



CONSUMER RESPONSES TO CONFLICT DELISTING

The effectiveness of in-store shelf communication on consumers' trust in retailer in case of conflict delisting



Radboud Universiteit

Name: Mirte van Vugt
Student number: S1044408

Supervisor: Prof. Seán Donnelly
Second examiner: Prof. Marleen Hermans

Abstract

The goal of the study at hand is to investigate in-store consumer responses to conflict delisting in the Dutch food retail industry. Literature suggests that consumers lose trust in their retailer as a result of conflict delisting but until now it lacked empirical evidence. Furthermore, we found that in-store communication could be an effective tool to mitigate the decline of trust in retailers that consumers experience. However, specific conflict delisting related research was still missing. The purpose of this study is to discover how consumers respond to different kinds of in-store messages that inform them about conflict delisting, and which messages are most effective for retailers to retain the consumers' trust in their retailer. By means of an online experiment, the influence of conflict delisting on trust in retailers of Dutch shoppers was investigated. After presenting respondents with a conflict delisting case, a significant decrease in their *trust in retailer* was found which means that the hypothesis stating that conflict delisting negatively impact consumers' trust in the retailer is supported by the data. Furthermore, participants were presented the four in-store communication messages: *a) apologizing to the consumer*, *b) thanking the consumer for understanding the situation* *c) blaming the manufacturer* or *d) accurately explaining the situation*. The results show that only *blaming the manufacturer* and *accurately explaining the situation* to the consumer have effectively restored the trust in retailers of consumers after a conflict delisting. The other two options have not proven to be effective. From a practical perspective, providing the consumer with a specific rather than a vague explanation of the conflict delisting is recommended based on the results. According to communication theories, we suspect that this could be explained by the fact that consumers attach value to retailers being competent as opposed to warm.

Keywords: conflict delisting, retail, consumer responses, in-store communication, trust in retailer, message elements, brand attitude

Contents

Abstract	3
Chapter 1 – Introduction	6
<i>Chapter overview</i>	<i>6</i>
1.1 <i>Conflict delisting</i>	<i>6</i>
1.2 <i>Problem background</i>	<i>6</i>
1.3 <i>Research question and scientific & practical relevance</i>	<i>7</i>
1.4 <i>Structure of the report</i>	<i>7</i>
Chapter 2 - Literature review	8
<i>Chapter overview</i>	<i>8</i>
2.1 <i>Conflict delisting</i>	<i>8</i>
2.2 <i>Product unavailability</i>	<i>9</i>
2.3 <i>Communicational elements</i>	<i>11</i>
2.4 <i>Brand attitude</i>	<i>13</i>
2.5 <i>Hypotheses</i>	<i>13</i>
2.6 <i>Conceptual model</i>	<i>16</i>
Chapter 3 - Methodology	17
<i>Chapter overview</i>	<i>17</i>
3.1 <i>Research approach</i>	<i>17</i>
3.2 <i>Measurement of variables</i>	<i>17</i>
3.3 <i>Sampling strategy</i>	<i>19</i>
3.4 <i>Experimental design and survey structure</i>	<i>20</i>
3.5 <i>Manipulations</i>	<i>22</i>
3.6 <i>Data analysis strategy</i>	<i>22</i>
3.7 <i>Research ethics</i>	<i>23</i>
Chapter 4: Data analysis	17
<i>Chapter overview</i>	<i>17</i>
4.1 <i>Preparation of the data set</i>	<i>17</i>
4.2 <i>Sample description</i>	<i>17</i>
4.3 <i>Scale reliability analysis</i>	<i>18</i>
4.4 <i>Assumptions check</i>	<i>19</i>
4.5 <i>Results</i>	<i>20</i>
4.6 <i>Summary and conclusion</i>	<i>22</i>
Chapter 5 – Conclusion and discussion	23
<i>Chapter overview</i>	<i>23</i>
5.1 <i>Conclusion</i>	<i>23</i>
5.2 <i>Discussion</i>	<i>24</i>

5.3 Academic contributions	27
5.4 Managerial implications	27
5.5 Limitations and future research	28
References.....	29
Appendixes	32
Appendix 1: G*Power sample size calculation	32
Appendix 2: Survey Feedback Notes.....	33
Appendix 3: Survey	34
Appendix 4: Demographics Dutch adult population	44
Appendix 5: Representative testing.....	45
Appendix 6: SPSS output Paired Samples T-Test.....	46
Appendix 7: SPSS output ANCOVA assumptions	47
Appendix 8: SPSS output ANCOVA.....	49
Appendix 9: Paired samples T-test trust in retailer Within-Groups.....	50
Appendix 10: Transcript interview Dr. Leach	52

Chapter 1 – Introduction

Chapter overview

Chapter 1 starts with an introduction to the subject followed by the problem background. Next, the main research question is posed. Following, the scientific and practical relevance are addressed, as well as the scope of the study. Lastly, this chapter includes an outline of this research report.

1.1 Conflict delisting

Due to the complex interdependence relationship between retailers and manufacturers, both have a strong bargaining position in their negotiations. This can lead to conflicts. In an attempt to force the opponent to comply with their demands, both the retailer and the manufacturer could decide to delist the brand's products or even their complete brand portfolio until the conflict is resolved. We call this phenomenon *conflict delisting* (Hermans, 2017). In 2017, Dutch retail chain Albert Heijn removed all products of cheese supplier Bel Group from their shelves after a commercial conflict (Financieel Dagblad, 2017). A similar case happened in Belgium when coffee and tea manufacturer Jacobs Douwe Egberts did not comply with the demands of retail chain Colruyt Group (Retailtrends, 2020). Jacobs Douwe Egberts decided to suspend their supplies to Colruyt Group until the conflict was resolved. In the Albert Heijn case, the retailer initiated the delisting, in contrast to the Jacobs Douwe Egberts case in which the manufacturer decided to delist their supplies.

1.2 Problem background

Conflict delisting is often caused by (price) negotiations between retailers and manufacturers gone sour (Hermans, 2017). Consumers are confronted with conflict delisting indirectly through publicity and directly when facing empty shelves on the shop floor of the retailer. Although retailers and manufacturers have no control over how the situation appears in the media, retailers do have the opportunity to communicate about the conflict delisting to their customers in-store. US retailer Costco once spread the following message on their empty shelves after a price spat with manufacturer Coca-Cola: *"Costco is committed to carrying name brand merchandise at the best possible prices. At this time, Coca-Cola has not provided Costco with competitive pricing so that we may pass along the value our members deserve"* (The Associated Press, 2009). In this case, Costco deliberately attributes the blame to Coca-Cola. Currently, no studies were found that investigate the responses of consumers to such in-store messages in conflict delisting context.

Rampl et al. (2012) found that when consumers face empty shelves, their expectations are not being met and as a result they lose their trust in the retailer. According to Ranaweera, & Prabhu (2003), in continuous purchase setting like food retail, trust directly impacts retention intention and is therefore important for retailers to retain. In-store communication could be an effective tool to prevent this loss

in trust from happening. From a retailer perspective, there is a gap in literature on how to communicate the delisting towards their customers in-store. Previous research about product unavailability provides empirical evidence about the initial reaction of consumers when confronted with empty shelves. For example, findings of Min (2003) show that in-store product unavailability makes consumers experience negative feelings, resulting in lowered satisfaction. Fitzsimons (2000) found that, when commitment to and attitude toward the product increases, consumers react substantially and negative to stock-outs. Yet, it lacks research specific to conflict delisting context. Therefore, this study will shed light on the influence of in-store messages on the trust of customers and which communicational elements could be most effective in retaining trust.

1.3 Research question and scientific & practical relevance

The preceding introduction leads to the following research question:

Which kind of in-store shelf communication is most effective to retain consumers' trust in retailers in case of conflict delisting?

The purpose of this study is to answer the research question by getting insight into how consumers respond to different kinds of in-store messages that inform them about conflict delisting, and which messages are most effective for retailers to retain the consumers' trust. It contributes to the literature about consumer responses to conflict delisting and effectiveness of in-store communication. Furthermore, managerial implications are generated for retailers on how to act during conflict delisting. We shed light on different types of in-store shelf communication and elaborate on how they work in normal situations and in case of a conflict delisting. The results of this study are highly relevant to retailers because it provides them tangible implications on how to communicate conflict delisting to their customers and thereby reduce the negative effects of conflict delisting on the relationship with the consumer, retaining their trust in the retailer. The problem is investigated by means of an online experiment that involved the gathering of empirical data about attitudinal consumer responses to conflict delisting and in-store communication.

Online retail environment is beyond the scope of this study because it has a completely different nature. Also, this study will focus on the food-retailing sector because this is the area with the highest turnover of all retail sectors (Rampl et al., 2012) and because most consumers visit supermarkets regularly.

1.4 Structure of the report

Chapter 2 covers a review of the relevant literature that was written about this subject by other researchers. Hypotheses are presented as well as the conceptual framework of this study. In chapter 3 contains a methodology section explaining the research design, sampling, survey structure and data analysis. The research results are presented in chapter 4 and chapter 5 consists of a conclusion, discussion and managerial implications.

Chapter 2 - Literature review

Chapter overview

This chapter provides background information and definitions of the core concepts of the study, as well as a synthesis of the most relevant literature written about the subject. Moreover, the hypotheses that are being tested in this study are stated. Finally, the conceptual model is presented.

2.1 Conflict delisting

Conflict delisting frequently occurs when retailers and manufacturers fail to agree on terms and conditions of their negotiations. According to Hermans (2017), conflict delisting occurs in an attempt to force the opponent to comply with their demands. Both the retailer and the manufacturer could decide to delist the brand's products or even their complete brand portfolio until the conflict is resolved. Consequently, the parties involved try to get a grip on the situation by doing what is in their power. Van der Maelen et al. (2017) emphasize: 'Retailers need to realize that strategic reactions are necessary to attract customers to the store and entice them to buy other products, given that the retailer is more vulnerable than the manufacturer.' Their research shows that although retailers have gained significant power in the industry, their retail share is more endangered than the manufacturers brand share during a conflict delisting. This emphasizes the need for adequate actions from a retailer perspective.

Previous research about the consequences of conflict delisting often involves rather 'hard' outcome metrics such as retailer and brand sales, category share and shareholder value (Hermans, 2017; Van der Maelen et al., 2017). For example, Hermans (2017) describes how both retailers and manufacturers significantly lose sales no matter who the initiator of the conflict is. These financial outcome variables are easy to measure but mainly provide information about the financial consequences of conflict delisting. Surprisingly, no research was found that investigates the impact conflict delisting has on the emotional relationship consumers have with their most visited retailer. This study aims to discover which attitudinal response is most evident, and how to mitigate these presumably negative responses.

According to Cleeren et al. (2013), the effectiveness of marketing actions during product unavailability is dependent on situational characteristics. This is supported by Hermans (2017), who distinguishes two variables that express conflict characteristics: initiator and publicity. The initiator is the party that initiates the conflict delisting and could therefore be seen as the responsible actor causing the inconvenience. Publicity explains whether the conflict delisting has been widely picked up by the media. For the reason that retailers and manufacturers do not have direct power over publicity, it is considered out of the scope of this study. Also, often with conflict delisting consumers are not informed about the context of the delisting and they encounter the empty shelves unexpectedly. The initiator role is therefore not considered one of the main research objects in this study.

2.2 Product unavailability

To obtain a deeper understanding of consumer responses to empty shelves in conflict delisting situation, a broader view is necessary. In general context, the absence of products in the retailer's shelves (or online) is referred to as product unavailability (Min, 2003). Most common causes are out-of-stock (OOS) situations, product harm-crises, permanent assortment reductions (PAR), and brand delisting (BD). The different types of product unavailability have been studied extensively in literature (Sloot and Verhoef, 2008). The results of studies about stockouts and other forms of product unavailability are not all transferable to the context of conflict delisting (Van der Maelen et al., 2017) and therefore the similarities and differences found in literature are discussed in the following sections.

A notable difference with other product unavailability situations, is that conflict delisting often includes multiple brands in multiple categories in contrast to OOS situations which only involve one stockkeeping unit (SKU). This causes higher potential to affect the decision of a consumer to switch stores or brands because it has a substantial impact on the content of their shopping baskets (Van der Maelen et al., 2017). Interestingly, Corsten & Gruen (2003) found that across categories, 31% of consumers respond to product unavailability by switching stores and buying the product elsewhere. This number will probably be higher in case of a conflict delisting because there is no possibility to buy a substitute of the same brand in such a situation. By contrast, due to the rise of private labels, the power of manufacturers has deteriorated because retailers now do have substitutes to offer when certain products are delisted. Moreover, with conflict delisting the question who is to blame is more present compared to other product unavailability situations. It may therefore seem like consumers have to choose sides with the retailer or manufacturer by switching either stores or brands. Lastly, unlike BD and PAR conflict delisting is temporary. The duration is unpredictable because it is unclear when the conflict will be resolved. (Van der Maelen et al., 2017).

Behavioral responses

In their research about stockouts, Campo, Gijsbrechts & Nisol (2000) distinguish the following behavioral response options for consumers when facing empty shelves: Item switching, package size switching, store switching, purchase deferment and purchase cancellation. Each of these options come with different transaction costs depending on e.g. item loyalty, the availability of alternative items and promotion efforts. These responses to product unavailability in OOS context are like the ones that Van der Maelen et al. (2017) describe for conflict delisting. Only package size switching is not optional in case of conflict delisting because all brand items get delisted at once meaning that different pack sizes are removed from the shelves as well. In addition to temporary product unavailability, consumers are also regularly confronted with PAR. Whereas retailers used to be preoccupied with assortment expansion in previous decades, because of cost disadvantages they have now turned their focus to downsizing assortments. Efficient assortment management regulating PAR and focusing on efficient

replenishment is required to avoid stock-outs. Campo, Gijsbrechts & Nisol (2004) tried to capture consumer responses with both PAR and OOS integrated. They found that like PAR, stockouts can harm retailer profits because it encourages store switching. In case of OOS, retailers often fill the empty shelves with nearby products. It is notable that this action sometimes causes consumers with the initial response to defer their purchase to switch stores because they might think that the item is removed permanently (Campo, Gijsbrechts & Nisol, 2004). This insight highlights the fact that communicating about product unavailability carefully can withhold consumers from switching stores. Similar situations could happen during conflict delisting because the duration is unpredictable, and retailers want to avoid weeks or months of empty shelves (Van der Maelen et al., 2017).

Attitudinal responses

The studies about OOS, PAR and conflict delisting discussed in the previous section each investigated consumer responses to product unavailability. However, they incorporated behavioral responses in their study design. Behavioral responses are reactions that logically arise from attitudinal responses. However, no studies were found that bring specific insight into these attitudinal responses during conflict delisting. The following section elaborates on what is known about such attitudinal responses because besides the practical behavioral responses like store or brand switching, other studies suggest that consumers are also affected emotionally. The present study aims to gain more insights in attitudinal responses, by discovering how consumers' trust is affected by product unavailability, and specifically conflict delisting.

An interesting difference between conflict delisting and other product unavailability situations such as stock-outs, is that stock-outs are mostly unintended by the retailer. In contrast, with conflict delisting, the retailer is always at least partially responsible for the inconvenient situation. According to Rampl et al. (2012), the fact that retailers sometimes deliberately lack meeting their customers' expectations, affects their trust in the retailer. Accordingly, when confronted with empty shelves, consumers expectations are not being met and their trust is being harmed.

