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The effect of mobile retailing on consumers' purchasing experiences: A dynamic perspective

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ABSTRACT

The emerging retail culture is characterized by the extensive use of mobile technologies, high connectivity, ubiquitous computing and contactless technologies, which enable consumers to experience shopping differently. In fact, innovative mobile technologies provide new tools (apps) which are able to separate the moment of purchase from the moment of effective consumption, by allowing consumers to make purchases by mobile phone and collect them at home or at a store (a pick-up boutique or collection point), in addition to the traditional in-store service (purchase in the store and collect/consume in the store). The aim of this paper is to understand the extent to which mobile technologies have an impact on consumer behaviour, with emphasis on the drivers motivating consumers to adopt the consumer experience of mobile shopping. To achieve this goal we used a qualitative approach involving 29 consumers in the Italian market, where mobile shopping is still at an early stage. The findings shed a light on the extent to which consumers are moving from e-channels to mobile channels and take into account the effect of these technological innovations in retail settings from a cognitive standpoint, where studies are limited. The implications for researchers and practitioners are then discussed, with emphasis on retailers need to develop new mobile service competences, and integrate and synthesize physical retail settings with mobile opportunities and functionalities.

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1. Introduction

Increasing computing capabilities, improvements in mobile and wireless technologies, as well as the development of flexible software architecture and automatic identification systems have led to ubiquitous access to data for both consumers and firms (Pantano, 2014; Pantano & Viassone, 2015). In fact, these technologies change both the way consumers access and consume information, and the way in which firms and organizations reach clients and deliver their services (Demirkan & Spohrer, 2014; Gao, Rohm, Sultan, & Pagani, 2013). Thus, it is not surprising that there is an increasing awareness in marketing of the need to develop new mobile marketing strategies. Mobile marketing is based on the distribution of interactive and personalized information by

overcoming the paradigm time-space where traditional marketing strategies took place (Calvo-Porrall & Levy-Mangin, 2015; Varnali & Toker, 2010). In fact, it includes new marketing activities conducted through a ubiquitous network that consumers may access anywhere and anytime from their mobile device, based on a high level of connectivity and context-awareness (Gao et al., 2013; Kaplan, 2012; Strom, Vendel, & Bredican, 2014). This is due to the ability of the system to adapt its behaviour to individual usage, in other words to reply to consumers by automatically recognizing some information about them, such as their location. For instance, a tourist might get suggestions about attractions to visit because the system recognizes his/her current geographical position (e.g. through GPS).

In this scenario, a huge number of “contactless technologies”, particularly automatic payment and self-checkout, are emerging as the most promising way of supporting the retail process (Lai & Chuah, 2010). These are based on proximity sensors that allow payment (or transactions in general) without entering any pin when the consumer's and retailer's devices are within a certain

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distance of each other. To reduce queues and waiting times, many retailers are encouraging users to adopt this system. In this framework, ubiquitous retailing is acquiring importance by involving ubiquitous access to information (Pantano, 2013). It is based on ubiquitous computing, a sort of extension of mobile computing based on portable access technologies (i.e. cameras, Location Based Service, Ubiquitous Sensor Network, etc.), always connected to a network, and linked to web-based multimedia content repositories that adapt the content provided to users' characteristics (i.e. location) (Lin, Huang, Wu, & Hong, 2011; Pantano, 2013). Therefore, these innovations are extending (removing) the traditional space and time boundaries of traditional retail settings (Bourlakis, Papagiannidis, & Li, 2009; Demirkan & Spohrer, 2014; Kourouthanassis, Giaglis, & Vrechopoulos, 2007; Pantano, 2014), while pushing retailers to redefine the traditional business model and traditional practices, particularly in terms of the mobile channel (Wang, Malthouse, & Krishnamurthi, 2015).

Hence, retailing is shifting to a new concept of space based on the extensive usage of mobile technologies which are much more integrated into daily life. In fact, while the traditional point of sale is limited to the store location, spatial dimensions and opening hours, the new stores are not related to a specific location but distributed, in terms of access, anytime and anywhere within an area enriched with the above mentioned technologies (Pantano, 2013). Hence, the consumer is always ready to buy and the retailer is always ready to sell.

Over the last decades, some authors have started investigating the possibility of consumers buying the product before effective consumption (Xie & Shugan, 2001), in a sort of *advance purchase*, as predicted by Xie & Shugan, 2001, when this kind of purchase would be supported by gift cards or prepaid cards. The current mobile technologies allow a separation of the moment of purchase from the moment of effective consumption, when consumers buy anywhere (where equipped with an internet connection) and collect at home or at the store (pick-up boutique or collection point).

