



**UNIVERSITY OF GOTHENBURG  
SCHOOL OF BUSINESS, ECONOMICS AND LAW**

**Are you the culprit or the victim in today's digital society?**

*The use of digital innovations in the Swedish fast fashion industry and its significance for consumer behavior*

---

Master Thesis, Msc in Innovation and Industrial Management  
Graduate School  
School of business, Economics and Law, University of Gothenburg  
Gothenburg, Sweden

2022-06-05

**Authors**

Irma Weberg Ekelund  
Josefine Jogdal

**Supervisor**

Viktor Ström

**Are you the culprit or the victim in today's digital society?**

By Irma Weberg Ekelund and Josefine Jogdal

© Irma Weberg Ekelund and Josefine Jogdal

Master's Thesis  
MSc in Innovation and Industrial Management  
Graduate School  
School of Business, Economics and Law  
University of Gothenburg  
Sweden 405 30 Gothenburg

All rights reserved.

### **Acknowledgments**

We would like to thank all of the interviewees and participants which through their openness and willingness to contribute have made this research possible. We would also like to thank our supervisor Viktor Ström for his valuable feedback, constructive criticism, and positive energy during the entire process. Lastly, a big thank you to Jeanette Hauff for her benevolence and willingness to share her passion and ideas and to act as a sounding board.

**Gothenburg 2022-06-05**

**Irma Weberg Ekelund**

**Gothenburg 2022-06-05**

**Josefine Jogdal**

---

## **Abstract**

The fashion industry has grasped a wide range of digital innovations, and the past decade has shown an increased junction between advanced digital innovation and consumption. Therefore, the mechanism of consumption is recognizing important transformation, following a redefinition of various areas from advertisements and markets to consumers and the concept of utility and value. Meanwhile, significant changes have appeared in the dynamics of the fashion industry, such as an expansion of the number of fashion seasons, speed to market, and flexibility in delivery, which is nowadays referred to as the fast fashion industry. This thesis aims to investigate the interaction between corporations and consumers, regarding how the use of digital innovations in the Swedish fast fashion industry influences consumer behavior. Research suggests that fast fashion corporations show competitiveness through the ability to quickly provide novel trends to the market and that these corporations face new challenges due to rapid advances in the digital innovations of today.

By providing a multiple-case study of four Swedish small to mid-large fast fashion corporations, this thesis intends to present findings of how the use of digital innovation in the Swedish fast fashion industry influences consumer behavior. The research question of this study is of an explorative design, hence applying a qualitative strategy with an abductive approach, both influenced by the epistemological position constructionism. The data collection was gathered through semi-structured interviews and analyzed with a thematic analysis. Furthermore, focus groups were conducted to provide insights from the consumer side of the phenomenon. The empirical findings, as well as the analysis, is divided accordingly.

The empirical findings show that the corporations use a lot of means to communicate and advertise towards the customers, such as emotions, personalized content, and a continuous conversation. However, even though the companies are confident about the positive perception among the customers, the empirical findings from the focus groups indicate otherwise. The companies express joy and empowerment, and the customers experience stress and confusion, thus the messages inherent in the communication that flows between companies and their customers are shown to be lost in translation. However, this consumer engagement is based on a behavior strongly influenced by cognitive biases and psychological factors restraining the human mind from taking rational decisions. Thus, a self-fulfilling prophecy is created in which companies are basing their strategies upon tracked consumer engagement, in turn preventing the intentions of the companies to be in line with the customers' perception.

Based on the findings of this thesis, suggestions on further research have been provided. Since the use of digital innovation within the Swedish fast fashion industry, due to the exploitation of cognitive biases and psychological factors, has been proven to influence consumer behavior, further research on how this interplay can be used for a positive purpose is suggested.

**Keywords:** Digital innovation, digital transformation, persuasive technology, cognitive science, consumer behavior

## Table of contents

1. Introduction	1
1.1 Background discussion	1
1.2 Problem discussion	2
1.3 Purpose	2
1.4 Research Questions	2
1.5 Delimitations	3
1.6 Disposition	3
2. Literature review	4
2.1 Consumer behavior and the decision making process	4
2.1.1 The rational choice theory and the theory of bounded rationality	4
2.1.2 Decision making from the perspective of cognitive science and neuroscience	5
2.1.3 Cognitive biases	6
2.1.2.1 The human reward system	7
2.1.4 Choice architecture	7
2.2 Digital transformation	8
2.2.1 Defining the digital transformation	8
2.2.2 Effects of digital transformation	9
2.2.3 Digital consumer	10
2.2.3.1 Personalization	10
2.2.4 Persuasive technology	11
2.2.5 Big data	13
2.2.6 Artificial intelligence	14
2.3 Literature summary	16
3. Methodology	17
3.1 The research paradigm	17
3.2 Research strategy	19
3.3 Research design	21
3.3.1 Data Collection	23
3.3.2 Interview guide	23
3.3.3 Interview setting	24
3.4 Sampling	26
3.5 Thematic analysis	30
4. Empirical Findings	33
4.1 Corporate side	33

4.1.1 A Changing Consumer Demand	33
4.1.2 Selling the emotional experience, rather than the product	34
4.1.3 The pursuit of customer information	36
4.1.4 The continuous conversation	37
4.1.5 Chasing seconds	38
4.1.6 Adapting to each customer through information	39
4.2 Consumer side	40
4.2.1 Constant exposure of advertisements	40
4.2.2 Changed perspective of consumption patterns	41
4.2.3 Affected by emotions	42
4.2.4 Confusion and stress	43
5. Analysis	44
5.1 Corporate side	44
5.1.1 A Changing consumer demand	44
5.1.2 Close interaction and constant communication	45
5.1.3 The pursuit of attention	46
5.1.4 Personalization	47
5.1.5 The pursuit of customer information	48
5.1.6 Emotions	49
5.2 Consumer side	50
5.2.1 Changed perspectives on shopping behavior	50
5.2.2 The role of emotions and social influence	50
5.2.3 The power of algorithms and big data	51
6. Conclusion	54
6.1 Answering the research questions	54
6.1.1 How does the use of digital innovation in the Swedish fast fashion industry influence consumer behavior?	54
6.1.2 How are the intentions of the companies perceived by the customers?	55
6.2 Contribution to existing research	55
6.3 Suggestions for future research	56
6.3.1 Limitations	56
6.3.2 General suggestions	56
References	57

# 1. Introduction

*This chapter introduces the area of digital transformation within the Swedish fast fashion industry and presents the problem discussion related to the chosen research topic. Lastly, the purpose and research questions of this study are presented.*

## 1.1 Background discussion

The past decade has shown an increasing intersection between advanced digital innovations and consumption, simultaneously forcing companies to satisfy the needs of the customers faster than ever before (Bommel et al., 2014). Under the pressure of digitalization, the process of consumption is experiencing significant transformation, resulting in a redefinition of various areas ranging from advertisements, markets, and products, to consumers and the very concept of utility and value (Cleveland & Bartsch, 2018).

The fashion industry is one of many industries that, in both advertising and consumer interaction, has embraced and adopted a wide scope of digital innovations ranging from social media to big data and algorithms. When analyzing the basic structure of traditional fashion retailers, it is evident that the forecasting of consumer demand took place long before the time of consumption (Guercini, 2001). The past decade has however revealed significant changes in the dynamics of the fashion industry, such as increased number of fashion seasons, speed to market, and flexibility in delivery (Doyle et al., 2006). Simultaneously, given rise to the term “Fast Fashion”, a segment characterized by extended number of seasons, shorter life cycles, high impulse purchase and highly volatile market demand (Bhardwaj & Fairhurst, 2009). The fast fashion retailers of today show competitiveness through their ability to rapidly provide new fashion trends to the market. Conversely, companies are faced with new challenges regarding the way they track and respond to the continuously changing customer expectations (Bhardwaj & Fairhurst, 2009).

Digital innovations allow for an increasing number of artifacts and individuals to be digitally connected, in turn enabling increasing amounts of information to be gathered, analyzed, and manipulated (Zuboff, 2020). In fact, research underlines the benefits of gathering and analyzing consumer data for corporate gains, to enhance consumer experience, and to predict behavioral patterns in general and emerging consumption patterns in particular (Morgan-Thomas et al., 2020). Collection of consumer data is no longer the costly process that it was in the past, instead it is a process deeply embedded in almost every movement and interaction that the consumers engage in. Although such real-time data obviously can be used with positive intentions, there are concerns that such tools remotely control people regardless of whether they use the technology or not (Zuboff, 2020). Lanier (2018) further explains that platforms such as Google and Facebook make use of algorithms to influence individual users in their decisions, attitudes, and behavior for economic purposes. Thus, it has been contested that several issues exist as to why this type of data that companies are benefiting from might have negative effects on society at large (Trittin-Ulbrich et al., 2020).

## 1.2 Problem discussion

In today's society that offers access to an abundance of consumer information, everything revolves around the consumers and their shopping experience. Every single step taken by the consumers can be tracked and later form the foundation for future strategies and offers. However, in this jumble of information, digital innovations proved to be persuasive are used, in turn influencing the consumers and their behavior. Scholars (Cleveland & Bartsch, 2018) state that the effects of digitalization on consumer behavior and consumption have not obtained enough attention. As aforementioned, the digital transformation of society can be perceived as both positive and negative, and Trittin-Ulbrich et al. (2020) emphasize that digitalization can possess both drivers and victims depending on the specific context. In the pursuit of customer data and in the effort to create a positive customer experience, it can therefore be considered to exist various reasons to investigate if companies know how the customers are actually affected by the daily use of digital innovations.

Increased consumption and actions taken by companies within the fast fashion industry have been highlighted repeatedly, through the triple bottom line theory introduced by John Elkington, in the past (Elkington, 1998). What however seems to be a gap in previous research is how consumers and their behavior are influenced by the digital innovations used in the fast fashion industry. Digitalization has implications for society, organizations, and individuals, however the unexpected and potentially dark sides of digitalization and the innovations it has brought, have received little scholarly attention (Trittin-Ulbrich et al., 2020). Since advertising and communication in the fashion industry have radically changed and now encompasses the latest innovations, there is a need to investigate the phenomenon in this industry as well. Therefore, this thesis aims to extend the emerging debate by investigating the use of digital innovations in the Swedish fast fashion industry and the influence it has on the patterns of consumer behavior.

What happens when an industry that was not born with the technical heritage but is now strongly anchored in its innovation? How are consumers really affected by this combination, is it to their advantage or disadvantage?

## 1.3 Purpose

The purpose of this thesis is to investigate and gain insight about the use of digital innovations within the Swedish fast fashion industry, in regard to consumer behavior. This, to get an understanding of how the interplay between companies and their customers unfolds and how the use of digital innovation influences consumer behavior. Furthermore, the thesis aims to reveal how the companies' intentions are perceived by the customers.

## 1.4 Research Questions

- *How does the use of digital innovation in the Swedish fast fashion industry influence consumer behavior?*
- *How are the intentions of the companies perceived by the customers?*

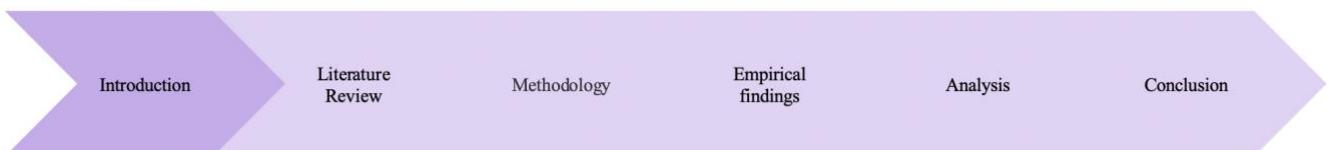
## 1.5 Delimitations

Several limitations have been made to accommodate the studies with boundaries for a competent research scope. As this thesis aims to investigate the use of digital innovations regarding consumer behavior, all digital innovation potentially influencing consumers are included, referring to algorithms, big data, artificial intelligence, and social media platforms. However, the corporations use of digital innovation that is not directly related to consumer behavior are excluded.

Limiting the investigated companies to Sweden was made due to convenience when conducting the semi-structured interviews as well as the focus group, to enable an accurate comparison and analysis between the two. Additionally, a limitation of country was assessed as necessary to keep the research within a manageable range. Due to the scope of this research being of quite untapped characteristics, it was further determined to limit the industry to fast fashion, this to comprehend how digital innovations are used in an area where rapid development is a fact, in line with digital development being so as well. The limitation of being a fast fashion corporation was determined to be a provident of at least 6 seasons per year. Turnover and lifespan have not been considered significant for the research questions of this thesis and no delimitations have therefore been made regarding these factors.

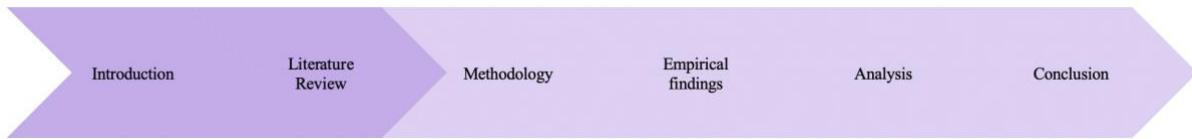
## 1.6 Disposition

As shown in Figure 1, the thesis is divided into six chapters, providing information to the reader in a logical sequence. This introductory chapter is followed by a literature review, methodology, empirical findings, analysis, and finally a conclusion that answers the two research questions. To guide the reader through the information, each chapter starts with an explanation of the purpose of the respective chapter.



*Figure 1: Disposition of chapters*

## 2. Literature review



The aim of this chapter is to provide the reader with relevant literature that forms the foundation for the upcoming analysis. The chapter is divided into two main parts describing the areas related to the research topic, from two perspectives. The first part presents concepts related to the psychological effects on decision making and consumer behavior and the second part presents concepts related to the digital transformation of society and the consumers of today.

### 2.1 Consumer behavior and the decision making process

This part of the literature review discusses the psychological perspective on consumer behavior and human decision making. As illustrated in figure 2, this part covers the theory of rational choice and bounded rationality and introduces the science of behavioral economics. Cognitive science and neuroscience are discussed and various types of cognitive biases constraining the brain of making rational choices are revealed.

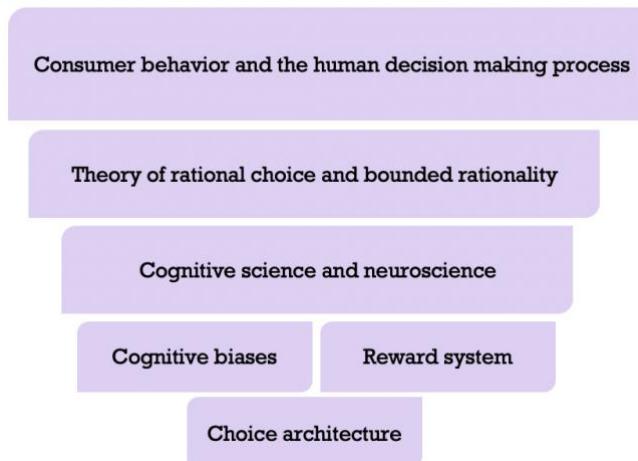


Figure 2: Structure of the “consumer behavior and the human decision making process” section

#### 2.1.1 The rational choice theory and the theory of bounded rationality

It has long been assumed that humans are motivated by the possibilities of making money and achieving goals and desires in line with preferences (Scott, 2000). This has allowed for the construction of predictive and formal models of human behavior. Scott (2000) further discusses the theory of rational choice, which is built on the assumption that all human actions are fundamentally rational, and that people measure the likely benefits and costs of any potential action before deciding on whether or not to carry it through. As humans in the rational choice theory are assumed to be motivated by the desires expressing their specific preferences, they

are also assumed to always choose the alternative, based on the available information, that most likely will generate the greatest satisfaction (Health, 1976).

However, various economists dispute the accuracy of the theory of rational choice. Dissenters mean that humans do not always make utility-maximizing, i.e., rational, decisions. In ideal world individual actors are, of course, able to always make optimal and utility maximizing decisions leading to the greatest satisfaction and benefit. Yet, reality is that the world is not perfect, meaning that various non rational external factors and emotions influence the decisions taken by humans (Kahneman, 2003). Herbert A. Simon (1955) rejected the assumptions behind the perfect rationality theory as he believed that humans are not always capable of obtaining all the information needed to make the perfect decision. He further stated that the possession of knowledge covering every potential alternative or every consequence following each potential alternative is not possible nor realistically for most of the decisions that people make. Hence, Herbert A. Simon (1955) introduced the theory of bounded rationality in which decision makers are viewed as bounded rational instead of rational and satisficing is replacing utility maximization.

Bounded rationality is a well discussed theory, and Mullainathan and Thaler (2000) describe it as the reflection of the cognitive abilities constraining human problem solving. The willpower of the theory captures the phenomenon that people frequently make decisions that are not in line with their long-term interest. Kahneman (2003) further builds on the argument that rational theory of decision making is psychological unrealistic and states that humans use heuristics and biases when faced with tasks of judgment under uncertain circumstances. Meanwhile, Conlisk (1996) states that humans only have a limited amount of brainpower and time and that it is therefore incorrect to expect them to optimally solve complex problems. Instead, it is rather “rational” for humans to use rules of thumb to economize on the limited number of cognitive faculties.

The economic decision-making processes of humans can also be explained from a psychological perspective, i.e., from the science of behavioral economics. According to Mullainathan and Thaler (2000), behavioral economics explains the reason why and how human behavior does not always tend to follow the assumptions of economic models. Behavioral economics is a combination of economics and psychology that investigates the outcome in markets in which human limitations and complications are inherent in some of the agents (Mullainathan & Thaler 2000). Just as the theory of bounded rationality, behavioral economics questions the assumptions that utility maximization is a great approximation for real human behavior. Behavioral economics describes humans as being easily distracted and emotional, furthermore, not able to make decisions in line with their self-interest, nor to be considered as rational. A human’s behavior is instead subject to emotions, social influences, and cognitive biases (Kahneman & Tversky, 1974). According to Angner and Loewenstein (2007) the single most vital inspiration source for behavioral economics is behavioral decision research, which can be described as an integration of the fundamental ideas from economics and cognitive science. Hence, the following section will dig deeper into the concept of decision-making from the perspective of cognitive science and neuroscience.

### 2.1.2 Decision making from the perspective of cognitive science and neuroscience

Considering the highly competitive environment that characterize the Swedish fast fashion industry, it is highly important for companies to understand consumer behavior and the factors driving the motivations and emotions of consumer decision making. This section of the literature review therefore aims to further elaborate on the human decision-making process from different perspectives originating from cognitive science and neuroscience.

Consumers need to make specific decisions in almost every shopping situation, and it is therefore highly important for companies to understand the crucial aspects of the decision making process, including both rational considerations and emotional components (Bechara & Damasio, 2005). Both economists and neuroscientists have attempted to predict and understand human behavior in the past. While economists have tried to explain behavior by using theoretical constructs such as preferences or utility, neuroeconomics contemplates the physiological variables that influence behavior and decision-making (Hubert & Kenning, 2008). Fugate (2007) explains that marketing research has discovered cognitive science and neuroscience, and that it has resulted in the emergence of consumer neuroscience. Consumer neuroscience addresses insights from brain research and has localized brain structures associated with the processing of advertisements, brands, and products. Consumer neuroscience can thus be explained as the science of human decision making as it can be used to accurately identify customer desires, motivations, needs and preferences (Hubert & Kenning, 2008).

Kahneman (2017) explains that the brain has two systems, system 1 and system 2. Shaped by evolution, system 1 provides continuous assessment of the main problems circulating in the environment and is characterized by being fast, subconscious, automatic and error prone. Conversely, system 2 is slow, conscious, effortful, and reliable (Kahneman, 2017). The great majority of the decisions people make during a day are from the first system of subconscious responses which proves that emotions govern the decisions making of humans (Chaudhary, 2020). When system 1 decides, the conclusion precedes the arguments and once the decision is made the only thing the conscious part of the brain can do is to justify those reasons. Kahneman (2017) discusses delusions of thought and cognitive distortions and further explains that system 1 often makes mental errors, known as cognitive biases. The following section will therefore elaborate on the different cognitive biases that affect human decision making.

### 2.1.3 Cognitive biases

Kahneman and Tversky (1974) introduced the concept of "cognitive biases" in the early 70s to describe the systematic but flawed patterns of people's responses to decision problems. These subconscious tendencies are at the basis of human decisions making, judgment and resulting behavior and can be further explained as errors in human thinking arising from people's perception of the surroundings and the information in it. In turn, determining the way people make decisions (Cherry, 2020). More or less, the primary focus of cognitive biases is on how the human brain functions.

The amount of information that flows in society has increased rapidly in recent years and Cherry (2020) further explains how the human brain is constantly exposed to an abundance of information making it natural to take mental shortcuts. Taking mental shortcuts makes it both easier and faster for the brain to sort through the plethora of data and information. According to Zhang (2021), everyone displays cognitive biases and regardless of the situation, almost every decision and judgment in the daily life is hampered by different types of cognitive biases. These errors can be seen as either results from incomplete information or inability when analyzing the information available. Hence, can explain why cognitive biases cause people to deviate from making rational decisions (Kahneman, 2017).

