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Master Thesis

- Mapping the underlying Drivers of  
Nowism as a Consumer Trend, and its  
Impact on Customer Satisfaction and  
Customer Loyalty -

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Sandra Dahl

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Kristine Nygaard Thowsen

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## Executive Summary

Every now and then, a powerful consumer trend surfaces, leaving companies no other choice but to familiarize with the trend and its implications, and adapt to it. Since first introduced as a consumer trend in 2009, *nowism* has received growing attention as a trend that deserves recognition, yet no empirical research has been conducted on this subject. This leaves managers with no information or guidelines on how to handle this influential consumer trend. Our main goal with this dissertation is to rectify this situation

We employ a combination of qualitative and quantitative methods, where our objective is to explore the construct of nowism, identify its underlying drivers, and uncover its impact on customer satisfaction and loyalty. We hypothesize that positive life orientation; impulsive behavior; extraversion; and individualism, all influence nowism positively. Moreover, we hypothesize that these relationships are moderated by discretionary income and free time. Further, we employ a segmentation technique based on life cycle, and hypothesize that the *young, free and simple* segment is more likely to have a high degree of nowism compared to the segments *chaos in my life* and *got my life back*. Lastly, we hypothesize that nowism will have a negative effect on customer satisfaction and customer loyalty. The Norwegian markets of grocery chains and mobile subscriptions are set as contexts when assessing customer satisfaction and loyalty.

Data was collected using a combination of convenience and snowball sampling, yielding a final sample of 378. Our proposed models are tested by employing analysis of variance (ANOVA) and regression analyses, and further replicated by using partial least squares (PLS). The results reveal that positive life orientation; impulsive behavior; extraversion; and individualism all have a positive impact on nowism. However, we found no moderating effects from discretionary income and free time. Further, our research reveals that young independent individuals are most likely to adhere to nowism. Lastly, we found no significant effects of nowism on customer satisfaction and loyalty. Overall, our findings will help managers gain a deeper understanding of nowism, and enable them to exploit business opportunities related to the trend. This may in turn lead to competitive advantages and economic prospering.

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## **1.0 Introduction**

In the hypercompetitive environment of contemporary business operations, it is crucial to understand and adapt to the trends impacting the marketplace in order to ensure future competitiveness. Nowism is a consumer trend deemed to have a substantial impact on everything from corporate culture to customer relationships to product innovation to tactical campaigns (Trendwatching 2009); thus, no companies can afford to ignore this trend.

### ***1.1 Background***

The most central concept of marketing, underlying the field's very existence, is that of human needs. When needs are shaped by culture and individual personality, they take the form of wants; when backed by buying power, these wants become demands (Kotler et al. 2013). However, customer needs, wants, and demands are not constant; they change with the times. Thus, understanding and anticipating customers' needs, wants, and demands is critical for any marketing company in order to provide the market with the right market offerings. Although the importance of customer focus in marketing functions has been widely recognized for several decades, there are several evolving trends in the market environment, such as the increase of market diversity and more demanding and well-informed consumers; this reinforces the need for an even more customer-centric approach (Shah et al. 2006).

Not only is customer centricity associated with rich rewards in the form of superior financial performance and loyal customers; it is also seen as a necessary condition for 21<sup>st</sup> century firms to succeed in the marketplace (Shah et al. 2006). However, as Shah et al. (2006) also point out, fully aligning to the customer-centric approach, including meeting individual customer needs and placing the customer's interest first, is something many companies still are struggling with. The stunning high failure rates for new products of 40-90 %, evidences that there is a severe mismatch between what innovators believe the consumers want, and what the consumers truly desire (Gourville 2006). Not only does this disappointing success rate in commercializing innovations demonstrate companies' poor abilities of anticipating future consumer needs; it also

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emphasizes the need to capture emerging trends that will have an impact on consumers' lives (Andreassen, Calabretta and Olsen 2013). As traditional market research may not be sufficient in this respect, several researchers have called for and advocated alternative approaches, based on various social science techniques, in order to identify subtle, emerging changes in consumer needs and behaviors (Rosenthal and Capper 2006; Andreassen, Calabretta and Olsen 2013, Griffin 2013).

In line with the above, the technique of trend spotting has become an important marketing intelligence tool for identifying and tracking general tendencies in consumer interest and behavior (Du and Kamakura 2012). The independent trend spotting firm Trendwatching (2009) is one of the world leaders within this field, and has been monitoring the globe for consumer trends and related innovations since 2002.

Numerous trends have emerged and been reported by Trendwatching since they started taking the pulse of consumers worldwide, and in October 2009 they introduced *nowism* as a trend that has and will continue to have a profound impact on companies, their operations, and their relationships with customers (Trendwatching 2009). Defined as “consumers’ ingrained lust for gratification”, *nowism* is expected to force brands and companies into mirroring and joining the ‘now’ (Trendwatching 2009). In 2012, Andreassen, Calabretta and Olsen put further emphasis on *nowism* as a trend that will impact the way people live their lives. However, no empirical research has been conducted to further map *nowism* and its concrete implications for the marketing and management field. This is what we aspire to do with this dissertation.

As *nowism* can be seen to reflect a certain group of consumers’ patterns of activities, interests and opinions; what they think is important and how they spend their time and money; it can be labeled a lifestyle (Foxall, Goldsmith and Brown 1998). However, as lifestyle is a quite complex entity, it is necessary to conceptualize the construct in order to get a clearer understanding of how it functions. More specifically, we need to understand the context of lifestyle and its antecedents and descendants. Foxall, Goldsmith and Brown (1998, 148) express lifestyle to be a variable reflecting self-concept, dependent on demographics and personality. While demographics pertain to the objective characteristics of an

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individual, personality is encompassed by psychographics (Schiffman, Kanuk and Hansen 2012). As demographic information is relatively cheap and easy to obtain, demographic characteristics is often used as the basis for market segmentation (Schiffman, Kanuk and Hansen 2012). Yet, psychographics have proven to reveal more powerful insight of contemporary complex markets, of which demographics seldom provide adequate perspectives (Barry and Weinstein 2009).

In accordance with the previous reasoning, we deem it appropriate and valuable to examine the relationship between personality and nowism. Thus, our first task would be to identify what aspects of personality are connected with nowism, why some people devote themselves to this lifestyle, and choose to be a *nowist*. (We use the terms *nowist* and *nowistic* onwards, when referring to respectively a person devoted to nowism, and behavior reflecting nowism.) However, in line with Foxall, Goldsmith and Brown (1998), we have chosen to also include demographical variables into the study, with the purpose of uncovering possible differences between three life-cycle consumer segments, with regards to their propensity of adhering to nowism.

Building further on this, lifestyle is in turn deemed to impact consumer behavior (Foxall, Goldsmith and Brown 1998, 148). As customer satisfaction is considered to be an outcome of consumer behavior, more precisely the consumer decision process (Khan 2006), these constructs can be seen as closely intertwined. Several researchers have advocated the importance of ensuring satisfaction within the customer base (Oliver 1980; Anderson and Sullivan 1993; Martin 2010; Oliver 2010). However, despite once being the ultimate goal of business, customer satisfaction has had to give way to its closely related construct of customer loyalty, which now is considered a more important pursuit (Oliver 2010). Previous literature provides rich information on customer satisfaction and loyalty, their precursors and implications; however, the impact of consumers leading the lifestyle of nowism on these two constructs is yet to be evaluated. Thus, this constitutes the final part of our research.

### ***1.2 Research Question***

Based on the introductory discussion above, the research questions for this dissertation are as follows:

1. *Which personality traits increase an individual's propensity to live in the now?*
2. *How will these personality traits affect the degree of nowism, and what are the effects of nowism on customer satisfaction and loyalty?*

Despite the acknowledgement of the importance of consumer trends, no empirical research has, to our knowledge, been conducted on the construct of nowism. We argue that this research will be the first to address the concept of nowism with regards to its antecedents and its impact on customer satisfaction and loyalty, and as such we will fill a gap in the current body of literature on consumer trends in the marketplace.

Even though nowism is assumed to have a substantial impact on companies' operations, the concept is still quite uncharted, and thus a topic worthy of deeper investigation. The purpose of this master thesis is therefore to explore and clarify the concept of nowism and its surrounding elements, with the objective of being able to place nowism into a larger context. More specifically, we investigate the potential effect of personality traits on nowism in order to get a clearer picture of how nowism is formed, and further examine possible effects of nowism on customer satisfaction and loyalty. Besides being a theoretical contribution, this paper is also of interest for marketing managers, as we provide important insight on the growing base of consumers living the lifestyle of nowism.

This paper is organized as follows: after this introductory part, we present a literature review pertaining the most central aspects of our research, which is followed up by an exploratory research. Subsequently, hypotheses are outlined, leading to a conceptualization of the research models. Further, the empirical method, data analysis and results are presented. Finally, managerial implications, limitations, and directions for further research are discussed.

## 2.0 Literature Review

In the following section we will present selected literature that has served as a foundation for our research. Further, this will give some explanation of the background of our research questions.

### 2.1 *Nowism*

#### 2.1.1 *Precursors of Nowism*

Regardless of context or perspective, the term *nowism* has only recently been included in the literary discourse. We therefore found it necessary to dig a bit deeper in the literature to understand what might have laid the foundation for nowism.

##### 2.1.1.1 *Present Temporal Perspective*

During a trip to Trinidad, initially to study humor, James M. Jones grew an interest in the concept of time; “Time was reckoned more by behavior than the clock”, Jones concluded (1994, 392). The author further claims that his stay in Trinidad taught him that time judgment is one of the major cultural determinants of behavior. Jones gives his interpretation of time as a psychological construct that provides meaning for cognitive and affective aspects of experience, as well as a significant influence on human behavior. In order to understand the individual and group differences in temporality, Jones emphasizes the need to understand the concept of *temporal perspective*. He defines this as “the ways in which one represents, organizes, and reacts to the past, present, and future” (1994, 395). Jones also presents some of the contribution from other studies on the topic and cites the work of Lewin (1947), stating that temporal perspective can be described as “...the totality of the individual’s views of his psychological future and his psychological past existing at a given time” (1994, 395). Further, he elaborates on Lewin’s definition, suggesting that temporal perspective can be regarded as influencing behavior at any moment in time. To add a more contemporary view on the concept, Jones provides a definition by Nuttin (1985) who states that time perspective is “(...) the temporal zone to which [a person’s] mental view virtually extends itself when considering the objects and conscious determinants of behavior” (1994, 395).

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After his summary on temporal perspective, Jones (1994) clarifies that there are two important considerations to keep in mind when it comes to the understanding and analytical utilization of the concept. First, temporal perspective consists of the *past*, *present*, and *future*. Second, these three areas relate to different characteristics that can be assessed. According to Jones (1994), the present is somewhat different from the future and the past, in that it is conceived more in personal terms. Yet, he points out that the boundaries of what is perceived as the present often varies across different individuals and groups; for some the present can be as short as a moment of consciousness, for others it can constitute a longer period in one's life. Jones (1994) further claims that the present is mainly influenced by affective experiences, whereas the future, for instance, is more susceptible to the influence of cognitive experiences. As the reader will discover later on in this paper, Jones' (1994) descriptions of the present temporal perspective bears some similarities to nowism, in that individuals with a present temporal orientation might be seen as the same individuals driven by nowism.

#### *2.1.1.2 The Present-Hedonistic Time Perspective*

Zimbardo and Boyd (1999) elaborate on the similar term *time perspective* and claim that this is used in forming expectations, goals, contingencies, and imaginative scenarios. The authors further argue that time perspective is a situational determined and relatively stable individual-differences process that exert a dynamic influence on many important judgments, decisions and actions. With the use of an exploratory factor analysis where respondents are measured according to the Zimbardo Time Perspective Inventory (ZTPI) scale, the authors classified the respondents into one of five ZTPI factors; 'Past-Negative', 'Present-Hedonistic', 'Future', 'Past-Positive', and 'Present-Fatalistic'. As will become apparent further on in this paper, the 'Present-Hedonistic' factor bears resemblance to nowism as it reflects a "hedonistic, risk-taking, "devil may care" attitude toward time and life" and "suggests an orientation toward present pleasure with little concern for future consequences" (Zimbardo and Boyd 1999, 1275).

#### *2.1.2 Perspectives and Definitions of Nowism*

In the last few years, several authors have described and defined the term *nowism*, each from a specific perspective. The term was included in Urban Dictionary as early as in 2007, in which it is defined as "a life style as well as [an] outlook on life." Technology futurist and serial entrepreneur Nova Spivack (2009a) goes a bit

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further in his explanation of the term, and refers to nowism as both a movement, a trend, and a self-emerging philosophy (2009b). He defines nowism as “the philosophy that the span of experience called “now” is fundamental”. Later in that same year, the independent trend spotting firm Trendwatching (2009) describes nowism as a consumer trend that has, and will continue to have a substantial impact in areas like corporate culture, customer relationships, product innovation, and tactical campaigns. Here, nowism is defined as “consumers’ ingrained lust for instant gratification [that] is being satisfied by a host of novel, important (offline and online) real-time products, services and experiences” (Trendwatching 2009). Kat Dawes, creator of the global transnational movement “NOWism”, gives a more esoteric explanation of the term (2013a,b). She claims that most people contaminate the present with thoughts and beliefs that hold them back, and that by learning and practicing the process of nowism they can instead become the right condition for their dreams to manifest into their reality.

### *2.1.3 Applied Perspective*

As our master thesis deals with how nowism affects different consumer responses, we find the approach of Trendwatching (2009) most appropriate, and we therefore chose to apply this perspective to our research. We will consequently refer to Trendwatching’s definition when speaking of nowism onwards.

### *2.1.4 The Triggers of Nowism*

Trendwatching (2009) emphasizes that the *need* for instant gratification is not new; rather *the ways to fulfill this need* are. In fact, they suggest that instant gratification always has been a source of temptation for humans, making it more of a trend that has been dormant within the consumer mind, and which in the recent past has begun to flourish due to the accommodation of the current consumer societies. More specifically, they point to three factors, or aspects of contemporary western lifestyle, that have facilitated and triggered nowism as a consumer trend:

#### *2.1.4.1 Abundance*

One of the hallmarks of today’s western society is the abundance of physical goods. This has resulted in a reduced need for a non-stop securing of the basics, but also a reduced status derived from owning physical products. Trendwatching (2009) points out that physical goods might even be associated with boredom,

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hassle, and eco-unfriendliness, and that they seize a too large part of consumers' budgets. As a result, consumption of the experience has become the new source of thrill in consumers' everyday lives.

#### *2.1.4.2 Experience*

The importance of experience is related to consumers' need and tendency of living in the now rather than in the future, and their lust to collect as many experiences, and stories, as soon as possible (Trendwatching 2009). This desire to gather as many experiences as possible in the shortest possible time is highly addictive; consumers are therefore turning toward products and services that deliver real experiences. Trendwatching (2009) further exemplify this aspect by pointing to the increase in travels; once being a luxury, travel is now more of a basic consumer need. This way of living in the now is all about detachment; it is seen as a chance to escape commitment and obligations, lower the formality, and trying new things; always with the underlying objective of collecting as many experiences as possible.

#### *2.1.4.3 Online*

The still rapidly expanding online world is seen as a facilitator of nowism, making instant gratification easier to obtain. Trendwatching (2009) goes as far as to equate "digital" with "instant", pointing out that if something digital/online is too boring, too slow, or somehow fails to satisfy the needs of the consumer, a substitute is only a couple of clicks away. The emergence of this online world of opportunities is setting the consumers' mindsets for the "real world" as well, thus constituting an adjustment of consumer attitudes and behavior in general.

### ***2.2 Personality Traits and Consumer Behavior***

One of the classic debates within the field of psychology concerns the stability of personality, and whether stable behavioral dispositions, i.e. traits, really exist (Epstein 1979). McCrae and John (1992, 1999) describe trait theory as "a view of the world that sees the essence of human nature in individual differences". Pervin (1994) gave a critical analysis of the concept of traits as the basic structure of personality, and argued that the evidence for this so-called trait theory was less supportive and convincing than suggested by its advocates. Yet, a vast array of theorists has, and continues to, uphold the theory that personality is a function of certain traits (Ajzen and Fishbein 1980; Buss 1989; Goldberg 1993; McCrae and

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Costa 1997; Costa, Terracciano and McCrae 2001; McCrae and Terracciano 2005).

Within the field of trait theory, a growing body of research has led to the consensus on a taxonomy of five broad domains or dimensions of personality; neuroticism; extraversion; openness; agreeableness; and conscientiousness, referred to as the five-factor model of personality (McCrae and Costa 1987). Allegedly, this five-factor model summarizes what psychologists mean by the term “personality” (McCrae and Costa 2008).

Further, personality, and more specifically personality traits, is commonly used to explain behavior; a practice referred to as dispositional explanations of behavior (Ajzen 2005; Vanderbeeken and Weber 2002). Ajzen (2005) also points to the concept of attitudes being a widely used explanation for human behavior among social psychologists. Foxall, Goldsmith and Brown (1998) argue that personality affects lifestyle, which in turn has an influence on consumer behavior. Bem and Funder (1978) emphasize the importance of situation in predicting human behavior, claiming that behavior is a function of both the person and the situation; hence their use of context variables as moderators when testing this relationship in three classical experiments.

### ***2.3 Customer Satisfaction and Customer Loyalty***

Emphasizing the universal importance of customer satisfaction, Oliver (2010) refers to the satisfaction of one’s needs, wants, and desires as a common human quest. Churchill Jr. and Suprenant (1982) claim that consumers compare both rewards and costs of a purchase, and argue that satisfaction functions as an outcome of the purchase. Further, according to Anderson, Fornell and Lehmann (1994), customers require experience with a product to determine how satisfied they are with it. Research also points to satisfaction being a function of expectation and expectation disconfirmation, and further, that satisfaction positively impacts a customer’s purchase intentions (Oliver 1980; Anderson and Sullivan 1993). Kotler and Keller (2012b, 150) also link satisfaction to expectation and describe satisfaction as “ a person’s feelings of pleasure or disappointment that result from comparing a product’s perceived performance (or outcome) to expectations”.

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The results of a field study by Oliver (1980), points to the following linear relationship between post purchase events: satisfaction → attitude → intention. In other words; a customer that is satisfied with his or her purchase is more likely to form a positive attitude toward the chosen product or brand, which in turn will lead to a stronger intention of repurchasing that particular brand or product.

Further, Anderson and Sullivan (1993) found that quality that fails to meet a customer's expectations, so-called negative disconfirmation, has a greater impact on satisfaction and repurchase intentions than do quality that exceeds expectations. This is consistent with the prospect theory of Kahneman and Tversky (1979), which promotes that losses loom larger than gains. On the further importance of customer satisfaction, Martin (2010) advocates the shift to an era of customer-driven capitalism with the argument that maximizing customer satisfaction creates shareholder value.

On the link between customer satisfaction and customer loyalty, Oliver (1999) concludes that satisfaction is a necessary step in loyalty formation, yet he emphasizes that satisfaction not necessarily translates into loyalty. Homburg and Giering (2001) also draw a link between satisfaction and loyalty. More specifically, they point to how customer satisfaction is typically seen as an immediate antecedent of customer loyalty, and that customer loyalty, in turn, is expected to provide increased shareholder value and asset efficiency.

However, it is important to point out that loyalty is no guarantee that the customers are satisfied. For instance, a dissatisfied customer might stay with the company, thus appearing to be loyal, because he or she does not see any other alternatives (Hirschmann 1970). In his book "Exit, Voice and Loyalty", Hirschmann (1970) elaborates on this link between satisfaction and loyalty, and makes the claim that in situations where the customers have low switching barriers and there are real alternatives, a company failing in maintaining customer satisfaction will most likely discover this through the customers' voice or exit. The voice option is explained as the customers of a firm or members of an organization expressing their dissatisfaction directly to the management or to other authorities. The exit option implies that customers stop buying the firm's products or members leaving an organization.

Dick and Basu (1994, 99) view customer loyalty as "the strength of the

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relationship between an individual's relative attitude and repeat patronage". They further see this relationship as mediated by social norms and situational factors, and identify cognitive, affective, and conative antecedents of relative attitude to contribute to loyalty, in addition to motivational, perceptual and behavioral consequences. On the basis of this, they identify four conditions of loyalty; Loyalty and Latent Loyalty both entail a high relative attitude, with the former implying high repeat patronage, and the latter low repeat patronage; Spurious Loyalty and No Loyalty involves a low relative attitude; the former denoting high repeat patronage, the latter a low repeat patronage (Dick and Basu 1994). Rowley (2005) builds further on the classification of Dick and Basu (1994) and proposes the four C's of customer loyalty, referring to captive, contended, convenience-seeker, and committed. According to Andreassen and Lindestad (1998, 12), customer loyalty "expresses an intended behavior related to the service or the company". The authors stress that this behavior includes the likelihood of renewal of service contracts, the likelihood of the customer changing patronage and the likelihood of customers providing voice in general or positive word-of-mouth.

