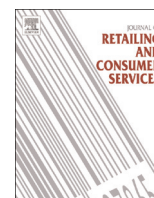




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Engaging consumers on new integrated multichannel retail settings: Challenges for retailers

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ABSTRACT

The rapid diffusion of more channels for shopping posits new challenges for retailers, who need to compete in a complex environment for avoiding the problem of consumer cross-channel free riding. To discourage this behaviour, we propose a new environment where one retailer simultaneously handles more channels. The emerging integrated environment would engage more consumers if compared to the single handled channel, which in turn would avoid switching behaviours towards competitors' channels. Our empirical research, based on the stimulus–organism–response paradigm, involves a sample of 237 consumers who were asked to explore the new retail settings simulated in a university lab. The results lead us to suggest the effective combination of multiple channels managed by one retailer as the new challenge for scholars and practitioners. We note that our participants showed positive emotional reactions towards the environment, which lead them to choose this environment for purchases.

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1. Introduction

For a long time, the purchase of goods held through two main channels: retailer's web site and/or traditional point of sale, considered as independent channels. To date, web sites offer new interactive features to catch consumers, i.e. the possibility to virtual try the product, to achieve customized recommendations, etc. (Pantano, 2014), while mobile channel is emerging as the new mainstream for shopping activity based on ubiquitous access to product anytime and anywhere through consumer own mobile device (Pantano and Timmermans, 2014).

Moreover, the number of channels through which consumers may freely access, compare, choose and buy different items is increasing rapidly (Kim and Park, 2005; Kumar, 2010; Wagner et al., 2013; Pantano, 2014), with dramatic consequences for the traditional retail settings. Hence, retailers face new challenges to successfully compete in the emergent scenario (Neslin et al., 2006). For instance, consumers may use one channel for collecting information and a different one for effective buying managed by independent actors (Verhoef et al., 2007; Chiu et al., 2011; Hsieh et al., 2012; Blazquez, 2014). Past studies provide evidence that in the emerging multichannel scenario, consumers engage more

purchases if compared to one-channel buyers (Dholakia et al., 2005; Seck and Philippe, 2013). Therefore, the complexity of the competitive market grows up, by soliciting retailers to perform simultaneously in different retail settings (i.e. the physical, online and mobile scenario). For these reasons, multichannel retailing occurs as hot research topic as it stresses retailers' ability to integrate different channels for shopping (Jin and Kim, 2010), by identifying the channel choice as a fundamental step for competing (Neslin and Shankar, 2009; Hsieh et al., 2012).

Prior works showed a huge interest by scholars and practitioners towards the multi-channel phenomenon, by largely focusing on the effect of multichannel on brand equity and loyalty (Keller, 2010; Hsieh et al., 2012), on the comparison of multichannel retailing and pure e-tailing (Jin and Kim, 2010), on the linkage between attitude toward physical retailer and online one (Kim and Park, 2005), on consumer switching behaviour and subsequent costs for retailers (Wallace et al., 2004; Dholakia et al., 2010), and on targeting consumers based on their channel preferences (Dholakia et al., 2010).

Although some retailers started being aware of the importance to develop new practices for handling more channels within the same environment (e.g. Walmart is trying to expand online grocery along with in-store pickup test), there is still a gap in the literature concerning consumers' response towards the emerging retail settings and management practices.

In this paper we refer to a new multichannel environment

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characterized by the integration of different channels managed by one retailer and available within the same (physical) store. In particular, we explore the interactions between consumers and products on the emerging retail settings in order to examine the extent to which an exploratory sample of participants is willing to adopt this multichannel environment for purchases, while reducing the switching behaviour to other competitors.

To achieve this goal, we developed an integrated store devoted to fashion accessories within the university lab, investigated through the Stimulus–Organism–Response (S–O–R) paradigm to demarcate consumers' response towards the new multichannel retail settings. We propose that the new store (stimulus) influences shopping experience in terms of perception of service quality satisfaction, and attitude (organism), which in turn influence their purchase intention (response).

The present paper is organized as follows: the first part develops the conceptual framework and hypotheses; the subsequent one describes the research design, including the survey with consumers who experienced the new store. Empirical results are then discussed. Finally, the paper presents some implications for scholars and practitioners and future research suggestions.

2. Theoretical background

Traditionally, store is a single (physical) marketing channel, which supports firm–consumers (and *vice versa*) interactions (Hsieh et al., 2012). Nowadays, this channel is no longer only a face-to-face contact point where consumers access the firms services, but it further provide interactive touch-points also to create and accomplish the service. For instance, these systems might act as a guide during the shopping experience and perform some tasks traditionally executed by humans and mediate the shopping experience, such as the automatic cask desks for self check-out (Pantano and Timmermans, 2014).

