Exploiting consumer–employee–retailer interactions in technology-enriched retail environments through a relational lens

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ABSTRACT

The aim of this paper is to explore the relationships between consumer, frontline employees and retailer (organization) subjected to the disruptive force prompted by the adoption of innovative technologies in retail settings. Starting from qualitative data involving 43 frontline employees with different experiences, our analysis revealed that the way for building and maintaining organizational relationships changes differently considering consumer–employee and employee–retailer perspective. In particular, the emergent computer-mediated relationships seem to produce beneficial effects, while combining employees' existing capabilities with new competencies, thus resulting in an improvement of the entire retail process. Similarly, they are more satisfied and appreciated organization effort in supporting their jobs through the innovative technologies. Hence, the study provides an empirical contribution to the emerging literature on consumer–employee–retailer (organization) relationships in the innovative scenario through the in-depth investigation of these relationships of four case firms.

1. Introduction

Retailers' ability to innovate in the physical point of sale is becoming a compulsory factor in the current competitive scenario, due to both consumers' increasing demand of new and exciting shopping experiences and the current trend to choose the online (or mobile) channel for shopping (Bennet and Savani, 2011; Evans, 2011; Vesel and Zabkar, 2010; Wood and Reynolds, 2013; Pantano and Viassone, 2014; Keeling et al:, 2013; Pantano, 2014). Some authors have noted that the ability to innovate and reply to the environmental changes is not related to retailers' size (in terms of human and financial resources), since it is possible to adopt efficient technologies with limited monetary investments (Pantano, 2014).

The actual tendency is to come up with innovations that (i) shift services from real human (physical employee) to the machine (self-service technologies), by making traditional service providers obsolete, or (ii) enrich the traditional service with new options (e.g. informative touch-screen displays for product location within the store) (Pantano, 2014). Hence, the availability of innovative technologies to be introduced for enhancing traditional points of sale raises new questions concerning organizational aspects. In fact, the most of recent researches investigated consumers' perspective in terms of acceptance and benefits, and retailers' standpoint in terms of competitive advantages, while frontline employees' point of view has been analyzed weakly (Aherne et al., 2007; Johnson et al., 2008; Chen et al., 2009; Kowatesch and Maass, 2010; Bennet and Savani, 2011; Evans, 2011; Pantano and Viassone, 2014). In our opinion, understanding their perspective would be seen as also a predictor of technology diffusion, due their ability to influence both retailers' adoption choice (by suggesting or discouraging the introduction of new elements) and consumers' effective usage (by pushing or supporting them in the usage). Since they act as a sort of mediator between organization and consumers, their relationships with the both actors (consumers and retailers) is critical for the success of the entire selling process.

Attempts have been made in a number of studies explaining the importance of developing interpersonal relationships between vendor and consumer, which are able to increase clients' satisfaction and loyalty to retailer, as well as to influence the purchasing decision with benefits for sales (Gaur et al., 2012; Yang, 2013; Drollinger and Comer, 2013; Palmatier et al., 2006; Poon et al., 2012). Past studies noticed that in the new technology-enriched scenario building relationships with consumers becomes more difficult if clients choose the self-service opportunity, with consequences on the quantity and frequency of interpersonal contacts both with employees and other consumers, which may decrease (Tang et al., 2001; Boeck and Wamba, 2008; Zhu et al., 2013; Pantano and Viassone, 2014). Therefore, the critical role played by consumer–employee and employee–retailer relationships forces academics and practitioners to focus also on the organizational relationships that still lack of empirical investigations. In fact, the

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preliminary studies on this direction showed only that client–vendor relationships have changed due to the introduction of new systems (Chen et al., 2009; Williams et al., 2012), without investigating (i) how these systems bring together the capabilities of the actors to lead a satisfaction service and (ii) to what extent the emergent relationships are different from the ones taking place into the traditional scenario. The aim of this study is to address this knowledge gap and to explore the relationships between consumer and employee, and employee and retailer (organization) within the novel scenario. We want to decline the relational outcomes combined with the introduction of advanced technologies. Our results have also a relevance for practitioners since they might indicate what kind of innovation management strategy should be fostered in order to generate the desirable relational output.