#### ***2.4 Market Segmentation***

Dickson and Ginter (1987) employ a definition of market segmentation that emphasizes that market demand can be disaggregated into segments with distinct demand functions, due to the existence of heterogeneity in demand functions. Thus, the practice of marketing segmentation involves dividing a market into well-defined slices, i.e. market segments, consisting of consumers who share a similar set of needs and wants (Kotler and Keller 2012a). Andreassen, Calabretta and Olsen (2013) adopt a segmentation method based on family lifecycle logic, arguing that people facing diverse stages in life also differ in characteristics, behaviors and consumption habits. With the application of this rationality, the authors identify three segments: 'Young, Free and Simple'; 'Chaos In My Life'; and 'Got My Life Back' (Andreassen, Calabretta and Olsen 2013, 24-25). The first segment, 'Young Free and Simple' comprises young individuals from 20 to 30 years of age, working or studying, living on their own or with a partner, without kids. 'Chaos In My Life' includes young adults 30 to 45 years old, with children under their care. Lastly, the 'Got My Life Back' segment covers adults 50 to 70 years of age that are still active in work life, but whose kids are out of the nest.

### **3.0 Exploratory Research**

Our research consists of two studies. Study 1 comprises exploratory research using qualitative techniques in order to identify the personality traits impacting nowism. This study was conducted in two phases. First, we carried out a focus group interview to better understand the unexplored field of nowism. In the successive phase we conducted in-depth interviews, building on the previous findings, to further tap into nowism and the personality traits assumed to be related to the construct. Study 2, which we will return to later in this paper, builds further on the findings from study 1 by taking a quantitative approach to data analysis, with a descriptive design. In the following we will go through the exploratory research of study 1, and explain the steps of our qualitative data collection and analysis.

#### ***3.1 Exploratory Rationale***

As Nowism is a relatively newly discovered consumer trend, first coined in this respect by Trendwatching in 2009, it has not yet been the subject to empirical research and thus remains a somewhat vague and abstract construct. We therefore decided to conduct exploratory research in order to provide first level insights and understanding of the subject (Malhotra 2010). We chose to first conduct a focus group interview. Subsequently, we built further upon the findings obtained from the focus group, and used these to develop and tailor an interview guide for use in personal in-depth interviews.

#### ***3.2 Focus Group Interview***

The purpose of the focus group interview was to tap into the very concept of nowism and the surrounding landscape of terms and definitions. Further, we sought to uncover the cognitions, emotions and attitudes toward these. Finally, our ultimate goal was to identify the drivers of nowism.

##### ***3.2.1 Operationalization of interview guide items***

We developed an interview guide, which would serve as an aid in a semi-structured interview. (*See Appendices 1 and 2 for complete focus group interview guide*). In line with Krueger (1998), the interview guide consisted of five categories of questions – opening questions, introductory questions, transition

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questions, key questions and ending questions – each type of question serving a distinct purpose.

The opening questions were basic and uncomplicated questions about the participants' interests and hobbies with the purpose of making the participants feel comfortable with each other and the setting. Introductory questions introduced the topic of nowism by allowing participants to reflect around the meaning of expressions such as “living in the now” and “instant gratification”. In order to make a connection between the participants and the topic of interest, transition questions were designed to make participants reflect around their feelings and attitudes toward instant gratification and living in the now, as well as their personal relationship to these constructs.

Next were the key questions. These are the most important questions, and represented the essence of this part of our research: personality traits as drivers of nowism. The key questions concerned whether living in the now is important; and if so, *why* this is important; why certain individuals are particularly committed to living in the now and what characterizes these individuals, and the consequences of living in the now. We also included a question on whether adolescents should finish school and get an education before devoting time to enjoy life. The reason for this is our notion that adolescents of today, to a much greater extent than previously, tend to postpone aspects like education in order to travel and gain experiences. Thus, by having participants reflect on this question, we sought to further reveal what makes certain people focus so much on experiencing and gaining instant pleasure and enjoyment; i.e. what are the drivers of nowism. Lastly, the ending question simply asked whether the participants wanted to add any final thoughts, and as such wrapped up the interview.

### *3.2.2 Sample*

Due to time limitations, we could only conduct one focus group interview. We therefore chose to recruit individuals from the ‘Young Free and Simple’ segment as we assumed this to be the most susceptible to the philosophy of nowism. This assumption was emphasized by Andreassen, Calabretta and Olsen’s description of the segment as consisting of individuals that “strive for maximizing the quantity of experiences per unit of time” (2013, 25). The focus group consisted of graduate students from two different master programs at BI Norwegian Business School in

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Oslo, who were primarily elected by convenience sampling. Six individuals agreed to participate, and were signed up to the focus group interview. However, one person was inhibited from participating due to illness, and we therefore carried out the focus group with five participants.

Since we were only conducting one focus group, and all of our participants belonged to the same segment, we wanted to ensure some degree of diversification within the group to avoid any bias or skewness in the responses. We therefore recruited an equal amount of men and women with a certain variance in age, and from different parts of Norway. The five participants we finally ended up with were three women, 23, 26 and 30 years of age, and two men, 24 and 25 years of age. The participants originated from different parts of Norway: from the capital of Oslo, to Kristiansand in the south and Ålesund in the west.

### *3.2.3 Data Collection*

The focus group was carried out on the 6<sup>th</sup> of March 2013 in an appropriate sized AV-room at the library premises of BI Norwegian Business School in Oslo. Upon entering the room, all participants were offered snacks and beverages, and encouraged to chat with each other in order to create a comfortable environment and set an informal mood. A few minutes later they were seated around a large table and shortly briefed on the conduct of the focus group interview. The entire session lasted approximately one hour, and was audiotaped onto two different units placed in the room, which the participants were made aware of once the session started.

### *3.2.4 Reliability and Validity*

Morse et al. (2002) argue that reliability and validity are concepts that should not be reserved for quantitative research but that they are appropriate concepts also when conducting qualitative research in order to attain rigor. The authors point to several verification strategies that ensure reliability and validity by forcing the researcher(s) to correct both the direction of the analysis and the development of the study as necessary (2002, 17). We therefore implemented as many of these strategies as possible in our qualitative research in order to ensure reliability and

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validity. The steps that are mentioned here were also applied to the second phase of our exploratory research, the in-depth interviews.

The first strategy is the overarching activity of *investigator responsiveness*, which refers to the creativity, sensitivity, and flexibility skills of the researcher. According to Morse et al. (2002) the lack of such is the greatest threat to validity. This strategy was implemented throughout our qualitative research by ensuring a dynamic process, where the initial phase of our study laid the foundation for the subsequent phase; the input from the focus group interview aided us in the formulation of a more tailored interview guide for the in depth interviews. In addition, we constantly moved back and fourth between the transcriptions from both studies in the analysis process, making our research iterative rather than linear (Morse et al. 2002).

Within the conduct of inquiry there are five verification strategies, where the first, the aim of *methodological coherence*, relates to the certification of congruence between the research question and the components of the method. This was met by making separate research questions for the qualitative and quantitative research methods. Next is the verification strategy that the *sample must be appropriate*, meaning the recruitment of participants who best represent or have knowledge of the research topic to ensure efficient and effective saturation of categories (Morse et al. 2002). Due to the very nature of nowism we assumed the segment ‘Young Free and Simple’ to be the most appropriate for the focus group interview as we reckoned the aspects of nowism to be more prominent within this segment. To further ensure sampling adequacy it is essential to obtain sufficient data to account for all aspects of the phenomenon (Morse et al. 2002). We achieved this by recruiting in-depth interview subjects from all three segments, with both genders being represented in each segment. The third strategy, *collecting and analyzing data concurrently*, is according to Morse et al. the essence of attaining reliability and validity (2002). This was obtained by our iterative interaction between the focus group interview and the in-depth interviews; due to the way the first phase laid the foundation for the second, and the constant going back and fourth between transcriptions from the two phases, trying to uncover patterns of information. This aspect is closely connected to the fourth strategy of *thinking theoretically*, meaning that ideas emerging from data are reconfirmed in new data (Morse et al. 2002), which in our case was reflected in how the findings obtained

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in the focus group interview was supported by the findings from the subsequently conducted in-depth interviews. The last verification strategy is the aspect of *theory development*, in which theory is developed through two mechanisms: (1) as an outcome of the research process, rather than being adapted as a framework to move the analysis along; and (2) as a template for comparison and further development of the theory (Morse et al. 2002, 18-19). This was implemented in our research by the developing of our first theories on the basis of the findings from our focus group and in-depth interviews, i.e. the drivers of nowism, which in turn served as a guideline for study 2.

### 3.2.5 Findings

Once the focus group was conducted, we started the process of transcribing the audio recordings. The main purpose of this task was to discover any cognitions, emotions or attitudes that to a large extent were shared within the group and which therefore could guide us in establishing a framework of nowism. On the question pertaining to the characteristics of people committed to living in the now, five personality traits stood out by being recurrently mentioned. These were *social, willingness to take risk, impulsiveness, having a zest for life, and energetic*.

In addition, another salient finding was the focus on time and money. For instance, when the respondents were asked what could give them instant gratification in their everyday lives, some of the answers were:

*“Instant gratification to me is quality time with my boyfriend”*. (Female, 30)

*“...when I get money and buy myself something I want”*. (Female, 26)

*“To be able to use the credit card, to be able to pay large sums. Suddenly to pay for a travel, knowing you have capacity to do so”*. (Female, 30)

*“On a daily basis it is to be on schedule with everything I have to do and be able to have a little time to spare”*. (Female, 23)

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Further, one of the participants made the following reflection around what must be in place before a person can claim to be living in the now;

*”(One) must probably have certain needs covered before one can allow oneself to live in the now, especially economic (needs), and time”.* (Male, 25)

### ***3.3 In-depth Interviews***

In the subsequent phase of study 1, we conducted several semi-structured in-depth interviews, building further on the findings obtained from our focus group interview.

#### *3.3.1 Operationalization and modification of interview guide items*

The in-depth interviews were carried out on the basis of the same interview guide as was used in the focus group interview. However, some modifications were made in that we added certain questions to be able to go deeper into the areas of most interest. *(See Appendices 3 and 4 for complete in-depth interview guide.)*

Within the transition questions, we added a question on the influence of friends and family; which activities that must be planned and which can be taken on the fly; when or in what situations one experiences instant gratification; in what situations it is possible or not possible to live in the now; and how to combine planning with living in the now. Most importantly, within the key questions we added several probing questions on characteristics and personality traits related to nowism; which factors will trigger instant gratification; how personality affects the living in the now; whether some individuals are more predisposed; whether some personality traits are more related to instant gratification; and what attitudes were held towards living in the now. We also added a follow-up question about time and money to check whether the in-depth interview subjects also perceived these aspects as facilitating the nowism lifestyle.

#### *3.3.2 Sample and Data Collection*

We conducted six interviews with two respondents from each segment; “Young Free and Simple” (N=2), “Chaos in My Life” (N=2) and “Got My Life Back”

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(N=2). In order to ensure heterogeneity and avoid response bias, both genders were represented in each segment. Each interview lasted approximately 30 minutes and all were audiotaped.

### 3.3.3 Findings

We transcribed the audio recordings from the six interviews in order to uncover any additional characteristics and to further map nowism. The five characteristics already mentioned in the focus group interview (*social, willingness to take risk, impulsiveness, having a zest for life, and energetic*) recurred in the interviews, which strengthened our belief that these in fact were characteristics of nowists, i.e. individuals dedicated to living in the now. In particular, four out of six interview subjects pointed to *impulsiveness* being an essential characteristic. In addition, the following new characteristics emerged: *spontaneity, taking decisions on the fly, being open to new ideas, individualism, being extrovert, having a positive attitude/being optimistic, impatience/restlessness and not being influenced by others*.

In addition, *being young*, was mentioned several times with regards to the questions pertaining the characteristics of a typical nowist:

*“I would argue that they, in general, are young...”* (Male, 27, Young Free and Simple)

*“Younger people perhaps. Not established people. It has something to do with convenience. I think it’s easier to live in the present then”.* (Female, 30, Chaos In My Life)

*“They are young, but that’s wrong also. You’ve got lots of old people who are really good at living in the moment too. They are young or pensioners”.* (Male, 32, Chaos In My Life)

On the question whether the notion of having to save money and getting an education before starting to enjoy life still prevailed, one respondent answered:

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*“(…) Young people have better economy, young people are more independent today than they were when I was young. It’s renowned that one travels around, one gets more money from home also, perhaps.”*

(Female, 53, Got My Life Back)

### ***3.4 Development of Nowism Drivers***

The findings from both the focus group and in-depth interviews formed a basis for the identification of the drivers of nowism. All the characteristics mentioned in these two consecutive phases were written down on two sheets of paper. We then categorized the characteristics into groups, and did so individually to avoid any influence on each other. The exercise resulted in the emergence of four overarching constructs. Being *social*, *extrovert* and *energetic* were collectively found as expressing ‘Extraversion’; having *zest for life* and having a *positive attitude/being optimistic* conveyed having a ‘Positive Life Orientation’; being *individualistic* and *not being influenced by others* represented ‘Individualism’; and finally, *spontaneity*, *impulsiveness*, *impatience/restlessness*, *willingness to take risks*, *taking decisions on the fly* and *being open to new ideas* were all seen as accounting for ‘Impulsive Behavior’. Consequently, these four constructs are assumed to be drivers of nowism.

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## 4.0 Hypotheses

### *4.1 Differences within the Personality Traits*

Our first four hypotheses concern personal characteristics and nowism. As mentioned previously, several characteristics or personality traits recurred during the exploratory part of our study, which, when classified, resulted in the emergence of four constructs; ‘Positive Life Orientation’; ‘Impulsive Behavior’; ‘Extraversion’; and ‘Individualism’. These were all mentioned in the context of what constitutes a “nowist”; as personal characteristics associated with living in the now and individuals craving instant gratification; or in relation to what makes some individuals more predisposed than others to live in the now. Consequently, as each personality trait was considered to be positively associated with nowism, they were regarded as drivers of nowism. Based on our exploratory research, we postulate that there are differences between the groups scoring high and the groups scoring low on these four personality traits. We therefore put forward the following four hypotheses:

*H1: Individuals found to be high on Positive Life Orientation will exhibit a higher degree of nowism compared to individuals found to be low on Positive Life Orientation.*

*H2: Individuals found to be high on Impulsive Behavior will exhibit a higher degree of nowism compared to individuals found to be low on Impulsive Behavior.*

*H3: Individuals found to be high on Extraversion will exhibit a higher degree of nowism compared to individuals found to be low on Extraversion.*

*H4: Individuals found to be high on Individualism will exhibit a higher degree of nowism compared to individuals found to be low on Individualism.*

#### ***4.2 Differences across Segments***

As previously discussed, we deemed the ‘Young Free and Simple’ segment to be the most prone to adhere to nowism. This is in line with the findings of Andreassen, Calabretta and Olsen (2013, 25), which indicate that the individuals in this segment “strive for maximizing the quantity of experiences per time”. Further, as the label implies, the individuals comprised in this segment have fewer commitments than the ‘Chaos In My Life’ segment. And, despite the fact that individuals in ‘Got My Life Back’ may have the same degree of freedom as ‘Young Free and Simple’ individuals, we believe that this segment is somewhat prevented from living in the now due to various factors such as age, health issues and lower technology acceptance (Porter and Donthu 2006) that might serve as barriers to living this type of lifestyle. Our qualitative research also pointed to ‘Young Free and Simple’ as being the segment most likely to adhere to nowism. Thus, our fifth hypothesis is formulated as follows:

*H5: Individuals belonging to the Young Free and Simple segment will exhibit a higher degree of nowism compared to individuals in the segments Chaos In My Life and Got My Life Back.*

#### ***4.3 Personality Traits as Drivers of Nowism***

Building further on hypotheses 1 through 4, in which we proposed the existence of differences in means of nowism between groups high and low on ‘Positive Life Orientation’, ‘Impulsive Behavior’, ‘Extraversion’, and ‘Individualism’, we also consider it likely that these four personality traits will impact the degree of nowism. More specifically, we propose that the personality traits serve as drivers of nowism, in that they lead to an increase in nowism. Hence, we put forward the following hypothesis:

*H6: Nowism is positively affected by; a) Positive Life Orientation; b) Impulsive Behavior; c) Extraversion; and d) Individualism.*

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#### ***4.4 The Moderating Effects of Discretionary Income and Perceived Free Time***

As mentioned earlier, one of the prominent aspects of our exploratory research was the recurring mentions of time and money as necessary factors of nowism, i.e. that time and monetary needs must be fulfilled in order for an individual to be able to live in the now.

On the significance of money, William Stanley Jevons expressed in 1875: money “performs two distinct functions of high importance, acting as (1) a medium of exchange (and) (2) a common measure of value” (referenced in Library of Economics and Liberty 2013). Despite modern society’s conflicting messages about money – whether it is alpha and omega or the root of everything evil – the assumption that money is a valuable resource in the first world is something most of us can agree on. It is the generally accepted payment for goods and services; it is a necessity to maintain a minimum standard of living, but can also provide for luxuries and a lavish lifestyle. As professor of economic and financial history Niall Ferguson (2009, 1) puts it: “Bread, cash, dosh, dough, loot, lucre, moolah, readies, the wherewithal: call it what you like, money matters.”

However, time can also be regarded a resource; “time is money”, as Benjamin Franklin famously said. Especially in our modern society, time has become a scarce, and thus valuable resource, as the western world increases its purchasing power at the same time as lifestyle is becoming increasingly more hectic, exemplified by the notion of “the time squeeze”. In a paper discussing the time squeeze phenomenon in the U.S., Clarkberg (1999) refers to time use surveys that document the growing perception of a time famine. She further illustrates that the percentage of respondents saying that they “always feel rushed” increased almost 50 % from 1965 to 1992, leaving more than one third of Americans *always* feeling rushed in 1992. In a similar vein, respondents reporting to “almost never have time on hands” increased with more than 10 percentage points from 1971 to 1995, such that more than half of the American population almost never find time to spend. Despite that these discoveries were made in a foreign market, we deem the western culture of the U.S. to be quite similar to that of Norway; we therefore consider these results to be relatively transferable to Norwegian conditions.

As a result, we deem discretionary income and free time to have an impact on the relationship between the four drivers and nowism. More precisely, we propose

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that higher discretionary income and more perceived free time positively affects the relationship between the four drivers and nowism. This is in line with Bem and Funder (1978), who promoted the use of situational or contextual factors as moderators when studying human conduct, and with Zimbardo and Boyd (1999), who claimed that time perspective is situational determined. Thus, our seventh and eighth hypotheses are formulated as follows:

*H7: The higher the discretionary income possessed, the greater the effects of a) positive life orientation; b) impulsive behavior; c) extraversion; and d) individualism on nowism.*

*H8: The more perceived free time, the greater the effects of a) positive life orientation; b) impulsive behavior; c) extraversion; and d) individualism on nowism.*

#### **4.5 The Impact of Nowism on Customer Satisfaction and Loyalty**

As nowism is a new concept, its impact on important business constructs such as customer satisfaction and loyalty has not yet been identified. Yet, almost two decades ago, Jones (1994) described time judgment as a major cultural determinant of behavior. Further, a decade before Trendwatching (2009) addressed the trend of nowism, Zimbardo and Boyd (1999) claimed that time perspective is used in forming expectations. As such, it seems natural to assume that nowism will impact customer satisfaction and loyalty to some extent.

However, we also believe that the very factors that have facilitated the emergence of nowism, *abundance; online; and experiences* (Trendwatching 2009), inevitably change consumers' mindsets and attitudes, including customer satisfaction and loyalty.

As the abundance in modern society reduces the value of and status derived from physical goods, and even leads to certain fixed items being perceived as boring, hassling and taking up too much of one's budget (Trendwatching 2009), we expect consumers that adhere to nowism to be more demanding and more difficult to satisfy.

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Further, the expansion of the online world eases consumers' search for information. This, in turn, may raise consumers' expectations by quickly providing them an overview of what competing products and services can offer, thus raising the bar for customer satisfaction. In addition, we argue that the very nature of nowism, i.e. the *ingrained lust for instant gratification*, will impact the degree of satisfaction consumers adhering to nowism derive from products and services. More specifically, as (instant) gratification is deemed a central tenet for consumers devoted to living in the now, the logical assumption would be that these consumers are more unwilling to compromise on satisfaction.

We also argue that the focus on *instant* may increase the level of impatience within consumers devoted to nowism, as impatience was one of the characteristics that emerged in our exploratory research; deemed as being closely linked with nowism. This reasoning is consistent with Chen, Ng and Rao (2005), who state that individuals who deem the future considerably less important than the present manifest relatively high levels of impatience. In line with the preceding argumentation on consumers devoted to living in the now having higher expectations and being more impatient; in combination with the constant focus on gratification; we deem it likely that these consumers tend to experience a larger gap between product/service performance and buyer expectations. Consequently, they would also be less satisfied after a purchase, as customer satisfaction depends on the product's performance relative to a buyer's expectations, and is particularly vulnerable to negative disconfirmation (Kahneman and Tversky 1979; Anderson and Sullivan 1993). This principle of expectations relative to perceptions as a determinant of customer satisfaction also applies to the purchase of services, where it is referred to as the customer gap (Zeithaml, Bitner and Gremler 2013). With this in mind, we propose our ninth hypothesis:

*H9: Nowism has a negative impact on customer satisfaction in both the product market and service market.*

Building further on this, it is widely recognized among both practitioners and academics that customer satisfaction is closely linked to customer loyalty (Oliver 1999; Homburg and Giering 2001). For instance, Oliver (1999) analyses the relationship between the two constructs and concludes that satisfaction is a

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necessary step in loyalty formation. Thus, as we in the previous section hypothesized that satisfaction is negatively affected by nowism, the following logic would also imply that nowism affects customer loyalty negatively.