The tendency of seeking information that confirms existing beliefs while discarding the information that potentially contradicts them is described as *confirmation bias* (Cherry, 2020). Favoring information that affirms current notions and beliefs comes naturally for human beings and Lewicka (1998) therefore appointed confirmation bias to be the "bias of the biases". This

type of cognitive bias works as an efficient way to analyze information as it both encourages self-esteem and eases stress through the elimination of contradictions and conflicts. Hence, it has effects on both the perception of the surroundings and on the act of decisions-making (Cherry, 2020).

Besides the confirmation bias, the so-called *halo effect* is also of relevance to the research topic. The halo effect is a type of cognitive bias that refers to the tendency of letting the overall impression of a certain person impact the evaluation of every specific trait of this person (Kahneman, 2017). For instance, a person that considers a celebrity as successful and attractive will automatically be under the impression that this celebrity is intelligent and kind as well. Chaudhary (2020) explains that the extent that a customer likes an ad is highly dependent on how much this customer likes the person in the ad. Ads with famous people tend to receive more attention and be remembered far longer than ads with non-famous people. Put in a corporate perspective the halo-effect refers to the fact that the goodwill of a certain person is automatically transferred to the company and brand itself (Forgas & Laham, 2016).

#### *2.1.2.1 The human reward system*

How to affect consumer decisions and behavior is a matter of debate in both classical marketing and in consumer neuroscience, and the major research topic concerns the act of purchasing and how this behavior can be influenced (Fournier., 1998). Through studies of the act of purchasing, consumer neuroscience has gained knowledge about the reward system's relevance for decision making (Javor et al., 2013).

According to Peterson (2005) the reward approach i.e., pleasure-seeking, and the pain/loss avoidance are the two major brain systems that are considered fundamental to human behavior. Brain stimulation studies show that activation of the pleasure-seeking brain system leads to the feeling of "well-being" (Shultz et al., 1997). Thus, behavior is determined to be closely related to the reward system. The brain structures involved when processing rewards can be summarized as a "reward system" and consists of a complex network of various brain areas that plays a pivotal role for the understanding of consumer behavior (Hubert & Kenning, 2008). Unlike animals, the predominant goals to be achieved through behavior for humans are not only the basic rewards such as sexuality and food. Instead, more abstract forms such as social rewards and certain physical objects are main targets as well (Javor et al., 2013). Kenning et al. (2007) agree and explain that the reward system is activated by attractive advertisement, price reductions and beautiful faces as well. Furthermore, recent findings show that the reward system is involved in the development of brand loyalty and product preferences (Javor et al., 2013).

Dissimilar to the classical marketing that asks the customer what they want and advertises products in accordance with these needs, consumer neuroscience does instead base the marketing strategies on the analysis of different physiological events in the consumer body and mind. Neuroscientists look at how certain stimuli in the human brain can provide the response of wanting to buy a certain product. (Chaudhary, 2020)

#### *2.1.4 Choice architecture*

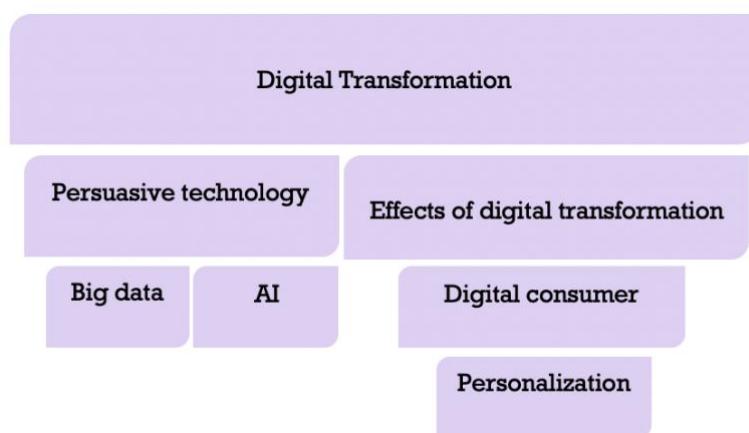
Lastly, in order to fully grasp the decision-making process, the concept of choice architecture will be covered and provide the reader with information from the side providing the options to the decision maker, i.e., in this case, the corporate side.

Thaler and Sunstein (2008) are the founders of the term choice architecture, reflecting on the fact that there are multiple ways in presenting a choice to the decision-maker. Furthermore, what is chosen often depends upon how the choice is presented. The influence of choice architects is significant, since they are affecting the behaviors of the decision-makers regarding the selection of defaults, the presentation order of alternatives, and many more. The impact of the choice architects can be substantial, such as promoting healthier food options, or increasing organ donation rates (Theotokis & Manganari, 2015). Johnson et al. (2012) state that yet it is tempting to think that there is a neutral way of presenting choices, there is not. There is a default option in all choice presentations, which will be chosen more often than if another option is designated the default. This is further strengthened by Theotokis and Manganari (2015), stating that the default option requires the decision-maker to *opt-out* of it, leading to more decision-makers sticking to it. Thus, the default-option is the alternative that the consumer receives if not requesting another alternative.

One of the strongest decisions that a choice architect must consider is the question of how many alternatives to present to the decision-maker. Schwartz (2004) refers to the danger of having too many options, also named the tyranny of choice. This is further strengthened as an issue by Iyengar and Lepper (2000) and Jacoby (1984), referring to it as choice overload. When a decision-maker is given to many choices, it can be overwhelming to process.

## 2.2 Digital transformation

So far, the literature review has introduced the psychological perspective on human decision making and discussed the subconscious limitations that influence human reasoning and behavior. To provide the reader with a comprehensive understanding of the research topic, the following section, as illustrated in figure 3, will investigate the digital transformation as well as the societal changes it has resulted in. Additionally, the digital innovations, such as social media platforms, artificial intelligence, big data, and algorithms, available for companies within the Swedish fast fashion industry to use will be covered.



*Figure 3: Structure of the “Digital Transformation” section*

### 2.2.1 Defining the digital transformation

Alekseevna et al. (2017) describes the digital transformation of an economy as the movement of economic relationships into the cyber-physical world. Whereas the concept of the cyber-physical world is based on the cyber-physical system consisting of a set of devices managed by computer algorithms, which are integrated with the internet and the users. Meanwhile, Hilbert (2020) describes digital technology as the most recent wave of humanity’s socioeconomic

evolution, and he mentions its powerful artificial intelligence and its omnipresent connectedness as two of the main building blocks of this evolutionary phase. According to Yeganeh (2019) digital transformation can in a simpler way be described as the application of technology to every aspect of society including the everyday life of humans and businesses. To sum up, scholars agree on the fact that the transformation of information is the major focus area of the current shift in paradigm.

The digital transformation has been going on for centuries and undergone several stages. From the initial stage of electrification of objects and automatization of processes to the stages introducing processes of virtual interaction between system and client information. Within the subsequent stages, systems became able to receive integrated data about the client from various sources and the possibility of using the customer data to induce the customer to actions was enabled. The most recent stage of the digital transformation develops the infrastructure into being more informed and flexible. In turn enabling more precise adaptation to the requirements and needs of the consumer. (Alekseevna et al., 2017)

Digital transformation influences all parts of society, from individuals' everyday lives to the processes of huge corporations within a wide range of industries (Hilbert, 2020). Discussing the fast fashion industry and the changes made due to the influence of digital transformation reveals drastic adaptations. It started with a situation in which only direct interaction with customers existed and sales and selection of products were made in store and moved towards an automatization of main processes in store and to a distribution of online services. The most recent stages then reveal the possibilities to send personalized offers based on the consumer information data received from search queries, social networks, or previous purchases (Alekseevna et al., 2017).

### 2.2.2 Effects of digital transformation

The pressure, originating from both investors and consumers, on companies have intensified during recent decades, forcing them to innovate the products faster than ever before (Oghazi et al., 2016). The life cycles of products therefore become a relevant topic of discussion when analyzing the effect of the digital transformation. According to Yeganeh (2019) the product life cycle is a concept describing the sales history of a product over its entire lifetime and it mainly consists of the four stages: introduction, growth, maturity, and decline. During the final decline stage, the more competitive and innovative products replace the former ones. Hence, the intensified pressure due to recent decades of digital transformation has accelerated the pace of innovation substantially (Oghazi et al., 2016). In turn, leading to continued shortening of product life cycles in general and an increasing acceleration of production and consumption processes in particular.

The hasty decline in the product life cycle together with an abrupt shift of consumers to the next product generation implies that businesses might lack both resources and time when trying to reach out to all potential consumers (Yeganeh, 2019). According to Geyer et al. (2007) this means that businesses often are caught in situations in which the new and innovative products are replacing the old ones before eventual campaigns have been conducted. Businesses that are selling products with short life cycles are therefore in great need of gathering and analyzing marketing research and consumer data from various segments quickly and, most importantly, target them simultaneously (Goldman, 1982). Additionally, the effect on product life cycles is narrowing the opportunity for companies to earn profits as the competition catches up much faster. Consumers are therefore pushed to rush and purchase the latest products offered at the market to fulfill their lives by consuming even faster than ever before (Yeganeh, 2019).

### **2.2.3 Digital consumer**

As a response to the digital transformation, consumer behavior is changing. Market figures show that the consumers of today are shifting their purchases towards online stores and that digital touchpoints play an important role when it comes to customer experience and journey (Kannan & Li, 2017). Verhoef et al. (2021) state that through the use of new social media and search tools, consumers have become more informed, empowered, active and connected. Leimeister et al. (2014) further explain how the digitalization of everyday life has caused a change in the needs and preferences of the customers. Today, offers need to be personalized, connected, context adaptive, available anywhere, and fun to use. Leimeister et al. (2014) denominates the customers of today as the digital users and explains that due to the competitors being only a click away these users have become far more powerful compared to previous user generations. Thus, the only way to bind a customer to an offer is through the perceivable usefulness, individual user-centricity, and ease of use. Tkaczyk (2016) agrees on the explanation and further describes the digital consumer as someone that is using mobile devices when searching for and buying products online and is fully aware of their preferences and keen on making their decisions simpler. According to Brenner et al. (2014), the needs of these customers must be considered as the main interest of a corporation and most importantly, always serve as the foundation for offerings and development of new products.

Today, consumers can easily access dozens of different media channels through which they effortlessly can communicate with both other consumers and firms, which in turn intensifies the pressure put on companies (Verhoef et al., 2021). Tkaczyk (2016) explains how the consumers of today's digital era have access to a vast variety of information sources and the online environment is therefore characterized as chaotic due to the increasing difficulty to make decisions. Hence, inhabiting this virtual environment with information overload makes the consumer become more conscious and demanding. The digital consumers are strongly relying on the digital innovations, such as social media, big data and artificial intelligence, that at a rapid pace are entering their everyday lives and according to Hoffman et al. (2017) these innovations are likely to impact and structurally change the behavior of these consumers. The behavior of the digital consumer is mainly shaped by the intense use of digital innovation and evolves at a high pace. It is therefore important for companies to investigate potential trends accompanying the behavior of these customers in order to ensure being prepared to satisfy the resulting demands, needs and expectations (Tkaczyk, 2016).

#### **2.2.3.1 Personalization**

Due to technological advances, virtual and physical environments are converging at a rapid pace in turn requiring corporations to satisfy customer desires and needs more quickly (Yeganeh, 2019). Information technology has changed the balance of control and consumers are gaining power over the interactions with companies. The consumers of today tend to shop more online and instantaneous and unique digital experiences are demanded every time (Pilkington, 2016). Along with the benefits of digital innovation and the internet, customers can easily reach and gather information about companies and their products, which increases their bargaining power significantly (George & Paul, 2020). Hence, as a consequence of the digital transformation, new types of challenges regarding how to track and respond to customer expectations have occurred. Companies, particularly the ones operating in traditional industries such as the fashion industry, are therefore required to heavily invest in digitalization of their business processes to enable meeting the lofty expectations of their conscious customers (Yeganeh, 2019).

In addition, a shift in focus, from products to experiences, has followed the technological transformation and companies can only survive the intense competition by looking beyond the inherent focus of increasing the sales of products towards serving the customers' needs and preferences (Saarijärvi et al., 2013). The value created for the customers as a result of the redirected focus will in turn create value for the company itself and generate valuable competitive advantages. Understanding the strength of digital innovations and information about consumer behavior will make businesses more inclined to enhance their product offerings with a great focus on designing a positive consumer experience. According to Pilkington (2016), the increased pressure of digital consumption forces companies to direct their full attention towards the crucial areas, personalization and customer experience, in order to both attract and retain customers.

Saarijärvi et al. (2013) state that the focus areas of companies increasingly shift from selling products and services to instead serving customers. In this era of digital consumption, companies are utilizing customer data when managing their customer relationships and the usage of customer data is therefore now to be seen as a source for the customer's value creation and not only for the value creation of the company. Boulding W., et al. (2005) agree and claim that companies become successful and survive at the market only if they redirect their focus away from potential ways to sell products toward an increased focus on creating high customer value and catching consumer attention. The concept of attention is complex but can however be divided into two main dimensions, namely, duration and intensity (Teixeira, 2014). The former mentioned dimension measures the quantity of attention and the latter mentioned dimension refers to its quality and Teixeira (2014) explains that during past decades, both the duration and intensity of consumer attention have significantly declined. Too much information exposure increases the level of distraction hence decreases the level of attention (Lindner, 2012). Along with shortened attention spans the quality of consumer attention has also deteriorated in the past decades. Without attention, advertising will not have any impact on the consumers of today, consumer attention must therefore always be caught to enable converting it into purchasing behavior. Hence, to both attain and retain consumer attention communication and advertising needs to be more available, reliable, informative, and most importantly, more customized than before (Teixeira, 2014).

#### 2.2.4 Persuasive technology

While the above sections have elaborated on the impacts resulting from the digital transformation the following sections will more in detail discuss the technologies and innovations that have arisen in this digital era.

Persuasive technology is any kind of technology that is intentionally designed to change the users' attitude and behavior (Ijsselsteijn et al., 2006, p.1). Mobile phone applications such as Facebook, Instagram, and Twitter, are digital innovations that fall under the definition of persuasive technologies. Spelt et al. (2022) argue that persuasive technology is any technology that can assist in behavior change. Based on behavior and self-report data, the systems can personalize their functionalities and increase the efficiency of the technology. To ensure the most effective persuasive technology, it should therefore be personalized to the user (Markopoulos et al. 2015; Meschtscherjakovet et al. 2016). By personalizing the persuasive technology system, user models are accustomed to adapting the features of the system to the users' emotional, cognitive, or behavioral characteristics (Markopoulos et al., 2015). Persuasion originates from the process of one person trying to influence another (Perloff, 2008). Persuasive approaches have been used effectively to change perspectives on shopping behavior

(Cialdini, 2007), it has also been shown to occur in situations of technology-human interaction (Markopoulos et al. 2015; Meschtscherjakov et al. 2016).

As stated by Harris (2016), humans are prone to focus optimistically on all the things that technology does for us. However, there is another side of the coin, where technology exploits our minds' weaknesses. According to Harris (2016), persuasive technology may be compared to magicians. They start by searching for humans' blind spots, edges, vulnerabilities, and the limits of people's perception. By doing so, both magicians and product designers may influence what people do without them realizing it. Due to digital innovations and technological developments, persuasion has changed the persuaders attempts from mass to individualized influence, enabling a more subtle, complex, and calculative sort of persuasive communication (Perloff, 2008). What started out as attempts to promote certain behavior, such as demonstrations against binge drinking (Perloff, 2008), has evolved to smartphone applications with push notifications to promote other behaviors (Kaptein et al., 2012).

While Spelt et al. (2022) refers to persuasive technology that aims to encourage physical exercise or promote healthy eating, there are other forms of persuasive technology that affects consumers to continuously spend time on their devices. Harris (2016) argues that technological companies are prone to highlight that they are simply trying to facilitate the life of the users, by e.g., providing the next video they want to watch on YouTube. However, they are actually serving their business interests, providing the users with a set menu of options of what they want them to watch and keep people connected to their application. Furthermore, Spelt et al. (2022) argue that the information systems that persuasive technology use have become ubiquitous (Iyengar et al., 2018) in society of today, leading individuals to view their smartphone or computer as an extension of themselves. Meanwhile, there is a recent trend of applying artificial intelligence to information systems, making them even more personalized to the user, providing them with the right options (Iyengar et al., 2018).

Harris (2016) states that people assume that the more choices digital innovation provides with, the more empowering it is. However, he claims that the product designer and the technology only provide alternatives that are beneficial for themselves. To illustrate, when people consider what is going on in the world right now, the alternatives to choose from become the menu of news feed stories. Yet, it is not the case that the news feed stories provide us with all the available information or choices. In other words, technology shapes the menus humans get to choose from, by hijacking the way we perceive our choices, thus replacing them with the designer's choice. By paying closer attention to this phenomenon, it is possible to reveal the options we are given that do not actually align with our true needs. According to Perloff (2008), persuasive technology is a communicative process where the computer influences the user to change their perspective on their behavior, yet still enabling the user to its free will to think or do otherwise. It is important to acknowledge that not all users can be persuaded in the same way. There are many aspects on why users differentiate in their way of being persuaded, by which some are emotional states (DeSteno et al., 2004; Rosselli et al., 1995), or situational states (Kitchen et al., 2014, Petty and Cacioppo, 1986). Furthermore, the user's personality traits can affect their sensitivity to certain persuasive strategies, "like need for cognition, gamer type, or the big five characteristics". Age, gender, or other demographic variables may also have an effect on the user's sensitivity to persuasive messages, which may change depending on the situation they are in (Orji et al., 2015).

Since the success of persuasion depends on how well the persuasive information fits with the state of the user, personalization accordingly becomes more important (Spelt, 2022). For

technologies to persuade the user, it should tailor itself to the user. This can be done with information from self-report, behavior, or contextual measures (Markopoulos et al., 2015; Oinas-Kukkonen & Harjumaa, 2009). However, Harris (2016) argues that this way of personalizing the technology makes people fall for the illusion that the product designer represents a complete set of choices, which is rarely the case in our society with tremendous amounts of alternatives. People use the technology to facilitate choices, based on the choice architectures goals. While interpreting the menu of choices as the complete range of options, this is rarely not the case (Harris, 2016).

There are many known measures for the personalization of persuasive technology, indicating information about the users. Further on, this information can be used to personalize features of the persuasive technology, such as the strategy being used, the content of the messages, and the timing of the persuasion. By adapting the features of the technology to user characteristics, this will foster the persuasion (Hirsh et al., 2012). To illustrate this, Spelt et al. (2022) proposed an example of how messages are more persuasive when their gain-framing is adapted to the user's personality traits. Harris (2016) argues that persuasive technologies hijack the human mind by persuading people to engage in a certain behavior. Furthermore, persuasive technology hijacks people's minds by inducing the feeling of fear of missing something important. The constant use of social media decreases the risk of missing an important news story or falling behind what everyone is talking about. This connects to the need to belong and be approved, which is one of the highest human motivations, exploited by persuasive technologies. (Harris, 2016)

### 2.2.5 Big data

Ever since the beginning of 2000s, the internet has offered unique data and development opportunities for organizations (Chen et al., 2012). However, over the past two decades, the importance of business intelligence and the field of big data analytics have increased significantly. In comparison to the algorithms used in the past, the big data of today has far more power. It enables more precise measuring than ever before in turn leading to smarter decisions and better predictions (McAfee & Brynjolfsson, 2012). 10 years ago, The Economist (2011) reported that the number of mobile phones surpassed the number of PCs and laptops. It was estimated that one decade later, in 2020, the number of mobile connected devices would reach over 10 billion. The ability to gather location-specific, fine-grained, context-specific, hence highly personalized content through mobile connected services has during the last decade opened novel possibilities for innovative and advanced business intelligence and analytics (Chen et al., 2012). With exabytes of valuable information flowing through broadband pipes, organizations of all varieties, ranging from industrial to digital, from big to small and old to new, are now entering the game (Wessel, 2016). Today, companies are competing over the most audacious and big sets of data and according to Chen et al. (2012), the collection of detailed user searches through server logs and cookies have become the new goldmine for organizations in the pursuit of an understanding of consumer behavior and needs.

Today, social media analytics is an opportunity for organizations to view the market as a communication channel in which conversations can be held between businesses and consumers (Lusch et al., 2010). Tremendous amounts of customer information can be collected from the web and by analyzing user clickstream data logs, analytical tools can provide the direction of consumer online activities hence reveal valuable information such as purchasing patterns (Chen et al., 2012). It is therefore clear that big data offers companies greater opportunities for competitive advantages (McAfee & Brynjolfsson, 2012). Furthermore, as more and more of today's organizational activity is digitized, novel information sources bring us into a completely new area. An era in which big amounts of digital information exist in basically every topic of

interest in a business. By combining customer, promotion, and product data, organizations can tailor personalized promotions and offerings to their customers, hence, take advantage of prevailing local conditions (McAfee & Brynjolfsson, 2012). Furthermore, the huge amount of consumer data is harnessed at scale in order to identify individual users within the sea of website clicks (Wessel, 2016). McAfee and Brynjolfsson (2012) state that big data makes it possible for managers to understand more about their organizations and further translate that knowledge into significantly improved decision making. They further argue that the movement of the big data era seeks to garner intelligence out of data and further translate it into valuable business advantages. The use of big data should therefore be considered a key for identifying novel business opportunities leading to valuable competitive advantages.

