

DO CONSUMERS PUNISH RETAILERS WITH POOR WORKING CONDITIONS DURING COVID-19 CRISIS? AN EXPERIMENTAL STUDY OF Q-COMMERCE GROCERY RETAILERS

DOI: 10.17261/Pressacademia.2021.1453

JMML- V.8-ISS.3-2021(1)-p.140-153

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Date Received: June 8, 2021

Date Accepted: September 11, 2021

OPEN ACCESS



To cite this document

Tugberk Ariker, C. (2021). Do consumers punish retailers with poor working conditions during COVID-19 crisis? An experimental study of q-commerce grocery retailers. *Journal of Management, Marketing and Logistics (JMML)*, 8(3), 140-153.

Permanent link to this document: <http://doi.org/10.17261/Pressacademia.2021.1453>

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ABSTRACT

Purpose- The pandemic resulted in an unexpected volume of customer demand for quick delivery of grocery products. This, in turn, caused a terrific increase in the burden of delivery employees working for quick commerce (q-commerce) retailers. There was much news about working conditions of couriers during the pandemic. In this study, under the theoretical guidelines of the Stimulus-Organism-Response model (SOR), the author aims to investigate how information regarding working conditions (stimuli) affect evaluation of brand reputation (organism) and retail patronage intention (response). The framework of the study is limited to q-commerce grocery retailers because of their significant growth potential.

Methodology- A within-subjects experimental design was implemented to collect data. The author developed two scenarios based on true events. In the scenarios, two hypothetical q-commerce retailers were narrated to manipulate good and poor working conditions of delivery employees. Paired sample t-tests were conducted to test the mean differences of brand reputation and retail patronage intention. Additionally, two separate studies were conducted to test what if a q-commerce grocery retailer with good working conditions also set higher prices.

Findings- The findings show that the brand reputation of q-commerce grocery retailers with good working conditions is higher. Similarly, customers show higher retail patronage intention for q-commerce grocery retailers with good working conditions. The results are valid even if the prices of q-commerce grocery retailers with good working conditions are higher.

Conclusion- The current article is one of the first empirical studies on q-commerce retailers. The study also contributes by providing new insights about consumer reactions to poor working conditions of retailers under extraordinary circumstances from which they also suffer. Poor working conditions cause to lose customers besides the ethical considerations, but retention of customers is a must for the survival of infant q-commerce retailers.

Keywords: Q-commerce, working conditions, COVID-19, brand reputation, retail patronage intention

JEL Codes: M30, M31, L81

1. INTRODUCTION

Consumers speeded up their adoption to online retailing during the pandemic. The results of McKinsey's survey conducted with consumers from France, Germany, Italy, Spain, and the United Kingdom indicated an ongoing increase in consumer demand to shop online throughout the pandemic (Günday et al., 2020). Findings showed that about 15% of consumers have shopped for groceries on a website that they had never used before, among those consumers, more than 50% say that they intend to continue shopping online for at least some part of their grocery needs, and 12% of them have switched to different grocery stores offering home delivery or click-and-collect services (Günday et al., 2020). On the other hand, COVID-19 has created an unprecedented worker supply and demand mismatch in the retailing industry, for while some retailers have been forced to shut their doors, others like online grocery retailers were faced with an extraordinary demand (Elnahla and Neilson, 2021). The demand to shop from online grocery stores was so high that customers experienced difficulties even in finding a suitable time slot for both self-pick up and home delivery (Eriksson and Stenius, 2020). Therefore, grocery retailers with home delivery service started to play a fundamental role in society during the pandemic and their personnel were classified as essential workers, but also as "the

forgotten frontline” (Pantano et al., 2020; Voorhees et al., 2020). The workload on the shoulders of supermarket, delivery, warehouse, and transport workers increased enormously. Workers across various industries, including food service, meat processing, retail, and transportation have come together to protest about issues such as working conditions, low pay, long hours, and lack of safety protections (Sainato, 2020; Leng, 2021). Naturally, there was numerous news about negative working conditions during the pandemic which resulted in reactions of employees and customers. For instance, Amazon warehouse employees reacted due to the lack of protections for employees who continue to work at warehouses amid the coronavirus outbreak (Palmer, 2020).

A new type of retailing called quick commerce or q-commerce was also growing rapidly during the pandemic. Many q-commerce grocery retailers had appeared as new businesses even before the pandemic because of digitalization. In 2015, Getir, one of the first q-commerce grocery retailers, started the quick delivery model of grocery products within 10 minutes on average in Turkey (Milliyet, 2021). Spanish Glovo, established in 2015, is another q-commerce retailer that operates in 21 countries currently (Glovo, 2021). A global retailer, Delivery Hero also started to roll out q-commerce in 2019 and has been investing heavily into adding both local shops to its platform, and by opening Delivery Hero-owned local warehouses called Dmarts (Delivery Hero, 2021).

The pandemic also caused an unexpected volume of customer demand for quick delivery of grocery products which resulted in a terrific increase in the burden of couriers. There was much news about working conditions of q-commerce grocery retailers (Arslan, 2020; Getir, 2020). For instance, the management of a Turkish q-commerce grocery retailer announced they cut the working hours to protect the health of their couriers (Getir, 2020). On the contrary, there was news about another one which forced its couriers to work 13 hours in a day (Arslan, 2020).