Further, in the same vein as with customer satisfaction, we deem the underlying facilitators of nowism to have an impact on customer loyalty, yet we consider *experiences* to be the more salient aspect in this context.

Nowism's focus on experiences is rooted in the expected lust to collect as many experiences and stories as soon as possible, and encourages detachment from ownership and trying out new things (Trendwatching 2009). In our opinion, this will naturally lead to less commitment toward certain products and services, facilitate brand switching, and thus result in a decrease in customer loyalty. In addition, the expansion of the online world eases the process of substitution; if something online fails to meet the expectations of the customer, a substitute can be found with just a couple of clicks. According to Trendwatching (2009), this affects customers' expectations in the 'real world' as well.

Following the discussion in this section, and building further on the already established relationship between customer satisfaction and customer loyalty, the link between nowism and customer loyalty seems intuitive. Accordingly, our tenth and final hypothesis reads as follows:

*H10: Nowism has a negative impact on customer loyalty in both the product market and service market.*

## 5.0 Research Models

In this section, we summarize our research questions and hypotheses into three research models to clarify the relationships and interactions between the constructs. It is worth mentioning that hypothesis 5 is not included into any of the models, as this hypothesis only tests for differences between the three segments, and hence does not contribute in explaining the proposed relationship of the constructs.

### 5.1 Phase 1 – Proposed Model of Differences in Means

Our first model is a visualization of the proposed differences in means and the proposition that a high degree of one of the proposed drivers refers to a high degree of nowism, and similarly that a low degree refers to a low degree of nowism. Thus, this model summarizes our hypotheses 1 through 4.

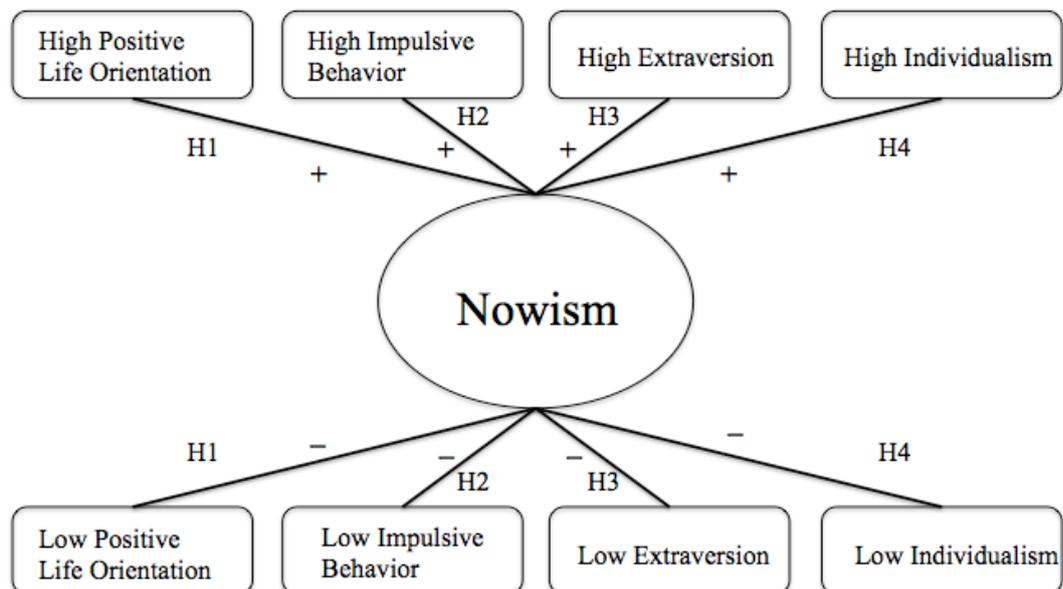


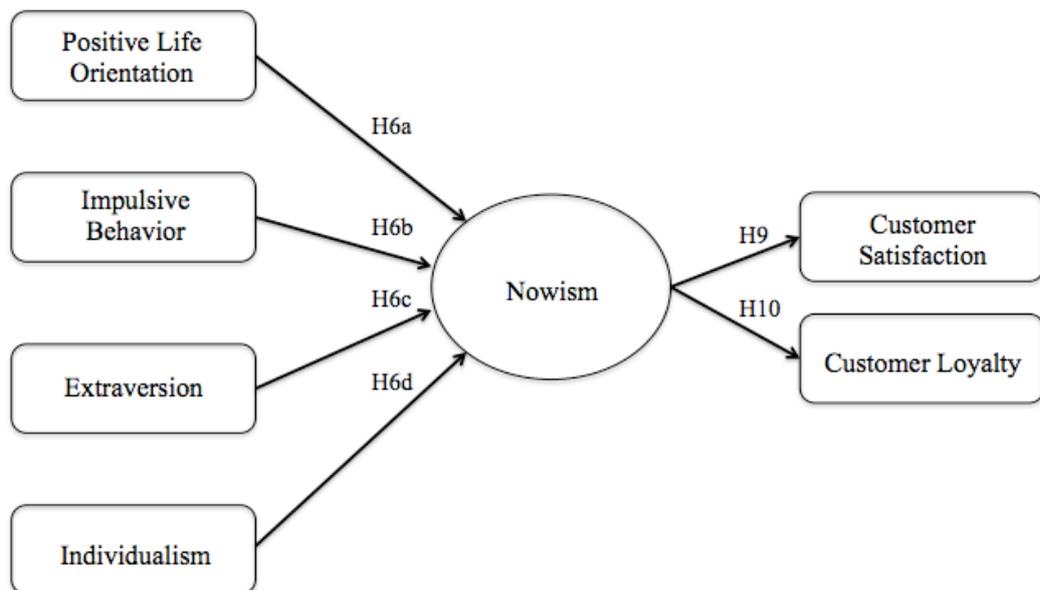
Figure 1 – Proposed Model of Differences in Means

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**5.2 Phase 2 – Proposed Conceptual Model**

In this phase, we propose a model in which four personality traits measure an individual's propensity to live in the now, and where nowism, in turn, impacts the well-known constructs of customer satisfaction and loyalty.

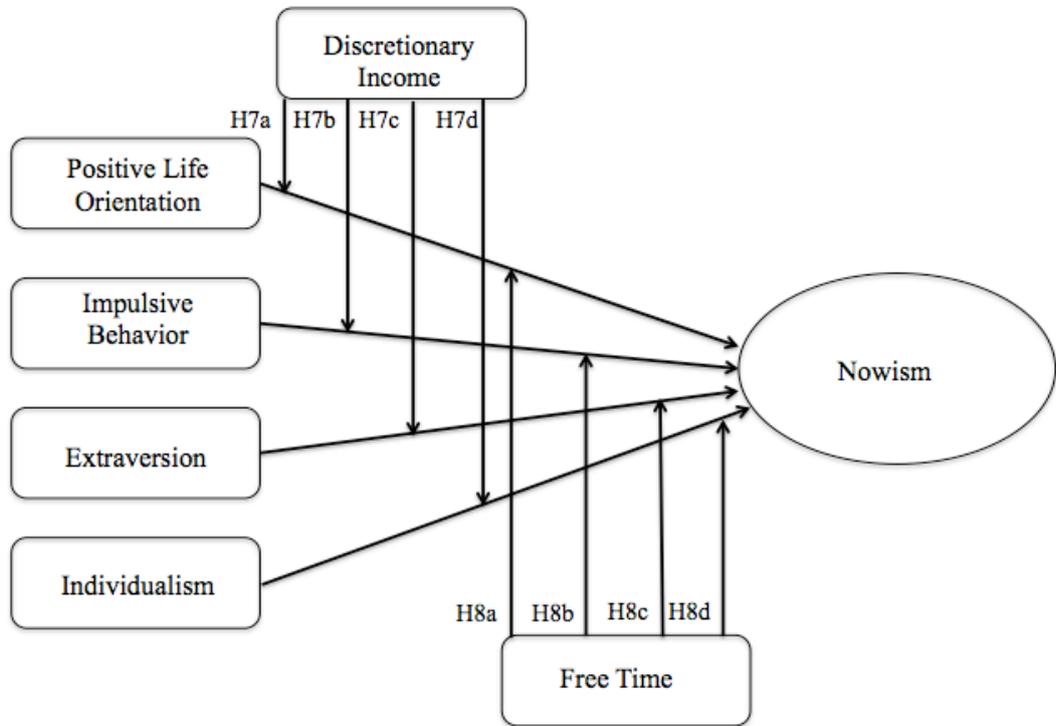
We propose four drivers of nowism: positive life orientation, impulsive behavior, extraversion, and individualism. We hypothesize that these four personality traits, functioning as independent variables, will have a direct positive effect on nowism. Nowism, in turn, is hypothesized to affect the dependent variables of customer satisfaction and customer loyalty, negatively. The following conceptual model summarizes hypotheses 6, 9, and 10.



*Figure 2 – Proposed Conceptual Model*

**5.3 Phase 3 – Proposed Model of Moderating Effects**

As already discussed, we want to test the relationships between the drivers and nowism for moderating effects from discretionary income and free time. More precisely we intend to examine whether the relationships between a) positive life orientation, b) impulsive behavior, c) extraversion, and d) individualism, and the dependent variable, nowism, is moderated by discretionary income and free time. The following conceptual model reflects hypotheses 7 and 8.



*Figure 3 – Proposed Model of Moderating Effects*

## **6.0 Quantitative Methodology**

In this section, we will go through the chosen methodology with the objective of providing an understanding of the empirical foundation, as well as the data collection.

### ***6.1 Quantitative Rationale***

Study 1 employed an exploratory approach in order to form a general assumption, which served as a basis for the empirical research conducted in study 2. In this study, our goal is to find whether the four personality traits identified during our exploratory research – referred to as the drivers of nowism – have a significant impact on an individual's degree of nowism, and how nowism, in turn, affects customer satisfaction and loyalty. For this research purpose, a descriptive research design fits well. As this study involves one sample where information is obtained only once, this implies a single cross-sectional design (Malhotra 2010). To reach the three segments constituting our sample, a web based survey method was used, and a formal questionnaire was developed.

### ***6.2 Population and Sample***

Our population consists of Norwegian men and women between the age of 18 and 70, that fits one of the three life cycle segments mentioned earlier. A large sample is required as we intend to use a descriptive survey design with a large number of variables (Malhotra 2010). Moreover, cumulative effects of sampling error across the variables are reduced in a large sample (Malhotra 2010). A larger sample is also required if data is being analyzed at the segment level. Thus, for our research purpose, a large sample is necessary to make valid conclusions.

### ***6.3 Measurement Operationalization***

The items in the questionnaire are mainly based on previous literature, with certain additions of the most salient and reoccurring findings from our qualitative research. By using well-known scales from earlier studies that have already been tested, the validity of the scales is strengthened. The statements derived from our qualitative research are included in areas where previous literature was regarded insufficient in capturing the full picture and to ensure relevance to the topic of our research.

All statements related to the four drivers and nowism were measured on a 7-point Likert scale, where the respondents answered according to their degree of agreement. The scale ranged from 1=Strongly Disagree to 7=Strongly Agree. The origin of and rationale behind the questions will now be discussed in detail.

Satisfaction and loyalty are measured using well-known scales derived from the Norwegian Customer Satisfaction Barometer (NCSB 2013a,b). These scales are also found in other literature, such as Zeithaml, Berry and Parasuraman (1996) and Johnson et al. (2001). (*Scales for customer satisfaction and loyalty, as well as for the two moderators, can be found in Appendix 5.*) Table 1 below, presents the scales for the four drivers and nowism.

Construct	Statement	Source
<b>Extraversion</b>	I feel comfortable around people.	Korzaan and Boswell (2008)
	I start conversations.	Korzaan and Boswell (2008)
	I don't mind being the center of attention.	Korzaan and Boswell (2008)
	I am energetic.	Qualitative research
<b>Individualism</b>	I often do "my own thing."	Triandis and Gelfand (1998)
	My personal identity, independent of others, is very important to me.	Triandis and Gelfand (1998)
	I'd rather depend on myself than others.	Triandis and Gelfand (1998)
	I don't like to be influenced by others.	Qualitative research
<b>Impulsive Behavior</b>	I quite enjoy taking risks.	Whiteside and Lynam (2001) and qualitative research
	I sometimes like doing things that are a bit frightening.	Whiteside and Lynam (2001)
	I generally seek new and exciting experiences and sensations.	Whiteside and Lynam (2001)
	I seldom think carefully before doing anything. (R.)	Whiteside and Lynam (2001) and qualitative research
	I am impatient.	Qualitative research
<b>Pos. Life Orientation</b>	I have zest for life.	Pitkala et al. (2004) and qualitative research
	I am satisfied with my life.	Pitkala et al. (2004)
	I feel needed by other people.	Pitkala et al. (2004)
	I am optimistic.	Qualitative research
<b>Nowism</b>	I consider myself a person who lives in the now.	Trendwatching (2009)
	I am seeking instant gratification in my daily life.	Trendwatching (2009)
	I spend a significant share of my financial resources on experiences.	Trendwatching (2009) and qualitative research
	I spend a significant share of my financial resources on things that can give me pleasure right now, rather than saving them.	Trendwatching (2009) and qualitative research

*Table 1 – Measurement Operationalization*

### 6.3.1 Extraversion

The three first statements in our extraversion scale are derived from Korzaan and Boswell's (2008) study on the influence of the Big Five personality traits on behavioral intentions, in which extraversion is one of the traits that are examined. As their study resembles ours, in that it tests the influence of personality traits on

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behavioral intentions, their research makes a suitable basis for our items. Korzaan and Boswell use ten items for their extraversion scale; five general items and the same five in reversed form. We subtracted three statements that we deemed the most relevant within our context, also because we wanted to keep the items of each scale at a maximum number of four to five items to avoid exhausting the respondents with an unnecessary lengthy questionnaire.

The first statement captures the individual's sociability and openness to other people. Statement number two pertains the social outlook or approach taken when in a social context. The third statement on attention relates to the individual's personality type or the role the individual takes on in a social context. Together, these three statements reflect two of the three features found in the qualitative research: being *social* and being *extrovert*. The fourth and last statement pertaining to an energetic state is obtained from our exploratory study. As *being energetic* was recurrently mentioned as characterizing individuals devoted to living in the now, both in the focus group interview and in one of the in-depth interviews, we deemed this an important aspect of nowism. Further, since this reflects a facet of personality not covered by the original scale, we chose to incorporate this into our scale for measurement of extraversion, as a statement worded "*I am energetic*".

### 6.3.2 Individualism

The statements pertaining to individualism are mainly based on Triandis and Gelfand's (1998) study on constructs of individualism and collectivism. In this study, the authors make a distinction between horizontal and vertical individualism, where horizontal individualism emphasizes equality and vertical individualism emphasizes hierarchy. More specifically, horizontal individualism encompasses an urge to be unique and distinct from groups, while vertical individualism gives a need for being distinguished and acquire status in individual competitions with others. We chose to employ the horizontal perspective, as this fits better with the context of our study and is more in line with the findings from our qualitative research. We implemented three of the four items in Triandis and Gelfand's scale, and left one out as we deemed the other three to cover this item.

The first statement concerns the individual's independency and ability to act independent of others. Secondly, the statement pertaining to identity reflects the

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perceived importance of being yourself and expressing your very own identity. The third statement relates to the individual's need to be self-dependent and self-going. Lastly, the fourth statement on influence is derived from our exploratory research. As *not being influenced by others* was proposed characteristic of an individual devoted to living in the now; thus capturing an aspect of individualism where the original scale from Triandis and Gelfand proved insufficient, we chose to incorporate this into our scale for individualism.

### *6.3.3 Impulsive Behavior*

The statements pertaining to impulsive behavior are partly based on our qualitative research, and partly adapted from Whiteside and Lynam's (2001) study on impulsivity. The authors uncovered four distinct facets associated with impulsive behavior; Urgency; (lack of) Premeditation; (lack of) Perseverance; and Sensation seeking, which in combination constitute the UPPS Impulsive Behavior Scale. As the original UPPS scale has a very large inventory, consisting of 45 items, we concentrated on the 'sensation seeking' facet of the scale, as we deemed this to be the most relevant for our context due to nowism's focus on experience. The reason why this scale consists of five items, compared to four in the other scales, is the predominant amount of impulsivity related characteristics revealed by our qualitative methods.

The first statement concerns risks and measures the individual's appetite for risk. This characteristic also occurred in our exploratory research, both in focus group and in-depth interview, denoting that it is an important aspect of nowism. The second statement follows in the same vein and captures whether the individual is prone to move outside his or her comfort zone. Statement number three measures the emphasis given to seeking experiences and sensations, and thus reflects one of the core tenets of nowism. The fourth statement, concerning thinking before acting, is the only item from the UPPS scale that is not derived from the 'sensation seeking' facet; rather it is taken from the facet pertaining to 'premeditation'. We chose to implement this statement because it occurred several times in our exploratory research, thus we deemed it to be important in the context of our study. This statement is reversed compared to the original item in order to follow the logic and direction of the surrounding statements. The fifth and last statement pertaining to impatience was also included due to its reoccurrence in the

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in-depth interviews. Further, the argumentation of Chen, Ng and Rao (2005, 291), who state that “discounting the future is akin to displaying impatience”, implies that impatience is an important aspect of nowism. Hence, as impulsive behavior often can be seen in relation to making decisions fast, e.g. due to impatience, we saw the need for including the last statement to ensure a complete scale for our research purpose.

#### *6.3.4 Positive Life Orientation*

The statements pertaining to positive life orientation were partly based on Pitkala et al.’s (2004) study on the relationship between positive emotions and mortality, and partly based on our qualitative research. In their study, Pitkala et al. found positive life orientation to have a significant impact on the survival rate in an aged population. Despite of the somewhat different context of study, we deemed this scale and its inventory to be well applicable to our context, as the items only measure positive life orientation within subjects. Further, Pitkala et al. emphasize that the items of their survey primarily reflect the participants’ cognitive self-concept, which fits well with the objective of our study.

The first statement captures the attitude held towards life; the joy or enthusiasm one feels for life and being alive. As this aspect occurred in our exploratory research, both in the focus group and in-depth interview, we felt confident that this was an important aspect of nowism. The second statement pertaining satisfaction is quite self-evident; it measures to what degree the individual is satisfied with his or her own life. The third statement is designated to capture to what degree the individual feels needed by family and friends and other significant; the perception of being important to his or her social network. Lastly, the fourth statement pertaining optimism is derived from our qualitative research and measures the degree of general optimism within individuals. As *being optimistic* was pointed to as a characteristic of individuals devoted to nowism; and further, since this aspect was not addressed by Pitkala et al. (2004), we chose to include this item in our scale for measuring positive life orientation.

#### *6.3.5 Nowism*

Nowism is still a quite new phenomenon, and, to the best of our knowledge, no research has been done on this subject until now. Consequently, there are no

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existing scales for measuring the degree of nowism within subjects. We have therefore developed a scale for measuring nowism, mainly based on Trendwatching's (2009) definition of the trend, with some support by our exploratory research.

The first two items are based on Trendwatching's definition of nowism. The first statement pertains the individual's self-perception of living in the now, and therefore captures a general perception of nowism. This item is in line with Foxall, Goldsmith and Brown (1998, 148), who assert that lifestyle is reflected by an individual's self-concept. Being an important facet of nowism, the second statement concerns instant gratification and indirectly measures the emphasis this is given by the subject.

The two last items deal with a specific behavior, deemed by both Trendwatching (2009) and the participants of our exploratory study to be typical for a person that adheres to nowism. First, the focus on experiences is a fundamental aspect of the trend; our third statement is therefore coined to indirectly capture the importance added to experiences by measuring the amount of money the subject allocates to this. The fourth, and last, item captures a broader sense of this aspect; and nowism in its most basic level; measuring whether the subject prioritizes instant enjoyment to long-term saving. This is perhaps the area in which nowism's impact on people's lives has been the most prominent: the new rule of thumb; "harvest while you invest" (Andreassen, Calabretta and Olsen 2013).

#### ***6.4 Reliability and Validity***

When applying multi-item scales, it is critical to evaluate validity and reliability. A perfectly valid measure is also perfectly reliable; however, a measure that is perfectly reliable might contain systematic error, and is therefore not necessarily perfectly valid (Malhotra 2010). If the measure is unreliable, on the other hand, the measure cannot be valid (Malhotra 2010). Consequently, reliability is necessary, but not sufficient, for validity.

