How close are your customers'?

A quantitative study on consumers psychological distance and its implications for retailers online strategy

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Abstract

E-commerce is constantly expanding and evolving, and the retail landscape is currently facing major challenges. Younger generations that have grown up in a digital era are more comfortable navigating the online environment, and they are increasingly constituting a more significant part of the market. This puts pressure on both multichannel and pure e-commerce retailers to craft online strategies that are based on an accurate understanding of their customer's characteristics. Past research suggests that psychological distance can strongly influence consumers' attitudes and behaviors in the online retail setting. Through a quantitative experimental study, this study suggests that retailers' channel strategy, consumers' level of perceived internet confidence, and internet behaviors all affect their psychological distance. In turn, psychological distance positively affects customer attitudes, such as purchase intention. Thus, the present study shows that it is essential for retailers to cause lower psychological distance online to capture the positive benefits it generates.

Acknowledgements

1. Introduction

The subsequent sections depict the background that forms the basis for the choice of the subject area. In connection to this, the problem area is presented to define why the chosen subject is applicable. After that, the research gap and the purpose of the study are presented. Finally, the scope and delimitation are outlined, followed by the disposition of the research.

1.1 Background

One of the most critical changes that will have a long-term effect on the retail industry is the ongoing demographic shift in society and the progression of e-commerce. Currently, there exists a clear generational gap in both digitalization and online behaviors. In 2025, 44 % of the Swedish population will consist of so-called digital natives (Arnberg, Bergh, Nevander & Svensson, 2018). These people have grown up in a digital era and have expectations of the retailing industry that is set accordingly. These consumers have characteristics that will have significant effects on what the retail industry must deliver to meet demands– both in terms of their offerings and their business models.

In Sweden, 94 % of the growth in the non-grocery retail sector derives from e-commerce. Approximately every tenth store in non-grocery retail was forced to close from 2011 - to 2017, while the number of e-commerce companies has almost doubled (Arnberg et al., 2018). These numbers indicate a clear shift in the market space, partly explained by consumers increasingly becoming more comfortable using the internet as a medium for shopping. As of now, 95 % of Sweden's population uses the internet, and nine of every ten people have shopped online (Svenskarna och internet, 2021). However, multichannel retailers have several advantages over pure e-commerce retailers. Since they have more channels to distribute their products and services to customers, they tend to generate higher revenues thanks to cross-shoppers behaviors (Hahn & Kim, 2008). Consumers have also been shown to be willing to pay a higher price at retailers with multiple sales channels compared to pure e-commerce retailers (Chatterjee & Kumar, 2107). Furthermore, one of the multichannel retailers' most significant advantages is the increased level of trust experienced by consumers. Correspondingly, the lack of consumer trust associated with pure online retailers represents one of their biggest challenges in attracting customers (Darke, Brady, Benedicktus & Wilson, 2016).

Even though multichannel retailers can use their established physical stores to create value, it comes with a cost. As aforementioned, e-commerce is growing rapidly, and for a growing number of retail markets, the competitive landscape has moved from being predominantly physical to one that continuously includes e-commerce. This has heavily affected the price levels since consumers can compare prices and attributes between retailers easier than ever before (Ancarani & Shankar, 2004). Furthermore, operating a physical store network is associated with high costs for items such as rent and personnel. In contrast, pure e-commerce retailers own fewer fixed assets, which means they can often take lower prices.

Another worrying aspect for multichannel retailers is an omnichannel trend that places a high demand on retailers to provide a seamless experience across all their channels (Verhoef, Kannan & Imman, 2015). Further, a fully integrated experience requires that prices are identical in all channels, which complicates things for multichannel retailers already being pressured by e-commerce (Cao & Li, 2015). Thus, omnichannel retailers are forced to push down prices online to stay competitive with e-commerce retailers while simultaneously having to depress prices in their physical stores to deliver a seamless customer experience. Indeed, this puts even more pressure on retailers which might already have narrow margins.

Construal level theory accounts for how individuals' psychological distance influences their thoughts and behaviors (Trope, Liberman & Wakslak, 2007). When individuals can think of something in terms of details and contextualized features, they are said to have low psychological distance. Whereas if individuals think of something in a high-level and abstract way, they have a high psychological distance (Trope et al., 2008). Research has shown that different dimensions of psychological distance affect mental construals and that these, in turn, affect prediction, evaluation, and behaviors such as trust and purchase intentions. Thus, making it a highly relevant theory for investigating consumer behavior (Darke et al., 2016).

1.2 Problem statement

In an ever-changing and turbulent market, understanding the underlying process of consumers is more important than ever, regardless of retailer type. Pure e-commerce retailers must understand how to increase consumers' trust to break current barriers and keep expanding. On the other hand, multichannel retailers must find strategies to increase the strength of their offers or alternatively change their business models to stay competitive.

Indeed, entirely competing with virtual counterparts by price matching or discounts is not a suitable long-term strategy because of the different cost structures related to physical stores (So, King, Sparks & Wang, 2016).

Previous research measuring the relationship between consumers' internet behaviors and psychological distance has focused on consumers' perceived safety online. Questions such as "I am comfortable providing my credit card number on the Internet" and similar have been used to measure internet confidence (Darke et al., 2016). However, as the market keeps evolving, there is reason to believe that these types of questions are not as relevant today as they have been due to new innovations being introduced to the online shopping landscape. Thanks to companies such as Klarna and Qliro, online shoppers do not have to disclose their credit card information when shopping online. They also provide buyers protection for all purchases being made through their payment systems (Klarna, 2022; Qliro, 2022). Today, multiple similar payment services exist, and they are becoming widely used across retail industries. Hence, it is reasonable to believe that consumers' attitudes towards online credit card information have transformed, at least in some consumer segments that spend much time online. Therefore, there is a need to understand how the relationship between consumers' psychological distance and internet behaviors would be affected by examining questions that better match the current retail landscape. Specifically, It would be of extra interest to see how psychological distance is affected by usage behavior and time spent online, given that younger generations are characterized by spending more time online (Svenskarna och Internet, 2021). Indeed, it will become increasingly important for retailers to reach this generation as their purchasing power continues to grow in the years to come.

While past research on consumers' psychological distance has focused on physical goods, retailers providing services lack the knowledge to what extent that research applies to their offers. Services are unique, and four characteristics separate them from goods: intangibility, variability, inseparability, and perishability. This means that they can not be touched or seen in the same manner as goods can be sensed. Instead, they are experienced, and consumers' judgments tend to be more subjective than objective. As services cannot be examined before purchase, retailers must communicate their offers differently from physical goods (Hoffman & Bateson, 1997). Because of this, there is reason to believe that consumers' perceived psychological distance could be affected in the context of intangible services rather than physical products.

1.3 Research gap

Several studies have examined the effects of psychological distance on consumers' attitudes, evaluations, and purchase intentions towards tangible products, such as electronic goods (Edwards et al., 2009; Darke et al., 2016). However, to the authors' knowledge, no previous research has been done to investigate the relationship on intangible services. Neither has any research examined how consumers' internet behaviors affect their perceived psychological distance towards retailers. Further, few studies on psychological distance have focused on the current online landscape and consumers' recent updated attitudes and evaluations.

1.4 Purpose

The purpose of the present study is to examine what effects retailers' channel strategy and consumer characteristics have on psychological distance in the context of selling selling intangible services. Together with applicable theories in consumer behavior and consumer psychology, the study aims to examine, analyze, and describe these effects on unknown brands. More specifically, consumers' perceived internet confidence and internet behaviors' effect on psychological distance will be examined. In extension to this, the study will observe how these variables affect other consumers' attitudes like willingness to pay, evaluations, emotions, trust, and purchase intentions.

The main contribution of this thesis is adding a more profound understanding of psychological distance and its effects on consumer attitudes in an online setting. Practitioners would benefit from a greater understanding of the underlying processes that eventually affect consumers' choices, especially considering the ongoing disruption of the retail landscape. Further, the present research aims to broaden the understanding of psychological distance by applying the theory on intangible services. Also, by looking deeper into internet-related consumer characteristics, this research aims to understand how these affect consumers' psychological distance. Indeed, as the younger generations are characterized by spending more time online, it will be essential to understand these segments as they will inevitably become an increasingly bigger part of the market. Thus, providing motivating insights for practitioners and researchers who want to predict future trends better.

1.5 Scope and Delimitations

In the present study, several delimitations have been made that should be considered when reading the results and discussion. First, the study is conducted within the Swedish telecom industry since they provide a service used by a considerable part of the population. The number of mobile subscriptions comprising both calls and internet, which most often is used in smartphones, amounts to 11,6 million (PTS, 2020). Further, after conducting a desktop study, it could be concluded that there exists a large price discrepancy between retailers operating multiple channels or solely through e-commerce (Appendix A). This makes the market especially interesting and relevant to examine, given some of the problems previously mentioned.

Secondly, respondents were only exposed to pictures of either a product page and a picture of a physical store or an e-commerce landing page and product page. Indeed, participants could not navigate the fictitious website. Therefore, we can not draw any conclusions about how consumers' ability to navigate the fictitious website would have affected the manipulations. Still, we can, however, effectively control and measure respondents' reactions to the manipulations. Further, the e-commerce medium was considered the sales channel, whereas the presence of physical stores was only a means to measure psychological distance.

1.6 Disposition

In subsequent sections, relevant literature is revised, and the theoretical framework of the hypothesis is presented. After that, the methodological procedures are demonstrated before presenting the report's findings. Conclusively, the theoretical framework in conjunction with the research results is discussed, including our contributions, managerial implications, limitations, and suggestions for further research.

1.7 Definitions

Retailer: A company selling goods or services to private consumers.

E-commerce: Retailers who only own e-commerce channels and do not operate physical stores. The only sales channel is thus the online medium.

Multi-channel retailer: Retailers who operate physical stores and e-commerce. Both channels can thus be used for sales.

Unknown brand: Refers to a brand with which consumers have no prior knowledge or experience.

Willingness to pay: The maximum price at or below a consumer is willing to pay for a product or service, in this thesis represented by an amount in SEK.

Purchase intention: An individual's intention to purchase a product from a specific retailer.

Digital native: An individual that was brought up during the age of digital technology and has had access to the internet from an early age.

2. Theoretical framework

This section presents theories and previous research done relevant to the subject area. These lead to the present study´s Hypothesis and the conceptual framework that illustrates the intended outcome of the research.

2.1 Construal level theory & psychological distance

Construal level theory (CLT) can be used to explain how psychological distance affects individuals' thoughts and behaviors. According to CLT, the level of psychological distance an individual feels to a situation or object results from how concrete or abstract that individual can think of that given object. Individuals mentally construe events or objects that are psychologically near low-level, detailed, and with contextualized features. Events or objects that are more psychologically distant are instead being construed on more high-level and abstract characteristics. When an event or an object is a part of an individual's direct experience, no further information is required in order for that individual to process the impressions concretely. However, when an individual lacks information or knowledge about an object distant from oneself, the psychological formation of that event becomes abstract and schematic. Indeed, psychological distance is evaluated by distance and mental representation along with four different aspects: time, space, social distance, and hypothetically. These aspects subsequently affect individuals' behavior, evaluation, and predictions (Trope, Liberman & Wakslak, 2007).