The effect of such positive or negative news on consumers’ preferences is rising as an interesting research area. Esper (2021) calls for more research to investigate consumer responses to these concerns, such as whether more consumers than usual might be inclined to switch retailers due to wide-scale attention given to work conditions during the pandemic. Therefore, in this study, under the theoretical guidelines of the Stimulus-Organism-Response model (SOR), the author investigates how information regarding working conditions (stimuli) affect evaluation of brand reputation (organism) and retail patronage intention (response). The framework of the study is limited to q-commerce grocery retailers. Q-commerce offers significant growth potential expecting to reach a global market size of around Euro 448 billion by 2030 (Lange, 2020). As a result, more research is called for to study q-commerce retailers.

The rest of the paper is organized as follows. In the following section, the related theory and research context are presented. Then, hypotheses and research model are developed. In the third section, research methodology is explained. Then, findings and discussion about Study 1 and Study 2 are presented. Finally, the author concludes with theoretical and practical implications as well as limitations and suggestions for future studies.

2. LITERATURE REVIEW

2.1. Q-commerce Retailers

Q-commerce (quick-commerce) has emerged as a new model within e-commerce, based on speed, convenience and customer care (Villa and Monzon, 2021). Q-commerce grocery retailers are different from physical grocery stores and online versions of these stores in two ways. Firstly, they do not have physical stores, e-commerce web sites or a mix of them. They have mobile applications. Consumers download the mobile application, order products at their grocery list and, follow the status of their orders. Secondly, their main differentiation point is the time. As Nierynck (2020) states q-commerce is the next-generation of e-commerce, and as the name suggests, it is all about being fast. Q-commerce grocery retailers deliver thousands of everyday items to the location of customers within minutes after the order. These retailers bring hundreds of routinely bought products like milk, yoghurt, bread, egg, chocolate, chips, beverages, vegetables, fruits, baby diapers, shampoos, soaps, shaving creams, detergents, deodorants, cat & dog food, batteries, and magazines to the door of their customers in minutes. This great convenience accelerates their diffusion in the market. Q-commerce grocery retailers are welcomed by innovative young consumers who are familiar with mobile applications and want to save time they allocate to do grocery shopping.

The demand for q-commerce grocery retailers started to increase during the pandemic due to the reluctance of people to go to physical stores. For instance, after the first case was announced, the download rate of Getir mobile application increased to 60%, the number of users reached 2 million consumers and the age of users climbed to 70 which had been between 18 and 45 before the pandemic in Turkey (Milliyet, 2020). Additionally, many traditional grocery retailers started door-to-door quick delivery during the pandemic. Delivery Hero also reported a 400% year-over-year growth of quick commerce orders in Q1 2021 with more than 400,000 quick commerce orders processed per day on average in April 2021 (Delivery Hero, 2021). As Milena Lazarevska, Vice-

President Commercial Quick Commerce of Delivery Hero says, “this service will soon become an intrinsic part of people’s lives, leading them to wonder what they did before it existed” (Delivery Hero, 2021).

2.2. Theoretical Background

This study is based on the Stimulus-Organism-Response Model developed by Mehrabian and Russell (1974). The model holds that an environmental stimulus influences internal states which, in turn, results in one of two behavioral responses, namely, approach or avoidance. A stimulus can be anything in the environment. For instance, elements of the physical retail environment are accepted as stimuli that affect consumers’ internal states and behavioral responses in many studies (Donovan and Rossiter, 1982; Baker et al., 1992). In years, the model was adapted and attributes other than the retail physical environment were included as stimuli such as product features (Jang and Namkung, 2009) and promotion (Honea and Dahl, 2005; Pelet et al., 2018). Eroğlu et al. (2001) defined stimuli as “all the cues that are visible and audible to the online shopper” in their work about atmospheric qualities of online retailing. Kim and Lennon (2013) extended the model and included external sources of information about an online retailer as stimuli which affect consumer organismic responses and behavioral intention. Customers assess companies’ successes and failures through brand information from various sources such as the companies themselves, media, word-of-mouth, and construct brand reputations accordingly. (Fombrun and Shanley, 1990) Within the context of this study, the author considers information about the good or poor working conditions of q-commerce grocery retailers as the stimuli.

The SOR Model suggests that the external environmental factors and conditions affect the inner states of people (Luqman et al., 2017). The term “organisms” is used to refer to the inner states of perceptions, feelings, and thinking exercises of people (Bagozzi, 1986). Park and Lennon (2009) investigated perceptions of product value and store image in their research model as the inner states of consumers affecting purchase intentions. In the context of retailing, the inner state concerns issues regarding how shoppers interpret external information provided and form thoughts and beliefs toward the retailer (Kim and Lennon, 2013). In the current study, the author considers evaluation of brand reputation as the organism that represents the inner state of customers. Veloutsou and Moutinho (2009) defined brand reputation as how various audiences evaluate the brand. Similarly, Ou et al. (2006) defined the concept of retail reputation as the perception of customers and stakeholders about the retailer’s chain over time. They are expected to change by the external stimuli which are information regarding the good or poor working conditions of q-commerce grocery retailers. Foley and Kendrick (2006) state that brand is inside out while reputation is outside in. The company controls brand promise, position, and attributes but reputation, on the other hand, is built on others’ opinions, rumors and third-party validations which cannot be controlled directly by the company but is very sensitive to its actions (Foley and Kendrick, 2006).