Big data includes information from sources such as messages, pictures posted on social media, GPS signals from mobile phones and online shopping, which means that data is produced as a supplementary product of these source's original operations (Wessel, 2016). Big data and many of its most vital sources are relatively new, hence, the enormous amount of information from, for instance, social media are only as old as the media itself. The same applies for mobile devices, such as smartphones, that provide huge streams of data that are tied to activities, locations, and people (Wessel, 2016). Hence, according to McAfee & Brynjolfsson (2012), each person in today's society is a walking data generator. They further argue that the digital transformation of retailing has moved shopping online and increased the understanding of customers dramatically. Not only an understanding of customers' purchases but also what else they showed interest in, how they navigated on sites, to what extent they were influenced by page layouts, reviews, and promotions and also similarities across groups and individuals. The performance of algorithms increases every time consumers either respond to or ignore a recommendation. Hence, in comparison to traditional retailers, e-commerce retailers can access this information and take actions accordingly, in a timely manner (McAfee & Brynjolfsson, 2012).

The era of big data has descended on communities such as e-commerce. E-commerce and market intelligence is applicable through social media monitoring and analysis, and recommender systems and customer data such as transaction records, purchasing patterns and other customer generated content can be gathered. E-commerce and market intelligence enables organizations to entail personalized and targeted recommendation leading to increased sales and customer satisfaction (Chen et al., 2012)

## 2.2.6 Artificial intelligence

Artificial intelligence is the digital innovations and sciences that creates human intelligent machines and computer programs, designed to perform tasks that normally would require human intelligence to do. Artificial intelligence is the most crucial general-purpose technology of this era (Brynjolfsson & McAfee, 2017). This is specifically true for what is called machine learning, which translates to the technology's ability to keep improving its performance even though humans do not explicitly explain how to perform all the tasks that it is given. Accordingly, machine learning represents a different approach to creating software, since it is being taught through examples, rather than being specifically programmed for a certain outcome. Boucher (2020) refers to machine learning as the second-generation artificial intelligence for automated learning, finding solutions to issues by the machine itself, without humans having to explicitly program them for it. This is strengthened by Brynjolfsson and McAfee (2017), stating that it has become more effective and widely available during recent years, leaving humans to build systems that can learn how to perform tasks by themselves. Boucher (2020) further argues that artificial intelligence is an umbrella term, referring to a wide

range of technologies and applications that share the characteristic of their apparent intelligence. For artificial intelligence to be apparent, intelligence must include the system's ability to adapt to new circumstances in regard to creating new patterns of behavior or actions, specifically for something that results from the change itself (Copeland, 2020).

The human ability to create machines that are self-learned is remarkable for several reasons (Brynjolfsson & McAfee, 2017). First of all, humans are limited in their ability to explain precisely how they perform certain tasks, such as recognizing a face. Before this technology, the inability of humans to articulate what we know made us unable to automate many tasks. Anjila (2021; reproduced in MahaLakshmi, 2021) states that once upon a time, artificial intelligence was solely a concept that we saw in science fiction, whereas it today has become a part of people's everyday lives. Not only have humans designed systems that can do what humans can, but the ability of artificial intelligence today is also to do things that humans cannot do. Accordingly, Brynjolfsson and McAfee (2017) state that machine learning systems as a part of artificial intelligence are excellent learners, able to achieve superhuman performance in various activities. Zuylen (2012) states that the domain of artificial intelligence is very wide, even though it originally was defined as the discipline of computers that show intelligent human behavior. Wilke (2017; reproduced in Brynjolfsson & McAfee, 2017) reveals that supervised learning systems have replaced the former memory-based filtering algorithms that were previously used to produce personalized recommendations to consumers.

According to Brynjolfsson and McAfee (2017), perception and cognition are two of the most advanced areas of artificial intelligence today. Furthermore, artificial intelligence systems have learned to predict whether a user would click on a particular advertisement, which improves the online advertisement placement for a consumer, and further improves customers' search and discovery process. This means that through artificial intelligence, the system can track a consumer's purchase histories, and gather the data and predict future purchase behavior, leading to the application of customer retention, recognized by Mitchell and Jordan (reproduced in Brynjolfsson & McAfee, 2017). In a situation containing a lot of data on behavior, and further trying to predict an outcome, this may be a potential application for supervised learning systems.

## 2.3 Literature summary

The figure below (Figure 4) allows the reader to visualize how the different parts of the literature review are interrelated and provides a general picture of how this information will help explain how the use of digital innovation influences consumer behavior and how the intentions behind the use are perceived by the customers.

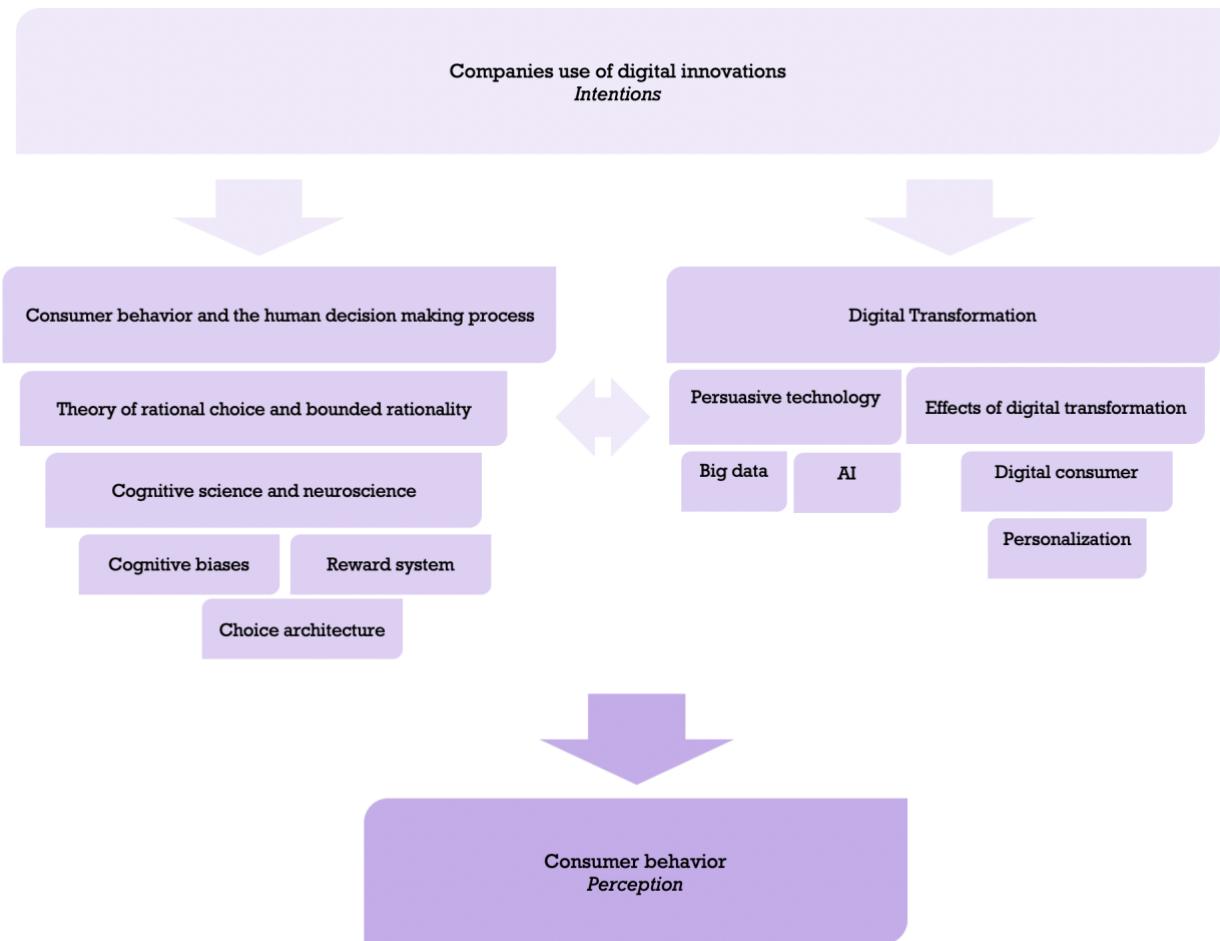


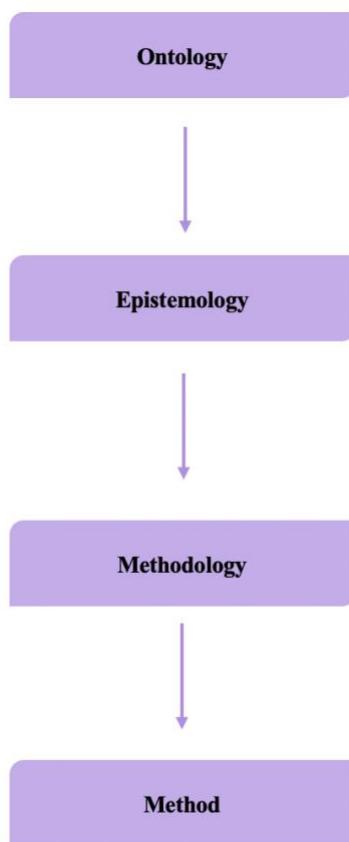
Figure 4: Literature summary

### 3. Methodology



*This section intends to illustrate the methodological approach implemented by the researchers when conducting the study. The approach will be exhibited by explaining the various elements of the methodology, such as the research paradigm, research strategy, and design. Following, the sampling method, primary data collection, and data analysis will be presented. A discussion about research quality will be continuously discussed throughout the different sections.*

#### 3.1 The research paradigm



*Figure 5: The research paradigm*

To grasp reality, research is conducted. In order to do so, it is important to consider what reality is. In addition, researchers must comprehend what can be known about reality and how to obtain that knowledge (Rehman & Alharthi, 2016). Various ontological positions propose rather different views and answers to what reality actually is. The main contrast is found between

those that see the social world as something external to social actors, referred to as objectivism, and those that see reality as something that people are in the process of constructing, referred to as constructionism (Bell et al., 2019). Rehman & Alharthi (2016) further discuss that it is vital for researchers to be able to comprehend and articulate beliefs about the nature of reality, what knowledge can be attained about it and further how it may be attained. These are referred to as elements of research paradigms. According to Rehman and Alharthi (2016), the paradigm refers to researchers' way of understanding the reality of the world and studying it. Bell et al. (2019) agree and state that the research paradigm is a cluster of beliefs, dictating scientists in a particular discipline influencing what should be studied, how research should be done, and how results should be interpreted. Therefore, it is considered important in this thesis to explain the research paradigm and how it will influence the process, as illustrated in figure 5, since it is used to describe the framework for the overall research (Brand, 2009). The research paradigm refers to understanding the world and how to study it, and entails assumptions about ontology, epistemology, methodology, and methods (Rehman & Alharthi, 2016).

Ontology and epistemology are the foundation of research, as footings are to a house (Grix, 2004). Ontology refers to the researchers' understanding of what reality is and what is possible to know about it (Bell et al., 2019; Rehman & Alharthi, 2016). By reflecting upon the ontological position, the researchers are empowered to conduct a study that captures the reality that they aim to understand. In contrast, epistemology refers to an understanding of how to obtain knowledge about reality (Bell et al., 2019; Rehman & Alharthi, 2016). Both ontology and epistemology are influenced by two philosophical positions, named positivism and constructionism. Positivism, also referred to as objectivism, is the belief that the object being studied, in this case corporations within the Swedish fast fashion industry, should be viewed as existing objectively; independent of the observers' role (Bell et al., 2019; Rehman & Alharthi, 2016; Brand, 2009). As illustrated by Rehman and Alharthi (2016), objectivism understands the world as context-free. Dissimilarly, constructionism, also referred to as interpretivism, is the belief that the object being studied is composed by social interactions that are of constant change, attained by meanings that the observer attaches to it (Bell et al., 2019). Constructionism can be explained as the reality being created, not discovered (Rehman & Alharthi, 2016); subjectively created by the researchers.

It can be terminated from the examination of ontology and epistemology that the former position affects the latter (Bell et al., 2019; Brand, 2009; Rehman & Alharthi, 2016). In this research, the intention was to investigate how corporations within the Swedish fast fashion industry use digital innovations to influence consumer behavior. To do so, the researchers made assumptions about the industry; that it is constantly changing due to digital innovations, which affects how both corporations and customers behave. This thesis followed an iterative approach, where the definition of the reality in the industry would change as more empirical findings were obtained, which will be explained in further sections. In addition, the authors decided to follow the grounded theory and thematic analysis, where the authors knew they would interpret and assess the empirical findings themselves. This in turn is affected by the authors' subjectivity and own backgrounds and beliefs. Due to the chosen approach, the researchers were subjective from start and reality was viewed as existing subjectively; created and interpreted rather than discovered, in line with what Bell et al. (2019) and Rehman and Alharthi (2016) would call being influenced by a constructionist ontology. As illustrated in figure 5, ontology has an effect on epistemology, which in turn determines the methodological assumptions. In line with philosophical beliefs, the researchers acknowledged to be influenced by the epistemological position constructionism, as well as with the ontological position.

While the term methodology is about the theory of how research should be conducted, method refers to the practice, for instance the processes of collecting and analyzing data (Bell et al., 2019). The ontological and epistemological beliefs apply in the methodology, thus affecting the research design and connects the method to the research. Critique towards researchers exists in this regard, and Bell et al (2019) argues that it is a common mistake to not separate the methodology from the method; the theory of how research should be conducted versus the process of it, which is important to do. From the discussion of the research paradigm in this section, the authors aim to avoid this potential mistake by reflecting upon the research paradigm and further how the different elements of it affect each other and influence the chosen method of this research.

### 3.2 Research strategy

There is a relationship between theory and research that affects the choice of the research strategy (Bell et al., 2019), which is important to consider before deciding the strategy of the research. This concerns the question of whether the research employs theory or empirical data; applying either a deductive or an inductive approach (Bell et al., 2019; Patel & Davidsson, 2011). These are the two general approaches to use, which represents a useful way of classifying different methods of how to conduct business research. In simple terms, Bell et al. (2019) state that a quantitative approach employs measurement, and a qualitative approach does not. However, the two approaches carry deeper differences than just the presence or absence of measurement and quantification.

Quantitative research emphasizes quantification in the collection and analysis of data, statistics, and numbers, entailing a deductive approach to the relationship between theory and research, commonly focusing on testing the theories. The method views social reality as objective, influenced by positivism or objectivism (Rehman & Alharthi, 2016). In contrast to quantitative, the qualitative approach most often emphasizes words and the participants point of view, predominantly with an inductive approach, meaning that the emphasis is placed on the generation of new theories. Those are generally viewed as subjective rather than objective, influenced by constructionism (Rehman & Alharthi, 2016). A deductive strategy is hence grounded in theory which entails a process of formulating a hypothesis, gathering data, and empirically testing the hypothesis, while an inductive strategy is based on the content of the data being gathered, being more explorative and generating new theories. In general, the deductive strategy is further associated with a quantitative approach, as the inductive strategy is further associated with a qualitative approach (Bell et al., 2019). Whether the research starts from theory or empirical data, further influenced from the philosophical assumptions discussed in section 3.1, determines whether the research employs an inductive or deductive approach (Bell et al., 2019).

Since the research question of this study is of an explorative design, investigating how corporations in the Swedish fast fashion industry use digital innovations to influence consumer behavior, a qualitative approach was assessed as the most suitable research strategy. This is due to the strategy's qualities of paying attention to words and meaning, providing insights and understandings that are specific to the industry being studied (Bell et al., 2019). Also, it aligns with the discussion of ontological and epistemological beliefs, of which it is suggested by Bell et al. (2019) that an inductive approach is suitable when choosing constructionism. As stated in the previous section, the constructionism belief is that the researchers will view the world as created by social interactions. The strategy will enable the researchers to gather data that are not as easily accessible if measured by numbers, as with words, which is considered to be beneficial since the research aims to know *how* corporations use social media.

While there is extensive research on how digital innovations, such as social media platforms, artificial intelligence, big data, and algorithms, are changing business models and furthermore how they alter the communication between businesses and consumers, the topic of interest is rapidly changing, allowing it to be an industry with characteristics that are constantly evolving. Therefore, scarce research exists out how corporations use digital innovations to influence consumer behavior in the light of today. This thesis will generate theory rather than testing hypotheses on scarce existing research. While the term methodology is about theory, method refers to practice (Bell et al., 2019). The chosen method involves semi-structured interviews being conducted to generate new ideas and implications. As stated, a qualitative strategy is often associated with an inductive approach, even though it is important to state that the distinction is not definite; studies that have strong characteristics of one research strategy might also have characteristics of the other (Bell et al., 2019). However, since a qualitative approach conveys more depth than breadth, of which the latter is inherent to a quantitative approach, the former was applied as the research strategy to gather in-depth, and detailed, data to answer the research question.

There is however criticism against an inductive approach, stating that no amount of empirical data will necessarily enable theory-building. What is proposed is an abductive logic, seen as a third approach applied to overcome these limitations (Bell et al., 2019; Dubois & Gadde, 2002). It is stated that an abductive approach starts with a puzzle or dilemma, which the researchers then seek to explain. These dilemmas may arise when researchers encounter empirical phenomena which existing theory cannot account for, as is the case of this research, strengthened by the argument that the industry is constantly changing, thus suffering from scarce research. In addition, the research question does not only aim to fill the gap in literature, but also to reveal the potential problems that arise when corporations use digital innovations to influence consumer behavior. The usage of an abductive approach involves seeking to recognize the conditions that make the dilemma less surprising (Bell et al., 2019). This involves an iterative process with the social world; the industry being investigated, and the existing literature (Mantere & Ketokivi, 2013). As for this thesis, the authors have chosen to apply an abductive approach, based on the argument that an iterative process between the literature and the social world that is being explored, is what the authors believe will answer the research question. By choosing an abductive approach, the authors can gain knowledge iteratively, both from theory and practice. To deepen the discussion of why an abductive approach is chosen for this research, it is argued that rejecting a positivism belief, (see section 3.1), entails rejecting both induction and deduction (Chamberlain, 2006; Kovács & Spens, 2005). In addition, Kovács and Spens (2005) highlight that most vast advances in science did not follow either the deductive nor the inductive approach, instead the abductive approach that combines the two were used. It is further strengthened that the abductive approach is based on the philosophical belief constructionism (Bell et al., 2019), in line with the assumptions of this thesis.

The qualitative strategy with an abductive approach allows for many advantages, such as providing insights about a specific industry, enabling flexibility and limited structure, as well as seeing things through the eyes of the persons being studied (Bell et al., 2019). However, critique exists about the chosen research design that is important to be aware about. While subjectivity is one aspect that aims to benefit this research, critics often say that qualitative findings rely too much on the researchers' view, hence being too subjective, providing results that the researchers themselves find significant and important. This may lead to a further disadvantage of the qualitative strategy, the difficulty of replicating the study due to the research being quite unstructured and reliant on the researcher's ability, with no standard procedures

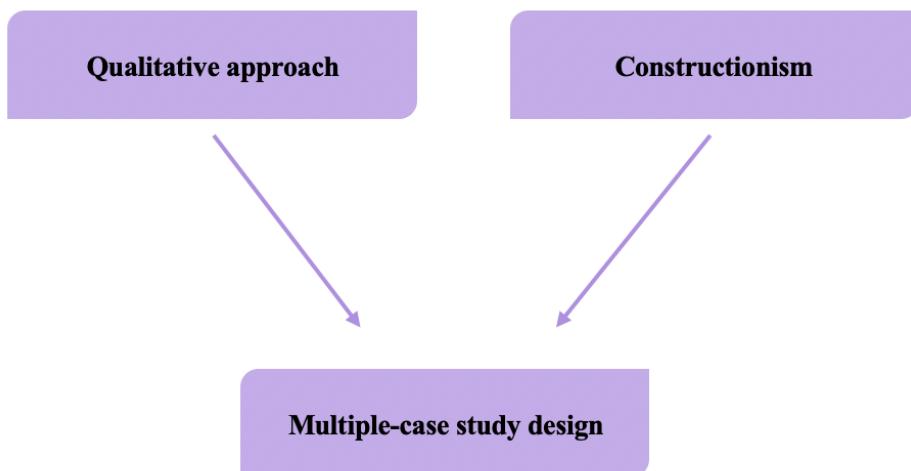
(Bell et al., 2019). The results of a qualitative strategy becomes a product of the researchers' preferences. The critique goes further beyond, indicating that the preferences affect the responses of participants as well, hence affecting the problems of empirical generalizations of an entire population. However, this is not the purpose of qualitative case study research (Flyvbjerg, 2006), and neither of this specific study. As well as the findings, the people being interviewed in this research are not meant to represent the entire population, rather used to make theoretical generalizations in the generation of new theories. Therefore, a lack of representation of the entire population has not been considered to negatively impact the results of this research.

### 3.3 Research design

The aim of this study required a research design that enabled the researchers to answer a question in a specific context; corporations in the Swedish fast fashion industry using digital innovations. Bell et al. (2019) describes a research design as the framework used to collect and analyze data. It also discloses the criteria used to assess the quality of the research. In other words, a research design can be described as generating evidence that is appropriate both to a specific set of criteria, and also to the research question that is being addressed.