To achieve this goal, our research embraces the study of four cases from retail industry (grocery, electronics, home furnishing and sport goods). Building on a combined data set of interview, observation and analysis, we deeply investigate the relationships emerging into the new technology-enriched retail scenario. The paper is further structured as follows: the first part describes the theoretical background focusing on the current researches on innovation and technology management strategies in retailing, and on the importance of building strong relationships with clients. Thereafter, we present our research methodology and data. Then, we provide findings of the empirical analysis and discuss the implications of innovating in retailing from an organizational perspective based on the relational lens.

2. Theoretical background

2.1. Disruptive innovations in retailing

Successfully innovating in the point of sales requires a deep understanding of consumers and market trends, technology, and organizational processes (Pantano, 2014). Since retailers are the effective producers of the in-store service but not of the technology effectively delivering the service, they are more sensible to the quality of the services than to the technology development (Vesel and Zabkar, 2010). Technology-based innovations, supported by the continuous improvements in information and communication technologies, consist of new solutions for enhancing retail service, which are able to increase the level of automation in the point of sale. In fact, a huge part of these systems are a sort of service providers based on an automated machine equipped with a user-friendly interface. Likewise, their increasing diffusion among points of sale offers consumers the possibility to access the service without the direct assistance of a salesperson (Chen et al., 2009; Zhu et al., 2013), by automatically (i) delivering the expected service with benefits for labor cost reducing (i.e. informative kiosks help consumers to find the favorite product in the store or to achieve information on its features autonomously), (ii) improving the efficiency and quality of the service (because consumer participates actively to the service creation), and (iii) collecting and managing updated information on market trends (based on consumers in-store behavior in terms of products visualized, time for purchase, number of purchases, etc.). As a consequence, in the emergent scenario, organizations are able to integrate the traditional service offered with the new self-servicing practises that were previously executed by external providers (i.e. organizations might check the state of an order and the delivering time/place directly from mobile/internet). Due to the huge changes in the point of sale, these innovations can be viewed as a disruptive force acted at transforming traditional retail management in terms of strategies, tools, and people. Hence, it is possible to classify these innovations according to the complexity of provided service and impact, as follows: (i) elementary innovation; (ii) intermediate innovations; and (iii) complex (disruptive) innovations (Table 1).

The first category of innovation encompasses technology aiming at enriching the provided information (Evans, 2011; Dennis et al., 2012; Pantano and Viassone, 2014; Pantano, 2014), while supporting consumers' interaction with the product. The second group is mainly based on self-service technologies and subsequent consumers' co-production of the final services, and it includes systems for self-checkout or payment (e.g. cash-desks for self-check out) (Johnson et al., 2008; Chen et al., 2009; Dimitriadis and Kyrezis, 2011; Ohazi et al., 2012; Williams et al., 2012). The last category comprises technologies based on the ubiquitous access to information and aimed at supporting consumers and organization' constant cooperation for service co-creation, while dynamically replying to consumers' requests based on their status (e.g. geographical position) (Kim et al., 2010; Bennet and Savani, 2011; Pantano and Timmermans, in press).

Hence, the novel service encourages a shift from the traditional marketplace to a self-serving context (Williams et al., 2012), with consequences for the human capital traditionally involved in the process (i.e. frontline employees).

Previous studies mainly focused on the success of the introduced technologies fostered by human factors, such as entrepreneur's choice of investing in the technology (i.e. retailer's choice to introduce a certain technology in the point of sale) and consumers' acceptance of the technology (Chen et al., 2009; Chiu et al., 2010;

Table 1
Innovations classification according to provided service.

Types of innovation	Provided service	Example	Researches
Elementary innovations	They are mainly informative. They are based on interactive interfaces, and touch screen displays that allow users to access additional information on products such as price, functioning and manufacturing, in-store location, etc.	MediaMarkt and IKEA informative kiosks	Evans, 2011; Dennis et al., 2012; Pantano and Viassone, 2014; Pantano, 2014
Intermediate innovations	Require a more elaborate set of service components, substitute services traditionally performed by employees such as payment and check-out, buyers are actively involved in the service (co)production	IKEA and Groceries (e.g. the Dutch AH and French Carrefour) self-service cash-desks	Johnson et al., 2008; Chen et al., 2009; Dimitriadis and Kyrezis, 2011; Ohazi et al., 2012; Williams et al., 2012
Complex innovations	Require an intensive level of service and buyer attention, require complex hardware and software, require context-awareness systems	Ubiquitous stores (e.g. the Spanish Pickbe), mobile apps for self-check-out through smartphone	Kim et al., 2010; Bennet and Savani, 2011; Pantano and Timmermans, in press.