Mehrabian and Russell (1974) defined the response as “the behavioral response reflects the behavior toward the stimulus engendered by the intervening organism response”. Within the context of this study, retail patronage intention is the response of customers as a function of brand reputation. Retail patronage was defined as a consumer’s choice to patronize a particular store (Hwa and Perumal, 2017). Many factors influencing retail patronage intention are mentioned in the literature. Baker et al. (2002) state that store patronage intentions are a function of merchandise value, interpersonal service quality, and shopping experience cost perceptions. Ahmad (2017) holds that negative news about the brand results in negative brand reputation which influences the customer's loyalty towards the brand. Customers assess companies’ successes and failures through brand information from various sources such as the companies themselves, media, word-of-mouth, and construct brand reputations accordingly (Fombrun and Shanley, 1990). If a brand crisis or mistake appears, the media will play a critical role in the formation of a negative reputation that is inevitable in today’s communication environment (Ahmad, 2017). A negative brand reputation is likely to cause consumers to be hesitant about purchasing the firm’s goods and services (Che et al., 2020; Wu et al., 2020). On the other hand, positive news about the brand may contribute to brand reputation positively which, in turn, increases the brand preference by consumers (Stratton and Werner, 2013). As Dodds et al. (1991) state, favorable store information positively influenced customers’ retail patronage intention.

2.3. Research Model and Hypotheses

A good retail reputation results from acting properly and doing the right things (Diallo and Lambey-Checchin, 2017). Jarvinen and Suomi (2011) listed employee well-being as one of the factors affecting retail brand reputation. Wright and Brown (2013) states that retailers must improve the ways they treat their workers to avoid reputational damage. Poor working conditions may take place as in the form of low wages, long working hours, unsafe and appalling work environment conditions, child labor, sexual and physical abuses which are also accepted as breaches of human rights. (Wright and Brown, 2013; Al Bhadiy, 2015). There are many recent true events about how brand reputations were destroyed due to the weak performance of retail brands on working conditions. As known, Wal-Mart has been blamed for its exploitation of employees from time to time and its brand reputation suffered from the company’s labor practices (Foley and Kendrick, 2006). During COVID-19, the company was criticized for its

inadequate paid sick leave policy and blamed for causing more employees to become sick and even die (Barber and Murray, 2021). Similarly, Amazon warehouse employees reacted due to the lack of protections for employees who continue to work at warehouses amid the coronavirus outbreak (Palmer, 2020).

On the other hand, good working conditions may contribute to brand reputation positively which, in turn, increase the brand preference by consumers (Stratton and Werner, 2013). Positive brand information results in positive brand reputation. As Dodds et al. (1991) state, favorable store information also influenced customers' retail patronage intention positively. Pantano et al. (2020) suggest that retailers should inform their customers through online messages regarding their measures to protect consumers and employees as well as the availability of products, their contribution to public health, and the measures to limit the spread of the virus during COVID-19 period. These messages are expected to generate in consumers a new sense of trust that might also last after the pandemic (Pantano et al., 2020). According to Gistri et al. (2018) emphasizing good working conditions for employees may help to elicit sympathy in consumers and support positive brand reputations. Given the above empirical and theoretical background, the author formed following hypotheses:

H1: Retail patronage intention increases as brand reputation gets higher.

H2: Everything else being equal brand reputation of q-commerce grocery retailers with good working conditions is higher than brand reputation of q-commerce grocery retailers with poor working conditions.

H3: Everything else being equal retail patronage intention of q-commerce grocery retailers with good working conditions is higher than retail patronage intention of q-commerce grocery retailers with poor working conditions.

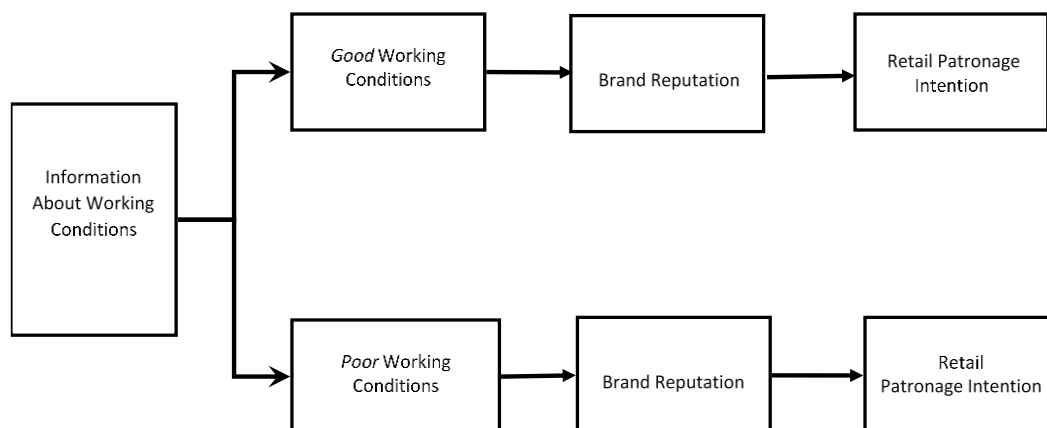
Consumers may be less price sensitive when they shop from retailers with positive brand reputation because of good working conditions. As Maxwell (1995) states, people tend to evaluate an increase in price as fair if the seller has a socially acceptable justification for the increase. Hiscox and Smyth (2006) argued that if consumers know that a company provides good working conditions then, they would be willing to pay higher prices for its products. The authors conducted a field experiment in a physical retail store through social labeling of some items indicating these products manufactured under good working conditions and showed that retail customers accept to pay up to 20% above baseline for products made under good working conditions (Hiscox and Smyth, 2006). Hemphill (2005) states that brand reputation of Wal-Mart influenced negatively due to unfair labor practices of the company and customers preferred to shop from other discount retailers who offer slightly less aggressive pricing in return for more acceptable labor practices. Therefore, the author proposed the following hypotheses:

H4: Brand reputation of q-commerce grocery retailers with good working conditions but higher prices is higher than brand reputation of q-commerce grocery retailers with poor working conditions but prices at market average.

