COLLOQUIUM ON EUROPEAN RESEARCH IN RETAILING

BOOK
OF
PROCEEDINGS

CERR
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Colloquium on European Research in Retailing

15 – 17 July 2021

Introduction

THIS SIXTH EDITION of the CERR has taken place in the SKEMA Business School campus of Sophia Antipolis. The topic for this edition follows upon the COVID-19 pandemic which has affected all economies worldwide. This pandemic will have long-lasting effects in most retail activities worldwide. Our role as researchers and scholars is to try both to understand such effects and to help firms, especially in the retailing domain, in overcoming the impacts in their operations and in their marketing.

This is why we have dedicated this now yearly event to the special theme "BUILDING RESILIENCE IN RETAIL FOR THE POST COVID WORLD – MARKETING & OPERATIONS PERSPECTIVES".

We are glad to report that this theme has enjoyed massive support and that 58 submissions have been presented to address such issues. They represent the cutting edge of research in retailing. This book of Proceedings presents these works for your perusal. We hope that these works will spark even further interest in building the necessary knowledge and managerial tools to overcome the effects of this pandemic and prepare firms in retail and logistics for any new event of this kind in the future.

The works have been grouped by topic, ranging from retail operations, shopper behaviour, retail branding, multi- and omni-channel distribution, corporate social responsibility, supply chain management, etc. The list of presenters and an index of authors are included at the end.

We hope you enjoy this book.

Sophia Antipolis, 13 July 2021

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Shopper/consumer behaviour and marketing

I LOVE HOW YOU MADE ME FEEL.

EXPLORING CUSTOMER EMOTIONAL REACTIONS TO POP-UP STORE ATMOSPHERES

Abstract: Scholarly research, focusing on traditional and virtual stores, have confirmed the positive effects of their atmospheres on consumer emotions and behavioral reactions; this study aimed to understand whether this relationship is established in the context of pop-up stores. Moreover, since pop-up stores are short-lived, the study intended understanding whether the "time" variable moderates the effect of their atmospheres on customer emotions. A total of 182 responses, of customers having recently visited a pop-up store in France, where collected and analyzed. This exploratory research's results confirm a positive effect of pop-up store atmospheres on consumer reactions and that this relationship is positively moderated by the time variable. In comparison to traditional store atmospheres, the current research findings on pop-up store atmosphere present many specifies related to those retail formats.

I LOVE HOW YOU MADE ME FEEL.

EXPLORING CUSTOMER EMOTIONAL REACTIONS TO POP-UP STORE ATMOSPHERES.

1. Introduction:

Following the economic recession of 2008, the private spending of individuals was seriously affected and reduced (KPMG, 2009; Burgess, 2012 and Smajovic & Warfvinge, 2014). About 7,000 physical stores were closed as costs grew high and revenues remained flat (PWC, 2017). As brands lacked funding and means of spending in terms of promotions and communication, they turned to adopting pop-up stores or integrating them in their communications strategies.

A significant presence of digital technologies in physical stores was also highlighted (Deloitte, 2014). French consumers for example, adopted technological tools and become more and more connected and active online. 50.7% of the French population in 2017 was connected to the internet via a smartphone (Comarch, 2018) and spent a considerable amount of time on digital platforms as well as social networks. Consumer behavior has also shifted; consumers seek to have fun as they seek entertainment and surprises (Influencia, 2015) and pop-up stores became their favorite playground. It is through the design of the pop-up store, its location, and its interior that the relationship between the brand and the consumer is established (Boustani, 2019).

Designed theatrically, they are considered an art form (Picot-Coupey, 2014) and appeal to hedonic consumers thanks to their novelties and their distinctive characters in terms of the atmosphere of the point of sale, the selection merchandise (Boustani[a] & Lemoine, 2020) communications. From an empirical point of view, there is ample evidence to support the new conceptualization of the store as an environment of experience, allowing sensory, emotional and social connections (Russo Spena, et al., 2012; Kim, et al., 2010).

Research gap:

Originating in environmental psychology, an emotional approach has been used to study point of sale environments. This approach argues that an individual's perceptions and behaviors within a given environment are the result of emotional states created by that environment. Specifically, environmental stimuli affect emotional states of pleasure and arousal, which, in turn, affect approach or avoidance behaviors (Baker, et al., 1992). Many studies in the literature specialized in ergonomics (Bustamante & Rubio, 2017) link the well-being of the individual to descriptors such as comfort and vitality, and physical discomfort to descriptors such as pain, fatigue or tension.

Management science researchers have found that the physical environment plays an important role in determining a consumer's desire to stay in a shopping area (Andreu, et al., 2006). Several studies have looked at the influence of the atmosphere (Boustani[b] & Lemoine, 2020) and others have manipulated a large number of atmospheric stimuli, such as color, music, and investigated their influence on consumer ratings and reactions (Turley & Milliman, 2000; Bäckström & Johansson, 2006 and Eroglu, et al., 2003). The external environment was a subject of interest to understand whether it has a positive or negative attractiveness for a business environment; the study of shop windows or shop window displays is one example (Oh & Petrie, 2012). A physical or digital store atmosphere (Floh & Madlberger, 2013) is psychologically represented by consumers in terms of two major emotional states, namely pleasure and excitement, which are important mediators of expected shopping behavior in a store (McGoldrick & Pieros, 1998, Murray, et al., 2010 and Ballantine, et al., 2016).

This research aims at answering two questions.

RQ1: The first is related to understanding whether a pop-up store's atmosphere can influence customer emotional states.

RQ2: The second is related to understanding if the pop-up store's limited duration moderates the influence of the pop-up store's' atmosphere on consumer's emotions.
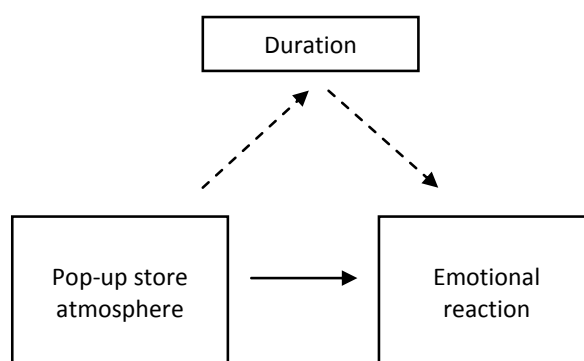
Figure 1: The influence of a pop-up store's atmosphere on customer's emotional reactions

4

2.1. Customer reactions to traditional and virtual store atmospheres:

The study of emotions has long been a thriving area of research in psychology. Psychologists have discovered that emotions play a vital role in determining people's behavior and actions. In the discipline of marketing, researchers argue that the constitutionality of emotions is very relevant and evident in human consumption. However, the existing literature on emotions is limited to explain the different dimensions of emotions concerning consumer decision making (Gaur, et al., 2014). To fill this gap, marketing researchers have developed theoretical models focusing on the measurement of emotions, their causes and consequences, their functions or adaptation mechanisms.

A model for measuring consumer emotions, the PAD (pleasure, arousal, dominance) has been used in several studies which were interested in the study of consumers' emotional reactions following their exposure to atmospheric stimuli from a point of sale. The emotions experienced by consumers in the store environment significantly predicted their behavioral responses (Donovan, et al., 1994). The three dimensions of the PAD paradigm together represent "the myriad of human emotions" (Ainsworth & Ballantine, 2014).

By transposing the studies of the effects of the atmospheres of commercial web sites on the behavioral reactions of consumers, the intermediate variable PAD presents limits; the first being their inability to capture many effects of the atmosphere of the site and the second concerns the purchasing situation and excludes the tactile or other dimensions in comparison with the physical

store (Eroglu, et al., 2003). The online environment should increase the excitement as the change introduced new attributes, while simultaneously removing and modifying other familiar attributes. The change will engender greater complexity, novelty and uncertainty in the resulting (modified) environment (Ainsworth & Ballantine, 2014).

The external stimuli presented by an atmosphere can contribute to improving the emotional experience of the consumer at the point of sale (Hirschman & Holbrook, 1982 and Helmefalk & Hultén, 2017). In this regard, congruent sensory signals have a clear impact on the emotional responses of consumers. An emotional approach, which maintains that an individual's perceptions and behaviors within a given environment are the result of emotional states created by that environment, has been used to study store environments (Baker, et al. al., 1992). More specifically, environmental stimuli affect emotional states of pleasure and arousal, which, in turn, affect approaching or avoidance behaviors as well as other behaviors such as preference, exploration, spending, affiliation and work performance (Yani-de-Soriano & Foxall, 2006, Lunardo & Roux, 2015 and Dawson, et al., 1990).

Studies in environmental psychology have also shown that affective experiences in the store can be an important antecedent of approach or avoidance motivations, such as revisiting intentions (Jones, et al., 2006) Support on the environmental psychology model was also used to study the influence of the atmosphere in a store on consumers' emotional states and subsequently their satisfaction (Antéblian, et al., 2013).

2.2. Postmodern consumers and their relationship to time:

Postmodern consumers, becoming more skeptical and critical, are less influenced by branded messages (Pan, et al., 2012) disseminated by brands. Indeed, they challenge the demands and habits deriving from hierarchical structures (Gransby, 1988). Always on the move, these consumers are prompted by the desire to experience "portions of experiences", temporary and exciting. They seek immediate and urgent gratification. For these postmodern consumers, the importance of all action and choice emphasizes a euphoric present tense and a strong denial of any worry about the future (Pomodoro, 2013). At the heart of the principle of an ephemeral store

lies the variable of temporality; the lifespan of a pop-up store is not sustainable and any subsequent experience that an individual has with that store will be fleeting.

The culture of "transience and immediacy" (Pomodoro, 2013) is embodied in many social consumption trends, especially the shift from ownership to sharing or renting. The freer the individual is and freed from any burden or obligation, the more pleasurable experiences he will have at the same time. The concept of ephemerality has also allowed consumers to encounter momentary 'on the go' brands (Lowe, et al., 2018). These brands appear with product proposals at the right time, in the right place and with innovative support that allows the individual to live interactive but above all succinct brand experiences. They are constantly seeking to conquer the mental space of individuals to "position themselves firmly in the set of perceived alternatives" (Alexander, 2002 and Boustani, 2021).

An important literature has been devoted to studies of consumer behavior towards the choices of store formats or the particular temporal and spatial aspects of shopping in terms of distance or accessibility (Teller, et al., 2012). Researchers have also studied the effects that places and the crowds who visit them can have on consumers' emotional or behavioral reactions (Pecoraro & Usitalo, 2014).

Moreover, it has been shown that consumers engage differently with a brand's different points of contact; whether physical, virtual or temporary. To better contribute to consumer expectations, brands are thinking more than ever of presenting engaging physical and virtual channels in which "spectators" will come to attend (Pecoraro & Usitalo, 2014). Engagement is not limited to the direct relationship between the consumer and the brand; the omnipresence of social networks (Okazaki, 2009) such as Facebook, Instagram, Ticktock or SnapChat, reinforces the desire of Internet users (or connected consumers) to engage with their extended social network and permanently access information.

In a physical point of contact, represented by a traditional point of sale or an ephemeral point of sale, layout, investments in terms of atmospheric dimensions and information affect the consumer's relationship with the time to be allocated. In a space called a "third place" (Clauzel & Riché, 2013), the consumer creates and maintains links with the place and with the staff present

(Boustani & Lemoine, 2021). He tends to build more personal or even family relationships that encourage him to spread out and plasticize the time to spend.

