

Protocol of focus group discussion

Moderator: Let's start. So thank you for being here, thank you for sacrificing your time. This is for my Master's thesis "Product digitalization phenomena analysis in terms of customer perceived value". I just want to say real quick that it should last about an hour, an hour and a half. This is recorded for protocol, for later transcription in the protocol. You will remain anonymous. The questions will also be presented in the slides and I will read them out loud. Feel free to discuss, all opinions and questions, comments are valid and you can take your time between each question, and speak freely. So we will start with the a couple of introductory questions. Number one is, are you familiar with the term digitalization or digitization? If so, can you describe what you think that it means?

Speaker 4: Do we start like 1 by 1?

Moderator: Yeah, as you're comfortable.

Speaker 4: OK, I think.. Of course I am familiar with the terms, but if I need to describe it, describe it, I would say it is a transformation of a product turning into online presence.

Moderator: OK. Anybody else?

Speaker 6: Hmm, it's going digital. [laughs] Sorry, sorry.

Moderator: Yes, in a way.

Speaker 6: OK, so I think, I think it's... Digitalization implies that there's something already, so it's either a system or a process, or a product, or a website. And digitalization is just turning that which already exists into digital space, so it could be internet. I don't know something, something like this.

Speaker 5: Appliance and technology like new features in order to reach the dimension for the products. Something like this I would say.

Speaker 2: Something that we see but cannot touch manually maybe.

Speaker 3: I would also say like, making a service electronic, electronically available for digitalization. For digitization, I must honestly say I don't know what it means, so I'm unfamiliar with the second term.

Moderator: OK. OK, so basically you have a correct understanding of it. The main proposition by Rachinger, et al. was that "digitization is the process of converting analog data into digital data sets and is the framework for the digitalization, which is defined as the exploitation of digital opportunity". And then moving on to the second introductory question, have you encountered or experienced digitized, digitalized products before this interview?

Speaker 6: Probably? Let's think. "Have you experienced digitalized products before?"...

Speaker 3: Can we go back to the definition?

Moderator: OK. Yeah, of course.

Speaker 3: The question is related to the definition, right?

Speaker 6: Yeah. Well, I mean...

Speaker 5: I was-

Speaker 6: Go on.

Speaker 5: Sorry, go on.

Speaker 6: Should, should I? OK. So basically I don't know if it counts, but like I encountered a website which is like e-commerce so I was shopping online and before that same shop was only physical, but in COVID it became digital. So we took the shopping online. I don't know. I don't know if it counts.

Moderator: Yes, of course.

Speaker 5: I wanted to say about digital finance. So basically, before we had to go to a branch, to a bank, to a specific bank in order to like make some transactions or get our cash from the bank. Now it's digitalized. So we just have to use an app. So also the banking services were digitalized, I would say. So it's also a product or service somehow.

Moderator: That's a good point, yeah.

Speaker 3: Isn't like everything we do in the Internet basically digitalization or even everything we do on the screen, which contains data so more or less digitalization.

Moderator: In a way, if it was previously physical and tangible and we could touch it and then it was converted in a way, you could say it was digitized.

Speaker 6: So basically. Basically, music streaming music on Spotify used to be physical copies of music, now it's digitalized way of consuming music, does that count?

Speaker 4: Also, similarly in COVID time, as (participant's name) mentioned, all the shops created their online channel, so we could just order it to our house. Like grocery shops, I mean.

Moderator: Yeah, that's, that's also part of it, yes. Anything else? OK. Then we can move on to some of the other questions. And so, if presented with the opportunity to choose between a physical, traditional product and a digitalized version of the product, which one would you choose. As an example, I could give a physical, traditional book and then an e-book that you have on your tablet or on your phone. But it doesn't have to be limited to this one specific product. Just in a generalized sense, which one would you prefer?

Speaker 2: I can use it whenever, wherever I am, so I would say digitalized

Moderator: OK.

Speaker 4: OK, depending on the product, I think I am more... Although we are studying marketing and everything, I am more into physical products. Because although there are online shopping, for example, I still prefer going there in physical and seeing and comparing all of them, checking the quality by myself. So if... I am more comfortable with the physical product, most of the times.

Speaker 6: I think it would really depend on the, on a situation because I do prefer listening music digitally. Streaming is an amazing invention I love. It, but if it comes to reading books, I will 100% prefer a physical copy. So it depends.