H5: Retail patronage intention for q-commerce grocery retailers with good working conditions but higher prices is higher than retail patronage intention for q-commerce grocery retailers with poor working conditions but prices at market average.

The research model is displayed in Figure 1.

Figure 1: Research Model



3. DATA AND METHODOLOGY.

3.1. Purpose of Research

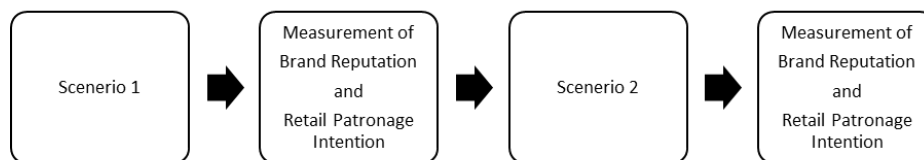
The objective of this study is to research the effect of working conditions of q-commerce grocery retailers during the pandemic on brand reputation and retail patronage intention. Q-commerce grocery retailers were selected as the focus of this study because of several reasons. As explained before, q-commerce grocery retailing is a rising one and market expansion of these retailers is expected to continue since COVID-19 accelerated digital transformation of the world. Additionally, there were many true events related to good or poor working conditions provided by q-commerce grocery retailers during the pandemic (Getir, 2020; Arslan, 2020). These events offer valuable resources to develop scenarios in which good or poor working conditions are pictured. As Esper (2021) states, more research is needed to investigate how perceived working conditions of delivery employees affect consumers' preferences of home delivery retailers since their work is often characterized as sacrificial and highlighted with praise and appreciation during the pandemic. Esper also suggests conducting research about how perceptions of worker safety during the pandemic might influence consumer brand perceptions and shopping behavior in a commentary asked by Scott et al. (2020). Dablanc et al. (2017) also points out that among the most salient issues related to instant delivery services are labor and working conditions for the couriers engaged in these activities.

This study is expected to contribute to both academics and practitioners through being one of the first studies handling q-commerce grocery retailers. The results will also shed light on the effects of working conditions during crisis times on brand reputation and retail patronage intention. Customers have been exposed to much news regarding the working conditions of their favorite retailers during the pandemic. Therefore, the author believes that studies about the influences of these true events on retail patronage intention is valuable.

3.2. Research Design

The study is an experimental research. The author developed scenarios based on true events which were published in newspapers and /or social media during the pandemic. For this purpose, the author created two hypothetical q-commerce grocery retailers, Quickly and Speedy. Quickly and Speedy were pictured as q-commerce grocery retailers which are identical to each other in all aspects but except the working conditions. Quickly represents a q-commerce grocery retailer which provides better working conditions through cutting the working hours of its couriers to make them rest although the number of orders increased tremendously during the pandemic especially lockdown periods. The author developed the first scenario based on the announcement of one of the q-commerce grocery retailers (Getir, 2020). On the other hand, Speedy represents another q-commerce grocery retailer which increases the working hours of couriers up to 13 hours at a given day to answer the huge demand of customers during the pandemic. The author developed the second scenario again based on a true event (Arslan, 2020). An online experimental research was used to collect data. For this purpose, a within-subjects experimental design was used. Subjects first read Scenario 1 and then answered the questionnaire. After that, they were given Scenario 2 and then answered the questionnaire again. The orders of Scenario 1 and Scenario 2 were changed randomly to avoid any possible order effect of manipulations. Experimental design is given in Figure 2.

Figure 2: Experimental Design



The proposed hypotheses were tested in two studies. In Study 1, price levels of Quickly and Speedy were set as equal. Study 2 was designed to test what if a q-commerce grocery retailer with good working conditions also set higher prices. For this purpose, in Study 2, price levels of Quickly was described as higher than the price levels of Speedy.

3.3. Sample

The study population consisted of people aged 18 or older who had installed a q-commerce grocery retailer's application on their smartphone at least one month prior to the study and had used it at least twice. On the other hand, it was impossible to reach each member of the population. Therefore, graduate students were recruited from a large university in Turkey. The author tried to minimize the disadvantages of using undergraduate student samples by choosing graduate students. They were selected as the subjects of the study because of two reasons. Firstly, we know that majority of customers shopping from q-commerce retailers consist of young people. Second, subjects were the members of an evening graduate program and almost all of them were working during daytime. As a result, they did not only represent students but also the working class. The age interval of the graduate students was larger relative to the undergraduate students. Additionally, most of them had families and were responsible for meeting their needs. As a result, they were buying grocery needs of their families. A total of 332 graduate students were recruited for Study 1 and Study 2. 324 of responses were usable. Data was collected during the peak periods of the pandemic.