In this study, we use the following definition of *trust*: a willingness to rely on an exchange partner's reliability and integrity, and the belief that the actions of the trusted party will result in positive outcomes (Morgan and Hunt, 1994). Trust is founded on the ability of the retailer to consistently satisfy consumer expectations and to avoid anything that might harm the consumer (Ganesan & Hess, 1997). Trust is an essential element in risky situations and decisions when it comes to food choices (Mayer et al. 1995). Therefore, understanding the drivers, outcomes, and possible moderators of consumer trust in food retailers is essential for long term company success (Rampl et al., 2012).

Thus, the fact that retailers are often the initiators of the conflict delisting, does not mean that it is not crucial for them to confine the negative consequences of consumer responses. This is supported by the study of Min (2003) who performed empirical research about consumer responses to product unavailability. The findings show that product unavailability causes consumers to experience negative feelings, especially when it strikes them unexpectedly. Restricting the freedom of choice has an adverse effect on consumers' decision satisfaction (Min, 2003). This is in line with what Fitzsimons (2000) found regarding OOS. Stockouts cause restrictions in the consumers' choice set negatively influences decision satisfaction, even when it does not concern a preferred option. As a result, consumers are likely to switch store when they face stockouts (Fitzsimons, 2000). Section 2.5 further elaborates on situational characteristics that trigger consumer responses.

The question remains: What is the most effective approach for retailers to manage the attitude and behavior of their customers? According to various studies, most brand choice decisions are made inside the store, which is at the point of purchase in the customer journey (Inman, Winer, and Ferraro 2009; Grewal & Roggeveen, 2020). Besides, it is also the place where consumers get confronted with empty shelves. In addition, in-store communication is found to strongly influence consumer responses (Chandon et al., 2009). Therefore, we conclude that in-store communication could be an appropriate tool to influence decision-making and will therefore be incorporated in this study.

2.3 Communicational elements

When trust is being harmed, a logical next step is to inventory ways to mitigate this effect. This leads to theory about the relationship between communication and trustworthiness. According to Whitener et al. (1998) accurate information, explanations for decisions and openness are three factors that influence perceptions of trustworthiness. Although that study mainly investigated trustworthiness in the employee-supervisor relationship, the insights are still interesting when trying to capture trust. In a more specific context, Robinson & Eilert (2018) found that in corporate messages, consumers trusted the company more when presented with a specific rather than a general or vaguer message. The findings of both studies suggest that giving a specific explanation enhances trust. This could be an effective communication strategy to implement as an in-store message during a conflict delisting. We summarize these findings into the message element '*explanation*' as a possible effective message element to display on the empty shelves.

Other possible message elements are derived from Chaudhry & Loewenstein's (2019) *Responsibility Exchange Theory (RET)*. RET elaborates on the utility and effectiveness of simple communicational messages. The message elements distinguished in RET are *thanking*, *apologizing*, *bragging* and *blaming*. Each of these four message elements affect attributions of responsibility and therefore, affect the perceived competence and perceived warmth of the sender of the message. Thus, the different

messages involve a tradeoff between appearing competent and appearing warm and as a result have an influence on the emotional reaction of the receiver. *Thanking* does not only promote economically valuable behaviors like tipping, (Rind & Bordia, 1995), helping behavior (Deutch & Lamberti, 1986) and a variety of other positive actions (Clark et al, 1988), according to Algoe & Zhaoyang (2016), *thanking* is also helpful in enhancing relationships. In a similar vein, *apologizing* is central to conflict resolutions, resulting in greater forgiveness (Fehr et al., 2010). In addition, *apologizing* can be effective in situations of trust violation (Kim et al., 2006), which seems to be highly applicable to conflict delisting situations. RET also involves *blaming* and *bragging*. And although these are mostly considered as ‘rude’, there is considerable evidence that both of these message types do enhance perceived competence. Claiming credit for certain circumstances makes credit-claimers appear more successful and intelligent (Miller et al., 1992). On another note, *blaming* and *bragging* also makes the sender of the message less likable, modest and appealing to work with (Forsyth et al. 1981; Lee & Robinson, 2000). However, *blaming* is included in this study because it is an interesting communication strategy to compare with the more ‘polite’ strategies (Chaudhry & Loewenstein, 2019). *Bragging* is left out in this study because it is most often used in situations with positive outcomes, and it is therefore not considered applicable in the context of conflict delisting because the outcome is not positive for both the retailer, and the consumer.

Concluding, each of these message elements are shown to have advantages. *RET* poses that especially *thanking* and *apologizing* are effective in many situations. Nevertheless, there is one valuable thing that is given up when choosing one of these messages: competence. The authors consider an actor is competent “when they are judged to be responsible for a positive outcome, and as less competent when the outcome is negative.”. In situations where competence is highly important, for instance when the stake of reaching a positive outcome is high, choosing *blaming* might have a more desirable effect (Chaudhry & Loewenstein, 2019). However, these findings are mainly based on interpersonal situations and relationships and are not yet proven to be transferable to the retailer-consumer relationship. Also, Chaudhry & Loewenstein (2019) did also found that the way people actually respond to the *message elements*, is descriptive of preferences and behavior. This means that it is hard to predict how people will respond in case of conflict delisting, which again highlights the relevance of this study. In addition, conflict delisting are complex situations and not much is known about the response of consumers in such circumstances and the importance of carrying out either competence or warmth. Besides, RET describes various different outcomes for each of the message types and it is unclear which message type is most effective in retaining trust. In addition, RET also emphasizes the influence of situational characteristics such as the audience and the goals of the actor. For instance, the consumers buying baby care products might react different than consumers shopping for beer. And retailers could aim to minimize the loss in sales, or to focus on retaining the relationship with their customers. In this case, the

purpose of this study is to test which type of in-store messages are most effective in retaining the trust of consumers.

2.4 Brand attitude

Prior research (e.g., Cleeren et al., 2013; Hermans, 2017) about conflict delisting shows that the effectiveness of marketing actions (e.g., in-store communication) is dependent on situational characteristics.

In paragraphs 2.1 – 2.4, we have already discussed several issues that make conflict delisting unique compared to other types of product unavailability. An important issue was still missing. Namely, conflict delisting also differs from other product unavailability situations in terms of the strength of *brand attitude*. Spears & Singh (2004) use a widely accepted definition of *brand attitude*: ‘individual’s internal evaluation of the brand’. With conflict delisting, brands with positive brand attitude get delisted as well whereas situations of BD or PAR mostly concern low-equity brands. The removal brands with more positive *brand attitude* due to conflict delisting cause stronger reactions of consumers and are therefore more likely to have a significant impact on the trust of consumers (Campo, Gijsbrechts, and Nisol 2000; Sloot and Verhoef 2008). Van der Maelen et al. (2017) investigated for which situational characteristics it is or is not advisable to get into a conflict delisting in terms of the expected effect on market share for both retailer and manufacturer. They distinguish situations by e.g. brand deal frequency, assortment size, private label share and necessity vs. impulse categories. According to their research results, retailers are advised to only engage (or threaten with) a conflict delisting when the manufacturers brand equity is low. This is supported by several studies showing that consumers are more affected when the unavailable products are of highly preferred brands, rather than less preferred brands (Broniarczyk et al. 1998; Verbeke et al. 1998; Fitzsimons 2000). In addition, Van der Maelen et al. (2017) imply that retailers and manufacturers should pay special attention to necessity categories in their communication strategies in times of conflict delisting, as sales losses for both parties are more severe in these categories, as opposed to impulse categories.

2.5 Hypotheses

It is evident that conflict delisting does not only impact sales and market share of retailers and manufacturers. According to the theories mentioned in the literature review, when retailers fail to meet the expectations of consumers, trust in the retailer is expected to be harmed (Rampl et al., 2017). Empty shelves are a clear example in which a retailer does not meet expectations which makes us expect that these insights are robust to conflict delisting situations. Therefore, the following hypothesis arises:

H1: Conflict delisting negatively impact consumers’ trust in the retailer.

When conflict delisting occurs, on short term, consumers will either switch stores, switch brands, delay - or cancel their purchase. More importantly, when trust in the retailer decreases, long-term company success is under pressure (Rampl et al., 2012). In order to mitigate this effect, retailers will have to take action. Consumers most often encounter a conflict delisting on the shopfloor. That in combination with the insight that consumers are strongly influenced by in-store communication, leads to the expectation that in-store communication is an effective tool to restore the relationship between consumer and retailer immediately when they face empty shelves. According to RET and other theories about communication, *apologizing*, *thanking*, *blaming*, and *explaining* are communication strategies that are applicable in situations in which the sender of the message is, to a certain extent, responsible for the (negative) outcome of a situation or conflict. This context applies to conflict delisting because in this case the retailer is at least partially responsible for the delisting. Accordingly, the insights discussed in the literature review fuel the expectation that using the message strategies *thanking*, *apologizing*, *blaming*, and *explaining* are effective in retaining or restoring the retailer-consumer relationship.

Thus, the following is expected:

- H2:** In case of conflict delisting retailers can retain consumer trust by placing in-store messages
- a) *apologizing to the consumer*, b) *thanking the consumer for understanding the situation*
 - c) *blaming the manufacturer* or d) *accurately explaining the situation*

Each of these messages are expected to influence the relationship between conflict delisting and trust, albeit in a different manner. The question is, to what extent these messages are applicable to conflict delisting. Earlier in this chapter we discussed several positive outcomes that *apologizing* could have in a ‘normal’ situation. However, when the goal is to secure trust from others (Kim et al., 2006), as is the context of this study, *apologizing* is most effective when the apologizer admits responsibility (Chaudhry & Loewenstein, 2019). Realistically, it is unlikely that retailers will admit responsibility for conflict delisting on their shelves because in that sense they would basically admit their lack of competence (D. Megens, personal communication, April 21, 2021). Therefore, *apologizing* is not expected to be the most effective of the messages that are included in this study because a message that retailers would realistically display on their shelves (D. Megens, personal communication, April 21, 2021) would be a so-called ‘*superficial apology*’ where the retailer shifts the responsibility away from themselves. A similar explanation holds for *thanking*.

According to RET, *thanking* is less meaningful when it does not transfer responsibility as opposed to when it involves a true attribution of responsibility (Chaudhry & Loewenstein, 2019). For example, the message ‘*These products are temporarily unavailable. Our apologies for the inconvenience*’ does not transfer responsibility whereas: ‘*These products are temporarily unavailable. We apologize for failing to offer your favorite brands in our shelves*’ does admit responsibility on the retailer’s side. In general, admitting responsibility does have a positive influence on the outcome of a situation, but also

significantly decreases perceived competence. Therefore, it is not realistic that supermarkets would put such a message on their shelves. For this reason, the study at hand includes messages without transfer of responsibilities.

The communication strategy *blaming* might be counterintuitive for many because it is often considered as rude and has a negative impact on perceived warmth of the sender (Chaudhry & Loewenstein, 2019). Also, when consumers have a high *brand attitude* toward the delisted brand, blaming the manufacturer might not be appreciated by the consumer. On the other hand, *blaming* helps preserve the appearance of competence (Crant & Bateman, 1993). For that reason, when a retailer did not manage to meet consumer expectations, it might just be a valid solution for the loss of perceived competence.

Explaining is considered as the most transparent message element because the consumer is given more information about the emergence of the conflict delisting. Against expectations, Grimmelikhuijsen & Meijer (2014) found that in certain situations, transparency can also have a negative effect on perceived trustworthiness. This indicates that the overall optimism around transparency should be nuanced. The research focused on communication of governments, so it is debatable whether the results are applicable to retailers. The study investigated drivers in communication that could enhance the perceived trustworthiness and found that comprehensible and timely information did in fact enhance trust, as opposed to hard-to-comprehend information (Grimmelikhuijsen & Meijer, 2014). Once again this supports the notion that giving an accurate, specific *explanation* could positively influence trust. The results will show whether these findings are robust to retailers. On a critical note, retailers should consider that when the manufacturer initiates the conflict, and the retailer explains this clearly on the shelf, it might be misconceived for *blaming* which could in turn result into negative associations that go with the *blaming* strategy, such as being rude. The explanation should therefore not attribute responsibility to any of the parties.

Considering these insights, *explaining* is expected to be the most suitable communication strategy because there is no evidence that it subverts perceived competence. Besides, when executed carefully, it has great potential to enhance a positive outcome. *Thanking* and *apologizing* are also message elements that often achieve positive outcomes, especially for situations in which appearing ‘warm’ is valued. *Blaming* is a risky message element, but it might be successful when consumers seem to value a retailer that appears competent.

To make statements about the effect of conflict delisting and trust in retailer, it is important to address possible influential factors. Based on the literature review, we hypothesize that *brand attitude* influences the relationship between conflict delisting and trust in retailer. It is expected that when consumers have a higher evaluation, or *brand attitude* toward the brand, their trust is harmed more severely when they

encounter a conflict delisting than when they have a less positive *brand attitude*. This expectation is very intuitive because it makes sense that consumers care less, when they are not a big fan of the brand. As a result, we hypothesize the following about brand attitude:

H3: The effect of conflict delisting on trust in retailers is influenced by the *brand attitude* consumers have toward the brand.

Brand attitude is not considered as a core concept in this study, but because it is expected to have an influence on the relationship between conflict delisting and trust in retailer, it is added to the conceptual model to show that it is being measured and controlled for (Saunders, Lewis, & Tornhill, 2012).

2.6 Conceptual model

The conceptual model visualizes how retailers lose their consumers' trust during conflict delisting, how they can effectively retain or restore this trust by means of in-store communication, and how brand attitude might also have an influence on the effect on trust in retailer.

The hypotheses are summarized in the conceptual model presented in Figure 2.1.

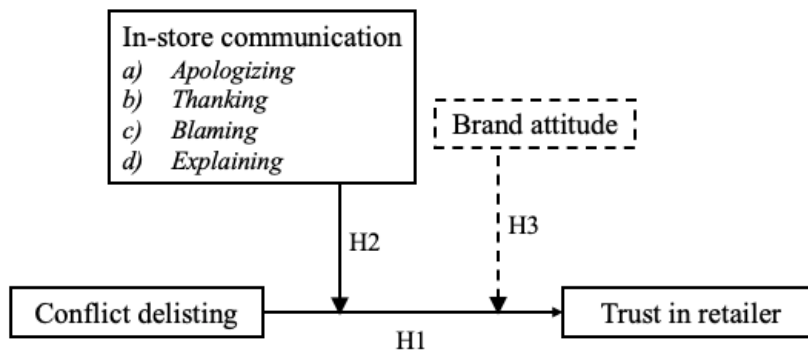


Figure 2.1 Conceptual Model

Chapter 3 - Methodology

Chapter overview

This chapter will elaborate on the research method applied. It will include the research approach, the description and measurement of the variables, the design of the experiment, the sampling strategy, data collection, the manipulations, the survey, data analysis and last but not least, considerations about the ethics and limitations of the study at hand.