As stated in section 3.2, a qualitative strategy with an abductive approach was chosen for this study. When determining the research design, it is important to have in mind that the adopted strategy affects the design of the research. One of many research designs is the case study design, concerned with the particular nature and complexity of the nature being studied (Bell et al., 2019). While it is not safe to say that qualitative research equals a case study design, there are indeed parts of the case study design that favors qualitative methods, such as participant observation, unstructured, and semi-structured interviews (Bell et al., 2019), which of the latter have been used in this study. This research aimed to gather intensive and detailed information of how corporations use digital innovations to influence consumer behavior through semi-structured interviews and focus groups, which is why the case study design was considered as appropriate. It is further described by Baxter and Jack (2008) that one type of case study design is an exploratory one, in which the outcome is unclear. This was aligned with the characteristics of this research, which in addition argues for the case study design. To answer the research questions, the researchers found themselves obligated to explore the phenomena from different perspectives, both regarding various corporations but also various participants in the focus group, where the case study design aligned well, together with Bell et al. (2019) highlighting that the case study design favors qualitative approaches. A case study design is, according to them, known to be used when the researcher is concerned to highlight the unique characteristics of the case, as with this research.

Knights and McCabe (1997) state that the case study serves as a vehicle in which multiple qualitative methods can be combined. By using it, the researchers can avoid relying too much on a single one method: the practice of collecting data. As focus groups were used as a complement to the semi-structured interviews, it is strengthened that a case study is an appropriate research design. This can be compared with Knights and McCabe's (1997) study in which they combined participant observation with semi-structured interviewing. The combination enabled the authors of this research to use the findings from the case study to identify important features of how the usage of digital innovations actually influence consumer behavior, thus not only how the corporations intend to affect. Baxter and Jack (2008) argue that a case study design is beneficial when trying to explore a phenomenon and see it from different perspectives, as was the case of this research when combining semi-structured interviews with focus groups.



*Figure 6: Research Framework*

Since this study aimed to include more than one company to investigate the in-depth context of how they use digital innovations, a multiple-case study design was chosen, which according to Bell et al. (2019) is increasingly common in business research. As illustrated in figure 6, both the ontological position constructionism, and the qualitative approach, affects the choice of the multiple-case study design. A multiple—case study design can be viewed as an extension of the case study, considering the comparative design with the purpose of comparing the results that are generated. Important to state is that there are similarities between a multiple-case study design and a cross-sectional design. Since the scope of this research is to focus on the individual cases and their unique context, to distinguish common key factors among the corporations, the multiple-case study design is the most suitable (Bell et al., 2019), and therefore chosen for this research. It allows a deeper discovery of theoretical evolution, enabling the authors to forecast either similar or dissimilar results among the interviewees (Eisenhardt & Graebner, 2007). Further, the results from a multiple-case study are assessed as more reliable (Baxter & Jack, 2008), as well as allowing a wider exploration of the research question (Eisenhardt & Graebner, 2007). A cross-sectional design would rather focus on the collection from various units at a certain point of time. In this research, companies within the Swedish fast fashion industry were investigated, highlighting their unique case and context, which is why a multiple-case study design has been chosen instead of the cross-sectional one, where the focus rather is to produce general findings (Bell et al., 2019).

Reflecting on figure 5 illustrated in the first section, it is moreover discussed by Baxter and Jack (2008) that the case study design is founded on constructionism, since one of the advantages of the design is the frequent participation between the researchers and respondents, where the latter are enabled to explain their perspectives of the phenomenon. This was considered as highly valuable by the authors, since it was the respondents' own perspectives that the authors were interested in obtaining. In addition, the support of Baxter and Jack's (2008) argument that the case study design is based on constructionism, made it clear for the authors that this was the design to be chosen. Bell et al. (2019) further highlights that the case study design accommodates qualitative strategies, as has been determined for this research.

### 3.3.1 Data Collection

Since this study aimed to include more than one company to investigate the in-depth context of how they use digital innovations, a multiple-case study design was chosen, which according to Bell et al. (2019) is increasingly common in business research. As illustrated in figure 6, both the ontological position constructionism, and the qualitative approach, affects the choice of the multiple-case study design. A multiple—case study design can be viewed as an extension of the case study, considering the comparative design with the purpose of comparing the results that are generated. Important to state is that there are similarities between a multiple-case study design and a cross-sectional design. Since the scope of this research is to focus on the individual cases and their unique context, to distinguish common key factors among the corporations, the multiple-case study design is the most suitable (Bell et al., 2019), and therefore chosen for this research. It allows a deeper discovery of theoretical evolution, enabling the authors to forecast either similar or dissimilar results among the interviewees (Eisenhardt & Graebner, 2007). Further, the results from a multiple-case study are assessed as more reliable (Baxter & Jack, 2008), as well as allowing a wider exploration of the research question (Eisenhardt & Graebner, 2007). A cross-sectional design would rather focus on the collection from various units at a certain point of time. In this research, companies within the Swedish fast fashion industry were investigated, highlighting their unique case and context, which is why a multiple-case study design has been chosen instead of the cross-sectional one, where the focus rather is to produce general findings (Bell et al., 2019).

Reflecting on figure 5 illustrated in the first section, it is moreover discussed by Baxter and Jack (2008) that the case study design is founded on constructionism, since one of the advantages of the design is the frequent participation between the researchers and respondents, where the latter are enabled to explain their perspectives of the phenomenon. This was considered as highly valuable by the authors, since it was the respondents' own perspectives that the authors were interested in obtaining. In addition, the support of Baxter and Jack's (2008) argument that the case study design is based on constructionism, made it clear for the authors that this was the design to be chosen. Bell et al. (2019) further highlights that the case study design accommodates qualitative strategies, as has been determined for this research.

As for most elements in the methodology and method of this thesis, there exists criticism towards case studies, arguing that the research design lacks the ability of making generalizable conclusions (Bell et al., 2019; Dubois & Gadde, 2002). However, as stated in previous sections, making generalizable conclusions was not the aim of this study, rather it was to utilize the ability to explore and collect in-depth information about the undetermined topic. Thus, the authors were aware of the criticism but highlighted that the results will be valuable for the context-specific area of research.

### 3.3.2 Interview guide

To ensure that the data needed in order to answer the research question was gathered during the interviews, an interview guide was considered important to create in advance. Bell et al. (2019) argue that most often during a semi-structured interview, an interview guide is used to provide guidance towards the specific topic in question, meanwhile the respondents still are allowed space in their way of answering. To be able to focus on specific sections of the interview in the analysis, the authors followed the example of William et al. (2002) by structuring the interview guide based on three sections: intentions, emotions, and purchase process, all of which towards the corporations' use of digital innovation.

The guide (Appendix A) exhibits the questions that were intended to be asked during the interviews and were created based on the research topic. 12 questions are included in the guide, of which the first two are considered as general introduction questions and the remaining 10 questions aimed to investigate the topic of research in detail. The questions were prepared in a specific order to facilitate the interviewee's understanding of the questions asked, and to ensure that they were interpreted as intended without leading too much in any direction. This with the aim of increasing the chances of receiving trustworthy information without influencing the interviewees' opinions or perceptions (Bell et al., 2019). To further increase the chances of collecting trustworthy data, leading questions were, to the highest degree, avoided and instead the focus was on rather open questions. This in turn, facilitates comparisons and further analysis of the received answers. Furthermore, an interview guide for the focus groups was prepared as well. This was based on the answers from the semi-structured interviews, to ensure that the data would be possible to analyze and compare towards the topic of the research question and can be described as a mirror reflection of the respondents answer from the semi-structured interviews. The interview guide for the focus groups can be found in Appendix A.

Four different semi-structured interviews with corporate employees and three focus groups with 12 representatives from the consumer side have been accomplished in this study. The corporate employees were chosen according to criteria further explained in the sampling section, as well as the representatives for the focus groups. Ensuring that all questions are discussed during each unique interview session can be challenging, therefore the use of the interview guide was highly relevant as it was used as a general road map when navigation through the various interviews (Bell et al., 2019). Moreover, it was applied to ensure that questions were formulated rather similar during the different sessions.

The construction of the interview guide is based on the different types of questions implied by Kvale (1996). General information is suggested to be asked to contextualize the answers gathered from the different sessions. Thus, this argument explains the choice of including the two general introducing questions consisting of "What position do you have" and "What are your working tasks". To elicit more detailed information and invite the interviewee to elaborate more on the topic, "follow-up" questions were also asked.

As the research question of this thesis aims to investigate how digital innovations affect human behavior, both indirect and direct questions need to be asked. The indirect questions allow for the interviewees personal view on the topic at hand whereas the direct questions instead cover the field of more straightforward information. The decision on creating an interview guide partly based on the question to discover the respondents personal view aligns with the research strategy and research design of this study, hence enabling the authors to gather in-depth information about the topic in question. Bell et al. (2019) argue that it is important that the questioning allows the respondents to understand how the authors of this research view their social world, which was highly considered when conducting the interviews. Therefore, the authors started off with more indirect questions to soften up the conversation, and then moved over to more direct questions when they felt that the timing was right.

### 3.3.3 Interview setting

The interviews were held via Microsoft Teams on four different days during a span of two weeks, as well as the focus groups. The decisions of having the interviews online were mainly made due to the interviewees needs and preferences. After the covid-19 pandemic, digital meetings have become a lot more convenient and accepted, and to fit an interview into the busy schedules of our selected respondents, this setting was the most suitable. Even though a

personal meeting might have been more beneficial in terms of interpretation of expressions and body language (Bell et al., 2019), the camera function enabled the notion of facial expressions and signs of emotions. The possibilities to see each other during the interview was seen as a critical part of the data collection process and the interviewees were therefore asked for acceptance prior to the session, which all participants agreed on.

*Table 1: Information about the conducted interviews*

Interview number	Date	Interviewee's position	Language	Interview duration
1	11/3	Public Relations Manager	Swedish	55 minutes
2	14/3	Sales Channels Operations Manager	Swedish	65 minutes
3	16/3	Digital Product Manager	Swedish	50 minutes
4	21/3	Social Media Manager	Swedish	45 minutes

To make the respondents comfortable before starting the interview, the authors decided to engage in some small talk prior to the semi-structured interviews. This was done to enable the interviewees to perceive the interview as pleasant, and further to empower them to provide meaningful information without the stress of being nervous or uncomfortable. In regard to the focus groups, the authors encouraged the participants to talk to each other before starting to discuss the topics, in order to get to know each other and encourage an ongoing discussion. Both two authors were present during all of the interview sessions and the focus groups, and they took turns asking questions and taking notes. The person taking notes did also handle the recording and kept track of the interview guide to ensure that all questions were covered and that potential relevant supplementary questions were not missed. To attain the most out of the interview session, it was considered important that the person leading the interview i.e., asking the questions, would be able to direct full attention towards the interviewee without being distracted with worries about the recording or ensuring full coverage of the interview guide. This division of tasks enabled the researchers to follow up on the topics that the respondent showed interest and knowledge in, without risking falling outside the frame of the interview guide. Moreover, increasing the chances of gathering detailed information from every interview session without decreasing the level of trustworthy comparisons between them.

The respondents were asked for acceptance regarding the recording prior to the interview and none of them declined the request. Various reasons exist as to why recording and transcription have been considered important in this research. First of all, as the interviews were held during a time span of two weeks, recording decreases both the risks of forgetting valuable details and of mixing up impressions when analyzing and comparing the different sessions. Secondly, the chosen analysis method i.e., the thematic analysis, would not have been possible without the transcriptions as the coding relies on these documentations (Bell et al., 2019). Lastly, as transcription and recording allow for multiple examinations of the conducted interviews, eventual confusion or misunderstandings during the coding can be easily solved by listening to

the recordings repeatedly. In turn, increasing the aligned understanding of the two researchers, which commonly is a complication associated with qualitative research strategies conducted by more than one researcher, as is the case of this study (Bell et al., 2019). However, the authors were aware of the potential risk of the respondents being worried about their words being preserved, which in turn could devastate the level of honesty in the answers given. To cope with this potential disadvantage, the interviewees were given the option to be anonymous.

### 3.4 Sampling

Within qualitative research, decisions of sampling most often revolve around the notion of purposive sampling (Bell et al., 2019), with the intention of gathering information from units that are expected to provide meaningful insights to the research question (Bell et al., 2019; Marshall, 1996). In line with this, the selected unit is corporations in the Swedish fast fashion industry. As per the definition of qualitative research, the focus is on improving the understanding of a problem rather than generalizing the conclusions (Marshall, 1996). The research question itself should provide an indication of what units need to be sampled (Bell et al., 2019), hence the decision of corporations being in line with this. Since the chosen corporations could not be interviewed per se, the actual units being sampled are appropriate employees of the corporations that can provide meaningful insights of the topic in question, which will be chosen based on the sampling criterions. In terms of interview-based qualitative research, as is the case of this thesis, probability sampling could in some cases be used. However, if this is to be assessed as appropriate, the researchers must be able to generalize to a wider population. Also, this would entail the researcher to randomly pick a sample that will represent the whole population, which according to Marshall (1996) is unattainable in complex qualitative research. Since representing the whole population is not the focus in this research, rather the focus is to generate results within a wide variety of perspectives, a non-probability sampling, here referred to as a purposive sampling, was considered as appropriate. Furthermore, the scope of the usage of digital innovations by corporations can be argued as subjective, considering that the researchers themselves need to set the criterions for which corporations fall in the range of the sampling size. This meant that picking a sample that would represent the whole population was not feasible, due to its objective boundaries.

There are different forms of purposive sampling, and which one to choose depends on the research question, research design, and the approach of data analysis (Marshall 1996; Bell et al., 2019). Teddlie and Yu (2007) make a distinction between sequential and non-sequential sampling, of which the former refers to an evolving process where the researcher begins with a primary sample and progressively adds to the sample to serve the research question (Bell et al., 2019). The sequential sampling approach was chosen, with the motivation that it was not clear from the start how many units would be required to interview to gather the sufficient data needed to accomplish the analysis. When obtaining data saturation, the authors had conducted four semi-structured interviews with relevant employees of corporations within the Swedish fast fashion industry. Afterwards, the researchers realized that data saturation was accomplished, and in line with sequential sampling (Teddlie & Yu, 2007), the researchers were satisfied with the number of 4 interview units.

What is important to reflect upon about data saturation is that researchers may be prone to generalize the data collection inappropriately to obtain data saturation (Bell et al., 2019). To cope with this, the authors of this thesis reviewed the transcripts of the interviews multiple times and discussed with each other what data has been collected and what data could have been obtained from further interviews. As some scholars are critical to researchers claiming data saturation (Bell et al., 2019), the authors found it highly critical to explain the process. Even

though data saturation was perceived from the semi-structured interviews with the corporations, it was decided that the sample units should be extended with focus groups as well. The focus groups provided a view of how the potential customers of the corporations perceive the communication through the digital innovations, enabling the authors to further investigate the scope of the research question. This was done to compare and contrast the intentions of the corporations with the perception of their targeted customer segment group.

The purposive sample selection will identify the desirable units based on two criteria. First, the selected company must be operating in Sweden within the fast fashion industry. Second of all, they must use digital innovations to influence consumer behavior, in regard to being able to provide meaningful insights to the research question. What position the interviewed employee of the corporation possesses was not considered as a criteria in this thesis, since it was assessed as fulfilling if the employee in question could discuss topics revolving their use of digital innovations. With the second criterion being vaguer than the first one, requiring an assessment of what counts as affecting consumer behavior; any use of digital innovations such as social medias, big data, artificial intelligence, and algorithms, with the aim of affecting their consumers to act in a certain way, is assessed as meeting this criterion. However, this reflects upon the critique against qualitative research (Bell et al, 2019), of being too subjective since the criterion is based on the researcher's own perception of the corporation and their use of digital innovations. To cope with this critique, the researchers have taken advantage of the benefit of being two researchers, thus being able to challenge each other regarding the assumptions and decisions that are being made throughout the sampling process. This was an attempt to make the process less subjective and not only depending on one unsystematic view of one researcher.

*Table 2: Description of the studied corporations*

Corporation	Interviewee pseudonym	Corporation pseudonym	Number of seasons per year	Use of digital innovation	Targeted consumer group
Swedish fast fashion company	Oliver	Solsken	8	Instagram, Facebook, website, big data, algorithms, live shopping showroom	Females within the age range of 20-45
Swedish fast fashion company	Maria	WomensWear	6	Instagram, Facebook, website, big data, algorithms	Females within the age range of 25-45
Swedish fast fashion company	Sofia	Kvinnor	8	Instagram, Facebook, website, big data, algorithms, live shopping showroom	Females within the age range of 20-60
Swedish fast fashion company	Anna	Fierce	6	Instagram, website, big data, algorithms, live shopping showroom	Females within the age range of 18-40

The criterion for the participants in the focus groups were set to the participants being eligible to be a potential consumer according to the aggregated targeted customer segment of the corporations being interviewed. More specifically, the semi-structured interviews were conducted first, and then the researchers gathered the interviewed corporations' jointly targeted customer segment to set the criteria for which participants should be included in the focus groups. The interviewed corporations expressed that their targeted customer group is females within the age of 18 - 50, and the participants for the focus groups were chosen accordingly. Additionally, besides belonging to the targeted customer segment, the participants of the focus groups had to be active on the digital platforms that the corporations use to affect consumer behavior.

Table 3: Description of the participants of the focus groups

Participant	Age	Active on social media platforms	Targeted consumer group	Average daily time spent on social media platforms
Petronella	24	Yes	Yes	45 minutes
Anna	19	Yes	Yes	3 hours
Olivia	28	Yes	Yes	2,5 hours
Elin	26	Yes	Yes	4,5 hours
Hannah	31	Yes	Yes	1,5 hours
Sofia	21	Yes	Yes	2 hours
Amanda	21	Yes	Yes	3 hours
Clara	24	Yes	Yes	50 minutes
Emelie	26	Yes	Yes	4,5 hours
Johanna	25	Yes	Yes	2 hours
Lina	24	Yes	Yes	3 hours
Nora	26	Yes	Yes	3,5 hours

In addition, Bell et al (2019) distinguish between theoretical and generic sampling. The former is encouraged by Strauss and Corbin (1998) in the context of the analysis in the approach grounded theory, which is chosen for the analysis in this research. As previously mentioned by scholars (Marshall, 1996; Bell et al., 2019), Strauss and Corbin (1998) also argue that probability sampling is inappropriate for qualitative research. Following, they state that “*theoretical sampling is done to discover categories and their properties and to suggest the interrelationships into a theory*” (Strauss & Corbin, 1998). Since the scope of this research is to investigate how corporations in the Swedish fast fashion industry use digital innovations to affect their customers, and how this is perceived by their targeted customer segment with the influence of persuasive technologies and human biases, the theoretical sampling approach is considered as appropriate for this research. To conclude, both theoretical sampling and sequential sampling was used to find appropriate respondents for the semi-structured interviews.

In addition to the semi-structured interviews with the companies within the Swedish fashion industry, focus groups were also conducted to provide a view of how the companies use of digital innovations are perceived by the consumers. However, the established criterion to be a suitable focus group participant was that the participant should be within the target group of the companies that were interviewed, as well as being active on the digital platforms used by the corporations. This criterion was established to ensure that the empirical results and conclusions

drawn about how the consumers perceive the companies use of digital innovations are accurate and reflected by the right participants, in other words potential customers to the companies in question.

When searching for participants for the focus groups, a snowball sampling method was used. In line with the scope of the sampling method (Bell et al, 2019), the researchers initially connected to a limited group of people who were considered relevant to the research topic. This was done to be able to further build contacts with others. To be considered as relevant, the participants should fulfill two criteria. The first one was that the participant should be eligible as a targeted consumer for the interviewed corporations, which was determined by first conducting the semi-structured interviews and asking them what their target group is. Secondly, they had to be active on social media applications, as this was stated to be the main use of digital innovations by the corporations in regard to influencing consumer behavior. The initial group of participants that were contacted were acquaintances to the authors, based on the argument that they too were eligible as targeted customers to the interviewed corporations. The authors made an active choice on only choosing participants for the focus groups who were active on the digital platforms that the corporations use, as well as being a potential customer of either one of the companies. The sample size was not explicitly decided beforehand, in line with the sequential sampling approach used for the semi-structured interviews (Teddlie & Yu, 2007). After this initial contact, those acquaintances were used to establish further connections to reach the relevant participants.

The snowball sampling method was chosen due to it being appropriate when the target samples may not be easily accessible (Bell et al., 2019), as were assumed regarding the participants of the focus groups. Partly because of the quite narrow criteria, but also because the sample size needed to be bigger than what could be obtained from the acquaintances. The authors realized they would have to use a snowball sampling method to get a hold of a large sample size. Bell et al. (2019) further argue that the snowball method is suitable when there is no accessible sampling frame from which the sample is ought to be taken from. Reflecting back on the established criteria, that the participants must be eligible as targeted customer segments by the corporations that have been interviewed which may suffer from subjectivity, this could entail that there is no correct sampling frame for the population. Hence, this advocates for the use of the snowball sampling method further. However, it is important to acknowledge that the snowball method involves having to wait for the initial contacts to provide further contacts, to get a hold of the expertise wanted for the interviews. Accordingly, this could imply that the sampling is very time consuming, which may cause disturbances in the process when being obligated to meet deadlines. Furthermore, it is inevitably inherent that the sample will not be representative of the population when using the snowball method (Bell et al, 2019). Nonetheless, as the aim of the study is not to generalize the results for the entire population, this is considered to be an acceptable drawback. All respondents wished to be anonymous, and therefore the names used to describe both the respondents and their corporations in this thesis are pseudonyms. The respondents of the focus group did not demand to be anonymous, and therefore referred to per their original names.