The aspects of time represent the extent to which an event is expected to occur in the near or distant future. Events near in time are mentally represented as more concrete and distinct, whereas events far away in time become more abstract and less structured. Spatially distant events are construed as more generic and abstract, and spatially near events become more concrete and clear. Social distance refers to how similar an individual feels to someone else. Indeed, the more similar one individual feels to someone else, the more psychologically close that person will seem to be. Further, the probability is connected to how likely something is to occur. An event that is very likely to occur will feel more concrete and more accessible to grasp than an event with less probability of ever taking place (Trope et al., 2007).

Additionally, CLT is closely connected to the concept of psychological distance since it is used to explain what it is and why individuals experience it (Darke et al., 2016). In the context of unfamiliar retailers, part of the distrust felt by consumers can be explained by psychological distance. This distrust increases when the retailer operates purely through e-commerce or is located far away, stemming from perceptions of the perceived psychological distance (Darke et al., 2016).

2.2 Intangibility of services

As stated, services can be characterized by four different aspects, namely: intangibility, variability, inseparability, and perishability. Of these, intangibility is often named the most important characteristic in explaining consumer behavior (Brady, Bourdeau, and Heskel, 2005). Tangible products differ in that they can usually, to some degree, be directly experienced, seen, touched, smelled, tasted as well as tested (Levitt, 1981). Intangible services, however, have fewer cues for consumers to evaluate than compared with physical goods, which significantly increases the perceived risk of purchasing services (Murray & Schlacter, 1990).

Due to the intangibility of services, they are also often more difficult to display or communicate to consumers than physical goods are. Further, since they can not be examined before purchase, the evaluations tend to be more subjective (Hoffman et al., 1997). Previous research has also shown that branding is more important for services than physical goods and that there exists a direct relationship between the level of intangibility of services and the importance of branding (Brady et al., 2005).

Moreover, when consumers' feelings towards something are less concrete, less reel, and more abstract, they perceive it as more physiological distant. Such abstract events introduce more ambiguity and risk and, therefore, may induce lower levels of trust compared to situations marked by less psychological distance (Brady et al., 2005; Darke et al., 2016). Based on this, it becomes reasonable to believe that the intangibility of services could have an effect on consumers' psychological distance compared to physical products.

2.3 Channel Strategy

Retailers with physical stores can help reduce the perceived psychological distance relative to a pure e-commerce retailer, leading to positive outcomes for that retail brand (Darke et al., 2016). The pure e-commerce environment eliminates many of the cues that customers otherwise use to assess the trustworthiness of the retailer (Benedicktus et al., 2010). This relationship holds regardless of how far away the physical store is located due to the "mere presence effect," which can be explained by the spatial aspect of CLT. The pure knowledge of a physical store helps customers think of the retailer more concretely, which affects their evaluations (Darke et al., 2016). Thus, a retailer with an extensive store network and a retailer that operates purely through e-commerce differ in terms of tangibility for consumers.

As previously mentioned, to the best of the author's knowledge, these relationships have only been tested in the context of physical products. It could be possible that even in an online setting, the physical product in mind acts as a tangible clue that the consumer can mentally construe easier. Also, once a consumer receives a product, they would be able to evaluate it in a rather objective manner which lowers the need for trust in the online retailer. Therefore, it becomes interesting to enhance the knowledge about consumers' psychological distance by examining this relationship with an intangible service. Thereby investigating if the same relationships for physical products towards retailers can be found in intangible products and if the increased risk associated with purchasing services has any noticeable effects. Based on this, the following hypothesis is developed:

1a. A retailer with both an established store network and e-commerce will be perceived as psychologically closer relative to a brand with only e-commerce

2.4 Perceived internet confidence and internet behavior

In the early days of the internet when consumers were introduced to online shopping for the first time, many were skeptical about using it to purchase goods or services since they were not sure of their ability to shop for products online. However, once consumers' perceived behavioral control in the online environment increased, their perceived internet confidence increased, positively affecting their trust in the medium (Hahn & Kim, 2008). The level of psychological distance decreases once an individual can conceptualize a concept in a more

detailed and concrete way (Trope et al., 2007; Darke et al., 2016). It can thus be assumed that once a consumer's internet experience increases, they can think of the online retailer in a more concrete and detailed way, which then lowers the psychological distance, which in turn affects their trust.

Consumers with prior internet experience have been shown to have higher information search and purchase intentions online than those with no prior internet experience (Worthy et al., 2004). Further, prior online purchase experience is positively related to the customer's online purchase intention (Ling, 2010). In addition, research shows that perception of risk and psychological distance are connected (Trope et al., 2007). It can thus be assumed that the decreased level of perceived risk is affected by lower levels of psychological distance.

With this in mind, it becomes relevant to examine the impact of internet habits on consumers' psychological distance. As mentioned, previous research has shown that both consumers' perceived internet confidence and past behaviors affect their trust in online environments. Therefore, it would be interesting to measure these two concepts and examine how they can be explained by psychological distance. Also looking to see if there exist any discrepancies or if they behave the same way. Based on this, the following hypothesis is developed:

1b. *A consumer with higher (lower) perceived internet confidence would perceive a brand as psychologically closer (distant) relative to a consumer with a lower perceived internet confidence*

1c. *A consumer with higher (lower) levels of internet behavior will perceive a brand as psychologically closer (distant) relative to a consumer with lower (higher) levels of internet behavior*

2.5 Willingness to pay, evaluations, emotions, and trust

Consumers' emotional ties with a brand grow stronger as their experience with them increases (Mustafa & Kasamani, 2019). According to appraisal theory, customers' appraisals of impressions activate sentiments, leading to an emotional response (Roseman, 1991). Indeed, such stimuli can be any interaction a consumer has with a brand (Bagozzi et al., 1999).

Extensive research has been published on the effects known brands have on consumers. Consumers have overall more favorable brand attitudes towards well-known brands (Laroche

et al., 1996), and known brands have also been shown to positively affect the perceived value and willingness to buy (Dodds and Monroe 1985). Further, brand image has a strong effect on purchase decisions (Widyastuti and Said, 2017), and brand familiarity has shown to strongly influence consumer price perceptions (Laroche et al., 1996). Therefore, when consumers are faced with a choice in which familiar brands compete with unknown brands, they are much more likely to choose the familiar brand (Ha, 2004). Moreover, trust strongly influences purchasing decisions for both online and offline retailers. Not only does the perceived risk associated with a purchase decreases if the consumers trust the medium they shop in (Lui et al., 2005), but also the perceptions of favorable and reputable brands have been shown to be directly associated with higher levels of trust (Ha, 2004). Furthermore, increased brand liking has been shown to cause a significant increase in the price consumers are willing to pay (Bowera et al., 2003).

As consumers' experience with a brand grows and their interactions increase, different mental cues form that represents that brand, and they will be able to think of that brand more concretely. Research has shown that psychological distance can affect consumer attitudes and evaluations (Trope et al., 2007; Darke et al., 2016). Because of this, there is reason to assume that many of the positive effects that known brands possess are a result of decreased levels of psychological distance. Based on this, the following hypothesis is developed:

2a: Lower (higher) psychological distance will lead to higher (lower) willingness to pay
2b: Lower (higher) psychological distance creates more positive (negative) evaluations of the offer
2c: Lower (higher) psychological distance creates more positive (negative) emotions
2d: Lower (higher) psychological distance creates higher (lower) trust

2.6 Purchase intentions

Consumers stated purchase intentions are correlated and have been shown to predict future sales. Therefore, it is a measure used by marketing managers and researchers to gain insights into consumers' preferences and future behaviors (Morwitz, 2014).

Consumers have been shown to be willing to pay a higher price for products by a brand they like than for the same product by a brand they do not like as much (Bower et al., 2002). Further, higher levels of trust towards a specific brand have shown to have substantial effects

on purchase intentions (Darke et al., 2016) and repeat purchases for retailers (Baozhou et al., 2016). Research suggests that expected emotional outcomes are a helpful indicator of the decision processes in consumers and that consumers' emotions towards an offer affect their purchasing intentions (Bagozzi et al., 2016).

According to (Trope et al., 2007), psychological distance affects evaluations and behaviors. Therefore, it becomes interesting to see how willingness to pay, evaluations of the offer, emotions, and trust affect purchase intentions due to lower psychological distance. Based on this, the following hypothesis is developed:

3a: Consumers willing to pay a higher (lower) price will have stronger (weaker) purchase intentions
3b: More positive (negative) evaluations of the offer create higher (lower) purchase intentions
3c: More positive (negative) emotions create higher (lower) purchase intentions
3d: Higher (lower) trust creates higher (lower) purchase intentions

2.7 Overview of the framework

Fig. 1 presents a summary of the theoretical model that reflects the relationships between channel strategy and two consumer characteristics, psychological distance, consumer attitudes and evaluations, and purchase intention. Consequently, the theoretical model considers the effect of channel strategy, perceived internet confidence, and behavior on psychological distance. Different levels of psychological distance are assumed to result in different effects on the measurement variables; willingness to pay, evaluations, emotions and trust, which in turn, are supposed to influence consumers' purchase intentions.

Fig 1. Theoretical model.
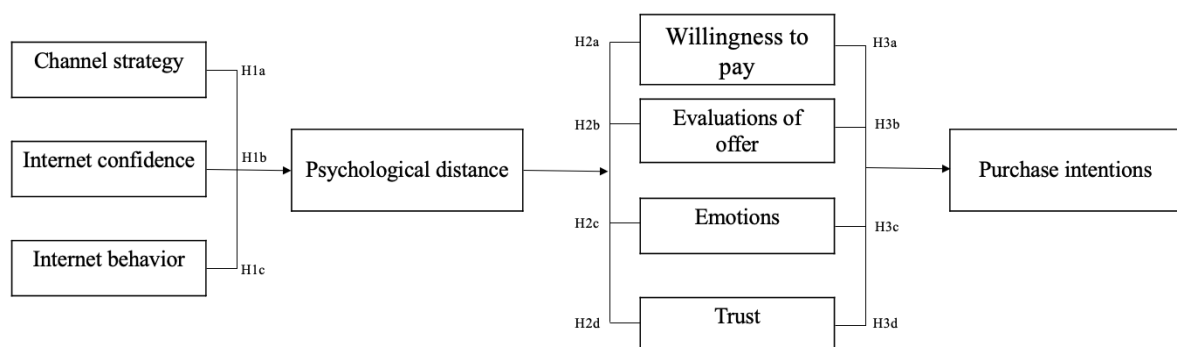
3. Methodology

This section presents the methodological procedures the thesis has been carried out. Initially, we discourse the choice of the subject area, study object, and the approach and design of our study. This is followed by a discussion of the methodological procedures conducted for the pre-study and the main study. Finally, the reliability and validity of the study are evaluated, followed by a description of the statistical analysis used to understand the collected data.