Reliability reveals whether a scale produces consistent results if the measurements are repeated, and is determined by assessing the amount of systematic variation in a scale (Malhotra 2010). Internal consistency reliability is a commonly used measure of reliability, and measures the consistency among several variables in a

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summated scale (Hair et al. 2010). One measure of internal consistency is the Cronbach's alpha, which is the average of all split-half coefficients stemming from different ways of splitting the scale items (Malhotra 2010). Another measure is the composite reliability, which is the total amount of true score variance compared to the total score variance (Malhotra 2010). Both these measures of reliability are important aspects of our research paper, and both must indicate reliability before we further go on to assess validity.

Construct validity examines what a construct or characteristic actually is measuring (Malhotra 2010). Multiple items are used to test each construct in our research, thus this type of validity is an important aspect of our research. Construct validity includes convergent, discriminant and nomological validity (Malhotra 2010). For our research purpose, we intend to examine both convergent and discriminant validity. Convergent validity reveals whether the scale correlates positively with other measures within the same construct, and is determined by the average variance extracted (AVE) (Malhotra 2010). Fornell and Larcker (1981) proposed AVE as a measure of the amount of variance that is captured by one construct compared to the amount of variance from measurement error. Thus, examining the convergent validity is critical in order to evaluate whether items should be kept or deleted.

Further, discriminant validity is achieved if measures that are not supposed to be correlated are, in fact, uncorrelated (Malhotra 2010). Discriminant validity thus implies that there is a lack of correlation between differing constructs, and is measured by comparing AVE with the estimates of the squared correlations (Hair et al. 2010). Finding evidence of discriminant validity is an important aspect of our research paper, as it will confirm that the constructs are truly distinct from each other.

### ***6.5 Context of Study***

In order for us to evaluate customer satisfaction and loyalty, the questions regarding these constructs must be placed within a certain context. As the population is relatively large and diverse, it is important to apply a context most likely to be familiar to everyone partaking in the study. With this in mind, we choose to apply Norwegian grocery chains and mobile subscriptions as backdrops

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for the questions pertaining customer satisfaction and loyalty. The reason why we chose these two industries is due to nowism's strong focus on experiences, i.e. intangible goods, and we therefore wish to test customer satisfaction and loyalty for both the product and the service market.

### ***6.6 Questionnaire Design***

With the Norwegian consumer market used as backdrop for some of the survey questions, implying the participation of Norwegians only, the questionnaire was translated to, and distributed in, Norwegian. (*See Appendix 6 for the complete questionnaire.*) This also minimized problems related to understanding specific words and terms. The questionnaire included a cover letter, which introduced us as master students at BI Norwegian Business School, stated the purpose of the study and the estimated time for completing the questionnaire. We also emphasized that all respondents were anonymous, and that it was impossible to trace the response back to the respondent. This was necessary based on several questions that were regarded to be quite personal. We thanked the respondents for their participation, and urged them to contact us by email if they had any questions with regards to the survey.

Some of our questions concerning demographics, for instance income, might be perceived as sensitive information, and should in general be placed at the end of the questionnaire (Malhotra 2010). However, as our questionnaire was tailored to adapt to the respondent's corresponding segment, based on some of the demographics, we chose to put the entire section on demographics at the beginning. Aware that this could lower the response rate, all questions concerning sensitive information were given relatively broad response categories (Malhotra 2010). This is also the reason why we put extra emphasis on anonymity in the cover letter.

Except for a scenario customized to fit with the lifestyles implied by the segments, all respondents were exposed to the same questions and statements, but in a different sequence. The customized scenario was shown either before the questions concerning personality and nowism, or after, with a randomization of 50%. The reason for randomizing the placement of the scenario was to outweigh possible response bias for the subsequent questions, which could be caused by the scenario. The scenario was manipulated to the extent that children were

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mentioned in the scenario depicted for participants belonging to the ‘Chaos In My Life’ segment.

As previously mentioned, customer satisfaction and loyalty were measured using two different consumer markets as backdrops: mobile subscriptions and grocery chains. The well-known scales from Norwegian Customer Satisfaction Barometer (NCSB 2013a,b) were used to ensure valid and reliable scales for measuring satisfaction and loyalty. Lastly, all respondents were exposed to another two scenarios, one for each consumer market, to check whether an unpleasant experience with the specific brand alters the respondents’ willingness to stay loyal.

### ***6.7 Pre-test***

To make sure that all the questions and scales in the questionnaire were clear, understandable and correctly used, the questionnaire was pretested several times. We chose a small sample that matched our respondent criteria (N=5). The respondents were asked to fill out the questionnaire online, and provide feedback on design, wording, scales and other general comments. Some minor adjustments were made before testing the questionnaire again with a new sample (N=5). This time, neither systematic nor random errors were found, and we thus considered the questionnaire satisfactory.

### ***6.8 Data Collection***

The online questionnaire was sent out to family members, friends and acquaintances using social media and email. In other words, the sample was selected based on how accessible respondents were, which is consistent with convenience sampling (Easterby-Smith, Thorpe and Jackson 2008).

Early in the process, we saw the potential drawback of using convenience sampling as the only method for data collection. We reached many respondents within the ‘Young, Free and Simple’ segment, but experienced some trouble reaching both the ‘Chaos in My Life’ and ‘Got My Life Back’ segments. We therefore started asking friends and family members to forward the questionnaire to other friends and family members with children. This form of collecting data is referred to as snowball sampling (Easterby-Smith, Thorpe and Jackson 2008).

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**6.9 Statistical Analysis Tools and Analytical Procedures**

The questionnaire was designed and launched using Qualtrics, which is an online survey software. To analyze our data, we will employ both SPSS, which is a software for statistical analyses, and SmartPLS, which is a graphical interface program that uses the partial least squares (PLS) method for path modeling with latent variables (Ringle, Wende and Will 2005). The PLS method is an alternative to SEM (e.g. LISREL), which focuses on explanation of variance rather than covariance, and produces parameter estimates that maximizes the explained variance; thus the focus is more on prediction compared to SEM (Hair et al. 2010).

First, the data file from Qualtrics was imported into SPSS, in order to be cleaned for non-contributing values, as well as checked for whether the indicators were labeled with the right measure type. Validity and reliability were obtained from SmartPLS, and were evaluated based on Cronbach's alpha, composite reliability, convergent validity, and discriminant validity. All hypotheses were tested in SPSS. In order to replicate the study in SmartPLS, all variables concerning demographics, scenarios and moderators were removed from the data file. Finally, the file was imported into SmartPLS, in which the model was created.

It is worth mentioning that we decided to omit the scenarios pertaining to nowism, satisfaction and loyalty from further analysis, as this became too comprehensive with regards to time limitations.

## **7.0 Results**

In this section, we will thoroughly examine the results obtained from the conducted data analyses. First, we evaluate the sample based on descriptive statistics. Validity and reliability are then examined before we analyze whether our proposed hypotheses are supported. Finally, we test the causal model with the PLS method, to see whether the results can be replicated.

### *7.1 Descriptive Statistics*

#### *7.1.1 Characteristics of the respondents*

Three weeks of data collection resulted in a total of 450 responses, of which 378 were considered to fit within one of the segments, thus being valid responses. Several demographic variables were included in the questionnaire. This was done partly in order to obtain the moderator values of discretionary income and free time, but also to get a general overview of the respondents. With regards to gender, the sample consisted of 39,4 % men and 60,6 % women. Out of the total of 378 respondents, 58 % (N=220) were classified within the ‘Young, Free and Simple’ segment. Due to our use of convenience and snowball sampling, we predicted that this would be the most represented segment – considering that we ourselves are young students, having reference groups with largely similar characteristics. 25 % of the respondents (N=95) were classified within the ‘Chaos In My Life’ segment, while the last 17 % (N=63) were classified within ‘Got My Life Back’. As mentioned earlier, this segment has typically a lower technology acceptance (Porter and Donthu 2006), and the low response rate was therefore somewhat expected.

#### *7.1.2 Mean values*

All items measuring the independent variables ‘Extraversion’, ‘Individualism’, ‘Positive Life Orientation’, including four of the five items measuring ‘Impulsive Behavior’, have mean values above 4 on a 7-point Likert scale. (*See Appendix 7 for complete overview of mean values.*) With 4 being the middle value, thus denoting “neither agree nor disagree”, this implies that the majority of the respondents answered on the positive side on the scales, i.e. agreeing with the statements. However, the fifth and last item within ‘Impulsive Behavior’, Q14\_5,

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receives a mean value of 2.80, which is notably lower than for the other items. The low mean value for this item (“I seldom think carefully before doing anything”) was somewhat expected, as the item might give the respondent negative connotations; thus respondents might be reluctant to acknowledge this personality trait. The mean values for ‘Nowism’ are all above 4, indicating that the majority of the respondents answered on the positive side of the scale. This indicates that most of our respondents are quite “nowistic”, i.e. that they largely admit to living in the now. The moderator ‘Discretionary Income’ has a mean value of 2, which denotes that the majority of the respondents have between 26 and 50 % of their income left after fixed expenses. ‘Free Time’, on the other hand, which was measured on a 7-point Likert scale, has a mean value of 4.06. With 4 being the middle value, this indicates that the respondents for the most part perceive themselves as having a rather regular amount of free time. For the constructs ‘Satisfaction’ and ‘Loyalty’, all items have mean values above 6, except for Q24 with a mean value of 5.59, which is still quite close to 6. Considering that satisfaction and loyalty were measured using a 10-point Likert scale, 5.5 being the middle value, all items have mean values on the positive side of the scale. This implies that our respondents for the most part are satisfied with, and loyal to their grocery stores and mobile subscription providers. It is worth mentioning that item Q27\_1, which measures the likelihood of maintaining the customer relationship with the grocery store last visited, somewhat stands out with a relatively high mean value of 8.25. We anticipated that we could get high scores for loyalty within the field of grocery stores, as some customers might be loyal simply out of convenience.

### *7.1.3 Standard deviations*

The items pertaining to the four drivers, nowism, as well as the two moderators, all have standard deviation values well below 2, which is considered the baseline for normal values (Triola 2010). (*See Appendix 7 for complete overview of standard deviations.*) This implies that these data are clustered around the mean, and thus are more reliable. For the items measuring satisfaction and loyalty, however, the standard deviations are consistently higher. While 3 of the 14 items have standard deviations just above 1.9, the rest of the standard deviations all exceed 2, with 2.7 being the highest (for Q27\_2 pertaining to recommendation of

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the last patronized grocery store). This denotes a greater variation in respondents' answers.

#### *7.1.4 Normality*

Normality refers to whether the distribution of the dataset corresponds to a normal distribution, and is evaluated using two measures, skewness and kurtosis (Hair et al. 2010). Skewness gives an indication of the balance of the distribution, i.e. whether it is shifted to one side or centered, while kurtosis indicates the peakedness or flatness of the distribution (Hair et al. 2010). Skewness is given the value of zero when distribution is perfectly normal, whereas values falling outside the range of -1 to 1 indicate considerably skewed distribution (Hair et al. 2010).

An examination of the items shows that some of the items have skewed distribution; the first item within extraversion; all four items measuring positive life orientation; and the first item measuring loyalty within the field of grocery store. These items all have negative skewness values, implying that the distribution is shifted to the right, which further indicates that the majority of the respondents agree with the statements provided, and that the values provided by the respondents are higher than the “normal value”. In addition, the first item of extraversion; the second item of individualism; and all four items of positive life orientation, also tend to have high and positive values of kurtosis, indicating a peaked distribution. Even though several items are found to have skewed distribution and/or critical values of kurtosis, Hair et al. (2010) stress the importance of taking the sample size into account. Large sample sizes reduce the harmful effects of non-normality, and for sample sizes of 200 or more, effects of non-normality may be negligible (Hair et al. 2010). With a sample size of 378, our results will not be highly affected, and we thus continue with our planned analyses.

#### *7.1.5 Data Cleaning*

Overall, all items are found to have normal mean values, standard deviations below 2, and normal distribution. Thus, there is no need to remove any items, and our planned analyses will be conducted.

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However, some data cleaning was necessary with regards to the respondents. We chose to make some small adjustments to the original segment classification of Andreassen, Calabretta and Olsen (2013) by expanding ‘Young, Free and Simple’ segment to comprise individuals from the age of 18 (instead of the age of 20); ‘Chaos In My Life’ to comprise individuals between 25 and 55 years of age (compared to 30-45 years); and ‘Got My Life Back’ to comprise individuals from the age of 45 (instead of the age of 50). This was done to ensure enough valid responses within all three segments.

The use of forced response in Qualtrics excluded incomplete responses; thus, missing values were not an issue in our case. However, several respondents did not fit the criteria for any of our three segments, and were therefore deleted from the data set. First, considering that admittance to one of our segments required a minimum age of 18, and a maximum age of 70, respondents who fell outside of this range were immediately deleted. Further, respondents under the age of 25, who reported to have children, were deleted, as they neither fit in the ‘Young, Free and Simple’ segment, as they had children; nor in the ‘Chaos In My Life’ segment, as they were too young. Likewise, respondents over the age of 30, without any children, were deleted, as they did not meet the inclusion criteria for any of the segments. We also deleted responses from respondents up to 55 years that reported either to having children *over* the age of 18; or to having children *under* the age of 18, but *not* in their household, as they did not fit in ‘Chaos In My Life’, or the other two segments. Lastly, respondents over the age of 55 that reported to have children under the age of 18 were deleted, as they neither met the inclusion criteria for ‘Chaos In My Life’, nor ‘Got My Life Back’. Finally, after starting up with a total of 450 responses, we ended up with a final sample of 378.

## ***7.2 Reliability and Validity***

Before going onwards with our analyses, we must assess the reliability and validity of the items and constructs, in order to ensure that all items and constructs can be kept. Several psychometric measures were obtained from SmartPLS to examine validity and reliability of the model and the constructs. All items and constructs were included in SmartPLS, with the exception of the moderating variables, ‘Discretionary Income’ and ‘Free Time’. The reason for choosing

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validity and reliability measures from SmartPLS lies in the program's ability to test several constructs at once, thus examining the entire causal model.

We start by examining the measurement variable loadings. A general rule of thumb is to accept items with loadings of 0.7 or above, as this indicates that there is more shared variance between the construct and its measures, than error variance (Hulland 1999). However, it is common to find loadings below 0.7 in exploratory research. In such occasions, loadings of 0.4 and above are accepted (Hulland 1999).

As we regard the four personality traits and nowism to be exploratory, we will therefore accept values of 0.4 and above. When examining the grocery chain market, all measurement variable loadings of the four personality traits and nowism are above 0.4, except for the items measuring satisfaction and loyalty which all have values above 0.7 (*See Appendix 8*). When examining the mobile subscriptions market, all items measuring the four personality traits and nowism have values above 0.4. Moreover, the items measuring satisfaction have values above 0.7, except for two items within loyalty having values of 0.28 and 0.27 (*See Appendix 8*). In other circumstances we would have evaluated whether these items should be removed; however, as the scale used to measure loyalty is well known and employed by several other researchers, we decided to keep the items.

Cronbach's alpha measures reliability and ranges from 0 to 1, with the general agreed upon lower limit being 0.7; however, in exploratory research, values as low as 0.6 are often accepted (Hair et al. 2010). Composite reliability values of 0.7 or higher are considered to be good. However, if estimates of model validity are good, estimates between 0.6 and 0.7 might also be acceptable (Malhotra 2010). AVE is used to measure the convergent validity, with values above 0.5 indicating convergence (Fornell and Larcker 1981). Discriminant validity is measured by comparing AVE with the squared correlations estimates, and validity is established when the AVE is greater than the construct's highest squared correlation (Hair et al. 2010).

Table 2 presents the values for Cronbach's alpha, composite reliability, average variance extracted, and the squared correlation matrix.

Construct	CA	CR	AVE	Squared Correlations										
				PLO	IB	Extr	Ind	Nowism	Groc.Sat	Groc.Loy	Mob. Sat	Mob. Loy		
PLO	0.841	0.891	0.674	1										
IB	0.735	0.824	0.492	0.071	1									
Extr	0.834	0.889	0.667	0.207	0.183	1								
Ind	0.637	0.732	0.423	0.031	0.065	0.064	1							
Nowism	0.791	0.862	0.611	0.109	0.307	0.144	0.098	1						
Groc. Sat	0.904	0.923	0.749	0.010	0.000	0.001	0.003	0.001	1					
Groc. Loy	0.833	0.871	0.694	0.017	0.003	0.002	0.003	0.003	0.448	1				
Mob. Sat	0.944	0.955	0.840	0.033	0.001	0.000	0.000	0.000	-	-	1			
Mob. Loy	0.931	0.470	0.281	0.000	0.000	0.001	0.002	0.005	-	-	0.104	1		

*CA= Cronbach's Alpha, CR= Composite Reliability, AVE= Average Variance Extracted*

Table 2 – Validity and Reliability

All variables, except for ‘Individualism’ (0.637) have Cronbach’s alpha values above the lower limit of 0.70. However, as we consider ‘Individualism’ an exploratory scale, we find the value of 0.637 to be acceptable, as it is above 0.6. Moreover, all variables, except for ‘Loyalty – Mobile Subscriptions’ (0.470), have composite reliability values above 0.7. The two reliability measures combined indicate a good reliability. Even though ‘Loyalty – Mobile Subscriptions’ has a composite reliability value below 0.7, we find the value for Cronbach’s alpha of 0.931 to be high. As previously mentioned, the scale used to measure loyalty is a well-known scale; we therefore find the value acceptable, and thus keep the items.

Remembering that AVE should be above 0.5 to ensure adequate convergence, we find all our variables, except for ‘Impulsive Behavior’, ‘Individualism’, and ‘Loyalty – Mobile Subscriptions’, above this lower limit. ‘Impulsive Behavior’ (0.492) and ‘Individualism’ (0.423) both have values just below the lower limit; yet, according to Lorenzo-Romero, Constantinides and Alarcón-del-Amo (2010), the literature contains several examples of accepted scales with AVEs below 0.5, which indicates a common acceptance of keeping AVEs below, but close to 0.5. With regards to ‘Loyalty – Mobile Subscriptions’ we find the AVE value to be very low. However, as already mentioned, the construct is measured by a well-known scale; and since we find the AVE of 0.281 to be above all squared correlations, discriminant validity is achieved. Thus, some validity is present for ‘Loyalty – Mobile Subscriptions’. A further examination of all AVEs compared with the squared correlations, reveal discriminant validity for all constructs.

**7.3 Analyzing the Differences within Drivers and Segments**

An Analysis of Variance (ANOVA) tests whether means are significantly different between two or more groups, with the null hypothesis referring to equal

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means (Malhotra 2010). The ANOVA is therefore an appropriate test when examining differences between segments, as done in this study. A *one-way* ANOVA includes only one categorical variable, and is therefore the test applied when testing hypotheses 1 through 5. As performing a series of separate tests increases the risk for Type I error, it is necessary to control for this by adjusting the selected alpha level. The Bonferroni correction implies dividing the alpha by the number of tests performed, meaning that our significance level for the five statistical tests is .01 (.05/5) (Hair et al. 2010). Sample size is crucial when performing ANOVA. Hair et al. (2010) recommend the sample in each group to be greater than the number of dependent variables, as well as a general minimum of 20 observations per group. Our analyses fulfill both requirements, as all analyses have more observations than dependent variables, and our smallest group contains 63 respondents. Further, Hair et al. (2010) suggests that in each group, sample sizes should be close to equal. However, they further state that this issue is easily accommodated for by using computer programs, such as SPSS. Since all our ANOVAs are tested using SPSS, we accept some inequality between groups.

The first four hypotheses (H1-H4) test whether the groups with higher means differ significantly from groups with lower means when measuring nowism. Each driver was constituted by 4-5 statements, and a mean for each driver was computed. All drivers were measured using a 7-point Likert scale, indicating that '4' is the central, and thus neutral, value. We therefore classified respondents with a mean of 5 or above to have a high degree of the driver in question. Four new categorical variables were computed; one for each driver, where a mean below 5 was given the value 0 (low), and a mean of 5 or above was given the value 1 (high). The same calculation was performed for the construct 'Nowism' to create a categorical variable with high/low values. The fifth hypothesis (H5) tests whether there are differences in means between the three segments when measuring nowism. More precisely, we test whether 'Young, Free and Simple' differs significantly from 'Chaos In My Life' and 'Got My Life Back'. To test for H5, respondents were assigned to one of the three segments; 'Young, Free and Simple'; 'Chaos In My Life'; or 'Got My Life Back', and given the value of 1, 2 and 3 respectively. Table 3 presents the means and standard deviations for all categorical variables pertaining to the four drivers and the segments when testing

for nowism. All variables have standard deviations below 2, which indicates that the respondents mostly agree upon the mean levels.

