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The impact of Online and Offline Retailing on Loyalty, through the mediating effect of Brand Image and Store Image

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ABSTRACT

Title: The impact of Online and Offline Retailing on Loyalty, through the mediating effect of Brand Image and Store Image

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Over the years, the retail industry has benefited from technological evolutions, leading to an online retailing growth that impacted consumers' shopping behaviours. However, consumers still value the advantages of the offline retailing. Consequently, online and offline retailing represent important channels for consumers, offering distinctive shopping experiences.

The present dissertation aims to explore if there exist any differences on the impact from distinct retailers' channels on loyalty, addressed to the coffee category, studying the Nespresso brand. Hence, three research questions were answered: (1) What are the main drivers for loyalty, and do online, and offline retailers influence loyalty differently, (2) What effect does the brand image have on loyalty, (3) What effect does the store image have on loyalty, and does it affect in a different way for online and offline retailers.

Results pointed as predictors of loyalty the likelihood to buy coffee online, having previously visited Nespresso's stores, having previously bought coffee or Nespresso's products, such as Age and Level of Education. It is also presented that Retailing Online and Retailing Offline equally impact Loyalty. The influence of Brand Image on Loyalty was concluded to be positive and significant, being the effect of the variable Practical Function the strongest. The effect of Store Image on Loyalty was positive and significant, being the relevance of Store Image Offline greater than the Store Image Online.

SUMÁRIO

Título: O impacto do Retalho Online e Offline na fidelização, através do efeito mediador de Imagem de Marca e de Imagem de Loja

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Ao longo dos anos, o setor do retalho beneficiou de evoluções tecnológicas, resultando no crescimento do retalho online. Este impactou o comportamento de compras dos consumidores, que aliado às vantagens do retalho offline – ainda valorizadas pelos mesmos – representam importantes canais, visto oferecerem experiências de compras distintas.

A presente dissertação tem como objetivo explorar que diferenças existem no impacto dos referidos canais sobre a fidelização de retalhistas, dirigido à categoria do café, aplicada à Nespresso. Consequentemente, três questões de investigação foram respondidas: (1) Quais são os principais impulsionadores da fidelização, e se o retalho online e offline influenciam a fidelização de forma diferente, (2) Qual o efeito da imagem de marca sobre a fidelização, (3) Qual o efeito da imagem de loja sobre a fidelização, e se o retalho online e offline influenciam de forma diferente.

Os resultados apontaram como impulsionadores de fidelização: probabilidade de comprar café online, visita anterior a lojas da Nespresso, compra anterior de café ou produtos da Nespresso, idade e nível de educação. Concluiu-se também que o retalho online e offline impactam igualmente a fidelização. O efeito de imagem de marca na fidelização foi considerado positivo e significativo, sendo a variável função prática a mais relevante. O efeito da imagem de loja na fidelização foi positivo e significativo, revelando-se o da offline mais impactante que o da online.

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1. INTRODUCTION

1.1 Background

Online retail includes all the purchases made through the internet from websites that have a physical presence or not. During 2018, the estimated number of people worldwide to shop online was 1.8 billion (Clement, 2019), and there is evidence that online retailing has constantly been increasing since 2014. In fact, in 2018 the online retail grew 18% globally when compared to the previous year (Schroeder, 2019), and alongside this growth, the use of smartphones for online purchases also increased, becoming the most used device for retailers' websites visits (Clement, 2019). Consequently, there has been a rise in the number of physical stores closing in 2018 (Clawson, 2019), and now more than ever, retailers need to understand the reasons that motivate consumers' shopping behaviours so they can act appropriately. Also, they need to create more incentives for consumers to visit physical stores and accurately present the benefits of offline retailing by providing professional advice and feedback (Loeb, 2019).

Currently, to oppose the mentioned effect, the purpose of offline retailers must be to attract consumers into the store, by providing shopping experiences that will not be available on online platforms. Furthermore, survey results show that the majority of consumers still prefer to go to a physical store rather than buying online (Clawson, 2019). This could be justified by the positive impact of providing consumers with the opportunity to touch products when purchasing, resulting on valuable impressions regarding products' evaluation (Grohmann et al., 2007) and quality assessment (Peck & Childers, 2003), as well as on purchase intention and willingness to pay (W. Liu et al., 2017).

Despite online and offline retailing offering two distinct shopping experiences, both rely on trust as the crucial factor leading to consumers' purchase intention (Sultan & Mooraj, 2001). However, on the online retailing trust appears to represent a more critical element (Harris & Goode, 2004), being related to online loyalty (Lynch et al., 2001). On the other hand, Oliver (1999) emphasizes that customer satisfaction is required to achieve customer loyalty.

1.2 Problem Statement

The purpose of this study is to understand what the main drivers for loyalty are, and if and how distinct retailers' channels have different impacts on loyalty. Additionally, this study proposes to understand how the brand image and store image can affect loyalty. Therefore, the proposed problem statement for this research is:

Understanding what impacts loyalty for online and offline retailing, through the mediating effects of brand image and store image.

Moreover, this problem statement is supported by the following research questions:

RQ1: What are the main drivers for loyalty? Do online, and offline retailers influence loyalty differently?

RQ2: What effect does the brand image have on loyalty?

RQ3: What effect does the store image have on loyalty? Does it affect in a different way for online and offline retailers?

1.3 Relevance

It is inevitable to deny the rapid growth of online retailing in the last years, as well as the continuous growth predicted for the next ones as well. However, in 2018 the USA online retail sales only accounted for 14.3% of total retail sales (Schroeder, 2019). Through this, it can be drawn to the conclusion that offline retailing still has a great impact on consumers' shopping behaviours. Additionally, this means that both online and offline retailing represent important channels for the consumer, considering that both offer distinctive shopping experiences (Wolfenbarger & Gilly, 2003).

Considering the benefits for the consumers of online purchases and the wide options available, it has led to a decrease in switching costs for the consumer among retailers. Therefore, it is of significant importance for retailers to attract and retain consumers (Yang et al., 2004).

Having this in mind, with this research, I intend to study if the distinct channels offered by a retailer have a different impact on customer loyalty. Moreover, I aim to understand if the brand

image and store image influence loyalty. Overall, I expect to realize (within the limits of the research) what is the influence that image generally has on brand trustworthiness.

1.4 Research Methods

The problem presented in this dissertation is studied through an approach to the coffee category, more precisely, the Nespresso brand. This choice was based on the fact that Nespresso is a brand with a powerful presence on the market, despite using only specific retailing channels – own stores and website. This allows Nespresso to be a highly exclusive brand, especially when compared to the ones that are commonly sold on supermarkets and other large surfaces. Furthermore, Nespresso is a brand that is associated with a powerful image, from both brand and store point of view, turning out to be a perfect fit for this study.

In order to answer the proposed research questions, both primary and secondary data was collected. Secondary data was mainly used in the elaboration of the literature review, but also along with the remaining chapters as a supporting instrument to provide validity to the studied concepts, as well as the connections between them.

The collection of primary data was divided into two phases – qualitative and quantitative. The qualitative research comprehended a focus group with 8 Portuguese respondents, consumers and non-consumers of the brand, aged between 21 and 41 years old. The focus group had the purpose of providing insights for the questionnaire elaboration regarding the stimulus to be applied.

Regarding the quantitative research, an online questionnaire was created using existing constructs, to test the validity of the formulated hypothesis from the literature review. The questionnaire was elaborated using Qualtrics and subsequently distributed through social networks. The sample aimed to cover respondents of all ages and different nationalities, with the only criteria of being coffee consumers, independently of being consumers or not of the brand being studied. Finally, the data was analysed through the statistical software SPSS, to accept or reject the hypothesis formulated through this dissertation.

1.5 Dissertation Outline

This thesis dissertation is divided into five chapters. This first one provides a general introductory section on the general topic. The second chapter introduces the literature review

that will support the study, as it is explained, and defined the relevance and influence of each variable towards loyalty. Additionally, it presents the conceptual framework and the hypothesis to be tested in the study. The third chapter describes the methodology used to test the hypothesis, and the constructs applied to the questionnaire. The fourth chapter will contain an overall analysis of the results acquired through the online questionnaire. Finally, the last chapter focuses on the conclusions of the study, mentioning its limitations and indicating future research implications in the area.

2. LITERATURE REVIEW

The purpose of the literature review chapter is to explore and gather meaningful information from former research, to be used as a supporting instrument for the area of study and to the development of the hypothesis, founded on empirical evidence. Additionally, it provides an analysis of the critical topics associated with both the problem statement and the research questions proposed in this dissertation. Therefore, by providing definitions of the studied concepts, the literature review will reveal an exhaustive and thorough exploratory research on the matters of Loyalty, Retailing, Brand Image and Store Image. The topics of research were based on various studies from distinct academic journals and publications, which represent the source of the hypothesis that will be tested further on. Along with this chapter, each hypothesis will be presented along each section, and it concludes with the conceptual framework that provides an overview of the studied topics. Lastly, the chapter is concluded through the conceptual framework providing an overview of the studied topics.

2.1. Loyalty

According to Oliver (1999), customer loyalty can be defined as a commitment to purchase a preferential product or service frequently, leading to the repeated acquisition of products of the same brand, regardless of the available alternatives or influences from other brands. Loyalty is considered to have two important elements – attitudinal and behavioural loyalty (Evanschitzky & Wunderlich, 2006). The first one determines the cognitive and the emotive characteristics associated with loyalty (Bowen & Chen, 2001), while the second one represents customer's propensities, including past purchase behaviours, concerning the same brand or store, into foreseeing future actions (Ehrenberg, 1988). Therefore, Aaker (1991) considers that loyalty includes and combines both behavioural and attitudinal elements.

Eriksson & Vaghult (2000) state that there is a powerful correlation between satisfaction and customer retention, although Sirdeshmukh et al. (2002) point trust as being related to loyalty. Furthermore, loyalty is directly and indirectly linked with perceived value, satisfaction, service quality, and trust, being the latter considered as the main driver of loyalty (Harris & Goode, 2004). Additionally, Chaudhuri & Holbrook (2001) stated that there is also a connection between brand trust and attitudinal loyalty and purchase intention (Stewart, 2003). Moreover, a connection between service quality and the willingness to recommend a brand was

demonstrated, resulting in positive feedback concerning a brand, that will possibly have an impact on the purchase intention of eventual consumers of the brand (Kassim & Abdullah, 2010).

In addition to this, studies show that independently of the shopping channel – online or offline – trust remains an important driver for consumers' purchases (Sultan & Mooraj, 2001), despite the evidence that it can have a more substantial role in online retailing rather than offline (Harris & Goode, 2004). This can be explained by the lack of physical interaction on online platforms, and to the absence of contact with the actual product and store (Reichheld & Scheffer, 2000). According to Anderson & Srinivasan (2003), online perceived value and trust equally impact satisfaction and loyalty. Moreover, Birgelen et al. (2006) proposed that there is a connection amongst the offline and online channels, reinforcing the relevance of cross-channel shopping, and the benefits that can arise from it (Frasquet et al., 2017). From another point of view, Frasquet et al. (2017) indicate that offline assumptions, opinions, and approaches relative to a retailer have a powerful effect on the retailer's online loyalty, that will impact offline loyalty, becoming the most significant factor in establishing online loyalty.

According to Morris et al. (2002), consumers' behavioural purchase intentions and the purpose of extending a relationship with a retailer are mainly motivated by their emotions. According to Kahn et al. (1986), customer loyalty can be acquired through the act of repurchase of a brand of preference. Oliver (1999) also proposed that to achieve customer loyalty, it was necessary to develop customer satisfaction during product usage. However, the repeated shopping over a period only demonstrates complete loyalty from the customer if it is associated with an optimistic approach towards the brand, ensuring that former buying behaviour persists (Amine, 1998). In contrast, reasons such as lack of awareness or unavailability of a brand may result in the purchase of different brands by the consumers (Bandyopadhyay & Martell, 2007). Having this in mind, it is necessary to differentiate customer loyalty from repurchasing actions, as customers may frequently purchase specific products due to out of stock or unavailability issues, meaning that they are not loyal to the brand itself (Bandyopadhyay & Martell, 2007). As a very advantageous instrument to enhance repurchasing appeared the loyalty programs that, on the one hand, represent an easy way of gathering information regarding consumers and their expenditure patterns, and on the other hand the advantages for the consumers raises the switching costs of choosing a different brand (Lazarevic, 2012).

According to Duffy (1998), in the retailer's perspective, customer loyalty indirectly means that consumers are not likely to switch between brands, as they recognize the retailers' concern for their satisfaction. Additionally, loyal consumers tend to buy more than regular ones due to their trust in the brand.

2.2. Retailing

In a general way, retailing can be described as the process of buying products from different businesses, usually with no transformation, to sell them to the final consumer and provide the services inherent to the sale. Over the years, retailers advanced and became multilayered organizations that can not only manage but also own different activities of the value chain, from the production until the transaction to the final consumer (Zentes et al., 2012).

From the consumers' point of view, reasons concerning stores' choices are based on their analysis regarding several characteristics offered by the retailer, such as advertising, convenient location, price, service, and value for money (Arnold et al., 1996). Regardless of these characteristics, consumers' decisions about returning to a specific store are regularly more impacted by market and product variables (Pan & Zinkhan, 2006). These decisive aspects can only be verified for traditional retailers that rely on factors such as checkout service, facilities, location and store environment to become or not successful (Pan & Zinkhan, 2006). Due to the increasing presence of online retailing, those former predictors of consumers' return turn out to be less decisive and obsolete. Furthermore, the factors that previously influenced the revisit to a physical store, such as quality, selection, or service, are now replaced by other aspects such as company reputation and return policy, among others, regarding the online retailer (Pan & Zinkhan, 2006).