### 3.5 Thematic analysis

No standardized way or specific rules to follow exists as to how to best analyze qualitative data (Bell et al., 2019). Hence, to find an analytical way through the complex and large data set that qualitative research generates can be difficult. To decide on which analysis method to use in this study, the type and qualities of the data gathered from the interviews and focus groups have

been carefully considered. As the semi-structured interviews as well as the focus groups resulted in a big amount of unstructured textual material, the thematic analysis method was considered highly appropriate and the best option to choose. This analysis method includes an identification of different themes, which are formed through coding based on either recurring topics, frequently used expressions or formulations among the different interviewees and members of the focus groups (Clarke et al., 2015). Thus, the identification of themes through the coding is considered beneficial to further identify relevant similarities and patterns between the answers given by the interviewees in regard to the research question. More in particular, Bell et al. (2019) explains coding as the act of sorting, organizing, and labeling collected data. Thus, when handling large and complex data material, this method facilitates the analysis as it breaks down the data into the smaller labeled components, referred to as themes. The research question of this study aims to investigate how the use of digital innovation in the Swedish fast fashion industry affects consumer behavior by contrasting the underlying reasoning behind the usage from the corporate side with the perceived understanding of it from the consumer side, the coding and formation of themes can bring consistency. In addition, as the thematic analysis method considers the development of theory out of data, the choice of using this analysis method is further strengthened as this study follows an abductive approach, hence, assumes theory to be generated by research (Bell et al., 2019; Braun & Clarke, 2012).

The thematic analysis method consists of two main steps, whereas the first step includes searching for relevant phrases and expressions that are of relevance for the research topic at hand and the second step includes the, above mentioned, act of coding. Each of the unique phrases and expressions identified in the first step describes a feeling or an impression and represents various 1st order codes (Bell et al., 2019). In total, the two authors went through the gathered data material three times, two times individually and once together. Every phrase that was considered relevant and connected to the research topic was highlighted and after carefully studying the material three times, the two authors both agreed that they had a comprehensive understanding of all necessary details and decided to enter the second step of the analysis process. This final step can be divided into two parts, in which the first part includes a categorization of the 1st order codes that are based on the various patterns found among them and the second part includes a formation of the categories into different themes (Bell et al., 2019; Braun & Clarke, 2012). These themes are in turn, the building blocks that constitute the foundation of the final answer to the research question of this study.

The ability to structure a large amount of unstructured data is the main advantage of the chosen analysis method and therefore also the main reason why it was considered as the best choice in this study with a qualitative approach. However, due to the absence of specific procedures in the thematic analysis method, the results from the coding and formation of themes might be too reliant on the experiences of the two authors', hence impacting their opinions on what is important in terms of relevancy to the research topic. However, there are certain doubts about to what extent the grounded analysis method actually generates an explanation and results in theory (Bell et al., 2019). Therefore, even though the chosen analysis method pertains to the specific phenomenon that is being researched, a broader applicability can be questioned. Thus, will negatively affect the final outcome and generalizability of the research. This is something that needs to be kept in mind when accomplishing the coding and further analysis to ensure the desired level of generalizability of the new theories produced (Bell et al., 2019; Braun and Clarke, 2012). The authors' decision to first go through the data material separately followed by the jointly reading, was a way to cope with this potential drawback, as it enabled them to question each other and examine their underlying reasoning. By taking this approach, the authors' opinions were not only hindered from being influenced by each other in the initial

searching step but also criticized before moving on to the coding step, hence ensuring a holistic view on the analysis made.

*The final coding can be found in Appendix C and D*

## 4. Empirical Findings



*Initially, this chapter presents data from the corporate side gathered from the semi-structured interviews held with respondents at the studied companies. Thereafter, the findings gathered from the focus groups representing the consumer side are presented, followed by a description of the studied companies and the members of the focus groups.*

### 4.1 Corporate side

#### 4.1.1 A Changing Consumer Demand

To begin with, all respondents stated that social media is the main digital innovation used in regard to the interaction and communication with the customers, in which big data and algorithms play a vital role in keeping track of how the customers behave. Sofia expressed that social media is Kvinnor's main appliance for retaining a high brand awareness, whereas Anna rather focuses on the importance of social media when it comes to daily communication with customers. Oliver further strengthened that social media applications are the main source of interaction, both when trying to connect with customers, but also when trying to get to know them based on their behavior.

It became evident during the semi-structured interviews that there has been a shift in consumer demand during the last couple of years, intensified by the developed digital innovations. Oliver at Solsken explains this phenomenon as it used to be enough to provide the customers with two or three pictures of a product, whereas the customers today demand pictures of all specific details, as well as a video. In addition, it is highly requested to view the products on a person, preferably different models with different sizes, to truly understand how the product will fit the potential customer. Anna agrees and explains that through cookies and customer information, they have seen how customers purchase more products when all information is presented from the start.

*"Before, the customers saw a bathing suit, today, they see a bathing suit in an environment; it's a big difference in how you have to advertise the products" - Maria, WomensWear*

*"Before, the customers saw a bathing suit, today, they see a bathing suit in an environment; it's a big difference in how you have to advertise the products"*  
-Maria, WomensWear

While Oliver and Anna focus on a changing consumer demand regarding the large amount of information that the customers demand, Sofia rather explains it as the shift revolves around the experience than around the product. The apparel itself is no longer enough to impress and catch the interest of the consumers. Instead, all interviewees agree upon the fact that a lifestyle and an experience is now expected nonetheless, considered as a hygiene factor instead of a motivation factor when it comes to shopping fashion. The respondents further express the perception of a shift in consumer demand, in relation to how many aspects of the

communication between customers and corporations that are interlinked. By using digital innovations such as social media platforms, it is possible to have a constant interaction with the customers, meanwhile collecting and analyzing customer data in order to personalize the advertisements. Accordingly, it is also possible to map how the demands are changing and what the customers want.

*“The customers more or less require a quick response” - Anna, Fierce*

When asked to reveal how the corporations view the customers' entire shopping experience, it became clear that all respondents work to establish a smooth experience from start to finish. Sofia argued that the customers expect a seamless experience from initial contact to purchase, whereas Anna rather expressed the importance of being able to provide rapid responses if the customers have any confusions prior the purchase. This relates to the theme of a close interaction, since it is in the corporation's best interest to be available at all times, otherwise the respondents express a fear of not being interesting in the eyes of the customers. All interviewees stated that they consider the purchase process as a whole and that equal focus is spent on the different phases. Maria at WomensWear stated that they never want to lose the customer and that they consider it just as important to stay active and interact with the customer after a purchase as before since you want them to return. For example, we strive for them to accept us to send out newsletters with similar products etc after they have completed the purchase. We strive to never lose communication with the customer, all parts of the process are vital for a healthy relationship.

What was highlighted during all the interviews was that none of the respondents claimed that there exists an explicit comparison between competitors. Today, the companies compete for the customers attention, which is explained as putting the customers at focus instead of competing companies. Oliver at Solsken explained that it is solely the customers that determine what the corporation aims to achieve, even though it is inevitable to evade what other companies do. This is in line with the other respondents' statements, claiming that the customers play the decisive role when it comes to defining the strategy and structuring the offers. It was never explicitly stated during the interviews that the respondents perceive a competitive landscape within the fast fashion industry. Still, all respondents when specifically asked about it, acknowledged that they keep very good track on what other companies do and inspire each other.

#### 4.1.2 Selling the emotional experience, rather than the product

All respondents express that there has been a shift in focus regarding how offerings are advertised in later days. Previously, the product itself was the center of attention, but today, the product needs to be exposed in an environment associated with certain feelings, creating an emotion towards the experience of the product. It is further discussed that the companies advertise and sell an experience, rather than the product alone. Maria at Womenswear described their advertisements as delivering a feeling and a lifestyle, rather than solely selling the product itself. For example, the use of influencers helps companies to deliver a feeling around the product, reflecting upon the emotions and surroundings that the product may generate. It is evident that all respondents believed that there is a big difference from how advertisements were conducted in the past, compared to now.

“A lot of people buy clothes for a wedding or a party, or special occasions. That is associated with dreaming, and that is the feeling we want to create”  
-Oliver Solsken

*“We want to deliver a feeling and a lifestyle” - Maria, Womenswear*

Moreover, it is discussed by Oliver at Solsken that they aim to create a feeling of dreaming towards their entire brand. When shopping for their products, the customers are inspired to think about a happy place, regardless of the occasion. That feeling is promoted when creating the advertisements for their products, both in regard to the product itself, but also the location where it is photographed. The products and the brand become associated with dreaming of lovely occasions, which Solsken aims to utilize and create with the digital innovations in their marketing and communication with the customers. Even during the pandemic, when the company assumed that the demand for products like this would decrease, they saw the same interest for their products, since the marketing of them enabled the customers to desire products that bring happy and celebrational emotions to mind. When being further asked how the customers perceive their marketing, Oliver confidently stated that Solsken is highly certain of how positive reception the company receives from their customers. This was further strengthened by the other respondents, expressing that all imply a high degree of certainty about the positive reception they receive from their customers about their advertisements and communication.

*“We are a dreaming company” - Oliver, Solsken*

Sofia at Kvinnor describes their advertisements as founded on feelings and emotions, however divided into two main parts. There is one more general, focused on the products, including the vision they have to empower and inspire women. They want to create inclusiveness and positive feelings towards their customers. By founding their advertisements and communication on emotions, they hope to create a mutual understanding in relation to their customers and state that they are on their side, supporting them. The other side is rather connected to the fashion itself, in which joy and engagement are the guiding point. Sofia further states that they are trying to create both of those feelings but that their main effort is spent on the overall branding emotions, which is in line with the rest of the respondents stating that the emotion towards the brand itself is most vital, since it nowadays is about selling the experience rather than the product.

*“We want to create an interest towards what we are offering, and a lust and eager of purchasing that specific item” Anna, Fierce*

In contrast to the other respondents, Anna at Fierce views their work as creating a feeling of lust and eagerness rather than happiness and joy. There seems to be a more definite strategy towards the purchase situation, compared to the other respondents stating that they create emotions that are supposed to reflect upon the brand in general. Anna argues that Fierce uses emotions in their advertisements to more easily create a need for the customers, as a bait that will lead the customers to buy their products. It can be concluded that emotions are used by all respondents in both advertisements and communications with their customers. It is furthermore evident that the companies nowadays view the brand as the main selling factor, rather than focusing on advertising specific products according to their characteristics. If the companies succeed in creating a positive feeling and emotion towards their brand, it is an advertisement for all their products simultaneously.

#### 4.1.3 The pursuit of customer information

All interviewees agree upon the fact that every type of customer data is of great relevance to track and gather information. This can be in regard to how the customers tend to make the initial contact with the company, which entry points that are the most likely to lead the customer to the website, what trigger points that appear to convert the most interest into purchasing behavior and what features that are shown to create the most engagement and commitment.

“With the technologies of today, we can store all customer data. From how many seconds the average follower spends on viewing a post, to what time we have the greatest interaction with our followers”  
-Anna Fierce

*“Through clicks and time spent on our website and social channels we can receive customer information about ages, location, activity and search habits which in turn can help us create the most effective communication strategy that will facilitate both us and our customers”*

- Maria, WomensWear

The respondents imply that it is of great value to gather information about when the customers are most active, and that digital innovations enable them to do so. Sofia at Kvinnor states that both the time that the customers appear to be most active and also how they are behaving throughout the different parts of the day is important information. Maria at WomensWear agrees and explains that Womenswear aims to track both when during the day, and what days during the week that they get the most customer engagement. This facilitates their campaign planning as they know when it will be the most efficient to launch. Furthermore, it is strengthened by Oliver at Solsken that demographics such as age, gender, and location, is of great importance to know where to direct the information.

*“We can see where they are, how old they are, and additional information that guides us towards where we should advertise” - Oliver, Solsken*

None of the respondents expressed a competition between fast fashion corporations for information about the customers, however, it became clear that all respondents valued customer data as the most valuable information there is these days. Oliver explained that there are times when Solsken provides the customers with discount codes via influencers, just to gather information about what influencers are able to. Even though the revenues for the company declined, the customer data is viewed as such valuable information that the corporations perceive it as worth it. All of the interviewees agree that social media is a great starting point to initiate contact with the customer and consider it as an efficient entry point to the respective website. Maria explains that according to data, the use of Instagram and Facebook provides the greatest exposure for Womenswear's collections and that these channels provide the highest traffic and engagement.

*“According to the data, our collections get the highest exposure through these channels” – Maria, Womenswear*

Maria states that, clicks aside, the most important data for them to gather and track is how the customers actually follow the links provided through these media channels and whether or not they end up on our website. Meanwhile, Sofia at Solsken explains that they track from where customers are arriving and analyze the reasons why the customers ended up on the webpage. From the data the company can get an understanding of what channel that created the most

trigger points and thus attracts the most interest and has the greatest chance of spreading the message.

*“Once at the website, we try to follow their every move. By following their clicks we can understand how their experiences are, analyzing for how long they are staying at the different parts of the website shows how inspiring the content is perceived and additionally how smooth the final check-out part is” - Oliver, Solsken*

There are various options available for the companies when it comes to tracking and analyzing consumer data and even though the chosen tools to some extent vary between the studied companies, the approaches are similar. Using a combination between existing tracking tools, such as Google algorithms, and unique algorithms developed in-house, is popular among all of the studied companies. That data about historical behavior is highly pivotal, is an unanimous opinion.

*You could say that the technology creates a persona out of each user, based on the gathered information, which allows us to reveal their true wants and desires” - Anna, Fierce*

#### 4.1.4 The continuous conversation

Thanks to digital innovations, all participants expressed the desire of remaining a continuous interaction with their customers. It became evident that through social media applications, it is possible to interact with potential and existing customers, at all times. All respondents express similar statements regarding the conversation between the company and customer being continuous, however, they focus on different aspects. Anna at Fierce describes it as a two-way communication, where both the corporate side and the customer side can initiate the contact. Whereas Anna focuses more on the joint communication, Sofia at Kvinnor describes the communication rather as a tool to remain the interest of the brand constantly ongoing through advertisements and mailing.

“We strive to never lose the communication with the customer, all parts of the process are vital for a healthy relationship”  
-Maria Womenswear

*“It’s a collaborative marketing and communication directly towards the customer” - Oliver, Solsken*

It can be stated that Oliver at Solsken views communication through digital innovations as a joint tool for both communication, and marketing. What can be concluded is that nowadays there is not such a definite thing as separating the two, since all companies aim to market their products through the feeling of the overall brand.

*“The interaction with the customer is as important after a purchase, as prior to it” - Anna, Fierce*

It is further expressed that the communication between the customers and companies is not only important prior to the purchase, in order to advertise and sell products, but also after. All respondents express an eagerness to continue the interaction after the purchase is completed, to ensure why the customers like, or dislike, the products. It is argued as the purchase process is infinite, starting from the initial contact with each consumer, and further continued as customers return even after the initial purchase.

*“To us, it is about connecting with the customer” - Oliver, Solsken*

It became evident during the interviews that the main goal of all companies is to connect and communicate with the customers. Both to advertise and create the feeling of a brand that acts as a bait to all customers, but also to gather as much information as possible. All companies share the intention of getting closer to their customers, in one way or another. While they differentiate themselves in some ways, it is clear that the main intention with the use of digital innovations is to connect, interact, and be visible towards the targeted audience - the potential and existing customers.

#### 4.1.5 Chasing seconds

The short attention span of today is discussed by all respondents during the interviews. It allows for a few moments, rather seconds as expressed by Maria at WomensWear, to catch the customers' attention and convert the interest to a purchase. It is further argued by all respondents that in the environment of today, once they have the customer's attention, it is easier to convince them to make a purchase, which is why the search for attention is aligned with the continuous communication that they aim to have at all times.

“The short attention span does not allow the customer to search for the products they want. It has to be easily accessible, otherwise we lose them”  
-Oliver Solsken

*“I would say that today, it’s not a competition of selling products, more like a competition of getting the customers attention” - Anna, Fierce*

In the competition of attention, it is further evident that the companies strive to never lose the connection with their customers. As a combination of the pursuit of attention and the continuous conversation, both parts of the process enable the companies through digital innovations to entertain the customers with information, advertisements, and communication, to ensure that the process is convenient throughout. Sofia argues that Kvinnor sharply differentiate the various parts of the entire purchase process, to be able to characterize which part the customer is most receptive to gain interest, and furthermore how to maintain it throughout the purchase process.

*“It should be a convenient process /.../ That there are right options” - Sofia, Kvinnor*

By using social media applications such as Facebook and Instagram, the companies are able to maintain the interaction with their customers at all times. The corporations express gratitude over the ability to have direct contact with consumers via social media applications, instead of having questions and feedback being addressed via customer service. This is also discussed as a tool for maintaining attention, arguing that since digital innovations allow such rapid communication, it is possible to maintain the interaction.

*“We never want to lose the connection with our customers” - Maria, WomensWear*

Oliver at Solsken explains how lately, the customers have become more critical of what they buy, and also more careful, in turn making it a lot harder for the companies to meet the needs. As the customers are becoming more needy, it is harder to convert their attention into purchase behavior. Hence, Instagram and live-shopping has shown to be a great way to interact more with the customers of Solsken. Through these they can ask the customers directly what they

want to see more of and easily receive feedback. Since the customer then gets the chance to interact closely, they have seen that this leads to a behavior with increasing purchasing rate, with a strong feeling of closeness.

#### 4.1.6 Adapting to each customer through information

A recurring theme throughout all semi-structured interviews was the companies' need to adapt and personalize each part of the communication to each individual customer. All respondents provided insights regarding how demanding customers of today are, and furthermore the need to provide each customer with individual advertisements and means of communication. However, it was clearly stated that this would not be possible without digital innovations such as social media applications. These, together with big data, algorithms, and artificial intelligence, enable the companies to gather information about the customers that later can be used to customize the communication.

“Customers are much more critical these days /.../ it used to be enough with two pictures of a product; now they demand pictures of every specifics and a video”  
-Oliver Solsken

*“We have also built our very own product recommendation algorithm, which is based on customer history /.../ it is important to work with recommendations and to work with the customer's own data, it is best to create a good experience” - Sofia, Kvinnor*

Sofia explained Kvinnors' own product recommendation algorithm, which based on the customer data attempts to recommend personalized recommendations to each individual customer, in order to make sure that the right means of communication reaches the right customer. This is in line with Maria at WomensWear stating that they aim for the information to the customers being clear and designed according to the needs and desires of each individual. In this way, it is easier to make it lead to a purchase. It became evident that the use of digital innovations enable the corporations to obtain large amounts of data, as expressed by all respondents.

While both Sofia and Maria described the adaptation to each customer as a tool to provide better advertisements, Oliver at Solsken rather explains it as a means to receive feedback about their products, and accordingly create products that will match as many customers as possible. Even though the ability to adjust and personalize the communication is not used in the same way, it became evident that digital innovations enables the companies to adapt to each customer, making the offers and communication more personalized.

In order to create an experience that is good and interesting for every unique customer, Sofia at Kvinnor considers it important to combine the use of different types of algorithms. Both the ones you can buy from suppliers but also the ones developed inhouse, that have the possibility of becoming more accurate to Kvinnor's specific customers. At Kvinnor they work a lot with recommendations based on consumer history and according to Sofia these customized recommendations are vital for creating a good experience.

*“It is important that you use all digital innovations available” – Maria, WomensWear*

Womenswear is actively using the so-called search engine optimization, where information about their customers' habits can be revealed and gathered. Seasonal key search words on google is an example of information that WomensWear values, since these words navigate

where they are going to direct their focus. They are always trying to optimize their webpage in line with the seasonal keywords, since they aim to be placed as far up as possible on Google. All of the respondents imply that it is of great value to gather information about when the customers are the most active.

*“Red bathing suits for example, if our data shows us that people are searching a lot for red bathing suits, we will of course put more focus on that product” – Maria, WomensWear*

Maria at WomensWear states that they are always trying to optimize their webpage in line with the seasonal key search words. This since, they are aiming to be placed as far up as possible on google. According to Oliver the most important customer data to gather is the engagement as he means that this is the only way to know how to adjust and adapt the creation of pieces, offers and marketing strategies. What collections, what pieces, which posts get the most engagement and at what time during the day, what part of the week have the highest chance to attract the most engagement.

## 4.2 Consumer side

### 4.2.1 Constant exposure of advertisements

Based on the responses from the participants in the focus groups, it became evident that social media is the main digital platform where the participants as consumers are exposed to advertisements and connect with brands that they purchase products from the fast fashion industry from. This is in line with what the respondents of the semi-structured interviews said were their main tool of communication. All participants stated that Instagram is the most common platform where they are exposed to most advertisements, both through ads, but also from influencers that are advertising products.