Hypothesis	Dependent	Factor	N	Mean	Std. Dev
H1	Nowism	Low Positive Life Orientation	54	3.736	1.25
		High Positive Life Orientation	324	4.454	1.10
H2	Nowism	Low Impulsive Behavior	283	4.110	1.10
		High Impulsive Behavior	95	5.068	1.00
H3	Nowism	Low Extraversion	129	3.835	1.10
		High Extraversion	249	4.619	1.09
H4	Nowism	Low Individualism	157	4.051	1.17
		High Individualism	221	4.565	1.09
H5	Nowism	Young, Free and Simple	220	4.603	1.06
		Chaos In My Life	95	4.079	1.12
		Got My Life Back	63	3.881	1.27

Table 3 – ANOVA, Descriptives

### 7.3.1 ANOVA Results

Table 3 reveals that respondents classified as having a high degree of the four personality traits have a higher nowism mean than those with a low degree. Further, the ‘Young, Free and Simple’ segment has a higher nowism mean than both ‘Chaos In My Life’ and ‘Got My Life Back’, with the latter having the lowest mean. In other words, there are differences between the groups, but in order to tell whether these differences are significant, we must check the F-statistics and their corresponding P-values. Table 4 reveals that all ANOVA analyses conducted appear to be significant (sig. < 0.01). The ANOVA results for H1-H4 confirm that there are significant differences between the groups; the null hypotheses are thus rejected, and our hypotheses H1 through H4 are supported. Further, it is also confirmed that H5 is significant (sig. < 0.01), i.e. the null hypothesis is rejected, implying significant differences between the three segments when measuring their degree of nowism. To find out which of the segments that causes this difference, it is necessary to examine the multiple comparisons table (*See Appendix 9*). Looking at this reveals that it is the ‘Young, Free and Simple’ segment that causes the significant differences between the groups; when measuring nowism, ‘Young, Free and Simple’ significantly differs from ‘Chaos In My Life’ and ‘Got My Life Back’ (sig. < 0.01); yet there is no significant difference between the latter two. Thus, H5 is supported.

Hypothesis	D.f	Test - statistic	P - value	Conclusion
<b>H1:</b> Individuals found to be high on Positive Life Orientation will exhibit a higher degree of nowism compared to individuals found to be low on Positive Life Orientation.	1	F-value: 18.877	0.000	Supported
<b>H2:</b> Individuals found to be high on Impulsive Behavior will exhibit a higher degree of nowism compared to individuals found to be low on Impulsive Behavior.	1	F-value: 56.644	0.000	Supported
<b>H3:</b> Individuals found to be high on Extraversion will exhibit a higher degree of nowism compared to individuals found to be low on Extraversion.	1	F-value: 43.900	0.000	Supported
<b>H4:</b> Individuals found to be high on Individualism will exhibit a higher degree of nowism compared to individuals found to be low on Individualism.	1	F-value: 19.187	0.000	Supported
<b>H5:</b> Individuals belonging to the Young Free and Simple segment will exhibit a higher degree of nowism compared to individuals in the segments Chaos In My Life and Got My Life Back.	2	F-value: 14.142	0.000	Supported

Table 4 – ANOVA Results

#### 7.4 Multicollinearity

A prerequisite for conducting a regression analyses is that there is an absence of multicollinearity (Janssens et al. 2008). As our next analyses involve regression, we therefore need to assess the possibility of multicollinearity before we conduct the analyses. In cases of multicollinearity, the variance found in different constructs is shared between variables, and decreases the ability to predict the relative roles of the independent variables (Hair et al. 2010). To check for multicollinearity, we examine correlation matrices, as well as *tolerance* and *variance inflation factor* (VIF) in SPSS (See Appendix 9). In correlation matrices, a value of 0.90 or higher indicates high correlation; however, when using bivariate correlation, correlations as low as 0.70 may affect explanation and estimation of regression results (Hair et al. 2010). All of our items produce values below 0.70, indicating no sign of collinearity.

It is not sufficient to only check for collinearity; multicollinearity should also be examined through tolerance and VIF. A common cutoff for tolerance is 0.10, meaning that any value below indicates multicollinearity. As VIF is the inverse of the tolerance value, the VIF value should be low, and preferably less than 5.0 (Hair et al. 2010). An examination of the four proposed drivers and the moderators reveals no signs of multicollinearity. All tolerance values are above the cutoff value 0.10, and all VIF values clearly below 5.0, and there is no reason to believe that there exists any multicollinearity in the dataset.

### 7.5 *The Drivers' Influence on Nowism*

In H1-H4 we tested whether there were differences in means between a high and low degree of a specific driver in relation to nowism using several one-way ANOVAs. In H6, our purpose is to see whether the four expected drivers of nowism actually have an influence on the degree of nowism. For this research purpose, a multiple regression analysis fits well, as it reveals whether the independent variables explain a significant variation in the dependent variable (Malhotra 2010). Table 5 presents the result of a multiple regression analysis.

<b>Model</b>	<b>Std. Beta</b>	<b>T-value</b>	<b>Sig.</b>
Extraversion	0.124	2.402	0.017
Individualism	0.109	2.501	0.013
Impulsive Behavior	0.421	8.885	0.000
Pos. Life Orientation	0.117	2.439	0.015
<i>Significant at the 0.05 level</i>			
<b>Variance explained</b>			<b>0.316</b>

*Table 5 – Regression Results, Impact on Nowism*

In order to see whether the drivers have a significant effect on nowism, the t-values must be examined. All four t-values are revealed to be significant (p-value<0.05), and the null hypothesis is thus rejected, meaning that all four drivers have a significant effect, and thus affect the degree of nowism. Further, we can see that 31.6% of the variance in nowism is explained by the variance in the four drivers. By looking at the beta coefficients provided, we can examine the estimated direction of the relationships. All drivers have positive values, indicating that all have a positive impact on nowism. The table reveals that impulsive behavior (0.421) has the strongest impact on nowism, implying that an increase in impulsive behavior will influence nowism the most. The other three drivers exert approximately the same degree of influence on nowism. Thus, hypothesis 6 is supported.

### 7.6 *Testing for Moderating Effects from Discretionary Income and Free Time*

A moderator is a variable that affects the direction and/or strength of the relationship between an independent and dependent variable; moderation thus implies that the causal relationship between two variables changes due to the

moderator (Baron and Kenny 1986). As mentioned earlier, we propose both discretionary income and perceived free time to affect the strength of the relationships between the four drivers and nowism. We intend to test the moderating effects from ‘Discretionary Income’ ( $M_1$ ) and ‘Free Time’ ( $M_2$ ), on the relationships between a) ‘Positive Life Orientation’ ( $X_1$ ); b) ‘Impulsive Behavior’ ( $X_2$ ); c) ‘Extraversion’ ( $X_3$ ); d) ‘Individualism’ ( $X_4$ ), and ‘Nowism’ ( $Y$ ), by developing interaction variables ( $X*M$ ). A positive interaction effect implies that the effect of  $X$  on  $Y$  increases as  $M$  increases, while a negative interaction effect denotes that the effect decreases as  $M$  increases (Kenny 2013). The interaction effects will be tested using multiple regression analysis, and our moderator hypotheses are supported if the interaction variables ( $X*M$ ) are significant (Baron and Kenny 1986).

The following standardized multiple regression equation explains the procedure for testing the moderators ‘Discretionary Income’ and ‘Free Time’:

$$\begin{aligned} \text{Nowism } (Y) = & \text{Positive Life Orientation } (X_1) + \text{Impulsive Behavior } (X_2) + \\ & \text{Extraversion } (X_3) + \text{Individualism } (X_4) + \text{Discretionary Income } (M_1) + \text{Free Time } \\ & (M_2) + \text{Positive Life Orientation*Discretionary Income } (X_1*M_1) + \text{Impulsive} \\ & \text{Behavior*Discretionary Income } (X_2*M_1) + \text{Extraversion*Discretionary Income} \\ & (X_3*M_1) + \text{Individualism*Discretionary Income } (X_4*M_1) + \text{Positive Life} \\ & \text{Orientation*Free Time } (X_1*M_2) + \text{Impulsive Behavior*Free Time } (X_2*M_2) + \\ & \text{Extraversion*Free Time } (X_3*M_2) + \text{Individualism*Free Time } (X_4*M_2) + \mathcal{E} \end{aligned}$$

To develop the interaction variables, standardized values were created for each construct and each moderator, and then multiplied. Table 6 presents the results when testing the moderating effects.

<b>Model</b>	<b>Std. Beta</b>	<b>T-value</b>	<b>Sig.</b>
Positive Life Orientation (X)	0.123	2.483	0.013
Impulsive Behavior (X)	0.404	8.377	0.000
Extraversion (X)	0.156	2.953	0.003
Individualism (X)	0.121	2.715	0.007
Discretionary income(M)	-0.096	-2.172	0.030
Free time (M)	0.126	2.835	0.005
PLO*Discretionary income (X*M)	0.011	0.222	0.825
IB*Discretionary income (X*M)	0.074	1.471	0.142
Extr*Discretionary income (X*M)	-0.071	-1.326	0.186
Ind*Discretionary income(X*M)	0.049	1.099	0.272
PLO*Free time (X*M)	-0.009	-0.176	0.861
IB*Free time (X*M)	0.012	0.235	0.815
Extr*Free time (X*M)	-0.024	-0.451	0.653
Ind*Free time (X*M)	0.004	0.097	0.923
<i>Significant at the 0.05 level</i>			
<b>Variance explained</b>			<b>0.343</b>

Table 6 – Moderating Effects, Results

As expected, the four drivers of nowism, ‘Positive Life Orientation’ (0.123); ‘Impulsive Behavior’ (0.404); ‘Extraversion’ (0.156); and ‘Individualism’ (0.121), appear to be significant (p-value < 0.05). All drivers have positive relationships with nowism, implying that an increase in one of the drivers will lead to an increase in nowism, which further supports our previous findings related to hypothesis 6. The moderators, ‘Discretionary Income’ (-0.096) and ‘Free Time’ (0.126) appear to be significant as main effects on nowism (p-value < 0.05), indicating that an increase in discretionary income leads to a *decrease* in nowism, and that an increase in free time leads to an *increase* in nowism. The ten interaction variables (X\*M) have p-values above 0.05, indicating that no moderating effects are of significant value. In other words, neither discretionary income nor free time appears to have a significant effect when moderating for the relationship between the drivers and nowism. Thus, we find no support for H7 and H8. Even though it is not possible to draw any conclusions from the moderating effects, we still find it appropriate to examine the directions of the effects, to give some direction for future research.

#### 7.6.1 Moderating Effects – Discretionary Income

When moderated by ‘Discretionary Income’, ‘Positive Life Orientation’; ‘Impulsive Behavior’; and ‘Individualism’ all have positive values of respectively 0.011; 0.074; and 0.049. This indicates that the effect of these drivers on nowism increase as discretionary income increases. Even though these effects do not prove to be significant, this may indicate that an increase in discretionary income might

strengthen the relationships between the drivers and nowism. When ‘Extraversion’ is moderated by ‘Discretionary Income’, it provides a negative value of -0.071, indicating that there might be a negative relationship where the effect of extraversion on nowism decreases as discretionary income increases, contradictory to our proposition. However, it is once again important to point out that no moderating effects by discretionary income were proven significant; thus, no conclusions can be drawn in this respect.

### 7.6.2 Moderating Effects – Free Time

When moderated by ‘Free Time’, ‘Impulsive Behavior’ and ‘Individualism’ both appear to have a positive effect on ‘Nowism’, with values of respectively 0.012 and 0.004. This may indicate that the effect of ‘Impulsive Behavior’ and ‘Individualism’ on ‘Nowism’ might increase as ‘Free time’ increases. This is in accordance with what we hypothesized; however, no conclusions can be drawn due to the insignificant T-values. Further, when ‘Positive Life Orientation’ and ‘Extraversion’ are moderated by ‘Free Time’, they provide negative beta values of respectively -0.009 and -0.024. The result is contradictory to what we proposed, indicating that the effect of ‘Positive Life Orientation’ and ‘Extraversion’ decreases as ‘Free time’ increases. Once more, however, it is important to note that these results are not significant, and no conclusions can be drawn. Thus, as a final remark, H7 and H8 are not supported.

### 7.7 Analyzing the Impact of Nowism on Satisfaction and Loyalty

Simple regression analysis is used when trying to explain the variation in one dependent variable on the basis of the variation in one single independent variable (Janssens et al. 2008). In H9 and H10, our purpose is to see whether nowism affects customer satisfaction and loyalty negatively, and a simple regression analysis therefore fits well. Table 7 presents the outcome of four simple regression analyses performed.

Dependent variable	Model	Std. Beta	T-value	Sig.	R <sup>2</sup>
Satisfaction Grocery Store	Nowism	0.015	0.290	0.772	0.000
Satisfaction Mob. Sub.	Nowism	-0.015	-0.291	0.771	0.000
Loyalty Grocery Store	Nowism	-0.039	-0.758	0.449	0.002
Loyalty Mob. Sub.	Nowism	-0.005	-0.103	0.918	0.000

*Significant at the 0.05 level*

*Table 7 – Regression Results, Satisfaction and Loyalty*

The provided T-values for all four relationships are revealed as insignificant (p-value > 0.05); the null hypothesis is therefore kept for all four cases, implying that customer satisfaction and loyalty cannot be claimed significantly affected by nowism. However, we still find it interesting to examine the directions of the relationships. The table indicates that an increase in nowism with one unit, leads to an increase in satisfaction for grocery stores with 0.015. This is clearly the opposite of what we hypothesized, and indicates that nowism might lead to higher customer satisfaction within grocery stores. The three remaining regression results present relationships as expected. An increase in nowism with one unit leads to a decrease in satisfaction for mobile subscriptions with -0.015; a decrease in loyalty for grocery stores with -0.039; and a decrease in loyalty for mobile subscriptions with -0.005. In sum, three out of four relationships suggest the expected negative direction between nowism and customer satisfaction and loyalty. However, no relationships provide significant effects; thus, H9 and H10 are not supported.

### 7.8 Testing the Causal Model

After testing all ten hypotheses, support was given to six of them. We therefore intend to replicate the study in order to examine the causal model, and see whether these findings can be repeated. The causal model is tested using SmartPLS. Table 8 below, reveals the path coefficients and t-values.

Market	Path	Path Coefficient	T-value
Grocery Store	Extr -> Nowism	0.086	1.684
	Ind -> Nowism	0.154	3.250
	IB -> Nowism	0.439	9.628
	PLO -> Nowism	0.147	3.100
	Nowism -> Sat	0.032	0.375
	Nowism -> Loy	-0.051	0.625
Mobile Sub.	Extr -> Nowism	0.086	1.750
	Ind -> Nowism	0.155	3.332
	IB -> Nowism	0.438	10.415
	PLO -> Nowism	0.147	3.334
	Nowism -> Sat	-0.018	0.270
	Nowism -> Loy	-0.070	0.869

Table 8 – Path Coefficients and T-values

The T-values reveal that ‘Individualism’ (0.154/0.155), ‘Impulsive Behavior’ (0.439/0.438), and ‘Positive Life Orientation’ (0.147) appear to have a significant effect on the degree of nowism, with T-values above 1.96. Moreover, all three constructs have T-values above 2.57; thus, the paths are significant at a 0.01 level

as well (Olsen 2002, 41). The fourth and last driver, ‘Extraversion’ (0.086), does not appear to be significant at the 0.05 level, but exceeds 1.65 in both markets, which indicates that the construct is significant at the 0.10 level (Olsen 2002, 41). The path between nowism and satisfaction is insignificant (T-values < 1.96) for both grocery stores and mobile subscriptions, with t-values of respectively 0.375 and 0.270. The same applies for the paths between nowism and loyalty, where both paths are insignificant with T-values of respectively 0.625 and 0.869.

Seen in relation to hypotheses 6, 9, and 10, the application of the PLS method yielded the same results as found using SPSS, with one exception; H6c is significant only at the 0.10 level when tested with the PLS method, while being significant at the 0.05 level in SPSS. Moreover, all relationships prove the same directions as found in SPSS.

*7.8.1 Variance Explained*

Variance explained is examined to check for the causal model’s ability to explain the latent variables. The values for variance explained are found in Table 9, below. In both markets, the variance in nowism is explained by approximately 37 % of the variance in the model. The variance explained for satisfaction in both the grocery store and mobile subscriptions markets is almost non-existent; respectively 0.1 % and 0 %. When examining loyalty, 0.3 % is being explained within the grocery store market, whereas 0.5 % is being explained within the mobile subscriptions market.

<b>Market</b>	<b>Latent Variable</b>	<b>Variance explained</b>
Grocery Store	Nowism	0.373
	Satisfaction	0.001
	Loyalty	0.003
Mobile Sub.	Nowism	0.372
	Satisfaction	0.000
	Loyalty	0.005

*Table 9 – Variance Explained*

When comparing these results with the findings derived in SPSS, we find several similarities. First, the variance explained is found to be quite close for nowism in both cases, with 31.6 % in SPSS, and approximately 37 % with PLS. The almost non-existing variance explained found for both satisfaction and loyalty is consistent with the previous findings in SPSS.

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### 7.9 Main Findings Summarized

Table 10 below presents our main findings summarized. The first six hypotheses concerning drivers of nowism and differences between segments were supported. The two hypotheses concerning the moderators were not supported, indicating that discretionary income and free time do not affect the impact of the drivers on nowism. Finally, the last two hypotheses concerning customer satisfaction and loyalty were not supported.

<b>Hypothesis</b>	<b>Result</b>
<b>H1:</b> Individuals found to be high on Positive Life Orientation will exhibit a higher degree of nowism compared to individuals found to be low on Positive Life Orientation.	Supported
<b>H2:</b> Individuals found to be high on Impulsive Behavior will exhibit a higher degree of nowism compared to individuals found to be low on Impulsive Behavior.	Supported
<b>H3:</b> Individuals found to be high on Extraversion will exhibit a higher degree of nowism compared to individuals found to be low on Extraversion.	Supported
<b>H4:</b> Individuals found to be high on Individualism will exhibit a higher degree of nowism compared to individuals found to be low on Individualism.	Supported
<b>H5:</b> Individuals belonging to the Young Free and Simple segment will exhibit a higher degree of nowism compared to individuals in the segments Chaos In My Life and Got My Life Back.	Supported
<b>H6:</b> Nowism is positively affected by; a) Positive Life Orientation; b) Impulsive Behavior; c) Extraversion; and d) Individualism.	Supported
<b>H7:</b> The higher the discretionary income possessed, the greater the effects of a) positive life orientation; b) impulsive behavior; c) extraversion; and d) individualism on nowism.	Not supported
<b>H8:</b> The more perceived free time, the greater the effects of a) positive life orientation; b) impulsive behavior; c) extraversion; and d) individualism on nowism.	Not supported
<b>H9:</b> Nowism has a negative impact on customer satisfaction in both the product market and service market.	Not supported
<b>H10:</b> Nowism has a negative impact on customer loyalty in both the product market and service market.	Not supported

*Table 10 – Main Findings Summarized*

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## 8.0 Discussion

Every now and then, a powerful consumer trend surfaces, leaving companies with no other choice than to familiarize with the trend and its implications, and then adapt to it. Even though we are still in an early phase of understanding and mapping nowism, this is a consumer trend that cannot be easily overlooked.

We initiated this study after being introduced to the recently featured trend of nowism through the article “Trend Spotting” by Andreassen, Calabretta and Olsen (2012). Although nowism is predicted to have a significant impact on business operations, there are no existing frameworks in which the construct has been empirically studied, and we could therefore not solely build further on previous research. Thus, in order to conceptualize nowism, a new model was developed based on theories drawn from consumer psychology and marketing, in order to understand the concept of nowism and how it relates to and impacts other constructs. Our desire for acquiring a deeper understanding of how nowism functions in a wider context resulted in the formulation of two main objectives: (1) Identifying what personality traits are related to nowism, and how these impact an individual’s propensity to live in the now; and (2) Uncovering the relationship between nowism, and customer satisfaction and customer loyalty.

Our hypotheses regarding the differences in means for the four personality traits when measuring for nowism (H1-H4), received strong support. Further, the hypothesis pertaining differences in means between the three segments was also supported (H5). The hypothesis regarding the driver effects of the four personality traits (H6a, b, c, d) was strongly supported. However, the moderating effects of discretionary income and free time (H7-H8) were not significant, and the hypotheses thus not supported. Finally, the impact of nowism on customer satisfaction and loyalty were not significant (H9-H10), and as such, the hypotheses were not supported.

The most important contributions of our study relate to these specific findings: First, individuals classified as being ‘high’ on one of the four personality traits will exert a higher degree of nowism compared to those being ‘low’ on the same personality trait. More concretely explained, people who are more extravert; more individualistic; more impulsive; and have a more positive life orientation, are

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more likely to be nowists. Second, we have revealed differences between the three segments with regards to their degree of nowism, with ‘Young, Free and Simple’ found to be the most nowistic segment. This indicates that young independent individuals are most likely to lead a nowistic lifestyle. Finally, positive life orientation, impulsive behavior, extraversion and individualism positively impacts nowism. More specifically, an increase in the four drivers leads to an increase in nowism, with impulsive behavior exerting the most influence on this relationship.