A company that provides an excellent customer service can benefit from it as a method to acquire a sustainable competitive advantage. Furthermore, in a period where consumers are increasingly demanding regarding the expected service, the development of different channels has been disrupting the delivery of distinguished service. Therefore, the service provided by salespeople on physical stores has the purpose of enhancing the retail experience itself, providing the offline retailing with a differentiated advantage from the online one (Grewal et al., 2008).

The retailer is able to limit what consumers can buy through the merchandise provided, but also with the layout in which products are presented, and these have an influence on consumers' choices (Nordfält, 2017). By offering a broad and wide assortment and providing merchandise categorization, retailers allow the manufacturers to specialize in the production of specific goods. It also has the effect of enabling the consumer to choose from different ranges of products and categories by combining the purchase of diverse products into one place (Zentes et al., 2012). Retailers that are present on online and offline stores can reach a wider range of consumers, and create new opportunities for them to be better informed and to initiate purchases (Chen et al., 2009).

Store loyalty can be defined as the customer predisposition to be loyal to a specific retailer having it as the first choice when purchasing (Pappu & Quester, 2006). The retaining of existing customers assures the retailer higher profitability and sustainability (Wallace et al., 2004), considering that loyal customers tend to repurchase more, to communicate a positive word of mouth and to pay higher prices (Zeithaml et al., 1996).

There is a strong relationship between the store's recommendation and the likelihood of repeat purchasing from that store. Customers recommend a store when they feel satisfied, and a positive attitude towards it, and therefore, the recommendation of a store promotes repeated buying behaviors and loyalty to the store (Sivadas & Baker-Prewitt, 2000). Thus, the following hypothesis emerged:

H1a: Retailing positively impacts Loyalty

2.2.1. Offline Retailing

As a result of the empowerment that online shopping has gained over the years, Baker et al. (2002) proposed that an effective way to discourage the growing online retailers' competition would be to create exclusive experiences in physical stores. The retailers' capability of creating an exclusive and enjoyable experience for the consumer, provides the retailer with a unique image to be recognized among them (Bagdare & Jain, 2013). This can also be seen as a source of differentiation and consequently, as a competitive advantage (Schmitt, 1999). It provides diversified attributes such as environment, customer service, culminating in the overall experience that is essential to attract and retain customers. Moreover, customers expect an

exclusive, enjoyable, and significant experience to be later remembered, and this positive customer experience is related to customer satisfaction, loyalty, and worth of mouth (Bagdare & Jain, 2013).

Consumers' perceptions regarding a retailer are mainly based on stores' environment (Richardson et al., 1996), customer service, and assortment arrangement (Semeijn et al., 2004). This will determine customers' attitudes towards a store brand and results on the influence of retailers' brand image (Kremer & Viot, 2012). Concerning the store's physical aspect, an appealing store layout and service supplies create a good impression and feeling towards the store (Yuen & Chan, 2010).

Allowing the consumer the possibility to see and touch the product, the offline retailing reduces the uncertainty associated with an unknown product, resulting in a more conscient purchase which in turn leads to lower products' returns when compared to the online retailing (Gao & Su, 2017). Grohmann et al. (2007), state that allowing the consumer to touch the products on the purchase moment when compared with the absence of touching can have a positive impact on consumers' product evaluation and also increases confidence in quality assessment (Peck & Childers, 2003). These factors decrease the perceived risk associated with the purchase and at the same time, increase the consumers' purchase intention and willingness to pay for the product (Liu et al., 2017). Perceptions regarding product quality have a significant influence on general customer store loyalty intentions as product quality is considered the second major effect on store loyalty intention, and the first service quality (Sirohi et al., 1998).

According to Ivanauskienė & Volungėnaitė (2014), retail service quality is positively related to customer loyalty. In the retailing sector, the dimensions that had a significant effect on customer loyalty were personal interaction, distinct policies and product quality. These three dimensions were significant for customer loyalty due to its importance regarding employees' behaviour and attention towards the client; the existence of convenience services; an assortment's availability and quality. Contrarily, Yuen & Chan (2010) found that the dimension of personal interaction positively impacts customer loyalty towards store employees, while the dimensions of the physical aspect, problem-solving, and reliability impact customer loyalty to the store. Loyal consumers represent the most profitable segment of buyers, due to the relationship between store loyalty and customer expenditure (Knox & Denison, 2000).

2.2.2. Online Retailing

According to Ahn et al. (2007), online retailing is considered as a virtual “full representation of a store to the customer”, in which the retailer offers products and services, allowing the consumer to purchase directly from home. It results in a transaction of value through electronic interaction, from both the consumer and the retailer (Jones et al., 2000).

For the consumer, it is clear that when purchasing the same product in online and offline retailing, both offer distinctive shopping experiences (Wolfenbarger & Gilly, 2003). Given that on offline retailing, consumers’ trust can be influenced by the attractiveness of stores’ facilities (Doney & Cannon, 1997), in contrast, on online retailing, consumers’ trust is transmitted through the appealing side of a professional website (Jarvenpaa & Tractinsky, 1999). Considering that for online retailing, the company’s website is the main point of contact with the customer, the website’s performance during the purchase will reflect the consumer’s image of the company itself. This could mean that a weak website may transmit a weak image of the company to the customer (Ahn et al., 2007).

In fact, Wolfenbarger & Gilly (2003), state that regarding consumers’ perception towards an online purchase experience, the quality of an online website can be mostly related to design components and reliability, rather than customer service itself. The fact that online retailing customer service is not manifested as the most important factor influencing the website’s quality can be justified by the lack of customer service when purchasing (Wolfenbarger & Gilly, 2003). It is considered by Piccoli et al. (2004) that convenience and interactivity are also crucial factors for website efficiency. Additionally, the website design can be considered a tool to facilitate customer support, improve customer relationships, and to convert visitors into consumers (Ghose & Dou, 1998). The resulting overall experience while using the website can determine the user’s intention of revisiting the website (Koufaris, 2002), and therefore repeat purchases, recommend the website to other people, and give positive feedback and comments regarding the website (Kassim & Abdullah, 2010).

Liu & Arnett (2000) state that when a consumer considers a visit to a website enjoyable, it increases the likelihood of revisiting that website. This could be considered an important measure to improve the effectiveness of website presence since customer retention plays a fundamental role in online retailing success factors. Alongside, studies show that playfulness,

usefulness and the perceived ease of use represent a compelling factor that influences consumers' intention to visit a website (Ahn et al., 2007).

Some of the referred advantages associated with the growth of online services are convenience, unnecessary travel to the store, and consequently, the time saved. In contrast, those mentioned benefits lead to the shrinking of switching costs for the consumer, giving more importance to the quality of service differentiation from the companies, to attract and retain consumers (Yang et al., 2004). Given that the online environment does not allow the presence of physical products or the interaction between both the seller and the buyer, the trust on the website and consequently on the company is of extreme importance. This way, the purpose of increasing online sales and enhancing customer loyalty can be achieved if the retailer invests in the development of a trustworthy relationship with the consumer (Mukherjee & Nath, 2007). There are several points in which online retailing trust is distinct from the offline one, considering that there is no physical presence, from both the seller and the buyer side, on the same space, which leads to the lack of professional feedback and assistance on the purchase moment, as for the absence of products' sensorial stimulation (Yoon, 2002).

Although online retailing shopping represents many barriers to the purchase act, on the consumers' perspective, it also allows access to a much wider choice of assortment, and information available regarding products and services. This fact aligned with the increasing number of online presences from the retailers provide consumers with the advantage of searching for available product options, having different sources of information (Mukherjee & Nath, 2007); to make price comparisons and to have different transportation options (Blake et al., 2005).

Nowadays, the facilitated access to information allows consumers to search, evaluate and compare product and service characteristics, such as price, features, transportation options, payment and return policies, whenever pursuing an online purchase (Song et al., 2012). Consumers' perceived trust in an online retailer can also be determined by their trust in the offline store. Consequently, consumers' trust in an offline retailer can strengthen the perceived trust in online shopping, by reducing uncertainties (Chaudhuri & Holbrook, 2001), and improving the confidence towards the retailer.

Brand trust has a positive and substantial influence on both online and offline loyalty, as the retailer brand represents a determinant factor concerning purchasing intentions towards the retailer's online and offline channels (Frasquet et al., 2017). The role of trust during online purchasing can be a factor of major importance since it affects the consumers' purchase decision, considering the inherent perceived financial, privacy and security risks (Bart et al., 2005).

A Frasquet et al. (2017) study confirms that the attitude, behaviour and trust towards an offline retailer has a powerful impact on online loyalty. In this sense, consumers allocate their opinions and behavioural patterns from the offline to the online channel. Moreover, this study approved the existence of a significant relevance concerning cross-channel purchasing, resultant from the cooperative effects between offline and online behaviours, allowing for multichannel retailers to take advantage of those interactions between the two platforms. Finally, the same study concluded that offline loyalty is the most influential factor in online loyalty.

On online retailing, elements like showing customized service, the recommendation of appropriate products, and the suitability of ordering procedures are significant in improving online loyalty. It was also shown that characteristics such as customization, availability of information, and price have a positive effect on online loyalty (Chung, 2008). Therefore, the following hypothesis was developed:

H1b: Online and Offline Retailing equally impact Loyalty

2.3. Brand Image

According to Keller (1993), brand image can be defined as brand associations made by consumers' perceptions, through opinions and emotions concerning the brand (Roy & Banerjee, 2007) and specific characteristics of products or services (Padgett & Allen, 1997), that are meaningful to the consumers (Aaker, 1991). A powerful brand image establishes an improved brand perception on consumers' minds relative to competitors' brands (Hsieh & Li, 2008), being brand image what influences and defines consumers' attitudes (Burmam et al., 2008). Considering that retailers are increasingly providing online platforms for consumers to

purchase from, this results in consumers' decisions regarding a brand to be based on intangible attributes (Hirschman, 1980).

Consumers associate a product's brand image with the general perception of product quality. A product with a stronger brand image may be related to a product with better quality and value (Richardson et al., 1994), and with a superior degree of its image when compared to other brands (Kim & Kim, 2005). This means that, the stronger the brand image, the more favourable the approach towards the product brand and its characteristics (Del Río et al., 2001). It was also demonstrated that consumers purchase products not only for the utilitarian value of them but also for the representative value, concerning self-esteem and status purposes that a specific product can provide the consumer (Pohlman and Mudd, 1973, as cited in Stern et al., 2001). Therefore, the following hypothesis was developed:

H2: Retailing positively impacts Brand Image

According to Aaker (1991), a retailer's brand image can develop and establish value by providing products' differentiation and positioning, giving reasons for consumers to purchase and use brands through the engagement of product characteristics and customer benefits. This image can also help to create connotations that lead to positive attitudes towards the brands and supporting consumers to process information. Consequently, customers' actions towards a brand will be influenced and decided through the brand image (Burmam et al., 2008).

According to Porter & Claycomb (1997), there is a relationship between both brand image and store image. The interdependency between those two elements allows us to conclude that brand image is likely to be more influential than a retail image. This assumption emerges considering that brand image cannot be enhanced when associated with a positive store image but, on the other hand, can be affected when related to a negative one (Porter & Claycomb, 1997). According to Mazursky & Jacoby (1986), brand image is likely to have a more effective influence on consumers than store image, meaning that it can positively or negatively affect retail store image, being dependent on what grounds the brand is assessed, leading to the following hypothesis:

H3: Brand Image positively impacts Store Image

A brand's image results from combining the consumers' perception of the product's attributes with the retail environment that surrounds the brand, allowing a brand to improve its performance by linking the retailers' images and products with the consumers' expectations regarding these (Porter & Claycomb, 1997). It has been also demonstrated that brand image has a positive impact on consumers' loyalty (Zins, 2001). According to Hart & Rosenberger (2004), the image has a direct impact on customer loyalty, mediated by customer satisfaction, and when a positive, brand image motivates loyalty towards a retailer. Chinomona et al. (2013) demonstrated a positive correlation between brand preference and consumer brand loyalty. In the multichannel retailing context, according to Kwon & Lennon (2009), both online and offline brand images seem to influence consumers' loyalty towards the retailer, having the image an impact on customer loyalty (Lai et al., 2008). Consequently, the following hypothesis was developed:

H4: Brand Image positively impacts Loyalty

2.4. Store Image

Store image can be defined as the approach that the consumer creates in his mind through the association of stores' qualities and attributes (Martineau, 1958). Kunkel & Berry (1968) stated that it is also connected to the expectations that a consumer has regarding the shopping experience at a specific store. Keaveney & Hunt (1992) described the retail store image as a general customer impression of a store. From another point of view, store image can be translated into consumers' perceptions regarding stores' dimensions and attributes (Van der Heijden & Verhagen, 2004). Studies show that different retail strategies in terms of store design and customer service, create distinct perceptions on consumers' mind regarding store image (Semeijn et al., 2004). Consequently, store image can be seen as a collection of objective and subjective interpretations of previous experiences that consumers have over time (Hartman & Spiro, 2005). According to Aghekyan-Simonian et al. (2012), the results of a study in the fashion apparel category showed that product brand image had a larger and more direct effect on consumers' purchase intention than the online store image. Additionally, it was also concluded that the impact of the offline store image on the purchase intention for physical stores is greater than the effect of the online store image on the purchase intention for online stores. This finding can be supported by the fact that when a consumer is purchasing at a

physical store, it is possible to add value to the experience through the environment created on the store and through the additional services provided there. In contrast, while a consumer is purchasing online, the added value to the experience is less significant, which leads to reduced importance concerning the online store image (Aghekyan-Simonian et al., 2012). Consequently, the following hypothesis arose:

H5: Retailing positively impacts Store Image

According to Lindquist (1974), there are nine different attributes to characterize store image “merchandise, service, clientele, physical facilities, convenience, promotion, store atmosphere, institutional factors, and post-transaction satisfaction”. Contrarily, Semeijn et al. (2004) consider that three dimensions are enough to evaluate store image, such as “layout, merchandise, and service”.