3. Data collection /Methodology:


```
                        Time
                     DUR (Q80- Q87)



   Pop-up store atmosphere          Customer emotional
     AMB (Q12-Q17)                       reactions
     DSG ( Q18- Q22)                  PLE (Q26-Q30)
     SOC (Q23- Q25)                   EVA (Q31-Q32)
                                      NER (Q33- Q35)
                                      PLA (Q36- Q39)
                                      DET (Q40- Q41)
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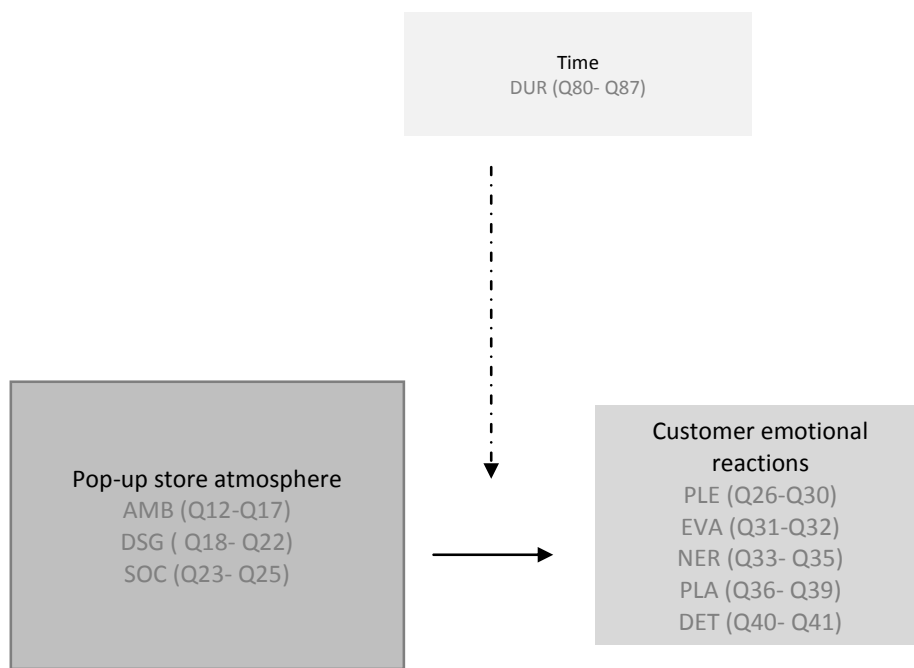
Figure 2: Conceptual Model with Scale Dimensions

This exploratory study adopts a scale that details the ambient, design and social factors of the retail environment. The authors (Driss, F., Hafsia, H., Jerbi, S., 2009) have highlighted the variables of a traditional store's atmosphere which are in phase with the variables of which this research is interested. The Lichtlé & Plichon (2014) scale best represents customer emotions at a traditional point of sale. The scale's dimensions envision positive and negative feelings the client might have. We believe that this measurement scale best reflects the emotional state of customers in the pop-up store. Both scales are adopted and tested in the context of ephemeral stores or pop-up stores.

Data collection was restricted to the French market and customers who visited pop-up stores in France between the year 2019 and 2020. Each time a brand announces a pop-up store on social media sites (mainly Facebook and Instagram), we went to the page and got in touch with users

who commented on posts or publications related to those stores. If the customer responded to our message and confirmed that he visited the pop-up store, we sent him the link of the questionnaire. This assured us that the respondent has visited the pop-up store and that the visit is recent.

Using an online platform, the questionnaire was prepared (Rowley, J., 2014), pretested and uploaded online. The questionnaire's administration started in November 2019 and ended in March 2020. A total of 182 responses were collected and analyzed using SPSS. The principal component analysis was done at first to make sure that the psychometric qualities of each item and scale were validated. After verifying a construct's items and the Alpha or Cronbach meets acceptance standards, necessary changes labels were done (see table 1). Using regressions, the effect of an ephemeral store's atmosphere on consumer emotional reactions was tested at first and followed with the test of the moderation of the time variable on this relationship (see table 2) (Thietart, et al., 2014 and Evarard, et al., 2009).

4. Results and discussion:

The dimension of the intensity of a pop-up store influences the emotional reactions of consumers; only the relationship between intensity and oppression is not established. The arrangement of the atmosphere influences the positive and negative reactions of consumers. The social dimension does not affect the customer's feeling of fulfilment or nervousness. The dimension of the intensity of a pop-up store's atmosphere is not the cause of the feeling of oppression of consumers as could be the two other dimensions of the layout and the social. These two dimensions can cause consumer repulsion as well as other negative reactions.

The social dimension has an influence on the consumer experience especially at the level of evasion, fullness, relaxation and oppression. The more the social dimension increases, the escape, pleasure and relaxation of consumers decreases. The social dimension does not influence the development of the consumer or his nervousness. The social dimension can therefore be a source of distraction in the consumer's journey during his visit to the ephemeral store and may prevent the consumer from constructing his journey or his journey. A distracted consumer is less fulfilled and maybe less engaged with the elements of the atmosphere presented by the brand.

The two dimensions, Intensity and Layout, have a positive influence on the customer experience. Only the social dimension of the atmosphere of a pop-up store does not influence the customer experience. This dimension appears to have little or no influence on its relationship to emotional reactions or customer experiences within a pop-up store. The brand would have designed the atmosphere by emphasizing the aesthetic aspects (intensity and layout) more than the social dimension to achieve specific objectives and oriented towards the enhancement of the offer, sale or liquidation some products. It should be noted that the dimension of intensity goes in the opposite direction to the influence of the dimensions of the customer experience; therefore, the more the intensity increases, the visual appeal, the distraction, the escape, the intrinsic pleasure, the efficiency, the appreciation or the excellence of services will decrease.

The literature review presents pop-up stores as places of experience consumption and places of interaction with the brand (Russo Spena, et al., 2012). She also presents pop-up stores as new experiential marketing formats that facilitate a brand's marketing communication (Pomodoro, 2013 and Marciniak & Budnarowska, 2018). Pop-up stores influence word-of-mouth sharing (Klein, et al., 2016), offer enhanced innovative and interactive experiences (Niehm, et al., 2007) and influence long-term relationships with consumers (Lowe, et al., 2018). In the context of this study, pop-up stores appear less interactive than pop-up stores with an event character. In the first case, the consumer invited to the brand tends to be a spectator (and therefore more receptive); Consumer interaction "in the place" is most evident in pop-up stores with an event-driven nature.

The social effect is the dimension that weighs the most in the atmosphere of the ephemeral point of sale to the point that it stimulates the consumer, excites him and improves his appreciation of the time spent and the experience established during this period. It also seems that the consumer forgets the stress of the outdoors and feels more comfortable being surrounded by a crowd in an environment. It is not the physical atmosphere of the pop-up store (Lunardo, et al., 2012 and Driss, et al., 2008) that increases the time spent. It seems that the physical elements of the atmosphere do not provide enough stimulation for consumers. The physical context seems to be diluted (Roederer & Schwarzberg, 2015) more quickly. In the context of our research, the time spent is prolonged (Driss Bakini, et al., 2009) when the consumer feels himself being distracted and having a good time.

The lifespan of pop-up stores is generally reduced. Consumers perceive the lifespan as a driver to the store visit. If the consumer does not visit, he may miss the collections or the offers offered by the brand. The opportunist consumer benefits from a visit to the ephemeral store and derives a profit from it of acquisition, of doing good business or otherwise. A consumer's visit to a pop-up store relates to an "acquisition logic".

5. Research contributions, limitations and future avenues:

Our results enrich the review of the literature on the atmospheres of traditional points of sale as they present specificities specific to pop-up stores. As a new sales format has been recognized, this research highlights the commonalities of a traditional store and a pop-up store and those unique to the design of a pop-up store atmosphere.

Following his visit to a pop-up store, the consumer will express emotional and behavioral reactions; the intensities of these reactions will depend on the vocation of the pop-up store and its atmospheric design. These reactions occur "in place" but their effect extends beyond the visit to the given physical point. The consumer can express himself in "real time" while in the store and physical contact with environmental elements, staff and other consumers as well as instant "virtual" presence and/or momentary and finally, express his experience after having made his visit face-to-face or virtually.

The pop-up store is becoming essential for brands wishing to differentiate themselves in the highly competitive market and to offer thirsty consumers dynamic and constantly renewed concepts. To ensure the success of the project, it is imperative to guide the design, offer and communication of the project by the prior choice of its orientation or vocation. The pop-up store's atmosphere is the "generating" touchpoint for any emotion that will help create the consumer experience. Its role is to allow customers to actively participate in the creation of their experience.

However, managers are invited to understand what type of experience they wish to induce; a utilitarian experience or a hedonic experience. The design of the atmosphere respects the vocation that the brand wishes to adopt to finally allow the consumer to obtain a type of experience (utilitarian or hedonic) in the hope that it is positive.

This study is carried out on the French ground could reflect French market specificities, which leads us to propose to collect data from North American, African or Asian markets to identify the similarities or the differences of the dimensions of the pop-up stores. Given the exploratory nature of the qualitative data collection part of our research, the conclusions we bring out deserve to be put into perspective. Indeed, our study has limited external validity due to the size and composition of our sample. The dimensions of pop-up store atmospheres that differentiate them from the dimensions of traditional store atmospheres can also be tested to verify the existence of an influence on consumers' emotional reactions, intentions or behavioral reactions.

Exploratory studies highlight the specificities and traits of characterizing ephemeral stores in France. As new dimensions appear to be specific to the atmospheres of pop-up stores, it is the creation of a proper scale to measure the atmosphere of a pop-up store deserves to be developed.

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Scale	Question reference	Section	Label 1	Label 2	Original item	Retained item	Factor Loadings f	KMO et Bartlett	Total Eigen Value	Total variance explained	Alpha de Cronbach (communalities)	Construct validity
Ambiance	Q12		ATM	AMB1	6	2						0.719
	Q13			AMB2								
	Q14			AMB3								
	Q15			AMB4			0.782	_	1.563	78.15%	0.710	
	Q16			AMB5			0.782					
	Q17			AMB6								
Design	Q18			DSG1	5	3						
	Q19			DSG2			0.682	0.693	2.265	75.48%	0.837	
	Q20			DSG3			0.825					
	Q21	Store's atmosphere		DSG4			0.757					
	Q22			DSG5								
Social	Q23			SOC1	3	3	0.805	0.717	2.309	76.96%	0.846	
	Q24			SOC2			0.794					
	Q25			SOC3			0.710					
	Q26		EMT	PLE1	5							0.751
	Q27			PLE2								
Plénitude	Q28			PLE3		3	0.775	0.680	2.351	78.36%	0.861	
	Q29			PLE4			0.868					
	Q30			PLE5			0.708					
Évasion	Q31			EVA1	2	2	0.857	_	1.714	85.69%	0.829	
	Q32			EVA2			0.857					
Nervosité	Q33			NER1	3	3	0.657	0.637	2.241	74.70%	0.829	
	Q34			NER2			0.861					
	Q35			NER3			0.723					
Plaisir	Q36			PLA1	4	4	0.652	0.815	2.958	73.94%	0.877	
	Q37			PLA2			0.841					
	Q38			PLA3			0.773					
	Q39			PLA4			0.691					
Détente	Q40			DET1	2	2	0.876	_	1.753	87.63%	0.859	
	Q41			DET2			0.876					
Oppression	Q42	Customer reactions		OPP1	4	4	0.626	0.780	2.893	72.32%	0.864	
	Q43			OPP2			0.700					
	Q44			OPP3			0.802					
	Q45			OPP4			0.764					
	Q79			EXS2			0.862					
La du	Q80	Time	DU	DUR1	8	2	0.837	_	1.675	83.74%	0.800	0.690

Q81	R	DUR2		0.837					
Q82		DUR3							
Q83		DUR4							
Q84		DUR5	3	0.634	0.685	2.140	71.34%	0.799	
Q85		DUR6		0.780					
Q86		DUR7		0.727					
Q87		DUR8							

The effect of a pop-up store's atmosphere on customer emotional reactions

				(*Regression Weights*)					
					Estimate	S.E.	C.R.	P	
	H1	ATM	x	EMT					
1	H1.1.1	ITS (Q15, Q16)	x	EPN (Q27, Q28, Q29, Q30)	-0.963	0.226	-4.255	***	
2	H1.1.2	ITS (Q15, Q16)	x	EVA (Q31, Q32)	-0.895	0.237	-3.772	***	
3	H1.1.3	ITS (Q15, Q16)	x	NER (Q33, Q34, Q35	0.361	0.153	2.367	0.018	
4	H1.1.4	ITS (Q15, Q16)	x	PLA (Q36, Q37, Q38, Q39)	-1.179	0.256	-4.598	***	
5	H1.1.5	ITS (Q15, Q16)	x	DET (Q40, Q41)	-1.546	0.339	-4.557	***	
6	H1.1.6	ITS (Q15, Q16)	x	OPP (Q42, Q43, Q44, Q45)	-0.167	0.152	-1.105	0.269	
7	H1.2.1	AGM (Q18, Q20, Q21)	x	EPN (Q27, Q28, Q29, Q30)	0.928	0.152	6.124	***	
8	H1.2.2	AGM (Q18, Q20, Q21)	x	EVA (Q31, Q32)	0.768	0.157	4.898	***	
9	H1.2.3	AGM (Q18, Q20, Q21)	x	NER (Q33, Q34, Q35	-0.606	0.106	-5.729	***	
10	H1.2.4	AGM (Q18, Q20, Q21)	x	PLA (Q36, Q37, Q38, Q39)	0.91	0.159	5.732	***	
11	H1.2.5	AGM (Q18, Q20, Q21)	x	DET (Q40, Q41)	1.368	0.212	6.465	***	
12	H1.2.6	AGM (Q18, Q20, Q21)	x	OPP (Q42, Q43, Q44, Q45)	-0.398	0.102	-3.895	***	
13	H1.3.1	SOC (Q23, Q24, Q25)	x	EPN (Q27, Q28, Q29, Q30)	-0.226	0.13	-1.744	0.081	
14	H1.3.2	SOC (Q23, Q24, Q25)	x	EVA (Q31, Q32)	-0.302	0.14	-2.161	0.031	
15	H1.3.3	SOC (Q23, Q24, Q25)	x	NER (Q33, Q34, Q35	-0.14	0.098	-1.433	0.152	
16	H1.3.4	SOC (Q23, Q24, Q25)	x	PLA (Q36, Q37, Q38, Q39)	-0.286	0.146	-1.952	0.051	
17	H1.3.5	SOC (Q23, Q24, Q25)	x	DET (Q40, Q41)	-0.404	0.202	-1.995	0.046	
18	H1.3.6	SOC (Q23, Q24, Q25)	x	OPP (Q42, Q43, Q44, Q45)	-0.21	0.099	-2.114	0.034	
		Moderation effects	x	**(ATM x EMT)**					
95	H1.a	**DUR**		(ATM x EMT)					
		ZREMO_XBAR		ZATM_XBAR	0.046	0.074	0.621	0.535	**0.015 < 0.05**
		ZREMO_XBAR		ZDUR_XBAR	0.127	0.076	1.685	0.092	

		ZREMO_XBAR	ZATM_ZDUR	-0.155	0.06 4	- 2.429	0.01 5	

Table 2: Regression Analysis

(WHEN) IS IT WORTH INVESTING IN
THE PERSONAL SERVICE ENCOUNTER?

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Introduction

Technology has had a strong impact on the retail sector. We have built customer journeys that are incredibly simple and independent in which customers interact comfortably and efficiently with self service technologies (SST) rather than store employees (Meuter *et al.*, 2000; Bitner *et al.*, 2002; Curran and Meuter, 2005; Kelly, Lawlor and Mulvey, 2011). However, when it comes to physical stores, research suggests that a personal service encounter—i.e. personal contact with knowledgeable and helpful store employees—is an important part of the customer journey (Burke, 2002; Bäckström and Johansson, 2006; Sousa and Voss, 2006; Ahearne and Rapp, 2010; Dabholkar and Spaid, 2012; Resnick, Foster and Woodall, 2014; Alhouti *et al.*, 2015; Lee, 2015; Scherer, Wünderlich and von Wangenheim, 2015; Pugh and Subramony, 2016). Many retail chains, hence, spend considerable resources trying to provide as many customers as possible with a personal service encounter. In this study, we ask when it is worth investing in the personal service encounter and when self service technologies are more appropriate.

Purpose

Getting the right balance between personal service encounters and SST is clearly important for retailers. Relying too heavily on SST may lead to customer dissatisfaction (Dabholkar and Spaid, 2012) or eventual defection (Scherer, Wünderlich and von Wangenheim, 2015). On the other hand, investing heavily in personal service encounters is relatively costly and, furthermore, some customers may prefer a more autonomous in-store experience (Alhouti *et al.*, 2015). In this paper, we explore the situations in which a personal service encounter— defined as a discrete, dyadic interaction between a customer and a service provider at a moment in time (Surprenant and Solomon, 1987; Bitner and Wang, 2014)—is an essential part of a customer journey. In other words, we highlight when, and for which types of customer, a personal service encounter increases the chance of a sale and when a more independent customer journey might be more effective.

Methodology

Our findings build on 3 500 exit interviews conducted with customers of five Swedish fashion retailers in 2019. Interviews lasted an average of 4 minutes and were conducted at a variety of physical store locations. Customers were questioned about their motivation for visiting the store, the type of service encounters they experienced, and the value of their purchase(s), if any.

Findings

We identified different categories of customers based on their stated reasons for visiting the physical store. 60% stated that they were looking for a specific product when they came to the store and were, hence, categorised as *product customers*. 33% were categorised as *inspiration customers* because they stated either that they wanted to get some inspiration and ideas or that they wanted to see if there was something new in store. The remaining 3%, categorised as *return and refund customers* or *click and collect customers,* are not discussed in this extended abstract due to space limitations.