Hence, consumers' experience might change over time due to the introduction of multiple mobile channels, which modify their shopping behaviour in terms of search, purchase, consumption and after-sales behaviour (Dennis, Alamanos, Papagiannidis, & Bourlakis, 2016; Verhoef et al., 2009). Despite the increasing interest by scholars and practitioners in innovation management for enhancing retailing (Demirkan & Spohrer, 2014; Hristov & Reynolds, 2015; Pantano, 2014), there is still a gap in the literature concerning the new dynamics in consumer behaviour, with emphasis on the consumer experience. For instance, previous studies largely focused on consumers' acceptance of the new systems, in terms of attitude and usage (Blázquez, 2014; Gao et al., 2013; Pantano & Viassone, 2015), or on retailers' management strategies of the technological innovation (Demirkan & Spohrer, 2014; Hristov & Reynolds, 2015; Pantano, 2014), without taking into account the effect of these technological innovations on consumers' experience from a cognitive perspective. By using the Technology Acceptance Model (Davis, 1989), they evaluated consumers acceptance as emerging from a few basic constructs (perceived ease of use, usefulness, attitude and behavioural intention).

The purpose of this research study was to investigate consumers' motivation to change their shopping behaviour in the new mobile marketing context and develop understanding of this new consumer experience and how it might create value for mobile consumers. Therefore, we developed the following research questions:

RQ1: To what extent is the new mobile scenario able to change consumers established shopping behaviour?

RQ2: What are the main drivers of new consumers shopping behaviour?

RQ3: How might the new mobile scenario create value for consumers?

Mobile retailing can be defined as a new kind of consumer purchasing experience, where the consumer buys by mobile phone and collects at home or at the store (pick-up boutique or collection point). On the other hand, e-retailing can broadly be defined as the selling of goods and services to consumers (business-to consumer, B2C) over the Internet. Our study focuses on how consumers are responding to the new mobile shopping scenario. Due to the increasing attention from scholars and practitioners on this industry, mobile consumers' behaviour seems to be a promising area. Moreover, the present study investigates how generation Y may be a marketing challenge, since this generation is more consumption-oriented than previous ones (Eastman & Liu, 2012) and this is considered a consistent sample for testing new technologies in retail settings (Harris & Dennis, 2011; Pavlou, 2003).

In order to fulfil the research gap a qualitative research approach was chosen. The main focus of this research was to understand and interpret the fundamental meanings attached to consumer behaviour and to produce insights, rather than measuring them or testing a theory (Mylona & Piporas, 2008; Priporas & Mylona, 2008). The paper is organized as follows. First, it outlines the relevant literature on mobile marketing and consumer behaviour and consumption, and highlights the gap in theoretical knowledge. Second, it describes the research methodology design. Thereafter, it discusses key empirical findings. Finally, the paper concludes with a summary discussion on relevant implications and limitations of our approach and some directions for future research.

2. Theoretical background

2.1. Mobile marketing and consumer behaviour

Mobile marketing can be seen as the evolution of Internet-based marketing (e-commerce scenario) moved to the mobile channel, in order to respond to the emerging trend of consumers losing interest in traditional marketing channels (Hinz, Skiera, Barrot, & Becker, 2011). Recent studies has started questioning whether the mobile channel would increase retail sales or whether it is just shifting consumers from one channel to another one (from e-shopping to mobile shopping) (Huang, Lu, & Ba, 2016). Although mobile marketing is based on lower media richness when compared with e-marketing (mobile marketing is based on small screens that do not enable consumers to complete more tasks simultaneously), it exploits its ubiquity and portability by increasing consumers' interest and preferences (Maity & Dass, 2014; Pantano, 2013; Wang et al., 2015).

Mobile marketing strategies are based on how consumers access information through their own mobile phone, which firms use as a means of delivering customized messages, services, and offers (Chou, Chuang, & Shao, 2016; Kaplan, 2012). In fact, it can be successfully used to build strong relationships with consumers, engaging them with customized advertising messages and content, mobile commerce and mobile stores, etc. (Watson, McCarthy, & Rowley, 2013). It started from the usage of SMS for advertising purposes (Amir Khanpour, Vrontis, & Thrassou, 2014; Priporas & Mylona, 2008), where text messages are sent to potential consumers about deals, promotions, special offers, etc. This particular strategy can also lead to negative consumer reactions, due to both the intimate nature of mobile devices and the inability of consumers to restrict advertising delivered to their mobile phone (Andrews, Drennan, & Russell-Bennett, 2012; Nasco & Bruner, 2008). Recently, mobile marketing has expanded to the most advanced technologies such as mobile apps for smartphones (which allow consumers to easily find, compare and order products, access news

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