3.1 Research approach

The aim of this study is to contribute to knowledge about consumer responses to conflict delisting. This will be measured by means of an online experiment (Christensen, Johnson, & Turner, 2011). With an experiment we measure the effect that the independent variable has on the dependent variable (Aaker, Kumar, Leone, & Day, 2013). The variable *in-store communication* consists of four manipulations to discover whether the main effect is moderated by the different treatments. This enables us to find out which are effective in-store messages that moderate the main effect. Since consumer responses are the main focus of the study, a quantitative online experiment among consumers is chosen as research design. In addition, a professional category manager was consulted to pre-check the survey design, and one interview was conducted with Dr. Chris Leach, a professional consultant who has worked in the global FMCG industry for over 25 years and has done research on the topic conflict delisting as well. The aim of this interview was to gather practical and inspiring insights about the subject.

3.2 Measurement of variables

Dependent variable

The dependent variable in this study is *trust in retailer*. The main effect that is tested is how the consumers' *trust in retailer* changes in situation of a conflict delisting. *Trust* is defined as 'a willingness to rely on an exchange partner's reliability and integrity, and the belief that the actions of the trusted party will result in positive outcomes (Morgan and Hunt, 1994). A 7-point Likert scale will be used to measure the dependent variable. The scores will be treated as interval variables. We will use a scale developed by Darke et al. (2016) to measure *trust in retailer*. The scale items are displayed in table 3.1.

Independent variable

The independent variable is *conflict delisting*. This variable is expected to have an influence on the dependent variable and is not influenced by any other variables in the model. Conflict delisting is considered treatment variable with two options: either a conflict delisting did or did not occur.

Scale <i>Trust in Retailer</i> (Dependent variable)		Strongly agree			Neutral			Strongly disagree	
I believe that I could trust this retailer	1.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I could depend on this retailer	2.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I think this retailer would be reliable in meeting its promises	3.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This retailer probably has high integrity	4.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Table 3.1. Likert scale dependent variable *Trust in retailer* (Darke et al., 2016)

Moderating variable

The moderating variable is *in-store communication* which represents the managerial action that the retailer can take and is broken down into the four messages derived from the literature. The *in-store communication* messages included in this research are a) *apologizing to the consumer*, b) *thanking the consumer for understanding the situation* c) *blaming the manufacturer* or d) *accurately explaining the situation*. These are further abbreviated in this report to *apologizing*, *thanking*, *blaming* and *explaining*. The moderating variable is categorical, and respondents were randomly assigned to one of the categories, or treatments since this is an experimental study. This interaction effect will show whether one or more of these elements are in fact effective in retaining consumer trust and therewith discover whether in-store messages can moderate the relationship between conflict delisting and consumers' trust in retailer. Furthermore, we will discover which of the manipulations is most effective.

Control variable

According to theory, the way consumers feel about the brand influences consumer response in case of conflict delisting (Sloot & Verhoef, 2008; Van Der Maelen et al., 2017; Hermans, 2017). We include these insights by adding *brand attitude* as a control variable. A bi-polar Likert scale developed by Spears and Singh (2004) was used with the following scale items: bad/good, unfavorable/favorable, dislikable/likable, unappealing/appealing and pleasant/unpleasant. *Brand attitude* is not part of the main effects that are being studied but is visualized in the conceptual model. It is included to control for external influences that could distort the main- and interaction effects. The scale for *brand attitude* is presented in table 3.2.

Scale <i>Brand attitude</i>								
(Control variable)								
What is your opinion about brand X?		Unappealing					Appealing	
	1.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
		Bad					Good	
	2.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
		Unpleasant					Pleasant	
	3.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
		Unfavorable					Favorable	
	4.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
		Unlikable					Likable	
	5.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Table 3.2. Likert scale control Brand attitude (Spears & Singh, 2004)

3.3 Sampling strategy

The experiment is carried out over the internet with the use of survey tool Qualtrics. Choosing the internet as a medium increases the external validity compared to a field or lab experiment because online experiments contain limited *demand characteristics* (Birnbaum, 2004). Demand characteristics are signals from the experiment that make participants aware of the expectations of the researcher towards their behavior (Orne, 2009). Less demand characteristics lead to better generalizability. A threat for the *internal validity* is that with online experiments it is impossible for the researcher to observe or control the environment of the participants (Dandurand et al., 2008). To avoid a loss of control over the accuracy of the actions of the participants, clear and concrete instructions are needed. This helps achieving *internal validity* (Field & Hole, 2003).

The population consists of Dutch shoppers that regularly visit a supermarket. Respondents that do not buy their own groceries (in physical stores) are excluded from the sample by means of a filter question. The method used for recruiting respondents is *convenience sampling*. Convenience sampling means selecting respondents that are easy to approach. The survey is spread across the network of the student via online channels Facebook, Instagram, WhatsApp and LinkedIn. Choosing these particular networks has consequences for the internal validity of the study. Certain segments may be under- or over-represented within these platforms. On another note, selecting multiple platforms will establish a variety of segments.

Participants are asked to share the survey in their network. This will increase the number of respondents which is favorable, but this approach also influences the *external validity* of the research. General questions about demographics such as age, education level and household composition are included in the survey to be able to later test and analyze whether these characteristics have influenced the results.

Sample size

Experiments require adequate sample size for each of the treatment groups. Hair et al. (2018) supposes a minimum sample size for each group to be 20, preferably 30, so with four groups in this research the total number of respondents should be at least 80 and preferably 120. For this study, however, a *power analysis* was selected to calculate the appropriate sample size. The reason is that this analysis enables to calculate a more precise sample size which is needed to detect the desired significance level for the particular test at hand. Sawyer & Ball (1981) describe that effect sizes in marketing research are between 0.20 (small effect) and 0.80 (large effect). To be able to have a small effect size, extensive research is needed to establish adequate power. For this study we aim for an effect size of $d = 0.30$ which is small and more than appropriate for most studies (Sawyer & Ball, 1981). With an effect size of $d = 0.30$, an alpha of $\alpha = 0.05$ and the power 0.95, the G*power calculates a total sample size of 147. The exact parameters are shown in Appendix 1. This means at least 36 respondents are required for each group.

3.4 Experimental design and survey structure

This experiment-based survey can be found in [Appendix 3](#) is structured as follows. First, consumers are asked to select their favorite Dutch retailer to assure that they can relate to the experimental environment. The selected retailer remains the subject during the rest of the respondent's survey. Next, a pre-measurement of the dependent variable *trust in retailer* is obtained. This is done before exposing the respondents to a conflict delisting case and therefore no separate control group is needed to measure the dependent variable without manipulations.

In paragraph 2.3 we elaborated on the influence of brand attitude, and this has led to the selection of three cases. Actual delisting cases from the past are chosen to prevent potential researcher bias in selecting particular brands or cases. The selected cases presented in table 3.3 involve brands in diverse categories with adequate brand awareness to ensure that participants are familiar them: Heineken (beer), Johma (sandwich salads) and Nutella (chocolate spread). However, to mitigate the bias of the specific conflict characteristics such as retailer and the possible influence of the time frame of the delisting, the way of presenting the delisting context to the respondents narrowed down to an objective description of a conflict delisting.

Including multiple brands enables us to control for influences of *brand attitude*. To increase the *internal validity* of the experiment, respondents are first presented the three categories, and are asked which of these categories they are most likely to buy. After choosing one, their attitude towards the brand(s) is measured. The brand that the respondents have chosen, stays subject of the remaining survey questions, together with their selected retailer. Dutch brands are used because the population consists of Dutch shoppers. Next, respondents are presented the conflict delisting case with their selected retailer and

brand. *Trust in retailer* is measured for a second time and the direct effect (H1) of conflict delisting on trust in retailer is measured by means of a Within-Group design (compared to the pre-measurement).

Category	Brand	Description of conflict delisting
Beer	<u>Heineken</u>	Due to a promotional conflict, Heineken did not deliver enough products to retailer Jumbo for weeks until the conflict was resolved (EVMI, 2016)
Sandwich Salads	<u>Johma</u>	As a result of a conflict about ‘commercial agreements’, the products of manufacturer Johma are not available in the shelves of retailer Albert Heijn for multiple weeks (Van Loon, 2018).
Chocolate spread	<u>Nutella</u>	A conflict between retail buying organization Superunie and Ferrero Rocher, manufacturer of the popular chocolate spread Nutella resulted in weeks of empty shelves in all of Superunie’s 15 affiliated supermarket chains (Parool, 2009).

Table 3.3. Overview of selected brand cases

Subsequently, the respondents are randomly assigned to one of four different treatments of the moderating variable: the in-store messages with elements derived from literature. The reason is to avoid carry-over effects that would probably occur if participants would be presented all four treatments in random order. Moreover, chances would increase that participants become fatigue, bored or better practiced when exposed to all the treatments. Also, dividing them randomly improves the *reliability* of the research. (Field & Hole, 2003). With a 1x1x4 Between-Group design (Table 3.3), means of the different groups are compared to measure the effect of the independent variable on the dependent variable.

Trust in Retailer	<i>In-store communication</i>			
	<i>Apologizing</i>	<i>Thanking</i>	<i>Blaming</i>	<i>Explaining</i>
<i>Before conflict delisting</i>	Pre-measure			
<i>After conflict delisting</i>	After measure			
<i>After conflict delisting + in-store messages</i>	EG1	EG2	EG3	EG4

Table 3.4 Overview Measurement of Trust in retailer and Experimental Groups (EG)

The survey ends with questions regarding demographics to later analyse and assess whether the sample is *representative* to the population.

3.5 Manipulations

As a preparation for the experiment, the moderator variable is broken down in four different treatments. The manipulations will be presented involving the brand and retailer that respondent selected earlier in the survey. The manipulations consist of a short but clear description of the conflict delisting situation. The description is objective, is the same for every case and does not provide the underlying reason for the delisting to avoid prejudices. It will only describe that the shelves are empty as a result of a conflict delisting.

Next, the manipulation of the moderating variable was created: *in-store communication*. Four different in-store messages are developed based on a literature review. The messages are composed with the message elements *apologizing*, *thanking*, *blaming* and *explaining* and are posed without too many additional words. In order to assure that the messages have practical relevance and to see whether supermarkets would actually consider placing these messages on their shelves, the messages were evaluated by a category manager working at a Dutch retailer ([Appendix 2](#)). With these insights, the messages were optimized before sending out the survey. The messages were presented along with a picture of empty shelves and a shelf card with the text ‘Dear customer...’ followed by one of the four communicational elements. The full text can be found in the survey in [Appendix 3](#).

3.6 Data analysis strategy

The data is analyzed with SPSS Statistics software. First the data is cleaned from invalid answers or respondents not meeting the requirements. With the option ‘forced responses’ selected for every question in the survey tool Qualtrics, the possibility of missing data was rejected so this did not require analysis in advance. After cleaning the data, the item scores will be transformed into new variables including the mean scores for the scale. After transforming the data, the appropriate analysis to test the hypotheses can start. The pre-measure of trust will be compared to the measure of trust after presenting the respondents a conflict delisting situation will be analyzed in a within-group comparison. A paired samples T-test will be performed to test whether the main effect (hypothesis 1) is supported. The main effect under influence of the interaction terms will be analyzed with an Analysis of Covariance (ANCOVA) (Field & Hole, 2003). The means of the four treatment groups will be compared to the unmanipulated measure of trust after conflict delisting. This will indicate which one of them are effective moderators of the main effect. The covariate *brand attitude* is included in the analysis to control for this confound variable and therewith testing hypothesis 3. When the ANCOVA results in significant differences between the treatment groups, four paired samples T-tests will be performed to evaluate the differences between the pre-measure of trust, with the after-treatment measures of the different groups. This will clarify if any of the treatments is effective in retaining the consumers’ trust in retailer after conflict delisting.

3.7 Research ethics

In order to establish an ethical process and outcome ‘APA’s Ethics Code’ was used for guidance (American Psychological Association, 2003). The research was conducted and reported transparently and honestly. Authors and researchers are acknowledged by means of careful referencing guided by the APA guidelines. The purpose of the research is explained to all participants, they were informed that they could decide to withdraw from the research at any moment. The study at hand does not have real potential risks, discomfort or adverse effects so there is no need to inform participants about these issues. Participants are completely anonymous, and their data is treated with confidentiality. They are informed about this before their participation as well. The email address of the researcher was shared for participants to contact when questions occur or when they desire to receive the results of the study. The fact that participants were randomly assigned to the treatments of the experiment is also shared with them. The participants were also informed that the data is only used for research purposes.

Chapter 4: Data analysis

Chapter overview

In this chapter, we present the results that were gathered with the online experiment. Paragraph 4.1 describes the data preparation process. Paragraph 4.2 includes a description of the sample, a comparison of the sample characteristics to the targeted population and an evaluation of the representativeness of the sample. Paragraph 4.3 includes a reliability check for the measurement scales that were used in the online survey. In paragraph 4.4, the required assumptions are checked in order to perform the Paired samples T-test and the Analysis of Covariance (ANCOVA), followed by the actual research results of the analysis in paragraph 4.5. With the results we will discuss whether the hypotheses are supported by the data. The chapter ends with a short summary along with the conceptual model.

4.1 Preparation of the data set

The research instrument was fielded on the 22nd of April 2021 and was live for one week. Within this week time, a total of 216 responses were gathered. 24 of the responses were unfinished and therefore removed from the dataset. 32 respondents were filtered out because they indicated not to do their own grocery shopping or that they would not buy any of the brands in the experiment. Lastly, one respondent was removed because of inappropriate language in one of the open text sections, indicating that their response was not serious and therefore unreliable. This leaves 159 valid responses which is more than the minimum sample size as calculated in paragraph 3.3. The survey did not contain optional questions which means that there are 159 complete responses. Missing data analysis is therefore unnecessary.

4.2 Sample description

After cleaning the data set, it is finally usable. A representative test is done to discover whether the dataset is representative to the Dutch shopper population. This is done by comparing demographics of respondents to those of the Dutch population above 18 years old. This population is selected because 93 percent of Dutch adults visits a supermarket at least once a week, which means that the population of Dutch adults and Dutch shoppers are similar (Deloitte, 2017). [Appendix 4](#) includes the distribution of gender, age and education of Dutch adults. The results of the representative tests (*Chi-Square goodness of fit*) are in [Appendix 5](#).

The Chi-Square tests for gender results in $\chi^2 = 13.335$, $p < .001$ which is a significant result, indicating that the gender of the sample is not representative. The frequencies of *gender* show that around 65% of the respondents is female, which is significantly more than the expected 50,3%. However, for the variable *gender* it is debatable whether comparing the sample to the entire Dutch adult population is justified. Consumer research has shown that 2/3 of Dutch shoppers is female which would in fact prove that the *gender* of the sample is representative for the Dutch shopper population (Strabo, 2017).

In order to do a Chi-Square test for the age of the sample we have classified the sample in the same age group distribution as did the research institute CBS ([Appendix 5](#)). The results are $\chi^2 = 264.387$, $p < .001$ which is significant and therefore also not representative. The most salience deviation here is in the age group 20-40 with an observed $N=128$ which is a factor 2.2 of the expected $N=40$. The age groups ‘Under 20’ and ‘40-65’ are underrepresented and interestingly none of the respondents have indicated to be above 65 years old which means that two of the five age groups are not at all represented in the sample.

The Chi-Square test for *education* has a significant result of $\chi^2 = 72.334$, $p < .001$ and is therefore also not representative. The most outstanding differences are in the number of respondents with a university degree ($N=73$) which are twice as many as the expected ($N=35.4$) and the number of respondents with Secondary Vocational Education is 59,7% lower than expected when comparing it to the Dutch adult population. It can be concluded that the sample is generally higher educated than the population.