When we compared how many of each customer category chose to buy (converted) during their visit, we saw that product customers converted at just over twice the rate of inspiration customers—32% versus 14%. The conversion rate for each category of customer without a personal service encounter is very low—only 16% of product customers and only 3% of inspiration customers who didn't get help from store employees bought something in store. This seems to make the case for the importance of the personal service encounter. However, we argue that it also indicates something else.

A very small percentage of the reported personal service encounters involved selling in the traditional sense—i.e. classic customer service with all its elements in the form of greeting, active contact, questions, presenting alternatives, persuading, closing. While such encounters do generate high conversions, they take time that store employees do not always have. The percentage of *product* customers who were converted without a personal service encounter was considerably higher than the percentage of *inspiration* customers, illustrating that product customers, who know what they want, do not necessarily require a personal service encounter as part of their journey. If they cannot find what they want themselves, they may need assistance to locate a particular item or perhaps information about size or fit but this does not necessarily imply that they need help from a store employee. In fact, our findings suggest that store employees would be more effectively deployed to assist inspiration customers, who are

converted at a much lower rate than product customers when a personal service encounter is not part of their customer journey.

Our findings also suggest that product customers could be converted at a higher rate if their journeys included more effective self service technologies in store. Product customers can easily meet their needs using SST and are accustomed to simple and independent customer journeys so, if service is slow, they may leave and make an online purchase instead (Postnord, 2019), perhaps from a competitor. Hence, retailers may see increased sales if they provide effective SST in store, which are not limited to interactive digital technologies but may also include signage, images and informative ways of presenting goods and information about those goods.

Contributions

Our findings complicate theoretical discussions about the personal service encounter. While many authors suggest that a personal service encounter is an important (perhaps *the* most important) element in the customer journey (Burke, 2002; Bäckström and Johansson, 2006; Sousa and Voss, 2006; Ahearne and Rapp, 2010; Dabholkar and Spaid, 2012; Resnick, Foster and Woodall, 2014; Alhouti *et al.*, 2015; Lee, 2015; Scherer, Wünderlich and von Wangenheim, 2015; Pugh and Subramony, 2016), our findings suggest that a personal service encounter is important only for certain categories of customers. For others, adding in-store touchpoints with store employees may not lead to increased sales and may even make customers less likely to buy in-store.

Practical implications

Many retail chains believe that the personal service encounter is the solution to declining sales figures. Our findings show that retailers can potentially save money and convert more customers by providing a more automated journey, which includes self service technologies, for some customers and reserving personal service encounters for those for whom it will lead to increased sales. The retail industry has a lot to gain from facilitating a more mechanical customer acquisition combined with streamlining and prioritising store employees' time.

Research limitations and outlook

Our empirical material was collected prior to the Covid-19 pandemic. In a post-pandemic retailscape, the increase in familiarity with online shopping during the pandemic and the ongoing anxiety regarding infection may increase the likelihood that customers crave a more independent customer journey. They may actively avoid personal service encounters due to the risk of infection. And, if they cannot easily meet their needs independently in store, they may be even more comfortable with moving online instead. Repeating our research could provide further insight here. Furthermore, given the rapid increase in online shopping during 2020 (Postnord, 2020) in a subsequent study, we might reasonably expect to see an increase in the proportion of *return and refund customers*—returning an item previously bought in store or online—and of *click and collect customers*—collecting items ordered online.

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Keywords

A comprehensive model of trust in online shopping in a cross-market context

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Abstract

Purpose –The purpose of our study is to investigate antecedents and consequences of consumer trust in online shopping in a comprehensive model in an advanced and emerging country.

Design/methodology/approach – We test our hypotheses by analyzing data including 397 responses from Austria and 205 from the Republic of Moldova through structural equation modeling, particularly partial least squares (PLS) path modeling. The quantitative study provides new insights in cross-market e-commerce.

Findings – Results show that perceived company reputation, perceived security and perceived website quality have a positive influence on consumer trust in online shopping. Furthermore, the present study finds a positive effect of trust on purchase intention. We also analyzed the role of perceived risk and found support for the negative relationship between trust and perceived risk as well as perceived risk and purchase intention. Moreover, a significant difference between Austria and Moldova was observed with respect to the impact of experience and website quality on online trust.

Originality/value – The findings provide an integrative, cross-market perspective on the role of consumers` trust in online shopping. We investigate a multitude of technology-related, service-related, user-related, and context-related factors influencing online shopping behaviour in a comprehensive model in an advanced and emerging market.

Keywords Trust, online shopping, technology acceptance, cross-market, purchase intention

Paper type Research paper

ANTECEDENTS AND CONSEQUENCES OF WEBROOMING BEHAVIOUR: INSIGHTS FROM INTEGRATED PERSPECTIVES

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Keywords: *webrooming, consumer skills, motivation, opportunity, abilities*

1. Introduction

Webrooming, one of the crucial issues in the present omnichannel retailing dynamics, denotes the purchase behaviour of those shoppers who intentionally seek product information online, and later purchase offline (Verhoef *et al.,* 2015; Fernández *et al.,* 2018; Kang, 2018). The traces of this rising yet challenging phenomenon have already been pronounced by the researchers across various retail sectors like electronics, clothing, and footwear (Flavian *et al*., 2016; Fernández *et al.,* 2018), and expected to expand aggressively into other categories like groceries as well (Sopadjieva *et al.,* 2017). According to one of the reports published by PwC, 70% of the shoppers globally had agreed on intentionally following the webrooming sequence. Even though webrooming is rising across various product categories (Flavian *et al.,* 2016; Frasquet *et al.,* 2015), and hits hard the profitability of online retailers (Chiu *et al.,* 2011; Lemon and Verhoef, 2016), the phenomenon has not been given much attention.

2. Purpose

In lieu of the gaps encompassing present webrooming literature, the study emerges as the first piece of research to propose an extended yet integrated SOR (stimulus-organism-response) - MOA (motivation-opportunity-ability) paradigm to decipher the webrooming conduct of the shoppers. Additionally, in line with Talwar *et al.,* (2021), the current study by introducing the element of 'consequences' also highlights much-ignored outcomes associated with the webrooming sequence.

3. Conceptual Framework

The existing piece of research assimilates the stimulus-organism-response (Mehrabian and Russell, 1974) and motivation-opportunity-ability (Blumberg and Pringle, 1982) philosophies to

interpret the consumers' motivation behind webrooming. While, on the one hand, the conceptions of SOR ideology, a widely applied concept in retailing, allows us to capture the role of both cognitive and affective factors in fostering webrooming behaviour (Aw *et al.,* 2021), the MOA offers a nuanced structured framework for investigating the role of under-explored factors like consumers (actual) skills and online retailer's support in the execution of the webrooming sequence. This holds acute relevance as webrooming stands impossible without online retailer's support and services. Additionally, consumers' lacking skills as regards filtering required product information online might not be able to webroom (Arora and Sahney, 2019).

PROPOSED FRAMEWORK

Integrated SOR- MOA Framework
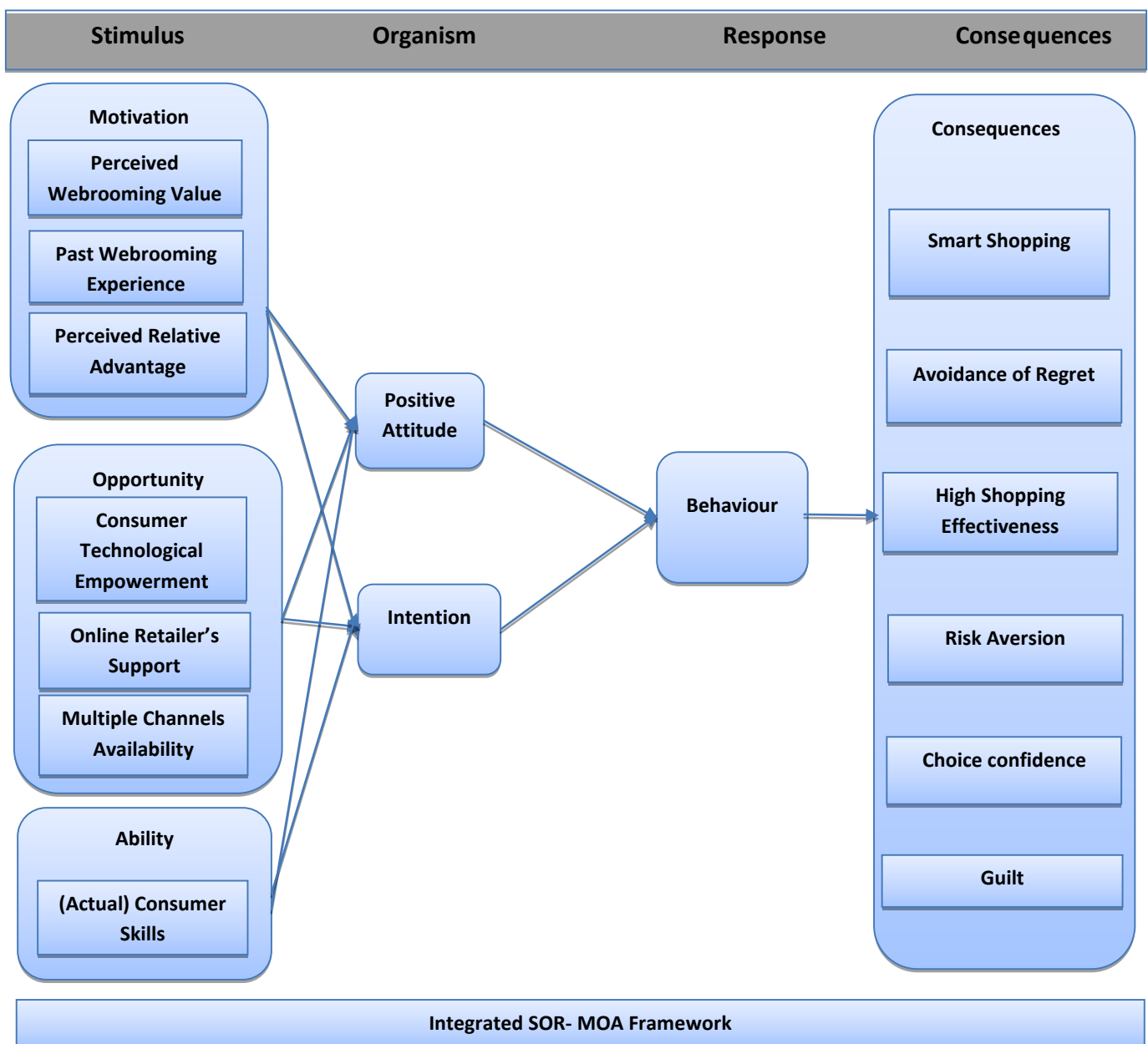
In the current piece of research, motivation, opportunity, and ability components have been proposed as the 'stimulus' that drives the organism's positive attitude and intentions towards webrooming behaviour. The study argues that it is the perceived value (Daunt and Harris, 2017) emerging out of an overall multi-channel shopping (webrooming) experience along with the habitual strength occurring from past webrooming experience, and relative advantage of webrooming (as against directly purchasing offline) that prompts consumers to webroom. However, this only becomes possible because of the opportunities emerging on account of the availability of multiple channels (Verhoef *et al.,* 2007; 2015; Lemon and Verhoef, 2016), consumers technological empowerment (Chiu *et al.,* 2011) and online retailer' support and services. Additionally, the role of (actual) consumer skills (Pavlou and Fygenson, 2006) as regards combining online and offline channels in the single purchase process has also been taken into consideration as an aspect of 'skills'. Further, the researchers argue that combining the online search and offline purchase sequence certainly assists shoppers in reducing risks associated with shopping (risk aversion) (Arora and Sahney, 2019), in attaining high shopping effectiveness, gaining confidence over prospective product choices (Flavian *et al.,* 2016) and experiencing smart shopper feelings. (Flavian *et al.,* 2019). However, it is contended that consumers might also encounter a sense of guilt (Harris, 2017) as a result of non-reciprocating to the online channels that are exploited in the process.

3. Design/methodology /approach

The current research work builds a framework for a deeper understanding of the consumer's webrooming behaviour by combining the elements derived from the SOR and MOA ideologies based on a systematic literature review of the multi-channel shopping, channel choice, cross-channel free-riding and existing webrooming literature. The methodology has been adopted in line with Arora and Sahney (2017).

4. Practical Implications and Contribution

Upon validation, the findings of the study can be utilized by both online and offline retailers for handling webrooming shoppers. The proposed model certainly highlights the role of motivation, ability and opportunity factors that might influence the webrooming conduct of the shoppers. Furthermore, 'consequences' emerging out of the webrooming sequence have also been highlighted, which adds to the uniqueness of the proposed research work.

6. Research limitations and outlook

The proposed model calls for an empirical verification for the genralization and interpretation of the findings of the study. The impact of product type and category has also not been taken into consideration, which emerges as another key limitation of the study. Future researchers can test the proposed model across specific product categories to derive meaningful results.

7. Originality

The current study emerges as the first piece of research to decode webrooming from a unified structure that integrates the SOR-MOA beliefs. Although the majority of researchers have indeed identified the consumer's motivations behind webrooming (Flavian et al., 2016: Aw, 2019: Aw *et al.,* 2020) the aspects of opportunity and ability addressed in the present study were essentially ignored. Moreover, after-effects of the webrooming sequences have also been highlighted capturing the essence of both negative (feelings of guilt) and positive outcomes (shopping effectiveness, smart shopping, avoidance of regret, risk aversion and choice confidence) of webrooming.

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CONSUMER INSIGHTS ON PLANT-BASED PRODUCT CONSUMPTION AND PRODUCT DEVELOPMENT OPPORTUNITIES

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Introduction

Consumption of plant-based products (PBPs) is rapidly increasing across all worldwide markets (Kerry, 2019), with the European plant protein market alone projected to grow and reach $2.6 billion by 2025, at a Compound Annual Growth Rate of 7.4 percent between 2020 and 2025 (Mordor Intelligence, 2020). In the context of this research, a plant-based product is referred to as "a food or drink product in which the main ingredient (or ingredients) is a substitute for meat or dairy products" (Beacom *et al.*, forthcoming). Increased consumption of PBPs can be attributed to a range of factors, such as changing consumer demands and desire to make healthier, more sustainable food choices (de Boer *et al.*, 2017; Peschel *et al.*, 2019). These consumer trends have incited increased innovation, product development, and increased breadth of product offering from PBP producers, and retailers have responded by increasing emphasis on and space for PBP categories in store, as well as introduction and development of their own private label PBP brands (Mintel, 2018; Weinbren, 2019). Consumers will be motivated to choose PBPs for various reasons, and it is important for food producers and retailers to be able to understand the most important motives to address, as in order to develop a particular food market it is important to understand factors which impact consumers purchase behaviour in that sector (Rosenfeld and Burrow, 2017; Peschel *et al.*, 2019; Nguyen *et al.*, 2020). Although there has been a lot of innovation in PBPs, there is a lack of knowledge about how best to promote these products to consumers (de Boer *et al.*, 2017; Peschel *et al.*, 2019). Identifying the motivations of consumers to purchase PBPs, as well as the product attributes they value, and perceived gaps in the market, can help inform product development and marketing communications about the product, in order to increase

the likeliness of product success on the marketplace and thereby increase retailer and producer profitability (de Boer *et al.*, 2017; Kempen *et al.*, 2017; Peschel *et al.,* 2019). Further, identifying non-PBP consumers attitudes towards different types of PBPs; the barriers that prevent them from choosing these products; and the factors that could motivate them to choose these products, can help inform how food companies may produce products which will appeal to this unresponsive market, and how best to market products to increase acceptance and consumption among this group.

This study therefore aimed to examine (i) influences on PBP consumers buying behaviour; (ii) influences on non-PBP consumers prospective PBP buying behaviour; (iii) consumer's evaluation of PBP attributes; and (v) consumer identified PBP market gaps, in order to inform product development, and other marketing considerations.

Methodology

This research used a mixed methods approach collecting both quantitative data (Study 1 - via a consumer survey) and qualitative data (Study 2 - via consumer focus groups).

Study 1. An online survey collected responses from consumers (n=456) in the United Kingdom and Republic of Ireland between June and September 2020. A total of 456 valid responses were returned and analysed using IBM SPSS v.27 (descriptive statistics and binary logistic regression analyses). The sample contained responses both from PBP and non-PBP consumers.

Study 2. Six focus group discussions were facilitated during July and August 2020 with Irish and British participants (n=20). Focus group participants were recruited via expressing interest at the end of the Study 1 survey. No non-PBP consumers elected to participant, therefore all participants were consumers (either regular or infrequent) of PBPs. Thematic analysis was applied to the focus group discussion transcripts and NVivo v.12.6.1 was used to organise the codes and identify the themes. Ethical approval was sought and granted to conduct this research.