3.1 Choice of subject area

E-commerce rapid growth continues to be strong. Despite the historic growth in 2020 due to the Covid-19 pandemic, the total e-commerce growth went up by 20 percent in 2021 (E-barometern Årsrapport, 2021). This development has caused e-commerce retailing to step into the spotlight and become a requisite for many companies. Indeed, as e-commerce shows no signs of slowing down, it will be increasingly crucial for brands to encompass this strategy in the future. Younger generations, the digitally native and tech-literate generation, will hold the purchasing power of the future. This generation has a different approach to e-commerce and digitation in general, which will indicate a shift in the retail landscape from previous generations. Hence, understanding the view of the future generation will give a glimpse of what the future of retailing will look like. At present, there is much research on willingness to pay, attitudes, trust, purchase intention, and other factors in the context of e-commerce. However, what is motivating to study is whether internet confidence and behavior can affect this. Based on this, it becomes relevant to examine further the impact of psychological distance and its influence on consumer attitudes and whether it can be moderated by perceived internet confidence and behavior.

3.2 Choice of study object

Phone subscriptions were deemed a good product fit for the present study as participants can naturally understand what kind of product it is. Indeed, most individuals, especially digital natives, have owned the product beforehand. Hence, participants can easily familiarize themselves with the described scenario. Indeed, the product is gender-neutral, which means that a larger number of participants can commiserate and respond to the survey. Further, as described in the research gap, this research aims to broaden the understanding of

psychological distance by exploring it in a service context. Therefore, the Telecom industry was found suitable for testing this. Further, as the psychological distance is expected to have the most significant effect on e-commerce and on unknown brands (Darke et al., 2016), the experiment constructs a fictitious e-commerce site. By doing so, the constructs of internet confidence and behavior are predicted to have a more significant impact.

3.3 Research approach

The present thesis aims to study how internet confidence/behavior affects customers' perceived psychological distance and how it differs between online and physical stores, which are addressed in two studies - a quantitative stimuli check prestudy and a main quantitative study. Indeed, the authors pre-tested the stimuli in a separate prestudy. The main study aims to examine the eleven hypotheses. It tests how and if the presence of a physical store network affects consumers' perceived psychological distance given the same intangible product. Other aspects that are measured in connection to this are whether the consumer's habits of perceived internet confidence and behavior work as a moderator and how factors such as willingness to pay, evaluations of the offer, emotions, trust, and purchase intentions are affected. Thus, the main quantitative study aims to answer the main purpose of the study.

Our hypotheses are developed based on existing hypotheses grounded on previous theories and model within the subject, which is then applied in a different context. Therefore, the thesis assumes a deductive research approach. The used theories and models within areas such as channel strategy and psychological distance are further compared to results from collected data. The main quantitative method was chosen as it allows for generalizability through the sample to a population and statistical testing of differences in valuation judgments and relationships (Eliasson, 2018, p.30-31). Thus, the approach is extensive and captures the perceptions of many individuals. However, the detriments of this method are that it can miss unexpected conditions, contextual aspects, and nuances that are simpler to capture in a qualitative research approach (Jacobsen, 2017).

3.4 Experimental research design

As previously mentioned, the research is empirically examining existing theory in a new context. Thus, an experimental method was deemed the best fit for subjecting the hypotheses. Compared to other methodologies, experiments can allow for testing for causal claims in a

rigorous manner (Söderlund, 2018, p.16). However, experimental research methods have been criticized for the influence that experimental settings can have on respondents. For example, participants may be affected by their wish to perform in accordance with expectations (Söderlund, 2010). Indeed, respondents often overestimate socially desirable attitudes and behavior and underestimate less attractive attributes. This phenomenon is known as social desirability bias (Fisher, 1993; Latkin et al., 2017). Social desirability bias can be pervasive, moderate variable relationships, increase measurement errors, and affect variable means (Fisher, 1993). However, this concern is not seen as especially impending for the present thesis as respondents may not be exposed to particular strong social desirability concerning different channel strategies. Indeed, respondents are more likely to give socially desirable answers to questions related to social norms, widely accepted phenomena, and behavior (Grimm, 2010). Further, the authors collected data through a quantitative method that does not require the presence of an interviewer, which according to Grimm (2010), can help avoid the social desirability bias to some extent.

Participants were randomly assigned to a unique combination of factors in a between-participants design. Thus, a randomized allocation of participants to the different experimental groups was conducted. Indeed, this makes it easier to argue that the treatment was the reason for any differences in group reactions (Söderlund, 2018, p.35).

3.5 Prestudy

A separate prestudy of our stimuli was conducted to analyze if the developed stimuli treatment was effective. As advocated by Rungtusanatham et al. (2011), this prestudy aims to ensure that the treatment cues respondents to perceive the desired levels of the variables of importance before using them on a larger sample in our main study. Indeed, it helps to spot any ambiguities or confusion in the information given to participants. Thus, it notices early indications if there is a problem associated with the treatments and avoids inaccurate conclusions as to what is the cause behind why a particular treatment produces a particular effect (Söderlund, 2018, p.87).

3.5.1 Study design

A between-subject design was used to validate our designed treatment conditions. Hence, participants in the sample are exposed to two different treatments, and the goal is to validate the perceived realism and clarity resulting from the treatments.

3.5.2 Treatment development

The study consisted of an introductory text where each of the participants was asked to imagine a situation where they browsed online for a new mobile subscription. After some time of browsing, the focal customer finds an operator and mobile subscription that it proceeds to click on. The participants were further informed that they had previously purchased a mobile phone and were thus now only looking for a subscription. This was done to minimize the risk of any misunderstandings and to make sure the survey actually measured attitudes towards the intangible subscription service and not a physical phone. To emulate the subscriptions of real telecom operators as much as possible and thus increase the perceived reality, information about calls, SMS, MMS, and customer service was added. These attributes were deemed to be in accordance with standard practice in the telecom industry.

One treatment group was presented with a picture of a fictional physical store and a fictional product page representing an overview of the product, whilst the other treatment group was presented with a landing page of a fictional website and the same fictional product page. The purpose of the environmental variable (physical store and landing page) is to reinforce the effect of the manipulations further. Moreover, participants were informed whether the retailer had an established store network or not. Indeed, with the help of an environmental stimulus, the type of retailer was the only variable tempered between the two experimental groups. Thus, everything else in the scenario was kept constant to minimize the impact of confounding variables (Söderlund, 2018, p.61). To ensure a realistic scenario, the physical store, landing page, and product page were acquired from one of Sweden's biggest phone operators. However, all brand-connected features were abolished so that no brand associations were made. The brand name "Telemer" was selected as it keeps the name neutral while indicating that the brand is operating in the Telecom industry. Detailed material on the different treatments can be found in Appendix B.

3.5.3 Data collection and participants

The study was conducted by 90 respondents, of which 47 were females and 41 were males, and 2 others. The gathering of these was done through a convenience sample from the author's personal network at a high school in Stockholm, Södra Latin. Indeed, to avoid bias, the study was carried out on individuals who are as similar as possible to the target population without being part of the final sample in the main study. The ages of the participants ranged from 17 to 19, with no statistically significant differences in age $t(60.61) = 2.02, p =.106$ distribution between the two treatment groups. The survey, which may be found in its fullness in Appendix C, was conducted through a paper questionnaire. Participants were asked to read the text carefully before looking at the environmental stimuli and product page and answer a set of questions batteries.

3.5.4 Measures

When conducting an experiment, it is common practice to assess the perceived realism of the experiment (Rungtusanatham et al., 2011; Söderlund, 2018, p.133). Indeed, it measures to what extent participants found a treatment to be realistic. All participants were asked the following statements "The situation described in the scenario was realistic" and "I would not be surprised if I came across Telemer in real life." Both statements were scored on a unipolar scale ranging from 1 (do not agree at all) to 7 (agree completely). An index was formed of the two items with a Cronbach's alpha of 0.83.

To check the perceived clarity of the experiment and subscription offer, all respondents were asked to answer the following statements: "The situation described was clear" and "Telemers characteristics were clear." Both statements were scored on a unipolar scale ranging from 1 (very unclear) to 7 (very clear). An index was formed of the two items with a Cronbach's alpha of 0.87.

A manipulation check was performed prior to the experiment to minimize the risk of it affecting participants' reactions. Indeed, a manipulation check conducted within the framework of the actual experiment may cause the manipulation check to influence the effect variable (Söderlund, 2018, p.87). Hence, this avoids providing clues that enable participants to guess what the experiment is about. Thus, evading participants to "hypothesis guessing" (Söderlund, 2018, p.131). All participants were given the following question "What kind of

channel strategy did Telemer have?". The item had multiple-choice answers: "An extensive store network and e-commerce," "Pure e-commerce" and "Other."

3.5.5 Results

The perceived realism of the experiment for the hybrid retailer resulted in a mean of 6.28 *(SD = 0,76)*, whereas the perceived realism of the experiment for the pure e-commerce retailer resulted in a mean of 6.37 *(SD = 0,89)*. Combining the results from both scenarios and conducting a one-sample t-test resulted in a mean of 6.32, *t(89) = 32.432, p <.001.* Hence, given that the reported mean are well above mid-scales, participants considered both treatments vis-a-vis retailers to be realistic. An independent sample t-test showed no significant differences between the groups *t(83.08) = -.542, p =.293.* Thus, no significant difference in participants perceived realism of the experiment between the two experimental groups was reported. Therefore, we can conclude that the experiment is equally realistic for both experimental groups.

The perceived clarity of the experiment for the hybrid retailer resulted in a mean of 6.21 *(SD = 0,71)*, whereas the perceived clarity of the experiment for the pure e-commerce retailer resulted in a mean of 6.43 *(SD = 0,66)*. Regarding the perceived clarity of the experiments, combining the results from both scenarios the one-sample t-test showed a mean of 6.32 *t(89) = 38.567, p <.001.* Thus, given that the observed mean are well above mid-scales, participants perceived both treatments vis-a-vis retailer to be clear. An independent sample t-test showed that there was no significant difference between the two scenarios, *t(87.99) = -1.503 p =.109,* indicating that no significant difference between the two experimental groups perceived clarity of the experiment was disclosed. Hence, we can conclude that the experiment is equally clear for both experimental groups.

Regarding the manipulation check, all respondents managed to answer the right channel strategy for the respective treatment. Indeed, 47 respondents were conducted in the hybrid retailer treatment group, where the same number of respondents accurately responded to the hybrid channel strategy. The remaining 43 were exposed to the pure e-commerce retailer and identified the e-commerce channel strategy accurately. Thus, the results indicate that the treatments effectively translated the variables of interest.

3.6 Main study

3.6.1 Study design

A between-subject design was used to validate our designed treatment conditions. Given the result from the prestudy, the same scenarios and manipulation were used for the experiment. Again, we manipulated only one experimental condition - *channel strategy* - to avoid the effect of confounding variables. Hence, participants were either exposed to a retailer with an extensive store network and e-commerce or a retailer with a pure e-commerce channel strategy. This is to be able to compare variances between channel strategies for different measurement items that the study aims to measure.