Studies have shown that store image interpretations have a positive impact on purchase intention (Grewal et al., 1998). Therefore, store image can be seen as an essential predictor concerning store brand attitude (Semeijn et al., 2004). The enhancement of store facilities such as store atmosphere, physical conditions, or even employees’ formation and customer service can also be seen as a strategy to improve store image (Porter & Claycomb, 1997).

Baker (1994) states that the stores’ environment has an impact on consumers’ perception of the retail store image. Indeed, the most important factors are considered to be ambient, for example, lighting and music; design, such as assortment arrangement and layout; and social, concerning sales assistants. Moreover, these factors may impact the atmosphere and service dimensions of store image (Porter & Claycomb, 1997). Retail stores create shopping experiences for consumers to improve loyalty and satisfaction (Baron et al., 2001). A consumers’ shopping experience comprises different stages, from the prior selection of a retail store, across the purchase act itself, until the post-purchase stage. These stages lead to a full experience influencing customer satisfaction and the revisit intention (Bagdare & Jain, 2013). Consumers’ perceptions regarding the online and offline store have an impact on their online purchasing intentions (Verhagen & van Dolen, 2009).

According to Bloemer & Odekerken-Schroder (2002), store image and store attachment positively impact store satisfaction, leading to store loyalty. Emotional attachment to a store

has a great impact on store loyalty, as consumers who have positive attitudes towards a particular store have a tendency to be more loyal to it (Ray & Chiagouris, 2009). Store image could have an impact on customers' attraction towards a store, in the sense that purchasing on a store with a positive reputation will allow the customer to be proud of it and that will be translated into higher satisfaction, contributing to loyalty improvements (Thomas, 2013). Consumers' perceptions regarding a store image can be developed over time and through the insights and opinions concerning a particular store. The several attributes associated with store image, not only represent an important part in the creation of brand loyalty and perceived quality, as well as have a positive and direct impact on it. Furthermore, it is possible to conclude that through the increase in the store's image, its perception is also improved, and consumers become more loyal to the store (Hameed, 2013). Thus, the following hypothesis emerged:

H6: Store Image positively impacts Loyalty

2.5. Conceptual Framework

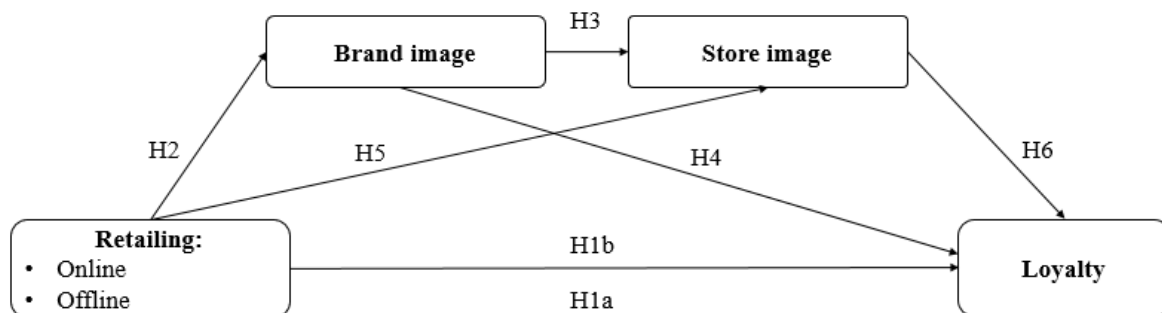


Figure 1 - Conceptual Framework

3. METHODOLOGY

The methodology chapter describes the methods applied to study the research questions presented in the first chapter and to test and achieve conclusions regarding the formulated hypothesis on the literature review. In this chapter the research approach will be described, such as the primary and secondary data collected will be explained, and the analysis processes will be defined, along with the measurement constructs used in this research.

3.1. Research Approach

The main objective of this dissertation is to understand how can online and offline retailing channels influence consumers' loyalty through the mediating effect of brand image and store image. This study aims to realize how those two retail channels can lead to different outcomes – to become or not loyal to a brand or retailer.

In order to accomplish this goal and to answer the proposed research questions, two research methods were applied – exploratory and explanatory. Firstly, exploratory research was performed by reviewing the existing literature for theories and concepts studied, which could justify the correlations between the variables presented on the conceptual framework. Additionally, this approach was also applied to the collection of data for the construct measurement. Secondly, explanatory research was employed through the collection and analysis of primary data provided by a questionnaire distributed in different online platforms. Before the questionnaire elaboration, a focus group was performed with the purpose of selecting the two stimuli to incorporate the questionnaire.

3.2. Secondary Data

The secondary data collected for the scope of this research was mainly used in the literature review, with the purpose of providing a clear context for the overall area of study. It was used to create the conceptual framework, implying the variables of the research, along with the formulated hypothesis developed, as well as provided the construct measurements for this study.

3.3. Primary Data

Primary data was collected separately into two phases, qualitative and quantitative data collection. The qualitative data was firstly collected through the formulation of a focus group with the purpose of selecting the stimulus to be applied to the questionnaire. The focus group was composed by two parts - on the first one the participants were exposed to four characteristic images of Nespresso's physical stores, and subsequently asked which one better represented, in their opinion, Nespresso's boutiques and to justify their choice. In the second part of the focus group, the participants were asked the same question, again with four images, but then concerning Nespresso's online store.

As for, the quantitative data, it was collected through an online questionnaire using Qualtrics. The questionnaire was created using existent constructs, with the main purpose of testing the validity of the formulated hypothesis from the literature review.

3.3.1. Data Collection

The focus group was composed of 8 participants, all Portuguese with ages comprised between 21 and 41 years. Among the group, there were consumers and non-consumers of the brand, so that would be possible to gather different opinions. The eight images revealed in the focus group can be seen in appendix 1, and the two images chosen by the participants – one image representative of Nespresso's offline stores and another representative of Nespresso's online stores – were integrated into the questionnaire.

Regarding the questionnaire, the data was collected from a non-random convenience sample, allowing to get responses in a fast and inexpensive way. The sample aimed to comprise respondents of all ages and different nationalities, with the only criteria of being coffee consumers, independently of being Nespresso's consumers or of a different one. Therefore, the survey started with an eliminatory question, that asked if the respondent drink coffee, and in case of a negative response, the survey would end immediately. The questionnaire was developed using Qualtrics, and it was distributed through different social media platforms. Prior to this, a test was completed to assure that there were no errors related to the questionnaire flow and that every question was understandable. The full questionnaire is available in appendix 2.

3.3.2. Research Design

As previously stated, the questionnaire started with the question “Do you drink coffee?”, and in case of an affirmative answer, the respondent would move to the next question; otherwise the questionnaire would end there. After, started a section with seven questions regarding respondent’s habits related to coffee consumption and their preferences. Following these, there were a few questions related to shopping channels, and also concerning the visit and purchase act at Nespresso’s stores.

The fourth section of the questionnaire was composed of three questions related to Brand Image, having the following section twenty-one questions, in addition to a manipulation check question, to measure Store Image. Two different blocks were created, one concerning Nespresso’s offline store and another concerning Nespresso’s online store. Both had the same questions, except for the manipulation check question (that was adapted to each of the channels), and the image showed before each block (one representative of Nespresso’s offline store and another representative of Nespresso’s online store). These two blocks were defined to be randomly assigned to each respondent, being only possible to answer one of them exclusively. The sixth section of the questionnaire was composed of six questions to measure loyalty, and finally, the last section comprised five questions related to demographics, allowing for sample characterization.

All questions presented on the questionnaire were multiple-choice, so it would facilitate the analysis, and the response was mandatory for all questions. The constructs used for the elaboration of the questionnaire are presented in appendix 3. All of the questions based on constructs from the literature were presented with a 7-point scale, being 1 correspondent to “strongly disagree” and 7 to “strongly agree”.

3.3.3. Data Analysis

The data that resulted from the questionnaire were analyzed using SPSS. Prior to the analysis of the data, the non-valid responses – the questionnaires with a negative answer to the first question and the uncompleted questionnaires – were deleted. Some composite variables were created with the purpose of grouping variables that measured the same factor for subsequent hypothesis testing. Afterwards, a reliability analysis of the constructs was done through the

determination of the Cronbach's Alpha. Further detail concerning the hypothesis testing, the full model test and the remaining tests employed are described in the next chapter, consisting mainly of t-tests, linear regressions and correlations analysis.

4. RESULTS

This chapter presents the analysis and discussion of the results obtained through the questionnaire. First, a section including a characterization of the sample will be provided, followed by the constructs' reliability tests, assumption tests of the variables, and the validation of the stimulus manipulation. In addition, all the hypothesis originated in the literature review chapter will be tested as well as the full model.

4.1 Sample Characterization

Through the questionnaire distribution, a total of 306 responses were collected, having 76 of the respondents did not conclude the questionnaire, which resulted in a response rate of approximately 75,2%. From those 230 responses, 30 were not considered valid because respondents did not drink coffee, resulting in a total of 200 valid responses.

Regarding the socio-demographic factors, the sample comprised both female and male respondents, with a distribution of 57,5% and 42,5%, respectively. Concerning the respondents' age, 42% have between 25 - 34 years of age, followed by 20,5% between 45 - 54 years. Regarding the nationality factor, 88% of the respondents were Portuguese, and the remaining from different countries in the world. Concerning their level of education, the majority had a master degree (51%), followed by 31% with a bachelor's degree. Lastly, regarding the monthly income factor, 30,5% of the respondents place themselves between 1000€ - 1499€, followed by 20,5% with a monthly income between 500€ - 999€ and 16,5% between 1500€ - 1999€.

From the 200 responses obtained, 41% of the respondents answered that drink on average 2 coffees per day, followed by 24% of the respondents that drink three coffees per day on average, and 16% stated that on average only drink 1 coffee per day. Furthermore, 77% of the respondents stated that they have a preference regarding coffee brands; and from those 154 positive answers, 31,5% selected Delta as their preferred brand; and 25% of the respondents selected Nespresso. When answering 'What are the reasons for your preference?', 78% of the respondents answered taste; and a minority – only 8,1% and 7% – selected convenience and price respectively. Concerning the usual place of coffee consumption, 42,3% of the respondents

stated home; 32,3% of the respondents stated that they usually drink coffee at the office, followed by 18,9% of the respondents that answered at a coffee shop. Regarding the ownership of a coffee machine at home, 91,5% of the respondents answered positively; and from those 183 respondents, 49% owned a Nespresso machine, followed by 16,5% that owned a Dolce Gusto machine. From those respondents that owned a coffee machine at home, 58,6% stated that they usually buy their coffee to consume at home at the supermarket, followed by 21,6% that buy coffee online, and 17,1% buy at the brand's own store.

Additionally, 61,5% of the sample usually shops online for any kind of products, using the smartphone as the main device for those activities (59%) followed by 31,5% that use a home computer. 21% of the respondents stated that they were neither likely nor unlikely to buy coffee online, while 44,5% stated that they were slightly, moderately, or extremely likely to buy coffee online. When confronted with the statement 'I would prefer to buy coffee at a physical store rather than buying online,' 26,5% of the respondents answered that neither agreed nor disagreed with it, while 57% answered that they somewhat agreed, agreed or extremely agreed with the statement.

Finally, 77% of the respondents stated that they have already visited Nespresso's stores, and 72,5% have already bought coffee or other Nespresso's products.

4.2 Descriptive Statistics

In this subchapter, descriptive statistics will be analyzed, allowing us to have additional information on the obtained responses. Furthermore, frequencies, means, and standard deviations of some variables will be analyzed, as well as Independent T-test will be performed to compare means between Online and Offline Retailing, and additionally to compare means between Nespresso and Other Brands.

Regarding the independent t-tests to compare Online and Offline Retailing, the first variable to be analyzed is the average number of coffees drunk per day. From the results, it is possible to conclude that the mean score between the groups is statistically significantly different (Sig=0,031). The group Online retailing presents an average of 2 coffees drunk per day (Mean=2,34), while the Offline Retailing group presents an average of approximately 3 coffees per day (Mean=2,69).

Concerning the variables 'Preference regarding coffee brands', 'Preferred coffee brand', and 'Owning a coffee machine', the three variables represented no significant differences of means between the two groups (Sig = 0,718; Sig = 0,799; Sig = 0,672 respectively). Therefore, both groups presented an average positive preference regarding coffee brands (Mean Online=1.22 and Mean Offline=1.24); both groups presented an average preference for the brand Delta (Mean Online=4.05 and Mean Offline=3.92), and both groups presented average positive ownership of coffee machines at home (Mean Online=1.09 and Mean Offline=1.08).

Concerning the variable 'Likelihood to buy coffee online', the variable presented no significant difference of means between the two groups (Sig=0,789). Hence, both groups, on average, answered that they were neither likely nor unlikely to buy coffee online (Mean Online=4.21 and Mean Offline=4.28).