Findings

The majority of the survey sample were currently living in the ROI (86.2%), and almost three-quarters (70.8%) were female. The majority of respondents (71.3%) were living an urban or sub-urban location, and household income varied among the sample. Most participants (87.7%, n=353) consumed PBPs, while the remainder (n=43) were non-PBP consumers. Almost two-thirds (59.9%) of the sample consumed PBPs regularly, while almost one-third (27.9%) consumed PBPs infrequently. Similarly, the majority of the Study 2 sample were living in the ROI (90%), and approximately two-thirds (65%) were female. The sample was fairly well distributed according to age category: 18-25 (20%), 26-35 (35%), 40-54 (35%), 55-74 (10%).

Influences on PBP consumers buying behaviour

Quantitative analysis (Study 1) identified that females were almost twice as likely as males to consume PBPs (OR=2.955, CI=1.409-6.200, p<0.05), and those living in sub-urban or urban areas were more likely to consume PBPs than those living in rural populations, with odds

ratios of 3.008 (CI=1.293-7.001, p<0.05) and 5.263 (CI=2.043-13.555, p<0.05) respectively. Frequency counts indicated that sustainability reasons, animal welfare reasons, and health reasons were the most popular motivations for PBP consumers to choose both meat and dairy alternatives. Qualitative analysis (Study 2) similarly found these three motivations to be most prominent among the sample. Health was cited most frequently, with five consumers stating they choose PBPs for health-related reasons, followed by ethical and environmental reasons (n=4), and animal welfare (n=3). Other motivations cited included upbringing (n=2), flavour (n=2) and a dislike of dairy products (n=1).

Influences on non-PBP consumers prospective PBP buying behaviour

For non-PBP consumers, Study 1 findings revealed that the most popular potential motivations to choose both meat and dairy alternatives were if they thought it was healthier than a meat or dairy product alternative, to try something new, and if they thought it was better for the environment. The most prominent barriers identified to consuming meat and dairy alternatives by non-PBP consumers were concerns about taste, and not seeing a need to change their diet, with approximately half of participants selecting these factors as barriers for both meat alternative and dairy alternative consumption. Non-PBP consumers were generally unwilling to consider purchasing meat or dairy alternatives, with approximately half, or two-thirds, of respondents indicating that they would not consider buying any of the dairy alternative products, and with approximately 50-80% indicating they would not buy any of the meat alternative products. However, of those who responded that they would consider buying dairy alternative products, the most popular options for consideration were plant-based drinks (almond, coconut, other), plant-based dessert, and plant-based yoghurt. The meat alternative products that non-PBP consumers were most open to considering buying were natural ingredients (such as mushrooms or lentils) to use as a meat substitute when preparing meals from scratch, or ready-made products containing these natural ingredients as a meat substitute.

Consumer's evaluation of PBP attributes

Study 1 found that the most important PBP attributes for consumers were taste, ingredient list, product information on the label, health, and a sustainably produced product. Likewise, preliminary analysis on Study 2 data finds that these attributes were most prominently discussed by participants, along with price.

Consumer identified PBP market gaps

Preliminary analysis of Study 2 data identified three themes which related to PBP product development or reformulation: (1) *functionality of alternatives*; (2) *desire for natural, unprocessed products*; and (3) *affinity for locally produced products*.

Theme 1: Functionality of alternatives. PBPs lacking the functionality of their alternative was cited or agreed upon by almost one-third (n=6) of participants as problematic. Functionality was discussed only with relation to dairy alternatives, for example it was felt by five participants that PB drinks did not froth or mix well in tea/coffee, and one participant discussed issues with the consistency and functionality of plant-based cheese not melting well "*consistency is quite different in a lot of them they don't melt very well like dairy cheese* [P20]". It was indicated therefore that improvements to the functionality of certain dairy products would be a useful product development consideration: "*I'm always on the search for*

a plant-based beverage that goes well in tea [P2]"; "*I think there's a lot of room for improvement of plant-based cheese products* [P20]". There appeared to be a desire for products to emulate meat or dairy in terms of functionality but not necessarily in taste: "*I don't want to taste anything that tastes like meat* [P18]", and some expressed the view that PBPs should not be trying to mimic meat (n=4), and were more likely to be successful if they instead focused on "*[making] them into a more interesting product of their own*" [P10]"

Theme 2: Desire for natural, unprocessed products. Seven participants explicitly stated that they were interested in natural, unprocessed products: "*I don't want like meat replacements as much as I do just kind of fresh food* [P2]", and some felt the processed, or unhealthy nature of some PBPs (being high in fat, salt or sugar) was a barrier to consumption: "*negative experiences for me would be the fact that those plant based products that are more processed and maybe less healthy* [P4]". It was indicated that natural, healthy PBPs would be a favoured addition to the marketplace: "*I'm looking for something that's healthy and like limited ingredients… I would love to have those just to grab and go and I just don't think there's enough right now like that* [P2]".

Theme 3: Affinity for locally produced products. Almost half (n=9) of participants discussed buying from local stores or preferring local produce, and five participants stated how their choice of retailer was influenced by whether or not they sold local produce and supported the local economy: "*I guess the shops that I've mainly use would be [store name] and [store name] or [store name], so I try not to shop in ones that aren't bringing money back into the Irish economy* [P18]" . When considering market gaps, two participants suggested an Irish brand plant-based drink: "*it would be interesting if there was an Irish version of an oat milk being made* [P2]".

Originality

The study provides new consumer insights on PBP consumers and non-PBP consumers motivations and barriers to consumption, which can influence product development marketing activity, as well as identifying gaps in the PBP market which represent potentially useful areas for product development.

Practical implications

Females were identified as being more likely to consume PBPs, therefore future research should investigate barriers which exist among male PBP consumption, and how to address prospective barriers during the product development and marketing process of these products. Those living in urban areas were more likely to consume PBPs, this could be attributed to a variety of reasons such as beliefs, norms, and availability; but at the most basic level provides justification for careful category management of PBPs in more rural areas, to make available the most popular PBPs in order to increase familiarity, acceptance and consumption. Awareness of PBP consumer motivations for consuming these products and non-PBP consumer barriers to, and prospective motivations for, consumption can aid with product development and marketing decision making. For example, developing products which consider consumers health motivations, and which are sustainably and ethically produced to accord with these consumer concerns. Insight into important product attributes for PBPs and consumer perceived gaps in the PBP market provides consideration for how to develop products which accord with consumer preferences and desires. Ultimately, developing and

marketing products in a way which accords with consumer demand will increase likeliness of successful brands, increasing revenue and profits for both producers and retailers.

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EFFECTIVENESS OF RETARGETED DIRECT MAILING: WHEN DOES IT WORK?

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INTRODUCTION

Marketers continue to use direct mail (DM) in the recent years, even in the digital age (DMA 2018). This could be due to the improvements in collecting relevant consumer data on customer purchase history, demographics and geographics and the shift toward retargeted direct mail (RDM). RDM is to use the information from past consumers behaviors and send out tailored DMs to reactivate customers and entice them to come back to store and repurchase (Forbes, 2020). The use of RDM has resulted in increase in effectiveness of DM according to business presses. The Forbes, for instance, reported that over 84% of consumers would be more likely to open a piece of DM if DM is tailored to their needs (Forbes, 2017).

Although business press predicts that RDMs have a higher relative performance in comparison with traditional DMs because they are tailored to customer's purchase recency (e.g., Forbes 2017), yet, there is little academic evidence on the effectiveness of the RDM, compared to traditional DMs. Therefore, in this study, we aim to empirically investigate the effect of the RDM on actual customer purchase behavior and whether its effectiveness depends on customer and RDM characteristics. To examine the effectiveness of RDM, we use a large-scale dataset from a direct mail agency in the Netherlands.

PURPOSE

The purpose of this paper is to quantify the impact of RDM efforts on customer actual purchases. In particular, we address the following research questions:

1. What is the impact of RDM on customer purchase behavior, namely purchase incidence and purchase amount?
2. For which groups of customers, in terms of behavioral and demographic characteristics (e.g., customer demographics, relationship duration with the retailer and communication history), is RDM more effective?
3. Which type of RDM campaigns are more effective, namely transaction-oriented RDM versus relationship-oriented DM?

CONCEPTUAL FRAMEWORK

The main difference between traditional DMs and RDMs is in their timing. Firms use a RDM to retarget the individual customers based on individual's purchase recency, and by doing this, they try to prevent customers from becoming inactive. Hence, RDMs are expected to be more relevant and persuasive compared to the traditional DMs, where DMs are sent to all customer, no matter how long ago an individual customer has made a purchase. Therefore, we anticipate that the RDMs to have a higher relative performance in comparison with traditional DMs in terms of customer response. Despite the increased popularity of retargeted direct mail, yet, there is little academic evidence on the effectiveness of the RDM. The current literature on direct mailings effectiveness has investigated customer response to traditional DMs (e.g., van Diepen, Donkers, and Franses 2009; Feld et al. 2013; Vafainia, Breugelmans, and Bijmolt 2019), however, it remains silent on the impact of RDM on customer purchase behavior. The extant literature on targeted price promotions effectiveness also highlights the incremental benefits of targeted promotional offers (Zhang and Wedel 2009; Ansari and Mela 2003). Thus, the first objective of this study is to empirically examine the effectiveness of RDMs compared to traditional DMs, which is missing in the existing direct marketing literature.

The impact of RDM may also depend on individual customer characteristics (Lewis, Whitler, and Hoegg 2013). In particular, previous studies in relationship marketing literature have shown that response to marketing interventions is highly heterogeneous based on customer differences in relationship history (such as relationship duration), communication history (how recently and frequently customers have received DMs) and socio-demographics (age and gender) (Rust and Verhoef 2005; Neslin et al. 2013). Therefore, the second objective of this study is to investigate whether customer characteristics can moderate the impact of RDM on customer's purchase behavior.

In addition, the direct marketing literature distinguishes between marketing communications that directly stimulate product or service sales and those that focus on the maintenance and development of customer relationships (Gázquez-Abad, Canniére, and Martínez-López 2011). In a similar manner, the RDMs can have two different purposes: i) RDMs with a transaction-oriented purpose, focusing on triggering customer to take an action and then rewarding customers (i.e., when the firm uses a financial incentive to trigger customer response) or, ii) relationship-oriented RDMs that focus on the maintenance and development of customer relationships (i.e., when the retailer uses non-financial incentive to strengthen the relationship with a firm, like a thank you letter). It is largely unknown whether these results are generalizable to context or RDMs. Therefore, our third objective is this research is to understand whether the type of RDMs (transaction- oriented versus relationship-oriented) moderate the effect of RDM on customer purchase behavior. Figure 1 summarizes our conceptual framework.

Figure 1- Conceptual framework
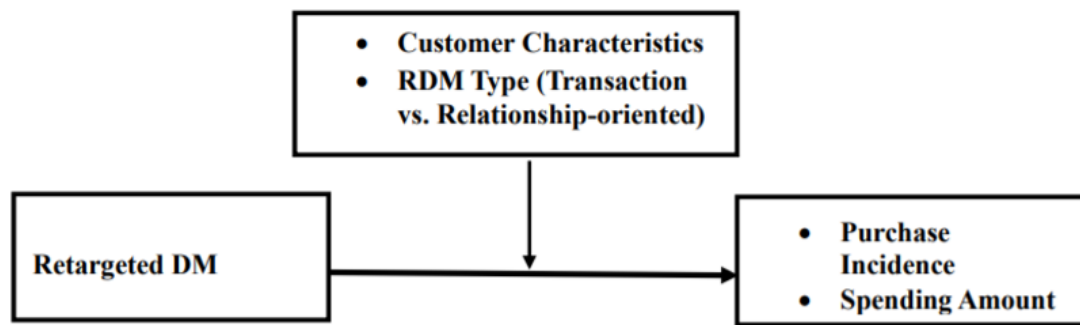
METHODOLOGY

Data

We address our research questions using a unique customer-level dataset for 10 optical retailers in the Netherlands across eight years (2011-2018). These optical retailers are independent and do not belong to large chains. Five out of 10 retailers participated in the RDM program, while the rest did not. Both of these two groups of the retailers are very similar in terms of customer base and location. For the five retailers who participate in RDM, RDM are sent to all the customers depending on their last purchase recency, during a purchase recency period of maximum four years, with the goal of inviting the customer to re-purchase. So, during this period of 4 years, a customer will receive several transaction-oriented and relationship-oriented, where in this DMs the retailer tries to re-activate the customers.

We track purchase behavior, customer characteristics and DM communication history of customers who have valid information on age, gender and registration date. These constraints leave us with 17,064 customers in the RDM treatment group (5 retailers that participate in RDM) and 15,601 in the control group (5 retailers that do not participate in RDM).

Propensity Score Estimation and Matching

In order to retrieve the effect of RDM, it is important to disentangle RDM effect from other extraneous effects or trends. To do so, we adopt a quasi-experimental design approach using propensity score matching to identify non-RDM receivers similar to RDM-receivers, along their observed characteristics (for a similar approach, see Datta, Knox, and Bronnenberg (2018)). We match customers in the RDM group to a similar customer in the control group, based on individual customer demographics (e.g., age, gender), behavioral measures (e.g., initialization period spending, purchase frequency and recency, customer duration of relationship with the retailer, frequency and recency other traditional direct mailings sent to customer besides RDM), Mahalanobis distance algorithm with replacement. We use an initialization period of one year (2011) to construct our hold-our period variables (Narang and Shankar 2019).

As shown in Figure 2, matching improves the percentage balance of propensity scores, making the matched treated and control groups comparable. This is important evidence that matching results in a valid control group. The matching procedure yields 15,677 treated and 15,677 matched control users.

Figure 2. Distribution of Propensity Scores Before and After Matching
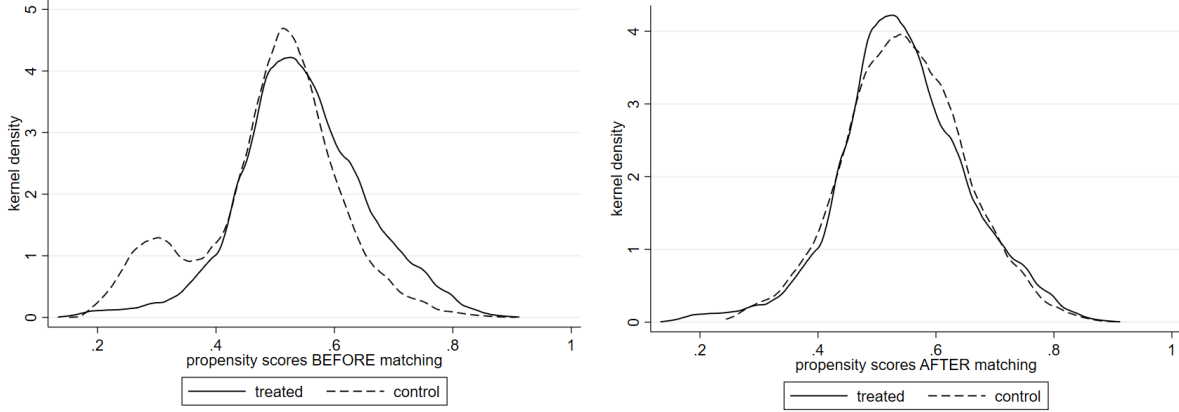
Treatment Effect

To estimate the effect of RDM, we compare the purchase outcomes for customers who receive RDM compared to the customers in the control groups, who do not receive RDM. The outcome variables in our research are customer purchase incidence as well as purchase amount in each quarter during the estimation period (2012-2018), where purchase incidence equals to one if the customer i makes a purchase in quarter t[1] and purchase amount is customer's spending amount[2] in quarter t.