Another phase of our research involved investigating whether discretionary income and free time exercised any moderation effects on the relationship between the drivers and nowism. As our exploratory research also indicated, it would be reasonable to assume that a lust for instant gratification and a constant need for acquiring new experiences will require a certain amount of free time and money at disposal. Thus, we found it interesting to discover that discretionary income and free time seemingly are irrelevant to whether an individual chooses the lifestyle of nowism. Even though these constructs did not prove to have significant effects on these relationships, the literature still upholds that behavior is a function of both the person and the situation (Bem and Funder 1978). In the end, money will always be of importance with regards to consumer behavior, in that it can either place restrictions to, or facilitate a certain life style, which in turn is claimed to impact consumer behavior. Further, the growing perception of a time famine (Clarkberg 1999), demonstrates that free time is scarce, and thus another situational variable that should be of importance with regards to predicting behavior through lifestyle. Consequently, we believe it is too early to discard the impact of discretionary income and free time in this context. Despite not being found significant in this study, discretionary income and free time might serve as moderators for other drivers than those identified in this study.

The assertion that nowism has a negative impact on customer satisfaction and loyalty was evidently not supported. We find this somewhat surprising, as consumers devoted to nowism are known to have a substantial need for instant gratification (Trendwatching 2009); to be more impatient (Chen, Ng and Rao 2005); and to seek new experiences in an increasing pace (Trendwatching 2009). It is reasonable to assume that these aspects will reduce these customers’ perception of satisfaction; and also their degree of loyalty, both directly and indirectly, as satisfaction is a necessary step in loyalty formation (Oliver 1999).

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Further, as consumer behavior reportedly is influenced by lifestyle (Foxall, Goldsmith and Brown 1998) nowism might still play an important role with regards to consumer behavior. One explanation to this insignificant effect might be that both the grocery store and mobile subscription markets provide what can be argued, at least in contemporary western societies, to be necessities, in which consumers have reduced expectations to satisfaction. Moreover, the high scores for loyalty, especially within the field of grocery stores, might be due to customers staying loyal simply out of convenience, e.g. that they patronize their regular grocery store because it is the closest, in line with the propositions of Dick and Basu (1994) and Rowley (2005).

Another reason why we did not find a significant relationship between nowism and customer satisfaction and loyalty might be that these consumer responses were only measured on a single occasion, due to time restrictions. Several studies advocate the use of multiple repeated measures, as this technique has been found better at predicting behavior (Epstein 1979; Epstein 1980; Lastovicka and Joachimsthaler 1988). Thus, by employing repeated measures, we would have increased our chances to detect a possible relationship between nowism and customer satisfaction and loyalty. Further, as Lastovicka and Joachimsthaler (1988) also point out, measuring over several situations or occasions will cancel out the possible influence of situational uniqueness. This might therefore be some of the explanation as to why free time and discretionary income did not evidence any moderation effect on the relationship between the four drivers and nowism. The employment of repeated measures with a certain time interval between each measurement could have accentuated any changes in the respondents' amount of free time, or discretionary income, and thus have made any possible influence of our moderator variables easier to detect.

When the study was replicated in SmartPLS, using the partial least squares method, some interesting differences arose. First, extraversion was found to be a significant driver at the 0.05 level in SPSS, whereas in SmartPLS the driver is significant only at the 0.10 level. It is reasonable to assume that this is due to the fact that when testing the causal model, more variables are tested at once, and thus more interactions are made and the path coefficients change.

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Second, SmartPLS provides beta coefficients and T-values for the drivers and nowism that to some extent differ between the two markets of grocery stores and mobile subscriptions. This is surprising, as the same sample is used for testing both markets, with the only difference being whether it is satisfaction and loyalty variables for grocery stores or mobile subscriptions that are applied. To avoid any possible correlation with other variables when testing, all redundant constructs were removed. In addition, each market was tested in a separate project, to avoid any possible correlation between the variables concerning loyalty and satisfaction for the two different markets. When testing the causal model, all variables interact, and thus, some changes may occur due to different values within satisfaction and loyalty between the two markets.

Overall, we present strong support for several of our hypotheses, and thus we assert that some new perspectives have been added to the concept of nowism.

### ***8.1 Managerial Implications***

Consumer trends will continue to emerge and influence the future of business, requiring that marketers and CEOs exert vigor and ability to adapt. Not acknowledging the possible impact of these trends, or failing to act upon them, may be detrimental to a company. To our knowledge, managers have paid little attention to the concept of nowism. This paper provides a deeper understanding of nowism, and thus should be valuable to managers.

Our findings have clear implications for managers, as they should think of ways to satisfy the growing mass of nowists. Consumers' need for instant gratification is increasing, and as Trendwatching (2009) firmly puts it: "one generation's indulgence always becomes the next generation's necessity". Thus, managers need to react *now* in order for their companies to stay competitive. An important task for managers is to examine how their companies' customer bases are composed, and identify the nowists among the customers. Our paper uncovers four personality traits, more specifically 'Positive Life Orientation'; 'Impulsive Behavior'; 'Extraversion'; and 'Individualism', which leads to a higher degree of nowism. Managers can thereby identify the nowists by employing psychographic segmentation based on the four personality traits identified in this paper. Further, the paper reveals the 'Young, Free and Simple' to be the most nowistic segment,

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thus making psychographic segmentation even more important for companies with young customer bases.

Overall, managers should think of ways to satisfy the increasing need for instant gratification in order to attract new market segments, while at the same time maintaining their current customer base and gaining competitive advantages. In conclusion, we believe marketers will experience struggles if they neglect to acknowledge the importance of including ways to satisfy customers' need for instant gratification into their market offerings.

## **9.0 Limitations and Further Research**

Apparently, there are some limitations associated with our study that must be addressed. Even though the results provided good support for several of our proposed hypotheses, further research is called for to obtain a more thorough understanding of nowism.

In this study, we collected data based on convenience and snowball sampling, which entails some generalization issues. As our network mostly consists of individuals in and around the Oslo area, we cannot provide results that are fully representative of the country. However, the purpose of this study is not to generalize, but rather to start the process of investigating how nowism works and how it is constituted. A natural next step would therefore be to test the results in a larger geographic context. Further research should also examine whether the same results apply when examining non-western and less affluent countries.

While the advantages of using a web-based survey are many, some limitations do exist. Not everyone is connected to the Internet; implying that it is impossible to reach *all* individuals, and that some might be even harder to reach than others. As mentioned earlier, Porter and Donthu (2006) point out that older individuals have lower technology acceptance, implying that the 'Got My Life Back' segment might be harder to reach with web-based surveys.

To this date, no research papers on how to measure nowism exist. As such, a new scale was developed based on exploratory research and Trendwatching's (2009) definitions and descriptions of the trend. Even though nowism as a construct

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achieved high scores with regards to both reliability and validity, there is an apparent need for further research of the items measuring nowism, in order to ensure the best possible measurement of this construct.

Further, we have focused solely on exploring personality traits as drivers of nowism, as a link between personality and lifestyle already exists (Foxall, Goldsmith and Brown 1998). However, further research should investigate whether there are other elements that might impact nowism. A well-established link is also found between lifestyle and demographics (Foxall, Goldsmith and Brown 1998), thus further research should examine whether demographic variables such as gender, age, level of education, and geographic location have an impact on nowism.

This study is somewhat limited in that both moderators were measured by only one item each, and further research should therefore assess the employment of scales with larger inventory. Moreover, our moderators were not included when testing the causal model in SmartPLS, and it might therefore be interesting to see whether discretionary income and free time affects the relationships within the causal model. In addition, there might be moderators others than those revealed by our exploratory research, having an influence on the relationships between the drivers and nowism. Further research should involve testing the possible moderating effects of variables such as age, marital status, nationality and geographic location.

Another matter is the fact that results concerning satisfaction and loyalty are limited to the markets of grocery stores and mobile subscriptions, leading to some generalization issues. First, we cannot be sure whether the respondents evaluated satisfaction and loyalty based on one particular store or the retail chain in its entirety. Moreover, within the grocery store market, some respondents might even have specific brands in mind when evaluating satisfaction and loyalty. Second, true loyalty is difficult to measure within our context, as some customers might stay loyal simply out of convenience. Further research should therefore examine whether the same results occur, when controlling for convenience in an experiment, as well as when testing other markets. Finally, it would be interesting to see whether nowism affects other consumer responses, e.g. engagement and complaint behavior.

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## 11.0 Appendices

### *Appendix 1 – Interview Guide for Focus Group Interview (Norwegian)*

**Intervjuguide – Fokusgruppe**

**Tema: Drivere av Nowism**

**Åpningsspørsmål (ALLE): (Maks 5 min.)**

- Kan du fortelle hva du heter og litt om hvem du er?
- Hva liker du å fylle dagene og fritiden din med?
  - Planlegger du dagene på forhånd, eller er du mer impulsiv?

**Introduksjonsspørsmål: (Ca. 10 min.)**

- Hva tenker dere på når dere hører uttrykket “å leve i nuet”?
- Hva må ligge til grunn for at en person kan hevde at han eller hun lever i nuet?
- Hva tenker dere på når dere hører begrepet ”øyeblikkelig tilfredsstillelse” (“instant gratification”)?

**Overgangsspørsmål: (Ca. 15 min.)**

- Kan dere fortelle hva som kan gi dere øyeblikkelig glede eller nytelse i hverdagen?
- I hvilken grad vil dere si at dere lever i nuet?
- Kan dere gi noen eksempler på situasjoner hvor dere får en følelse av å leve i nuet?
- Hvilke situasjoner får dere til å tenke tilbake på fortiden?
- Hvilke situasjoner får dere til å planlegge og tenke fremover i tid?
- Hvordan preger tanken om at dere kan bli utsatt for et terroristanslag dere, i forhold til hvordan dere lever livet i dag?
- Hvordan preger tanken om at dere kan bli alvorlig syk dere, i forhold til hvordan dere lever livet i dag?

**Nøkkelspørsmål: (Ca. 10 min. per spørsmål) (-Utdyp)**

- Mener dere at det er viktig å leve i nuet? – Eventuelt, hvorfor?
- Hvorfor tror dere enkelte er så opptatte av å leve i nuet?
- Hva tror dere kjennetegner personer som er opptatte av å leve i nuet?
- Hva slags konsekvenser tror dere det å leve i nuet fører med seg?
- Før i tiden var man veldig opptatt av at man måtte spare penger og ta skole og utdanning før man kunne begynne å nyte livet. Hvordan tenker dere om dette?

**Avslutningsspørsmål: (Maks 5 min.)**

- Er det noe dere vil legge til?

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**Appendix 2 – Interview Guide for Focus Group Interview (English)**

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**Interview guide – Focus group interview****Theme: Drivers of Nowism****Opening questions (ALL): (Max. 5 min.)**

- Can you tell us your name and a little about who you are?
- How do you like to spend your days and your free time?
  - Do you plan the days ahead, or are you more impulsive?

**Introductory questions: (Approx. 10 min.)**

- What do you think about when hearing the expression “to live in the now”?
- What must be present in order for a person to claim to be living in the now?
- What do you think about when hearing the expression “instant gratification”?

**Transition questions: (Approx. 15 min.)**

- Can you tell what might give you instant gratification or pleasure in everyday life?
- To what extent would you claim to be living in the now?
- Can you give some examples of situations in which you get a feeling of living in the now?
- What situations make you think back on the past?
- What situations make you plan and think ahead in time?
- How does the thought of being struck by a terrorist attack affect you, in terms of how you live your life today?
- How does the thought of being seriously ill affect you, in terms of how you live your life today?

**Key questions: (Approx. 10 min. per question) (-Elaborate)**

- Do believe it is important to live in the present? – If so, why?
- Why do you think some people are so concerned by living in the now?
- What do you think characterizes people who are concerned by living in the now?
- What kind of consequences do you think living in the now entails?
- In earlier times, they were very concerned that one had to save money, go to school and get an education before one could begin to enjoy life. How do you think about this?

**Ending question: (Max. 5 min.)**

- Is there something you would like to add?

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**Appendix 3 – Interview Guide for In-depth Interview (Norwegian)**

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**Intervjuguide – Dybdeintervju****Tema: Drivere av Nowism og betydningen av tid og penger****Åpningsspørsmål:** Samme som i fokusgruppe**Introduksjonsspørsmål:** Samme som i fokusgruppe**Overgangsspørsmål: (Ca. 15 min.)**

- Kan du fortelle hva som kan gi deg øyeblikkelig glede eller nytelse i hverdagen?
- I hvilken grad vil du si at du lever i nuet?
- Hvordan påvirkes du av venner og familie?
- Kan du gi noen eksempler på situasjoner hvor du får en følelse av å leve i nuet?
- Hvilke situasjoner får deg til å tenke tilbake på fortiden?
- Hvilke situasjoner får deg til å planlegge og tenke fremover i tid?
- Hvis du ser for deg planlegging kontra å ta ting på sparket. Hva er det som må planlegges, og hva kan man ta på sparket?
- Øyeblikkelig tilfredsstillelse ("instant gratification"), kontra glede over ting som er planlagt i lang tid; når, eller i hvilke situasjoner opplever man det?
- I hvilke konkrete situasjoner kan man leve i nuet? I hvilke kan man ikke?
- Hvordan tror du man kan kombinere det å leve i nuet med planlegging?
- Hvordan preger tanken om at du kan bli utsatt for et terroristanslag deg, i forhold til hvordan du lever livet i dag?
- Hvordan preger tanken om at du kan bli alvorlig syk deg med henhold til hvordan du lever livet i dag?

**Nøkkelspørsmål: (Ca. 10 min. per spørsmål) (-Utdyp)**

- Mener du at det er viktig å leve i nuet? – Eventuelt, hvorfor?
- Hvorfor tror du enkelte er så opptatte av å leve i nuet?
- Hva tror du kjennetegner personer som er opptatte av å leve i nuet?
- Hvilke faktorer tror du vil være med på å utløse øyeblikkelig tilfredsstillelse ("instant gratification")? (-Eventuelt nevnt 'tid' og 'penger')
- Hvordan påvirker personligheten det å leve i nuet?
- Er det noen som er mer disponerte for det enn andre?
- Er det eventuelt noen personlighetstrekk som er mer knyttet til øyeblikkelig tilfredsstillelse ("instant gratification")?
- Hvilke holdninger har du til å leve i nuet? – Positive/negative?
- Hva slags konsekvenser tror du det å leve i nuet fører med seg?
- Før i tiden var man veldig opptatt av at man måtte spare penger og ta skole og utdanning før man kunne begynne å nyte livet. Hvordan tenker du om dette?

**Avslutningsspørsmål:** Samme som i fokusgruppe

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**Appendix 4 – Interview Guide for In-depth Interview (English)**

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**Interview guide – In-depth interview****Theme: Drivers of Nowism and the significance of time and money****Opening questions:** Same as in focus group interview**Introductory questions:** Same as in focus group interview**Transition questions: (Approx. 15 min.)**

- Can you tell what might give you instant gratification or pleasure in everyday life?
- To what extent would you claim to be living in the now?
- How do your friends and family affect you?
- Can you give some examples of situations in which you get a feeling of living in the now?
- What situations make you think back on the past?
- What situations make you plan and think ahead in time?
- If you envision planning versus taking things on the fly. What needs to be planned, and what can be taken on the fly?
- Instant gratification, versus the joy of things that are planned for a long time; when, or in what situations does one experience it?
- In what specific situations can one live in the present? In which can one not?
- How do you think one can combine living in the now with planning?
- How does the thought of being struck by a terrorist attack affect you, in terms of how you live your life today?
- How does the thought of being seriously ill affect you, in terms of how you live your life today?

**Key questions: (Approx. 10 min. per question) (-Elaborate)**

- Do believe it is important to live in the present? – If so, why?
- Why do you think some people are so concerned by living in the now?
- What do you think characterizes people who are concerned by living in the now?
- What factors do you think will contribute in triggering instant gratification (-Alternatively: mention 'time' and 'money')
- How does personality affect that of living in the now?
- Are there some that are more susceptible to it than others?
- Are there possibly some personality traits that are more related to instant gratification?
- What attitudes do you have towards living in the present? – Positive/negative?
- What kind of consequences do you think living in the now entails?
- In earlier times, they were very concerned that one had to save money, go to school and get an education before one could begin to enjoy life. How do you think about this?

**Ending question:** Same as in focus group interview

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**Appendix 5 – Observed measures for discretionary income, free time, satisfaction and loyalty**

Label	Question	Construct
Q10	Approximately, what percentage of your monthly salary (incl. any student loans) do you have at your disposal after all fixed expenses are paid?	Discretionary Income
Q11	To what extent do you perceive yourself to have a large amount of free time?	Free Time
Q23/Q30	Overall, how satisfied or dissatisfied are you with this store/ mobile subscription provider?	Customer Satisfaction
Q24/Q31	Imagine an ideal store for groceries/ideal mobile subscription provider. How close to your ideal is this store/provider?	Customer Satisfaction
Q25/Q32	To what extent did this grocery store meet your expectations? / To what extent does this mobile subscription provider meet your expectations?	Customer Satisfaction
Q26/Q33	Compared with their competitors, how attractive is this grocery store/mobile subscription provider?	Customer Satisfaction
Q27_1/Q34_1	How likely/unlikely is it that you will continue as a customer of this grocery store/mobile subscription provider?	Customer Loyalty
Q27_2/Q34_2	How likely/unlikely is it that you will recommend this grocery store/mobile subscription provider if asked?	Customer Loyalty
Q27_3/Q24_3	How likely/unlikely is it that you will speak of this grocery store/mobile subscription provider in a positive way?	Customer Loyalty

**Appendix 6 – Original questionnaire in Norwegian**

Hei!

Vi er to masterstudenter ved Handelshøyskolen BI i Oslo. I forbindelse med vår masteroppgave gjennomfører vi en spørreundersøkelse om kundetilfredshet og kundelojalitet. Spørreundersøkelsen tar ca. 10 minutter å gjennomføre. Alle svar vil bli behandlet anonymt, og det er ikke mulig å spore besvarelsen tilbake til deg. Vi setter stor pris på din deltagelse. Ved spørsmål angående undersøkelsen, ta kontakt med Sandra Dahl på \*\*\*\*\*@gmail.com

Med vennlig hilsen Kristine Nygaard Thowsen og Sandra Dahl

**Q\_info** Jeg har lest og forstått vilkårene, og ønsker å besvare undersøkelsen

- Ja (1)
- Nei (2)

**(Hvis respondent svarer nei, avsluttes undersøkelsen.)**

**Q1** Nasjonalitet

- Norsk (1)
- Annet, vennligst oppgi: (2) \_\_\_\_\_

**Q2** Kjønn

- Mann (1)
- Kvinne (2)

**Q3** Hvor gammel er du? Vennligst kun oppgi tallet.

\_\_\_\_\_

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**Q4** Yrkesstatus. Kryss av for det som best beskriver din situasjon.

- Elev ved grunnskole eller videregående skole (1)
- Student (2)
- Deltidsjobb (3)
- Fulltidsjobb (4)
- Pensjonert (5)
- Annet (6)

**Q5** Sivilstatus

- Singel (1)
- I et forhold (2)
- Samboer (3)
- Gift (4)
- Skilt (5)
- Annet (6)

**Q6** Har du barn?

- Ja (1)
- Nei (2)

**(Spørsmål blir vist om respondenten har barn.)**

**Q7** Har du ett eller flere barn under 18 år?

- Ja (1)
- Nei (2)

**(Spørsmål blir vist om respondenten har barn under 18 år.)**

**Q8** Bor barnet/barna under 18 år i din bopel?

- Ja (1)
- Nei (2)

**Q9** Oppgi din månedlige netto inntekt. (Vi ber studenter oppgi svar inkludert eventuelt studielån)

- Under 10 000 (1)
- 10 000 - 19 999 (2)
- 20 000 - 29 999 (3)
- 30 000 - 39 999 (4)
- 40 000 - 49 999 (5)
- 50 000 eller høyere (6)

**Q10** Omtrent hvor stor prosentandel av månedlig inntekt (inkludert eventuelt studielån) har du igjen til fri disposisjon etter at alle faste utgifter er betalt?

- 0 - 25 % (1)
- 26 - 50 % (2)

- 51 - 75 % (3)
- 76 - 100 % (4)

**Q11** I hvilken grad opplever du at du har mye fritid?

- I svært liten grad 1 (1)
- 2 (2)
- 3 (3)
- 4 (4)
- 5 (5)
- 6 (6)
- I svært stor grad 7 (7)

Du vil nå bli presentert for en rekke påstander knyttet til din personlighet. Angi i hvilken grad du er enig i disse påstandene.