3.6.2 Procedure

The survey, which may be found in its fullness in Appendix D, was executed through a paper questionnaire. Participants were randomly assigned to one of the two different treatment groups and asked to imagine themselves as a focal customer searching for a phone subscription as described in section "3.6.2." After that, all participants were asked identical questions and question batteries regarding the evaluation of the offer, emotions, trust, willingness to pay, purchase intention, perceived internet confidence, internet behavior, and psychological distance. These were considered relevant for the experiment based on the theory defined in "Construal level theory." Besides, the different measurement items are based on proven question batteries that have been concretized and used in previous research, which ensure reliability (Söderlund, 2018). Furthermore, control questions were asked to strengthen the reliability of the data and ensure that participants accurately understood the scenarios they were put in. At the end of the study, these were included to warrant that the participants perceived manipulations in the anticipated way (Söderlund, 2010).

3.6.3 Data collection and participants

The study was conducted by 160 respondents. The gathering of these was done through a collection at a high school in Uppsala which one of the authors has personal connections with. Thus, the sample is a convenient non-probability sample. All respondents who did not complete the survey or passed the control questions were removed from the database to ensure reliable data. A total of 11 respondents were removed from the database. Hence, the analysis was conducted on 149 respondents, of which 54 were females and 89 males, and six

were other, and whose ages ranged from 17 to 57 with a mean age of 21.02 years *(SD = 8.25)*. The study was designed using Qualtrics and distributed offline in classrooms at Rosendalsgymnasiet high school in Uppsala.

3.6.4 Measures

To measure Hypothesis 1a-c, a question battery from Darke et al (2016) was used to examine psychological distance. With regard to perceived internet confidence and internet behavior, we utilized question batteries from Bart, Shankar, Sultan & Urban (2005) and Lohse, Bellman & Johnson (2000). Lower and higher values of perceived internet confidence were computed into a grouping variable based on the mean. Thus, lower perceived internet confidence was above the mean ($M > 4.2$), and higher perceived internet confidence was below the mean ($M < 4.2$). Further, lower and higher values of the construct internet behavior were also computed into a grouping variable based on the mean. Thus, lower internet behavior was above the mean ($M > 4.09$), and higher internet behavior was below the mean ($M < 4.09$).

To measure Hypothesis 2a-d, a question battery from Darke et al (2016) was used on trust, whereas emotions were measured using a question battery from Söderlund and Oikarinen (2018). For evaluations of the offer, we adopted measures from Heat, DelVecchio & McCarthy (2011). To measure consumers willingness to pay, we used the direct approach as described by Miller, Hofstetter, Krohmer & Zhang (2011). Indeed, asking the respondents directly to state their willingness to pay through an open-ended question. Low and high values of the construct psychological distance were computed into a grouping variable based on the mean. Thus, low psychological distance was above the mean ($M > 3.77$) and high psychological distance was below the mean ($M < 3.77$). Finally, with regard to Hypothesis 3a-d, we turned to Darke et al (2016) to construct measures of purchase intention.

The questions and question batteries were identical for all participants. All measures of the questionnaires are drawn from existing instruments, and most constructs were measured with multi-item question designs using unipolar and bipolar rating scales. Indexes of the different measurements were formed when the Cronbach Alpha coefficient exceeded the standard cut-off level of 0.70 (Appendix D) (Söderlund, 2018, p.136). In the end, manipulation checks were performed to ensure that the collected data were valid.

3.6.5 Table of measures

Factor	Questionnaire item	Source
Emotions	How do you feel now after reading about Telemer's offer? *Negative/positive, Sad/happy, In a bad mood/in a good mood*	(Söderlund & Oikarinen, 2018)
Evaluation of the offer	Based on the situation described, what is your impression of the offer from Telemer? *Bad/good, Dislike/like, Negative impression/positive impression*	(Heat, DelVecchio & McCarthy, 2011)
Trust	I think I can trust Telemer Telemer would keep their promises Telemer stimulate trust	(Darke et al., 2016)
Purchase intention	If I buy a subscription, I will buy it from Telemer … If anyone had asked me, I would have said that it was likely that I will buy the subscription of Telemer ... If I buy a subscription, I will consider buying it from Telemer ...	(Darke et al., 2016)
Internet confidence	When it comes to your general internet skills… How skilled do you consider yourself to be? How knowledgeble do you consider yourself to be? When it comes to your experience / knowledge of online shopping ... How comfortable do you think you are? How confident are you in your ability to judge the quality of a website? How confident are you in your ability to judge the reliability of a website?	(Bart, Shankar, Sultan & Urban , 2005)
Internet behavior	To what extent do you use the internet to … ... communicate with friends and family … For entertainment … To read news … For shopping	(Lohse, Bellman & Johnson, 2000)
Psychological distance	When I think of Telemer and their characteristics… how physically close does the company feel? how abstract or concrete are they to me? how palpable do they feel to me? how real are they in my head?	(Darke et al., 2016)

3.6.6 Reliability and validity

Several procedures were conducted to establish the reliability and validity of the experiment. The experiment's reliability concerns the extent to which several measurements of a particular variable provide similar results. Thus, one single question regarding a construct is not sufficient for arriving at any conclusion regarding reliability (Söderlund, 2018, p.135). Therefore, the study conducted several questions that measured different facets of a construct. For example, participants were asked to state their attitudes toward multi-item measures consisting of adjectives like "negative-positive," "bad-good," and "dislike-like." Thus, increasing the reliability of the experiment. However, willingness to pay was measured with the direct approach, which is in congruence with standard practice (Miller et al., 2011), and thus deemed sufficient for measuring the construct. Further, the authors calculate Cronbach

Alpha's to ensure that the measurement variables, in fact, measure different facets of the same constructs. It is a common reliability indicator telling us to that extent several observations are pulling in the same direction (Söderlund, 2018, p.136).

A study is internally valid if the independent variable caused systematic changes in the dependent variable by means of the experimental treatment. To achieve this, the variables were measured through a seven-point liker scale, which increases the internal validity as it benefits in detecting apparent variances among participants (Söderlund, 2005). Further, the history occurring after treatment but before post-measurement may affect participants' reactions (Söderlund, 2018, p.173). Hence, caution was taken when creating the questionnaire design to ensure that participants would not be colored by previous questions. For example, participants' evaluation of the offer, emotional state, and purchase intention was measured immediately after the exposure to the stimuli. In contrast, the control question and manipulation check appeared at the end of the questionnaire. Conclusively, a specialist in the field, Fredrik Lange, was consulted in order to further increase the internal validity of the study (Söderlund, 2018, p.136).

A study is externally valid if the results from an experiment are generalizable beyond what took place in the experiment. As aforementioned, participants are exposed to only one treatment, making it easier for researchers to generalize to situations alike (Söderlund, 2018, p.174). Further, all statistical tests performed have been accepted at a significant level of 5% and 1%, and weakly significant at the 10% level. Indeed, increasing the external validity.

3.6.7 Analysis tools

The thesis has used SPSS as an analysis tool to conduct statistical data tests. The data were cleared of missing values and incorrect results in the manipulation checks. The scale of the question's batteries concerning psychological distance was reversed to ensure that the results were easy to grasp. Indeed, this is done to match the measurement variable's name better. Further, the hypothesis was tested by independent sample t-tests to see isolated main effects and mean value differences between the two experimental groups. The test was deemed a good fit as we measured two mutually exclusive groups of people with a between-subject design where respondents were randomly assigned to *one* experimental group. Indeed, the independent sample t-test has been used by several scholars when conducting experiments,

including two groups (Rosengren & Dahlen, 2013, Berg et al., 2015, Åkestam et al., 2017). The Pearson correlation test is performed to examine the relationships that the hypotheses define. Hence, the test was selected to see if a connection exists and the direction the connection goes. Correlation analyses were executed and divided to capture nuances across the different retail strategies.

4. Results and analysis

This section gives the empirical results of the main study, which, together with the theoretical framework, form the basis for answering the present study problem formulation. The results are presented in chronological order, starting with Hypothesis 1 to 3. Indeed, following the imperative of the conceptual model (see visual representation of Hypothesis 1-3).

Psychological distance: H1

1a. A retailer with both an established store network and e-commerce will be perceived as psychologically closer relative to a brand with only e-commerce

Table 1. The moderating effect of channel strategy on psychological distance

	Psychological distance M(SD)
Hybrid	*3,43**** *(0,60)*
E-commerce	*3,06**** *(0,69)*

*10% significance
***1% significance

The mean psychological distance for the experiment group with the hybrid retailer was significantly lower (Mhybrid=3.43, *SD = 0.60*) compared to participants for the e-commerce retailer (Me-commerce=4.06, *SD = 0.69*). The mean difference between the channel strategies is 1.58. An independent t-test found this effect of the channel strategy on psychological distance to be significant *t(146.99) = -5.96, p < 0.01*. Indeed, the retailer with (without) an extensive store network makes participants feel psychologically closer (distant). **Thus, hypothesis 1a was supported.**

1b. *A consumer with higher (lower) perceived internet confidence would perceive a brand as psychologically closer (distant) relative to a consumer with a lower perceived internet confidence*

1c. *A consumer with higher (lower) levels of internet behavior will perceive a brand as psychologically closer (distant) relative to a consumer with lower (higher) levels of internet behavior*

Table 2. Pearson correlation between psychological distance and perceived internet confidence and behavior

	Psychological distance
Perceived internet confidence	*-0,436****
Internet behavior	*-0,522****

*5% significance
***1% significance

A Pearson correlation test was conducted to test the relationship between the variables. There is a low significance negative relationship between psychological distance and perceived internet confidence *(r = -0.436, n = 149, p < .001)*. Internet behavior has a moderately significant negative relationship with psychological distance *(r = -0.522, n = 149, p < .001)*. Indeed, the perceived internet confidence and behavior mediates the customer's psychological distance. Thus, participants felt psychologically closer (distant) when values of perceived internet confidence and behavior increased (decreased). **Hence, Hypothesis 1b and 1c receive strong support.**

1b. A consumer with higher perceived internet confidence would perceive a brand as psychologically closer relative to a consumer with lower perceived internet confidence

Table 3. The moderating effect of perceived internet confidence on psychological distance

Hybrid	*Psychological distance M(SD)*
Lower perceived internet confidence	*3,58 (0,64)*
Higher perceived internet confidence	*3,29 (0,54)*
E-commerce	*Psychological distance M(SD)*
Lower perceived internet confidence	*4,36*** (0,52)*
Higher perceived internet confidence	*3,61*** (0,67)*

*10% significance
***1% significance

For the pure e-commerce retailer, the effect of internet confidence on psychological distance shows a significant main effect $t(58.08) = 5.35, p <.01$. The mean difference between lower perceived internet confidence (Mlow=4,36, $SD = 0,52$) and higher perceived internet confidence (Mhigh=3,61, $SD = 0,67$) is 0,85. **This further confirms hypothesis 1b**. Indeed, the independent sample t-test shows a significant main effect where higher (lower) perceived internet confidence constitutes participants feeling psychologically closer (distant) to the e-commerce channel strategy. However, in the context of a hybrid channel strategy, there is no significant main effect $t(64.62) = 2.04, p =.104$. Hence, participants feel psychologically closer to the hybrid retailer regardless of perceived internet confidence.