3.4. Scales

Brand reputation was assessed using the scale developed by Veloutsou and Moutinho (2009) which contains two constructs as brand reputation and its sustainable image. Brand reputation was measured through 3 items (e.g., "This brand is trustworthy"). Sustainable image was assessed by 2 items (e.g., "This brand has a long-lasting nature"). Retail patronage intention was measured via the scale used by Baker et al. (1992). It contains 3 items (e.g., "The likelihood that I would shop in this store is high"). All items measured on a 5-point Likert scale (1= strongly disagree; 7= strongly agree).

3.5. Data Analysis

Cronbach Alpha analysis was conducted to calculate the scale reliabilities. All reliabilities were higher than 0.70. Exploratory factor analysis was performed to determine the construct validity. All factor analysis resulted in one factor structure and the values for total variance explained were all higher than 60%. As a result, these factors were used as the variables of brand reputation, brand's sustainable image and retail patronage intention in statistical tests.

Before conducting paired sample t-test analysis for the Study 1 and Study 2, Pearson correlation analysis was conducted for the whole sample of 324 respondents to test H₁. The results showed that retail patronage intention is highly correlated with brand reputation ($r=0,881$) and sustainable image ($r=0,860$) at 99% confidence interval which is consistent with the literature (Ou et al., 2006; Jarvinen and Suomi, 2011). A multiple regression analysis was also conducted to test the effect of brand reputation and sustainable image on retail patronage intention. Adjusted R square was high (0,814), beta coefficients were significant as 0,543 and 0,391 for brand reputation and sustainable image, respectively. The results are consistent with the literature in that brand reputation and patronage intention are correlated (Dodds et al., 1991; Park and Lennon, 2009) Therefore, H₁ was accepted.

3.6. Study 1

3.6.1. Sample Characteristics

Among the 187 responses gathered, 186 usable responses were analyzed after removing data with missing responses. The mean age of participants was 26.2 with a standard deviation of 8.8 and ages ranging from 18 to 63. This is not surprising because the prerequisite to participate in the study was shopping from q-commerce grocery retailers. Although more people from older generations began to use q-commerce grocery retailers during the pandemic, their customers are mostly from Generation Y and Z (Milliyet, 2020). The sample included females (48.9%) and males (51.1%) almost equally. The sample was well-educated (83.4% with an undergraduate degree). 24.6% of the participants are from the low-income group, 59.6% are from the medium income group and the remaining are from the high-income group.

3.6.2. Procedure

In Study 1, a within-subjects experimental design was used to test H₂ and H₃. Participants first read Scenario 1 and then answered the items regarding brand reputation, sustainable image, and retail patronage intention. After that, they were given Scenario 2 and then answered the same questionnaire again. In Scenario 1, q-commerce grocery retailer Quickly cut the working hours of its motor courier employees while in Scenario 2, q-commerce grocery retailer Speedy was running its motor courier employees for 13 hours in a day. In Study 1, there was no difference between the price levels of two q-commerce grocery retailers narrated in scenarios. Similarly, the products and brands sold in both retailers were the same. Scenarios are given in *Appendix 1*.

3.6.3. Results of Data Analysis

The results of paired sample t-test analysis showed that both brand reputation and sustainable image of retailers given in Scenario 1 and Scenario 2 are significantly different. Participants evaluated the level of brand reputation of Quickly which cut the working hours as higher than the level of brand reputation of Speedy. Similarly, the level of sustainable image of Quickly was higher than Speedy's sustainable image. Finally, participants' retail patronage intention was also higher for Quickly. As a result, H₂ and H₃ were accepted (See Table 1).

Table 1: Results of Paired Sample t-Test Analysis for Study 1

		Mean	Paired Differences (1-2)	Std. Deviation	Std. Error Mean	t	df	Sig.*
CBR ^a	Scenario 1	3,901	1,810	1,359	0,100	18,169	185	0,000
	Scenario 2	2,091						
SI ^b	Scenario 1	3,793	1,602	1,265	0,093	17,273	185	0,000
	Scenario 2	2,191						
RPI ^c	Scenario 1	3,898	1,955	1,451	0,106	18,377	185	0,000
	Scenario 2	1,943						

* The results are significant at the .01 level (2-tailed).

^aCurrent Brand Reputation, ^bSustainable Image, ^cRetail Patronage Intention

3.7. Study 2

3.7.1. Sample Characteristics

In Study 2, 145 responses gathered of which 138 were usable. The mean age of participants was 26,5 with a standard deviation of 8,3 and ages ranging from 19 to 64. The sample included females (43.5%) and males (56.5%) males are slightly more. The sample was well-educated (89.9 % with an undergraduate degree). 24.8% of the participants are from the low-income group, 48.8% are from the medium income group and the remaining are from the high-income group.

3.7.2. Procedure

Study 2 was designed to see what if a q-commerce grocery retailer offering good working conditions set prices higher than its competitors. For this purpose, another within-subjects experimental design was used to test H₄ and H₅. Manipulations of working conditions were the same as in Study 1. In Study 2, subjects were also given information about the price levels of two q-commerce grocery retailers. Accordingly, Quickly was pictured as a q-commerce grocery retailer whose prices are 15% higher than the average prices of its competitors. On the other hand, Speedy was illustrated as a q-commerce grocery retailer whose prices are at market average. Scenarios developed for Study 2 reflected the real situation in terms of price differences between two q-commerce grocery retailers inspired for the research. Scenarios can be found in *Appendix 2*.