**Q12**

	Helt uenig (1)	Uenig (2)	Noe uenig (3)	Nøytral (4)	Noe enig (5)	Enig (6)	Helt enig (7)
Jeg er komfortabel rundt andre mennesker (1)	<input type="radio"/>						
Jeg starter som regel samtaler (2)	<input type="radio"/>						
Jeg har ikke noe imot å være midtpunktet i en forsamling (3)	<input type="radio"/>						
Jeg er energisk (4)	<input type="radio"/>						

**Q13**

	Helt uenig (1)	Uenig (2)	Noe uenig (3)	Nøytral (4)	Noe enig (5)	Enig (6)	Helt enig (7)
Jeg kjører ofte mitt eget løp (1)	<input type="radio"/>						
Min personlige identitet er veldig viktig for meg (2)	<input type="radio"/>						
Jeg liker ikke å bli påvirket av andre (3)	<input type="radio"/>						
Jeg stoler heller på meg selv, enn andre (4)	<input type="radio"/>						

**Q14**

	Helt uenig (1)	Uenig (2)	Noe uenig (3)	Nøytral (4)	Noe enig (5)	Enig (6)	Helt enig (7)
Jeg liker å ta risiko (1)	<input type="radio"/>						
Noen ganger liker jeg å gjøre ting som er litt skremmende (2)	<input type="radio"/>						
Jeg er utålmodig (3)	<input type="radio"/>						
Jeg søker som regel etter nye og spennende opplevelser (4)	<input type="radio"/>						
Jeg tenker sjeldent gjennom ting før jeg gjør noe (5)	<input type="radio"/>						

**Q15**

	Helt uenig (1)	Uenig (2)	Noe uenig (3)	Nøytral (4)	Noe enig (5)	Enig (6)	Helt enig (7)
Jeg er livsglad (1)	<input type="radio"/>						
Jeg er fornøyd med livet mitt (2)	<input type="radio"/>						
Jeg føler at andre mennesker trenger meg (3)	<input type="radio"/>						
Jeg er optimistisk (4)	<input type="radio"/>						

## Q16

	Helt uenig (1)	Uenig (2)	Noe uenig (3)	Nøytral (4)	Noe enig (5)	Enig (6)	Helt enig (7)
Jeg anser meg for å være en person som lever i nuet (1)	<input type="radio"/>						
Jeg søker etter øyeblikkelig tilfredsstillelse i hverdagen (2)	<input type="radio"/>						
Jeg bruker en betydelig andel av mine økonomiske midler på opplevelser (3)	<input type="radio"/>						
Jeg bruker en betydelig andel av mine økonomiske midler på ting som kan gi meg glede nå, fremfor å spare (4)	<input type="radio"/>						

(Scenario nedenfor vises hvis respondent ikke har barn, eller barn som ikke bor hjemme/over 18 år)

## Q17 Se for deg at du er i følgende situasjon:

Det er midt i sommerferien og du kjeder deg på jobb da det er veldig lite å gjøre. Du blar deg gjennom dagens nyheter på nett, og legger merke til en annonse fra en turoperatør. Annonsen gjelder en eksotisk pakkereise som tar deg gjennom tre land på to uker. Det er noen få plasser igjen og avreisen er i morgen tidlig. Du vet at du får fri fra jobb, men du har brukt opp ferieukene dine tidligere i år, så du får dermed ikke lønn for perioden du er bortreist. Du har lite penger på brukskontoen din, men du har en sum penger på en konto for uforutsette fremtidige utgifter som du kan bruke til å betale for reisen.

Hvor sannsynlig eller usannsynlig er det at du reiser?

Svært usannsynlig	1	2	3	4	5	6	7	8	9	Svært sannsynlig
<input type="radio"/>		<input type="radio"/>								

(Scenario nedenfor vises hvis respondent har barn under 18 år som bor hjemme)

## Q18 Se for deg at du er i følgende situasjon:

Det er midt i sommerferien og du kjeder deg på jobb, da det er veldig lite å gjøre. Du blar deg gjennom dagens nyheter på nett, og legger merke til en annonse fra en turoperatør. Annonsen gjelder en eksotisk pakkereise som tar deg gjennom tre land på to uker. Det er noen få plasser igjen og avreisen er i morgen tidlig. Du vet at du får fri fra jobb, men du har brukt opp ferieukene dine tidligere i år, så du får dermed ikke lønn for perioden du er bortreist. Du har lite penger på brukskontoen din, men du har en sum penger på en konto for uforutsette fremtidige utgifter som du

kan bruke til å betale for reisen. Barnet ditt/barna dine er på ferie med besteforeldre og vil være bortreist de neste fire ukene.

Hvor sannsynlig eller usannsynlig er det at du reiser?

Svært usannsynlig	1	2	3	4	5	6	7	8	9	Svært sannsynlig	10
	<input type="radio"/>		<input type="radio"/>								

**Q21** Vi vil nå stille deg noen spørsmål om dine erfaringer med dagligvarebutikker. Kryss av for den dagligvarebutikken du brukte sist:

- Ultra (1)
- Meny (2)
- Kiwi (3)
- Centra (4)
- Spar (5)
- Joker (6)
- Coop Obs (7)
- Coop Mega (8)
- Coop Prix (9)
- Coop Marked (10)
- Coop Extra (11)
- Rema 1000 (12)
- Rimi (13)
- Ica Maxi (14)
- Ica Supermarked (15)
- Ica Nær (Matkroken) (16)
- Bunnpris (17)
- Annet, vennligst oppgi: (18) \_\_\_\_\_

**Vi ber deg nå om å tenke tilbake på dine erfaringer med denne dagligvarebutikken.**

**Q23** Totalt sett, hvor fornøyd eller misfornøyd er du med denne dagligvarebutikken?

Svært misfornøyd	1	2	3	4	5	6	7	8	9	Svært fornøyd	10
	<input type="radio"/>		<input type="radio"/>								

**Q24** Tenk deg en ideell butikk for dagligvarer. Hvor nært opp til dette idealet er den valgte dagligvarebutikken?

Svært fjernt	1	2	3	4	5	6	7	8	9	Svært nært	10
	<input type="radio"/>		<input type="radio"/>								

**Q25** I hvilken grad innfridde valgte dagligvarebutikk dine forventninger?

I svært liten grad	1	2	3	4	5	6	7	8	9	I svært stor grad	10
	<input type="radio"/>		<input type="radio"/>								

**Q26** Med tanke på dine erfaringer med denne dagligvarebutikken, hvor attraktiv opplever du at den er i forhold til konkurrenter?

Svært uattraktiv 1	2	3	4	5	6	7	8	9	Svært attraktiv 10
<input type="radio"/>									

**Q27** Med tanke på dine erfaringer med denne dagligvarebutikken, ta stilling til følgende spørsmål:

	Svært usannsynlig 1	2	3	4	5	6	7	8	9	Svært sannsynlig 10
Hvor sannsynlig eller usannsynlig er det at du kommer til å opprettholde kundeforholdet til denne dagligvarebutikken? (1)	<input type="radio"/>									
Hvor sannsynlig eller usannsynlig er det at du vil anbefale denne dagligvarebutikken, dersom noen spør deg om råd? (2)	<input type="radio"/>									
Hvor sannsynlig eller usannsynlig er det at du vil omtale denne dagligvarebutikken på en positiv måte? (3)	<input type="radio"/>									

**Q28** Se for deg at følgende skjer etter besøket i den valgte dagligvarebutikken:

Du ser på kvitteringen og oppdager at du har betalt for en vare du ikke har kjøpt. Du tar kontakt med kundeansvarlig, men du får ikke tilbake pengene da det ikke finnes bevis for at du faktisk ikke har kjøpt varen.

Ta utgangspunkt i scenarioet når du svarer på følgende spørsmål:

	Svært usannsynlig 1	2	3	4	5	6	7	8	9	Svært sannsynlig 10
Hvor sannsynlig eller usannsynlig er det at du kommer til å opprettholde kundeforholdet til denne dagligvarebutikken? (1)	<input type="radio"/>									
Hvor sannsynlig eller usannsynlig er det at du vil anbefale denne dagligvarebutikken, dersom noen spør deg om råd? (2)	<input type="radio"/>									
Hvor sannsynlig eller usannsynlig er det at du vil omtale denne dagligvarebutikken på en positiv måte? (3)	<input type="radio"/>									

**Q29** Vi vil nå stille deg noen spørsmål angående ditt mobiltelefonabonnement. Kryss av for hvilket abonnement du har per dags dato.

- Telenor (1)
- Netcom (2)
- Chess (3)
- Tele 2 (4)
- One Call (5)
- Talkmore (6)
- Djuice (7)
- MyCall (8)
- Ventelo (9)

- Telio (10)
- Annet, vennligst oppgi: (11) \_\_\_\_\_

**Vi ber deg nå om tenke tilbake på dine erfaringer med denne leverandøren.**

**Q30** Totalt sett, hvor fornøyd eller misfornøyd er du med din leverandør?

Svært misfornøyd	1	2	3	4	5	6	7	8	9	Svært fornøyd	10
	<input type="radio"/>										

**Q31** Tenk deg en ideell leverandør i denne bransjen. Hvor nært opp til dette idealet er din leverandør?

Svært fjernt	1	2	3	4	5	6	7	8	9	Svært nært	10
	<input type="radio"/>										

**Q32** I hvilken grad pleier din leverandør å innfri dine forventninger?

I svært liten grad	1	2	3	4	5	6	7	8	9	I svært stor grad	10
	<input type="radio"/>										

**Q33** Med tanke på dine erfaringer med ditt mobilabonnement, hvor attraktiv opplever du at din leverandør er i forhold til sine konkurrenter?

Svært uattraktiv	1	2	3	4	5	6	7	8	9	Svært attraktiv	10
	<input type="radio"/>										

**Q34** Med tanke på dine erfaringer med denne leverandøren, ta stilling til følgende spørsmål:

	Svært usannsynlig 1	2	3	4	5	6	7	8	9	Svært sannsynlig 10
Hvor sannsynlig eller usannsynlig er det at du kommer til å opprettholde kundeforholdet til din leverandør? (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"/>	<input type="radio"/>	<input type="radio"/>
Hvor sannsynlig eller usannsynlig er det at du vil anbefale denne leverandøren, dersom noen spør deg om råd? (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"/>	<input type="radio"/>	<input type="radio"/>
Hvor sannsynlig eller usannsynlig er det at du vil omtale denne leverandøren på en positiv måte? (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"/>	<input type="radio"/>	<input type="radio"/>

**Q35** Se for deg at følgende skjer når du mottar mobilregningen for foregående måned fra din leverandør:

Du ser på regningen og oppdager at du har betalt for en tjeneste du ikke har kjøpt. Du tar kontakt med kundeansvarlig, men du får ikke tilbake pengene da det ikke finnes bevis for at du faktisk ikke har kjøpt tjenesten.

Ta utgangspunkt i scenarioet når du svarer på følgende spørsmål:

	Svært usannsynlig 1	2	3	4	5	6	7	8	9	Svært sannsynlig 10
Hvor sannsynlig eller usannsynlig er det at du kommer til å opprettholde kundeforholdet til din leverandør? (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"/>	<input type="radio"/>	<input type="radio"/>
Hvor sannsynlig eller usannsynlig er det at du vil anbefale denne leverandøren, dersom noen spør deg om råd? (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"/>	<input type="radio"/>	<input type="radio"/>
Hvor sannsynlig eller usannsynlig er det at du vil omtale denne leverandøren på en positiv måte? (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"/>	<input type="radio"/>	<input type="radio"/>

### Appendix 7 – Descriptive statistics

Construct	Item	Mean	Std. Dev	Skewness	Std. Error of Skewness	Kurtosis	Std. Error of Kurtosis
Extr.	Q12_1	5.98	1.143	<b>-1.581</b>	0.125	<b>2.880</b>	0.250
	Q12_2	5.17	1.249	-0.778	0.125	0.471	0.250
	Q12_3	4.54	1.643	-0.404	0.125	-0.694	0.250
	Q12_4	5.18	1.246	-0.634	0.125	0.230	0.250
Ind.	Q13_1	4.90	1.221	-0.457	0.125	-.117	0.250
	Q13_2	5.45	1.063	-0.755	0.125	<b>1.067</b>	0.250
	Q13_3	4.62	1.340	-0.270	0.125	-.386	0.250
	Q13_4	5.01	1.262	-0.584	0.125	.152	0.250
IB	Q14_1	4.23	1.454	-0.265	0.125	-.710	0.250
	Q14_2	4.39	1.479	-0.418	0.125	-.599	0.250
	Q14_3	4.99	1.610	-0.753	0.125	-.191	0.250
	Q14_4	4.71	1.332	-0.344	0.125	-.415	0.250
	Q14_5	2.80	1.409	0.734	0.125	.012	0.250
PLO	Q15_1	5.93	0.980	<b>-1.382</b>	0.125	<b>2.987</b>	0.250
	Q15_2	5.79	1.094	<b>-1.296</b>	0.125	<b>1.878</b>	0.250
	Q15_3	5.58	1.144	<b>-1.175</b>	0.125	<b>1.587</b>	0.250
	Q15_4	5.62	1.202	<b>-1.106</b>	0.125	<b>1.076</b>	0.250

Construct	Item	Mean	Std. Dev	Skewness	Std. Error of Skewness	Kurtosis	Std. Error of Kurtosis
Nowism	Q16_1	4.63	1.321	-0.437	0.125	-0.391	0.250
	Q16_2	4.31	1.371	-0.194	0.125	-0.537	0.250
	Q16_3	4.15	1.578	-0.190	0.125	-0.980	0.250
	Q16_4	4.31	1.590	-0.290	0.125	-0.793	0.250
Dis. Income	Q10	2.00	0.838	0.575	0.125	-0.197	0.250
Free Time	Q10	4.05	1.537	-0.071	0.124	-0.724	0.250

Construct	Item	Mean	Std. Dev	Skewness	Std. Error of Skewness	Kurtosis	Std. Error of Kurtosis
Sat. Grocery	Q23	6.67	1.973	-0.589	0.125	-0.188	0.250
	Q24	5.59	<b>2.206</b>	-0.133	0.125	-0.701	0.250
	Q25	6.80	<b>2.024</b>	-0.503	0.125	-0.401	0.250
	Q26	6.46	<b>2.136</b>	-0.341	0.125	0.653	0.250
Loy. Grocery	Q27_1	8.25	1.964	<b>-1.100</b>	0.125	0.608	0.250
	Q27_2	6.40	<b>2.741</b>	-0.354	0.125	-0.969	0.250
	Q27_3	6.70	<b>2.569</b>	-0.463	0.125	-0.789	0.250
Sat. Mobile	Q30	7.11	<b>2.040</b>	-0.523	0.125	-0.380	0.250
	Q31	6.70	<b>2.045</b>	-0.402	0.125	-0.394	0.250
	Q32	7.00	1.969	-0.489	0.125	-0.338	0.250
	Q33	6.90	<b>2.023</b>	-0.369	0.125	-0.383	0.250
Loy. Mobile	Q34_1	7.38	<b>2.481</b>	-0.921	0.125	0.003	0.250
	Q34_2	6.66	<b>2.530</b>	-0.478	0.125	-0.706	0.250
	Q34_3	6.77	<b>2.427</b>	-0.540	0.125	-0.549	0.250

*Appendix 8 – Measurement variable loadings*

<i>Grocery Store Market</i>							<i>Mobile Subscriptions Industry</i>								
	Extr	Ind	IB	PLO	Nowism	Sat	Loy		Extr	Ind	IB	PLO	Nowism	Sat	Loy
Q12_1	0.788							Q12_1	0.788						
Q12_2	0.831							Q12_2	0.831						
Q12_3	0.856							Q12_3	0.856						
Q12_4	0.789							Q12_4	0.789						
Q13_1		0.669						Q13_1		0.669					
Q13_2		0.890						Q13_2		0.889					
Q13_3		0.444						Q13_3		0.445					
Q13_4		0.506						Q13_4		0.507					
Q14_1			0.793					Q14_1			0.793				
Q14_2			0.755					Q14_2			0.755				
Q14_3			0.487					Q14_3			0.487				
Q14_4			0.824					Q14_4			0.824				
Q14_5			0.590					Q14_5			0.590				
Q15_1				0.902				Q15_1				0.902			
Q15_2				0.844				Q15_2				0.844			
Q15_3				0.680				Q15_3				0.680			
Q15_4				0.841				Q15_4				0.841			
Q16_1					0.791			Q16_1					0.791		
Q16_2					0.814			Q16_2					0.815		
Q16_3					0.815			Q16_3					0.814		
Q16_4					0.702			Q16_4					0.703		
Q23						0.825		Q30						0.918	
Q24						0.942		Q31						0.900	
Q25						0.838		Q32						0.970	
Q26						0.852		Q33						0.877	
Q27_1							0.912	Q34_1							0.831
Q27_2							0.773	Q34_2							0.283
Q27_3							0.809	Q34_3							0.271

*Appendix 9 – Multiple comparisons ANOVA*

<b>(I) Segments</b>	<b>(J) Segments</b>	<b>Mean Difference (I-J)</b>	<b>Std. Error</b>	<b>Sig.</b>
YFS	CIML	0.525	0.137	0.000
	GMLB	0.722	0.159	0.000
CIML	YFS	-0.525	0.137	0.000
	GMLB	0.198	0.181	0.517
GMLB	YFS	-0.722	0.159	0.000
	CIML	-0.198	0.181	0.517

*Test: Tukey HSD*

YFS = Young, Free and Simple, CIML= Chaos In My Life and GMLB= Got My Life Back

*Appendix 10 – Tolerance/VIF values*

<b>Construct</b>	<b>Unstd. Beta</b>	<b>T-values</b>	<b>Sig.</b>	<b>Tolerance</b>	<b>VIF</b>
Mean extraversion	0.157	2.870	0.004	0.678	1.476
Mean individualism	0.161	2.743	0.006	0.961	1.040
Mean impulsive behavior	0.468	8.715	0.000	0.805	1.242
Mean positive life orientation	0.145	2.410	0.016	0.798	1.254
Free time	0.088	2.699	0.007	0.943	1.060
Discretionary Income	-0.135	-2.265	0.024	0.947	1.056

*Appendix 11 – Preliminary*

Kristine Nygaard Thowsen  
Sandra Dahl

# Preliminary Thesis Report

BI Norwegian Business School

## - The Impact of Nowism and Instant Gratification on Customer Satisfaction and Loyalty -

Hand-in date:  
15.01.2013

Campus:  
BI Oslo

Examination code and name:  
**GRA 19002**

Programme:  
Master of Science in Strategic Marketing Management

Supervisor:  
Associate Professor Line Lervik Olsen

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## **Introduction**

This paper is a preliminary thesis to our master thesis due September 1<sup>st</sup> 2013. It must be emphasized that this is a work in progress, and that changes are expected to occur. The paper will function more as an indication for our master thesis, and it is important to note that hypotheses and the proposed conceptual model may change during further research and work.

The paper contains an introduction part where we present our chosen topic and discuss why this topic is relevant. We then outline our preliminary research question. Further, we present a literature review concerning the topic and the different underlying drivers. We then present our hypotheses and conceptual model, and finally, we discuss what kind of research design will fit our research question.

### ***Research area and research question***

In our master thesis we wish to dig deeper into the newly formulated trend ‘nowism’ and how this trend affects consumer responses. This idea is loosely based on the research project, *Trends impacting your innovation* developed by Giulia Calabretta, Tor W. Andreassen and Line Lervik Olsen (2011).

The need for everything that is happening right now in real time is increasing, and consumers look for opportunities to start living the now. We experience a society of abundance where consumption often is the end rather than the mean. Much of what was considered high end goods before is now commonplace, and as a result of this we see a switch in consumers’ focus to the experience of consumption, where the “act” of consumption is rewarding in itself. The status derived from basic products is decreasing, and Trendwatching (2009) argues that only the experience from the consumption remains.

Consumers seek new experiences in an increasing manner, mostly in the form of trying new things. This implies that using a large amount on one specific product is not giving the desired gratification, and that rather spending less on multiple

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experiences might give more gratification. At the same time, the online world is showing the way for instant gratification, especially in the form of information. Living in this era, used to instant gratification online, consumers are becoming more demanding and their expectations increases as we speak.

As this new trend grows, businesses need to keep up with consumers' need for instant gratification. Trendwatching (2009) urge businesses to be prepared as they claim this new trend will force changes in terms of the corporate culture, customer relationships, product innovation and tactical campaigns.

Since 2009, Nowism has been mapped and the key drivers are somewhat identified. Still, it remains to investigate whether the trend affects consumer responses such as customer satisfaction and loyalty. Is loyalty toward a single brand decreasing due to the desire for new experiences? Are customers becoming less satisfied due to higher demands? If so, what can businesses do to keep their customers satisfied and loyal?

In light of this, our research question is as follows:

*How does nowism, in the form of instant gratification, affect consumer responses such as customer satisfaction and customer loyalty?*

## **Literature Review**

### ***Temporal orientation***

During a trip to Trinidad, initially to study humor, James M. Jones grew an interest in the concept of time. "Time was reckoned more by behavior than the clock", Jones concludes (1994, 392). The author further claims that his stay in Trinidad taught him that time judgment, valuation, philosophy, and actions are major cultural determinants of behavior. Jones attempts to understand and give his interpretation of time as a psychological construct that provides meaning for cognitive and affective aspects of experience, in addition to significant influence on human behavior.