Given that purchase amount only exists if a customer has made a purchase, we need to address the potential bias in the regression parameters in the purchase amount equation. To account for this selection bias, we employ the Heckman selection model (Heckman 1979), which has found other applications in marketing literature (e.g., Ying, Feinberg, and Wedel, 2006). We model the purchase amount, conditional on customer's purchase incidence as follows:

(1) $Purchase\_Incidence_{it} = \beta_0 + \beta_1 RDM\_Treat_{it} +$

$(\sum_{char=1}^{char=5} \beta_{2,char} Consumer\_Characteristics_{it}) + (\sum_{dummy=1}^{dummy=14} \beta_{7,dummy} Year/$

$Season_{dummy}) + \epsilon_{it}$

We model the purchase amount conditional on the occurrence of purchase as follows:

(2) $Spending_{it} = \beta_0 + \beta_1 RDM\_Treat_{it} + (\sum_{char=1}^{char=5} \beta_{2,char} Consumer\_Characteristics_{it}) +$

$(\sum_{dummy=1}^{dummy=14} \beta_{7,dummy} Year/Season_{dummy}) + \epsilon_{it}$ if $Purchase\_Incidence_{it} = 1$

where i is the individual, t is the quarter, RDM_Treat is a dummy variable denoting whether the customer is in the treatment group. We also control for the customer characteristics that we explained in the data section.

We measure the heterogeneity in treatment effects to examine the potential moderation effect of customer characteristics as well as RDM type (transaction-oriented vs. relationship-

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[1] The reason for choosing quarter as our time unit is that customers at optical retailers do not purchase glasses or lenses every day or even every month.
[2] We take the logarithm of the spending to reduce the skewness (e.g., Ataman et al. 2010).

oriented), by estimating the Model 1 and 2, where we interact these moderator variables with the RDM_Treat variable.

RESULTS

We present the results of main RDM treatment effect (estimated model 1 and 2 without the interaction terms) as well as the moderators (estimated model 1 and 2 including interactions with the moderators) in Table 1 and Table 2, accordingly. Results in Table 1 show a positive and significant impact of RDM on customer purchase incidence (β=.11, p<.01). However, the RDM is not successful in increasing the customer purchase amount (β=.01, p>.1). This shows that although RDM are effective in triggering customer to come to store and make a purchase, while they do not affect customer purchase amount.

In addition, we observe that there exists heterogeneity in the RDM treatment effects. In particular, the negative significant coefficient of the transaction-oriented RDMs ($\beta_{RDM*transaction\_pi}$= -.07, p<.01; $\beta_{RDM*transaction\_spending}$= -.11) indicates that a relationship-oriented RDM has a higher impact on purchase outcomes than a RDM transaction-oriented RDM. This is in line with the finding of where they found that relational mailings yielded a higher value than current promotional mailings (Gázquez-Abad, Canniére, and Martínez-López 2011). We also see that the effect of RDM on purchase outcomes varies across customers. Most notably, the impact of RDM is higher on customer who receive more frequently the traditional direct mailings ($\beta_{RDM*FrequencyDM\_pi}$= .13, p<.01; $\beta_{RDM*FrequencyDM\_spending}$= .14). In addition, a customer of higher age seems to be less responsive RDMs ($\beta_{RDM*age\_pi}$= -.003, p<.01).

Table 1- Impact of RDM Treatment on Customer Purchase Outcomes

Variables	(log) Spending	Purchase incidence
RDM treatment	0.01	0.11***
Age	0.02***	-0.01***
Gender	-0.10***	0.07***
Customer duration	0.02***	0.001*
Frequency_ DM	0.41***	-0.17***
Recency_DM	0.01***	0.00***
Season_dummy		
2	-0.12***	-0.02***
3	-0.12***	-0.06***
4	-0.06***	-0.04***
Year_dummy		
2012	-0.07***	-0.09***
2013	-0.16***	-0.18***
2014	-0.37***	-0.19***
2015	-0.31***	-0.21***
2016	-0.34***	-0.18***
2017	-0.44***	-0.25***
2018	-0.55***	-0.32***
Constant	4.17***	-0.67***

p<.1=*, p<.05=** and p<.01=***

Table 2- Assessing Potential Moderators of the RDM treatment effect

Variables		(Log) Spending	Purchase Incidence
Interaction RDM type	RDM treatment *Transaction-oriented	-0.11***	-0.07***
	RDM treatment *Age	-0.001	-0.003***
	RDM treatment *Gender	-0.008	-0.009
Interaction Customer characteristics	RDM treatment *Customer duration	-0.07***	0.01***
	RDM treatment *Frequency_DM	0.14*	0.13***
	RDM treatment *Recency_DM	0.02***	-0.08***

$p<.1=$*, $p<.05=$** and $p<.01=$*** The independent variables are the interaction effects to capture heterogeneous treatment effects

ORIGINAL/VALUE

The key contribution of this paper is that we quantify the impact of RDM efforts on customer actual purchase outcomes, namely, purchase incidence and spending and how its effectiveness depends on customer characteristics and RDM type. An interesting finding is that the RDMs are only effective in increasing the purchase likelihood of customer, while not successful in increasing their spending.

In addition, with this paper, we extend the current direct mailing literature by showing that relationship-oriented RDMs have a higher impact on customer's purchase outcomes, compared with transaction-oriented RDMs.

PRACTICAL IMPLICATIONS

The results of the study will provide valuable insights for managers when allocating their direct marketing budget. First, our results suggests that it pays off to send out RDM to customers, with the goal of triggering customers to make a purchase and avoid potential permanent churning. In addition, our results challenge the common practice of retailers to target customers with the transaction-oriented communications, as we found that relationship-oriented RDMs are more effective in terms of impacting purchase outcomes. Finally, our results highlight the importance of targeting customers based on (behavioral) customer characteristics, as we found that customers who received more traditional DM in the past are more likely to respond to RDMs.

SOCIAL IMPLICATIONS

In this study, showed that the RDMs are more effective for certain customers, then the retailers can optimize the DM campaigns and avoid sending them to all the customers, using less papers to print that are thrown away.

RESEARCH LIMITATION AND OUTLOOK

One limitation of this study is that we rely on natural variation in the data between the retailers that participate in RDM and the ones that do not join. Thus, controlled randomized field experiments could provide future researchers with unique opportunities for testing specific RDM-related manipulations.

In terms of next steps of this project, we plan to do several robustness checks to add to the validity of our results. In addition, we will conduct several contrafactual analyses to calculate the effect size of RDM as well as the impact of moderators on purchase outcomes.

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FACTORS INFLUENCING BEHAVIORAL INTENTIONS TO USE MOBILE SELF-CHECKOUT SYSTEMS AMONG BELGIAN CONSUMERS

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Introduction

The strong competition with online stores and the wide diffusion of mobile technologies is forcing traditional retailers to innovate their business models (Andriulo et al. 2015). Innovative in-store technologies – such as mobile apps, scan-and-go technologies, smart shelf technology, robotics, and artificial intelligence – have dramatically changed the ways in which retailers offer their services to consumers (Grewel et al., 2017; Pantano & Vannucci, 2019). The focus of the current working paper is on supermarkets' use of self-service technologies (SST), defined as "technological interfaces that enable customers to produce a service independent of direct service employee involvement" (Meuter et al., 2000, p. 50). Among the many SSTs available, self-checkout systems (SCS) have become a popular choice of both retailers and consumers around the world (Orel & Kara, 2014). Such systems, allowing shoppers to scan, bag, and pay for products with little or no interaction with a cashier, are beneficial for both consumers and businesses (see amongst others Orel & Kara, 2014; Sharma et al., 2021; Zimmerman et al., 2019). Typical advantages for firms include lower labor costs, greater productivity and perceived service quality, and improved customer satisfaction. Consumers for their part gain greater control, benefit from faster check-out and more convenience, and avoid unnecessary interactions with service staff. Despite these clear benefits, SCSs may also pose some challenges for customers including perceived risks, cognitive efforts associated to the service complexity, and the possibility of longer queues and waiting time for self-service options (Andriulo et al., 2015; Sharma et al., 2021). It is therefore imperative for retailers to analyze shoppers' perceptions and reactions. Even if an in-store technology could theoretically increase customers service levels, the benefits accrued from such new technology are largely dependent on how consumers receive it (Inmar & Nikolova, 2017). If not welcomed by customers, the introduction of a technological innovation can lead to harmful consequences, such as a lack of customers' intentions or negative word-of-mouth (Aloysius et al., 2018; Inmar & Nikolova, 2017).

A recent innovation that is becoming widely adopted by supermarkets around the globe is a new generation of SCSs, i.e. mobile self-checkout systems (mSCSs). Such technology is disruptive in the sense that the two subprocesses of the checkout procedure – i.e. scanning and payment – can happen at any location in the store and are no longer restricted to a designated location such as a cash register. Unlike with fixed SCSs, mobile systems (also called scan-and-go technology – allow customers to use an identification device to scan the items as they

shop, bag them directly, and then use the retailer's app to pay (Aloysius et al., 2018; Gerow et al.; 2017). Amazon is pushing this innovation even further as their so-called Just Walk Out Theory (JWOT) even removes the need for consumers to actually scan the items (see Chuawatcharin & Gerdsri, 2019; Park & Zhang, 2021; Pillai et al., 2020). Mobile SCSs are now facing a "new life" at supermarkets since more and more retailers introduce the smartphone scanning process – relying on barcode scanning or Near Field Communication (NFC), replacing the more traditional dedicated device scanning process (Andriulo et al., 2015). In the literature, ample scholars have analyzed the factors that influence customer acceptance of SSTs and traditional SCSs (see amongst others Blut et al., 2016). However, studies that focus on mSCSs – particularly those based on smartphone scanning – are rather scant (Muherjee et al., 2018).

Purpose

Given the limited amount of studies particularly focusing on mobile SCSs and the importance to analyze shoppers' perceptions and reactions towards new in-store technologies, our main research goal is to investigate consumers' behavioral intention to use mSCSs at the grocery store. Whereas the USA already has a long history in SCSs, the adoption and usage by both retailers and consumers is considerably lower in several European countries (Sharma et al., 2021). We therefore focus on a country in which the introduction of mSCSs using smartphones is only at the inception stage. In Belgium, to date, two supermarkets are testing the new shopping process in a pilot project.

Conceptual framework

To understand the determinants of consumers' behavioral intention to use mSCSs, we draw on the technology adoption and SST literature (Blut et al., 2016; Demoulin & Djelassi, 2016; Sharma et al., 2021). In particular, we test an extension of the Technology Acceptance Model (TAM3) based on the conceptual model proposed by Demoulin and Djelassi (2016); see Figure 1. The model considers the direct impact of perceived usefulness (PU), perceived ease of use (PEOU), and perceived behavioral control (PBC) on consumers' behavioral intention (BI). Next, it analyzes its antecedents which are, respectively, subjective norms, reliability, and need for interaction; enjoyment, technology anxiety, and social anxiety; and self-efficacy, personal responsiveness, and compatibility. In addition, we investigate the direct impact of need for interaction and enjoyment on BI, together with the latter's moderator impact on the proposed negative relationship between need for interaction and mSCS BI. We decided to not incorporate actual usage in our framework since only few Belgian supermarkets have introduced mSCS using smartphones in some of their stores. Finally, we also control for the socio-demographic variables age, gender, and education.
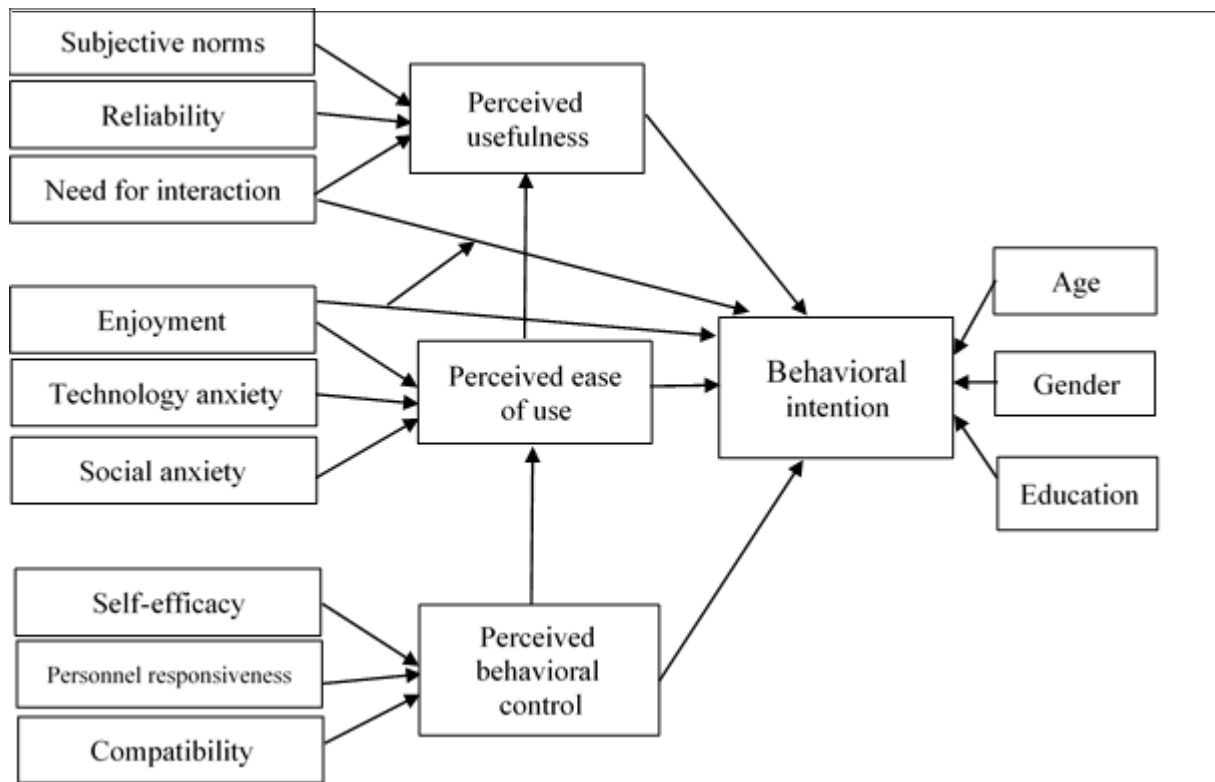
Figure 1: Conceptual framework

Methodology

In order to test our conceptual framework, we collected quantitative data by means of a self-administered online questionnaire, programmed in Qualtrics. The survey comprises three main parts, including (i) questions on consumers' grocery shopping behavior and check-out process, (ii) multi-item scales measuring the constructs of our model, and (iii) socio-demographic information. The items were measured on a seven-point Likert scale and adapted from literature (see Demoulin & Djelassi, 2016). The questionnaire was pilot tested, only small modifications were needed.

Data was collected using a convenience and snowball-based sampling method. The link to the online survey was shared among the network of the authors and posted in relevant groups on social networking sites. In addition, a large Belgian grocery retailer agreed to share the survey with 5000 of their clients.

The total number of questionnaires completed was 622. After data cleaning, the total number of valid answers available for data analysis was 484 – of which 65.1% are female. The respondents' age ranges between 18 and 75, with an average of 45 (SD = 16). The median age is 47. The majority of the respondents hold either a professional bachelor (30.8%) or a university degree (34.5%). 83.9% lives in Flanders (the Dutch speaking part of Belgium). Most respondents visit a supermarket once or twice a week (81.0%). Offline grocery shopping is dominant, with 4 out of 5 respondents shopping for groceries only (58.3) or mainly (22.5) in-store. The majority is familiar with traditional SCSs, while only 4.8% already used mSCS.

Findings

In order to estimate all relationships postulated in our conceptual framework, we applied partial least squares structural equation modeling (PLS-SEM). All analyses were completed in STATA – version 14. We first performed a validity and reliability analysis for each measure

in the structural model. The goodness of fit (GoF) of the final model is acceptable (GoF = 0.698; average communality = 0.765 and average R² = 0.637).

Overall, the model explains the intention to use mSCS fairly well, with an R² of approximately 78%. The results show that enjoyment ($\beta = 0.46$, $p \leq 0.001$), perceived usefulness ($\beta = 0.26$, $p \leq 0.001$) and perceived ease of use ($\beta = 0.23$, $p \leq 0.001$) significantly increase consumers' BI's. Perceived behavioral control and need for interaction have no impact on BI. Of the demographic variables, only age is significant ($\beta = 0.07$, $p = 0.007$). All other proposed relationships are found to be significant.

Contributions

The present working paper contributes to the growing body of literature on the adoption of mobile SCSs (with the smartphone as scanning device). Focusing on a country in which such technology is still in a nascent stage, our findings are particularly helpful for retail managers to understand consumers' BI to use a mSCS and to develop suitable strategies for the smooth adoption of such shopping system.

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Keywords

GROCERY SHOPPING BEHAVIOUR: CLASSIC DRIVERS AND COVID-19 EFFECT

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Keywords

Introduction

In 2020, the world was hit by a terrible pandemic. In a few months, the Chinese health emergency linked to the spread of COVID-19 has evolved into a global pandemic. This event has led to a humanitarian, social and economic crisis whose effects are still difficult to assess (Laborde *et al*., 2020; Martin *et al*., 2020; McKibbin and Fernando, 2020a and 2020b; Lucchese and Pianta, 2020).

Restrictions due to the coronavirus emergency imposed people to stay at home and socially isolate themselves to prevent being infected (Rossi *et al*., 2020). This certainly had

repercussions on the individual inner and social sphere, but also on purchasing behavior, giving a huge boost to the spread of e-commerce. During the lockdown, the consumers' use of the online channel has become a need and many companies have suddenly changed their habits to implement practices aimed at smart ways of interaction and at digitizing business processes. The spreading of the e-commerce has also affected the grocery sector, where the online sales were developing more slowly until that moment in many countries.