Speaker 4: Exactly.

Moderator: OK.

Speaker 5: Getting the books and some specific products like, I would rather go to a shop in order to check, to touch the product rather than just buying it online and then being disappointed somehow. So yeah, depends on the situation.

Moderator: Uh huh.

Speaker 3: Yeah, same. It's like impossible to give the general answer to this, in my opinion.

Moderator: OK, so in general, what kind of factors do you think influenced your previous choice, like as you mentioned you would rather, most of you, prefer to have a physical book? Could you name why?

Speaker 4: Being able to check the quality in person. If it is a clothing material, I would like to try it on me to check if it is fit or not. And most of the times, if we are ordering something it is faster for me to just go and buy than just waiting for the cargo to come and not finding my address here, so I have to walk 3 kilometers.

Speaker 5: Also both expectations and the reality because if we buy something online we can never be 100% sure it will be what we expect it to be. And then, yeah.

Speaker 3: And even for the book. Even for the book, I would add that. Kind of the book, if you have it physically, it's like indefinite in your possession, but the electronic version is always dependent on the availability of electricity and maybe your device just dies or there's a mistake in the system and then you will not have access to it anymore. So the physical asset will always stay with you.

Speaker 4: Yeah, I agree. And with the book, it's not the same feeling, you know. When you are writing on an e-book, I am not as satisfied as the physical book.

Speaker 6: So I would say for me as well the main, the main factor would just be preference. Some, sometimes you prefer one than the other, be some convenience and that's it.

Speaker 4: Yeah, convenient, yes. (Participant's name)?

Speaker 2: As an opposite idea, I would say availability because for example: on the weekends shops are not open, so I'm able to buy it on the weekend cause I'm busy during the weekdays, but shops are closed so my only option is purchasing it from the Internet and if I don't like it, I can send it back. And psychologically, I feel like I'm not spending money when I'm ordering something from the Internet, so it might be psychological factor and availability.

Speaker 4: But something about ordering it, because it's not available, but you still have to wait even though it's on weekends and the shops are closed.

Speaker 2: I'm. I'm not waiting too much, it's only three days, mostly.

Speaker 4: In three days, the shops will be open again.

Speaker 2: But I don't have time to go when it's open, you know, that's the thing.

Speaker 4: OK, OK.

Speaker 6: She's a busy woman.

Moderator: But those are great points, actually. So and that brings me further. How do you perceive value as a customer? What is value to you?

Speaker 6: Something that solves my problem.

Speaker 3: Satisfaction?

Speaker 2: Yes, satisfaction. Something that makes me feel better.

Speaker 4: For me, if the money I paid for a product compensate with what I wished for, is the value.

Moderator: OK, anything else?

Speaker 5: Yeah, for me, the satisfaction with the product. So what problem it solves basically as (participant's name) said.

Moderator: OK. So are you familiar with the different value dimensions? Of customer perceived value. If so, can you name any of them or guess?

Speaker 4: Gosh, I'm sorry to all of my previous professors, I should know this. I don't know. I don't know the different value dimensions. But I'm assuming-

Speaker 6: It's probably. It's probably going to be something like. Practical. Emotional.

Moderator: Yeah, you're in the right direction, yeah.

Speaker 6: Let's go! That's all I have.

Moderator: I will describe them a little bit so you can get familiar. So the multidimensional, value dimensions of customer perceived value, we list about five of these. So let's start with the functional, like you said, values, convenience and practicality, it's time management, things like that. So that's functional. Social, you might, uh. Not feel it as much, but it is when buying a product, you feel a sense of belonging, you feel a sense of community, like owning this product means you have the sense of belonging to something. Emotional is when you buy something and it arouses certain feelings for you, it's things like nostalgia, something like that. Epistemic, is kind of, it's hard to describe, but it's the experience of novelty, curiosity, knowledge so something that you buy just because you were curious. Something, I don't know, you're collecting and things like that. And conditional it's the most- the least predictable as it's kind of that you might value this product right now because you have a need for it and maybe a day later, you have absolutely no value for it or minimal value, so it could be a pen when I need to write something. I might give it a very big functional value as what I need right now. But when I don't need to write anything, it's useless to me. Is everything clear?