3.7.3. Results of Data Analysis

The findings of paired sample t-test analysis revealed that brand reputation, sustainable image, and retail patronage intention of Quickly which cut working hours of couriers were higher than Speedy although the former one set higher levels of price. As a result, H₄ and H₅ were accepted (See Table 2).

Table 2: Results of Paired Sample t-Test Analysis for Study 2

		Mean	Paired Differences (1-2)	Std. Deviation	Std. Error Mean	t	df	Sig.*
CBR ^a	Scenario 1 (Quickly)	3,531	1,384	1,533	0,130	10,602	137	0,000
	Scenario 2 (Speedy)	2,147						
SI ^b	Scenario 1 (Quickly)	3,521	1,286	1,572	0,133	9,606	137	0,000
	Scenario 2 (Speedy)	2,235						
RPI ^c	Scenario 1 (Quickly)	3,376	1,207	1,548	0,131	9,162	137	0,000
	Scenario 2 (Speedy)	2,169						

* The results are significant at the .01 level (2-tailed).

^aCurrent Brand Reputation, ^bSustainable Image, ^cRetail Patronage Intention

4. FINDINGS AND DISCUSSIONS

Grounded on Stimulus – Organism – Response Model, the present research aims to examine the effect of working conditions of q-commerce grocery retailers during the pandemic on brand reputation and retail patronage intention. For this purpose, the author designed two experimental studies and developed scenarios based on true events regarding working conditions of q-commerce grocery retailers during the pandemic. Specifically, the scenarios contain information about the working hours of couriers since there was much news about working hour arrangements of these retailers during COVID-19 period.

Study 1 was designed to analyze the effect of working conditions of q-commerce grocery retailers on brand reputation and retail patronage intention. In Study 1, two q-commerce grocery retailers were pictured as identical to each other in all aspects but except the working conditions. Results of Study 1 showed that consumers perceive q-commerce grocery retailers that provide good working conditions as more trustworthy, reputable, and honest when their prices are the same with prices of competitors. Consumers also evaluate q-commerce grocery retailers with good working conditions as having more long-lasting nature and strong values. These results are consistent with the literature asserting that good working conditions support positive brand reputations (Foley and Kendrick, 2006; Jarvinen and Suomi, 2011; Wright and Brown, 2013; Gistri et al., 2018). The findings of Study 1 also showed that when a q-commerce grocery retailer is responsible for poor working conditions, consumers reflect their reactions through patronizing others. The results are again consistent with the existing literature (Dodds et al., 1991; Stratton and Werner, 2013; Pantano et al., 2020).

Consumers can easily access positive or negative news regarding companies' attitudes toward their employees in today's dynamic communication environment. As a result, they can easily punish companies with bad manners through switching to the goods and services of other companies. During the global crisis of COVID-19, these reactions may be much stronger since most consumers are also suffering from the poor working conditions. As a result, they can react by preferring another q-commerce grocery retailer. Study 1 shows that, all else being equal, consumers intend to patronize an alternative q-commerce grocery retailer in case of poor working conditions.

The results are valid for equal price conditions. Study 2 was designed to analyze what if a q-commerce grocery retailer with good working conditions also set higher prices.

Results of the Study 2 showed that consumers perceive q-commerce grocery retailers that provide good working conditions as more trustworthy, reputable, honest, having a long-lasting nature and strong values *even if* their prices are higher than the prices of similar retailers. Consumers' retail patronage intention is also higher for q-commerce grocery retailers that provide good working conditions *even if* their prices are higher than the average prices of similar retailers. These results are consistent with the literature. Consumers may perceive higher prices as fair because of companies' efforts to protect employees (Hiscox and Smyth, 2006). Similarly, they may give up the advantage of low prices as a reaction against the unfair labor practices of a given retailer (Hemphill, 2005). It seems like customers are empathetic more than ever for the working conditions of delivery employees since they are also the actors suffering from negative working conditions due to the pandemic. On the other hand, caution must be taken when generalizing the results because of the sample size and sample characteristics. Additionally, another group of studies are also available with opposite findings about consumer reactions to negative behaviors of retailers (Scheidler and Edinger-Schons, 2020; Pigors and Rockenbach, 2015; Martinez and Montaner, 2008;). These studies showed that consumers may ignore bad actions of retailers in order not to give up benefits like low price advantages.

The present research provides several theoretical and managerial implications. First, to the best of the author's knowledge, this study is the first to conduct an empirical research on q-commerce retailing. Q-commerce is accepted as the next-generation of e-commerce (Nierynck, 2020). For this reason, more research about q-commerce retailers have been suggested by scholars. Heinonen and Strandvik (2020) underline that many service innovations including on-demand delivery innovations of retailers were imposed by COVID-19 and invite scholars for further research. Similarly, Esper (2021) calls for more studies related to retailers with new home delivery models. Market expansion of these retailers is expected to continue since COVID-19 accelerated digital transformation of the world. For this reason, the author believes that the results are valuable for both scholars and practitioners.

Secondly, this study's originality stems from its methodological approach which includes adapting two real and recent cases instead of fictional ones when writing scenarios for experimental manipulation. Therefore, the findings of this research are supposed to be more valid relative to descriptive studies. Similarly, the results are believed to provide important insights to the managers of q-commerce retailers since the subjects first read scenarios based on true events and then answered the research questions.