Concluding, the *Chi-Square goodness of fit* test is significant for all three variables which indicates that the sample is not representative to the population. The demographic deviations of the sample are most likely explained by the environment of the researcher in which the survey was distributed which involves many young high-educated and students and adults. The fact that the sample is not representative demands diligent generalization and cautiousness in drawing conclusions.

4.3 Scale reliability analysis

To assess the internal consistency of the scales used in this study, we have analyzed the scale items by evaluating Cronbach’s Alpha. For completeness, both the pre-measure and the measurement after conflict delisting of *trust in retailer* were checked for internal consistency and as can be seen in Table 4.1, they both show a Cronbach’s Alpha above .9 ($\alpha = .921$ and $\alpha = .936$) which is interpreted as excellent (George & Mallery, 2003). The other scale worth checking for reliability is of the control variable *Brand attitude*. The same scale was used for each brand, and they have been included in the model separately. In all three models Cronbach’s Alpha is good ($\alpha = >.8$) or excellent ($\alpha = >.9$) so we can conclude that this scale is reliable as well.

Scale	Valid cases	Items	Cronbach’s Alpha	Items increasing α if deleted
Trust in Retailer (pre-measure)	159	4	.921	-
Trust in Retailer (After conflict delisting)	159	4	.936	-
Brand attitude (Heineken)	68	5	.924	-
Brand attitude (Johma)	52	5	.887	Item 2: What is your opinion about Johma? Unfavorable - Favorable $\alpha = .893$
Brand attitude (Nutella)	39	5	.863	Item 1: What is your opinion about Nutella? Bad - Good $\alpha = .873$

Table 4.1: Reliability check measurement scales

Interestingly, in scale measuring *Brand attitude* for Johma the α increases slightly if Item 2 is deleted. The same occurs for Nutella's *Brand attitude* scale if Item 1 was deleted. However, Cronbach's Alpha without deletion is already good for every scale and the increase is negligible in both cases and therefore, none of the items are deleted.

4.4 Assumptions check

Assumptions Paired samples T-Test

In order to test the main effect by means of a Paired samples T-Test, the appropriate three assumptions need to be assessed first (Field, 2003). To begin with, the dependent variable *trust in Retailer* must be metric. The variable was measured with a 7-point Likert scale and is treated as an interval (and thus metric) variable and therefore, the first assumption is met. Next, the observations must be independent of each other. There are no indications that raise doubt about a possible dependence between respondents and answers. The last assumption asks for normally distributed observations. With sample sizes >30 participants we may assume normality so with our sample of 159 respondents there is no need for additional validation of the normality which means we are allowed to carry out the Paired samples T-Test (Field, 2003).

Assumptions Analysis of Covariance

Prior to performing an ANCOVA there are multiple assumptions that have to be checked. First of all, the measurement level of the independent variable should be categorical, and the dependent variable should be metrically. This assumption is met since the independent variable involves the four different nominal treatments which we will abbreviate to: *apologizing*, *thanking*, *blaming* and *explaining*. The dependent variable is *trust in retailer* measured on a 7-point Likert scale after being exposed to the treatment. The next assumption regards normality. The group sizes are above 30 each which means that we can assume normality and there is no need to assess the skewness and kurtosis. Following, the assumption about homogeneity is also met because Levene's test is insignificant ($F(3,155) = 0,385, p = .859$) which indicates equal variances. Pearson's correlation test between the dependent variable and the covariate *brand attitude* is significant ($p < .05$) as seen in [Appendix 7](#) which means that the dependent variable and covariate do correlate. As a result of random assignment to the treatment groups, the covariate and independent variable are independent of one another. The last assumption of ANCOVA is that it requires homogeneity of regression lines. This assumption is also met based on a non-significant interaction term of the covariate ($p = .349$). This means that we can proceed with the analysis.

4.5 Results

Paired samples T-test

After checking the required assumptions, it is time to perform the actual analysis to test the hypotheses. First, H1 is being tested by means of a Paired samples T-test as presented in [Appendix 6](#). The results of the Paired samples T-test (Table 4.2) show that the difference between *trust in Retailer* before conflict delisting ($M=5,1$; $SD = 1,05$) and after a conflict delisting ($M = 4,3$; $SD = 1,25$) is significant ($t = 9,48$; $p < .001$). This means that *trust in retailer* after being confronted with a conflict delisting is significantly lower than it was before, which means that H1 is supported.

	Mean Before Conflict delisting	Mean After Conflict delisting	Mean difference	N	Sig. tailed)	(2- Hypothesis
Trust in retailer	5.135	4.310	.825	159	.000	The trust in retailer after presenting the respondents an objective case description of conflict delisting is significantly lower than measured before the conflict delisting. This implies that conflict delisting negatively impacts the trust in retailer of consumers. Therefore, hypothesis 1 is <u>supported</u> by the data.

Table 4.2: Results hypothesis 1

Analysis of Covariance

In order to test H2a, H2b, H2c and H2d, we have conducted an ANCOVA. Before analyzing the model including the covariate, the model without the covariate was assessed. It shows a significant effect ($p < .001$) for independent variable *in-store communication* and the Partial Eta Squared (η_p^2) indicates that it explains 17,2% of the variance within the dependent variable. This is considered a large effect (Hair, 2018). Next, the covariate was added to the model. In the new model, the covariate *brand attitude* shows a non-significant result ($p = .166$) while *in-store communication* is still significant based on the F-statistic: $F(3,154) = 9.46$; $p < .001$; $\eta_p^2 = .156$. This means that the main effect explains 15,6% of the total variance which is a strong effect, and *brand attitude* does not have a statistically significant influence on this variance. This means that H3 is not supported.

After (1) confirming that there are significant differences between the *in-store communication* treatment groups and (2) excluding the possibility that *brand attitude* explains a significant share of the effect of *conflict delisting* on *trust in retailer*, we take a closer look at the main effect. When comparing the treatment groups pairwise, it shows that the means of the dependent variables of the treatment groups *apologizing* ($M = 4,26$; $SE = 1,74$) and *thanking* ($M = 3,81$; $SE = 1,76$) are not significantly ($p = .070$) different from one another. However, these treatments do show a significant difference to both *blaming* and *explaining*.

Interestingly, the means of *trust in retailer* for *blaming* ($M = 4,97$; $SE = 1,82$) and *explaining* ($M = 4,98$; $SE = 0,20$) are almost exactly the same and therefore logically do not show a significant difference ($p = .968$) to one another. When assessing the descriptive statistics and parameter estimates, it shows that treatment groups *explaining* and *blaming* score highest on *trust in retailer*. As can be concluded from the pairwise comparisons, the *apologizing* and *thanking* treatment groups score significantly lower.

Paired samples T-test in-store communication

To make conclusions whether displaying any of the *in-store communication* can retain *trust in retailer* in case of conflict delisting, we have compared the mean of *trust in retailer* before conflict delisting with the mean of each of the treatment group after being moderated by the four types of *in-store communication*. The results are presented in table 4.2 and include valuable outcomes. It shows that using *in-store communication* elements *apologizing* and *thanking* result in significantly lower *trust in retailer* than the pre-measure for these groups, which means that these are not effective in retaining *trust in retailer*. H2a and H2b are therefore not supported. In contrast, *trust in retailer* after presenting message elements *blaming* and *explaining* are in fact not significantly different from the pre-measure of these groups. This means that consumers' *trust in retailer* can be retained after a conflict delisting by implementing communication messages *blaming* and *explaining*, which shows that H2c and H2d are supported. The results of testing hypothesis 2 are shown in Table 4.3.

	Mean <i>Trust in retailer</i> before CD	Mean <i>Trust in retailer</i> after CD & after treatment	Mean difference	N	Sig. (2-tailed)	Hypotheses
Apologizing	5.09	4.22	.841	44	.000	The trust in retailer after this treatment is significantly lower than it was before the conflict delisting which implies that this specific message is not effective in retaining trust in retailer. Therefore, hypothesis 2a is <u>not supported</u> .
Thanking	5.10	4.19	.913	43	.000	The trust in retailer after this treatment is significantly lower than it was before the conflict delisting which implies that this specific message is not effective in retaining trust in retailer. Therefore, hypothesis 2b is <u>not supported</u> .
Blaming	5.34	5.11	.231	40	.106	The trust in retailer after this treatment is not significantly lower than it was before the conflict delisting which implies that this specific message is effective in retaining trust in retailer during a conflict delisting. Therefore, hypothesis 2c is <u>supported</u> .
Explaining	4.98	5.01	.281	32	.276	The trust in retailer after this treatment is not significantly lower than it was before the conflict delisting which implies that this specific message is effective in retaining trust in retailer during a conflict delisting. Therefore, hypothesis 2d is <u>supported</u> .

Table 4.3: Results hypotheses 2a, 2b, 2c & 2d

4.6 Summary and conclusion

Against expectations, not every hypothesis in this study was supported by the results. We did find evidence for H1, which confirms that conflict delisting negatively impacts consumers' trust in retailers. Next, based on literature we hypothesized that each of the four *in-store communication* variations would be effective in retaining *trust in retailer* in case of conflict delisting (H2). The results show that only *blaming* and *explaining* are effective in retaining *trust in retailer*. *Apologizing* and *thanking* have not shown to be effective in this study. Lastly, we have controlled for the possible influence of *brand attitude* on the consumer responses to conflict delisting. The results of our analysis did not support this hypothesis, indicating a strong main effect of conflict delisting on *trust in retailer*, moderated by *in-store communication*. Figure 4.4 shows the conceptual model on which is indicated which hypotheses are supported or not supported.

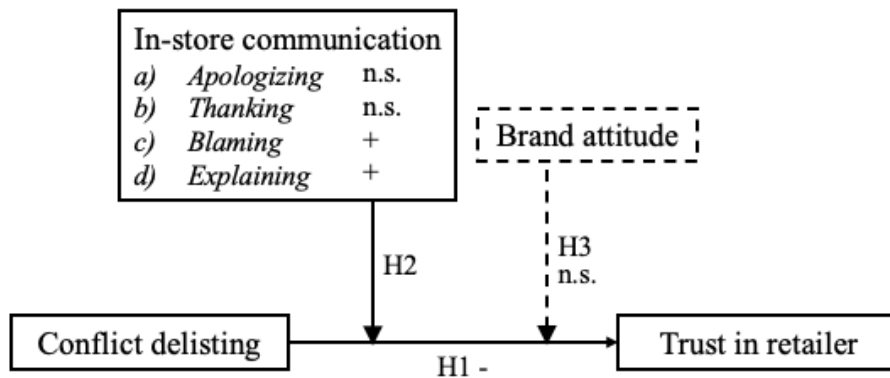


Figure 4.4: Revised conceptual model

The next chapter will elaborate on the meaning and consequences of the findings given in this chapter.

Chapter 5 – Conclusion and discussion

Chapter overview

Chapter 5 covers a discussion of the results in light of existing literature, followed by the most relevant conclusions. Moreover, academic contributions and managerial implications are discussed. The chapter ends with limitations of this research and recommendations for future research.

5.1 Conclusion

The aim of the study at hand was to investigate consumer responses to conflict delisting and discover whether in-store communication could be an effective tool to influence the consumer responses in benefit of retailers. Previous research led to the idea that consumers' trust in their preferred retailer is affected when a conflict delisting occurs. Moreover, an expected moderation by in-store communication was of particular interest in this study. Multiple possible effective message elements were hypothesized and experimental research was required to enrich the existing theories with empirical evidence. The goal of the study was to answer the research question and to close the gap in literature on how to communicate conflict delisting toward consumers in-store.

The research question is:

Which kind of in-store shelf communication is most effective to retain consumers' trust in retailers in case of conflict delisting?

Multiple hypotheses have been established and this chapter elaborates on whether these are either accepted or rejected, enabling us to answer to the research question.

The present study expected, as was stated in hypothesis 1, that conflict delisting has a direct effect on the *trust in retailer* consumers have. By comparing a pre-measure of *trust in retailer*, so before knowing anything about the conflict delisting case, to the same measure of *trust in retailer* after presenting the respondents a conflict delisting case, we found that within the same sample, there was a significant decrease of *trust in retailer*. This shows that based on the data, we can accept hypothesis 1. This finding is important because it enhances the relevance of the rest of this study, namely finding out which in-store communication towards consumers is the most appropriate and effective.

Hypothesis 2 regards the effect of the moderating variable in-store communication, divided into four possible types of in-store communication. By comparing the measure of *trust in retailer* before conflict delisting, and after conflict delisting presenting one of the four in-store communication messages, we discovered the following. As presented in paragraph 4.4, H2a and H2b are not supported whereas H2c and H2d are supported. This means that *apologizing to the consumer* and *thanking the consumer for understanding the situation* are not effective in retaining the consumers' *trust in retailers* during a

conflict delisting, whereas *blaming the manufacturer* and *accurately explaining the situation* are in fact both effective. These results are valuable in various ways. It proves that *blaming* and *explaining* are superior to the other two messages. The gap in literature as mentioned in the first paragraph of this chapter on how to communicate conflict delisting toward consumers in-store is therefore answered. According to the empirical evidence presented in this study, *blaming* and *explaining* are the most effective messages. Paragraph 5.4 further elaborates on the practical implications of these findings.

The last hypothesis, hypothesis 3, was established to investigate the possible influence of confound variable *brand attitude*, expecting that the main effect might not hold when consumers have a low or negative attitude towards the brand that is being delisted. Based on the results, the hypothesis was not supported which means that *brand attitude* does not significantly influence trust in retailer in case of a conflict delisting. The main effect is therefore robust to the external influence of *brand attitude*. This raises a valuable managerial implication which will be discussed in paragraph 5.4.

Having tested all hypotheses, the main question of this research can be answered. Thereby, the objective of this research was achieved.

Which kind of in-store shelf communication is most effective to retain consumers' trust in retailers in case of conflict delisting?

In-store communication involving either an accurate explanation of the situation, or an attribution of blame to the manufacturer are both effective messages to display on the empty shelves in times of conflict delisting. Trust in retailer, which was initially violated by conflict delisting, was recovered by means of these messages.

5.2 Discussion

Conflict delisting is not uncommon in the retailing landscape. And although the involved parties try their best to minimize the negative experience that the consumer encounters, it still occurs regularly. A case where American retailer Costco got inflicted with Coca Cola and decided to spread a message toward consumers deliberately attributing blame to Coca Cola, among other cases raised a question that became the main topic of this research.

Researchers who have tried to shed light on consumer experiences in retail, have demonstrated a variety of perspectives. For example, Min (2003) emphasizes that in-store product unavailability makes consumers experience negative feelings, resulting in lower satisfaction. Rampl et al. (2012) found that when consumers expectations are not being met, they lose their trust in the retailer as a result. When gathering these insights about these consumer experiences, the question remained whether these findings are also applicable in cases of conflict delisting. The study at hand shows that consumers' trust in retailer does in fact significantly decrease after being faced with conflict delisting, supporting the hypotheses

derived from academic literature. The present study also shows how these consequences can be mitigated.