Past studies largely exploited the S–O–R paradigm within retail settings for understanding the effects of some elements on consumers' behaviour, i.e. for investigating the influence of store atmosphere on consumers purchasing behaviour (Kim et al., 2009; Kim and Lennon, 2010; Hsieh et al., 2012; Fan et al., 2013; Floh and Madlberger, 2013; White et al., 2013). In the present study, we adopt this paradigm to evaluate the new retail settings, consisting

of the integration of multiple channels within the same points of sale and handled by one retailer (stimulus), which influences consumers' perception of the emerging service in the environment, satisfaction and attitude (organisms), which in turn influence their purchase intention (response).

In particular, “S” refers to the stimulus external to the human such as the atmospherics, “O” consists of the organism (the effect of stimuli on human affective response) such as the perceived retail quality, satisfaction and attitude, and “R” stands for human behavioural reaction, such as consumers' retention, loyalty, etc. (Neslin and Shankar, 2009; Hsieh et al., 2012).

Since several retailers have adopted advanced technologies for enhancing the delivered service and influencing consumers shopping behaviour (Schmitt and Zarantonello, 2013; Demirkan and Spohrer, 2014; Pantano and Timmermans, 2014, 2014; Pantano and Viassone, 2014), we employ purchase intention to describe the response, in terms of intention to purchase in this kind of store (which includes consumers' choice to use one of the retailer's channels for purchasing). As to “organism”, the present study considers three key elements: perceived service quality, satisfaction and attitude. First, satisfaction is a driver of consumers purchase behaviour (Cheng et al., 2009; Keller, 2010). Second, in a multichannel perspective, the positive benefits of the usage of a certain channel for consumers' purchases influence their switching behaviour across channels, and the subsequent channel choice, as well as the overall success of the multichannel strategy (Wallace et al., 2004; Chiu et al., 2011; Hsieh et al., 2012; Heitz-Spahn, 2013; Banerjee, 2014). Therefore, these elements have a key role in the S–O–R paradigm.

The current research further investigates the multichannel service quality perception as the benefit that leads to consumer satisfaction in a multichannel retail environment (Dholakia et al., 2010; Verhoef et al., 2007; Neslin and Shankar, 2009; Hsieh et al., 2012; Blazquez, 2014). Finally, to understand the nature of service in multichannel settings (Stimuli), this study considers two main constructs: “store atmosphere” and “channels availability”. Store atmosphere refers to layout, product display, colour and lights, etc., while channels availability refers to the degree to which consumers are aware of the existence of different channels (Neslin et al., 2006; Vrechopoulos, 2010; Oh et al., 2012; Seck and Philippe, 2013; White et al., 2013). Accordingly, combining the above mentioned aspects of the new multi channels environment and

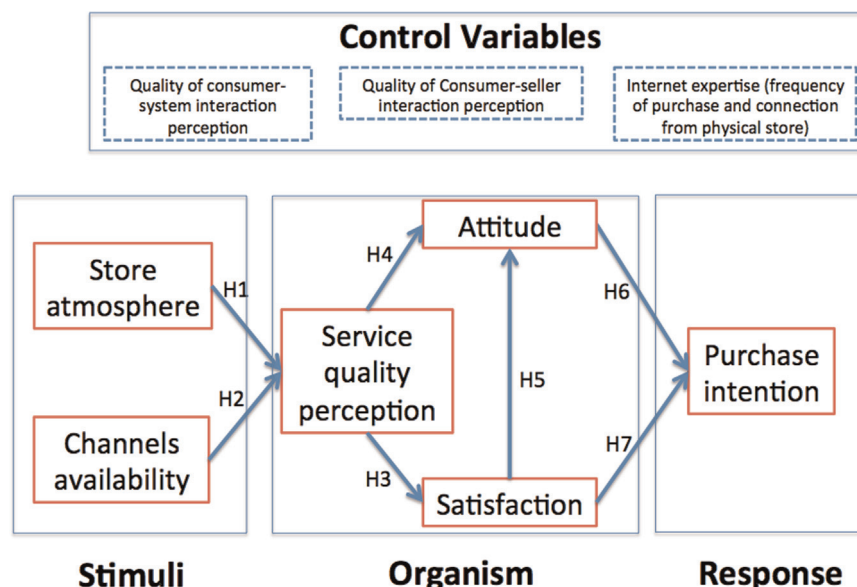


Fig. 1. Research framework.

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