1c. A consumer with higher internet behavior will perceive a brand as psychologically closer relative to a consumer with lower internet behavior

Table 4. The moderating effect of internet behavior on psychological distance

Hybrid	*Psychological distance M(SD)*
Lower internet behavior	*3,54* *(0,77)*
Higher internet behavior	*3,34* *(0,40)*
E-commerce	*Psychological distance M(SD)*
Lower internet behavior	*4,58**** *(0,27)*
High internet behavior	*3,45**** *(0,50)*

*10% significance
***1% significance

The effect of internet behavior on psychological distance on a pure e-commerce channel strategy shows a significant main effect $t(51.25) = 11.97, p <.01$. The mean difference between lower internet behavior in the context of the pure e-commerce retailer (Mlow=4.58, SD = 0.27) and higher internet behavior (Mhigh=3.45, SD = 0.50) is 1.13. **This further supports hypothesis 1c**, where higher (lower) internet behavior affects participants feeling psychologically closer (distant). Conversely, the hybrid retailer shows no significant main

effect *t(44.95) = 1,30, p =.177*. Thus, psychological distance is not moderated by internet behavior in the context of a hybrid retailer.

Willingness to pay, evaluations, emotions, and trust: H2

2a: Lower (higher) psychological distance will lead to higher (lower) willingness to pay
2b: Lower (higher) psychological distance creates more positive (negative) evaluations of the offer
2c: Lower (higher) psychological distance creates more positive (negative) emotions
2d: Lower (higher) psychological distance creates higher(lower) trust

Table 5. Pearson correlation with psychological distance and higher willingness to pay, evaluations of the offer, emotions, and trust

	Willingness to pay	*Evaluations of the offer*	*Emotions*	*Trust*
Psychological distance: Hybrid	*-0.185*	*-0,507****	*-0,208*	*-0,652****
Psychological distance: E-commerce	*-0,669****	*-0,768****	*-0,715****	*-0,830****

*5% significance
***1% significance

Psychological distance for the hybrid channels strategy has a negative negligible correlation with willingness to pay *(r = -0.185, n = 79, p =.125)* and emotions *(r = -0.208, n = 79, p = .084)*. Thus, these relationships cannot be supported as the correlations were not significant. Correlation between psychological distance for the hybrid channel strategy shows a significant moderately negative relationship with the evaluation of the offer *(r = -0.507, n = 79, p <.001)* and for trust *(r = -0.652, n = 79, p <.001)*. Further, for the pure e-commerce retailer there is a significant moderate negative relationship between psychological distance and willingness to pay *(r = 0.669, n = 79, p <.001)*, a significant strong negative relationship with the evaluation of the offer *(r = 0.768, n = 79, p <.001)*, emotions *(r = 0.715, n = 79, p <.001)*, and trust *(r = 0.830, n = 79, p <.001)*.

Based on the Pearson correlation, a statistically significant relationship between psychological distance for the hybrid retailer and willingness to pay a higher price and emotions does not exist. However, the pure e-commerce channel strategy result suggests that

both the evaluation of the offer and trust have a negative and significant effect on psychological distance. **Hence, Hypothesis 2b and 2d receive support only for the pure e-commerce retailer.** Indeed, despite negative coefficients, Hypothesis 2a and 2c are not supported for the retailer having a hybrid channel strategy, while Hypothesis 2b and 2d can be statistically supported. Further, in the context of the **e-commerce channel strategy, Hypothesis 2a-d receives strong support.** Indeed, as participants experienced a lower (higher) psychological distance in the context of an e-commerce channel strategy, the values for willingness to pay, evaluations of the offer, emotions, and trust significantly increase (decrease).

2a: Lower (higher) psychological distance will lead to higher (lower) willingness to pay

Table 6. Impact on willingness to pay

Hybrid	*Willingness to pay M(SD)*
Low psychological distance	*420,66 (94,35)*
High psychological distance	*382,36 (174,36)*
E-commerce	*Willingness to pay M(SD)*
Low psychological distance	*372,61*** (104,26)*
High psychological distance	*237,85*** (78,26)*

*10% significance
***1% significance

The mean values are worth in Swedish currency Krona (SEK). In the context of the pure e-commerce retailer, the mean difference between low psychological distance (MlowPD=372.61 *SD = 104.265*) and high psychological distance on willingness to pay (MhighPD=237.85 *SD = 78.26*) is 134.76. An independent sample t-test found this pattern to be significant *t(51.46) = 6.16, p < .01*. This means that when participants scored a lower (higher) psychological distance, it constituted a higher (lower) willingness to pay. **Thus, hypothesis 2a can be supported in the context of the e-commerce retailer.** The hybrid retailer showed no statistically significant main effect *t(14.95) = -.79, p < .133*. Indeed,

psychological distance had no significant influence on participants' willingness to pay in this context.

2b: Lower (higher) psychological distance creates more positive (negative) evaluations of the offer

Table 7. Impact on evaluations of the offer

Hybrid	*Evaluations of the offer M(SD)*
Low psychological distance	*5,76**** *(0,60)*
High psychological distance	*4,86**** *(0,96)*
E-commerce	*Evaluations of the offer M(SD)*
Low psychological distance	*5,59**** *(0,51)*
High psychological distance	*3,24**** *(1,12)*

*10% significance
***1% significance

For the hybrid retailer, the independent sample t-test shows a mean difference between low psychological distance *(MlowPD=5,76, SD = 0,60)* and high psychological distance *(MhighPD=4,86, SD = 0,96)* of 0.9. The impact shows a significant main effect of psychological distance on the evaluation of the offer $t(15.60) = 3.37, p < .01$. In the context of the pure e-commerce retailer, the result shows a mean difference between low psychological distance *(MlowPD=5.59, SD = 0.51)* and high psychological distance *(MhighPD=3.24, SD = 1.12)* of 2.35. The effect shows a significant main effect $t(70.53) = 12.72, p < .01$. Thus, for both channel strategies, psychological distance moderates the effect on the evaluations of the offer. Indeed, when participants had a lower (higher) psychological distance to the retailer, the evaluation of the offer increased (decreased). **Hence, Hypothesis 2b is confirmed.**

2c: *Lower (higher) psychological distance creates more positive (negative) emotions*

Table 8. Impact on emotions

Hybrid	*Emotions M(SD)*
Low psychological distance	*5,32** *(0,83)*
High psychological distance	*4,52** *(1,32)*
E-commerce	*Emotions M(SD)*
Low psychological distance	*5,56**** *(0,54)*
High psychological distance	*3,10**** *(1,07)*

*10% significance
***1% significance

For the hybrid retailer, participants examined a lower mean of emotions when experiencing high psychological distance *(MhighPD=4.52, SD = 1.32)* compared to low psychological distance *(MlowPD=5.32, SD = 0.83).* Hence, this resulted in a mean difference of 0.80. The effect of psychological distance on emotions shows a low significant effect *t(15.64) = 2.16, p < .022.* The e-commerce retailer resulted in a mean of *(MhighPD=3.10, SD = 1.07)* and *(MlowPD=5.56, SD = 0.54),* accounting for a mean difference of 2.46. The effect shows a significant main effect *t(73.44) = 12.48,p < .01.* Indeed, participants acquired more positive (negative) emotions when they had a lower (higher) psychological distance, regardless of channel strategy. **Hence, Hypothesis 2c is supported.**

2d: *Lower (higher) psychological distance creates higher(lower) trust*

Table 9. Impact on trust

Hybrid	*Trust M(SD)*
Low psychological distance	5,53*** (0,62)
High psychological distance	3,76*** (1,14)
E-commerce	*Trust M(SD)*
Low psychological distance	5,30*** (0,53)
High psychological distance	2,91*** (0,91)

*10% significance
***1% significance

This independent sample t-test reveals a significant interaction between psychological distance and trust for both the hybrid channel strategy *t(14.96) = 5.62 p <.01* and the e-commerce channel strategy *t(76.22) = 14.76 p <.01*. The mean difference for the hybrid retailer between low psychological distance *(MlowHybrid=5.53, SD = 0.62)*, and high psychological distance *(MhighHybrid=3.76, SD = 1.14)* is 1.77. In the context of the pure e-commerce retailer, the mean difference between low psychological distance *(MlowE-commerce=5.30, SD = 0.53),* and high psychological distance *(MhighE-commerce=2.91, SD = 0.91)* is 2.39. As predicted, when participants felt psychologically closer (distant), trust increased (decreased). **Hence, Hypothesis 2d is supported for both channel strategies.**

Purchase intention: H3

3a*: Consumers willing to pay a higher (lower) price will have stronger (weaker) purchase intentions*

3b: *More positive (negative) evaluations of the offer creates higher (lower) purchase intentions*

3c: *More positive (negative) emotions creates higher (lower) purchase intentions*

3d: *Higher (lower) trust creates higher (lower) purchase intentions*

Table 10. Correlation between purchase intention and higher willingness to pay, evaluations of the offer, emotions, and trust

	Higher willingness to pay	*Evaluations of the offer*	*Emotions*	*Trust*
Hybrid *Purchase intention*	*0,349****	*0,632****	*0,298**	*0,749****
E-commerce *Purchase intention*	*0,698****	*0,877****	*0,810****	*0,919****

*5% significance
***1% significance

In the context of the hybrid channel strategy, there is a strong positive correlation for the relationship between purchase intention and evaluations of the offer *(r = 0.632, n = 79, p =<.001)* and trust *(r = 0.749, n = 79, p <.001)*. The same positive and significant relationships are also reflected in all four correlations in the context of the pure e-commerce channel strategy. The correlation coefficient between the purchase intention and evaluation of the offer is significantly high for trust *(r = 0.919, n = 79, p <.001)*, evaluations of the offer *(r = 0.877, n = 79, p <.001)*, emotions *(r = 0.810, n = 79, p <.001)*, and willingness to pay *(r = 0.698, n = 79, p <.001)*. The relationship between purchase intention for the hybrid retailer and emotions suggests that there is a low positive correlation that is significant at the 5% significance level *(r = 0.298, n = 79, p =.012)*, and a low significant correlation with higher willingness to pay *(r = 0.349, n = 79, p =.003)*.