Other researchers who have studied consumer responses to conflict delisting in particular have mainly incorporated ‘hard’ outcome variables such as sales, category share and market valuation (Hermans, 2017; Van der Maelen, 2017) or behavioral consumer responses such as brand switching, store switching etc. These are easy to measure but do not provide a deeper understanding in what drives consumers to, e.g., switch stores or brands. To fill this gap, the study at hand grasps the attitudinal responses consumers experience. We add value by discovering that not only retailers lose sales as a result of conflict delisting. But also, the trust in retailer is proven to be harmed by it. According to Ranaweera, & Prabhu (2003), a violation of trust in food retail, directly impacts retention intention, which in turn explains a decline in sales and category share. This could imply that the ‘hard’ outcomes as other researchers have measured are at least partly caused by the decline of consumers’ trust.

Given our finding that conflict delisting hurts the relationship between the retailer and the consumer, the question remains: How should retailers react to retain or restore this loss of trust? Based on literature of among others Chaudhry and Loewenstein (2019), Whitener et al. (1998) and Robinson & Eilert (2018), we hypothesized that each of the elements: *a) apologizing*, *b) thanking*, *c) blaming* and *d) explaining* could be effective in retaining trust in retailer. The results of this study offer valuable insights to this question. The data shows that as hypothesized, displaying certain messages on a retailer’s empty shelves does significantly retain the trust of consumers. Surprisingly, this result does not hold for every type of communication strategy. First of all, the message elements *apologizing about the situation* and *thanking the consumer for their understanding* the empty-shelf situation have not shown to positively impact *trust in retailer* in case of conflict delisting. Although Algoe & Zhaoyang (2016) suggest that *thanking* enhances relationships, in this case with the consumer, it does not show in the results. *Thanking* was not effective in restoring the trust relationship between the retailer and the consumer. This finding could be explained by Responsibility Exchange Theory (RET) of Chaudhry & Loewenstein (2011), which elaborates on the trade-off between appearing either warm or competent during a conflict. Choosing the communication strategy *thanking* is effective when the giver of the message is aiming to appear warm, but not competent. This could indicate that consumers attach more value to a retailer being competent as opposed to warm.

Based on research of Kim et al. (2006), *apologizing* is effective in restoring relationships in situations of trust violation, we therefore hypothesized that *apologizing* would have the desired restoring effect of retaining *trust in retailer* in this study. However, the treatment group that was presented a shelf message including an apology for the inconvenient situation, did not show an increase in *trust in retailer*. RET describes how *apologizing* is just like *thanking* considered as a warm communication strategy. This

would support the interpretation that consumers prefer competence over warmth when it comes to their retailer. It could also be explained by the fact that the message did not involve an attribution of responsibility as it often leads to more positive outcomes. However, that would not have been realistic from a retailer perspective because with such a message, the retailer would basically admit its lack of competence.

According to RET, *blaming* is considered a strategy that enhances perceived competence. The finding in this study that the in-store message *blaming* has shown to be effective in retaining *trust in retailer*, again supports the explanation that appearing competent during conflict delisting is what retains consumers' *trust in retailer*. Although the data shows *blaming* to be an effective method to retain trust in the retailer, being careful with this strategy is required for three reasons: 1) According to RET *blaming* is often perceived as rude by the receiver of the message. And, as highlighted in a conversation ([Appendix 2](#)) with a category manager working at a Dutch retailer, 2) *blaming* can harm the relationship with the manufacturer and is therefore a risky strategy for a retailer to pursue and 3) When consumers have a positive *brand attitude*, they might not appreciate it when the manufacturer of their beloved brand is being blamed. These critical notes are considered for the managerial implications in paragraph 5.4.

The experimental group that was shown an *explaining* message ended up with the highest score of *trust in retailer* after conflict delisting. This suggests that the best strategy for retailers is to display a shelf card with a message clearly explaining the situation. This finding is in line with what Robinson & Eilert (2013) found, namely that consumers trusted the company more when corporate messages contain specific messages rather than vague ones. Linking back to Responsibility Exchange Theory, it would be an interesting future area of research to investigate whether *explaining* makes the giver of a message appear competent like *blaming* does. That would enhance the idea that consumers strongly attach value to their retailer appearing competent.

In the literature review of this research in chapter 2 we discussed how conflict delisting deviates from other product unavailability situations in terms of the strength of *brand attitude*. Conflict delisting often involves brands with a high *brand attitude* because these brands have stronger negotiation power than less popular brands. It was hypothesized in this study that brands with high *brand attitude* cause stronger reactions of consumers and are therefore likely to distort the effect of conflict delisting on trust in retailer. However, the results of this study show that the relationship between conflict delisting and trust in retailer is not confounded by *brand attitude*. This implies that in case of a conflict delisting, the *brand attitude* consumers have towards the brand does not influence the extent to which the trust of consumers is harmed because of conflict delisting. This is an important contribution to the existing knowledge and further enriches the managerial implications of this study, as will be discussed in paragraph 5.4.

5.3 Academic contributions

The study at hand contributed to the academic literature in multiple ways. From a theory perspective, the finding that conflict delisting violates the trust that consumers have in the retailer they most often visit touches upon two key research subjects. First, it contributes to theory about consumer responses to product unavailability complementing the publication of Min (2003) for example. We found that the negative responses consumers encounter in case of stock-outs, is also applicable in conflict delisting situation.

Also, this study adds value to theory about the consequences of conflict delisting with a more consumer psychological perspective in contrast to more often investigated hard measures such as sales, category share and market valuation (Hermans, 2017; Van Der Maelen et al., 2017). Furthermore, the fact that *blaming* and *explaining* have shown to be most effective for retailers to retain the consumers' trust adds to theory about communication strategies in retail. It enriches the framework of RET with the *explaining* message and contributes to the notion that consumers most likely attach value to retailers appearing competent as opposed to warm. Besides, whereas Campo, Gijsbrechts, and Nisol (2000) and Sloot and Verhoef (2008) argue that consumer responses on conflict delisting are stronger for brands with more positive brand attitude, this is not supported by our data. Therefore, the empirical data gathered in this research shows surprising but valuable results.

5.4 Managerial implications

Rampl et al. (2011) elaborated on the drivers of trust in food retailers. They gathered theoretical and empirical evidence for their conceptual model that presents what drives consumers' trust in food retailers. However, it does not give practical implications on how to enhance or retain trust in unforeseen situations. The present study does provide the evidence that a clear and specific explanation is effective in such situations. Furthermore, blaming the other inflicted party has also shown to be effective. However, from a managerial perspective, it is a less favorite option compared to *explaining*. This practical insight, comes from a professional category manager working at a Dutch retailer, as presented in [Appendix 2](#), who is experienced in shelf communication. He states that *blaming* might not be a sustainable message to convey. After conflict delisting, the two parties still must come to a new agreement and *blaming* complicates the situation more than necessary (Megens, D., personal communication, April 21, 2021). In addition, brand fans might not appreciate their favorite manufacturer being blamed. Therefore, choosing *explaining* is communication strategy in times of conflict delisting is the most preferred option, given the results of this study. Retailers can strongly benefit from this insight by choosing this strategy when conflict delisting occurs. The message that was used in this study, is not only applicable in the case that a manufacturer initiates conflict delisting, but also when the retailer initiates the delisting because the wording does not attribute blame, unlike the *blaming* message. Another practical insight that can be valuable to managers is that *brand attitude*, does not significantly alter the

consumer responses, which means that the same strategy can be utilized for brands of which consumers have varying attitudes toward the brand.

5.5 Limitations and future research

The study at hand was performed with great accuracy. However, like every research there are several limitations to this study, and the majority of these limitations form the basis for future research opportunities. First of all, as discussed in paragraph 4.1, the sample of the experiment is not representative to the Dutch shopping population, which demands careful interpretation of the results. In particular the older age groups and less educated people are underrepresented. It would be an opportunity for future research to investigate whether the results are robust for these underrepresented groups and thereby are generalizable to the entire population.

Furthermore, Hermans (2017) mentions how the initiator of a conflict delisting can harm the trust of consumers. The initial plan for the study at hand was to include the initiator role of conflict delisting and test whether it has an influence on the *trust in retailer* if either the retailer or the manufacturer initiates the delisting. Due to a problem with the measurement tool, the respondents were all shown the conflict delisting context in which the manufacturer initiated the delisting. Therefore, this study can only draw conclusions about cases in which the manufacturer decides to suspend its supplies. Judging by the findings of Hermans (2017), the *trust in retailer* could be harmed even more when the retailer carries the initiator role. Future research could reveal whether *blaming* or *explaining* are robust in recovering the *trust in retailer* that consumers hold in another context.

To avoid overcomplexity, this study focused on in-store communication on shelf-level. This is a common form of communication and could be implemented by every food retailer. Of course, other marketing or communication initiatives could be effective as well. For example, Dr. Leach, who is experienced in FMCG consulting and conflict delisting ([Appendix 10](#)) introduced the following idea: instead of only notifying the customer about the empty shelves, retailers could refer to alternative products, preferably private label. In addition, consumers could receive emails with loyalty initiatives which reduces the chances for them to switch stores (Leach, C., personal communication, 2021). Collecting and experimenting with such ideas would be an interesting area for future research.

The scope of the present study is Dutch food retail. No direct indicators were found for the idea that the results will be different in other geographic areas. However, it would be interesting to discover how culture influences consumer responses to certain kinds of messages in case of conflict delisting. In addition, future research could also be devoted to conflict delisting in other sectors such as e.g. fashion or electronics.

References

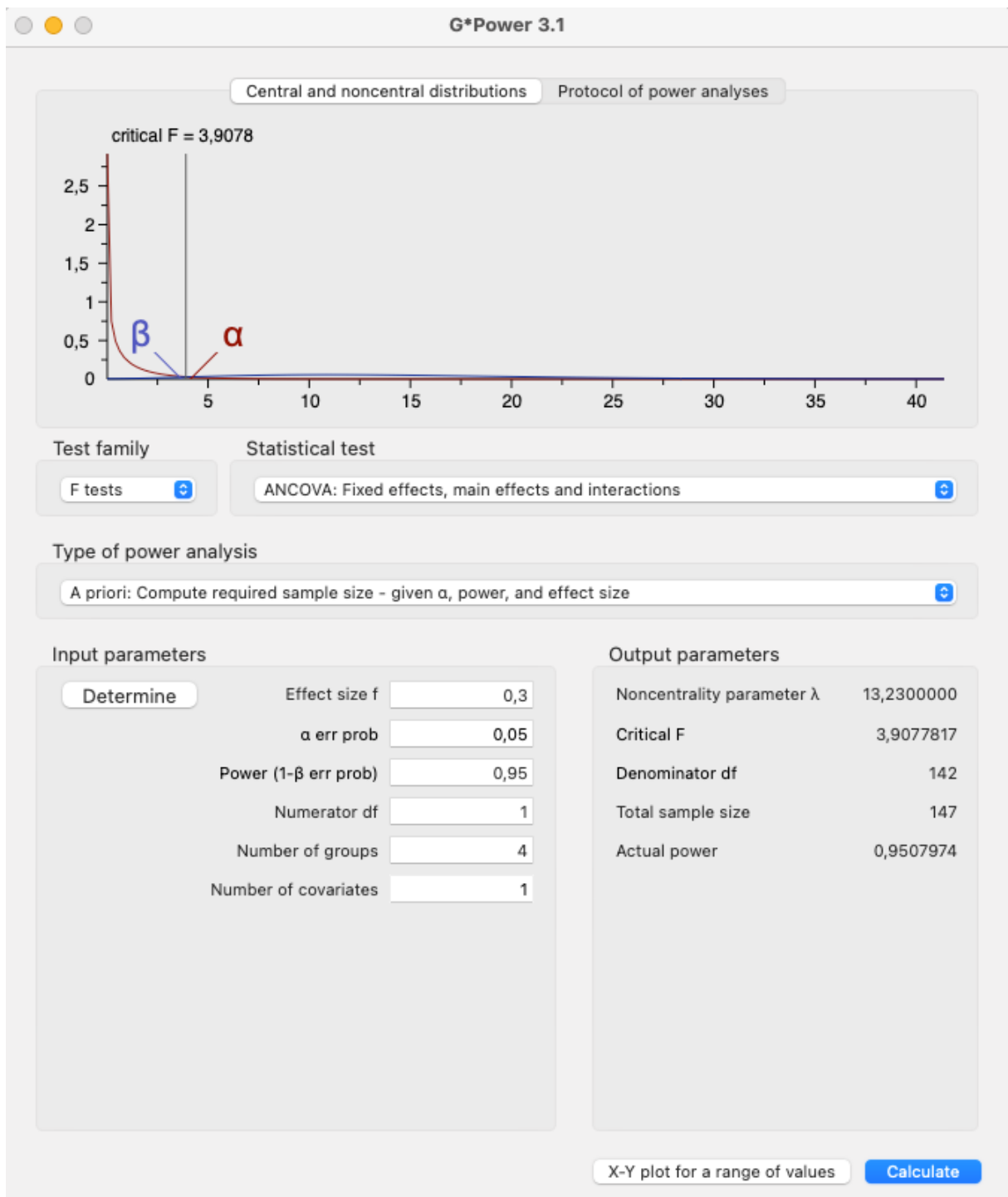
- Aaker, D. A., Kumar, V., Leone, R. P., & Day, G. S. (2013). *Marketing Research*. Hoboken, NJ: Wiley.
- Algoe, S. B., & Zhaoyang, R. (2016). Positive psychology in context: Effects of expressing gratitude in ongoing relationships depend on perceptions of enactor responsiveness. *The Journal of Positive Psychology*, *11*, 399–415. <http://dx.doi.org/10.1080/17439760.2015.1117131>
- American Psychological Association. (2003) Five principles for research ethics. Retrieved on 26 March 2021, from <https://www.apa.org/monitor/jan03/principles>
- Birnbaum, M. H. (2004). Human research and data collection via the Internet. *Psychology*, *55*(1), 803.
- Broniarczyk SM, Hoyer WD, McAlister L. Consumers' Perceptions of the Assortment Offered in a Grocery Category: The Impact of Item Reduction. *Journal of Marketing Research*. *1998*;35(2):166-176. <https://doi.org/10.1177/002224379803500203>
- Campo, K., Gijsbrechts, E., & Nisol, P., (2000) Towards Understanding Consumer Response to Stock-Outs. *Journal of Retailing*, *76* (2), 219-242.
- Chandon, P., Hutchinson, J. W., Bradlow, E. T., & Young, S. H. (2009). Does In-Store Marketing Work? Effects of the Number and Position of Shelf Facings on Brand Attention and Evaluation at the Point of Purchase. *Journal of Marketing*, *73*(6), 1–17. <https://doi.org/10.1509/jmkg.73.6.1>
- Chaudhry, S. J., & Loewenstein, G. (2019). Thanking, apologizing, bragging, and blaming: Responsibility exchange theory and the currency of communication. *Psychological Review*, *126*(3), 313–344. <https://doi.org/10.1037/rev0000139>
- Christensen, L. B., Johnson, R. B., & Turner, L. A. (2011). Research methods, design, and analysis. *Boston, MA: Pearson*.
- Cleeren, K., Van Heerde, H.J., & Dekimpe, M.G. (2013). Rising from the Ashes: How Brands and Categories Can Overcome Product-Harm Crises. *Journal of Marketing*, *77* (2), 58-77.
- Corsten, D., & Gruen, T. (2003). Desperately seeking shelf availability: an examination of the extent, the causes, and the efforts to address retail out-of-stocks. *International Journal of Retail & Distribution Management*.
- Crant, J. M., & Bateman, T. S. (1993). Assignment of credit and blame for performance outcomes. *Academy of Management Journal*, *36*(1), 7-27.
- Dandurand, F., Shultz, T. R., & Onishi, K. H. (2008). Comparing online and lab methods in a problem- solving experiment. *Behavior research methods*, *40*(2), 428-434.
- Darke, P. R., Brady, M. K., Benedicktus, R. L., & Wilson, A. E. (2016). Feeling close from afar: The role of psychological distance in offsetting distrust in unfamiliar online retailers. *Journal of Retailing*, *92*(3), 287-299.