Speaker 6: Yeah, very nice, very nice.

Moderator: Just for you to get to know them a little bit.

Speaker 6: OK. Yeah, it's super, super clear.

Moderator: OK, so having said that, is it important to you as a customer that a product can provide you social value? So like I said, a sense of belonging, a sort of social image or status, and even a sense of community.

Speaker 5: Yes.

Speaker 4: Yes, starting from very, very early age. Because sometimes if you don't have something, for example: in my case, brand clothes. Then you don't feel the belonging feelings because all of your friends have it, so that's why it is pushing me to buy that product, even though I don't like it or I don't need it. Still I feel like I need to purchase it just because of the belonging feeling.

Moderator: Yeah. Anybody else?

Speaker 3: Basically, the whole fashion industry is, I think based on the social value because the style changes every 1-2 years and everyone is just buying the same stuff just in order to belong to the new trend or to the whole group. So yeah, everyone just follows the whole group.

Speaker 6: Well, maybe when you when you go to university and everybody opens up the MacBook Air and you're, you're with like ASUS or DELL, you're like, OK, maybe I need a, maybe I need a Mac. But you, but you resist. You resist because you're not a sheep. But to your point.

Speaker 6: Yes, I feel like people do buy it and do perceive a social value from products.

Moderator: But do you personally feel like you purchased a lot of products that give you that sense?

Speaker 6: Based on social value? No, I don't. Couldn't care less, to be honest. Maybe there's something. Maybe there's something that I'm not aware of and it's like, it's like everybody does it and you're not aware that you're doing it, but. Consciously, I couldn't care less.

Speaker 4: I think even buying Nike shoes is for this because we are doing like without thinking. But actually there are many, many better like choices for a cheaper price with the same quality. But we are choosing the brand one.

Speaker 6: That that's a good point. That's good point like this. This is how brands work subconsciously and you don't even realize.

Moderator: OK.

Speaker 2: It depends on the product. If we are talking about technological devices, I don't really care. I can buy the cheapest one, don't really care, but if we are talking about clothes or something, yes.

Speaker 4: We know.

Moderator: OK. On the other side, is it important to you as a customer that the product can provide you emotional value, so arouses a certain feeling, gives you an emotional response, give you a sense of nostalgia? Can you explain why?

Speaker 4: Not why, but an example of what I just purchased. Like one company that is selling like food, snacks in Turkey just created like a box with their previous products that doesn't exist anymore. So basically my childhood snacks. And although I didn't like any of them particularly, just because of the nostalgia feeling, I was like, OK, I have to buy it even just to feel the packaging and everything, I purchased it.

Moderator: Anybody else have any examples or things?

Speaker 2: I don't know if it's a good example or not, but for example I purchased a lipstick to feel more beautiful. Can it be an emotional value? Not for anybody else, just for myself.

Moderator: Of course. Of course.

Speaker 4: Or even buying vintage clothes is actually matching with this because we are feeling the nostalgia and maybe it reminds us of those times.

Speaker 2: Not those times, but maybe grandparents.

Moderator: That's a good point, buying something that makes you feel more beautiful or confident, comfortable with yourself, that's that could be a good example. So if anybody else have something like that. If you want to share.

Speaker 6: (Participant's name)?

Moderator: If not, we can move forward. If not, we can move forward.

Speaker 5: I always look for this emotional part in the product since like if it doesn't meet, if it doesn't bring any emotion or how would I say like I'm a very emotional and impulsive buyer sometimes. So if something gives me like, brings some specific emotions like I feel something for this product, I'm just buying it because I'm impulsive sometimes. So yeah, I would say that it's a very important part for product to like, give you some emotions. I don't know. For you to feel something about it, so yeah.

Speaker 3: Yeah, if, if just joy is an emotion, then yeah, I'm also concerned. But otherwise, I feel like I'm more rational. I can't think of a product to buy just because of nostalgia or something so.

Speaker 4: I think you should mention our nationalities when writing [laughs].

Moderator: And that kind of also brings me to the next part. Do you think some types of values are more important than others to you as a customer personally, just from your personal side?

Speaker 6: When you say values, do you mean? Perceived value ones?

Moderator: Yeah, or you can... You can just describe it in your own way. It doesn't have to be named.

Speaker 2: What was the 1st, 1st one's name? I forgot the one.

