

Chapter 1

COVID–19, Digital Transformation, Consumers' Experience: Factors Influencing Satisfaction and Loyalty in Food Retail

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ABSTRACT

Covid-19 and repercussions on a global scale made individuals see their lives interrupted, having to adapt to different contexts of everyday life. They saw their shopping habits and priorities changed, especially in terms of food. The study aims to analyze which factors have become more and less valued by Portuguese retail food buyers during and after this unusual time period. It also wants to see digital evolution's impact in off and online consumption. A quantitative study was developed through a questionnaire to a final sample of 404 Portuguese consumers. Data shows a huge importance to the stores' hygiene and high insecurities related to products' quality, freshness, and preservation. It also shows that individuals purchased more in physical stores, despite confinement and restrictions. Digital and e-commerce are just sources of information. A major limitation of the study is the use of a non-probabilistic convenience sample, despite the good number of participants. However, it proves that an omnichannel strategy is crucial to promote customers' satisfaction and loyalty.

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INTRODUCTION

Crises throughout history have caused great transformations worldwide; the Covid-19 pandemic, from March 2020 to May 2023, was no exception (Kirk & Rifkin, 2020). Nowadays, the current technological and digital evolution leads to radical changes in the way the world itself is perceived and how society, in general, thinks and acts on a daily basis (Grashuis, Skevas & Segovia, 2020; He and Harris, 2020). On the other hand, due to the exponential growth of human beings - 8 billion by November 2022 - and the respective environmental consequences, more epidemic situations are expected (e.g. Kirk and Rifkin, 2020; Anastasiadou, Anastis, Karantza & Vlachakis, 2020). This study aims to clarify which factors the large food retail consumers perceive as most relevant to their shopping experience and repurchase intention during and after the pandemic. This can help retailers to have important insights on how to act, now and in the near future.

The retail sector has undergone considerable changes over time, mainly in developed countries and mature markets; there is the need to constantly surprise consumers, reinventing the stores (Schmitt & Zarantonello, 2013; Faria, Carvalho & Vale, 2022). The international growth of retail players (specifically supermarkets and hypermarkets) and their commitment to redecorate the stores and introduce New Technologies and AI prove the need for constant improvement (Reardon, et al., 2005; Vega, González-Acuña, & Rodríguez-Díaz, M., 2015; Anshu, Gaur, & Singh, 2022; Faria et al., 2022). Actual consumers are very demanding and informed (e.g. Lina, 2022). A great number of aspects can lead consumers to choose a product or even a store over others (Grewal and Levy, 2007; Solomon, 2019). For retailers is crucial to get to know clients, interact and increase the degree of involvement to create brand trust and make them come back for customized answers (Berman and Evans, 2010; Baker and Wakefield, 2011; Solomon, 2019; Tueanrat, Papagiannidis & Alamanos, 2021; Tena-Monferrer, Fandos-Roig, Sánchez-García, & Callarisa-Fiol, 2022). Actual clients are Blended and do ROPO – research online, purchase offline and vis-a-vis-, which is a huge challenge (e.g. Tueanrat, et al., 2021).

THEORETICAL BACKGROUND

Armstrong and Kotler (2015) defined retail as the set of activities that allow selling products or services directly to the final consumers, for their (mostly) personal use. These activities take place along the distribution channel: a group of commercial and logistics transactions between different entities, that transport, stock and deliver products at the right time, place and conditions (Rousseau, 2020; Faria, Pereira, Lima, Vilela & Loureiro, 2022). In other words, it involves two stages (e.g. Alves and Bandeira, 2014): upstream (suppliers and movement through the wholesale trade) and downstream (partners - e.g. retail players- and final clients). The retail sector presents the highest number of food transactions per second; its importance, both for various supplying entities and for final consumers, is undeniable. All over the world, there are a lot of players that act as facilitators, moving products from their place(s) of production to their place(s) of consumption.

Hypermarkets and supermarkets are the type of stores most sought after by individuals to buy food and household products. Acting on a free-service basis, they allow customers to freely choose which products to buy (Armstrong & Keller, 2015; Solomon, 2019). In general, the retail sector has been experiencing a lot of transformations even before the pandemic situation, mainly due to the Internet of Things (IoT). The future involves investing in new technologies (IoT, New Techs), the ability to adopt an omnichan-

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