many pop-ups have you had so far and what have you learned during the way?
4. What does customer experience mean for NA-KD and how do you achieve experience in your pop-up and other physical stores?
5. It has been said that pop-up stores are like a modern-day lab for retailers. What are you trying to find out about your customers?
6. The eyewear company Warby Parker had a pop-up store driving around the US, and it was measured that in the cities that the truck visited, returns of sales decreased. Have you measured the results of your pop-ups in some way?

7. You're a brand with a lot of lifestyles incorporated into your brand: food, vacations, drinks, breakfasts etc. How do you translate this into the in-store environment?

8. The experience in the store is only partly controllable by you. The rest affecting it is the clientele. A noisy group of people in a restaurant sitting next to your table can be a turnoff for example. How do you make sure that your stores are visited by the sort of clientele that you want?

9. How do you enhance word of mouth when customers are visiting the stores? What are the strategies? Do you have in-store social media strategies? Snapchat in popup stores. Photos being sent to your email that you can share on Social media.,

10. What are the pricing strategy for your pop-up stores?

11. Do you organise events at the stores? Educational or entertainment.

Interview questions Partners

1. Who is your customer?

2. Your store is fundamentally directed to men. Do you have any experience of the shopping behaviour of men being different from women’s? Is a separate kind of approach/service required for the different sexes?

3. How do you customize your service/experience towards a regular customer?

4. Which touchpoints is a customer confronting at Partners?

5. It has been rumoured that shoppers might get offered a drink or a glass of whiskey? What is the idea behind this?

6. How do you differ as a store from competitors down the street?

7. Customer and the atmosphere is influenced by other shoppers and their behaviour. Is it important to reach to the right clientele with your store?
Observation template

When the observations were made at Partners and Emrys fashion, the following aspects were reviewed:

Atmospherics

_Sensory elements:_
- Smell
- Sight
- Sound
- Touch
- Taste

_Employee customer interaction_

_Characteristics of employee:_
- Friendliness
- Helpfulness
- Knowledge
- Passion:

_Service and process elements:_
- Accessibility
- Relationship building
- Customer engagement
- Terms of purchase
- Product interaction elements
- Quality
- Assortment

_Technological elements:_
- Technology in store

_Customer involvement:_
- Activities in store
- Active or passive experience?