Moderator: I can bring it back.

Speaker 2: OK. For me, the first is functional. That's also rational thinking. 2nd is emotional for me.

Speaker 6: Can you remind the conditional and epistemic?

Moderator: Conditional is basically when you might have, you might see the value in the product right now or at a certain moment, and then you do not see any value in that product anymore. So I gave an example of a pen when you need to sign something and then it becomes useless to you and then. The epistemic is more novelty, curiosity, knowledge. So you buy something just to have it, or just to indulge in yourself.

Speaker 6: Damn, I feel like I feel like those priorities, they really.. They shift. It's not, it's not a definite priority list. Maybe functional will always be #1 because it's functionality and we need to function on some like food. I guess you're buying food because of the function, so maybe OK, maybe functionality will be #1. And I feel I would place emotional #2 just because we're emotional beings and mostly when we buy it's emotion induced. For me, then epistemic and conditional would have the same place I would say.

Speaker 2: Uh, but it also depends on the budget. Uh, for now, functional is the first main priority for me. But if I was rich, I would say emotional the first so I can spend for whatever I want.

Moderator: OK, OK. Yeah.

Speaker 4: For me, the functional is the first one, conditional is second one. Emotional is the third one, then social and epistemic.

Moderator: OK, clear.

Speaker 5: I would say exactly the same order as for (speaker 4), starting from functional and finishing with epistemic.

Speaker 6: I'm just. I'm just saying, for me, for me, just place social in the last in the last part.

Moderator: Yeah, you don't care for it.

Speaker 4: Whenever you will buy a mainstream thing, I will just say this to you.

Speaker 6: Yeah, but I don't. So you're not gonna get a chance to do it.

Speaker 4: We will see.

Moderator: OK. And anybody else?

Speaker 3: Yeah, for me functional then I think social, epistemic, emotional, conditional.

Moderator: OK. OK. Then we will move on and. Which values, considering everything that we have previously discussed, especially the value dimensions, first come to mind. Which values come to mind when speaking about traditional physical products, for you personally.

Speaker 2: I forgot the name again. Yes, functional.

Speaker 6: Probably functional and emotional.

Moderator: OK. Why functional?

Speaker 6: Well, with food just... It's physical.

Speaker 2: I need to survive, you know.

Speaker 6: You know, food, water.

Speaker 6: Wait, but we're talking about digitalization, so.

Moderator: We can leave that aside, but think about things like you mentioned convenience, practicality, things like that.

Speaker 3: And like even your laptop or smartphone you use every day, mainly functional.

Speaker 6: Yeah, yeah.

Moderator: OK, so physical is mainly functional, is that for everybody or does anyone have different opinions? OK. And then on the other hand, which values you basically associate with digitalized products?

Speaker 4: Conditional for me.

Moderator: OK.

Speaker 4: Conditional and social.

Speaker 6: Or like if. I don't know. Functional and epistemic, I think for me.

Speaker 5: I would also say somehow functional at some point at some extent.

Speaker 6: You know, if I'm basing from my purchase behavior, which is something that's digital, it's definitely conditional and epistemic.

Moderator: Anybody else?

Speaker 3: Yeah, same, functional.

Speaker 3: I said. For me it's functional because basically that's the reason why products get digitalized because. It's more functionable, so.

Moderator: OK.

Moderator: And then we're nearing towards the end. What products or companies you first think of when you think about digitalization or digitalized products?

Speaker 5: For me, it's again the websites that we use starting from the shopping and...

Speaker 2: For me, it's SHEIN

Speaker 5: And banking and services.

Speaker 6: For me it's Spotify.

Speaker 4: Yeah, I agree with (speaker 5).

Speaker 3: Yeah, maybe also Netflix or even like when we talked about the book Kindle or something?

Speaker 4: Yeah, and like Skyscanner. That comparison web pages because there is not a company that I can just go in and check all the prices and compare them or them comparing it for me.

Moderator: Anything else?

Speaker 5: And there are some specific, there are specific services like online doctor. Some other services, like even the food delivery and things like that like you can just buy one click, get the food and you don't have to specifically go to a restaurant and order it.

Speaker 4: And social media.

Moderator: OK. Thank you all very much for your participation and for your time. Thank you for helping me achieve this degree.