- Deloitte. (2017). Consumentenonderzoek 2017. Retrieved on 29 April 2021, from <https://www2.deloitte.com/content/dam/Deloitte/nl/Documents/consumer-business/deloitte-nl-cb-consumentenonderzoek-2017.pdf>
- EVMI. (2016). Jumbo heeft conflict met Heineken. Retrieved on 22 March 2021, from <https://www.evmi.nl/nieuws/conflict-jumbo-en-heineken>
- Field, A., & Hole, G. (2003) How to Design and Report Experiments. SAGE Publications Ltd.
- Financieel Dagblad. (2017). *Albert Heijn haalt kazen uit schappen*. Retrieved on 20 January 2021, from <https://fd.nl/ondernemen/1214377/albert-heijn-haalt-kazen-uit-schappen>
- Fitzsimons, J. (2000) Consumer Response to Stockouts. *Journal of Consumer Research, Volume 27, Issue 2, September 2000*, 249–266, <https://doi.org/10.1086/314323>
- Ganesan, S., Hess, R. (1997) Dimensions and Levels of Trust: Implications for Commitment to a Relationship. *Marketing Letters* 8, 439–448 (1997). <https://doi.org/10.1023/A:1007955514781>
- George, D., & Mallery, P. (2003). Using SPSS for Windows Step by Step: A Simple Guide and Reference (4th ed.). London: Pearson Education.
- Grewal, D., Roggeveen, A. L. (2020) Understanding Retail Experiences and Customer Journey Management. *Journal of Retailing* 96. 3–8 <https://doi.org/10.1016/j.jretai.2020.02.002>
- Grimmelikhuijsen, S. G., & Meijer, A. J. (2014). Effects of transparency on the perceived trustworthiness of a government organization: Evidence from an online experiment. *Journal of Public Administration Research and Theory*, 24(1), 137-157.
- Hair, J. F. (2018). Multivariate data analysis. Harlow: Pearson Education Limited.
- Hermans, M. (2017). Performance Implications of Manufacturer-retailer Power Battles. *Universitaire Pers Maastricht*.
- Inman, J. J., Winer, R. S., & Ferraro, R. (2009). The Interplay among Category Characteristics, Customer Characteristics, and Customer Activities on in-Store Decision Making. *Journal of Marketing*, 73(5), 19–29. <https://doi.org/10.1509/jmkg.73.5.19>
- Kim, P. H., Dirks, K. T., Cooper, C. D., & Ferrin, D. L. (2006). When more blame is better than less: The implications of internal vs. external attributions for the repair of trust after a competence- vs. integrity-based trust violation. *Organizational Behavior and Human Decision Processes*, 99, 49–65. <http://dx.doi.org/10.1016/j.obhdp.2005.07.002>
- Mayer, R.C., Davis, J.H. and Schoorman, F.D. (1995), “An integrative model of organizational trust”, *The Academy of Management Review*, Vol. 20 No. 3, pp. 709-34.
- Min, K. S. (2003). Consumer response to product unavailability. (*Doctoral dissertation, The Ohio State University*).
- Miller, L. C., Cooke, L. L., Tsang, J., & Morgan, F. (1992). Should I brag? Nature and impact of positive and boastful disclosures for women and men. *Human Communication Research*, 18, 364–399. <http://dx.doi.org/10.1111/j.1468-2958.1992.tb00557.x>

- Morgan, R. M., & Hunt, S. D. (1994). The commitment-trust theory of relationship marketing. *Journal of marketing*, 58(3), 20-38.
- Orne, M. T. (2009). Demand Characteristics and the concept of Quasi-Controls. In R. Rosenthal, R.L. Rosnow's (Eds), *Artifacts in Behavioral Research*. Oxford, England: Oxford University press.
- Ranaweera, C., & Prabhu, J. (2003). The influence of satisfaction, trust and switching barriers on customer retention in a continuous purchasing setting. *International journal of service industry management*.
- Retailtrends. (2020) *Lege schappen door conflict tussen Colruyt en Douwe Egberts*. Retrieved on 21 January 2021, from <https://retailtrends.nl/news/59236/lege-schappen-door-conflict-tussen-colruyt-en-douwe-egberts>
- Robinson S, Eilert M (2018) The role of message specificity in corporate social responsibility communication. *Journal of Business Research*. Vol. 90. Pages 260–268.
- Sawyer, A. G., & Ball, A. D. (1981). Statistical Power and Effect Size in Marketing Research. *Journal of Marketing Research*, 18(3), 275–290. <https://doi.org/10.1177/002224378101800302>
- Sloot, L. M., Verhoef, P. C., & Franses, P. H. (2005). The impact of brand equity and the hedonic level of products on consumer stock-out reactions. *Journal of Retailing*, 81(1), 15-34.
- Spears, N. & Singh, S.N. (2004). Measuring Attitude toward the Brand and Purchase Intentions. *Journal of Current Issues & Research in Advertising*, 26(2), 53-66. <https://doi.org/10.1080/10641734.2004.10505164>
- The Associated Press (2009, November 19) Costco stops carrying Coca-Cola products. *NBC News*. Retrieved on February 28th, from <https://www.nbcnews.com/id/wbna33987167>
- Van der Maelen, S., Breugelmans, E., & Cleeren, K. (2017). The clash of the titans: On retailer and manufacturer vulnerability in conflict delisting. *Journal of Marketing*, 81(1), 118-135.
- Verbeke, W., Farris, P., & Thurik, R. (1998). Consumer response to the preferred brand out-of-stock situation. *European Journal of Marketing*.
- Rampl, L. V., Eberhardt, T., Schütte, R., & Kenning, P. (2012). Consumer trust in food retailers: conceptual framework and empirical evidence. *International Journal of Retail & Distribution Management*.
- Van Loon, D. (2018) *Albert Heijn boycot salades van Johma*. Retrieved on 22 March 2021, from <https://www.foodpersonality.nl/albert-heijn-boycot-salades-johma/>
- Strabo (2017) *Vrouwen willen winkelen*. Retrieved on 6 May 2021, from <https://strabo.nl/assets/uploads/documents/vrouwen.pdf>
- Whitener, E.M., Brodt, S.E., Korsgaard M.A. & Werner, J.A. (1998) Managers as Initiators of Trust: An Exchange Relationship Framework for Understanding Managerial Trustworthy Behavior. *Academy of Management Review* Vol. 23, No. 3. Published Online. <https://doi.org/10.5465/amr.1998.926624>

Appendixes

Appendix 1: G*Power sample size calculation



Appendix 2: Survey Feedback Notes

Date: 21 April 2021

Time: 16:00 -16:20 CET

Setting: Talk through / feedback session survey

Interviewer: Mirte van Vugt

Interviewee: D. Megens – Category Manager at Coop Supermarkets

Insights:

- The survey seems to have a logical structure
- The word-use of the messages in general is realistic to display on the shelves
- He would most likely use the *apologizing* or *explaining* message
- The thanking message is not very strong → Suggested minor changes in the wording
- He is not likely to use the *blaming* message because that would complicate the future collaboration with the manufacturer.
- Although he would not display it on the shelves, including *blaming* in the study would be interesting to compare to the other messages
- He thinks the message options are exhaustive and is not missing an important other option

Appendix 3: Survey

Note: The survey was distributed in Dutch and is translated conforming the rest of this report.

Conflict delisting Survey

Dear respondent,

Thank you for taking the time to fill in this survey. My name is Mirte van Vugt and by entering this survey you help me finishing my master's degree in marketing at the Radboud University. My thesis concerns a study about the trust of consumers in supermarkets and in which manner they can most effectively retain this in exceptional situations.

This survey is anonymous, which means that the results cannot be traced to you. The results will only be used for research purposes and not be shared with third parties. Participation is voluntary and can be terminated at any point.

Please fill out the questions truthfully. Wrong answers don't exist.

Filling out the survey takes approximately 5 minutes.

Kind regards,
Mirte van Vugt

Page Break

Q1 Do you do your own daily grocery shopping?

- Yes
- No (end of participation to this survey)

Page Break

Q2 Which supermarket do you visit most often?

Albert Heijn

Jumbo

Lidl

Plus

Aldi

Coop

Dirk

Other, namely: _____

Page Break

Q3 Indicate the extent to which you agree with the following statements for {Selected Retailer} .

	Strongly disagree						Strongly agree
I believe that I could trust this retailer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I could depend on this retailer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I think this retailer would be reliable in meeting its promises	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This retailer probably has high integrity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q4 Which of the following brands are you most likely to purchase?

- Heineken
 - Johma
 - Nutella
 - I would not buy any of these brands (end of participation to this study)
-

Q5a What is your opinion to the brand Heineken?

Unappealing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Appealing
Bad	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Good
Unpleasant	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Pleasant
Unfavorable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Favorable
Unlikable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Likable

Q5b What is your opinion to the brand Johma?

Unappealing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Appealing
Bad	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Good
Unpleasant	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Pleasant
Unfavorable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Favorable
Unlikable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Likable

Q5c What is your opinion to the brand Nutella?

Unappealing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Appealing
Bad	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Good
Unpleasant	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Pleasant
Unfavorable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Favorable
Unlikable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Likable

Q6a

A conflict has arisen in the negotiations between $\{\text{Selected Retailer}\}$ and $\{\text{Selected Brand}\}$ and as a result, $\{\text{Selected Brand}\}$ has decided to stop supplying its products to $\{\text{Selected Retailer}\}$ until the conflict is resolved.

As a result, the shelves are empty. This may take several weeks.

You are grocery shopping and are standing in front of empty shelves.

Indicate to which extent you agree with the following statements for $\{\text{Selected Retailer}\}$.

	Strongly disagree						Strongly agree
I believe that I could trust this retailer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I could depend on this retailer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I think this retailer would be reliable in meeting its promises	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This retailer probably has high integrity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q7a

As a result of the conflict described earlier, you are standing in front of the empty shelf of \$ {Selected Brand}.



\$ {Selected Retailer} displayed the following message on the shelf:

"These products are temporarily unavailable. Our sincere apologies for the inconvenience."

Please indicate the extent to which you agree with the statements for \$ {Selected Retailer}.

	Strongly disagree						Strongly agree
I believe that I could trust this retailer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I could depend on this retailer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I think this retailer would be reliable in meeting its promises	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This retailer probably has high integrity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q7b

As a result of the previously described conflict, you are standing in front of the empty shelf of $\{\text{Selected Brand}\}$.



$\{\text{Selected Retailer}\}$ has hung the following message on the shelf:

"These products are temporarily unavailable. We kindly thank you for your understanding."
Please indicate the extent to which you agree with the statements for $\{\text{Selected Retailer}\}$.

	Strongly disagree						Strongly agree
I believe that I could trust this retailer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I could depend on this retailer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I think this retailer would be reliable in meeting its promises	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This retailer probably has high integrity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q7c As a result of the previously described conflict, you are standing in front of the empty shelf of $\{\text{Selected Brand}\}$.



$\{\text{Selected Retailer}\}$ has hung the following message on the shelf:

"We are committed to providing our customers with an assortment with the best possible prices. At this time, $\{\text{Selected Brand}\}$ has not provided us with this and therefore, unfortunately, these products are temporarily unavailable."

Please indicate the extent to which you agree with the statements for $\{\text{Selected Retailer}\}$.

	Strongly disagree						Strongly agree
I believe that I could trust this retailer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I could depend on this retailer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I think this retailer would be reliable in meeting its promises	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This retailer probably has high integrity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q7d As a result of the previously described conflict, you are standing in front of the empty shelf of $\{\text{Selected Brand}\}$.



$\{\text{Selected Retailer}\}$ has hung the following message on the shelf:

"We try to offer you the best assortment at the best price. Unfortunately, we have not been able to reach an agreement in negotiations with $\{\text{Selected Brand}\}$ and therefore the products are temporarily unavailable."

Please indicate the extent to which you agree with the statements for $\{\text{Selected Retailer}\}$.

	Strongly disagree						Strongly agree
I believe that I could trust this retailer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I could depend on this retailer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I think this retailer would be reliable in meeting its promises	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This retailer probably has high integrity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

GENDER

What is your gender?

- Male
 - Female
 - Other
 - I would rather not say
-

AGE What is your age?

EDU What is your highest level of education? (translated!)

- Primary school
- Secondary school
- Vocational education
- Undergraduate
- Post-graduate
- I would rather not say

Appendix 4: Demographics Dutch adult population

4.1 Gender distribution

	Total	Men	Women
Number	17 407 585	8 648 031	8 759 554
Percentage	100%	49,7%	50,3%

(CBS, 2021)

4.2 Age distribution

Age	Number	Percentage
Younger than 20	3 775 257	21,7%
20-40 years old	4 381 481	25,2%
40-65 years old	5 858 292	33,7%
65-80 years old	2 570 467	14,8%
Older than 80	822 088	4,7%

4.3 Education level

Education	Number	Percentage
Elementary school	1024	7,8%
Secondary school	2428	18,5%
Secondary vocational education	4950	37,8%
Higher professional education	2882	22%
University education	1661	12,7%

Appendix 5: Representative testing

5.1 Gender distribution sample

Gender

	Observed N	Expected N	Residual
Man	56	79,0	-23,0
Vrouw	103	80,0	23,0
Total	159		

Test Statistics

	Wat is je geslacht?
Chi-Square	13,335 ^a
df	1
Asymp. Sig.	,000

a. 0 cells (0,0%) have expected frequencies less than 5. The minimum expected cell frequency is 79,0.

5.2 Age distribution sample

Age (Groups)

	Category	Observed N	Expected N	Residual
1	1.00	4	34.5	-30.5
2	2.00	128	40.0	88.0
3	3.00	27	53.5	-26.5
4		0	23.5	-23.5
5		0	7.5	-7.5
Total		159		

Test Statistics

	AgeGroups
Chi-Square	264.397 ^a
df	4
Asymp. Sig.	.000

a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 7.5.

5.3 Education level sample

Education

	Observed N	Expected N	Residual
Middelbaar onderwijs	5	12,6	-7,6
MBO	12	29,8	-17,8
HBO	67	60,8	6,2
WO	73	35,4	37,6
Zeg ik liever niet	2	20,4	-18,4
Total	159		

Test Statistics

	Wat is je hoogst genoten opleiding?
Chi-Square	72,334 ^a
df	4
Asymp. Sig.	,000

a. 0 cells (0,0%) have expected frequencies less than 5. The minimum expected cell frequency is 12,6.