Third, this study contributes through measuring consumer reactions to labor practices of q-commerce grocery retailers during a macro environmental crisis time like COVID-19. Esper (2021) states more research is needed to investigate how perceived working conditions of delivery employees affect consumers' preferences of home delivery retailers since their work is often characterized as sacrificial and highlighted with praise and appreciation during the pandemic. The results are significant in terms of showing consumer reactions to unfair labor implementations when they also suffer from negative working conditions, decreasing incomes or even losing their jobs due to the pandemic. These circumstances may make them more empathetic to the delivery employees suffering from the poor working conditions created by the retailers from which they shop. For this reason, the findings are believed to offer valuable insights to the literature since COVID-19 creates a framework different from the normal times. In this period, consumers may identify themselves easily with employees. The findings showed that brand reputation and sustainable image of q-commerce grocery retailers lower when consumers are informed about poor working conditions which, in turn, results in a decrease in retail patronage intention. Therefore, managers of q-commerce grocery retailers are suggested to improve their brand reputation through improving working conditions of employees. The author also recommends communicating good working conditions they provide with their customers both through traditional media and social media channels. Q-commerce retailing is a rising one which attracts many competitors. For this reason, investing in brand reputation is vital. Additionally, many new consumers adapted to shopping from q-commerce grocery retailers because of force majeure situations occurred during the pandemic. Although some changes in consumer shopping habits are expected to be permanent, loyalty is still not guaranteed. It's undeniable that a positive brand reputation will contribute to the retention of these customers after the pandemic. Therefore, managers of q-commerce grocery retailers are suggested to highlight their measurements taken to protect the health of employees especially during the COVID-19 period.

Fourth, the author believes that the study is valuable since the results show how consumers react to price increases of retailers with good working conditions during crisis times. As discussed in the literature review, there are studies indicating consumers are willing to pay higher prices for the products of retailers with fair labor practices (Hemphill, 2005; Hiscox and Smyth, 2006). On the other hand, as the economic situation becomes uncertain, consumers are expected to be more rational and price sensitive than ever (Nie et al., 2010). This research was conducted during one of the worst worldwide crises and consumers' price sensitivity is expected to be high in this period. The pandemic has been affecting all people negatively, although at varying degrees, which, in turn, may change their reactions to the bad actions of companies. The current study contributes by displaying how consumers react to price increases of retailers with good working conditions when they also suffer from negative economic conditions. Although consumers' price sensitivity was expected to be high in this period, the results showed that consumers are willing to pay higher prices to shop from q-commerce grocery retailers with good working conditions. Customers of q-commerce grocery retailers seem to accept paying higher prices because of their dual roles as consumers and employees, as stated by Hemphill (2005). Therefore, the author suggests the managers of q-commerce grocery retailers to test consumer reactions to different levels of price increases when they disseminate fair labor practices. Good working conditions are established through cutting working hours and hiring more employees as well as some other benefits like paid sick leave. These improvements cause cost increases which might be balanced through raising the prices to a level that is acceptable for the customers.

Finally, besides appealing to retail customers, q-commerce retailers are also recommended to be a center of attention for employees through improving brand reputation. As known, organizations are made up of people and satisfaction of internal customers is a prerequisite to achieve customer satisfaction. A positive brand reputation also contributes to a company through helping attract and retain top talent employees to gain competitive advantage (Graham and Cascio, 2018). On the other hand, company actions signaling inappropriate working conditions create a major drawback to create a positive employer brand reputation to which skillful employees apply. Therefore, q-commerce retailers are recommended to invest in their employee well-being through improving working conditions. This strategy brings them a competitive advantage which maintains their long run survival.

5. CONCLUSION

The current article is one of the first empirical studies on q-commerce retailers. The study also contributes by providing new insights about consumer reactions to poor working conditions of retailers under extraordinary circumstances from which they also suffer. Q-commerce retailing is a promising but also an infant service industry. For this reason, many factors may influence consumer adaptation and patronage in the long run. This study focuses on one of these factors, working conditions. Poor working conditions cause to lose customers besides the ethical considerations, but retention of customers is a must for the survival of infant q-commerce retailers. Consumers can easily access news regarding companies' attitudes toward their employees and punish retailers with bad manners through switching to the goods and services of other retailers. During COVID-19, these reactions may be much stronger since most consumers are also suffering from the poor working conditions. As a result, they can react by patronizing another q-commerce grocery retailer which may be a lasting preference. Therefore, q-commerce grocery retailers are

suggested to invest on the brand reputation through improving working conditions of employees and to communicate good working conditions with their customers.