The following variable to be analyzed was if the respondents preferred to buy coffee at a physical store rather than buying online. The results show that the mean score between the groups is statistically significantly different (Sig=0,032). The group Online Retailing on average somewhat agreed with the statement (Mean= 5,11), while the Offline Retailing group, on average, neither agreed nor disagreed with it (Mean=4,63).

The last two variables to be analyzed were if respondents have already visited Nespresso's stores, and if they have already bought Nespresso's coffee or products. Both variables presented no significant differences in means between the two groups (Sig = 0,758 and Sig = 0,614, respectively). Therefore, it is possible to conclude that the two groups have, on average, already visited Nespresso's stores (Mean Online=1,24 and Mean Offline=1,22), and have already bought Nespresso's coffee or products (Mean Online=1,29 and Mean Offline=1,26) (appendix 4).

Regarding the independent t-tests to compare Nespresso and Other Brands, the first variable to be analyzed was the average number of coffees drunk per day. It is possible to conclude that the mean score between the groups is not statistically significantly different (Sig=0,375). Both groups presented an average of 2 coffees drunk per day (Mean Nespresso=2.40 and Mean Other Brands=2.57).

The following variable to be analyzed was 'Preference regarding coffee brands', and the results show that the mean score between the groups is statistically significantly different (Sig<0,001). Despite both groups presenting a positive preference regarding coffee brands, the first group – Nespresso – presents a solid average of positive answers (Mean Nespresso=1.00), whereas the second group, while also presenting a positive average, accounts with some negative answers (Mean Other Brands=1.31), that explain the difference between the means of both groups.

Concerning the variable 'Owning a coffee machine', the results presented no significant differences of means between the two groups (Sig = 0,057). Therefore, both groups on average own a coffee machine at home (Mean Nespresso =1.02 and Mean Other Brands =1.11).

The last variables to be analyzed were 'Likelihood to buy coffee online', 'Preference regarding buying coffee at a physical store rather than online', 'Previously visited Nespresso's stores', and 'Previously bought coffee or Nespresso's products'. All of the four variables presented statistical significant differences of means between the two groups (Sig = 0,014, Sig=0,020, Sig=0,012 and Sig < 0,001 respectively). Regarding the first variable it is possible to conclude that for the first group, respondents on average answered that they were "slightly likely" to buy coffee online (Mean Nespresso =4.80), while for the second group, respondents on average answered that they were "neither likely nor unlikely" to buy coffee online (Mean Other Brands =4.06). Regarding the second variable, the respondents that have a preference for Nespresso, on average, answered that they neither agree nor disagree (Mean Nespresso =4.40), while the respondents that have preferences for other brands answered on average that somewhat agree with the preference of a physical rather than an online store (Mean Other Brands =5.01). Concerning the last two variables, despite both groups presenting a positive answer for previously visiting Nespresso's stores and for previously buying coffee or Nespresso products, the first group – Nespresso – presents a solid average of positive answers (Mean Nespresso=1.10 and Mean Nespresso=1.08, respectively), while the second group, also present a positive average, despite some negative answers (Mean Other Brands=1.27 and Mean Other Brands=1.34, respectively), an explanation for the difference between means of both groups (appendix 5).

For socio-demographic factors, the variables tested were Age, Level of Education, and Monthly Income, again with the distinction between Online and Offline Retailing. The three variables presented no significant differences of means between the two groups (Sig = 0,319; Sig =

0,747; Sig = 0,388 respectively). So, it is possible to conclude that the two groups presented an average age between 25 and 34 years old (Mean Online=3.65 and Mean Offline=3.47), an average level of education of bachelor's degree (Mean Online=3.38 and Mean Offline=3.41), and an average monthly income between 1000€ and 1499€ (Mean Online=3.36 and Mean Offline=3.18) (appendix 6).

Again, independent t-tests were performed for socio-demographic factors, and the variables tested were Age, Level of Education, and Monthly Income, with the distinction between brand preference – Nespresso or other brands. The variable Age was the first one to be tested, and the results presented a statistically significant difference between the mean score of both groups (Sig = 0,026). Therefore, for the first group, it is possible to conclude that the average age of consumers that have a preference for Nespresso is between 18 and 24 years old (Mean Nespresso=3.22); while for the second group, the average age is between 25 and 34 years old (Mean Other Brands=3.67). The remaining two variables, Level of Education and Monthly Income, presented no significant differences of means between the two groups (Sig = 0,264 and Sig = 0,070, respectively). Thus, it is possible to conclude that the two groups presented an average level of education of bachelor's degree (Mean Nespresso=3.28 and Mean Other Brands=3.43), and an average monthly income between 1000€ and 1499€ (Mean Nespresso =2.94 and Mean Other Brands =3.38) (appendix 7).

4.3 Loyalty drivers

In order to determine which variables represent loyalty drivers, a multiple linear regression was performed between the majority of the variables and the dependent variable. Among the 12 variables included in the multiple linear regression, some were relative to preferences, other to consumption habits, socio-demographic variables, and also some compound variables. The regression model reveals that the tested variables have a statistically significant effect on 'Loyalty' (Sig<0,001, F=7,919, R²=0,337). Furthermore, 5 of the variables tested indicated to be good predictors of the dependent variable, representing drivers for loyalty.

The first variable was 'Likelihood to buy coffee online' (p=0,002, B=0,176), meaning that the higher the likelihood of people buying coffee online, the higher the loyalty. The following two variables were 'Visit Nespresso's stores' and 'Previously bought coffee or Nespresso's products' (p=0,002, B=-0,727 and p<0,001, B=-1,214, respectively), meaning that the lower

the visit to Nespresso's stores and the lower people have already bought coffee or Nespresso's products, the higher their loyalty.

The last two variables are concerning socio-demographic factors – 'Age' and 'Level of Education' ($p=0,045$, $B=0,171$ and $p=0,045$, $B=-0,230$, respectively), meaning that the higher the age and the lower the level of education of people, the higher the loyalty (appendix 8).

4.4 Measure Reliability

Considering that the constructs were gathered from different authors, in order to analyze the consistency of the scales, reliability tests, and exploratory factor analysis were required. The Cronbach's Alpha measured the validity of the reliability test results, while KMO, Bartlett's Test of Sphericity and Total Variance Explained measured the Exploratory Factor Analysis.

Overall, four new variables were created through the combination of items that measured a mutual variable. Concerning the Cronbach's Alpha values, the recommendation is that the values are higher than 0.7, corresponding to acceptable values, while any value higher than 0.9 is considered excellent. As a result, the variable Brand Image is considered to have good reliability, while all the other variables presented in table 1 are considered to have excellent reliability.

Table 1 – Reliability Test: Cronbach's Alpha

Composite Variables	Number of items	Cronbach's Alpha
Loyalty	6	0.901
Brand Image	3	0.791
Store Image Offline	21	0.951
Store Image Online	21	0.962

Considering the KMO values, the recommendation is to have values higher than 0.5; between 0.5 and 0.7 correspond to mediocre values; between 0.8 and 0.9 correspond to great values and higher than 0.9 correspond to excellent values. Therefore, the variable Brand Image is considered to have a mediocre value, and the remaining variables are higher than 0.8,

corresponding to great and excellent values. Furthermore, in Bartlett's Test of Sphericity, the values should be lower than 0.05 so that it can be significant, which can be verified by all the variables presented on the table as $\text{Sig} < 0.001$ (appendix 9).

4.5 Normality Test and criterion assumptions

Prior to the data analysis, a normality test was performed as a way to assess if the dependent variable was normally distributed. As presented on the table and according to the Kolmogorov-Smirnov and Shapiro-Wilk measures, the dependent variable 'Loyalty' is not normally distributed – $\text{Sig} < 0.001$ and $\text{Sig} < 0.005$, respectively. This can also be realized for the variables 'Brand Image', 'Store Image' and 'Retailing' that on the Kolmogorov-Smirnov measure ($\text{Sig} < 0.001$, $\text{Sig} < 0.005$ and $\text{Sig} < 0.001$, respectively), and on the Shapiro-Wilk measure also present a non-normal distribution, rejecting in both cases the null hypothesis and presenting a non-normal distribution of data ($\text{Sig} < 0.001$ for the three cases) (appendix 10).

Despite the results showing a non-normal distribution for all variables, according to the Central Limit Theorem, if a sample presents an acceptable size (regularly $N > 30$), the distribution is considered to be approximated to normal. So, for the variables 'Loyalty', 'Brand Image', 'Store Image', and 'Retailing', it will be assumed a normal distribution, and parametric tests will be used.

Preceding the hypothesis analysis, it is necessary to validate the criteria for statistical tests.

The criteria of linearity of residuals, normal distribution of residuals, and homoscedasticity of residuals were tested through the execution of graphs, and the remaining tests - normal distribution of data and independence of observations were tested through statistical tests. The first criteria was the normal distribution of data, and Kolmogorov-Smirnov and Shapiro-Wilk tests were performed, and despite the results showing a non-normal distribution for all variables, according to the Central Limit Theorem, the distribution will be considered to be approximated to normal due to its sample size ($N > 30$). The second criteria to be analyzed was the linearity of residuals, tested through a simple scatterplot (appendix 11) from a multiple linear regression, between the dependent variable and each of the independent variables. From the graph, it is possible to see through the Loess curve that the relationship between the standardized predicted values to the standardized residuals is approximately linear around zero. Additionally, it is also possible to conclude from the Loess curve, that the relationship between

the dependent variable and the independent ones is approximately linear around zero since the residuals seem to be randomly scattered around zero.

The following criteria was the independence of observations, and a Durbin-Watson statistic test was performed, and the results show that the assumption has been met (2,130), considering an ideal value of 2 (appendix 12). The fourth criteria was the normal distribution of residuals, and through a p-plot, between the dependent and the independent variables, it is possible to confirm that the residuals follow the diagonal line showed and are very close to it, and so the requirements are accomplished, and the assumption is met (appendix 13). The last criteria was the homoscedasticity of residuals, and a scatterplot was created between the dependent and the independent variables. From the graph, it is possible to see that residuals generally appear to have a random spreading, meaning that the assumption is met (appendix 14).

Summarizing, all of the five criteria were validated, and so parametric tests will be used for the hypothesis analysis.

Additionally, a Pearson Correlation test was computed to determine if there is an association between the variables. The correlation between 'Loyalty' and 'Brand Image' was found to be positive and statistically significant ($r=0,574$, $p<0.001$, $N=200$); as well as the correlation between 'Loyalty' and 'Store Image' ($r=0,473$, $p <.001$, $N=200$). On the other hand, the correlation between 'Loyalty' and 'Retailing' was found to be not statistically significant ($r=0,064$, $p=0.185$, $N=200$). The correlation between 'Brand Image' and the variable 'Store Image' was found to be positive and statistically significant ($r=0,379$, $p<0.001$, $N=200$), while the correlation between the variables 'Brand Image' and 'Retailing' was again found to be not statistically significant ($r=0,049$, $p=0.247$, $N=200$). Finally, the correlation between the variables 'Store Image' and 'Retailing' was found to be negative but statistically significant ($r=-0,202$, $p<0.005$, $N=200$)

Furthermore, the majority of the correlations between the variables are considered positive and statistically significant, except for the correlations with the variable 'Retailing', and despite some of the values presenting a high degree of correlation ($<0,5$), those correlations between the variables have values close enough to 0,5, not representing a large strength of association between them (appendix 15).

A different alternative to confirm the inexistence of multicollinearity among the variables is through the analysis of collinearity statistics, more precisely through the values of Variance

Inflation factor and Tolerance, that should not be above 10 and lower than 0,1, respectively. Through a linear regression performed between the dependent variable and the independent variables, the results show that all the three independent variables – ‘Brand Image’, ‘Store Image’ and ‘Retailing’ – present values within the allowed limits (VIF=1,190 and Tol=0,840; VIF=1,238 and Tol=0,808; VIF=1,063 and Tol=0,941, respectively) (appendix 16).

4.6 Manipulation Check

There was the need to do a manipulation check to confirm if the two stimuli presented on the questionnaire were properly understood by respondents. With this objective at the end of each stimulus, the question ‘This image represents Nespresso’s online/offline store’ was presented, and the respondent had to classify to which extent (on a scale from 1 to 7) agreed or not with the statement. To confirm if the stimulus was well understood, two linear regressions were computed concerning both the online (Sig=0,001, F=11,164, R²=0,106) (appendix 17) and the offline stimulus (Sig=0,143, F=2,178, R²=0,021) (appendix 18). The results show that the null hypothesis is rejected and that there is a statistical significance, meaning that the manipulation check fulfilled its purpose and was well understood.

4.7 Hypothesis test

Hypothesis 1a: Retailing positively impacts Loyalty

The first hypothesis that arose from the literature review had the purpose of testing if Retailing has an impact on Loyalty. The results from the linear regression show that the effect of ‘Retailing’ on ‘Loyalty’ is not statistically significant (Sig=0,371, F=0,806, R²=0,004) (appendix 19). Therefore, the null hypothesis is accepted, meaning that the variable ‘Retailing’ does not reliably predict ‘Loyalty’, resulting in the rejection of the first hypothesis of the model.