Appendix 6: SPSS output Paired Samples T-Test

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	TRUST_before_CD	5,1352	159	1,05308	,08351
	TRUST_after_CD	4,3097	159	1,25299	,09937

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	TRUST_before_CD - TRUST_after_CD	,82547	1,09831	,08710	,65344	,99751	9,477	158	,000

Treatment groups

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Apology	44	27,7	27,7	27,7
	Thanking	43	27,0	27,0	54,7
	Blaming	40	25,2	25,2	79,9
	Explaining	32	20,1	20,1	100,0
	Total	159	100,0	100,0	

Appendix 7: SPSS output ANCOVA assumptions

7.1 Assumption: Homogeneity – Equal variances

Levene's Test of Equality of Error Variances^a

Dependent Variable: Trust3_Mean

F	df1	df2	Sig.
,314	3	155	,815

Tests the null hypothesis that the error variance of the dependent variable is equal across groups.

a. Design: Intercept +
MEAN_BRAND_ATTITUDE +
MessageElements

7.2 Assumption: covariate correlates with dependent variable

Correlations

		Trust3_Mean	MEAN_BRAN D_ATTITUDE
Trust3_Mean	Pearson Correlation	1	,177 [*]
	Sig. (2-tailed)		,026
	N	159	159
MEAN_BRAND_ATTITUDE	Pearson Correlation	,177 [*]	1
	Sig. (2-tailed)	,026	
	N	159	159

*. Correlation is significant at the 0.05 level (2-tailed).

7.3 Assumption: homogeneity of regression lines

Tests of Between-Subjects Effects

Dependent Variable: Trust3_Mean

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	49,323 ^a	7	7,046	5,378	,000	,200
Intercept	39,189	1	39,189	29,913	,000	,165
MessageElements	1,590	3	,530	,404	,750	,008
MEAN_BRAND_ATTITUDE	3,045	1	3,045	2,324	,129	,015
MessageElements * MEAN_BRAND_ATTITUDE	4,347	3	1,449	1,106	,349	,022
Error	197,825	151	1,310			
Total	3413,125	159				
Corrected Total	247,149	158				

a. R Squared = ,200 (Adjusted R Squared = ,162)

7.4 Assumption: Covariate and independent variable are independent

Model without covariate:

Tests of Between-Subjects Effects

Dependent Variable: Trust3_Mean

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	42,427 ^a	3	14,142	10,708	,000	,172
Intercept	3180,669	1	3180,669	2408,167	,000	,940
MessageElements	42,427	3	14,142	10,708	,000	,172
Error	204,722	155	1,321			
Total	3413,125	159				
Corrected Total	247,149	158				

a. R Squared = ,172 (Adjusted R Squared = ,156)

Model with covariate:

Tests of Between-Subjects Effects

Dependent Variable: Trust3_Mean

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	44,976 ^a	4	11,244	8,565	,000	,182
Intercept	43,535	1	43,535	33,162	,000	,177
MEAN_BRAND_ATTITUDE	2,549	1	2,549	1,942	,166	,012
MessageElements	37,270	3	12,423	9,463	,000	,156
Error	202,173	154	1,313			
Total	3413,125	159				
Corrected Total	247,149	158				

a. R Squared = ,182 (Adjusted R Squared = ,161)

Appendix 8: SPSS output ANCOVA

8.1 Descriptive statistics

Estimates

Dependent Variable: Trust3_Mean

Treatment groups	Mean	Std. Error	95% Confidence Interval	
			Lower Bound	Upper Bound
Apology	4,239	,173	3,896	4,581
Thanking	3,791	,175	3,444	4,137
Blaming	4,988	,182	4,629	5,346
Explaining	5,016	,203	4,614	5,417

8.2 Pairwise comparisons of treatment groups

Pairwise Comparisons

Dependent Variable: Trust3_Mean

(I) Treatment groups	(J) Treatment groups	Mean Difference (I-J)	Std. Error	Sig. ^b	95% Confidence Interval for Difference ^b	
					Lower Bound	Upper Bound
Apology	Thanking	,448	,246	,070	-,037	,933
	Blaming	-,706*	,252	,006	-1,204	-,207
	Explaining	-,717*	,270	,009	-1,249	-,184
Thanking	Apology	-,448	,246	,070	-,933	,037
	Blaming	-1,154*	,254	,000	-1,655	-,653
	Explaining	-1,165*	,271	,000	-1,700	-,629
Blaming	Apology	,706*	,252	,006	,207	1,204
	Thanking	1,154*	,254	,000	,653	1,655
	Explaining	-,011	,272	,968	-,548	,527
Explaining	Apology	,717*	,270	,009	,184	1,249
	Thanking	1,165*	,271	,000	,629	1,700
	Blaming	,011	,272	,968	-,527	,548

Based on estimated marginal means

*. The mean difference is significant at the ,05 level.

b. Adjustment for multiple comparisons: Least Significant Difference (equivalent to no adjustments).

8.3 Parameter estimates

Parameter Estimates

Dependent Variable: Trust3_Mean

Parameter	B	Std. Error	t	Sig.	95% Confidence Interval		Partial Eta Squared
					Lower Bound	Upper Bound	
Intercept	4,110	,681	6,040	,000	2,766	5,455	,191
MEAN_BRAND_ATTITUDE	,150	,108	1,393	,166	-,063	,363	,012
[MessageElements=1,00]	-,717	,270	-2,657	,009	-1,249	-,184	,044
[MessageElements=2,00]	-1,165	,271	-4,298	,000	-1,700	-,629	,107
[MessageElements=3,00]	-,011	,272	-,040	,968	-,548	,527	,000
[MessageElements=4,00]	0 ^a

a. This parameter is set to zero because it is redundant.

Appendix 9: Paired samples T-test *trust in retailer* Within-Groups

9.1 Paired samples T-test *apologizing*

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	TRUST_before_CD	5,0852	44	1,10488	,16657
	MEAN_APOLOGY_TRUST3	4,2443	44	1,29229	,19482

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	TRUST_before_CD - MEAN_APOLOGY_TRUST3	,84091	1,34693	,20306	,43141	1,25041	4,141	43	,000

9.2 Paired samples T-test *thanking*

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	TRUST_before_CD	5,1047	43	1,14854	,17515
	MEAN_THANKING_TRUST3	4,1919	43	1,19003	,18148

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	TRUST_before_CD - MEAN_THANKING_TRUST3	,91279	1,44532	,22041	,46799	1,35759	4,141	42	,000

9.3 Paired samples T-test *blaming*

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	TRUST_before_CD	5,3438	40	,76520	,12099
	MEAN_BLAMING_TRUST3	5,1125	40	1,14627	,18124

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	TRUST_before_CD - MEAN_BLAMING_TRUST 3	,23125	,88323	,13965	-,05122	,51372	1,656	39	,106

9.1 Paired samples T-test *explaining*

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	TRUST_before_CD	4,9844	32	1,16213	,20544
	MEAN_EXPLAIN_TRUST 3	4,7031	32	1,34320	,23745

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	TRUST_before_CD - MEAN_EXPLAIN_TRUST 3	,28125	1,43509	,25369	-,23615	,79865	1,109	31	,276

Appendix 10: Transcript interview Dr. Leach

Date: 12 May 2021

Time: 10:00 CET

Interviewers: Mirte van Vugt (M), Sanne Relou (S) and Tim Grommas (T)

Interviewee: Dr. Chris Leach, Founder at Collaboration Growth Consulting – 25 years experience in the FMCG industry.

Introduction

My PhD in conflict delisting. First my background so that you know where I come from. So I did many years ago a first degree in retail marketing in the UK, Manchester and I worked for two suppliers, two food suppliers, in sales and category management. I then worked for Tesco in the UK in the Headoffice. I ran the grocery and marketing team. And then I worked as a consultant for 21 years. I worked with both retailers and suppliers globally. So category management, marketing, less in marketing across the world, different types of retailers. I worked at Walmart, Tesco, Shell, Unilever.

S: Can you tell us a bit more about your PhD?

So my Phd came about from working in the industry with more looking from a supplier perspective and the world of collaboration. Why would the experiences then with the retail customers, largely the same now as when I started in the industry 20 years ago. The industry structure massively changed. The amount of data, the type of customers, online, offline etc, etc, complexity, mergers and acquisitions. Yeah the point of Coca Cola working with Ahold. So largely they have the same fights, the same discussion, the same threats. They always have been, so why would that be the case. When you look at other industries where the supplier customer relationship, like for instance the airline industry we would say Rolls Royce the engine manufacturer you can see cases where they completely transformed the value proposition on how they collaborated together. From Rolls Royce selling them an engine to Rolls Royce leasing them services to pay for by the hour, for example. That is one example. You know more examples I am sure. So that was what got me into the research which was how suppliers collaborate with their retail customers and how they create and capture value. What on earth is going on? That was the research I did. I did four cases. I can't name them because we did it under confidentiality of 5 years. We still have some years to run. But those four cases were companies you would recognize the name of. My method was detailed document review from top to bottom. From strategy plans to account plans. I did team meeting attendance so attending their meetings and I did one to one interviews 10 to 12 per company. Again top to bottom so from promotion manager down to accounting team, to category manager. But that is the context. In terms of what you guys call conflict delisting, this did come up in my research for all four businesses. My research was in the UK so I can only speak for the UK retail market. I was speaking to account teams that were largely dealing with either Tesco, Sainsbury, Morrisons so one of the top 4. The big picture

that came up was the retailer essentially saying I want eggs and the supplier saying I won't give you eggs. Therefore they start delisting their products. What was interesting about one of them. One of them is a Multinational multi category supplier who has a close affiliation with your country. They were experiencing conflict delisting in other categories then they had the conflict with. In one particular category they were having a commercial fight about terms and you know. Tesco wants eggs and we can't or we won't give them eggs so then Tesco implemented a delisting across all categories. Not just the one they were fighting the whole thing. Quite an interesting way to do it. In the other examples they were all purely about trading terms. So the retailer demanded certain things about their credit terms and as a leverage they started delisting products. What was interesting from my perspective, might not be your question but what was mine question was: how to supply collaboration. What do they do to What value do they have? They were using, all of them, methods largely around which I would call category management. So are you aware what category management is? They were all using category management ways of working so collaborative effort, category drives, category taxes etc, etc. And all the retailers were doing that work with them. But what was interesting from my perspective was the minute the commercial debate, negotiations, wasn't going the way the retailer wanted they would shut that work straight down getting to this conflict position or delisting. Which leads to the concept that they must not get great value from this work because if they did, if they saw that this collaborative work was going to increase their value of working with them. You know they were going to make more money from this work they would have had carried on. But they didn't. They shut it down and they went straight to we are going to delist this and this. So from my perspective this brings the doubt value of some of the activities the supplier was doing. They were spending a lot of money on data, insights, consultants like me, etc, etc, to do all this work with the retailer. But at the first sight of the retailer, like I want to have eggs and you are not going to give me eggs I will just stop all that work. Often a conflict delisting is one of the tools they use. There are cases in the UK, you may already have seen them, publicly stated cases because obviously neither of the parties want to talk about it. But in the UK Coca Cola got into this situation with Tesco about three years ago where everybody would have thought Coca Cola was untouchable in this context from a consumer, from a shopper perspective. Tesco didn't feel that and they delisted many of the products, ultimately they came back. Tesco also did it to Carlsberg where they delisted their entire range and that entire range actually never came back. They decided that based on what happened when they took it out, they didn't need it back. That was a couple of years ago, something like that. So there are few cases the public talked about but not that I am aware of. You probably know more than me cause I didn't go into a lot of detail on this. Does that give a big picture of it?

M: So it is more like a one-sided relationship where the manufacturer tries to please the retailer and the retailer thinks they have all the power this time?

Yeah part of my research was also into it. The power and how that works. In the UK four retailers take about 80% of the market. In other markets it is even worse, I can't remember the Netherlands now, is it Jumbo, Albert Heijn. In Australia there are two retailers who take 85%. The discounting effect in a lot of these markets, in the UK now which was always lagging behind, the discount effect is eating into their share. Not in a significant way but still in the UK they have 40-50% total discounting share. So they do hold the power. I think what it is making suppliers do, this is maybe linked to my real life work consulting. It makes them think about how to grow their business around different channels to reduce their reliance on those channels where there is a power disadvantage. So discounters maybe one, online is another one, convenience channel, direct to consumer where they can set their own websites and bypass retailers completely. Classically a few years ago you saw that with Nespresso and Nestle but now you see Gillette with shaving and P&G is doing it, some brewers in the UK are doing it in Europe as well. They are trying to expand their channel base. Still after that they are still working with retailers who 'dominate' them in terms of power. M: Online as well. C: Yeah absolutely online as well. I am doing some work on this right now. Currently doing a book on my research. Online is bad news in a few ways essentially. One of the ways again this is an example, I think you can look it up. I think it was Target with Proctor and Gamble. So these retailers are now looking at online and obviously it is quite a threat especially in some categories, not all categories, but some categories. One category that I was looking at was baby care in the US. A couple of years back, again this is a publicly available one, P&G got into a relationship with Amazon and started to do some specific packs and they were using Amazon shipping to the market, and Target in the US then delisted all the Pampers products because P&G was doing that with Amazon. But not just for the supplier what are the sales opportunities in these channels. It is what is the reaction of these guys if I do that with Amazon. But it is really tricky for them, really difficult. I mean one of the ways they classically tried to installate them from some of these discussions to an extent is to differentiate their packs. So let's go back 10 years or more. The main way you would get into a conflict delisting, not the only way, but the main way you get into a conflict delisting with a supplier is retailer A sees your brand sold at retailer B at a cheaper price and decides that you the supplier are the one who is funding that so therefore I am going to punish you because you don't give me that price or I am going to do something and delist you. That shifted, a lot in the UK, through legislation, which the retail price is the disgression of the retailer that can't get into a discussion now. One of the ways they try to isolate themselves is to do differentiated packs. An example is Coca Cola decided to change their multipack can offering, you know coke, diet coke and coke zero etc etc. in different pack sizes for different retailers. So in the UK they sell to Akda which is more of a big family shop they sell them a 12 pack whereas to Sainsbury which is less family profile they only sell 6 pack and at other an 8 pack. That was one of the techniques of Coca Cola but more people would try to do that differentiation. To try and isolate them from that comparison. Like well you have a different pack so that is why it works differently that sort of discussion. M: Yes, I have seen that in the Netherlands as well. Jumbo they have the lowest price guarantee so if you find it

at another retailer for cheaper you can get that price. They ask their suppliers to change different pack sizes and products to not get that problem. C: yeah for suppliers this is both good and bad. Good in the sense they fix that problem. Bad in the sense that this introduces a lot of complexity into their supply chain and costs. It costs them because they don't just sell one package volume. They are selling 8 different packs in less volume. It is not a cost free solution but it is a solution or part of a solution.

S: What is your point of view on conflict delisting? Is it a good mechanism or something dangerous?

I think, having worked on both sides, I think suppliers massively overestimate the value and loyalty to their brand. I think largely from what I have seen, with a few exceptions, shoppers switch and retailers know this. The supplier has all the data. Who is buying a product, where etc etc. So all these insights are in suppliers hands. A lot of retailers themselves own a lot of data that is very powerful about who is buying your brand at my shops.