The current study makes significant contributions to the literature by conducting an empirical research on q-commerce retailing, an emerging business. The study also presents important findings about the influence of working conditions on brand reputation and retail patronage intention during a macro environmental crisis affecting millions of people negatively. However, there are several limitations associated with the study. First, a graduate student sample may not explicitly represent the entire population. Although the author tried to minimize disadvantages of using an undergraduate student sample, future research may incorporate a non-student sample. Second, the results of this study should be interpreted within the framework of its sample that includes relatively well educated and medium-to-high income class q-commerce customers who may tend to be more reactive toward unfair labor practices. Pigors and Rockenbach (2015) state that there is a fraction of customers with rather low-price sensitivity and willing to pay for higher prices for socially labeled products, while another fraction of customers is very price sensitive. As known, the price of products is a decisive factor for price-conscious consumers and for those with financial constraints (Martinez and Montaner, 2008). As a result, they may ignore poor working conditions resulting in negative brand reputation and prefer q-commerce grocery retailers offering lower prices. Scheidler and Edinger-Schons (2020) found that customers may avoid boycotting socially irresponsible companies since they do not give up customer benefits that occur because of irresponsible company behavior even though they also feel culpable. One typical example for customer benefits is low prices stemming from bad working conditions and low wages (Scheidler and Edinger-Schons, 2020). Therefore, the author does not claim that subjects are representative of the universe of q-commerce customers in terms of their reactions to poor working conditions and price sensitivity. As a result, replication of this study with a sample that includes customers with lower purchasing power is suggested. In future research, price sensitivity may also be included as an additional variable that may affect retail patronage intention. Manipulations of different levels of prices are also suggested for future studies. Third, working conditions were limited to working hours since the true events were about extended or shortened working hours. Other variables related to working conditions such as low wages, unsafe and appalling work environment conditions might be included in future research. Fourth, future studies may consider other important variables that might affect q-commerce retail patronage behavior. The effects of delivery time, variety and assortment of product categories are also needed to be manipulated in the future studies. Fifth, the author limited the investigation to the context of q-commerce grocery retailers. Future research may also consider q-commerce food retailers which construct a bridge between restaurants and customers. Similarly, cooperation of q-commerce retailers with brick-and-mortar retailers like Carrefour might be another research subject. Sixth, in the current study, data was collected from just one country in which q-commerce grocery retailers have been increasing their market shares tremendously. Future studies about q-commerce retailers could include other countries. Finally, when findings of the current study are interpreted, the scholars and practitioners should not forget that data was collected during COVID-19 period in which people may be more sensitive to other's difficulties. A replication of this study is suggested to see the effect of working conditions on customer preferences of q-commerce retailers at normal times.

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Appendix 1

Manipulation 1: Good working conditions, equal prices

Please read the paragraph below.

Quick commerce grocery retailer QUICKLY takes the orders of its customers' grocery shopping through its mobile application and delivers to their doors via motor couriers in minutes.

Under normal conditions, the capacity of its motor courier employees is enough to provide this service 7 days a week and 24 hours a day.

However, due to the Corona Virus Outbreak, the company faced an extraordinary increase in customer demands.

Accordingly, QUICKLY, made the following announcement via its social media accounts and implemented the relevant change.

“Our motor courier employees are working with all of their power and without stopping. They need to rest and remain vigorous to protect themselves from the Corona Virus Outbreak. For this reason, we temporarily change our working hours between 08:00 in the morning and 01:00 in the night.”

The **PRICES** of QUICKLY are **THE SAME** with the competitors who provide the same service. All competitors offer the same products and brands.

Please indicate your degree of participation in the judgments below for the scenario you read above.

Manipulation 2: Poor working conditions, equal prices

Please read the paragraph below.

Quick commerce grocery retailer SPEEDY takes the orders of its customers' grocery shopping through its mobile application and delivers to their doors via motor couriers in minutes.

Under normal conditions, the capacity of its motor courier employees is enough to provide this service 7 days a week and 24 hours a day.

However, due to the Corona Virus Outbreak, the company faced an extraordinary increase in customer demands.

During this period, SPEEDY ran its motor courier employees for 13 hours in a day. The situation is published in newspapers and social media channels.

The **PRICES** of SPEEDY are **THE SAME** with the competitors who provide the same service. All competitors offer the same products and brands.

Please indicate your degree of participation in the judgments below for the scenario you read above.

Appendix 2

Manipulation 1: Good working conditions, higher prices

Please read the paragraph below.

Quick commerce grocery retailer QUICKLY takes the orders of its customers' grocery shopping through its mobile application and delivers to their doors via motor couriers in minutes.

Under normal conditions, the capacity of its motor courier employees is enough to provide this service 7 days a week and 24 hours a day.

However, due to the Corona Virus Outbreak, the company faced an extraordinary increase in customer demands.

Accordingly, QUICKLY, made the following announcement via its social media accounts and implemented the relevant change.

“Our motor courier employees are working with all of their power and without stopping. They need to rest and remain vigorous to protect themselves from the Corona Virus Outbreak. For this reason, we temporarily change our working hours between 08:00 in the morning and 01:00 in the night.”

The **PRICES** of QUICKLY are **15 % HIGHER** than the market average. All competitors offer the same products and brands.

Please indicate your degree of participation in the judgments below for the scenario you read above.

Manipulation 2: Poor working conditions, prices at market average

Please read the paragraph below.

Quick commerce grocery retailer SPEEDY takes the orders of its customers' grocery shopping through its mobile application and delivers to their doors via motor couriers in minutes.

Under normal conditions, the capacity of its motor courier employees is enough to provide this service 7 days a week and 24 hours a day.

However, due to the Corona Virus Outbreak, the company faced an extraordinary increase in customer demands.

During this period, SPEEDY ran its motor courier employees for 13 hours in a day and without virus protection. The situation is published in newspapers and social media channels.

The **PRICES** of SPEEDY are **at market average**. All competitors offer the same products and brands.

Please indicate your degree of participation in the judgments below for the scenario you read above.