Based on the results, a statistically significant positive relationship between purchase intention and evaluations of the offer, emotions, and trust exists. This means that when the evaluation of the offer, emotions, and trust increase (decrease), the purchase intentions also increase (decrease). **Hence, Hypothesis 3a-d receives support for both channel strategies.**

Table 11. Psychological distance impact on purchase intention

Hybrid	*Purchase intention M(SD)*
Low psychological distance	*5,30**** *(062)*
High psychological distance	*4,00**** *(1,60)*
E-commerce	*Purchase intention M(SD)*
Low psychological distance	*5,20**** *(0,70)*
High psychological distance	*2,97**** *(0,77)*

*10% significance
***1% significance

The independent sample t-test shows a mean difference for the hybrid retailer between low psychological distance *(MlowPD=5.30, SD = 0.62),* and high psychological distance *(MhighPD=4.00, SD = 1,60)* of 1.3. There is indeed a significant effect of psychological distance on purchase intention *t(14.00) = 2.99,p < .01.* Further, in the context of the e-commerce retailer, the test shows a mean difference between low psychological distance *(MlowPD=5.20, SD = 0.70)* and high psychological distance *(MhighPD=2.97, SD = 0.77)* of 2.23. The effect is significant *t(68.38) = 13.37,p < .01.* Hence, the experimental group that experienced higher psychological distance, the e-commerce retailer, displayed the lowest purchase intention. Conversely, the hybrid retailer that experienced lower psychological distance exhibited the highest purchase intention. Indeed, this further supports our conceptual model that channel strategy affects psychological distance, which in turn affects purchase intention.

Summary of hypothesis testing (visual)

In conclusion, we found support for all of the Hypotheses 1a-c, 2a-d, and 3a-d. Table 12 stipulates a summary of the result of the hypothesis testing.

Table 12. Summary of the hypotheses testing

Hypothesis	*Result*
H1a *A retailer with both an established store network and e-commerce will be perceived as psychologically closer relative to a brand with only e-commerce*	Supported
H1b *A consumer with higher (lower) perceived internet confidence would perceive a brand as psychologically closer (distant) relative to a consumer with lower perceived internet confidence*	Supported
H1c *A consumer with higher (lower) levels of internet behavior will perceive a brand as psychologically closer (distant) relative to a consumer with lower (higher) levels of internet behavior*	Supported
H2a *Lower (higher) psychological distance will lead to higher (lower) willingness to pay*	Supported
H2b *Lower (higher) psychological distance creates more positive (negative) evaluations of the offer*	Supported
H2c *Lower (higher) psychological distance creates more positive (negative) emotions*	*Supported*
H2d *Lower (higher) psychological distance creates higher(lower) trust*	*Supported*
H3a *Lower (higher) psychological distance will lead to higher (lower) willingness to pay*	*Supported*
H3b *Lower (higher) psychological distance creates more positive (negative) evaluations of the offer*	Supported
H3c *More positive (negative) emotions creates higher (lower) purchase intentions*	Supported
H3d *Higher (lower) trust creates higher (lower) purchase intentions*	Supported

5. Discussion

The succeeding sections discuss and explain, with support from the specified theory and the research result's data. The discussion reflects both on the Hypothesis level and a more general level. After that, the purpose of the study is answered. This is followed by managerial implications, limitations, and a depiction of how future studies can broaden and deepen this area of study.

Psychological distance

This study strongly suggests that the channel strategy affects the customer's perceived psychological distance. In congruence with previous research (Darke et al., 2016), retailers that operate both physical stores and through e-commerce tended to devour lower levels of psychological distance than a retailer that operated purely through e-commerce. These findings can partly be explained by the "mere presence effect," which can be clarified by the

spatial aspect of CLT. Indeed, informing and providing an environmental stimulus to the consumers, cueing them of the existence of physical stores, helped them think of the retailer more concretely and tangibly, even though they had never previously encountered the retailer.

Internet confidence and behavior

The results show that in the context of a pure e-commerce channel strategy, consumers feel psychologically closer when their perceived internet confidence and behavior are high. Indeed, consumers who feel more confident in the online environment also feel psychologically closer to the retailer in this online context. However, regardless of the perceived internet confidence and behavior, consumers feel psychologically closer to the hybrid retailer, indicating that the perceived internet confidence and behavior have no significant effects in this context. This could be partly explained by the "mere presence" effect, which eliminates the relevance of perceived internet confidence and behavior when a physical store exists. Naturally, most if not all consumers have extensive previous experience in visiting physical stores. Therefore, most consumers can mentally construe that environment in an equally rather concrete manner, resulting in similar levels of psychological distance. However, as our results suggested, there were significant differences in both consumers' perceived online confidence and behaviors. This indicates that consumers have very different levels of previous experience with e-commerce. This, in turn, leads to a more substantial moderate effect since the mean levels of the perceived psychological distance vary more between the two groups when looking at the pure e-commerce retailer.

Previous studies have shown that both perceived internet confidence and behavior can affect trust (Lui et al., 2005; Ha, 2004; Hahn & Kim, 2008). However, in congruence with Darke et al. (2016), this study extends this relationship to psychological distance. Thus, our findings support that perceived internet confidence has a moderating effect on psychological distance. However, what is complementary in our research is that we further expand on the notion by investigating consumers' internet behaviors. While previous research has found a relationship between internet behavior and online trust (Hahn & Kim, 2008) and purchase intentions (Worthy et al., 2004; Ling, 2010), the present study shows that it also affects psychological distance. Indeed, consumers with higher internet behaviors mentally construe the pure e-commerce retailer in a low-level, concrete manner. Given that the impact of internet behavior on psychological distance receives little attention in the literature, the present study

contributes to new empirical evidence, which confirms the importance for retailers to truly understand their customer's behaviors to craft effective strategies for their online channels.

Willingness to pay, evaluations, emotions, and trust

The correlation between the two experimental groups shows nuances of the relationships between psychological distance and the measurement variables. However, the correlation does not tell to what extent the measured variables affect each of the two groups. Indeed, the correlations look different across the channel strategies, which cannot perfectly explain the relationship across experimental groups for the different measurement variables.

Our study confirms the relationship between psychological distance and the measurement variables. Except for the variable emotions, the group with the lowest psychological distance - the hybrid retailer, displays more favorable results for all the remaining measurement variables. The exception could, in part, be explained by the convenience related to online shopping, as this has been shown to be one of the main drivers as to why people enjoy it (Jiang et al., 2013). In contrast, the group with the highest psychological distance - the pure e-commerce retailer, showed less favorable results for all measurement variables except for emotions. This is congruent with previous research (Trope et al., 2007), which specifies that psychological distance affects consumer attitudes and behaviors.

As shown by our research, consumers will always have a relatively low level of psychological distance from the retailers that have both an extensive store network and e-commerce. Therefore, the differences in willingness to pay for the hybrid retailer showed no significant differences. In the case of the pure e-commerce retailer, the levels of psychological distance varied more between groups, which could explain why consumers' willingness to pay also varied more. The mean difference in price between the channel strategies can partly be explained by the fact that consumers might be willing to pay a price premium for the service of having access to a brick-and-mortar store. As specified by Patrali & Kumar (2017), customers were indeed willing to pay a higher price for a multichannel retailer compared to a pure e-commerce retailer.

While prior research has examined the effect of psychological distance in the setting of a psychical product (Darke et al., 2016), we extend this research to intangible services. Even when, as in our case, the offering is an intangible service, the psychological distance has a relevant and crucial effect on customers' attitudes.

Purchase intention

All hypotheses can be confirmed as willingness to pay, evaluation of the offer, emotions, and trust have a significant positive relationship with purchase intention. These findings thus further support research on how psychological distance affects consumers' attitudes and evaluations (Trope et al., 2007). The correlation for trust seems to be higher for both experimental groups than for other measurement variables. Indeed, this indicates that trust is the most crucial aspect when shopping through a pure e-commerce retailer and a hybrid retailer, relative to other measurement variables. These findings support research that finds higher levels of trust towards a specific brand to increase purchase intentions (Darke et al.,2016). Further, in view of existing studies which conclude that consumers are willing to pay a higher price to brands they like (Bower et al., 2002), this study likewise concludes that there is a strong relationship between a positive overall evaluation of the offer and the consumer's purchase intention.

The relationship between purchase intention, willingness to pay, and emotions for the pure e-commerce channel strategy seems higher as opposed to the hybrid channel strategy. Indeed, willingness to pay and emotions are especially significant aspects when shopping through e-commerce. This could be rationalized by the different levels of psychological distance between the two experimental groups. Given the results, the mean difference was higher for the group with the pure e-commerce retailer, whereas the other experimental group with the hybrid retailer experienced more stable means between the different levels of psychological distance. Thus, producing more positive relationships for the pure e-commerce retailer, given that the hybrid retail still exhibited higher purchase intentions.

The positive relationships are further connected to psychological distance, as the experimental group with lower psychological distance - the hybrid retailer, reported higher levels of purchase intention. On the other hand, the experimental group with higher psychological distance - the pure e-commerce retailer, stipulated lower levels of purchase intention. Indeed, given the present study, retailers can create a higher purchase intention for consumers by decreasing consumers' psychological distance. Which can, in turn, increase repeat purchases for retailers (Baozhou et al., 2016).

5.1 Conclusion

This study examined whether consumers' retail strategy and perceived internet confidence and behavior affect their psychological distance when purchasing an intangible service. Overall, the result suggests that both channel strategy and consumer characteristics of perceived internet confidence and behavior affect psychological distance. Indeed, consumers felt psychologically closer (distant) to a retailer that had a hybrid (pure e-commerce) channel strategy. Further, when consumers perceived internet confidence and behavior increased (decreased), it contributed to a lower (higher) psychological distance for the e-commerce retailer. In extension to this, the study aimed to study how psychological distance affects other features related to consumer behavior. Psychological distance has an effect and positive relationship with willingness to pay, evaluation of the offer, emotions, and trust. Sequentially, these constructs have an effect and positive relationship with purchase intention. However, these relationships varied between the two experimental groups. The relationships are more effective for the group with the highest psychological distance – the pure e-commerce retailer, which denotes that the higher the psychological distance, the further can these factors be explained by it.

Given the study's outcome, it is essential for retailers to cause a lower psychological distance to reap the positive benefits that it generates. In the future, as more shopping will be online, it will be more critical for retailers to understand how to make consumers feel closer to a brand in order to minimize the exhibited consequences of high psychological distance related to a pure e-commerce strategy.

5.2 Managerial implications

The findings from the present thesis provide valuable insights for retailers trying to understand consumers' underlying attitudes and trying to craft a robust online strategy. Further, by examining behaviors characterized by younger generations, these insights are not only valuable here and now, but they can perhaps provide a glimpse of trends that will only continue to grow stronger over time.

Drawing from our findings, it becomes apparent that regardless of retailer type, it is of great importance to try and minimize consumers' psychological distance. Therefore, both hybrid

and pure e-commerce retailers should carefully craft an online strategy that aims to lower the psychological distance for consumers.

For retailers that own physical stores, the main point to make is that they should communicate clearly to consumers that they have physical stores. Hybrid retailers have a decisive advantage over their pure e-commerce competitors in that the mere presence of their physical stores lowers consumers' psychological distance. Therefore, not clearly communicating in their online channels that they operate physical stores would be a valuable opportunity wasted. One suggestion would be to allocate resources toward extensive A/B testing to find the most effective ways to communicate the existence of their physical stores. By doing so, retailers could find ways of maximizing the positive effects of their already existing physical stores.