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First, in order to understand the individual and group differences in temporality, Jones emphasizes the need to understand the concept of *temporal perspective*. He defines this as “the ways in which one represents, organizes, and reacts to the past, present, and future” (1994, 395). Jones also presents some of the contribution from other studies on the topic and cites the work of Lewin (1947), stating that temporal perspective can be described as “...the totality of the individual’s views of his psychological future and his psychological past existing at a given time” (1994, 395). He further elaborates on Lewin’s definition suggesting that temporal perspective can be regarded as influencing behavior at any moment in time. To add a more contemporary view on the concept, Jones provides a definition from Nuttin (1985), who states that time perspective is “...the temporal zone to which (a person’s) mental view virtually extends itself when considering the objects and conscious determinants of behavior” (1994, 395).

After this summary on temporal perspective, Jones clarifies that there are two important considerations to keep in mind when it comes to the understanding and analytical utilization of the concept. First, temporal perspective consists of the regions or areas of past, present, and future. Second, these three areas relates to different characteristics that can be assessed.

The past is, in the most general terms, both historical and personal. The personal past is, generally speaking, the life one has lived until the present point in time. Historical past, on the other hand, is more related to one’s philosophical view, and consists of all life lived for all recorded or imagined time. Jones emphasizes here that historical past is likely to vary across different individuals and groups.

Just like the past, the future may be regarded both in personal and historical terms. The personal future consists of all one’s life that is still to be lived, whereas historical future is the not yet lived life of all humans. Also in this context it is important to keep in mind that there can be large differences between individuals and across different groups. Jones exemplifies this by pointing out that the Swahili language has no real word for the future, only the past and the present, and thus views the future as a recycling of life from present to past.

According to Jones, the present is somewhat different from the future and the past

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in that it is conceived more in personal terms. Yet, he points out that the boundaries of what is perceived as the present often varies across different individuals and groups; for some the present can be as short as moment of consciousness, for others it can constitute a longer period in one's life.

Jones further go on to discuss six different dimensions on which individuals can be measured and are assumed to vary according to their temporal orientation. The first dimension, *extension*, refers to the length of the temporal area or the time period that an experience extends into the past or the future. Jones here refers to a study by Rappaport, Enrich and Wilson (1985) in which the researchers assessed extension on a 9-point scale where 1 was assigned to experiences within 1 year of the present, and 9 was assigned to experiences prior or after one's life. The researchers then used two different measures of extension; *central tendency*, which is the median extension of all the experiences described, and *distance*, which is the highest given rating of an experience. According to the study of Rappaport; Enrich and Wilson, subjects that are committed to an identity show greater extension into the future. Here, Jones points out that also the present may be considered as possessing extension, meaning that our perception of the present varies between everything from just a short second of consciousness to a longer period of time. Jones further claims that the present is more influenced by affective experiences, whereas the future is more influenced by cognitive experiences. The implication of this is that the greater the extension of the present is, the more affectively influenced a person will be (Jones 1994).

The second dimension is *density*, which refers to the proportional allocation of experiences across the three different temporal areas. Density is often assessed by asking the subject to list significant events in the past, the present, and anticipated events in the future. With regards to this, it is assumed that the temporal area with the highest density of experiences will have the most influence on behavior.

The third dimension, *valence*, is related to the idea that the valence of a specific temporal region will guide its influence on thought and behavior. As a consequence of this, Jones claims, if one of the temporal regions has a negative valence, it is likely that the individual will suppress this and rather give attention to the other temporal regions.

*Accessibility* is the fourth dimension and refers to the fact that thoughts, images and experiences across the three temporal regions can be differentially available or accessible to different persons. For instance, people that anticipate a negative event to occur in the near future may excessively focus on events in their past or present (Jones 1994).

The fifth dimension, *content*, simply refers to the content of one's temporal perspective and is constituted by specific events, images, feeling states, experiences, and mental representations. Jones points out that these contents are primarily descriptive, yet they are expected to be related to motivational or perceptual outcomes, which further influence behavior. For instance; a man who has had a painful relationship with his father may be particularly concerned with being a good father to his own son.

The sixth and last dimension is *structural organization*. This deals with how one structures the content of the temporal perspective.

As the reader will see later in this paper, Jones' descriptions of temporal perspective bears some similarities to the trend of nowism in that individuals with a present temporal orientation might be seen as driven by nowism.

Zimbardo and Boyd (1999) elaborate on the similar term *time perspective* and claim that this is used in forming expectations, goals, contingencies, and imaginative scenarios. The authors further argue that time perspective is a situationally determined and relatively stable individual-differences process that exert a dynamic influence on many important judgments, decisions and actions. With the use of an exploratory factor analysis where respondents are measured according to the Zimbardo Time Perspective Inventory (ZTPI) scale, the authors classified the respondents into one of five ZTPI factors; 'Past-Negative', 'Present-Hedonistic', 'Future', 'Past-Positive', and 'Present-Fatalistic'. With regard to these, we see the 'Present-Hedonistic' factor related to nowism as it reflects a "hedonistic, risk-taking, "devil may care" attitude toward time and life" and "suggests an orientation toward present pleasure with little concern for future consequences" (Zimbardo and Boyd 1999, 1275).

### ***Nowism defined***

According to Trendwatching (2009), nowism is a trend that has, and will continue to have a substantial impact in areas like corporate culture, customer relationships, product innovation and tactical campaigns. Here, nowism is defined as “consumers’ ingrained lust for instant gratification [that] is being satisfied by a host of novel, important (offline and online) real-time products, services and experiences.”

Others view nowism more as a religion; serial entrepreneur and angel investor Nova Spivack states that “Nowism is the philosophy that the span of experience called “now” is fundamental” (2009). Kat Dawes, founder of Nowism (2013), is more concrete and elaborates in detail how nowism can make you stop contaminate the present moment with thoughts that hold you back, and instead start making your dreams become reality.

As our master thesis deals with how the trend nowism affects different consumer responses, we intend to use the definition made by Trendwatching, which is aimed at consumers and their constantly need or desire for instant gratification. We will therefore refer to Trendwatching’s definition, when we speak of nowism.

### ***The drivers of Nowism***

One can draw several parallels between nowism and present temporal orientation. The present temporal orientation can be seen as a precursor of nowism as a consumer trend. As present temporal orientation deals with people living in the present with a focus on enjoyment, nowism takes the concept further by adding people’s need for instant gratification. The desire for enjoyment, and living in the now, has developed to be a need for instant gratification. Nowism as a trend has steadily grown the last years, and three key trend drivers have been identified; online, abundance and experience (Trendwatching 2009).

### ***Online***

After being exposed to the Internet for nearly a decade, consumers are getting

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used to the instant gratification given by e-commerce. In the online world, instant gratification is easy to obtain, and [www.trendwatching.com](http://www.trendwatching.com) refers to “digital” as a synonym for “instant”. If a website or page doesn’t provide the consumer with the service or product needed, a substitute can be found by only using a search term.

The possibility of receiving information, products and services immediately online, is setting the standards for the “real world”. In other words, consumers are becoming more demanding to physical stores, and expect the same service and availability as provided online.

### *Abundance*

In today’s western society, consumers experience abundance at a higher level. The need for securing the basics constantly is highly reduced, while at the same time as physical goods are to be found everywhere in large quantities. Thus, consumers sometimes experience that the status derived from the products or services is very low. The only thing that remains is the consumption of the experience. The importance of the experience in itself can change consumers buying habits to several cheaper purchases instead of one expensive purchase, where the consumers are given multiple experiences rather than one.

### *Experience*

Consumers are becoming more and more focused on experiences in itself, and the possibility of living in the now, instead of in the future. The desire to gather as many experiences as possible at a fast speed is highly addictive, and consumers are turning toward products and services that deliver true and real experiences. This way of living in the now is seen as a chance to escape obligations and commitment, lower the formality, and detachment, where the objective is to collect new experiences.

### ***The relationship between temporal orientation and nowism***

On the basis of Jones’ elaboration of temporal orientation, and Zimbardo and Boyd’s descriptions of time perspective we see these concepts closely linked to the trend of nowism. More specifically, we regard individuals with a present

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temporal orientation as more likely affected by the trend of nowism; as individuals focused on the present and living in the moment. In the same manner we see a strong link between Zimbardo and Boyd's 'Present-Hedonistic' factor and nowism, as the drivers behind nowism can be regarded as facilitators for present-hedonistic individuals. On the basis of these assumptions, we formulate our first hypothesis:

*H1: People with a present temporal orientation are more likely to have a need for instant gratification, compared to people with past or future temporal orientation.*

### ***Customer satisfaction***

Churchill Jr. and Suprenant (1982) point out that consumers compare both rewards and costs of a purchase and state that satisfaction functions as an outcome of the purchase. Further, according to Anderson, Fornell and Lehmann (1994), "customers require experience with a product to determine how satisfied they are with it".

As individuals with high need for instant gratification often are seen as taking chances, seeking new experiences and focusing on the now, it is reasonable to believe that the customer satisfaction process will change in some way. The process of evaluating the outcome of a purchase will naturally take some time, and we therefore believe that people seeking instant gratification have a tendency to look at the process of evaluating different brands as time consuming.

Oliver (1980) posits that consumer satisfaction is a function of expectation and expectation disconfirmation, and further argues that satisfaction influences attitude change and purchase intention. The results of his field study points to the following linear relationship between post purchase events: satisfaction → attitude → intention. In other words; a customer that is satisfied with his or her purchase is more likely to form a positive attitude toward the chosen product or brand, which again will lead to a stronger intention to repurchase that particular brand or product.

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Just like Oliver, Kotler (2012: 150) also links satisfaction to expectation and describes satisfaction as “ a person’s feelings of pleasure or disappointment that result from comparing a product’s perceived performance (or outcome) to expectations”.

In conclusion, researchers seem to agree that expectation is a vital component for satisfaction. With regards to this, we believe that individuals with a (high) need for instant gratification are quicker in making purchase judgments (because of their intrinsic need to satisfy a need or a want as soon as possible), and that this leads to less thought-through purchase decisions. This, in turn, we believe will result in a lower degree of post purchase satisfaction, as it implies an increasing risk that expectations are not met. On the basis of this, we propose our second hypothesis:

*H2: High need for instant gratification leads to lower  
customer satisfaction*

### ***Customer loyalty***

Customer loyalty is often seen in relation to customer satisfaction, as satisfied customers tend to be loyal customers. However, it is important to point out that loyalty is no guarantee that the customers are satisfied. For instance, a dissatisfied customer might stay with the company because he or she does not see any other alternatives. Hirschmann elaborates on this and also makes a link between satisfaction and loyalty in his book “Exit, Voice and Loyalty” (1970). Here he claims that in situations where the customers have low switching barriers and there are real alternatives, a company failing in maintaining customer satisfaction will most likely discover this through the customers’ voice or exit. The voice option is explained by the customers of a firm or members of an organization expressing their dissatisfaction directly to the management or to other authorities. The exit option implies that customers stop buying the firm’s products or members leaving an organization.

Homburg and Giering (2001) also draw a link between between satisfaction and loyalty. More specifically they point to how customer satisfaction is typically seen

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as an immediate antecedent of customer loyalty, and that customer loyalty, in turn, is expected to provide increased shareholder value and asset efficiency.

Dick and Basu view customer loyalty as “the strength of the relationship between an individual’s relative attitude and repeat patronage” (1994, 99). They further see this relationship as mediated by social norms and situational factors and identify cognitive, affective and conative antecedents of relative attitude to contribute to loyalty, in addition to motivational, perceptual and behavioral consequences.

According to Andreassen and Lindestad, customer loyalty “expresses an intended behavior related to the service or the company” (1998, 12). The authors stress that this behavior includes the likelihood of renewal of service contracts, the likelihood of the customer changing patronage and the likelihood of customers providing voice in general or positive word-of-mouth.

As pointed out in this section, there is a connection between customer satisfaction and loyalty as satisfaction can be seen as an antecedent of loyalty. In the previous section, we hypothesized that individuals with a high need for instant gratification tend to be less satisfied in post purchase situations. On the basis of this, it might be natural to expect these same individuals to also be less loyal. However, as Hirschmann (1970) stresses, customers can be loyal without being satisfied. Still, because individuals with a high need for instant gratification tend to look for new experiences to satisfy their needs, we believe that they in general have lower switching barriers than others and do not stay with a company or brand despite of dissatisfaction. Thus, our third hypothesis is as follows:

*H3: High need for instant gratification leads to lower  
consumer loyalty*

### ***Situational and individual factors as moderators***

#### *Individual factors*

The relationship between need for instant gratification and the consumer

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responses is believed to be affected by both individual and situational factors.

Individual or personal factors are factors concerning an individual that can influence an outcome. The five-factor model of personality, also known as the “Big Five” divide personality traits in to five factors. According to McCrae and Costa Jr. (2008) what psychologists mean by the term “personality” is summarized with the five-factor model of personality. The model contain five factors labeled Neuroticism, Extraversion, Openness to Experience, Agreeableness and Conscientiousness, and have been used in a wide range of studies. On the basis of our research question, we believe the factor concerning openness will affect the relationship between the need for instant gratification and the consumer responses.

McCrae and Costa Jr. (2008) describe openness to experience as a person’s need for variety, novelty and change. From their study in 1978 they found that openness to experience could be expressed in fantasy, aesthetics, feelings, actions, ideas and values (McCrae and Costa Jr. 1987). People with a high need for instant gratification seek to collect as many experiences as possible, and being open to experiences can be said to be necessary.

As hypothesis two stresses, we believe that a high need for instant gratification leads to less satisfied customers. By moderating the relationship with the individual factor, openness to experience, we hypothesize that this relationship is strengthened. As consumers with a need for instant gratification make quicker purchase decisions, openness to experience might make consumers even quicker as a result of their search for new experiences.

In relation to customer loyalty, we hypothesized that a need for instant gratifications leads to lower customer loyalty. Moderated by openness to experience, we believe this relationship is reinforced. Consumers that are highly open to new experiences might have even lower switching barriers, as a result of their chase after new experiences.

On the basis of this, our hypotheses are as follows:

*H4: The relationship between need for instant gratification*

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*and lower customer satisfaction is being reinforced by high openness to experiences.*

*H5: The relationship between need for instant gratification and lower customer loyalty is being reinforced by high openness to experiences.*

#### *Situational factors*

Belk (1974, 157) defines a situation as “all those factors particular to a time and place of observation which do not follow from a knowledge of personal (intra-individual) and stimulus (choice alternative) attributes, and which have a demonstrable and systematic effect on current behavior”. In his article from 1975, Belk further describes five groups of situational characteristics that can be identified as physical surroundings, social surroundings, temporal perspective, task definition and antecedent. In relation to these, we believe that task definition will play an important role, when measuring the relationship between need for instant gratification and consumer responses.

Task definition refers to the intent or requirement to select, shop or gain information about a general or specific purchase (Belk 1975). Simply put, task definition is the reason for the communicative act. Task definition may also “reflect different buyer and user roles anticipated by the individual” (Belk 1975, 159). In other words, a buying decision or act will depend on what kind of reason for purchasing.

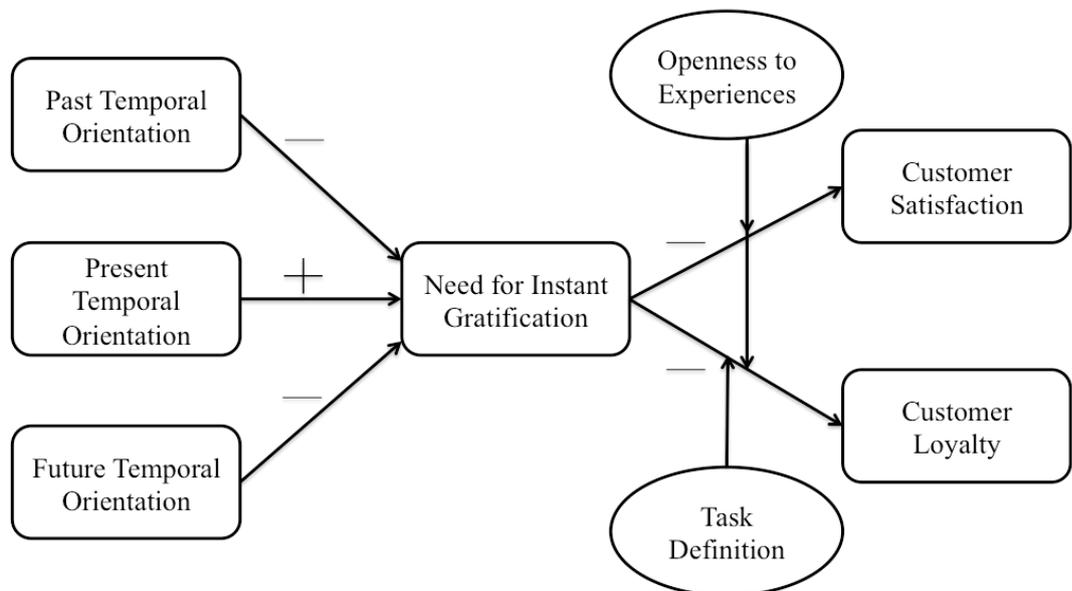
As hypothesized earlier, we believe that consumers with a need for instant gratification will be less loyal. This relationship is likely to be affected by what kind of role the buyer possesses. Consumers with a need for instant gratification will in any situation or role make quicker purchase decisions, and therefore make purchases that are not always thoughtful. Still, we believe that consumers buying for others might use more time and find the correct product or service. As consumers with a need for instant gratification purchase for own use, they will think less through the purchase, and move on to the next experience as quick as possible.

Based on the previous, our sixth and last hypothesis is as follows:

*H6: The relationship between need for instant gratification and lower loyalty is affected by what kind of role the buyer possesses, where purchases for personal use will reinforce the relationship.*

### Conceptual Model

The conceptual model proposed here consists of three independent variables; 'Past', 'Present', and 'Future Temporal Orientation'. The variable all leads to 'Need for Instant Gratification', which functions as a mediator. We believe past and future temporal orientation will have a negative relationship with the mediator, while people with a present temporal orientation will have a need for instant gratification. The effect of need for instant gratification on the dependent variables 'Customer Satisfaction' and 'Customer Loyalty' will be tested. In addition, the moderators 'Openness to Experiences' and 'Task Definition' will test the relationship.



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## Methodology

Several researchers have mapped nowism. Still questions like *who*, *what*, *when* and *why* need to be identified. Exploratory research has already been conducted, and we intend to dig deeper into the trend by using a descriptive research design. A descriptive research design involves observing and describing the behavior without influencing it.

We intend to use quantitative data to measure how nowism affects customer satisfaction and loyalty. A quantitative study makes it possible to classify different features, and also explain what is observed. In addition, a quantitative study makes it possible to generalize our findings.

We intend to use a questionnaire, where we first will check whether the respondent is past, present or future temporal oriented. This will be measured by using the Temporal Orientation Scale introduced by Jones (1994), with some adjustments to fit our research question.

To test the need for instant gratification between the three variables, we intend to use a scale based on the key drivers of nowism. The relationship between need for instant gratification and the two consumer responses will be tested by using loyalty and satisfaction scales. The moderators will check whether the respondent is open or closed to experience, the reason for purchase, and what role the respondent holds in the decision making process.

We intend to use past and future temporal orientation as control groups, to see whether people living in the present with a high need for instant gratification has a different outcome on both satisfaction and loyalty.

We will collect data ourselves, which refers to the use of primary data. The use of primary data makes it possible to specify the questionnaire to the extent that it is perfectly suited to our research aim. The questionnaire will be given to undergrad and grad students at BI Norwegian Business School.

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### Plan

To ensure continued progress on our master thesis, we have developed a plan. The plan will function as an indication for what task that must be finished at a specific point in time. Even though this plan is made early in the progress, we believe it is necessary to have a plan to stick to, but obviously changes may occur.

<b>Month</b>	<b>Task</b>
January	<ul style="list-style-type: none"> <li>- Submission of Preliminary Thesis Report January 15<sup>th</sup></li> <li>- Questionnaire development</li> </ul>
February	<ul style="list-style-type: none"> <li>- Questionnaire development</li> <li>- Pretest of questionnaire</li> </ul>
March	<ul style="list-style-type: none"> <li>- Run questionnaire and data collection</li> <li>- Write-up of literature review</li> </ul>
April	<ul style="list-style-type: none"> <li>- Data analysis</li> <li>- Write-up of results</li> </ul>
May	<ul style="list-style-type: none"> <li>- Write-up of results</li> <li>- Write-up of analysis</li> </ul>
June	<ul style="list-style-type: none"> <li>- Write-up of analysis</li> <li>- Write up of discussion</li> <li>- Write-up of implications</li> </ul>
July	<ul style="list-style-type: none"> <li>- Write-up of implications</li> <li>- Copyediting</li> <li>- Proofreading</li> </ul>
August	<ul style="list-style-type: none"> <li>- Copyediting</li> <li>- Proofreading</li> </ul>
September	<ul style="list-style-type: none"> <li>- Submission of Master Thesis September 1<sup>st</sup></li> </ul>

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