“We are exposed to advertisements all the time, wherever we go or whatever we do”  
-Clara

The participants of the focus groups expressed that they perceive social media applications as a constant means of advertisements. That translates to, even though the purpose from the brands is to advertise, everything you see via digital innovation automatically becomes advertisements. Accordingly, the participants expressed the feeling of always being exposed to advertisements, even though not fully aware of it. They further stated that they do believe that the companies’ use of digital innovations is a clever way to communicate with the customers, as well as promoting products, however they also state that the problem is that the advertisements and exposure is constant.

*“It is like being in a store all the time, every purchase is just one click away” - Petronella*

Due to the availability of the products, and the constant exposure of advertisements, the participants state that digital innovations definitely generate more purchases. It is discussed by many participants that by using social media applications as Instagram and Facebook, an unhealthy view of consumption is normalized, since everything you see on social platforms is consumption and how people buy new products.

*“I immediately felt a need to have it, and purchase everything the moment I was exposed to the advertisement” – Sofia*

Because of the continuous exposure to advertisements, many of the respondents expressed the feeling of spending too much time on the corporation's websites and social media pages. Elin stated that she often ends up on the website of a fast fashion company, even though she did not intend to neither search for products nor buy one. She stated that this was because of the many advertisements that she views everyday, strengthened by other participants stating that social media applications automatically make them enter the websites. It was further discussed by Petronella that when being exposed to advertisements on Instagram, it is nearly as a reflex to click on it. Since the activity of following links on social media applications only takes a matter of seconds, she explains it as it is almost impossible not to. Not only do the participants purchase more products, they also spend much more time clicking through social media and websites.

#### 4.2.2 Changed perspective of consumption patterns

One of the main areas that was discussed during the focus groups was how digital innovations create needs that they had previously not thought about. Even though all participants stated that they have everything they need, it is often the case that they are exposed to advertisements, or product placements on a social media platform, and they feel the need to purchase a certain product that they had not planned to purchase. It may be concluded that the participants clearly feel that by constantly being exposed to advertisements on digital platforms. Additionally, it became evident that the participants perceived their perspective of shopping as changed. Many participants expressed that they no longer have a sense of what is a reasonable amount of clothes to purchase, and in combination with always being exposed to advertisements, it is hard for them to determine what is necessary to purchase and what is not. In all, the perspective of their consumption patterns has shifted.

“Facebook and Instagram create an addiction, partly because the digital innovation in itself is addictive, but also because you are constantly exposed to advertisements, and it creates a need to always buy the latest things”  
-Amanda

*“It is easy to forget that the people who post pictures with clothes, work with it. It is not normal to have a new outfit everyday” - Anna*

When asked to discuss how fast fashion corporations' use of digital innovation affect them as consumers, it was concluded that it brings many implications. On the one hand, the participants appear to appreciate the availability of products online, since they express that it is amusing to scroll through all the products that are available for purchase, and furthermore that it is inspiring to see how people compose different outfits and what is possible to do with the clothes. On the other hand, the constant communication and interaction with the clothing companies create a stress and pressure for the consumers, reflecting upon the feeling of always having to keep up with the new trends, and purchase items that they actually have no need for.

*“Facebook and Instagram creates an addiction, partly because the digital innovation in itself is addictive, but also because you are constantly exposed to advertisements and it creates a need to always buy the latest things” - Amanda*

#### 4.2.3 Affected by emotions

Based on the responses, it becomes clear that the participants are well aware of the power of digital platforms, and all the advertisements that come with it. However, it is evident that the participants fall for it anyway. They express that they are aware of how addictive social media applications are, and how easy it is to purchase something when you are offered a special deal, but still, it is hard to think rationally. Furthermore, all participants discuss many emotions that come to mind, both when thinking about it, but also in the moment when being active on social media.

*“Sometimes, when I think about it, I almost feel exploited”*  
-Elin

*“Sometimes, when I think about it, I almost feel exploited” - Elin*

Some participants feel happy and satisfied when scrolling through the advertisements being published, and in line with the corporation's expressions they feel a sense of two-way communication. However, many of the respondents clearly state that they feel used, exploited, and even sad when thinking about how influenced they are by the constant communication. Additionally, the participants are well aware of the fact that everything they do online is tracked and saved in cookies and algorithms. The participants notice that when they view an item online, advertisements for the same product pop up everywhere. When being asked if this is something they reflect about, some participants stated that they try to avoid searching for certain products in order to avoid being exposed to advertisements about it, while others said that they do not care about it too much. However, it is discussed that the participants do not perceive the corporations as interpreting the consumers right. Even though the consumers click on ads and search through websites, it is not always the case that the intention is to buy something. Nevertheless, the participants express that they feel misunderstood sometimes, since the action to click on an ad is almost automatic, without thinking about it. However, the corporations interpret the behavior as the consumer wanting to buy more.

*“I feel so misunderstood when everything I click on pops up as advertisements, because it is not always my intention to purchase it” - Nora*

It is stated that even though the purchases made by the participants make them feel joy and satisfaction, it can be overwhelming when thinking about how much they occasionally buy. One participant discussed that she is easily convinced to purchase products when being exposed to advertisements, however, she later feels exploited when she realizes that she falls for the pressure of purchasing more. It is discussed by the participants that when reflecting about how affected one is by the advertisements and communications on the digital platforms, it creates a feeling of exploitation. They further argue that even though there is no intention of making another purchase, it is easy to make one anyway, leaving the participants to feel empty and confused, after a short moment of joy after the purchase.

*“The weird thing is that it can be very pleasurable to spend hours on Instagram just to see what new products that are launched” - Johanna*

#### 4.2.4 Confusion and stress

It is further discussed that the participants perceive the enormous supply of products as stressful, since there is always something that you do not own. Meanwhile, it is neither necessary nor normal to have excessive amounts of clothing, when being a normal customer who does not work with clothing or fashion. However, the view of what is normal or not is disturbed by digital platforms, since it creates a new normal, indicating and convincing the users that one should purchase new items all the time. Many respondents further discuss that they do not explicitly know why they continue to purchase so many products, when they in fact do not need it.

*"Even though you are aware of how the marketing of products are conducted, you fall for it anyway"*  
-Emelie

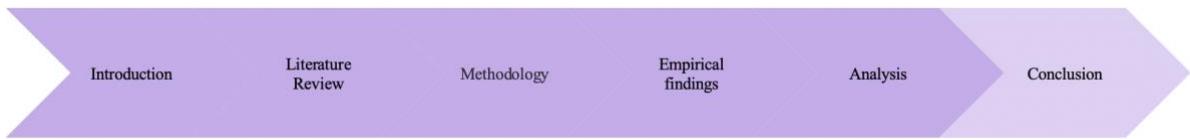
*"It feels destructive to purchase as many products as I do, even though it is my own choice to do it" - Petronella*

Meanwhile, the participants express the desire to be fashionable and aligned with the latest trends, which creates a tremendous confusion regarding how to behave. The participants express the feeling of being pressured to purchase, since being exposed to so many products and the availability of it online, creates a sense of always being one step behind, constantly missing the newest products and offers. Still, they continue to purchase more products. It became evident that there is a joint feeling of not knowing how they got to this point, but simultaneously, they do not want to stop. It was referred to as an addiction by multiple participants.

*"Even though you are aware of how the marketing of products is conducted, you fall for it anyway. And I don't know why" - Emelie*

To conclude, the responses from the participants of the focus groups, it can be stated that the participants feel stress and pressure from the constant advertisement and communication with the corporations. It can be said that the marketing of products on digital platforms contributes to inspiration towards what clothes can be purchased, but simultaneously contributes to an abnormal view of how much clothing one needs. By being active on social media, the participants feel that they lose track of how much consumption that is normal, and that it is easy to be influenced by people working with fashion that obtain new outfits every day, which creates a mismatch when they are to purchase items for themselves. It is further evident that the participants are aware of how much the corporations can track and affect their behavior, but it is easy to forget when using the digital platforms, which is why they are affected anyway.

## 5. Analysis



*In this chapter, the empirical data is discussed and explained together with the concepts and information presented in the literature review. To analyze the research topic in a structured way, the chapter is divided in two different sections, one discussing the corporate side and one discussing the consumer side.*

### 5.1 Corporate side

This section analyzes the empirical findings gathered from the semi-structured interviews together with the information discussed in the literature review. The corporate representatives will, in this section, be referred to as both respondents and interviewees.

#### 5.1.1 A Changing consumer demand

Verhoef et al. (2021) explain how consumers, through the use of social media and search tools, have become more informed, empowered, active and connected. Meanwhile, Leimeister et al. (2014) elaborate on the changes in consumer behavior that has followed as a consequence to the various information sources available and how the power balance has shifted in favor of the consumers. Today, everything starts and ends with the consumer and all of the respondents are under the perception that the consumer demand is changing at a rapid pace and that the consumers of today are much more demanding compared to previous generations. Sofia explains how the garment itself is no longer enough to impress and catch the interest of the consumers. Instead, all interviewees agree upon the fact that a lifestyle and an experience is now expected nonetheless, considered as a hygiene factor instead of a motivation factor when it comes to shopping fashion. In line with Tkaczyk's (2016) statement on how the digital consumer is keen on making the decisions simpler, Sofia explained how Kvinnor's customers are expecting a seamless and smooth experience from start to finish and Anna at Fierce further emphasized the fact that consumers more or less require fast responses if faced with wonders prior to a purchase. The perception among all of the respondents is that it is not an alternative to not prevent every potential obstacle during the purchase process or not being available during every hour of the day if you want to stay attractive in the eyes of today's demanding consumers.

“Customers are much more critical these days /.../ it used to be enough with two pictures of a product; now they demand pictures of every specifics and a video”  
-Oliver Solsken

It is further stated by scholars that companies within the fashion industry are operating under high pressure originating from both investors and consumers, in turn forcing them to innovate products faster than ever before (Yeganeh, 2019). Additionally, context adaptive and available anywhere are two, among several, qualities mentioned by Leimeister et al. (2014) that an offer needs to have in order to bind a consumer to an offer. Hence, the consistent experiences of the respondents regarding the rapid change in consumer demand and the requirement to ensure offers that are updated and adjusted to the current need of the specific consumer is therefore

highly justified. Likewise, it illuminates the hasty declines in the product life cycle explained by Yeganeh (2019).

To enable an offering that satisfies the rapidly changing expectations Tkaczyk's (2016) urges companies to investigate the behavior of the customers. This is consistent with the reasoning of the respondents as they clearly explain that even though one could assume that the intensified competition would tempt the companies to piggyback on competitors' solutions and offers, it is the customer, and not the competitors, that plays the pivotal role when it comes to formulating the strategy and developing the offer. As described by McAfee & Brynjolfsson (2012), in comparison to traditional retailers, e-commerce retailers can access consumer information and take actions accordingly, in a timely manner. This is consistent with the perceptions of the respondents as they all agree that the data gathered through click activity and unconscious behavior online, shapes the way that future offers are developed to match the specific needs of every unique customer. Thus, ascertains the constant pursuit of customer data.

### 5.1.2 Close interaction and constant communication

The common denominator among scholars within the field is that they point out the importance of understanding the preferences of the customers. Lusch et al. 's (2010) explanation of how social media analytics is an opportunity for organizations to view the market as a communication channel in which conversations can be held between businesses and consumers does entitles the consistency among the interviewees to consider social media as the most effective digital innovation. Sofia explains that social media in general and Instagram in particular is Kvinnor's main tool for retaining a high brand awareness and interest, and Oliver expresses that Solsken considers social media as the main source of interaction when trying to connect and get close to the customer.



"We strive to never lose communication with the customer, all parts of the process are vital for a healthy relationship".  
-Maria Womenswear

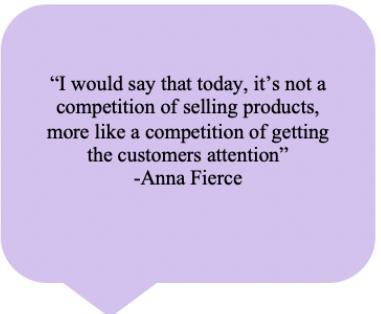
As described by McAfee and Brynjolfsson (2012) everything that consumers show interest in, ranging from the way they navigate on websites to what extent they are influenced by page layouts, reviews and promotions, provides information that is of great value for companies. Thus, clarifies that it is not only the customers' purchases that is of interest for companies when gathering information about their customers. Maria states that WomensWear strives to never lose communication with the customers and the remaining interviewees are unanimous in aiming for constant and close interaction with the customers during every phase of the purchasing process. This further strengthens the fact that they all highly value and understand the importance of constant presence and nurturing of the relationships with their customers to a feeling of closeness in order to not lose contact.

Chen et al (2012) explained that by analyzing user click activity large amounts of customer information can be collected and provide the direction of consumer online activities hence reveal valuable information such as purchasing patterns. However, as clearly described by McAfee & Brynjolfsson (2012), the performance of algorithms increases every time consumers either respond to or ignore a recommendation, which means that interaction whether or not it actually leads to a purchase is of great value for companies and their future success. It is clear that the interviewees understand the opportunities for competitive advantages that big data offers, and Oliver clearly states that Solsken's main focus, when interacting with customers through digital innovations, is to achieve a feeling of closeness towards Solsken as a company. Meanwhile, Maria explains how they never want to lose the customer and that WomensWear

considers it just as important to stay active and interact with the customer after a purchase as before since they want the customers to consider them for future purchases as well. Both Pilkington (2016) and Leimeister et al. (2014) discuss the increased requirement for companies to constantly attain and retain consumer attention in order to survive the intensified competition that has resulted from the digital transformation. Even though the interviewees differentiate themselves in some ways it is still clear that the main intention with the use of digital innovations is to connect, interact, and be visible towards the targeted audience. This clearly shows that they understand the fact that, sales aside, in order to maintain at the market, customer information needs to be gathered and clicks need to be tracked. Therefore, constant interaction, as explained by Maria at WomensWear, might be the most important to secure the upcoming offerings and future survival.

### 5.1.3 The pursuit of attention

All the respondents agree that the fast fashion industry is highly competitive, and they all discuss the remarkably shortened attention spans. Teixeira (2014) shares the same opinion and states that both the duration and intensity of consumer attention has declined significantly during the past decades and that the only way to encourage and invite purchase behavior is through catching attention. Since, the consumer easily can be distracted by an ad posted by a competitor and be lost in a second, companies within the Swedish fast fashion industry do really have to work on their every move in all parts of the purchasing process. This is extra clear in Kvinnor's strategy regarding the purchase process as Sofia states that they distinctly differentiate the different parts of the process to be able to distinguish both within which part the customers are most receptive to capture interest and how to maintain the highest interest within the different parts of the purchasing process.



"I would say that today, it's not a competition of selling products, more like a competition of getting the customers attention"  
-Anna Fierce

As established by Yeganeh (2019), the quality of consumer attention, along with the shortened attention spans, has deteriorated during past decades, requiring the communication towards consumers to be more available, reliable, informative, and most importantly, more customized than before in order to both attain and retain consumer attention. Maria proves understanding about these requirements as she explains that the only way to ensure attaining a high level of interest to the unique customer is by basing the communication strategy on a wide range of consumer data. Boulding W., et al. (2005) agree and claim that companies become successful and survive at the market only if they redirect their focus away from potential ways to sell products toward an increased focus on creating high customer value and catching consumer attention.

Yeganeh (2019) further explains that too much information exposure can increase the level of distraction and therefore decrease the level of attention. Tkaczyk (2016) builds on these arguments and explains that too much information can create a chaotic environment and in turn complicate the decision making process, which according to all of the interviewees is the opposite to what they want to achieve with their informative communication. Instead, the common goal among the interviewees is to create a positive and smooth experience and erase as many obstacles as possible standing in the way of converting the obtained attention into purchasing behavior and close interaction.

Pressure originating from various sources are put on the companies operative in the Swedish fast fashion industry and as explained by Yeganeh (2019), companies therefore lack both resources and time when trying to reach out and advertise new offers. As explained by the interviewees the time span is scarce when it comes to catching the interest of the customers and attention is seen as the new factor that they are competing over. Teixerí's (2014) explanation about how advertising will not have any impact on the customers without attention and that the only way to both attain and retain this attention requires the advertising to be more available, reliable, and customized, strengthens the fact that all of the interviewees considers the use of digital innovation such as social media vital for future survival. Furthermore, it complies with their common opinion that the goal is to constantly improve the customer experience in order to increase the chances of receiving customer attention.

#### 5.1.4 Personalization

All respondents highlighted the importance of customizing the communication and advertisements towards the customers individual needs and desires. This is in line with what Leimeister et al. (2014) explain as the digitalization of the human everyday life has caused a change in the needs and preferences of the customers, further argued by Perloff (2008) discussing how important it is to acknowledge that not all customers can be affected in the same way. Both Leimeister et al. (2014) and the respondents from the semi-structured interviews agree upon the fact that offers need to be personalized and context adaptive, as well as being available anywhere. As described by Spelt et al. (2022), the success of persuasion depends on how well the information corresponds with the state of the user, which it is important to personalize the advertisements.

"We have also built our very own product recommendation algorithm, which is based on customer history /.../ it is important to work with recommendations and to work with the customers own data, it is best to create a good experience.  
-Sofia Kvinnor

Furthermore, based on the answers from all respondents, it became evident that the digital innovations used by the interviewed corporations within the fast fashion industry rely on artificial intelligence and big data to track and store the behavior of the consumers, which is further strengthened by Verhoef et al. (2021) explaining that digital consumers are strongly relying on the artificial intelligence based technologies. They further express the importance for the companies to investigate the potential trends that underlie the behavior of their customers, which is highlighted by two of four respondents who strengthened that they use algorithms to track the behavior to furthermore personalize the feed of each individual.

Facebook and Instagram are applications that are considered as persuasive technologies that can assist in changing or affecting one's behavior (Spelt et al., 2022). All of the respondents of the semi-structured interviews mentioned these applications as a part of their use of digital innovations within the corporation, elaborating that these applications are excellent tools as to communicating with their customers and tracking their behavior. When reviewing what the customers do, follow, like, and behave on these platforms, it became clear that the gathering of this kind of data enables the corporations to customize the advertisements and interactions so that the persuasive technology will be most effective, in line with Markopoulos et al. (2015) and Meschtscherjakovet et al. (2016) arguments. This is strengthened by Iyengar et al. (2018) who imply that there is indeed a trend of applying artificial intelligence to information systems to make them more personalized to the users, which is in line with what all the respondents used to provide their customers with the right options. This is possible due to the opportunity

to gather highly personalized content through the mobile connected devices of today (Chen et al., 2012).

The scholars further state that when personalizing the communication and interaction towards the customers through the digital innovations, the user models on Facebook and Instagram adapt the features according to the users emotional, cognitive, or behavioral characteristics (Hirsch et al., 2012). Sofia from Kvinnor discussed how they have built their very own product recommendation algorithm, to further be able to track the customers history and work with personalized recommendations to create the best experience, which in relation to the work of Markopoulus et al. (2015) can be viewed as the company adapting to the users' behavioral characteristics.

### 5.1.5 The pursuit of customer information

It was clear that all of the respondents used a lot of means to in many ways track the behavior of their targeted customers. Even though they did not all use the same resources, it became evident that tracking approaches such as location, time of use, gender, preferences, engagement, and search words were used, which is acknowledged by Orji et al. (2015) as common persuasive strategies. This is further strengthened by Harris (2016), explaining that the parts of technologies that enable the owner of the data to track the user's behavior, exploit the minds' weaknesses, also described as persuasive technologies. Based on the answers from all respondents, it became evident that tracking the customers and their behavior on their digital innovational platforms enabled the corporations to schedule when, and how, it was best to expose the customers to advertisements.

"Once at the website, we try to follow their every move. By following their clicks, we can understand how their experiences are, analyzing for how long they are staying at the different parts of the website shows how inspiring the content is perceived and additionally how smooth the final check-out part is"  
-Oliver Solsken

When the corporations use digital innovations to reach their customers, they are able to obtain and collect big sets of data regarding how the customers behave on their digital platforms. This is further strengthened by Chen et al. (2012), stating that companies are competing in regard to collecting big data, which has become the new goldmine for corporations when pursuing to understand the behavior and needs of the customers. In addition, gathering big data enables the designer to uncover traits and personalities of the user without asking them to express them (Harris, 2016). While it was not clearly expressed by the corporations that they were competing with other fast fashion companies about the data of the customers, it became evident during the semi-structured interviews that detailed information about users, such as cookies, is the most valuable information there is. McAfee and Brynjolfsson (2012) agree that e-commerce retailers are able to access information about consumers every time they interact with a product recommendation and take actions accordingly. This is further supported by Hirsch et al. (2012), stating that by adapting the features according to the user characteristics discovered through customer information, this will foster the persuasion further.