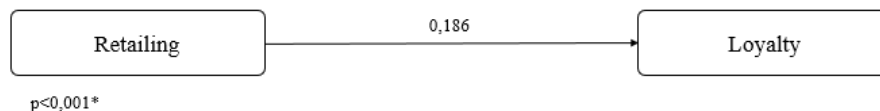


Figure 2 - The impact of Retailing on Loyalty

Hypothesis 1b: Online and Offline Retailing equally impact Loyalty

An independent t-test was run to test if the impact of the variable 'Retailing Online' on the dependent variable was equal to the impact of the variable 'Retailing Offline'. The null hypothesis was accepted, meaning that the mean score between Online and Offline Retailing is not significantly different (Sig=0,371, Mean Online=4,37, Mean Offline=4,19, respectively) (appendix 20). Moreover, it is possible to state that as a result of the mean score of the groups not being significantly different, both variables 'Retailing Online' and 'Retailing Offline' impact the same way the variable 'Loyalty', therefore, the hypothesis 1b is accepted.

Hypothesis 2: Retailing positively impacts Brand Image

The purpose of the second hypothesis was to test if retailing has an effect on Brand Image and to test this, a linear regression was computed. The regression model between 'Retailing' and 'Brand Image' presents an effect size not statistically significant (Sig=0,495, F=0,468, R²=0,004) (appendix 21), meaning that hypothesis 2 is rejected.

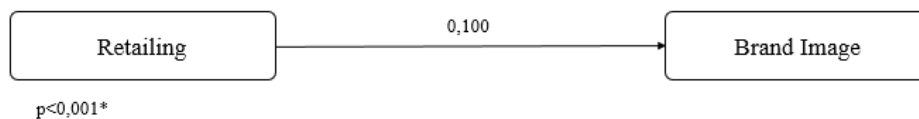


Figure 3 - The impact of Retailing on Brand Image

Additionally, an independent t-test was run between the variables 'Retailing' and 'Brand Image', to test which of the variables 'Retailing Online' or 'Retailing Offline' had a greater impact on the variable 'Brand Image'. Once again, the null hypothesis was accepted, meaning that the mean score between Online and Offline Retailing is not significantly different (Sig=0,495, Mean Online=5,55, Mean Offline=5,45, respectively). The results also show that due to the fact of the mean score of both groups not being significantly different, the variables 'Retailing Online' and 'Retailing Offline' have an equal impact on the variable 'Brand Image'.

Hypothesis 3: Brand Image positively impacts Store Image

The purpose of the third hypothesis is to understand if Brand Image has a positive effect on Store Image and to test this hypothesis, a multiple linear regression was run. The regression model presents an effect size statistically significant (Sig<0,001, F=33,207, R²=0,144) (appendix 22), and therefore, hypothesis 3 is accepted.

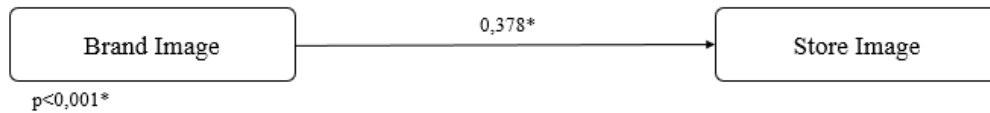


Figure 4 - The impact of Brand Image on Store Image

Besides, a multiple linear regression was performed between the variable 'Store Image' and the three variables that compose the variable 'Brand Image', with the purpose of understanding which of the three independent variables represent good predictors of the dependent variable. The results from the regression model show that two of those variables are good predictors of Store Image: 'Practical function' (p=0,037, B=0,143), meaning that the more the people feel that Nespresso's branding product possesses its practical function, more significant is their store image perception; and 'Relate to a Pleasant Experience' (p=0,017, B=0,192), meaning that the more the people feel that Nespresso's branding product can relate to a pleasant experience, more significant is their store image perception.

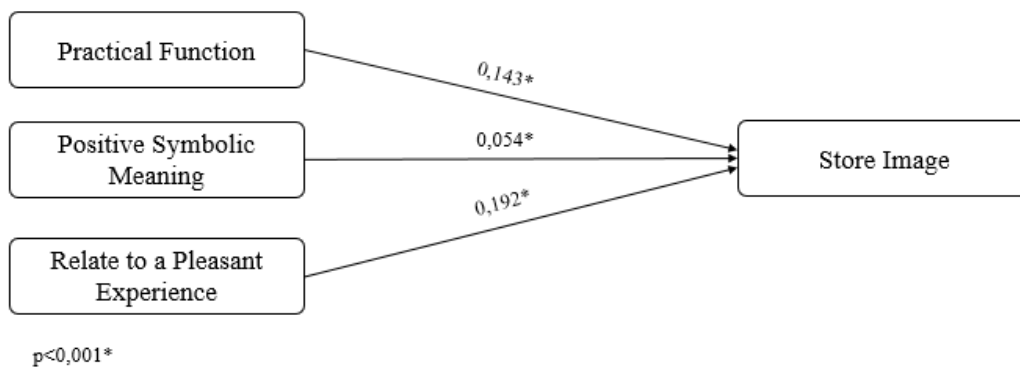


Figure 5 - The impact of Brand Image's components on Store Image

Hypothesis 4: Brand Image positively impacts Loyalty

For the fourth hypothesis, a multiple linear regression was performed in order to analyze if Brand Image has an impact on Loyalty. The results of the regression model show a statistically

significant relationship with the dependent variable (Sig<0,001, F=32,692, R²=0,334) (appendix 23). All of the three independent variables are good predictors of Loyalty – ‘Practical function’ (p<0,001, B=0,361), meaning that the more the people feel that Nespresso’s branding product possesses its practical function, the higher the loyalty; ‘Positive Symbolic Meaning’ (p=0,016, B=0,219), meaning that the more the people feel that Nespresso’s branding product possesses a positive symbolic meaning, the higher the loyalty; and ‘Relate to a Pleasant Experience’ (p=0,015, B=0,247), meaning that the more the people feel that Nespresso’s branding product can relate to a pleasant experience, the higher the loyalty. Therefore, the higher the overall Brand Image associated with Nespresso, the higher the Loyalty towards the brand, so the hypothesis 4 is accepted.

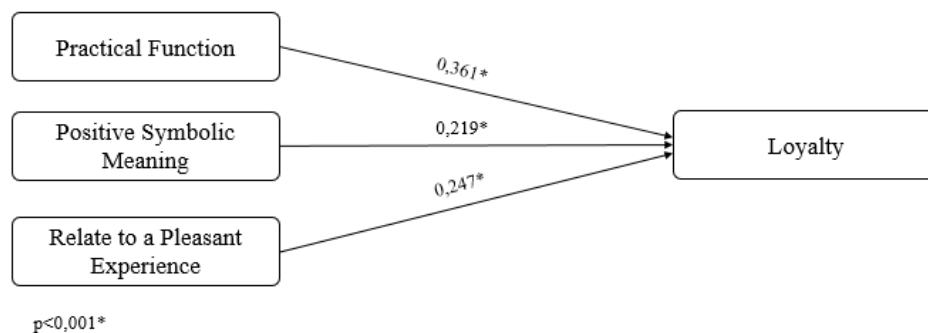


Figure 6 - The impact of Brand Image on Loyalty

Hypothesis 5: Retailing positively impacts Store Image

The fifth hypothesis has the purpose of understanding if Retailing has a positive impact on Store Image, and to test this, a linear regression was performed between these two variables. The results of the regression model revealed a statistically significant effect on the dependent variable (Sig=0,004, F=8,438, R²=0,041) (appendix 24), despite being a negative effect (B=-0,414). Therefore, hypothesis 5 is rejected.

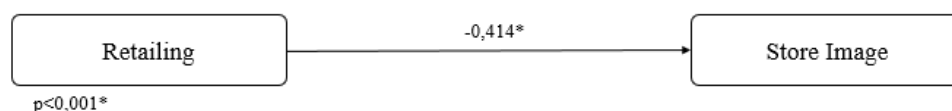


Figure 7 - The impact of Retailing on Store Image

Additionally, an independent t-test was run between the variables ‘Retailing’ and ‘Store Image’, to test which of the variables ‘Retailing Online’ or ‘Retailing Offline’ had a greater

impact on the variable ‘Store Image’. In this case, the null hypothesis was rejected, meaning that the mean score between Online and Offline Retailing is significantly different (Sig=0,005, Mean Online=5,001, Mean Offline=5,415, respectively). Moreover, the results show that since the mean score of both groups being significantly different, the variable ‘Retailing Offline’ has a higher impact on the variable ‘Store Image’ than the impact from the variable ‘Retailing Online’.

Hypothesis 6: Store Image positively impacts Loyalty

The sixth hypothesis has the purpose of understanding if Store Image has an impact on Loyalty, and to test this a linear regression was performed between the variables ‘Store Image’ and ‘Loyalty’, and the results of the model reveal a statistically significant effect towards the dependent variable (Sig<0,001, F=57,038, R²=0,224) (appendix 25). Consequently, hypothesis 6 is accepted.

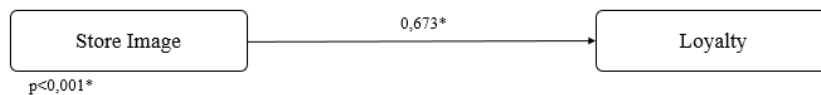


Figure 8 - The impact of Store Image on Loyalty

Two linear regressions were also performed to understand which of the two variables, ‘Store Image Online’ or ‘Store Image Offline’ has a higher impact on loyalty. The results of the regression models both reveal a statistically significant effect towards the dependent variable (Sig<0,001, F=21,944, R²=0,184 and Sig<0,001, F=53,125, R²=0,342, respectively). Despite both linear regressions present a statistically significant effect, the values of Beta indicate that the effect of the variable ‘Store Image Offline’ (B=0,581) is higher on loyalty than the one from the variable ‘Store Image Online’ (B=0,947).

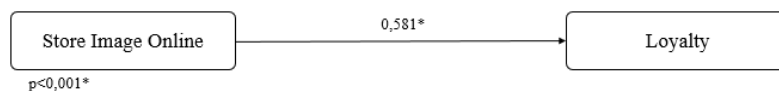


Figure 9 - The impact of Store Image Online on Loyalty

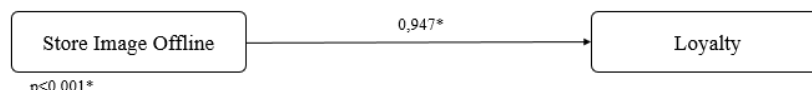


Figure 10 - The impact of Store Image Offline on Loyalty

4.8 Model test

In order to study the mediation effect of Brand Image and Store Image on the relationship between Retailing, coded as a dummy variable (0= Offline Retailing; 1= Online Retailing), and Loyalty, the model 6 from the macro PROCESS was used on SPSS, being the results available on appendix 26.

Firstly, through analyzing the direct effects of the variables, it is possible to conclude that despite the effect of Retailing on Brand Image being positive is not statistically significant ($p=0,4946$); the effect of Retailing on Store Image despite being negative is statistically significant ($p=0,0007$); the effect of Brand Image on Store Image is positive and statistically significant ($p=0,0000$). Furthermore, the analysis reveals that the effects of Retailing, Brand Image, and Store Image on Loyalty are: the first one not statistically significant ($p=0,0564$), but the remaining two are both statistically significant ($p=0,0000$ and $p=0,0000$), and together the three variables explain 41,65% of the variance of Loyalty (appendix 27).

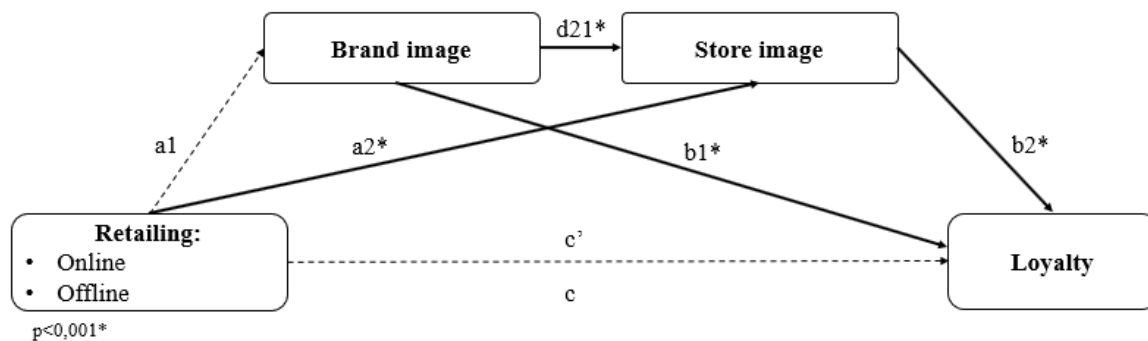


Figure 11 - Mediation Model all variables for Loyalty

To explain this statistical model, three equations estimate all the model effects, resulting from the three consequential variables that the model comprises – each of the mediators and the independent variable.

$$M1 = 5,3488 + 0,0999X$$

$$M2 = 3,7525 - 0,4530X + 0,3883M1$$

$$Y = -2,0808 + 0,3148X + 0,6311M1 + 0,4641M2$$

The most pertinent data extracted from the model are the direct and indirect effects of Retailing on Loyalty. The direct effect of the model is positive but not statistically positive, $c' = 0,3148$; $t(196) = 1,9192$; $p = 0,0564$, meaning that Retailing is unrelated to Loyalty independent of the effect of Brand Image and Store Image. Considering that the direct effect of the model is positive, that means that Online Retailing expressed a stronger effect on Loyalty than the Offline Retailing.