Further, our findings provide pure e-commerce retailers with valuable insight. In general, our findings suggest that they have a disadvantage since customers find them more psychologically distant. However, comparing this research results with behaviors generally characterized by younger generations, one could argue that they would gain advantages over time. Based on our findings, if retailers were to craft an online strategy aimed at increasing sales, their money would probably be most well spent on marketing. The easiest thing to do would be to target customers based on demographics, specifically the younger digital native generation, to reap the most significant benefits. As previously mentioned, these segments already tend to have higher levels of online presence, and according to our research, they will devour lower levels of psychological distance as a consequence. Therefore, pure e-commerce retailers would generally have an easier time winning these consumers over than compared to non-digital native generations. Moreover, retailers could take it one step further by targeting consumers based on their magnitude of online presence. This would be a good way of moving into customer segments that are not considered digital natives but still only capture consumers that would likely exhibit low levels of psychological distance due to their high levels of internet behaviors.

Finally, one can conclude that psychological distance is a concept that should be considered by every retailer that is trying to optimize their online strategy. The competitive retail landscape is undergoing profound changes, and not everyone will be able to adapt. However, for those willing to accept the changing environment and those who are prepared to examine

new consumer behaviors, as proven by the present study, there is indeed a lot to gain. The extensiveness of these implications that affects almost every managing retailer on the market signals that research on psychological distance related to consumer behavior and its effects are of managerial interest, theoretically important, and warrants for greater future exploration.

5.3 Limitations and suggestions for further research

The results of the thesis are subjected to limitations. Regarding the conceptual framework of the research and the survey questions, the respondents answered a standardized survey with predetermined questions that the authors found relevant. Therefore, only the questions that were asked are the ones that could be tested for. This means that other variables that potentially could have affected the results were not possible to capture. To avoid this, a qualitative study would have to be made. Even though a quantitative study was deemed most appropriate in this case, further research capturing other variables and nuances by asking more open-ended questions would be interesting to gain a deeper understanding.

In addition, one criticism of the study is its perceived reality. In the survey, the respondents were exposed to a fictitious scenario. Fictitious scenarios have shown to be effective in producing similar results as in reality (Söderlund, 2010, p.114), and the authors tried to mitigate this limitation by conducting a pre-study. However, it is still essential to be aware that there may be differences in a real course of events. Further on this note, the respondents were presented with two pictures of the intended stimuli, which meant they could not navigate the website themselves. Therefore, further research testing the variables on an actual e-commerce website would be interesting to create a more realistic scenario.

Moreover, all variables examined, exempt from internet behavior, were about the consumer's attitudes and intentions and thus measured consumers' subjective perception of themselves and the situation. Indeed, this is not congruent with actual behavior. To exemplify, the respondent might state that he would be willing to pay a higher price for an e-commerce retailer than if faced with the same situation in real life. Thus, the participants might be providing a false narrative, influencing the result of the study.

Furthermore, the choice of study object is another limitation. The absolute vast majority of the respondents were high school students between the ages of 17-19. This means that many

of them probably live in their childhood home and are thus not in charge of their economy. Since many of them might not have to pay for things such as food and rent, their attitudes and perceptions of money might look different now than once they have moved out.

Since this research shows that different levels of internet behaviors affect psychological distance, and previous reports show that the level of internet behavior differs between ages (E-barometern Årsrapport, 2021), further research on differences between ages would be interesting. Especially since this study found rather significant differences in internet usage even though most respondents were of almost the same age, perhaps one would find even larger differences and stronger results if conducting more extensive research with respondents across wider age spans.

Our study focused on investigating a purchase scenario with a phone subscription. It would be interesting to examine if the relationships are similar if consumers were presented with a cheaper or more expensive service and testing with and without binding time. Further, significant differences might exist in how important respondents find their mobile subscription depending on usage and other factors. Thus, further research on the behavior of the measured variables between low-involvement and high-involvement services would be of interest. Also, other consumer-related variables such as shopping goals and hedonic versus utilitarian shopping motivations and how it affects the psychological distance could warrant more significant investigation. Our findings may also extend to other related contexts like social media, marketing, live shopping, etc. Particularly as consumers move more of their shopping journey to mobile devices, it would be interesting to investigate psychological distance further in this context. Thus, extending the research in different fields will be essential to help retailers navigate the future retail landscape.

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Appendix A. Desktop study

Multi-channel retailers   *Pure e-commerce retailers*

No. GB surf	Telenor	Telia	Tele2	Helebob	Tre	Comviq	Hallon	Vimla	Chili	Fibio	Fello	My beat
2		219kr		129kr							95kr	88kr
3			219kr					100kr				
4	219kr						99kr					110kr
5					199kr							
6				209kr					149kr	199kr		
8						175kr	149kr					
10	269kr							150kr				170kr
12		269kr	279kr									
14											145kr	
15	329kr				299kr	225kr						
18								220kr				
20				309kr						279kr		
25			369kr				249kr					
28											195kr	
30	379kr	469kr				275kr						
40										319kr		
44											245kr	
50			429kr	369kr	399kr		299kr	320kr				
60												350kr
75	449kr											
100				429kr		375kr	349kr	350kr	279kr			
Unlimited	569kr	609kr	569kr		499kr		399kr		349kr	399kr		

* All subscriptions included unlimited calls, SMS and MMS. Therefore, the number of GB surf and price were the only factors of comparison.

* All information about the subsctriptions were retrieved from the company's official websites 2022-03-10.

Appendix B. Treatment conditions

B.1 Scenario versions in Swedish

Treatment 1:
Hybrid retailer

Föreställ dig att du står i begrepp att köpa ett nytt mobilabonnemang. Du har redan köpt en mobiltelefon och betalade den kontant. Du har bestämt att du kommer behöva obegränsat med surf och har tänkt binda abonnemanget på 24 månader. Du är nu hemma i och scrollar runt online mellan olika alternativ. Efter ett tag kommer du in på Telemers hemsida. Efter att ha kikat runt lite klickar du dig vidare till produktsidan för abonnemanget med obegränsad surf:

Telemer:
Svensk Telekomföretag med **butiker i dem flesta större städer i Sverige och en hemsida**. Har tillgång till bemannad chatt och telefon 8-17 vardagar. Går även att mejla och få svar inom 48h.

Fria samtal
Fria SMS
Fria MMS
Fri surf

Treatment 2:
E-commerce retailer

Föreställ dig att du står i begrepp att köpa ett nytt mobilabonnemang. Du har redan köpt en mobiltelefon och betalade den kontant. Du har bestämt att du kommer behöva obegränsat med surf och har tänkt binda abonnemanget på 24 månader. Du är nu hemma i och scrollar runt online mellan olika alternativ. Efter ett tag kommer du in på Telemers hemsida. Efter att ha kikat runt lite klickar du dig vidare till produktsidan för abonnemanget med obegränsad surf:

Telemer:
Svensk Telekomföretag med **enbart en e-handel**. Har tillgång till bemannad chatt och telefon 8-17 vardagar. Går även att mejla och få svar inom 48h.

Fria samtal
Fria SMS
Fria MMS
Fri surf

B.2 Scenario versions in English

Treatment 1:
Hybrid retailer

Treatment 2:
E-commerce retailer

Imagine that you are about to buy a new mobile subscription. You have already bought a mobile phone and paid in cash. You have decided that you will need unlimited surfing and have planned to bind the subscription for 24 months. You are now at home and scrolling around online between different options. After a while, you enter Telemer's website. After looking around a bit on their website, you click on the product page for the subscription with unlimited surfing:

Telemer:
Swedish Telecom company **with stores in most major cities in Sweden and e-commerce**. Has access to manned chat and telephone 8-17 weekdays. It is also possible to email and get an answer within 48 hours.

Free calls
Free SMS
Free MMS
Free surf

Imagine that you are about to buy a new mobile subscription. You have already bought a mobile phone and paid in cash. You have decided that you will need unlimited surfing and have planned to bind the subscription for 24 months. You are now at home and scrolling around online between different options. After a while, you enter Telemer's website. After looking around a bit on their website, you click on the product page for the subscription with unlimited surfing:

Telemer:
Swedish Telecom company **with only e-commerce.** Has access to manned chat and telephone 8-17 weekdays. It is also possible to email and get an answer within 48 hours.

Free calls
Free SMS
Free MMS
Free surf

B.3 Experimental stimuli

Treatment 1: Hybrid retailer; Product page & Physical store

Treatment 2: E-commerce retailer; Landing page & Product page

Företag   Fastighetsägare

✉ Din webbmejl

Handla ∨   Support   Varför Telemer ∨

Vad söker du efter?   🔍

👤 Mitt Telemer

Erbjudande! Köp valfritt mobilabonnemang till halva priset i 12 mån. Läs mer

Mobilabonnemang

Var först in i framtiden med våra abonnemang! Skaffa nytt nummer eller flytta med ditt gamla till oss.

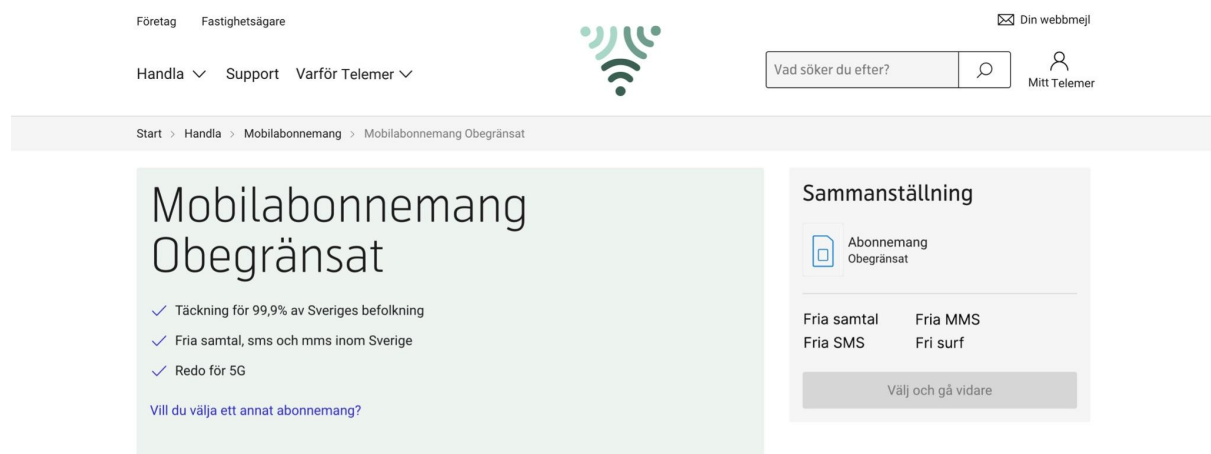Välj abonnemang   Mer om nummerflytt

✓ **Välutbyggt nät**
Täckning för 99,9% av Sveriges befolkning

✓ **Dela på surfen**
Ju fler ni är desto billigare blir det

✓ **Samla och få rabatt**
Skaffa mobil, bredband och tv hos oss

Välj abonnemang

Appendix C. Prestudy survey

Example from treatment group 1

Q1.1

Hej!