The customer's personality traits can affect their sensitivity to certain persuasive strategies, where demographic variables such as age and gender may also influence the user's sensitivity to persuasive messages (Orji et al., 2015). Sofia from Kvinnor describes how the company aims to follow the customers every move, once they are on the website. They can among other things follow their clicks to comprehend their experiences and analyze the time spent on the website. Oliver from Solsken made similar observations, stating that it is important to have statistics of what the customers click on and what leads to an eventual purchase. Both expressions about

tracking customer behavior are in line with Chen et al. (2012) declaring that companies are competing to collect data, where tracking their habits and behavior becomes extra important. By learning the user's personality traits, the corporations can customize the advertisements and further affect the customers sensitivity to certain persuasive strategies (Orji et al., 2015), such as knowing when to provide a certain ad, and to whom.

### 5.1.6 Emotions

It is distinct that decision making is influenced by both cognitive biases and emotions, and further how emotions can disrupt making prudent decisions (Lad and Tailor, 2016), and behavioral economics describes people as being easily distracted and emotional. Based on the answers from the semi-structured interviews, all respondents expressed that they aim to deliver a feeling or emotion towards the customer, throughout the entire purchase process. Oliver from Solsken revealed that the company aims to make the brand deliver a sense of dreaming, making the customers picture and sense a happy event when purchasing the product, whereas Maria from WomensWear aims to promote a feeling of a certain lifestyle. This is in line with Kitchen et al., 2014 expressing that corporations are prone to use emotions when advertising, to affect the decision making process, such as creating a situational state in the advertisements.



"We want to deliver a feeling and a lifestyle!"  
-Maria WomensWear

It has long been questioned whether customers are rational when making decisions, and it has been argued and proved that humans are easily distracted and emotional, unable to make decisions that are in line with their best interest (Mullainathan & Thaler, 2000). As the respondents clarify that they use feelings and emotions in their communication towards the customers, it becomes evident that the customers may have trouble making rational decisions that are beneficial to them, as their behavior is subject to emotions rather than rationality. The scholars further discuss how a human's behavior is a subject to emotions, social influences, and cognitive bias, which of the former is what the corporations affect in the case of using feelings and emotions as a bait to gain the attention of the customer in the fight for attention (Chen et al., 2012). When the corporations engage in this kind of emotions in interaction, thus selling an emotion rather than the product itself, it can be discussed whether the customer does obtain every potential alternative or consequence following the purchase decision (Herbert A. Simon, 1955, 1979; reproduced in Kahneman 2003).

## 5.2 Consumer side

This section analyzes the empirical findings gathered from the focus groups together with the information discussed in the literature review. The consumer representatives i.e., the members of the focus groups will, in this section, be referred to as participants.

### 5.2.1 Changed perspectives on shopping behavior

It is argued that persuasive technologies have been used effectively to change perspectives on shopping behavior (Cialdini, 2007). Based on the answers from the participants in the focus groups, it became clear that the consumers articulated multiple thoughts about having shifted perspectives on shopping behavior due to applications such as Facebook and Instagram. Elin stated that by constantly being exposed to advertisements through social media, the perception and perspective of what is reasonable to purchase is far affected, in line with Cialdini's (2007) statement. Other participants agreed on the fact that corporations' use of digital innovations changed their perspectives on shopping behavior. Olivia said that by constantly being exposed to advertisements and photos of new products, the perception of what is a reasonable amount of clothing to buy is altered.

"I can hardly tell if I want it or need it anymore"  
-Johanna

Herbert A. Simon (1955) early rejected the assumption behind the perfect rationality theory, arguing that humans are not capable of obtaining all of the information to make a perfect decision. This is in line with what many of the participants stated in the focus group; it is hard to make a rational decision and assess which products are actually necessary to purchase, and which are purchased only because the consumer is affected by the advertisements on digital platforms. It is further argued by Kahneman (2017) that everyone displays cognitive biases, regardless of the situation, and almost every decision each person makes is hampered by different types of cognitive biases. Based on the participants' answers, it is clear that they are unable to make judgments regarding what they truly need to buy, and what they buy as a result of being affected by persuasive technologies, strengthened by Cherry (2020) explaining how cognitive biases cause people to deviate from making rational decisions.

### 5.2.2 The role of emotions and social influence

One participant expressed the feeling of both being addicted to the technologies and applications themselves, but also becoming addicted to the feeling of always purchasing something new. Other participants agreed, and they jointly stated that due to the way corporations use digital innovations as means of communication, customers spend a lot of time just thinking about what to purchase. One recurring theme from the focus groups was the participants expressing a feeling of being used or exploited by the corporations. Berscheid and Walster (1974) argue that persuasive technology can use social roles as social influence to persuade and motivate the user to behave in a certain way. The scholars further state that companies are prone to include attractive and likable people in their advertising, to increase the likelihood of customers purchasing their products. Many of the participants discussed how corporations use influencers to market their products, which can be viewed as using likable people to promote products, and increase the likelihood of the participants purchasing them. Furthermore, in line with Zhang's (2021) statement, the

"I almost feel sad when reflecting upon how much I purchase without needing it, just to keep up"  
-Hannah

participants express the inability to analyze the purchase process rationally due to disturbances from the constant advertisements on digital platforms, especially when promoted by certain people such as influencers.

Integral emotion is described as the feeling occurring as a product of the decision, as when purchasing a product (MahaLakshmi, 2021). There was a joint feeling with the respondents of feeling overwhelmed when viewing all of the products on the market, meanwhile still describing decisions around shopping as enlightening and positive. Thus, it can be argued that integral emotion shapes decision making, and if the purchase decision revolves around making the customer feel happy, the emotion illustrated by the corporation's communication has shaped the decision making (S. Lerner et al., 2015). Many of the participants expressed the feeling of not explicitly thinking about digital innovations as negatively impacting their wellbeing, however, when reflecting upon it, it became evident that there are many aspects of applications such as Facebook and Instagram that are negatively affecting them. This is in line with what Harris (2016) discussed about people being prone to solely focus on things that technology does for us, but not the part that exploits our minds' weaknesses. The participants further expressed that a lot of their shopping purchases are made online, as also argued by McAfee and Brynjolfsson (2012), stating that the digital transformation of retailing has moved shopping online and also increased the understanding of customers.

Pressure, stress, and anxiety are words recurrently used by all the participants of the focus groups. As earlier mentioned, the respondents describe that these negative feelings occur first after having spent time online or after a purchase has been completed. Thus, these feelings are not experienced during the actual moment of action. Combining these findings with Mullainathan and Thaler (2000) statement that humans, in this case the consumers, cannot help to react differently when they are in a different state of emotions and that they therefore are not always able to make decisions in line with their self-interest, can help explain why the respondents experience satisfaction during the purchase process even though they describe negative feelings when reflecting. Additionally, Kenning et al.'s. (2007) discussion about the human reward system can also explain the underlying reasons for the different emotions experienced by the participants. As explained by Shultz et al (1997) the human reward system is closely related to human behavior in general and Hubert and Kenning (2008) explains that the reward system plays a pivotal role in regard to consumer behavior in particular. Thus, since attractive advertisements and beautiful faces are proven to activate the human reward system (Kenning et al., 2007), the reason why the participants of the focus groups are attracted into converting their attention into purchasing behavior, are further explained.

### 5.2.3 The power of algorithms and big data

McAfee and Brynjolfsson (2012) explain that the performance of algorithms increases every time a consumer either responds to or ignores a recommendation, which means that the more usage of digital innovations, the more precise recommendations are enabled. In turn, making the ads more personalized, thus according to Markopoulos et al. (2015) and Meschtscherjakovet et al. (2016) more likely to persuade. The participants stated that they are aware of the algorithms and big data used on social media platforms and that they are not fully satisfied with the tracking of their behavior. One participant stated that it can be very uncomfortable to view an item at a site, and then be exposed to advertisements about this product on every other social

"Even though you are aware of how the marketing of products are conducted, you fall for it anyway"  
-Emelie

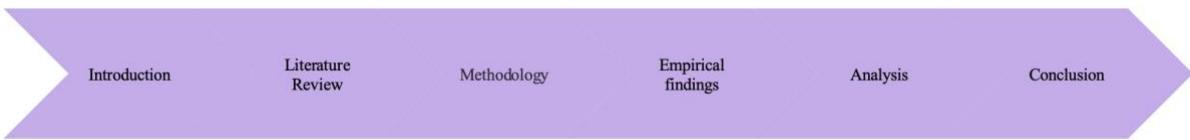
media application used. Ads on social media is, according to the participants of the focus groups, the most common way to enter fast fashion websites. Combining Herbert A. Simon's (1955) statement regarding how humans are bounded rational and prioritize satisfaction over utility maximization, with the traits, namely persuasive and addictive, that characterize social media, makes the actual surfing on fashion websites addictive as well. This in combination with the insights from cognitive science implying that it is natural for humans to favor information that affirms current notions and beliefs leads to the creation of different truths in the phones of every unique customer (Lewicka, 1998). Hence, creating conditions that can trigger the confirmation bias in turn potentially leading to purchase behavior due to the desire of satisfying the experienced need.

The fact that the participants of the focus groups describe that they feel happy and satisfied during the actual purchase, and that they experience an actual need for products they buy is a clear example that demonstrates how humans i.e., the consumers, are impacted by their cognitive biases. As explained by Kahneman (2017), the brain has two systems, one prone to error and one more reliable, whereas the error prone system plays the pivotal part in the everyday decision making of humans. Furthermore, after a decision has been made the rational system strives to justify the underlying reasons. The rational system justifies the decisions taken by the error prone system and since consumers, due to the algorithms and personalized ads, are constantly fed with the information justifying the "own truth", the accomplished purchases are simultaneously justified as well. However, when reflecting on the purchase and the behavior inherent in the purchase situation the focus participants of the groups reveal that the happiness only lasts for the moment and not for the longer term. Moreover, that the experienced need to continue purchasing remains. The constant need of always wanting something new, clearly expressed by all the participants in the focus groups, can also be explained by the continually shortening of the already short product life cycles of the products within fast fashion, followed by the digital transformation of the industry (Yeganeh, 2019). A great number of seasons together with constantly shortened product life cycles means that there always is something new available to purchase. Taking the halo effect into account when analyzing companies' use of digital innovation and influencers when advertising new campaigns, explains why the respondents of the focus groups experience a struggle to resist unnecessary purchases. This since, the overall impression of a certain person impacts the impression of the brand and products it is associated with (Kahneman, 2017). Forgas and Laham (2016) further explain the halo effect as the goodwill of a certain person automatically being transferred to the brand itself and since the users of digital innovations, such as social media, themselves decide on what persons to follow, the community created on the platform includes individuals that the user likes. When these people, in this case influencers, lead campaigns for fashion companies, the already personalized advertising becomes even more aligned with the specific needs of the consumer. In turn, increasing the conditions for cognitive biases in general, and the confirmation bias and halo effect in particular, to be exploited (Kahneman, 2017).

Since social media falls under the definition of persuasive technology (Harris, 2016), it has the power of creating addictions for the user. Furthermore, as the studied corporations use social media ads in the customer interaction, the consumers are, in a measured way, attracted to stay on the web sites. This is clearly stated by all the participants of the focus groups as they explained that they more than often end up at the companies' websites even though they did not actively intend to. Elin explains that even though there is no intention of making a purchase or even to search for information about products, it more than often ends up happening anyway. Petronella further explains that it almost occurs through natural reflexes to click on the ads on Instagram and that the action to follow links is taken faster than seconds before one has time to

understand the reason why. This reveals that ads can catch attention in a matter of seconds, thus making the customers act accordingly without having time to reflect on their behavior and Kahneman's (2017) discussion about the two brain systems is therefore further strengthened. Even though the rational system at some point regains its composure and makes the consumer aware of the potential lack of desire to convert the attention into purchase behavior, the consumer data has according to McAfee and Brynjolfsson (2012) already been tracked and collected, in turn making the later ads more personalized and adapted to the needs of the specific customer.

## 6. Conclusion



*This final chapter reconnects to the purpose of the thesis and answers the two research questions. Additionally, the research's contribution to existing literature as well as limitations and recommendations for further research are presented.*

The purpose of this thesis was to investigate and gain insight about the use of digital innovations within the Swedish fast fashion industry, regarding consumer behavior. This, to get an understanding of how the interplay between companies and their customers unfolds and how the use of digital innovation in this interplay influences consumer behavior. Furthermore, the thesis aimed to reveal how the companies' intentions are perceived by the customers.

### 6.1 Answering the research questions

#### 6.1.1 How does the use of digital innovation in the Swedish fast fashion industry influence consumer behavior?

The empirical findings from the semi-structured interviews show that the companies within the Swedish fast fashion industry are no longer mainly competing over products, instead they are competing over the customers' attention. It is common knowledge among scholars within the field that attention is harder to catch than ever before and the companies' respondents clearly express the experienced pressure from customers to always deliver positive customer experiences. Thus, explains why the companies consider personalization and persuasive designs as required when competing in the contemporary Swedish fast fashion industry.

Combining the empirical findings with literature clearly shows that the use of digital innovations within the Swedish fast fashion industry exploits the cognitive biases of the consumers, which are proven to directly influence their decision making and behavior. Compared to traditional advertising, today's use of digital innovation makes the advertising more personalized, scalable, and accessible. The analysis reveals that when a wide range of digital innovations are used together it becomes something similar to a snowball effect, resulting in a greater influence on consumer behavior than if every individual innovation was used individually. The customers are constantly fed with information that not only is designed to catch their attention in the fastest way possible, but that also concerns products that promise to satisfy their unique need and justify their already existing beliefs. The use of persuasive technology and personalized ads based on big data and algorithms creates a unique reality for every specific customer that, due to the cognitive biases, provokes the human brain into taking mental shortcuts that, when faced with a decision, directly encourage a certain behavior. The customer with its cognitive biases feels the desire to purchase in order to satisfy the experienced need. Conversely, the companies feel the pressure from the demanding customers that always require better experiences and new products at a rapid pace. Additionally, the findings from the focus groups clearly reveal that the consumers are confused about their own behavior as they tend to end up spending both more time and money on shopping clothes online than they intentionally plan to. Moreover, they continue with this emerging pattern of consumption

behavior even though they understand that the satisfaction is short term and that their behavior is not leading to maximized utility.

#### 6.1.2 How are the intentions of the companies perceived by the customers?

The companies have clearly formulated intentions regarding the positive way they want to influence their customers. When asked about the understanding of how their message is received by the customers, the companies imply a high degree of certainty about the positive reception. However, the findings from the focus groups imply a totally different reality than what is understood by the companies. The companies take actions in accordance with the consumer engagement shown in the collected consumer data. The empirical findings from the focus groups, does however, prove that engagement, increased click activity, and purchases does not per se equal happiness, satisfaction, and joy. The words used by the companies when describing their intentions are happy, positive, and empowerment whereas the words repeatedly used within the focus groups when describing the emotions associated with online shopping experiences are pressure, stress, and confusion. Thus, the empirical findings show that the messages inherent in the communication that flows between companies and their customers are lost in translation.

As revealed in the answer to the first research question of this thesis, the underlying reasons for a certain consumer behavior are the psychological factors that subconsciously influences the human brain into making certain decisions. Therefore, shown engagement does not necessarily mean that an increase in exposure of that specific content results in greater happiness and satisfaction for the consumer. Additionally, since the actions taken by companies are based on consumer data and the consumer interaction, in turn, is adjusted in accordance with the exhibited consumer engagement, a downward spiral is created. Taking the cognitive biases that restrain the human mind from making rational decisions into account can therefore explain why companies misjudge the signals sent out from their customers. Furthermore, it explains why the intentions of the companies are not perceived in the same way as they are originally indented.

To sum up, a self-fulfilling prophecy is created, in which companies are stressed about keeping up with the constantly shortened product life cycles resulting in strengthened incentives to constantly track the customers in their every move. In turn making the customers more demanding than ever before. Meanwhile, the stress level of the customers increases as the number of personalized ads shown in their social media increases. An appropriate parable describing this cycle could be a destructive relationship in which neither the customers nor the companies understand if they are the culprit or the victim in the drama.

#### 6.2 Contribution to existing research

As mentioned in the introduction, the fast fashion industry is a well discussed line of business in terms of environmental sustainability. However, this study contributes to existing research as it investigates the industry from a new perspective. The effects that the usage of digital innovations within Swedish fast fashion has on consumers and their behavior is a rather untapped segment and can serve as a foundation for further research within the area and its contemporary challenges.

## 6.3 Suggestions for future research

### 6.3.1 Limitations

Qualitative research designs are associated with several disadvantages, such as the influence of subjectivity from the researchers on the conducted research. It is discussed in the methodology that by choosing a qualitative approach, the findings are affected by the interpretations and previous experience of the researchers. Therefore, it can be concluded that a limitation of this research may be a lack of objectivity throughout the thesis. Even though the empirical findings and analysis are conducted in a correct manner in line with well-known methods, the chosen respondents and participants are further chosen solely by the researchers, affected by decisions influenced by subjectivity. It can also be stated that the epistemological position constructionism from the start determined that the reality should be viewed as socially constructed, therefore inherent with both the respondents and researchers' own beliefs. Hence, to support the qualitative findings of this report it is recommended to conduct quantitative research, where these kinds of disadvantages are limited, on the research topic as well.

It is further acknowledged that the research could benefit from involving more respondents in the semi-structured interviews, increasing the possibility of obtaining general conclusions and thus not rely as much on few insights. Furthermore, this research was limited to the Swedish fast fashion industry, and to exclude the possibility of the findings relying on cultural aspects, a broader range of countries could be considered for future research.

### 6.3.2 General suggestions

Since algorithms increase its accuracy every time a consumer moves online, the outcome in terms of consumer behavior and exploitation of cognitive biases can only be assumed to increase. It is therefore recommended to further investigate this topic and take more factors into consideration. Consumers of today become more and more aware about environmental sustainability issues however the consumption increases at the same speed as the awareness increases. An investigation of the influences that the use of digital innovations has on the environmental aspect of sustainability can therefore be of relevance. Additionally, this type of research would be important for the greater good as it can reveal findings on how digital innovation can be used for positive causes as well. In this case, how to exploit the cognitive biases with the aim of redirecting the consumption, towards more sustainable choices and living.

## References

- Alekseevna, T. E., Yakovlevna, R. E., & Vasilievich, R. D. (2017). The concept of digital transformation of the society. In *Paper Presented at the 2017 Tenth International Conference Management of Large-Scale System Development (MLSD)*.
- Angner, E., & Loewenstein, G. (2007). Behavioral economics. *Handbook of the philosophy of science: Philosophy of economic*, 641-690.
- Bell, E., Bryman, A. & Harley B., 2018. *Business Research Methods*, 5th Edition, Oxford University Press: Oxford. ISBN: 9780198809876
- Bhardwaj, V., & Fairhurst, A. (2010). Fast fashion: response to changes in the fashion industry. *The international review of retail, distribution and consumer research*, 20(1), 165-173.
- Berscheid, E., & Walster, E. (1974). Physical attractiveness. In *Advances in experimental social psychology* (Vol. 7, pp. 157-215). Academic Press.
- Boucher, P. (2020). Artificial intelligence: How does it work, why does it matter, and what can we do about it?. *European Parliamentary Research Service, Scientific Foresight Unit (STOA), PE, 641*.
- Boulding, W., Staelin, R., Ehret, M., & Johnston, W. J. (2005). A customer relationship management roadmap: What is known, potential pitfalls, and where to go. *Journal of Marketing*, 69(4), 155–166.
- Braun, V. and Clarke, V. (2012), Thematic analysis., American Psychological Association.
- Brenner, W., Karagiannis, D., Kolbe, L., Krüger, J., Lamberti, H.-J., Leifer, L., et al. (2014). User, use & utility research: the digital user as new design perspective in business & information systems engineering. *Business & Information Systems Engineering (BISE)*, 6(1), 55–61.
- Brynjolfsson, E., & McAfee, A. (2017). The business of artificial intelligence: how AI fits into your data science team. *Harvard Business Review*, 98(4), 1-20.
- Chen et al (2012) Business Intelligence and Analytics: From Big Data to Big Impact. *MIS Quarterly*, Vol 36, No. 4, pp. 1165-1188.
- Cherry, K. (2020). How Does Implicit Bias Influence Behavior?. *Verywellmind*, September, 18.
- Cherry, K. (2016). What is the halo effect? *Psychology. about. com*.
- Chowdhury, M., & Sadek, A. W. (2012). Advantages and limitations of artificial intelligence. *Artificial intelligence applications to critical transportation issues*, 6(3), 360-375.

Cialdini, R.B.: Influence, the Psychology of Persuasion, 1st edn. Harper Collins, New York (2007)

Clarke, V., Braun, V., & Hayfield, N. (2015). Thematic analysis. Qualitative psychology: A practical guide to research methods, 222, 248.

Cleveland, M., & Bartsch, F. (2018). Global consumer culture: Epistemology and ontology. *International Marketing Review*, 23, 0265–1335.

Conlisk, John, 1996, “Why Bounded Rationality?” *Journal Economic Literature*. Vol. 34 (2). p 669-700.

Copeland, B. (2020, August 11). Artificial intelligence. Encyclopedia Britannica.  
<https://www.britannica.com/technology/artificial-intelligence>

Daniel, K. (2017). Thinking, fast and slow.