These circumstances also involved Italy where, starting from the end of February 2020, the Government had taken extraordinary measures to contain the virus circulation. The consumer goods companies were subjected to an incredible 'stress test': on the one hand, they have had to cope with massive waves of physical store purchases; on the other hand, they experienced a very rapid acceleration of sales through the online channel (IRI, 2020).

Moreover, regardless of the pandemic, the development of digital technologies during the last decade has allowed consumers to experiment new services and methods of collecting information (e.g., mobile app, mobile payment, click and collect, home delivery, assortment customization, social commerce) which can influence their decision-making process (Aiolfi and Bellini, 2019; Jara et al., 2018; Jih, 2007; Thirumalai and Sinha, 2011).

Another interesting phenomenon that affected the Italian grocery market in 2020 was the strengthening of local and neighborhood retail rediscovered by consumers during the lockdown resulting in an increased attention to the short supply chain, the quality of raw materials and the environment. The new retail landscape may have a significant impact in terms of increasing market share for some physical retail formats and local companies, as well as the importance that consumers attribute to the classic drivers of grocery shopping behaviour (convenience, price, assortment, communication).

Finally, the pandemic has triggered the third and most serious economic and social crisis since the start of the new millennium, after 11 September 2011 and the Great Recession of 2007-2011 (OECD, 2020). Consequently, individuals might be affected by the economic crisis resulting into greater attention to price saving in their shopping processes.

All these evidences raise relevant questions regarding the current and future market dynamics and, generally, the global crisis due to the pandemic (Ashraf, 2020; Maital and Barzani, 2020; McKibbin and Fernando, 2020a; 2020b; Nicola et al., 2020; Statista, 2020; World Bank, 2020).

Purpose

The present study is the first investigation of a wider ongoing research on the effects of the COVID-19 pandemic on consumer and purchase behavior. The changes occurred in the ways of interaction between companies and consumers, in the channel dynamics as well as in daily purchasing behaviors due to social containment measures, make interesting to understand if and how consumers' shopping behaviors have changed and which factors affect such behaviors.

Specifically, the study intends to investigate the effect of some important classic drivers of physical retail channel choice (price, assortment, convenience and communication), already tested and validated in literature (Valentini et al., 2011; Yu et al., 20111), and of the most recent service components (such as mobile payment) on store preference. Contextually, in order to understand the effect of concern about health risks linked to the COVID-19 the study takes into considerations the attitude towards COVID-19 pandemic and the perceived risk towards shopping in offline stores.

Conceptual framework

Our conceptual framework, derived from literature on consumer behavior, bases on the following hypothesis (see Figure 1):

H1: The higher the importance of convenience, the higher the store preference

H2: The higher the importance of assortment, the higher the store preference

H3: The higher the importance of price convenience, the higher the store preference

H4: The higher the efficacy of communication, the higher the store preference

H5: The higher the importance of mobile payment, the higher the store preference

H6: The higher the store preference, the higher the repurchase intention

H7a: The higher the attitude towards COVID-19, the higher the store preference

H7b: The higher the attitude towards COVID-19, the lower the repurchase intention

H8: The higher the perception of risk towards offline shopping, the lower the repurchase intention

H9: The higher the attitude towards COVID-19, the higher the risk towards offline shopping

Figure 1 Conceptual framework
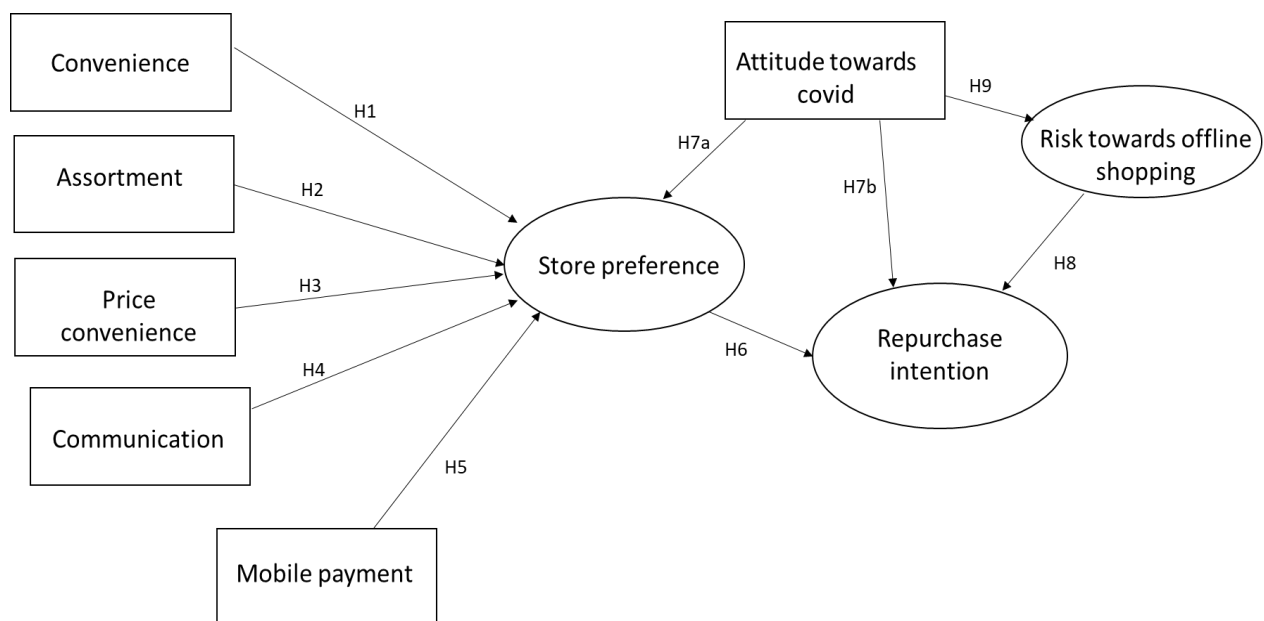
Methodology

Sample

To test the proposed model, an online self-administered questionnaire was filled by a sample of Italian consumers. Data were collected in October 2020 using the free software Google Forms. Respondents were immediately asked if they were responsible for family grocery

shopping. Only those who answered 'yes' were able to complete the questionnaire. The final sample size was 636.

Measures

Measures for the various variables have been adapted from previous research, with some modifications made to adapt to the research context. Convenience was measured through the 7-item scale developed by Saegert *et al*. (1985). Measure for assortment consisted of four items adapted from Homburg *et al*. (2002) and Guenzi *et al*. (2009). Price convenience was detected through the three items developed by Handelman and Arnold (1999), while the 3-item scale by Guenzi *et al.* (2009) was used for measuring the communication variable. Mobile payment was assessed through three items adapted from Bhattacherjee (2001). Attitude towards COVID-19 pandemic was assessed using the 6-item scale by Ahorsu *et al*. (2020), whereas the five items measuring risk towards offline shopping were adapted from Cox and Cox (2001) and Cox *et al*. (2006). Finally, store preference and repurchase intention were measured, with reference to the COVID-19 pandemic, respectively through the 4-item and 3-item scales adapted from the scale proposed by Bhukya and Singh (2016) and Dutta *et al*. (2011), adapted to the research objective. All items were constructed using a 7-point anchored scale shown in Appendix-Table 1. In addition, demographic questions and grocery retail shopping habit were included.

Analytical procedure

Data underwent two phases of analysis. First, a confirmatory factor analysis (CFA) with the latent variables considered was performed to obtain evidence of convergent and discriminant validity of the measurement scales. Second, the paths of the hypothesized relationships were explored through a SEM model with maximum likelihood method employed for the CFA (measurement model) and for the analysis of the conceptual model. Data analysis was performed using the IBM SPSS 25.0 statistical software and the software LISRE 8.80.

Findings

Respondent Profile

The sample was represented by 76% women and 24% men, with a mean age of 37.8 (min = 18; max = 75). Out of the sample, 74.4% live in families from 2 to 4 components; 16% live alone and the remaining 9.5% live in families of 5 or more members. The majority of respondents (55.9%) do their grocery shopping 2 to 5 times a week, 5.2% every day while 38.9% once a week or less.

Analysis of the measurement model

As the skew and kurtosis statistics showed that the normality assumption was violated, the model was estimated using the Satorra-Bentler method (Satorra and Bentler, 1994). The fit statistics indicated that the measurement models fit the data well (χ^2 = 3318.691, df = 629, p = 0.000, CFI = 0.97, RMSEA = 0.08, NNFI = 0.96, SRMR = 0.08). All items substantially and significantly loaded onto the expected latent construct (Anderson and Gerbing, 1988). All constructs also showed satisfactory levels of Composite Reliability (CR) and Average Variance Extracted (AVE), exceeding the recommended cut-off points for the adequacy of 0.70 and 0.50 respectively (Fornell and Larcker, 1981; Steenkamp and Van Trijp 1991). Next, discriminant validity was assessed by the Fornell and Larcker's (1981) criterion. The average variance explained by each latent variable was greater than any of the squared correlations involving the variable, suggesting that discriminant validity was achieved. Cronbach's alphas were also used to confirm the scales' reliability. All constructs surpassed the recommended

threshold value of 0.70 (Nunnally, 1978). Table 1 in Appendix reports the reliability and validity indexes for each construct.

Tests of the structural model

The fit indices indicated an acceptable overall fit of the structural model to the data: Satorra–Bentler scaled χ^2 = 3341.649, df = 631, p = 0.000, CFI = 0.965, RMSEA = 0.082, NFI = 0.958, NNFI = 0.961, SRMR = 0.080.

Discussion of the results

Results showed that convenience and mobile payment significantly affect the store preference, thus supporting H1 and H5: the higher the importance attributed to convenience and mobile payment services the higher the store preference ($\beta_{convenience}$ = 0.478, p < 0.01; β_{mobile} = 0.478, p < 0.01). On the contrary, H2, H3 and H4 did not found empirical support in the data stating that consumers in period of crisis focus move their attention from classic drivers to factors facilitating their shopping experience. A significant relationship also emerged between store preference and repurchase intention, with the latter increasing as the store preference increases (β = 0.722, p < 0.01). Finally, attitude towards COVID-19 negatively impacted on repurchase intention (β = -0.121, p < 0.01) and simultaneously increased risk toward offline shopping (β = 0.738, p < 0.01), thus supporting H7b and H9. Contrary to what has been hypothesized, concern about COVID-19 did not negatively affect store preference, but increased it (β = 0.108, p < 0.05), while no significant relationship has been found between risk toward offline shopping and repurchase intention. Therefore, H7a and H8 have not been supported.

Figure 2 Structural Model with standardized coefficients
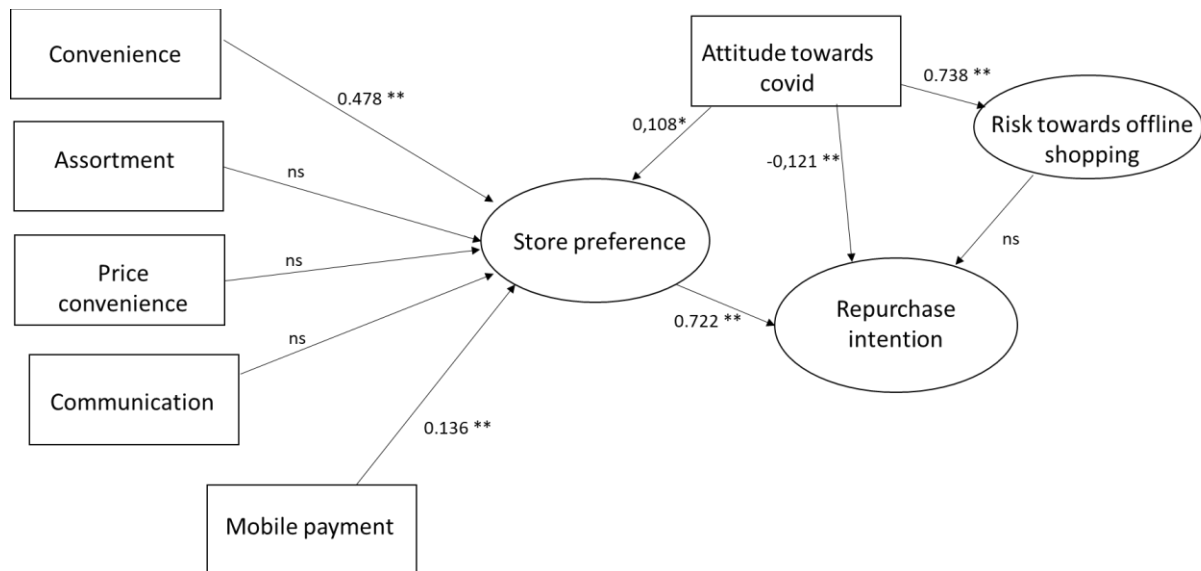
Note: * p < 0.05; ** p < 0.01; ns: p-value>0.05

Contributions and Implications

The topic of the determinants of the store choice has always been of interest to marketing researchers and managers due to the importance that the store preference has in terms of loyalty.

Although widely covered in the literature, the discontinuity of the current context makes it interesting to deepen this issue in order to understand how the classic store preference drivers are impacted by the health emergency and the online channel. While the e-commerce could be a threat to the survival of the physical store, digital technologies represent a great opportunity to innovate the physical store to satisfy the emerging needs of consumers where the search for 'convenience' appears to be a priority.

It is therefore not surprising that the store preference is strongly influenced by the levers of the commercial service (convenience and mobile payment) that are able to satisfy the need for making shopping quickly and easily.

The search for convenience, which has already been occurring for several years, takes on a higher priority in the current context because of the restrictions imposed to maintain the distancing. Today, more than in the past, consumers need to speed up the shopping process in physical stores. In this context, the levers of shopper marketing should be aimed at satisfying these needs. Consumers are certainly not interested in doing 'in- store browsing' at the physical store, but on the contrary they want to be able to shop quickly and safely. Mobile payment is one of the services that meet this goal, so it is not surprising that it shows a significant and positive relationship on store preference.

It is interesting to note that store preference is not threatened by the attitude towards the COVID-19. On the contrary, the fear of contagion strengthens store preference and reduces the mobility of consumers, who prefer to maintain their relationship with the usual point of sale. This opens up interesting opportunities for retailers who can support their relationship with consumers by leveraging reassurance and offering a convenience shopping experience. A consumer who, in this phase of uncertainty and fear, finds a reassuring context in the usual store, will hardly betray him even when the health emergency is over.

The negative impact on repurchase intention to buy can be interpreted relatively to the tendency of consumers to reduce the frequency of visits and to concentrate purchases to contain the risks of contagion.

To summarize, this work opens a first insight on the most relevant determinants of store preference in the current context of health emergency and explosion of the digital channel. There is no doubt that physical stores must aim to offer a shopping experience based on convenience and technological services that satisfy both the practicality and the security dimension. Finally, the perception of risk in physical contexts opens up interesting considerations on the online channel and on how, the latter, can be integrated by retailers as part of an omnichannel strategy.

Keywords

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Appendix

Table 1. Measurement scales reliability and validity

Scale Items	CR	AVE	Cronbach's Alpha
Convenience *(Adapted from Saegert et al. 1985)* 1. The store allows for fast payments and checkouts. 2. It is easy to navigate the store. 3. It is easy to park at the store. 4. The interior of the store is pleasant. 5. It is easy to find products in the store. 6. The store is near my house. 7. The store has well-known brands.	0.94	0.70	0.94
Assortment *(Adapted from Homburg et al., 2002 and Guenzi et al., 2009)* 1. The store offers the grocery products I am looking for. 2. In this store the number of different grocery categories is very high. 3. The store has a fair assortment of grocery products. 4. The store has a wide assortment of grocery products.	0.96	0.86	0.96
Price Convenience *(Adapted from Handelman and Arnold, 1999)* 1. A shopper will find the store prices to be, on average, lower than the competition. 2. The store offers its customers very low prices. 3. The store prices are lower than their competitors' prices.	0.94	0.84	0.94
Communication *(Guenzi et al., 2009)* 1. Communication of this store is transparent. 2. Communication of this store is complete. 3. Communication of this store makes me want to buy here.	0.93	0.81	0.92
Mobile Payment *(Adapted from Bhattacherjee, 2001)* 1. The store allows payments via mobile devices (smartphones, tablets). 2. The store allows mobile payment that makes the handling of payments easier. 3. The store allows the use of payment via mobile devices that allow the fast use of mobile apps.	0.95	0.86	0.95

Store Preference *(Adapted from Bhukya and Singh, 2016)* 1. Since the appearance of COVID 19, I like grocery shopping at this store. 2. Since the appearance of COVID 19, grocery shopping at this store gives me pleasure. 3. Since the appearance of COVID 19, among all other retail stores located in this vicinity, I like to shop at this grocery store only. 4. Since the appearance of COVID 19, this grocery store is my preferred choice to shop.	0.91	0.71	0.91
Repurchase Intention *(Adapted from Dutta et al., 2011)* 1. If you need a grocery product in the future, how likely are you to shop at this grocery store? 2. If you ever purchase a grocery product again, how likely are you to buy it from this grocery store? 3. How likely are you to revisit this grocery store for your shopping needs?	0.96	0.90	0.96
Attitude Towards Covid-19 Pandemic *(Ahorsu et al., 2020)* 1. I am most afraid of Covid-19. 2. It makes me uncomfortable to think about Covid-19. 3. My hands become clammy when I think about Covid-19. 4. I am afraid of losing my life because of Covid-19. 5. I cannot sleep because I'm worrying about getting Covid-19. 6. My heart races or palpitates when I think about getting Covid-19.	0.89	0.55	0.88
Risk towards offline shopping *(Adapted from Cox and Cox, 2001 and Cox et al., 2006)* 1. Going shopping is risky. 2. Going shopping can lead to bad results. 3. Going shopping have uncertain outcomes. 4. Going shopping makes me feel anxious. 5. Going shopping would cause me to worry.	0.92	0.65	0.92

IMPULSIVE ONLINE BUYING DURING COVID-19 PANDEMIC AMONG DIFFERENT AGE GROUPS

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Keywords

Impulsive Buying, Online Shopping, COVID-19, Pandemic, Psychological Uncertainty, Age Groups, Transactional Theory of Stress and Coping, Terror Management Theory.

Introduction