As a result, from the regression coefficients that link the independent variable to the dependent one, the statistical model presents four indirect effects (appendix 28). The first indirect effect is the one of Retailing on Loyalty through Brand Image (Retailing \rightarrow Brand Image \rightarrow Loyalty), estimated as $a_1b_1 = 0,0999 \times 0,6311 = 0,0630$. Considering that the confidence interval includes zero, it can be concluded that the indirect effect is not statistically different from zero ($-0,1247$ to $0,2460$). Since the indirect effect is positive, this means that the Online Retailing leads on average to $0,0630$ units of higher Loyalty than the Offline Retailing, as a result of the effect of Retailing on Brand Image, which impacts Loyalty. Additionally, the results show that Brand Image does not mediate the relationship between Retailing and Loyalty.

The second indirect effect is the one of Retailing on Loyalty through Store Image (Retailing \rightarrow Store Image \rightarrow Loyalty), estimated as $a_2b_2 = -0,4530 \times 0,4641 = -0,2103$. Since this indirect effect is negative, and its confidence interval is below zero, it can be concluded that the indirect effect is statistically different from zero ($-0,3863$ to $-0,0840$). Taking into account that the indirect effect is negative, it means that the Offline Retailing leads on average to $0,2103$ units of higher Loyalty than the Online Retailing, as a result of the effect of Retailing on Store Image, which in turn impacts Loyalty. The results also show that Store Image mediates the relationship between Retailing and Loyalty.

The third indirect effect is the one of Retailing on Loyalty through Brand Image and Store Image in serial mediation, with Brand Image modulated as affecting Store Image, (Retailing \rightarrow Brand Image \rightarrow Store Image \rightarrow Loyalty), estimated as $a_1d_2b_1 = 0,0999 \times 0,3883 \times 0,6311 = 0,0180$. However, since the confidence interval includes zero, it can be concluded that the indirect effect is not statistically different from zero ($-0,0399$ to $0,0873$). Bearing in mind that the indirect effect is positive, that means that the Online Retailing leads on average to $0,0180$ units of higher Loyalty than the Offline Retailing, as a result of the effect of Retailing on both mediators, which impact Loyalty. Furthermore, the results show that Brand Image and Store Image do not mediate the relationship between Retailing and Loyalty.

Concerning the total indirect effect of the model, from estimating the dependent variable from the independent one alone, it is predicted by the sum of all the specific effects. So, the total effect is $c = -0,1292$, and cannot be claimed that it is significantly different from zero since the confidence interval contains zero ($-0,4312$ to $0,1411$). The total indirect effect is negative, meaning that Offline Retailing leads on average to $0,1292$ units higher Loyalty than Online Retailing, as a result of the effect of Retailing on the mediators, which impacts Loyalty. Very few of the variance in Brand Image is explained by Retailing ($R^2 = 0,0024$). A more significant value of the variance in Store Image is explained by Retailing ($R^2 = 0,1924$); however, the variance in Loyalty explained by both mediators and Retailing is $R^2 = 0,4165$.

5. CONCLUSIONS AND LIMITATIONS

The purpose of this dissertation is to understand what are the main drivers for loyalty, and if and how distinct retailers' channels have different impacts on loyalty. This study also proposed to understand how brand image and store image could affect loyalty. In this final chapter the main findings and conclusions of the study will be presented, followed by the managerial and academic implications of it, and it concludes referring to the limitations and possible recommendations for further research.

5.1 Main Findings and Conclusions

RQ1: What are the main drivers for loyalty? Do online and offline retailers influence loyalty differently?

The first research question is divided into two parts, and in order to answer the first part and understand what the drivers for loyalty are, the results of a multiple linear regression between 12 variables and the dependent variable were analyzed. The results from the regression model, identified as the main predictors of loyalty as the *likelihood to buy coffee online* – meaning that the greater the predisposition of a consumer to buy coffee online, the higher will be his loyalty towards a brand; *have previously visited Nespresso's stores* and *have previously bought coffee or Nespresso's products* – meaning that for a consumer, the lower the number of visits to Nespresso's stores and the lower the number of purchases of Nespresso's products, the higher their loyalty will be towards a brand. The last two predictors were *Age* and the *Level of Education*, meaning that the higher the age and the lower the level of education of a consumer, the higher his loyalty to a brand.

In order to answer the second part of the research question, and to understand if different retailers' channels influence loyalty differently, the hypothesis 1b - Online and Offline Retailing have an equal impact on Loyalty - was analyzed. The results from an independent t-test ran between the independent variables Retailing Online, Retailing Offline and the dependent variable, confirm that the hypothesis is accepted, and show that the mean score between the two groups is not statistically different, meaning that both variables Retailing Online and Retailing Offline impact Loyalty the same way.

RQ2: How does brand image affect loyalty?

In order to understand if Brand Image has an impact on *Loyalty*, hypothesis 4 was analyzed, and the results from the regression model revealed a statistically significant relationship with the dependent variable, explaining 33,4% of the model. The compound variable *Brand Image* consists of three variables: *Practical Function*, meaning that the more the consumer feels that Nespresso's branding product possesses its practical function, the higher its loyalty towards the brand; *Positive Symbolic Meaning*, meaning that the more the consumer feels that Nespresso's branding product possesses a positive symbolic meaning, the higher its loyalty is to the brand; and *Relate to a Pleasant Experience*, meaning that the more the consumer feels that Nespresso's branding product can relate to a pleasant experience, the higher its loyalty towards the brand. All the three variables represent good predictors of *Loyalty*, being the first the strongest one. Therefore, it is possible to conclude that a superior and pleasant overall Brand Image associated with Nespresso leads to a greater Loyalty towards the brand.

Additionally, through the full model analysis, it is also possible to conclude that the effect of *Brand Image* on *Loyalty* is positive and statistically significant.

RQ3: How does store image affect loyalty? Does it affect in a different way for online and offline retailers?

The third research question is divided into two parts, and in order to answer the first part, hypothesis 6 will be analyzed to understand if *Store Image* has an impact on *Loyalty*. The results from the regression model show a statistically significant effect towards the dependent variable, explaining 22,4% of the model, and thus it is possible to conclude that Store Image has a positive impact on Loyalty.

Regarding the second part of the research question, hypothesis 6 will now be analyzed to understand if Online and Offline Store Image affect Loyalty differently. Two linear regressions were performed, and both results of the regression models reveal a statistical effect on the dependent variable. However, the results also report that the effect from *Store Image Offline* is greater on *Loyalty* than the one caused by *Store Image Online*, meaning that the former has a larger influence on loyalty than the influence induced by the latter.

Through the full model analysis, it is also possible to conclude that the effect of *Store Image* on *Loyalty* is positive and statistically significant.

5.2 Managerial and Academic Implications

Several authors have studied the topic of loyalty, and what factors could influence and lead to it, however, only few have investigated how could aspects such as brand image and store image affect loyalty. Besides, none had explored the effect of brand image and store image together as linear mediators of the relationship between retailing and loyalty. Therefore, this dissertation contributes to the knowledge of how choosing a specific retailing channel could impact loyalty, by comparing the influence of both online and offline retailing channels and analyzing the mediating effect of brand image and store image.

In terms of academic relevance, this study contributes to the existing literature by making the connection between the terms brand image and store image into the two studied dimensions of retailing – online and offline – analyzing, consequently, their impact on loyalty. This dissertation also explores the concepts of store image online and store image offline, as referring to the same characteristics, representing an omnichannel store image. Moreover, there is evidence that these two concepts are connected to brand image, and that together influence each other and have an impact on loyalty.

In terms of managerial implications, retailers should recognize that today's consumer is increasingly informed and conscious of his purchases and his surrounding environment. Due to this, the consumer expects easy access to the information, demanding its availability in all channels as a way to facilitate consumers' research, representing a reason for extreme importance of the synchronization of the channels from the retailers' side.

Through the enhancement of store features, to improve consumers' purchasing experience, a more favorable image will be developed in consumers' minds, leading to a more positive perception concerning the brand, and consequently to their loyalty towards the brand.

5.3 Limitations and Further Research

Throughout the elaboration of this dissertation, several limitations were identified, more specifically concerning the time and scope of the study. To overcome this, a set of recommendations for further research will be provided to complement the study of the topic.

One of the main limitations of this study is related to the sample collection during the survey, as it could not be considered representative of the population and it is considered as a relatively small sample size - with only 200 valid responses. Additionally, almost half of the sample size involved respondents between 25 and 34 years old, and 88% of the sample were Portuguese, leading to a biased age and nationality range. Further research should consider the use of a larger and more representative sample, not only to increase the number of responses but also to enlarge the age and nationality groups. This could be aligned with additional data collection tools, such as field experiments, to provide the consumer with real environments and purchase experiences concerning store image.

Secondly, the survey targeted only coffee consumers, which narrowed the sample size even more, and resulted in eliminating 30 responses of the final survey.

Furthermore, due to the nature of this research, the time for the study was limited, resulting in a distribution of the questionnaire on an electronic format through social media, which could lead to biased answers from respondents due to the lack of control of their focus level and the surrounding environment. For future research, it would be recommended to pursue in-person questionnaires as a solution to overcome this issue.

On another perspective, it could be mentioned that through the collected sample the majority of respondents' preferences regarding a coffee brand were directed to Delta, and for further research it could be beneficial to the study to have a wider range of Nespresso's consumers, to contribute with additional insights related to the brand.

Last of all, for future research it would be interesting to compare Nespresso with another brand that could be bought on a regular supermarket, resulting in an analysis on the ground of comparison of brands sold on speciality stores and supermarkets.

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APPENDIX

Appendix 1: Focus Group

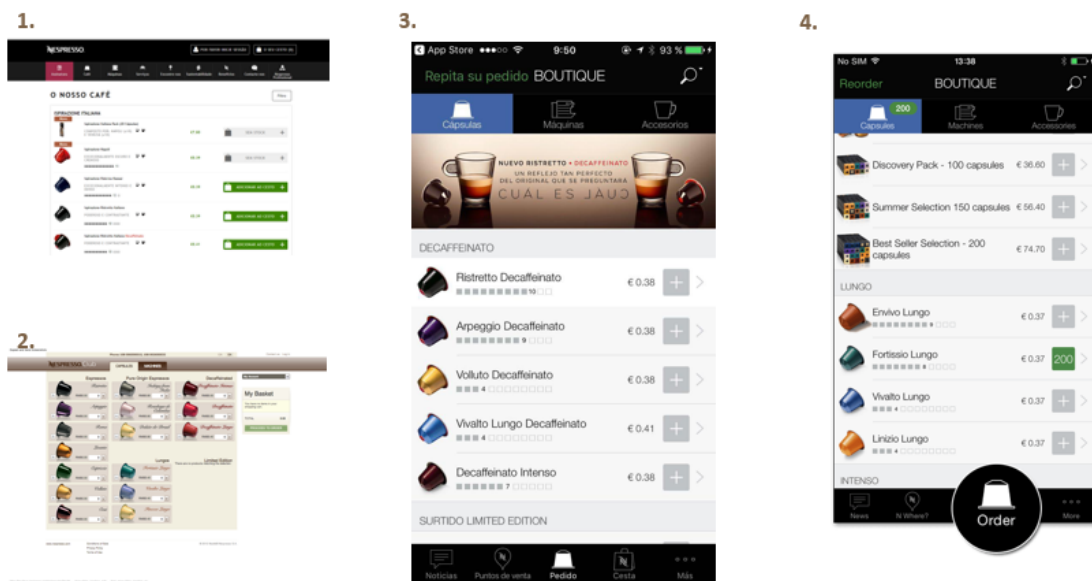
Which of the images below do you consider to better represent a Nespresso's physical store?

Please justify your choice and the reasons for not choosing the remaining images



Which of the images below do you consider to better represent a Nespresso's online store?

Please justify your choice and the reasons for not choosing the remaining images



Appendix 2: Qualtrics Online Survey

Start of Block: Block 0

Q0 Dear participant,

Thank you for taking the time to complete this survey for my Dissertation Thesis as part of my Master in Business at Católica-Lisbon SBE. Your contribution is truly appreciated.

This survey will take approximately 5 minutes to complete. All answers are strictly confidential and anonymous and will be used for the purposes of this study only, so please answer as truthfully as possible.

Thank you very much for your collaboration,

Carolina Latino Tavares

End of Block: Block 0

Start of Block: Block 1

Q1 Do you drink coffee?

Yes (1)

No (2)

Skip To: End of Survey If Q1 = No

Q2 On average how many coffees do you drink per day?

1 (1)

2 (2)

3 (3)

4 (4)

5 (5)

6 or more (6)

Q3 Where do you usually drink coffee?

(You can choose more than one option)

Home (1)

Office (2)

College (3)

Coffee Shop (4)

Other (5) _____

Q4 Do you have any preference regarding coffee brands?

Yes (1)

No (2)

Skip To: Q7 If Q4 = No

Q5 Of the following, which is your preferred coffee brand?

- Starbucks (1)
 - Nespresso (2)
 - Delta (3)
 - Sical (4)
 - Lavazza (5)
 - Nicola (6)
 - Illycaffè (7)
 - Costa Coffee (8)
 - Boundi (9)
 - Nescafé (10)
 - Private Label (11)
 - Other (12) _____
-

Q6 What are the reasons for your preference?

- Price (1)
 - Taste (2)
 - Convenience (3)
 - Packaging (4)
 - Other (5) _____
-

Q7 Do you have a coffee machine at home?

Yes (1)

No (2)

Skip To: End of Block If Q7 = No

Q8 Which type/brand of coffee machine do you own?

Nespresso (1)

Dolce Gusto (2)

Private Label (3)

Other (4) _____

Q9 Where do you usually buy coffee to consume at home?