Den här undersökningen utförs av två studenter vid Handelshögskolan i Stockholm som en del av vårt examensarbete. Genom att fortsätta till följande sidor ger du oss ditt godkännande till att använda dina svar i vår forskning. I enlighet med dataskyddsförordningen (GDPR) kommer dina personuppgifter att hanteras konfidentiellt. Det är helt frivilligt och du kan när som helst välja att avsluta din medverkan genom att stänga ner webbläsarfönstret. Har du några frågor får du gärna kontakta oss på 50685@student.hhs.se.

Stort tack för din medverkan!

Elienor Werner & Matteo Priori

Q2.1

Läs noga och gör beslutet som att du stod inför ett riktigt val i livet. Vi är intresserade efter dina preferenser/åsikter och det finns inget rätt eller fel svar.

Föreställ dig att du står i begrepp att köpa ett nytt mobilabonnemang. Du har redan köpt en mobiltelefon och betalade den kontant. Du har bestämt att du kommer behöva obegränsat med surf och har tänkt binda abonnemanget på 24 månader. Du är nu hemma i och scrollar runt online mellan olika alternativ. Efter ett tag kommer du in på Telemers hemsida. Efter att ha kikat runt lite klickar du dig vidare till produktsidan för abonnemanget med obegränsad surf:

Handla ⌄   Support   Varför Telemer ⌄

Vad söker du efter?   🔍

👤 Mitt Telemer

Start > Handla > Mobilabonnemang > Mobilabonnemang Obegränsat

Mobilabonnemang Obegränsat

✓ Täckning för 99,9% av Sveriges befolkning

✓ Fria samtal, sms och mms inom Sverige

✓ Redo för 5G

Vill du välja ett annat abonnemang?

Sammanställning

▢ Abonnemang
Obegränsat

Fria samtal   Fria MMS
Fria SMS   Fri surf

Välj och gå vidare

Telemer:

Svensk Telekomföretag med **butiker i dem flesta större städer i Sverige och en hemsida**. Har tillgång till bemannad chatt och telefon 8-17 vardagar. Går även att mejla och få svar inom 48h.

Fria samtal
Fria SMS
Fria MMS
Fri surf

Q3.1

Jag upplevde Telemer som en realistisk operatör

Instämmer inte alls						Instämmer helt
1	2	3	4	5	6	7
○	○	○	○	○	○	○

Q3.2

Jag skulle inte bli förvånad om jag stötte på Telemer i verkligheten

Instämmer inte alls						Instämmer helt
1	2	3	4	5	6	7
○	○	○	○	○	○	○

Q4.1

Den beskrivna situationen var tydlig

Instämmer inte alls						Instämmer helt
1	2	3	4	5	6	7
○	○	○	○	○	○	○

Q4.2

Telemers egenskaper var tydliga

Instämmer inte alls						Instämmer helt
1	2	3	4	5	6	7
○	○	○	○	○	○	○

Q5.1

Hur gammal är du (i siffror)?

Q6.1

Jag identifierar mig som

○ Kvinna

○ Man

○ Annat

Q7.1

Telemer hade…

○ En butik och e-handel

○ Enbart e-handel

○ Annat

Q8.1

Tack för att du tog dig tid och svarade på enkäten!

Appendix C. Main study survey

Exempel from treatment group 1

Q1.1

Hej!

Den här undersökningen utförs av två studenter vid Handelshögskolan i Stockholm som en del av vårt examensarbete. Genom att fortsätta till följande sidor ger du oss ditt godkännande till att använda dina svar i vår forskning. I enlighet med dataskyddsförordningen (GDPR) kommer dina personuppgifter att hanteras konfidentiellt. Det är helt frivilligt och du kan när som helst välja att avsluta din medverkan. Har du några frågor får du gärna kontakta oss på 50685@student.hhs.se.

Stort tack för din medverkan!

Elienor Werner & Matteo Priori

Q2.1

Läs noga och gör beslutet som att du stod inför ett riktigt val i livet. Vi är intresserade efter dina preferenser/åsikter och det finns inget rätt eller fel svar.

Föreställ dig att du står i begrepp att köpa ett nytt mobilabonnemang. Du har redan köpt en mobiltelefon och betalade den kontant. Du har bestämt att du kommer behöva obegränsat med surf och har tänkt binda abonnemanget på 24 månader. Du är nu hemma i och scrollar runt online mellan olika alternativ. Efter ett tag kommer du in på Telemers hemsida. Efter att ha kikat runt lite klickar du dig vidare till produktsidan för abonnemanget med obegränsad surf:

Telemer:

Svensk Telekomföretag med **butiker i dem flesta större städer i Sverige och en hemsida**. Har tillgång till bemannad chatt och telefon 8-17 vardagar. Går även att mejla och få svar inom 48h.

Fria samtal
Fria SMS
Fria MMS
Fri surf

Q3.1

Hur känner du dig nu efter att ha läst om Telemers erbjudande?

Negativ	○ ○ ○ ○ ○ ○ ○	Positiv
Ledsen	○ ○ ○ ○ ○ ○ ○	Glad
Dåligt humör	○ ○ ○ ○ ○ ○ ○	Bra humör

Q4.1

Baserat på den beskrivna situationen, vad är ditt intryck av Telemer?

Dålig	○ ○ ○ ○ ○ ○ ○	Bra
Ogillar	○ ○ ○ ○ ○ ○ ○	Gillar
Negativt intryck	○ ○ ○ ○ ○ ○ ○	Positivt intryck

Q5.1

Om jag köper ett abonnemang så kommer jag köpa det av Telemer…

Instämmer inte alls						Instämmer helt
1	2	3	4	5	6	7
○	○	○	○	○	○	○

Q5.2

Om någon hade frågat mig, hade jag sagt att det var troligt att jag kommer köpa abonnemanget av Telemer…

Instämmer inte alls						Instämmer helt
1	2	3	4	5	6	7
○	○	○	○	○	○	○

Q5.3

Om jag köper ett abonnemang så kommer jag överväga att köpa det av Telemer…

Instämmer inte alls   Instämmer helt

1	2	3	4	5	6	7
○	○	○	○	○	○	○

Q6.1
Vad hade du varit villig att betala för Telemers abonnemang per månad om du hade köpt det?
(svara i kronor)

Q7.1

Jag anser att jag kan lita på Telemer

Instämmer inte alls   Instämmer helt

1	2	3	4	5	6	7
○	○	○	○	○	○	○

Q7.2

Telemer skulle hålla det dom lovar

Instämmer inte alls   Instämmer helt

1	2	3	4	5	6	7
○	○	○	○	○	○	○

Q7.3

Telemer inger förtroende

Instämmer inte alls   Instämmer helt

1	2	3	4	5	6	7
○	○	○	○	○	○	○

Q8.1

När det gäller dina allmäna internetkunskaper…
Hur skicklig anser du dig själv vara?

Inte alls skicklig ○ ○ ○ ○ ○ ○ ○ Mycket skicklig

Q8.2

Hur kunnig anser du dig själv vara?

Inte alls kunnig ○ ○ ○ ○ ○ ○ ○ Mycket kunnig

Q8.3

När det gäller din erfarenhet/kunskap om onlineshopping…
Hur bekväm anser du att du är?

Inte alls bekväm ○ ○ ○ ○ ○ ○ ○ Mycket bekväm

Q8.4

Hur säker är du på din förmåga att bedöma kvaliteten på webbplatser?

Inte alls säker ○ ○ ○ ○ ○ ○ ○ Mycket säker

Q8.5

Hur säker är du på att bedöma webbplatsernas tillförlitlighet?

Inte alls säker ○ ○ ○ ○ ○ ○ ○ Mycket säker

Q9.1

I vilken utsträckning använder du internet för att…

Väldigt lite   Väldigt mycket

	1	2	3	4	5	6	7
...kommunicera med vänner och familj	○	○	○	○	○	○	○
…för underhållning	○	○	○	○	○	○	○
…för att läsa nyheter	○	○	○	○	○	○	○
…för shopping	○	○	○	○	○	○	○

Q10.1

	Väldigt avlägsen						Väldigt nära
	1	2	3	4	5	6	7
När jag tänker på Telemer och på deras egenskaper, hur fysiskt nära känns företaget?	○	○	○	○	○	○	○

Q10.2

	Väldigt abstrakta						Väldigt Konkreta
	1	2	3	4	5	6	7
När jag tänker på de fysiska egenskaperna, hur abstrakta eller konkreta är dem för mig?	○	○	○	○	○	○	○

Q10.3

	Inte alls påtaglig						Väldigt påtaglig
	1	2	3	4	5	6	7
När jag tänker på Telemer och dess egenskaper, hur påtagliga känns dem för mig?	○	○	○	○	○	○	○

Q10.4

	Väldigt hyptetiska						Väldigt verkliga
	1	2	3	4	5	6	7
När jag tänker på de fysiska egenskaperna hos Telemer, hur verkliga är dem i mitt huvud?	○	○	○	○	○	○	○

Q11.1

Hade Telemer några fysiska butiker?

    ○ Ja

    ○ Nej

    ○ Vet ej

Q12.1

Din ålder (i siffror)

Q13.1

Jag identifierar mig som

    ○ Kvinna

    ○ Man

    ○ Annat

Q14.1

Välj siffran 8

    ○ 8

    ○ 5

    ○ 2

    ○ 9

Q15.1

Stort tack för att du tog dig tid att göra undersökningen!

Appendix D. Cronbachs Alpha Measurements

Factor	Questionnaire item	No. of items	Reliability α
Emotions	How do you feel now after reading about Telemer's offer? *Negative/positive, Sad/happy, In a bad mood/in a good mood*	3	0.943
Evaluation of the offer	Based on the situation described, what is your impression of the offer from Telemer? *Bad/good, Dislike/like, Negative impression/positive impression*	3	0.949
Trust	I think I can trust Telemer Telemer would keep their promises Telemer stimulate trust	3	0.948
Purchase intention	If I buy a subscription, I will buy it from Telemer … If anyone had asked me, I would have said that it was likely that I will buy the subscription of Telemer ... If I buy a subscription, I will consider buying it from Telemer ...	3	0.939
Internet confidence	When it comes to your general internet skills… How skilled do you consider yourself to be? How knowledgeble do you consider yourself to be? When it comes to your experience / knowledge of online shopping ... How comfortable do you think you are? How confident are you in your ability to judge the quality of a website? How confident are you in your ability to judge the reliability of a website?	5	0.932
Internet behavior	To what extent do you use the internet to … ... communicate with friends and family … For entertainment … To read news … For shopping	4	0.939
Psychological distance	When I think of Telemer and their characteristics… how physically close does the company feel? how abstract or concrete are they to me? how palpable do they feel to me? how real are they in my head?	4	0.961