COVID-19 pandemic has challenged people around the world since 2019, forcing countries to prevent the spread of the virus, e.g. via "lockdowns", during which people are supposed to socially distance themselves from other individuals and during which businesses are temporary closed (Smith et al., 2020; Pantano et al., 2020). Such situations of crises result in people being uncertain about their current situation as well as the future, resulting in different types of psychological distress and even triggering a fear of death (Li et al., 2020). To boost their mood, when feeling bad, previous research has shown that people tend to make more impulse purchases (Maxwell and Kover, 2003). Recent research has also demonstrated this behaviour during the COVID-19 pandemic, identifying a dynamic effect between perceived uncertainties and impulsive buying (e.g. Xiao et al., 2020). Psychological distress and uncertainty during the pandemic can arise from different factors like social isolation (Smith et al., 2020), an overload of input through social media (Glowacz and Schmits, 2020), mixed information (Li et al., 2020) and the threat of life due to the virus (Naeem, 2020; RKI, 2021).

Because of the closed stores, as well as the danger of the virus to health and even life, online shopping has become the only alternative for many people and has been used even more frequently than it was before the crisis (PwC, 2020; Pantano et al., 2020). Online shopping has also become an increasingly relevant topic before the crisis among older people who have not grown up with the internet (Lian and Yen, 2014). Since this age group in particular is at risk of life-threatening symptoms from COVID-19 (RKI, 2021), it is interesting to look at the different age groups and in particular the online shopping behaviour of older adults. Ambivalent to the life-threatening risks posed by the virus, younger people also show psychological uncertainties during the pandemic (Glowacz and Schmits, 2020).

Purpose

While prior research has already examined how people's impulsive consumption is affected by COVID-19 (e.g. Li et al., 2020) as well as why impulsive buying arises during crises like the COVID-19 pandemic (e.g. Xiao et al., 2020), we extend literature by investigating the effect of impulsive buying on individuals' online shopping behaviour. Hence, we formulate our research question: Is online shopping behaviour influenced by impulsive buying during COVID-19 pandemic? In doing so, we also investigate comparisons with individuals' behaviour before the COVID-19 pandemic. Furthermore, the different age groups as well as the impact of psychological uncertainties shall be considered in respect of the research question.

Conceptual framework

We draw on Lazarus and Folkman's (1984) coping theory, according to which individuals have to permanently evaluate environmental influences of which emotions arise from. If these influences are perceived as threatening, challenging or dangerous, individuals try to cope with them. Recent research has already applied coping theory in the context of the COVID-19 crisis, showing that individuals attempt to cope with negative emotions during the pandemic through impulsive buying (Xiao et al., 2020; Li et al., 2020). Naeem (2020) identified impulsive buying behaviour to be triggered by, among other things, misinformation, misinterpretation, the danger of going out and recommendations to stay home. Furthermore, we refer to terror management theory (Greenberg et al. 1986), stating that events reminding people of death create insecurity. The theory argues that individuals try to cope with the reminder of mortality with their cultural worldview as well as enhancing their self-esteem (i.e. by possession and wealth) (Greenberg et al., 1986; Greenberg and Arndt, 2011). Hence, we expect a greater consumption of individuals during COVID-19 pandemic, representing a reminder of mortality.

Since brick-and-mortar stores have been temporarily closed and people are scared of going outside due to the virus (Naeem, 2020), online shopping has become even more important (PwC, 2020; Retail Customer Experience, 2020). Online shopping represents a shopping opportunity enabling easy access for impulsive buying from home (Thakur et al., 2020).

Hypothesis 1: Impulsive buying has a positive effect on online shopping behaviour during COVID-19 pandemic.

Hypothesis 2: The effect of impulsive buying on online shopping behaviour during COVID-19 pandemic is stronger than before the pandemic.

Previous research has already investigated a dynamic effect between perceived uncertainty during the COVID-19 pandemic and impulsive buying (Xiao et al., 2020). Naeem (2020) has already identified several psychological aspects that increase impulsive buying during the COVID-19 pandemic. These include fear of illness, empty shelves or higher prices as well as disinformation or the risk of contracting the virus. Interestingly, research by Huang and Zhao (2020) in China has shown that younger people are particularly affected by psychological problems like depression or anxiety during the COVID-19 pandemic. Glowacz and Schmits (2020) confirmed these results, identifying younger people to suffer from higher psychological distress. While all groups of ages are affected by restrictions like the "lockdown" as well as risk of illness due to COVID-19, older people are more often affected by life-threatening symptoms (RKI, 2021). Thus, age has become an interesting factor to be considered during the COVID-19 pandemic.

Hypothesis 3: Age moderates the effect of impulsive buying on online shopping behaviour negatively.

Hypothesis 4: Psychological uncertainty (1) moderates the effect of impulsive buying on online shopping behaviour during Corona pandemic negatively and (2) the moderation differs between age groups and (3) psychological uncertainty shows different degrees of expression according to age group.

Finally, our research model is illustrated in figure 1.
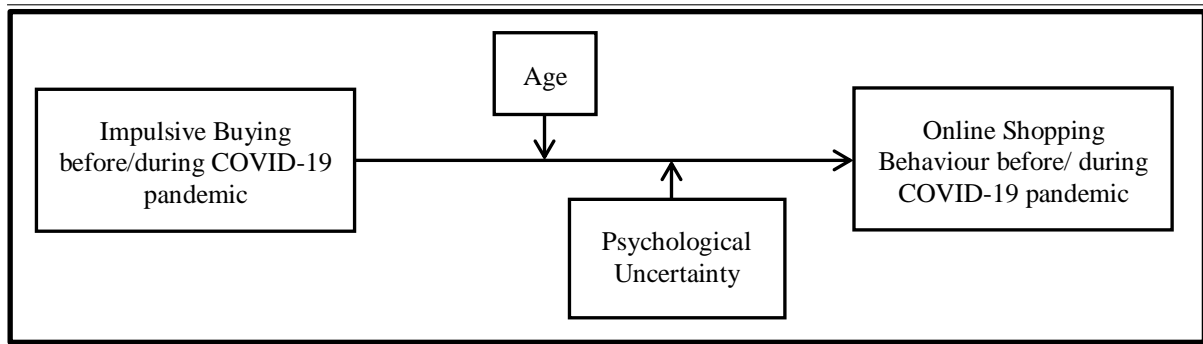
Figure 1: Research Model.

Methodology

To test the hypotheses, an online questionnaire was used to collect data in Germany at the time of the second lockdown from 14 December 2020 to 14 January 2021 during which all non-grocery stores were closed. The questionnaire was distributed via e-mail and social networks. A sample of N=527 consumers (51.8% female and 48.2% male) was generated. The participants age range from 15 to 83 years, with an average age of around 38 years.

Four items to measure impulsive buying were taken from Ridgway, Kukar-Kinney and Monroe (2008) and adapted to test impulsive buying before (α=0.836; AVE=0.566; CR=0.838) and during (α=0.861; AVE=0.618; CR=0.865) the pandemic. The construct psychological uncertainty with its four items was adapted from Rafferty and Griffin (2006) (α=0.840; AVE=0.586; CR=0.848). To test our dependent variables, we follow Kim and Benbasat (2006) as well as the globalwebindex (2020), asking for the frequency of online shopping before and during the pandemic using single-item measures.

We decided against dividing the age according to the calculated median for an equal division, since the sample contains predominantly younger participants. We divided the sample into six age groups, ranging from 15-24 years (N=144; 27.3%), 25-39 years (N=159; 30.2%), 40-49 years (N=92; 17.5%), 50-59 years (N=70; 13.3%), 60-69 years (N=36; 6.8%) and over 70 years (N=26; 4.9%).

For testing our research model, we calculated a covariance-based structural equation model (CBSEM) by using AMOS 26 for customers´ buying behaviour before and during COVID-19 pandemic as well as the moderating effect of psychological uncertainties during the pandemic (Reinartz et al. 2009). We have calculated various models for six different age groups. We used SPSS to calculate the mean value of psychological uncertainty of each age group (Weiber and Mühlhaus, 2014).

Findings

Results of the CBSEM analyses show a positive effect of individuals' impulsive buying on their online shopping behaviour before as well as during the COVID-19 pandemic. Furthermore, the effect during the pandemic (ß=0.282, p<.001) is greater than before the pandemic (ß=0.157, p<.001). These findings support hypotheses 1 and 2.

Results of the CBSEM analyses calculated for the different age groups are illustrated in table 1, supporting hypothesis 3.

Impulsive Buying before/ during COVID pandemic						
Online Shopping Behaviour	15-24 years old	25-39 years old	40-49 years old	50-59 years old	60-69 years old	over 70 years old
Before COVID	0.168**	0.175**	n.s.	n.s.	n.s.	n.s.
During COVID	0.350***	0.336***	0.245**	n.s.	n.s.	n.s.
Sig.:* p <0.1;** p <0.05;*** p <0.001						

Table 1: Standardized Regression Weights.

We could not identify a significant moderating effect of psychological uncertainty when considering all groups of age and thus have no supporting results for the first part of hypothesis 4. However, there is a significant moderating effect for the youngest (15-24 years old, ß=-0.510, p<.1) and oldest (over 70 years, ß=-1.726, p<.05) aged. Not showing a standardised regression coefficient between -1 and +1, the values testing for multicollinearity were measured, indicating for no multicollinearity (impulsive buying: tolerance=.961; VIF=1.04 and psychological uncertainty: tolerance=.961; VIF=1.04) (Belsley et al., 1980). No other age group showed significant results. These diverse findings between the age groups support our suggestions of the second part of hypothesis 4. Furthermore, mean values of each age group showed different degrees of expression of psychological uncertainties. Especially the two groups of 15-24 (MV=4.28, SD=1.43) and 60-69 (MV=4.31, SD=1.35) year olds showed greater psychological uncertainties compared to the other groups supporting the last part of hypothesis 4.

Contributions

While previous research in the context of COVID-19 pandemic explored the reasons for impulsive buying (e.g. Xiao et al., 2020), our research was able to show that impulsive buying led to an increased online buying behaviour during COVID-19 pandemic. Thus, results are consistent with previous literature identifying people to react with coping processes and in this case impulsive buying during a crisis (Biggs et al., 2017; Xiao et al., 2020). In addition, results are consistent with terror management theory (Greenberg et al., 1986), predicting an increased consumption during the pandemic (Kasser and Sheldon, 2000). Results are in line with research by Wood (1998) showing a significant effect of impulsive buying on online shopping behaviour before the crisis up to the age of 39. Furthermore, 40-49 year olds also show a significant effect of impulsive buying on online shopping behaviour during the pandemic. These findings are in line with research by Pantano et al. (2020), saying that older people more often use online shopping during than before the pandemic due to benefits like safe shopping.

Although recent research recognised psychological uncertainties during the COVID-19 pandemic (e.g. Li et al., 2020; Xiao et al., 2020), no moderating effect of psychological uncertainties was found in our research when considering all age groups. However, ambivalent findings of psychological uncertainty and mortality rate due to COVID-19 of younger adults were found. Previous research has also measured psychological uncertainties during the pandemic, particularly in young people, with these caused by infections with the virus of close people, contact via digital media or intolerance of uncertainty (Glowacz and Schmits, 2020). Psychological uncertainties of the age groups over 60 can be explained by the greater risk to life due to the virus (RKI, 2021).

Practical implications, research limitations and outlook

The particular influence of social distance on younger adults should be given special consideration in future research and during future crisis to protect this age group from psychological uncertainties. Retailers should particularly target younger and older people for approaches such as click and collect. Furthermore, retailers should be aware of older people as an increasing target group for online shopping. In general, retailers should be empathic during the pandemic to keep customers loyal in the long term (Pantano et al., 2020). Especially in online shopping, psychological uncertainties of younger and older consumers should not be exploited by encouraging impulsive buying through e.g. website design or price discounts (Ling and Yazdanifard, 2015). Retailers should also clearly communicate that sufficient goods are available and that panic buying is not necessary.

Limitations for our study are the small sample size of older consumers and the resulting uneven distribution of age groups. Furthermore, the data were collected during the second lockdown in Germany, with the pandemic characterised by different stages and manifestations. Data from before the pandemic were recorded retrospectively, which could lead to possible biases. Nevertheless, interesting results were achieved with the study. The survey at different times during and after the crisis as well as the focus on younger and older consumers could be interesting for future research.

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Keywords

Impulsive Buying, Online Shopping, COVID-19, Pandemic, Psychological Uncertainty, Age Groups, Transactional Theory of Stress and Coping, Terror Management Theory.

LAST MILE LOGISTICS OPTIONS FOR INDIVIDUAL FOOD DELIVERY UNDER SUSTAINABLE ASPECTS

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Introduction

The customer's need for individualization is a megatrend that is particularly reinforced by online retailing and its product diversity (Ternès *et al.*, 2015). Companies individualize products and services to achieve higher customer loyalty, to increase the benefits for the customer (Reichwald *et al.*, 2009), and to gather additional information about customer needs (Fogliatto *et al.*, 2012). The opportunity for customer individualization is already established for many years in the manufacturing industry through modularization and postponement strategies (Kölmel *et al.*, 2019; Shaik *et al.*, 2015). In contrast, when it comes to the design of last mile logistics, customer participation has been denied mainly to date (Nguyen *et al.*, 2019).

This results from the fact that individual adjustments result in considerable additional costs for the retailer or logistics service provider (Witten and Schmidt, 2019), which customers are usually unwilling to pay. Accordingly, we expect that customers will only pay a surcharge for delivery if this results in a direct benefit. Such a benefit may be achieved if the offered delivery options make a sustainable contribution. The last mile offers various potential for optimization as it is the most expensive, inefficient, and polluting part of the supply chain and negatively

affects sustainability issues (Gevaers *et al.*, 2011). Due to increasing customer demands in terms of sustainability, it is expected that customers would preferably select sustainable deliveries, thus increasing their willingness to accept the associated costs.

In this context, we are focusing on the food retailing sector because it has special requirements for packaging and transport, which are also embedded mainly in law (Dworak and Burdick, 2002; Vahrenkamp *et al.*, 2012). There are legal regulations and controls in the areas of food hygiene, temperature safety, data protection, and product traceability. For example, food is guaranteed by law to remain fresh until the best-before date (Hagenmeyer, 2006). For this guarantee, an uninterrupted cold chain between producers and consumers is essential (Vahrenkamp *et al.*, 2012).

Purpose

To be able to offer individualization options and evaluate them in terms of sustainability, it is first necessary to investigate logistics options in the last mile for the delivery of online ordered goods. Therefore, this paper deals with delivery options that can be offered to customers in online grocery retailing, leading to the following research question:

Which delivery options are suitable for individualizing the delivery of online ordered food under sustainable aspects?

The identification of delivery options is intended to serve as the basis for discrete choice experiments (DCE), which will be further used to determine customers' preferred delivery options. Delivery options are represented by different attributes and associated levels. An attribute is, for example, the transport vehicle or the time of delivery. In the case of transport vehicles, associated levels could be cargo bikes, e-vehicles, drones, or parcel robots.

Methodology

A literature review was conducted to determine the relevant attributes and levels for the delivery of online purchased groceries. The literature review is based on the approach of Denyer and Tranfield (2009). The Scopus database was used for the search using the search terms 'e-commerce', 'online retailing', 'consumer logistics', 'home delivery', 'last mile', in combination with 'sustainability' and 'food' or 'grocery'. As the identified delivery options serve as the basis for creating a DCE, the number of attributes and levels must be limited. This is because too many attributes and levels lead to cognitive overwhelm and decreasing motivation to finish the survey for the DCE (Backhaus *et al.*, 2015).