(You can choose more than one option)

Supermarket (1)

Website (2)

Own Store (3)

Other (4) _____

End of Block: Block 1

Start of Block: Block 2

Q10 Considering any kind of products, do you usually shop online?

Yes (1)

No (2)

Q11 What is your main internet usage device?

- Home Computer (1)
 - Office Computer (2)
 - Smartphone (3)
 - Other (4) _____
-

Q12 How likely would you be to buy coffee online?

- Extremely unlikely (1)
 - Moderately unlikely (2)
 - Slightly unlikely (3)
 - Neither likely nor unlikely (4)
 - Slightly likely (5)
 - Moderately likely (6)
 - Extremely likely (7)
-

Q13 Do you agree with the following statement:

I would prefer to buy coffee at a physical store rather than buying online.

- Strongly disagree (1)
- Disagree (2)
- Somewhat disagree (3)
- Neither agree nor disagree (4)
- Somewhat agree (5)
- Agree (6)
- Strongly agree (7)

End of Block: Block 2

Start of Block: Block 3

Q14 Have you ever visited Nespresso's stores?

Yes (1)

No (2)

Q15 Have you ever bought Nespresso's coffee or products?

Yes (1)

No (2)

End of Block: Block 3

Start of Block: Block 4

Q16a Please indicate to which extent do you agree or disagree with the following statements regarding Nespresso, in terms of Brand Image:

Q16 I feel that Nespresso's branding product possesses its practical function.

Strongly disagree (1)

Disagree (2)

Somewhat disagree (3)

Neither agree nor disagree (4)

Somewhat agree (5)

Agree (6)

Strongly agree (7)

Q17 I feel that Nespresso's branding product possesses a positive symbolic meaning.

- Strongly disagree (1)
- Disagree (2)
- Somewhat disagree (3)
- Neither agree nor disagree (4)
- Somewhat agree (5)
- Agree (6)
- Strongly agree (7)

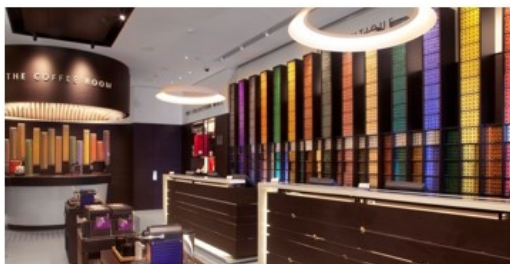
Q18 I feel that Nespresso's branding product can relate to a pleasant experience.

- Strongly disagree (1)
- Disagree (2)
- Somewhat disagree (3)
- Neither agree nor disagree (4)
- Somewhat agree (5)
- Agree (6)
- Strongly agree (7)

End of Block: Block 4

Start of Block: Block 5

Q19a For the next questions, please keep in mind this Nespresso's store picture



Q19 Please indicate to which extent do you agree or disagree with the following statements regarding Nespresso, in terms of Store Image for the dimensions of layout, merchandise and service:

	Layout						
	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree or disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
This store is visually appealing (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This store layout is clear (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Easy to find articles in promotion (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This store would be a pleasant place to shop (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The store has a pleasant atmosphere (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This store is clean (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The store is attractive (7)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q20

	Merchandise						
	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree or disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
Merchandise is available when needed (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Store offers high quality merchandise (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Store offers broad assortment (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Offers high quality merchandise (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Store offers value-for-money (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Store has attractive promotions (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q21

	Service						
	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree or disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
Employees are knowledgeable (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Employees are courteous (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
No problems when returning items (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Employees willing to find custom solutions (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Store has convenient opening hours (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Helpful employees (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Good overall service (7)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Store can easily be reached (8)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q22 Do you agree with the following statement:

This image represents Nespresso's offline store.

- Strongly disagree (4)
- Disagree (5)
- Somewhat disagree (6)
- Neither agree nor disagree (7)
- Somewhat agree (8)
- Agree (9)
- Strongly agree (10)

Q23a For the next questions, please keep in mind this Nespresso's store picture



Q23 Please indicate to which extent do you agree or disagree with the following statements regarding Nespresso, in terms of Store Image for the dimensions of layout, merchandise and service:

	Layout						
	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree or disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
This store is visually appealing (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This store layout is clear (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Easy to find articles in promotion (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This store would be a pleasant place to shop (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The store has a pleasant atmosphere (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This store is clean (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The store is attractive (7)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q24

	Merchandise						
	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree or disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
Merchandise is available when needed (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Store offers high quality merchandise (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Store offers broad assortment (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Offers high quality merchandise (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Store offers value-for-money (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Store has attractive promotions (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q25

	Service						
	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree or disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)

Employees are knowledgeable (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Employees are courteous (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
No problems when returning items (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Employees willing to find custom solutions (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Store has convenient opening hours (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Helpful employees (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Good overall service (7)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Store can easily be reached (8)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q26 Do you agree with the following statement:

This image represents Nespresso's online store.

- Strongly disagree (4)
- Disagree (5)
- Somewhat disagree (6)
- Neither agree nor disagree (7)
- Somewhat agree (8)
- Agree (9)
- Strongly agree (10)

End of Block: Block 6

Start of Block: Block 7

Q27 Please indicate to which extent do you agree or disagree with the following statements regarding Nespresso, in terms of Loyalty:

Q28 I regularly visit this store.

- Strongly disagree (1)
 - Disagree (2)
 - Somewhat disagree (3)
 - Neither agree nor disagree (4)
 - Somewhat agree (5)
 - Agree (6)
 - Strongly agree (7)
-

Q29 I intend to visit this store again.

- Strongly disagree (1)
 - Disagree (2)
 - Somewhat disagree (3)
 - Neither agree nor disagree (4)
 - Somewhat agree (5)
 - Agree (6)
 - Strongly agree (7)
-

Q30 I usually use this store as my first choice compared to others.

- Strongly disagree (1)
 - Disagree (2)
 - Somewhat disagree (3)
 - Neither agree nor disagree (4)
 - Somewhat agree (5)
 - Agree (6)
 - Strongly agree (7)
-

Q31 I am satisfied with the visit to this store.

- Strongly disagree (1)
 - Disagree (2)
 - Somewhat disagree (3)
 - Neither agree nor disagree (4)
 - Somewhat agree (5)
 - Agree (6)
 - Strongly agree (7)
-

Q32 I would recommend this store to others.

- Strongly disagree (1)
 - Disagree (2)
 - Somewhat disagree (3)
 - Neither agree nor disagree (4)
 - Somewhat agree (5)
 - Agree (6)
 - Strongly agree (7)
-

Q33 I would not switch to another store the next time.

- Strongly disagree (1)
- Disagree (2)
- Somewhat disagree (3)
- Neither agree nor disagree (4)
- Somewhat agree (5)
- Agree (6)
- Strongly agree (7)

End of Block: Block 7

Start of Block: Block 8

Q34 In this section, please answer a few questions about yourself.

Q35 What is your gender?

- Male (1)
 - Female (2)
-

Q36 What is your age?

- Under 18 (1)
 - 18 - 24 (2)
 - 25 - 34 (3)
 - 35 - 44 (4)
 - 45 - 54 (5)
 - 55 - 64 (6)
 - 65 or more (7)
-



Q37 What is your nationality?

▼ Afghanistan (1) ... Zimbabwe (1357)

Q38 What is the highest level of education you have completed?

- Elementary School (1)
 - High School (2)
 - Bachelor's Degree (3)
 - Master's Degree (4)
 - Doctorate (5)
-

Q39 What is your monthly income?

- Less than 500€ (1)
- 500€ - 999€ (2)
- 1000€ - 1499€ (3)
- 1500€ - 1999€ (4)
- 2000€ - 2499€ (5)
- 2500€ or more (6)

End of Block: Block 8

Appendix 3: Constructs used on the questionnaire

Construct	Literature for Scale Items	Number of items
Brand Image	Hsieh & Li, 2008	3
Store Image	Baker, 1994	4
	Baker et al., 1998	3
	Bloemer & Odekerken-Schroder, 2002	3
	Semeihn et al., 2004	11
Loyalty	Kim & Kim, 2005	6

Appendix 4: Descriptive Statistics – Independent T-tests for Online and Offline Retailing

Independent Variable	Retailing	N	Mean	Std. Deviation	Std. Error Mean	Sig (2-tailed)
Average coffees per day	Online	96	2,34	1,003	0,102	0,031
	Offline	104	2,69	1,247	0,122	
Preference regarding coffee brands	Online	96	1,22	0,416	0,042	0,718
	Offline	104	1,24	0,429	0,042	
Preferred coffee brand	Online	96	4,05	3,246	0,375	0,799

	Offline	104	3,92	3,037	0,342	
Owning a coffee machine	Online	96	1,09	0,293	0,030	0,672
	Offline	104	1,08	0,268	0,026	
Likelihood buy coffee online	Online	96	4,21	2,036	0,208	0,789
	Offline	104	4,28	1,686	0,165	
Prefer buying coffee at a physical store rather than online	Online	96	5,11	1,628	0,166	0,032
	Offline	104	4,63	1,584	0,155	
Visit Nespresso's stores	Online	96	1,24	0,429	0,044	0,758
	Offline	104	1,22	0,417	0,041	
Previously bought coffee or Nespresso's products	Online	96	1,29	0,457	0,047	0,614
	Offline	104	1,26	0,441	0,043	

Appendix 5: Descriptive Statistics – Independent T-tests for Nespresso and Other Brands

Independent Variable	Brand Preference	N	Mean	Std. Deviation	Std. Error Mean	Sig (2-tailed)
Average coffees per day	Nespresso	50	2,40	1,050	0,148	0,375
	Other Brands	150	2,57	1,178	0,096	
Preference regarding coffee brands	Nespresso	50	1,00	0,000	0,000	0,000
	Other Brands	150	1,31	0,463	0,038	
Owning a coffee machine	Nespresso	50	1,02	0,141	0,020	0,057
	Other Brands	150	1,11	0,310	0,025	
Likelihood buy coffee online	Nespresso	50	4,80	1,666	0,236	0,014
	Other Brands	150	4,06	1,887	0,154	
Prefer buying coffee at a physical store rather than online	Nespresso	50	4,40	1,498	0,212	0,020
	Other Brands	150	5,01	1,634	0,133	
Visit Nespresso's stores	Nespresso	50	1,10	0,303	0,043	0,012

	Other Brands	150	1,27	0,447	0,037	
Previously bought coffee	Nespresso	50	1,08	0,274	0,039	0,000
or Nespresso's products	Other Brands	150	1,34	0,475	0,039	

Appendix 6: Descriptive Statistics – Independent T-tests for Online and Offline Retailing for Socio-demographic factors

Independent Variable	Retailing	N	Mean	Std. Deviation	Std. Error Mean	Sig (2-tailed)
Age	Online	96	3,65	1,256	0,128	0,319
	Offline	104	3,47	1,214	0,119	
Level of Education	Online	96	3,38	0,811	0,083	0,747
	Offline	104	3,41	0,866	0,085	
Monthly Income	Online	96	3,36	1,516	0,155	0,388
	Offline	104	3,18	1,460	0,143	

Appendix 7: Descriptive Statistics – Independent T-tests for Nespresso and Other Brands for Socio-demographic factors

Independent Variable	Retailing	N	Mean	Std. Deviation	Std. Error Mean	Sig (2-tailed)
Age	Nespresso	50	3,22	1,166	0,165	0,026
	Other Brands	150	3,67	1,241	0,101	
Level of Education	Nespresso	50	3,28	0,757	0,107	0,264
	Other Brands	150	3,43	0,862	0,070	
Monthly Income	Nespresso	50	2,94	1,268	0,179	0,070
	Other Brands	150	3,38	1,540	0,126	

Appendix 8: Descriptive Statistics – Independent T-tests Loyalty drivers

Independent Variables	Beta	p-values	R ²	F	Sig
Average coffees per day	-0,139	0,087			
Preference regarding coffee brand	-0,157	0,468			
Owning a coffee machine	-0,065	0,843			
Usually shop online	0,103	0,615			
Main internet usage device	-0,137	0,160			
Likelihood to buy coffee online	0,176	0,002			
Preference for buying coffee at a physical store rather than online	0,075	0,252	0,337	7,919	0,000
Visit Nespresso's stores	-0,727	0,002			
Previously bought coffee or Nespresso's products	-1,214	0,000			
Age	0,171	0,045			
Level of Education	-0,230	0,045			
Monthly Income	-0,088	0,222			

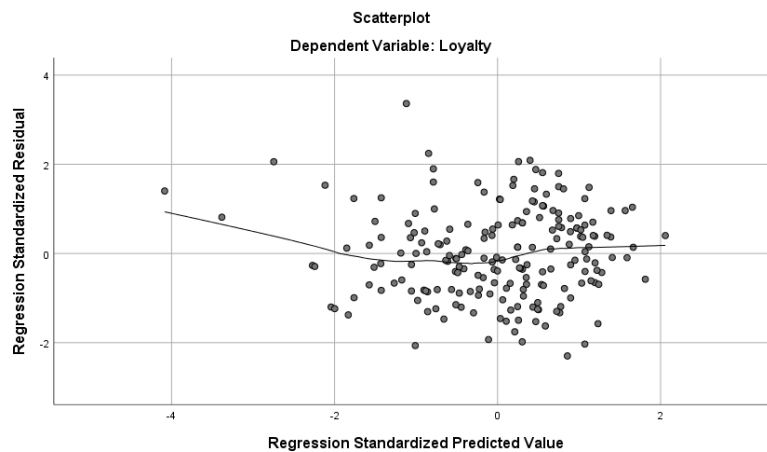
Appendix 9: Exploratory Factor Analysis

Composite Variables	KMO	Bartlett's Test of Sphericity (Sig)	Total Variance Explained (%)
Loyalty	0.855	0.000	67,905
Brand Image	0.685	0.000	70,667
Store Image Offline	0.888	0.000	72,291
Store Image Online	0.900	0.000	74,896