DeSteno, D., Wegener, D.T., Petty, R.E., Rucker, D.D., Braverman, J.: Discrete emotions and persuasion: the role of emotion-induced expectancies. *J. Pers. Soc. Psychol.* 86(1), 43–56 (2004). <https://doi.org/10.1037/0022-3514.86.1.43>

Doyle, S. A., Moore, C. M. and Morgan, L. 2006. Supplier management in fast moving fashion retailing. *Journal of Fashion Marketing and Management*, 10(3): 272–81.

George, B., & Paul, J. (2020). *Digital transformation in business and society*. New York, NY, USA: Springer International Publishing.

Elkington, J. (1998). Accounting for the triple bottom line. *Measuring business excellence*.

Flyvbjerg, B. (2006). Five misunderstandings about case-study research. *Qualitative inquiry*, 12(2), 219-245.

Fogg, B. J. (2002). Persuasive technology: using computers to change what we think and do. *Ubiquity*, 2002(December), 2.

Forgas, J. P., & Laham, S. M. (2016). Halo effects. In *Cognitive Illusions* (pp. 286-300). Psychology Press.

Geyer, R., Van Wassenhove, L. N., Atasu, A. (2007). The economics of remanufacturing under limited component durability and finite product life cycles. *Management Science*, 53(1), 88–100.

Goldman, A. (1982). Short product life cycles: Implications for the marketing activities of small high-technology companies. *R&D Management*, 12(2), 81–90.

Goyal, T. (2001). Shortening product life cycles? *Electronic News (North America)*, 47(16), 46.

Guercini, S. 2001. Relation between branding and growth of the firm in new quick fashion formulas: Analysis of an Italian case. *Journal of Fashion Marketing and Management*, 5(1): 69–79.

Harris, Tristan. "How technology hijacks people's minds—from a magician and Google's design ethicist." *Medium Magazine*(2016).

Heath, A. (1976). *Rational choice and social exchange: A critique of exchange theory*. CUP Archive.

Hilbert, M. (2022). Digital technology and social change: the digital transformation of society from a historical perspective. *Dialogues in clinical neuroscience*.

Hirsh, J.B., Kang, S.K., Bodenhausen, G.V.: Personalized persuasion: tailoring persuasive appeals to recipients' personality traits. *Psychol. Sci.* 23(6), 578–581 (2012). <https://doi.org/10.1177/0956797611436349>

Hoffman, D. L., & Novak, T. P. (2018). Consumer and object experience in the internet of things: An assemblage theory approach. *Journal of Consumer Research*, 44(6), 1178-1204.

IJsselsteijn, W.A., de Kort, Y.A.W., Midden, C.J.H., Eggen, B., van den Hoven, E.: Persuasive technology for human well-being: setting the scene. In: IJsselsteijn, W.A., de Kort, Y.A.W., Midden, C., Eggen, B., van den Hoven, E. (eds.) *Persuasive Technology*. Lecture Notes in Computer Science, pp. 1–5. Springer, Berlin (2006). [https://doi.org/10.1007/978-3-319-01583-5\\_56](https://doi.org/10.1007/978-3-319-01583-5_56)

Iyengar, M.S., Oinas-Kukkonen, H., Win, K.T.: Persuasive technology in biomedical informatics. *J. Biomed. Inform.* (2018). <https://doi.org/10.1016/j.jbi.2018.07.020>

Jackson, T. 2001. “The process of fashion trend development leading to a season”. In *Fashion marketing: Contemporary issues* Edited by: Hines, T. and Bruce, M. 121–32. Chapter 7. Oxford: Elsevier Butterworth-Heinemann

Johnson, E. J., Shu, S. B., Dellaert, B. G., Fox, C., Goldstein, D. G., Häubl, G., ... & Weber, E. U. (2012). Beyond nudges: Tools of a choice architecture. *Marketing Letters*, 23(2), 487-504.

Kannan, P. K., Hongshuang Li (2017). Digital marketing: A framework, review and research agenda. *International Journal of Research in Marketing*, 34(1), 22-45.

Kaptein, M.C., De Ruyter, B.E.R., Markopoulos, P., Aarts, E.H.L.: Adaptive persuasive systems: a study of tailored persuasive text messages to reduce snacking. *ACM Trans. Interact. Intell. Syst.* 2(2), 1–25 (2012). <https://doi.org/10.1145/2209310.2209313>

Kahneman, D. (2003). Maps of bounded rationality: Psychology for behavioral economics. *American economic review*, 93(5), 1449-1475. Retrieved 2022-02-23 from: [https://www-jstor-org.ezproxy.ub.gu.se/stable/pdf/3132137.pdf?refreqid=excelsior%3Af3d2c3d65667edf27b7709c74d23d278&ab\\_segments=&origin=](https://www-jstor-org.ezproxy.ub.gu.se/stable/pdf/3132137.pdf?refreqid=excelsior%3Af3d2c3d65667edf27b7709c74d23d278&ab_segments=&origin=)

Khaneman, Daniel and Tversky, Amos, 1974, "Judgment Under Uncertainty: Heuristics and Biases" *Science*, v. 185. pp. 1124 -1132.

Kitchen, P.J., Kerr, G., Schultz, D.E., McColl, R., Pols, H.: The elaboration likelihood model: review, critique and research agenda. *Eur. J. Mark.* 48(11/12), 2033–2050 (2014). <https://doi.org/10.1108/EJM-12-2011-0776>

Lad, C., & Tailor, H. (2016). An empirical study on emotional bias affecting investment decisions of investors. *Global Journal of Research in Management*, 6(1), 42.

Lanier, J. (2018) *Ten Arguments for Deleting Your Social Media Accounts Right Now*. New York: Henry Hold and Company.

Leimeister, J. M., Österle, H., & Alter, S. (2014). Digital services for consumers. *Electronic Markets*, 24(4), 255-258.

Lewicka, M. (1998). Confirmation bias. In *Personal control in action* (pp. 233-258). Springer, Boston, MA.

Lewicka, M. (1988). On objective and subjective anchoring of cognitive acts: How behavioural valence modifies reasoning schemata. In *Recent trends in theoretical psychology* (pp. 285-301). Springer, New York, NY.

Lindner, E. (2012). A dignity economy: Creating an economy that serves human dignity and preserves our planet. Dignity Press, Retrieved from <https://adweek.com/digital/john-stevens-guest-post-decreasing-attention-spans/>

Lusch, R. F., Liu, Y., and Chen, Y. 2010. "The Phase Transition of Markets and Organizations: The New Intelligence and Entrepreneurial Frontier," *IEEE Intelligent Systems* (25: 1), pp

Markopoulos, P., Kaptein, M.C., De Ruyter, B.E.R., Aarts, E.H.L.: Personalizing persuasive technologies: explicit and implicit personalization using persuasion profiles. *Int. J. Hum. Comput. Stud.* 77, 38–51 (2015). <https://doi.org/10.1016/j.ijhcs.2015.01.004>

Maxwell Wessel (2016). You Don't Need Big Data - You Need the Right Data. *Harvard Business Review*.

McAfee and Brynjolfsson (2012). Big Data: The Management Revolution. *Harvard Business Review*.

Meschtscherjakov, A., Gärtner, M., Mirning, A., Rödel, C., Tscheligi, M.: The Persuasive Potential Questionnaire (PPQ): challenges, drawbacks, and lessons learned. In: Meschtscherjakov, A., De Ruyter, B.E.R., Fuchsberger, V., Murer, M., Tscheligi, M. (eds.) *Persuasive 2016. Lecture Notes in Computer Science*, vol. 9638. Springer, Salzburg (2016). [https://doi.org/10.1007/978-3-319-31510-2\\_30](https://doi.org/10.1007/978-3-319-31510-2_30)

Morgan-Thomas, A., Dessart, L. and Veloutsou, C. (2020) ‘Digital Ecosystem and Consumer Engagement: A Socio-Technical Perspective’, *Journal of Business Research*: 1–44.

Mullainathan, S., & Thaler, R. H. (2000). Behavioral economics.

MahaLakshmi, Neelam (2021). Aspects of Artificial Intelligence in Karthikeyan. J, Su-Hie Ting and Yu-Jin Ng (eds), “Learning Outcomes of Classroom Research” p:250-256, L’Ordine Nuovo Publication, India. 978-93-92995-15-6

Oghazi, P., Rad, F. F., Zaefarian, G., Beheshti, H. M., Mortazavi, S. (2016). Unity is a strength: A study of supplier relationship management integration. *Journal of Business Research*, 69(11), 4804–4810.

Oinas-Kukkonen, H., Harjumaa, M.: Persuasive systems design: key issues, process model, and system features. *Commun. Assoc. Inf. Syst.* 24(1), 96 (2009). <https://doi.org/10.17705/1CAIS.02428>

Orji, R., Mandryk, R.L., Vassileva, J.: Gender, age, and responsiveness to Cialdini’s persuasion strategies. In: MacTavish, T., Basapur, S. (eds.) *Persuasive Technology: 10th International Conference, PER- SUASIVE 2015. Lecture Notes in Computer Science (Including Subseries Lecture Notes in Artificial Intelligence and Lecture Notes in Bioinformatics)*, vol. 9072, pp. 145–159. Springer, Chicago, IL (2015). <https://doi.org/10.1007/978-3-319-20306-5>

Perloff, R.M.: *The Dynamics of Persuasion: Communication and Attitudes in the 21st Century*, 2nd edn. Lawrence Erlbaum Associates, Mahwah, NJ (2008). <https://doi.org/10.1037/h0044055>

Petty, R.E., Cacioppo, J.T.: The elaboration likelihood model of persuasion. *Adv. Exp. Soc. Psychol.* 19, 123–205 (1986). <https://doi.org/10.1558/ijssl.v14i2.309>

Pilkington, M. (2016). 11 Blockchain technology: Principles and applications. *Research handbook on digital transformations*, 225.

Rosselli, F., Skelly, J.J., Mackie, D.M.: Processing rational and emotional messages: the cognitive and affective mediation of persuasion. *J. Exp. Soc. Psychol.* 31, 163–190 (1995)

Saarijärvi, H., Kannan, P. K., & Kuusela, H. (2013). Value co-creation: Theoretical approaches and practical implications. *European Business Review*, 25(1), 6–19.

Saarijärvi, H., Karjaluoto, H., & Kuusela, H. (2013). Customer relationship management: the evolving role of customer data. *Marketing intelligence & planning*.

Scott, J. (2000). Rational choice theory. *Understanding contemporary society: Theories of the present*, 129, 671-85.

Selinger, E., & Whyte, K. (2011). Is there a right way to nudge? The practice and ethics of choice architecture. *Sociology Compass*, 5(10), 923-935.

Shiker Chaudhary (2020, May) Neuromarketing: Decoding the consumer mind (Video) TED Conference.

[https://www.ted.com/talks/shikher\\_chaudhary\\_neuromarketing\\_decoding\\_the\\_consumer\\_mind](https://www.ted.com/talks/shikher_chaudhary_neuromarketing_decoding_the_consumer_mind)

Simon, Herbert A., 1995 "A behavioral model of ration choice" *Quarterly Journal of Economics*, 69. pp. 99-118.

Spelt, H. A., Westerink, J. H., Frank, L., Ham, J., & IJsselsteijn, W. A. (2022). Physiology-based personalization of persuasive technology: a user modeling perspective. *User Modeling and User-Adapted Interaction*, 1-31.

Teixeira, T. S. (2014). The rising cost of consumer attention: Why you should care, and what you can do about it. Harvard Business School Working Paper, 14–55.

The Economist. 2011. "Beyond the PC," Special Report on Personal Technology, October 8 (<http://www.economist.com/node/21531109>).

Theotokis, A., Manganari, E. The Impact of Choice Architecture on Sustainable Consumer Behavior: The Role of Guilt. *J Bus Ethics* 131, 423–437 (2015).

<https://doi.org/10.1007/s10551-014-2287-4>

Tkaczyk, J. (2016). Digital consumer: Trends and challenges. The impact of the digital world on management and marketing, 353-367.

Trittin-Ulbrich, H., Scherer, A. G., Munro, I., & Whelan, G. (2021). Exploring the dark and unexpected sides of digitalization: Toward a critical agenda. *Organization*, 28(1), 8-25.

Tversky, A., & Kahneman, D. (1974). Judgment under Uncertainty: Heuristics and Biases: Biases in judgments reveal some heuristics of thinking under uncertainty. *science*, 185(4157), 1124-1131.

Van Bommel, E., Edelman, D., & Ungerman, K. (2014) Digitizing the consumer decision journey. *McKinsey Quarterly*

Verhoef, P. C., Broekhuizen, T., Bart, Y., Bhattacharya, A., Dong, J. Q., Fabian, N., & Haenlein, M. (2021). Digital transformation: A multidisciplinary reflection and research agenda. *Journal of Business Research*, 122, 889-901.

Yeganeh, H. (2019). An analysis of emerging patterns of consumption in the age of globalization and digitalization. *FIIB Business Review*, 8(4), 259-270.

Zhang, L. (2021, December). How Cognitive Biases Make Innovation Difficult in Markets for Fast Moving Consumer Goods. In *2021 3rd International Conference on Economic Management and Cultural Industry (ICEMCI 2021)* (pp. 1722-1725). Atlantis Press.

Zuboff, S. (2020) 'You are Now Remotely Controlled', Retrieved from <https://www.nytimes.com/2020/01/24/opinion/sunday/surveillance-capitalism.html> (accessed 7 May 2022).

# **Appendix**

## **A) Interview guide - corporate side**

What is your position at your company?

What is your targeted customer segment (for example age and gender)?

How do you interact with their customers today? Which types of digital innovations are used?

Why have you decided to use this type of digital innovation?

- Is this choice influenced by the decisions made by competitors, by customer feedback or other reasons?

What are your main intentions with the use of digital innovations?

What information do you seek to gather through the use of this digital innovation?

- How do you use the gathered information to reach the company goals?
- What type of customer information do you consider the most valuable and why?

What impact do you seek to have on your customers and their behavior when using this digital innovation?

Would you say that this digital innovation enhances your ability to affect the customers to act in a certain way? How?

Which emotions do you want to create when interacting with your customers?

- How do you experience your customers' reactions and emotions towards your communication?

When do you seek to be the most present/active in the purchase process? For example, before, during or after a purchase? Do you consider it important to differentiate those situations or do you rather focus on all situations as a whole?

- Provide us with an example of when you use digital innovation to interact with your customers in regard to the above-mentioned situations.

Do you feel that the current competitive landscape affects your use of digital innovations?

- If yes: How? Does it affect your choices and use of digital innovation?

What are the future opportunities or threats of using this type of digital innovation, in regard to the following three areas?

- Consumers, Competitors and Business strategy / Business models

## **B) Interview guide - consumer side**

Hi and welcome everyone. The topic of today is social media and how corporations use it to affect us with advertisements, campaigns, social relations, and so on.

If we say social media, what are the three first things that come to your mind?

How would you describe your relationship to social media?

Describe a situation where a company's use of social media has affected you to purchase a product

Describe a situation where a company's use of social media has affected you to purchase a product, even though it was not your intention to purchase it

Describe a situation where a company's use of social media has affected your to not purchase a product, when your intention was to purchase it

What do you think are the companies' goals when working with social media as a part of their strategy and operations?

What are the pros and cons of social media in regards to how companies can use it for advertisements etc.?

## C) Thematic coding – Corporate side

Themes	Quotes	1st order codes
Emotions	<p><i>"We want to deliver a feeling and a lifestyle!" Maria WW</i></p> <p><i>"We are a brand that is dreaming"</i> - Oliver Solsken</p> <p><i>"We work to empower and inspire women"</i> - Sofia Kvinnor</p> <p><i>"We are hoping to create happiness and lust"</i> Anna Fierce</p>	Feeling, lifestyle, dreaming, empower, inspire, happiness, lust, fun
Interaction	<p><i>"We strive to never lose communication with the customer, all parts of the process are vital for a healthy relationship". Maria at Womenswear</i></p> <p><i>"It's a way to keep the interest for the brand constantly ongoing"</i> Sofia Kvinnor</p> <p><i>"It's a collaborative marketing and communication directly towards the customer"</i> Oliver Solsken</p> <p><i>"This is more of a two-way communication"</i> Anna Fierce</p>	Collaborative, direct, closeness, present, smooth, personalized, positive, interest, constantly
Needs/behavior	<p><i>"Before, the customers saw a bathing suit, today, they see a bathing suit in an environment; it's a big difference in how you have to advertise the products"</i> Maria WW</p> <p><i>"Customers are much more critical these days /.../ it used to be enough with two pictures of a product; now they demand pictures of every specifics and a video"</i> Oliver Solsken</p>	Big difference, intensified, present online, fast response, unique, quick, service, changing, demand, be inspired, seamless experience

	<p><i>"The customers more or less require a quick response" Anna Fierce</i></p> <p><i>"The customers expect a seamless experience from start to finish when ordering online" Sofia Kvinnor</i></p>	
<b>Personalization</b>	<p><i>"Receive feedback /.../ to adjust our creating of products and the marketing of it" Oliver Solsken</i></p> <p><i>"So basically, what I am saying is that it is possible today to make the advertisements more personalized, which of course in many cases also makes it more effective. The customers see what they like to see". Anna Fierce</i></p> <p><i>"We want the information to be clear and designed in a way that matches their needs in order to make it lead to a purchase". Maria WW</i></p> <p><i>"We have also built our very own product recommendation algorithm, which is based on customer history /.../ it is important to work with recommendations and to work with the customer's own data, it is best to create a good experience. Sofia Kvinnor</i></p>	Adjust, Recommendation, Customized, needs, feedback, design, reflection, match,
<b>Tracking</b>	<p><i>"Once at the website, we try to follow their every move. By following their clicks we can understand how their experiences are, analyzing for how long they are staying at the different parts of the website shows how inspiring the content is perceived and additionally how smooth the final check-out part is". - Sofia at Solsken</i></p> <p><i>"We can see what products they click on, which clicks lead to purchase, when they stop looking, who is watching live and who watch afterwards" Oliver Solsken</i></p>	Location, Time, Gender, Preferences, Click-activity, engagement, time spent, follow-through, streams, interest, search words, live

	<p><i>"Red bathing suits for example, if our data shows us that people are searching a lot for red bathing suits, we will of course put more focus on that product" – Maria WW</i></p> <p><i>"With the technologies of today, we can store all customer data. From how many seconds the average follower spends on viewing a post, to what posts are most appreciated, and also at what time we have the greatest interaction with our followers"</i> Anna Fierce</p>	
<b>Attention/Engagement</b>	<p><i>"You don't have many chances or rather seconds to catch the customer's attention and then actually convert this interest into a purchase" Maria WW</i></p> <p><i>"The short attention span does not allow the customer to search for the products they want. It has to be easily accessible, otherwise we lose them" Oliver Solsken</i></p> <p><i>"It should be a convenient process. Easy to find the size and fitting, that there are right options for you as a customer in order to sustain the interest" Sofia Kvinnor</i></p> <p><i>"I would say that today, it's not a competition of selling products, more like a competition of getting the customers attention" Anna Fierce</i></p>	Attention span, easily accessible, sustain interest, competition of attention

## D) Thematic coding – Consumer side

Themes	Quotes	1st order codes
Perspective of consumption patterns	<p><i>"It is easy to forget that the people who post pictures with clothes, work with it. It is not normal to have a new outfit everyday"</i> - Anna</p> <p><i>"I can hardly tell if I want it or need it anymore"</i> - Johanna</p> <p><i>"The feeling of what is necessary to purchase or not has disappeared"</i> - Petronella</p> <p><i>"It used to be enough to have two jackets, nowadays it feels like you have to have a new outfit for every occasion"</i> - Lina</p>	Not normal, hardly tell, feeling of necessary has disappeared, used to be enough
Constant exposure of advertisements	<p><i>"We are exposed to advertisements all the time, wherever we go or whatever we do"</i> - Clara</p> <p><i>"It is like being in a store all the time, every purchase is just one click away"</i> - Petronella</p> <p><i>"Facebook and Instagram creates an addiction, partly because the digital innovation in itself is addictive, but also because you are continuously exposed to advertisements and it creates a need to always buy the latest things"</i> - Amanda</p> <p><i>"Clothes and products are always on my mind, since I use Instagram almost all the time"</i> - Olivia</p>	Exposed all the time, like being in a store all the time, continuously exposed, always on my mind
Emotions	<i>"I feel so misunderstood when everything I click on pops up as advertisements, because it is not always my intention to purchase it"</i> - Nora	Misunderstood, feel exploited, sad, pleasurable

	<p><i>"Sometimes, when I think about it, I almost feel exploited" - Elin</i></p> <p><i>"I almost feel sad when reflecting upon how much I purchase without needing it, just to keep up" - Hannah</i></p> <p><i>"The weird thing is that it can be very pleasurable to spend hours on Instagram just to see what new products that are launched" - Johanna</i></p>	
<b>Confusion</b>	<p><i>"Even though you are aware of how the marketing of products is conducted, you fall for it anyway. And I don't know why" - Emelie</i></p> <p><i>"It feels destructive to purchase as many products as I do, even though it is my own choice to do it" - Petronella</i></p> <p><i>"I know what I need, but I get distracted when offered so many products" - Amanda</i></p> <p><i>"It's a mixed feeling. It really is" - Anna</i></p>	Don't know why, feels destructive even though it is my choice, distracted, mixed feeling