The days of suppliers that have been able to put up a story that says: Well if you do this, this couple will shift and they know from their data. And they've got quite detailed analytics to say; what would happen? How would that value transfer, if I remove that SKU or that brand. What will happen? where would it go? And a lot of the time they are not afraid, because they have got these analytics, so they can go to the supplier and say: We're not worried. We'll keep the volume. And they also know, because they have got the data; where they shouldn't mess around in certain SKU's. And those SKU's are potentially not the ones you would be thinking of. So, one of the things that came out of my research, thinking about retailers is: they are not going to differentiate themselves by just selling the same products you buy everywhere. Everybody has got these packs of coke etc. They are going to differentiate themselves to be their own brand or stocking things that other stores don't stock. And it is sometimes the smallest SKU's with the highest loyalty to them and the ones that are the most powerful to them and the ones that they shouldn't delist. People come to buy it there and like buying it there and that will vary by category. In terms of, is it dangerous? From a retail perspective, they are often not worried because they've got the analytics and the experience. The question is: will I lose a shopper, if I delist this SKU. And largely the answer is no I think, from my perspective. It is frightening for the supplier because you know it pushes the question to their range.

S: If you were a supplier, how would you react when the retailer is threatening to delist your product? What is the best way to react?

The first way they try to react is the way I just described, which is they'll go to their category teams and their marketing teams and say "Give me the data about who is buying these products or this range of products. Talk to me about what their needs are, where they buy it, the value that it brings to the retailer, give me all the data and insights." And they will go back to their retailer and say the shopper

for this fits your shopper, they are really loyal to you, they spend this amount of money and if you didn't have them they wouldn't buy this. Sometimes they bring arguments about their baskets and say: "The shopper for Coca Cola 24-pack is an above average spend of their total basket as well so if you lose that shopper, you'll lose that basket. So you should be scared that they will do all of their shopping elsewhere." Etc. A lot of retailers, not all of them, have their own analytics which they trust the most. Albert Heijn and Tesco for example have their own analytics. So for them it's a low risk. because they can get rid of these SKU's, and if something bad happens they can bring them back within the week, for them it's not a huge risk. What normally happens is that a supplier asks the default to them which is to give them more money. Because that's why they're doing this I could be convinced to keep this product if you would give me whatever that is, more margin, more support, more promotion funds, whatever it might be. And that got to the heart of my research, which is regardless of all this work that is going on it always seems to boil down to: If you don't do X, I'll do bad things to you. One of the examples is the conflict delisting.

S: Do you think it is a good thing that conflict delisting occur or do you think that you should collaborate more because that creates more value?

Depends who you would ask. The idea of collaboration to create value between two business operators like a retailer and supplier is sound. And there is lots of evidence that suggest if you do that, you will create more value in the longer term. There is all sorts of evidence around that. The challenge is the time frame. With your thesis in your research you have been looking around for some of this. You look for retailers heading of on corporate level about the value of their supply base, and how we would like to collaborate with our suppliers and they are very important to our future. And they make all these big pictures and statements about that and how it is going to work and it is all wonderful and they're partners etc. But the reality of being a buyer in one of these retailers is quite different. They're not measured on the medium/long term. They are measured on now, on the short term. If you're a buyer under enormous pressure which they are, and you're being challenged on a weekly level instead of a six-month, twelve month level about achieving certain targets, specifically like margins and investments of suppliers, the only short term mechanism in your hand is, when you need something of a supplier, is to threaten them. Like: I want X amount of money by the end of this week, or in two weeks time, you just need to get that money. When the supplier company starts with the idea: 'let's start a project where we are going to do some collaborative working and joined working, in 6-12 months time we might realize a new way of looking at the picture,' which they sure will do as well, but the buyer sits there: 'I've got something to do by the end of the month, so you need to give me the money.' And that is the tension at the heart of this debate, not just your debate, but the debate of the industry. The tension is, they're being driven in a very short term passion, and therefore their tools and tactics are limited to: 'what can I threaten you with in order for you to give me my cash, straight away.' 'I'll do something to you that you don't like so you will give me that cash'. Think, as I said earlier,

since there is a lot of data now they get more confident about their decisions as a retailer, not less confident. They are more confident about not losing shoppers. So again, there are UK examples in discounters is growing quite a lot from a small base. Which is much different than the rest of Europe, they're a lot bigger, the big impact on the top 4, one of the things the top 4 leadership locked on to, was one of reasons these guys are so successful is they have limited ranges which makes it easier to shop, that's what they got in their heads. So, last year i think it was Sainsbury's and Tesco, all going to suppliers and say: we're going to get rid of 30% of our range. We're going to delist it. Obviously the question for the supplier is: how much of that 30% is going to be you? Well, it could be less of you, if you start with giving us more money. Do you want to be one of the ones that is left? Conflict delisting start in a different way. And they will say: Our shoppers want simplicity, it's easier for our stores to manage, bla bla bla.. The message for the supplier basically is: 'Do you want to be some of the suppliers that are still left? And if you do, you're going to have to pay for it.'

I think if I were the supplier, what I would make them do, after looking into this area is making them look much harder at the assortment and product range and what its purpose is, and what money it actually makes. And a lot of the suppliers in the past five years are investing in teams of people which they're typically calling Revenue Growth Managers, and these teams are purely focused on price promotions, and the investment mix. They're looking quite deep dive analytically at, if I'm talking to Albert Heijn, what would be the most profitable and efficient SKU's for us and them to stock. And let's just focus on the key products that will deliver return on investment, and profitability etc. So I would making them think harder. Before, suppliers were constantly turning out new products (more flavor & pack size variations etc.) and gave little thought about the consequences. Now they are more thinking about the actual costs of new products, or changing products. So they're investing more in their analytics, and thinking harder about it. Some of them at least, not all of them.

How does the customer react?

I haven't done a lot of research on that as well. I have seen research, I think if you look at retailer specific data, they will largely tell you for a lot of products, although customers will initially be confused or a little bit upset, but they are not going to switch stores over it. They are not going to walk out. I think there are very few brands or SKU's they would walk out from. I remember seeing some research done around out-of-stock situations. Which is quite similar, the products are not there. And for some key SKU's, that research said that they give the retailer three attempts before they decide or think about whether they will switch store. So if you visit one, they'll not be happy, I'll go back next time, oh it's still not there, i will go back one last time and when it's still not there then they are not going back. But I'm not sure about conflict delisting. And some of the retailers in the UK, are not just delisting it and saying nothing, they putting things above the shelves, the reason it's not there. And they'll even put there: 'Why won't you try this?' It depends on the language they use but they will go:

why don't you try this instead? And I know when I worked at Tesco I remember doing a pretty big range reduction in jams etc. we took out about 35% of the range. And now they've got loyalty cards, they will be doing it in a much more sophisticated way where they will be mailing shoppers that used to buy these products, and giving them vouchers or anything. And again, as a supplier there is nothing you can do about that.

Does this happen more often with regular out-of-stock situations? Because conflict delisting are often quite unexpected..

They can do these things so quickly nowadays. They can target you the next week if they want to. And again that could be another tactic they use to the supplier because if the supplier knows about this they would be like: 'Okay, week one you've delisted the product and week two you are mailing the shoppers to try a competitor product'. That puts pressure on them. I mean this is the heart of it as well where you think about the different agenda of suppliers and retailers, where my research was coming in which was, in theory, both the supplier and the retailer have at their heart, the shoppers needs. And meeting the shoppers needs, but the retailer is quite prepared to make short term decisions. They've really got nothing to do with the shopper. It has everything to do with their needs. And they will let that roll. And as I said, a lot of the time, they discover that it makes no real difference to the shopper so therefore they are not too bothered. It's like, well I took it out, and not a lot happened, but if there is a big enough bag of cash on the deck, they'll bring it back. None of that has got anything to do with the shopper.

Does a conflict delisting in a high involvement category like beer, have an impact on the brand loyalty of the customers? Do you think customers are always willing to buy another brand?

It depends on the category. The loyalty to a brand is a metric that the retailer looks at, by using their data. The retailers know if the manufacturer's brand is one with high loyalty or a high share of spend. The retailer does then take more of a risk. But this is by category, but also by brand in a category as well. So I mean, I did some work on beer, while I was in Germany working with ... (inaudible). Even in that channel, convenience, they were doing almost (inaudible) specific ranging, because of the massive difference in loyalty to brands in Germany on beer. You know, brand A was really strong in this region, while disappearing in other regions etc. So in those situations, you are very careful. So there is so much loyalty to certain brands, I need to be really careful. Because if I get rid of that, they will never come to buy anything. But in a lot of categories I worked in, that was just not the case. M: Yes, especially now because private labels have become a lot better. The quality often is just as good as the A-brands. So, I think that is a big influence. Most categories there is always another option for the same kind of product. Dr. Leach: I mean, there are probably a few brands, but if you walk into a supermarket, you would expect and always want to find I would guess. But there are only a few of

them. I mean, Coca Cola is drastically (inaudible). These are sometimes the ones that have the highest loyalty are not the biggest sellers, but quite got a uniqueness that people want to buy. And you said, own brands are the things that they are investing in, but it is a creator of differentiation, because they are the only place where you can buy it. They also want to do it in fresh foods, fruit and meats etc etc. Because they can get high margin loyalty to these products you cannot buy anywhere else.

Disconnection

This is the tension, from the retailer perspective, I believe, they are in now. Which is, the industry construct is shifting this way. This construct can achieve great things with very limited assortments. That they can turn very fast and reinvest their savings of (inaudible) etc etc into pricing and keep the prices going down. The traditional retailers, mostly resellers, (inaudible) convenience formats. The big boxers, with large amounts of range, are complex and costly to manage. They are stuck in this area of less range and turning back to (inaudible), have better margins and putting prices where we wish to. We are not up to do that. We just don't have that, we have got big footprints with big ranges. You know, 30000 or 40000 feet or etc. And they are struggling with that, they are really struggling with that. As a retail strategic composition, which means they are pushing that down to the suppliers. They try to do something (inaudible) they can do. So to give you another example, Asda in the UK has just started taking out space and range of grocery products etc etc. But installing (inaudible) and cafes. Tesco has just done a deal with a big restaurant/cafe chain in the UK. Where they gone put (inaudible) in Tesco stores. Skip all of the products and put these cafes into their shops. What they are seeing is I got too much space, which is inefficient and costs me too much and I can't compete with discounters. What else can I do? I could offer services, I could offer cafes, I could offer drycleaner. And then they (inaudible) into a sort of discounter within a big shop. If that makes sense. So I am going into a 80000 square foot (inaudible) and buying this amount of discounter range of groceries. And also of those clothing and electricals. These retailers, that is their strategic dilemma. They are carrying a cost range, but they want to operate like a discounter. They want to operate with the same prices as the discounter. And all that pressure they are putting to the supplier. They are doing it, e.g. Unilever, and saying: "I don't want to operate at that range and I want the prices they are selling out." And the supplier will be saying: "You can't. You are not that model." And that is where this is. One of the tensions they are in.

Is that also because, products in general are becoming a lot better at quality and now people are still massively going for the lowest price? Instead of choosing better quality for better price and therefore choosing the best retailer. Therefore the best retailers want to give the best experience but also want to give the best price to attract people.

Dr. Leach: (inaudible) I think the UK, in terms of development compared with the world, is earlier with own brand and more developed with own brands. Trying to do that type of thing. Which is, with our own brand, we can offer you fantastic quality at a great price. The challenge for them is that it costs a lot of money to do. Because they have to invest in development. It is quite a costly exercise to develop a product in that way. It takes a lot of money and time to do it. Which is one thing. Which again, the discounters don't do, they don't have that problem. So they don't do that. The other challenge is, what is happening, I think, again if you look at the consumer shopping landscape. Shoppers are quite savvy with stores or categories which they prepare to invest money in like that. I really want the best experience right here and I am not paying off. At which party they are savvy about, does not really make a difference. If they chose A, B, or C, they are all the same. I just buy that. So the edge of the retailers being able to just put a badge on things and calling it the best of this or the finest of that, or whatever. I don't think that is there anymore, shoppers are really savvy about this. And I am not prepared to invest in categories like that. Some categories they just don't care. You know, after working in this area and very different categories and retailers and suppliers. You know there are certain categories, they come in the store for. They want to go in and out of a store quickly. They just want to buy their things quickly and they are not interested in browsing or in (inaudible). Despite, whatever you will do as a supplier or retailer. And some categories are interesting. They are prepared to invest time. You know, classically in a supermarket, a category like wine is one of those categories. That is an interesting category and I am willing to spend more. Or fresh foods are like that. But a lot of categories are not. For example, soft drinks. (inaudible) Get me in, get me out. And give me a great price and I just don't care. You know, you can show me anything and I am not bothered.

M: Yeah, because it is almost the exact same product as any other store.

Dr. Leach: You can buy it anywhere. If I really wanted to, I could go and buy it at the discounter in a big bag and put it in the boot of my car. Just put it in the garage or something.

M: Because you can't really explain why it is more expensive there.

Dr. Leach: No, there is such a visibility of pricing now. They know what things cost. So even, I don't know how it is in the Netherlands right now. But in the UK, where they are looking at convenience channels. Shoppers are more obviously in convenience channels. Where a lot, especially in the last year, because of working at home etc etc, they are used to be, to some extent, the retailers (inaudible) price much higher in convenience channels and they, well you are paying for the convenience. You know, your (inaudible) bottle of Coke costs you 75p cents in retail gonna cost you a euro in the convenience channel. And (inaudible) that disappeared, because shoppers are like: "Why would I pay anymore for it? How does that work?" So they are losing that as well, you know, shoppers are just

more knowledgeable. And through the visibility of the internet (inaudible). So all those things are adding up to make their lives harder and harder. The default for the retailer in this context is just to go to the supplier. Because it is (inaudible), quick win. I need money, however you want to breathe it up. Investment, margin, motion funds. You are the sorter of the money, the supplier. And that is the debate, and that is the half of a conflict delisting, which is one of their leavers. Well, if you don't, I will (inaudible) this product out.

Have you ever experienced a conflict delisting, where it was the other way around. So where the supplier was: Ok, I'm not going to deliver any products to you any more?

Dr. Leach: Firstly no, but there was one case in the UK which was quite famous in the industry. About 5 years ago. It was a brand of potato chips or kettle chips. Which is still around. I think they are owned by Pepsi now, but they were not at the time. And they are a premium, handcrafted, potato chips. So they were quite a premium price. And they were sold in specialist shops, e.g. delicacies channel and such places. They were very careful about how they sold the product. (inaudible) premium. And Tesco does this a lot. I am sure all of the retailers do, but I was involved with Tesco. Tesco did a lot of search on what they call the grey market. I don't know if you came across this. Tesco (inaudible) in the UK and they were (inaudible) about buying Coke from the bottler in the UK. But then they discover that they could go to a continent, a different bottler. For example, in Hungary or something. And get the same Coca Cola, but at cheaper prices. So they just do that, because they can. So, that is one example of a grey market. So what Tesco did, they saw these kettle chips and thought, those are really interesting. And at this time, they were pretty new and premium. We want to have some of these. And they started buying them from wholesalers and they were buying products somewhere and putting them on their shelves. But (inaudible) to stop selling their products. And they made a big PR about this. And they did, Tesco did at this time. But this is the only one I can think of, where it was done the other way. What is, where they did remove their products from sale. The vast majority of brands would not do that. Unless..., I cannot think of any example where they would do it. At least in a grocery context.

S: Okay, I don't have any more questions. I don't know if Tim does have any more questions?

T: No, all questions are answered actually.

M: Yes, it was really interesting, because you have a lot of experience in the field.

Small talk...