Appendix 10: Normality Test

Variable	Kolmogorov-Smirnov			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Loyalty	0,090	200	0,000	0,976	200	0,002
Brand Image	0,177	200	0,000	0,928	200	0,000
Store Image	0,080	200	0,003	0,929	200	0,000
Retailing	0,351	200	0,000	0,636	200	0,000

Appendix 11: Linearity of Residuals



Appendix 12: Independence of Observations

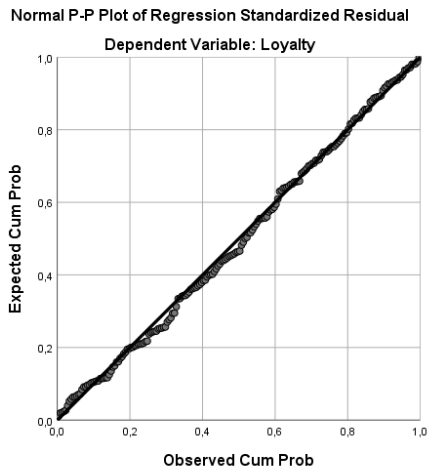
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,645 ^a	,416	,408	1,124	2,130

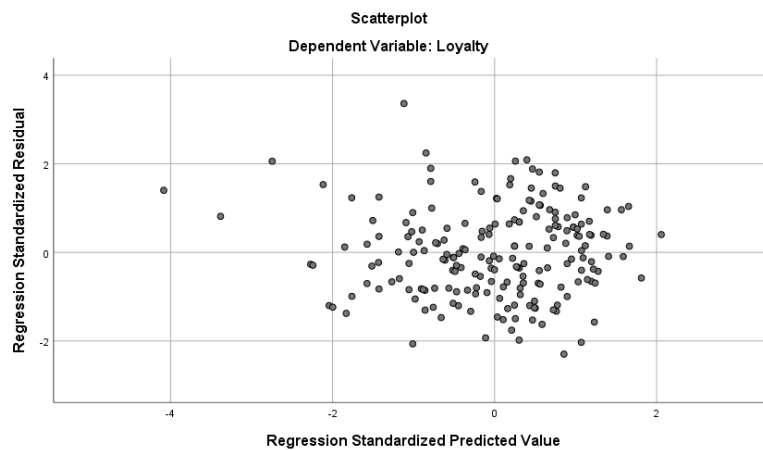
a. Predictors: (Constant), Retailing, Brand Image, Store Image

b. Dependent Variable: Loyalty

Appendix 13: Normal Distribution of Residuals



Appendix 14: Homoscedascity of Residuals (or equal variance along the line)



Appendix 15: Pearson Correlation Test

		Loyalty	Brand Image	Store Image	Retailing
Loyalty	Pearson Correlation	1	0,574	0,473	0,064
	Sig. (2-tailed)	-	0,000	0,000	0,185
	N	200	200	200	200
	Pearson Correlation	0,574	1	0,379	0,049

Brand Image	Sig. (2-tailed)	0,000	-	0,000	0,247
	N	200	200	200	200
Store Image	Pearson Correlation	0,473	0,379	1	-0,202
	Sig. (2-tailed)	0,000	0,000	-	0,002
	N	200	200	200	200

Appendix 16: Multicollinearity Test

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics		
		B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF	
1	(Constant)	-1,766	,521		-3,388	,001						
	Brand Image	,631	,084	,445	7,475	,000	,574	,471	,408	,840	1,190	
	Store Image	,464	,086	,326	5,371	,000	,473	,358	,293	,808	1,238	
	Retailing	,315	,164	,108	1,919	,056	,064	,136	,105	,941	1,063	

a. Dependent Variable: Loyalty

Appendix 17: Manipulation Check – Online Store stimuli

Independent Variables	Beta	t	R ²	F	Sig
Representation of Online Store	0,273	3,341	0,106	11,164	0,001

Appendix 18: Manipulation Check – Offline Store stimuli

Independent Variables	Beta	t	R ²	F	Sig
-----------------------	------	---	----------------	---	-----

Representation of Offline Store	0,089	1,476	0,021	2,178	0,014
---------------------------------	-------	-------	-------	-------	--------------

Appendix 19: Hypothesis 1a – Retailing positively impacts Loyalty

Independent Variable	Beta	t	R ²	F	Sig
Retailing	0,186	0,898	0,004	0,806	0,371

Appendix 20: Hypothesis 1b – Online and Offline Retailing equally impact Loyalty

Dependent Variable	Independent Variable	N	Mean	Std. Deviation	Std. Error Mean	Sig (2-tailed)
Loyalty	Retailing Online	96	4,37	1,521	0,155	0,371
	Retailing Offline	104	4,19	1,404	0,138	

Appendix 21: Hypothesis 2 – Retailing positively impacts Brand Image

Independent Variable	Beta	t	R ²	F	Sig
Retailing	0,100	0,684	0,004	0,468	0,495

Dependent Variable	Independent Variable	N	Mean	Std. Deviation	Std. Error Mean	Sig (2-tailed)

Brand Image	Retailing	96	5,55	1,072	0,109	0,495
	Online					
	Retailing	104	5,45	0,993	0,097	
	Offline					

Appendix 22: Hypothesis 3 – Brand Image positively impacts Store Image

Independent Variable	Beta	t	R ²	F	Sig
Brand Image	0,378	5,763	0,144	33,207	0,000

Independent Variables	Beta	p-values	R ²	F	Sig
Brand Image					
Practical Function	0,143	0,037			
Positive Symbolic Meaning	0,054	0,452	0,149	11,405	0,000
Relate to a Pleasant Experience	0,192	0,017			

Appendix 23: Hypothesis 4 – Brand Image positively impacts Loyalty

Independent Variables	Beta	p-values	R ²	F	Sig
Brand Image					
Practical Function	0,361	0,000			
Positive Symbolic Meaning	0,219	0,016	0,334	32,692	0,000
Relate to a Pleasant Experience	0,247	0,015			

Appendix 24: Hypothesis 5 – Retailing positively impacts Store Image

Independent Variable	Beta	t	R ²	F	Sig
Retailing	-0,414	-2,202	0,041	8,438	0,004

Dependent Variable	Independent Variable	N	Mean	Std. Deviation	Std. Error Mean	Sig (2-tailed)
Store Image	Retailing	96	5,001	1,1404	0,1164	0,005
	Online					
	Retailing	104	5,415	0,8673	0,0850	
	Offline					

Appendix 25: Hypothesis 6 – Store Image positively impacts Loyalty

Independent Variable	Beta	t	R ²	F	Sig
Store Image	0,673	7,552	0,224	57,038	0,000

Independent Variable	Beta	t	R ²	F	Sig
Store Image Online	0,581	4,684	0,189	21,944	0,000

Independent Variable	Beta	t	R ²	F	Sig
Store Image Offline	0,947	7,289	0,342	53,125	0,000

Appendix 26: PROCESS Model 6 Matrix

Run MATRIX procedure:

***** PROCESS Procedure for SPSS Version 3.5 *****

Written by Andrew F. Hayes, Ph.D. www.afhayes.com
 Documentation available in Hayes (2018). www.guilford.com/p/hayes3

Model : 6
Y : Lotalty
X : Retail
M1 : BrandIma
M2 : StoreIma

Sample
Size: 200

OUTCOME VARIABLE:
BrandIma

Model Summary

	R	R-sq	MSE	F	df1	df2
p	,0486	,0024	1,0637	,4683	1,0000	198,0000
	,4946					

Model

	coeff	se	t	p	LLCI	ULCI
constant	5,3488	,2280	23,4581	,0000	4,8992	5,7985
Retail	,0999	,1460	,6843	,4946	-,1880	,3878

Standardized coefficients

	coeff
Retail	,0970

OUTCOME VARIABLE:
StoreIma

Model Summary

	R	R-sq	MSE	F	df1	df2
p	,4386	,1924	,8592	23,4653	2,0000	197,0000
	,0000					

Model

	coeff	se	t	p	LLCI	ULCI
constant	3,7525	,3984	9,4193	,0000	2,9669	4,5382
Retail	-,4530	,1313	-3,4491	,0007	-,7121	-,1940
BrandIma	,3883	,0639	6,0795	,0000	,2623	,5143

Standardized coefficients

	coeff
Retail	-,4414
BrandIma	,3897

Test(s) of X by M interaction:

	F	df1	df2	p
M1*X	2,3129	1,0000	196,0000	,1299

OUTCOME VARIABLE:
Lotalty

Model Summary

	R	R-sq	MSE	F	df1	df2
p	,6453	,4165	1,2640	46,6262	3,0000	196,0000
	,0000					

Model

	coeff	se	t	p	LLCI	ULCI
constant	-2,0808	,5819	-3,5757	,0004	-3,2284	-,9331
Retail	,3148	,1641	1,9192	,0564	-,0087	,6384
BrandIma	,6311	,0844	7,4752	,0000	,4646	,7976
StoreIma	,4641	,0864	5,3705	,0000	,2937	,6345

Standardized coefficients

	coeff
Retail	,2156
BrandIma	,4450
StoreIma	,3261

Test(s) of X by M interaction:

	F	df1	df2	p
M1*X	2,1763	1,0000	195,0000	,1418
M2*X	,6491	1,0000	195,0000	,4214

***** TOTAL EFFECT MODEL *****

OUTCOME VARIABLE:

 Lotalty

Model Summary

	R	R-sq	MSE	F	df1	df2
p	,0637	,0041	2,1355	,8055	1,0000	198,0000
	,3705					

Model

	coeff	se	t	p	LLCI	ULCI
constant	4,0003	,3231	12,3818	,0000	3,3632	4,6374
Retail	,1856	,2068	,8975	,3705	-,2222	,5935

Standardized coefficients

	coeff
Retail	,1271

***** TOTAL, DIRECT, AND INDIRECT EFFECTS OF X ON Y *****

Total effect of X on Y

	Effect	se	t	p	LLCI	ULCI
c_ps	,1856	,2068	,8975	,3705	-,2222	,5935
	,1271					

Direct effect of X on Y

	Effect	se	t	p	LLCI	ULCI
c'_ps	,3148	,1641	1,9192	,0564	-,0087	,6384
	,2156					

Indirect effect(s) of X on Y:

	Effect	BootSE	BootLLCI	BootULCI
TOTAL	-,1292	,1456	-,4312	,1411
Ind1	,0630	,0927	-,1247	,2460
Ind2	-,2103	,0766	-,3863	-,0840

```

Ind3      ,0180      ,0310      -,0399      ,0873
(C1)      ,2733      ,1150      ,0434      ,5024
(C2)      ,0450      ,0690      -,0885      ,1954
(C3)      -,2283      ,0840      -,4184      -,0886

```

Partially standardized indirect effect(s) of X on Y:

```

          Effect      BootSE      BootLLCI      BootULCI
TOTAL     -,0885      ,1003      -,2951      ,0970
Ind1      ,0432      ,0633      -,0850      ,1672
Ind2     -,1439      ,0533      -,2663      -,0577
Ind3      ,0123      ,0213      -,0275      ,0594
(C1)      ,1871      ,0789      ,0296      ,3432
(C2)      ,0308      ,0471      -,0613      ,1334
(C3)     -,1563      ,0583      -,2895      -,0603

```

Specific indirect effect contrast definition(s):

```

(C1)      Ind1      minus      Ind2
(C2)      Ind1      minus      Ind3
(C3)      Ind2      minus      Ind3

```

Indirect effect key:

```

Ind1 Retail      ->      BrandIma      ->      Lotalty
Ind2 Retail      ->      StoreIma      ->      Lotalty
Ind3 Retail      ->      BrandIma      ->      StoreIma      ->      Lotalty

```

***** ANALYSIS NOTES AND ERRORS *****

Level of confidence for all confidence intervals in output:
95,0000

Number of bootstrap samples for percentile bootstrap confidence intervals:
5000

NOTE: Standardized coefficients for dichotomous or multicategorical X are in
partially standardized form.

----- END MATRIX -----

Appendix 27: Statistical Model effects

Path	Coefficient	df	t-value	p-value	R ²	F
a1	0,0999	1,198	0,6843	0,4946	0,0024	0,4683
a2	-0,4530	2,197	-3,4491	0,0007	0,1924	23,4653
d21	0,3883	2,197	6,0795	0,0000	0,1924	23,4653
c'	0,3148	3,196	1,9192	0,0564	0,4165	46,6262
b1	0,6311	3,196	7,4752	0,0000	0,4165	46,6262

b2	0,4641	3,196	5,3705	0,0000	0,4165	46,6262
c	0,1856	1,198	0,8975	0,3705	0,0041	0,8055

Appendix 28: Statistical Model – Indirect effects of Retailing on Loyalty

Path	Effect	Boot LLCI	Boot ULCI
Total	-0,1292	-0,4312	0,1411
a1b1	0,0630	-0,1247	0,2460
a2b2	-0,2103	-0,3863	-0,0840
a1d21b2	0,0180	-0,0399	0,0873
C1	0,2733	0,0434	0,5024
C2	0,0450	-0,0885	0,1954
C3	-0,2283	-0,4184	-0,0886