The selection of suitable attributes and levels is based, among other things, on the possibility of creating multiple levels for an attribute, which is an essential requirement for a DCE (Hensher *et al.*, 2015; Louviere *et al.*, 2000). Therefore, some attributes are not considered in our approach, such as several services, e.g. the possibility to change delivery options subsequently, an emission offset for delivery, or the take-home of returned empties. Also, some attributes are not considered because the contribution to sustainability is not clear, which is, however, the focus of this investigation. This applies, for example, to the choice for a specific logistics service provider. Here, there is no basic information about whether and which logistics service provider is more likely to behave sustainably. Furthermore, the shipping costs are not included in our selection, although it is a decisive factor in deciding to order a product online (Garver *et al.*, 2012; Nguyen *et al.*, 2019). However, we consider the shipping costs as a result of the selected delivery options and not as a delivery option itself.

Findings

The literature review resulted in a total of six attributes and associated levels that are relevant for individualization in the last mile. Different **means of transportation** are considered of high

importance in terms of sustainability impacts, as it is one of the sources of greenhouse gas emissions, noise, and congestion in the urban area (Saenz *et al.*, 2016). There are a variety of different types of vehicles that are used for the delivery of packages. These include conventional motor vehicles as well as some innovative alternatives, such as e-vehicles, cargo bikes, drones, parcel robots, or autonomously driving vehicles (Mangiaracina *et al.*, 2019). However, these innovative solutions have not yet been sufficiently tested on the market and often still face legal problems (Clausen *et al.*, 2016). Accordingly, the three levels for this attribute are set as follows:

1. **Conventional vehicle:** Transporters and vehicles whose engine is based on fossil fuels
2. **E-Vehicle:** Electronically operated vehicles
3. **Cargo bike:** The engine relies purely on muscle power

Furthermore, the **delivery speed** can be considered for the individualization of deliveries. Having adequate lead time allows for improved route planning and increased capacity utilization, which reduces CO_2 emissions per package (Witten and Schmidt 2019). Short delivery times, in contrast, negatively affect CO_2 emissions (Manerba *et al.*, 2018). The most common option is still the standard shipping, which takes on average 2-5 working days, but also same-day or next-day deliveries are becoming increasingly popular in online retailing (Winkenbach and Janjevic, 2018). Consequently, we define the three levels:

1. **Standard shipping:** If you order today, the delivery will be made in the next 2-5 working days
2. **Next-day delivery:** If you order today, the delivery will be made on the next day
3. **Same-day delivery:** If you order today, the delivery will be made on the same day

Also, the customer can be offered different **time slots** for deliveries**.** The purpose of this is to ensure the customer's presence and avoid potential further delivery attempts, which have a negative impact on sustainability. Time windows for delivery are often limited to date and collide with consumers' work schedules. Therefore, after-hours delivery options are crucial for this market's growth (Grant *et al.*, 2014). We define three levels for this attribute:

1. **08:00-12:00:** Delivery takes place in the morning between 8 and 12 o'clock
2. **12:00-16:00:** Delivery takes place in the afternoon between 12 and 16 o'clock
3. **16:00-20:00:** Delivery takes place in the evening between 16 and 20 o'clock

A significant optimization potential for the last mile is seen in the **place of delivery**. Offering different delivery places contributes to avoiding failed home deliveries, resulting in multiple delivery attempts, increased costs, and high CO_2 emissions. The most common delivery option is standard home delivery, where goods are delivered to the customer's doorstep and handed over in person (Brabänder, 2020). Another alternative is home delivery with a drop-off location or dropping off the package at a neighbour's home. Likewise, the click and collect model option includes self-collection by the customer from the store, a pick-up point, or a packing station (Mangiaracina *et al.*, 2019; Schnedlitz *et al.*, 2013). Individual drop-off locations, as well as self-collection by the customer, are more sustainable than home deliveries, as there is the option of bundling individual shipments (Ziegler 2018), and there is no defined time window for the deliveries (Hübner *et al.*, 2016). Also, the recipient does not have to be present to receive the shipment but can pick it up at a later time (McKinnon und Tallam 2003). We use three levels for the attribute of the delivery location:

1. **Attended home delivery:** Home delivery with a personal collection of goods
2. **Unattended home delivery:** Home delivery without a personal collection of the goods but with individual drop off locations such as the garden or garage or delivery to a neighbour's house
3. **Collection by customer:** Delivery is made to a store (click and collect), packing station, or pick-up station and is collected by the customer

The **packaging** of deliveries is also considered a delivery option, making an important contribution to sustainability. In online retailing, packaging provides the opportunity to close potential information gaps and thus offers the customer added value (Kölmel *et al.*, 2019). Also, the increasing environmental awareness of many consumers can be met by environmentally compatible packaging (Schmidt, 2019). Packaging has a high impact on energy consumption during transportation (Schnedlitz *et al.*, 2013). It also contributes to the problem of excessive waste production and environmental pollution, as especially disposable packages are often perceived as a throwaway product (Pålsson *et al.*, 2017). For these reasons, reusable packaging is increasingly being used alongside conventional disposable containers, even if it is sometimes assumed that reusable packaging is less economically efficient (Mollenkopf *et al.*, 2005). Accordingly, we define the two levels for the packing attribute:

1. **Disposable packaging:** Packaging that can be used only once and is considered waste after delivery
2. **Reusable packaging:** Packaging that can be reused several times

Lastly, **shipment information** is used as an attribute. Knowing when and where the ordered package is located, additional delivery attempts can be avoided, as the customer can ensure his or her presence for delivery based on this information (Lörcher, 2019). As this information also increases the probability of a successful first delivery, the provision of detailed shipment information is also assumed to make a positive contribution to sustainability. Furthermore, successful delivery enhances the shopping experience and, thus, the customer's benefit. We define three levels of shipment information:

1. **Standard information:** You receive only the standard information after the order, on which day the delivery is expected to arrive
2. **Progressive Tracking:** You get information for each process step that the package goes through. For example, when the package is sent, when it arrives at the last delivery centre, or when it is loaded into the delivery vehicle
3. **Live Tracking:** You always receive the latest information about where the parcel is at the moment, and you get detailed information about the delivery time

The presented attributes and associated levels are summarized in Table 1.

Table 1: Attributes and levels for individualizing the delivery of online ordered food

Attributes	Levels
Means of transport	Conventional transporter
	E-vehicle
	Cargo bike
Delivery speed	Standard shipping
	Next Day
	Same Day
Time slot	08:00-12:00
	12:00-16:00
	16:00-20:00
Place of delivery	Attended home delivery
	Unattended home delivery
	Collection by the customer
Packaging	Disposable
	Reusable
Shipment information	Standard information
	Progressive tracking
	Live tracking

Contributions

So far, the idea of individualization of deliveries is an under-researched area, and the knowledge in the field on individualized sustainable last mile logistics solutions is limited. The theoretical contribution of our article is accordingly a synthesis of relevant delivery options that enable both individualized and sustainable delivery on the last mile. Due to increasing customer demands for the delivery of goods ordered online, we see great potential for retailers and logistics service providers in the area of last-mile individualization.

Outlook

Further investigation of our presented attributes and levels can help understand customers' preferred delivery options. Retailers and logistics service providers can then integrate these insights into strategic planning, which can lead to customer-specific service improvements and thus enhance their own competitive positioning. To enable this, the presented delivery options serve as a basis to measure customer preferences using discrete choice experiments and run simulations evaluating the customer's chosen delivery option's sustainable impact. This allows to capture customer preferences and, by providing feedback on the sustainable impacts, enables critical reflection and, if desired, an adaptation of logistics options by the customers towards more sustainable deliveries (Freitag and Kotzab, 2020).

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POSITIVE AND NEGATIVE PERCEPTIONS OF RETAIL CUSTOMER LOYALTY PROGRAMS FROM A CONSUMER PERSPECTIVE: CASE STUDY IN GROCERY AND PERFUMERY

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Abstract

This article examines the positive and negative perceptions of loyalty programs (LPs) based on a qualitative study with 25 consumers. It highlights in particular customers' need for more equity from retailers, and shows that despite some positive perceptions of LPs, (e.g., programs restoring purchasing power, in particular through private label offers), many shortcomings lead to customer frustration, especially when they argue that loyalty programs seek to steer their purchases and incite them to consume, or when they encourage them to engage in opportunistic behavior.

Keywords: Loyalty programs; positives and negatives perceptions of LPs; iniquity; theory of justice; distribution

LES PERCEPTIONS POSITIVES ET NEGATIVES DES PROGRAMMES DE FIDELITE DU POINT DE VUE DES CONSOMMATEURS : CAS D'ETUDE DANS LA DISTRIBUTION ALIMENTAIRE ET LA PARFUMERIE

Résumé

Cet article étudie les perceptions positives et négatives des programmes de fidélité (PF) sur la base d'une étude qualitative auprès de 25 consommateurs. Il met particulièrement au jour le besoin des clients pour davantage d'équité de la part des distributeurs, et montre que malgré quelques perceptions positives des PF (e.g., des programmes redonnant du pouvoir d'achat, notamment via les offres sur les marques de distributeurs (MDD)), beaucoup de lacunes amènent à la frustration des clients, notamment lorsqu'ils déclarent que les programmes de fidélité cherchent à leur dicter leurs achats et à les inciter à la consommation, ou encore lorsqu'ils les incitent à adopter des comportements opportunistes.

Mots-clés : Programmes de fidélité ; perceptions positives et négatives des PF ; iniquité ; théorie de la justice ; distribution

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LES PERCEPTIONS POSITIVES ET NEGATIVES DES PROGRAMMES DE FIDELITE DU POINT DE VUE DES CONSOMMATEURS : CAS D'ETUDE DANS LA DISTRIBUTION ALIMENTAIRE ET LA PARFUMERIE

Introduction

En principe, les récompenses associées au PF permettent d'établir une réciprocité entre le client et l'entreprise (Kumar et Shah, 2004), dans le but de rendre la relation d'échange plus équitable. Cependant, malgré l'abondance de la littérature sur les PF, peu de recherches se sont intéressées à la question de l'équité dans les PF (Lacey et Sneath, 2006). Pourtant, nous pensons qu'elle pourrait expliquer les raisons de l'échec de nombreux programmes, qui demeurent encore ambigües à la fois pour les chercheurs et pour les distributeurs (Steinhoff et Palmatier, 2016). En effet, d'après la théorie de l'équité, les individus devraient recevoir des récompenses proportionnelles à leurs efforts ou à leurs inputs (Adams, 1965).

Objectif de la recherche

Cet article se donne pour objectif de comprendre quelles sont les perceptions positives et négatives des membres actifs des PF, placés en situation à la fois de valorisation et de critique vis-à-vis des PF. En effet, selon Lacey et Sneath (2006), les membres des PF manifestent des perceptions concernant leurs inputs (e.g. argent, temps, effort, coût d'opportunité) et les outputs des PF (e.g. bénéfices tangibles et intangibles), et, ils éprouvent un sentiment d'équité dans l'échange lorsqu'ils perçoivent qu'ils sont équitablement récompensés. Dans le cas contraire, le programme sera perçu comme inéquitable au regard des efforts consentis par les clients, suscitant ainsi des évaluations négatives (Pez, 2012). La théorie de la justice fournit une base théorique pour étudier l'équité perçue, étant donné qu'elle conceptualise la justice comme une équité (Shulga et Tanford, 2018).

Revue de la littérature

Les effets positifs des programmes de fidélité

Les programmes de fidélité sont mis en œuvre dans le but d'encourager l'achat répété en récompensant les clients fidèles via des bénéfices économiques, hédoniques et symboliques (Mimouni-Chaabane et Volle, 2010). Ils sont conçus de telle sorte qu'ils délivrent à leurs membres un traitement préférentiel par rapport aux non membres (Söderlund et Colliander, 2015), générant ainsi des sentiments de gratitude à court terme qui entraînent la performance de l'entreprise à long terme sur la base des comportements réciproques liés à la gratitude (Palmatier et al., 2009). Cette gratitude est définie comme « l'appréciation émotionnelle des bénéfices perçus, accompagnée par le désir de réciprocité » (Palmatier et al., 2009, p. 1). En effet, les jugements de satisfaction à l'égard du PF impactent positivement la fidélité au magasin à travers l'engagement émotionnel et normatif envers le dit programme (Pandit et Vilches-Montero, 2016).

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Les PF peuvent inciter les consommateurs à renoncer à leurs informations personnelles en échange d'avantages qu'ils ne recevraient peut-être jamais (Lacey et Sneth, 2006). De plus, les clients peuvent être découragés à participer activement à des PF en raison de leur nature non standardisée, a fortiori lorsque les règles de rédemption des récompenses sont complexes (Shugan, 2005). De même, l'association d'une reconnaissance promise avec le caractère hautement standardisé des PF présente un aspect discordant (El Euch et Roux, 2012). Pez et al. (2017) ont exploré ce côté sombre des PF, en examinant les effets négatifs de la pression des PF sur le bien être psychologique des clients. Ils ont montré que la pression perçue peut être source de regret post achat, d'inconfort dans la relation et de mal-être pour les consommateurs. Ces actions provoqueraient chez certains clients l'effet inverse, en suscitant la réactance à l'égard des PF (Wendlandt et Schrader, 2007).

Méthodologie

Vingt-cinq participants actifs aux PF de la distribution alimentaire et de la parfumerie ont été interviewés en 2016 en région parisienne. Notre choix pour les PF de ces deux secteurs était lié au fait que, d'une part, ils sont les plus répondus dans le domaine du retail, et de l'autre part, leur système de récompense est basé majoritairement sur des récompenses économiques matérialisées par des réductions sur le prix et le cumul de points. Par conséquent, ils peuvent susciter chez les bénéficiaires de ces programmes des effets positifs et négatifs similaires et simultanés (*cf.*, annexe 3). L'échantillon est un échantillon de convenance dans lequel nous avons interrogé des personnes qui présentaient des différences en termes de niveau social, scolaire, financier, d'âge et de situation familiale (*cf.*, annexe 2). Des entretiens semi-directifs ont été conduits dans plusieurs endroits (domicile du participant, bars, université, centres commerciaux). Un guide d'entretien (*cf.*, annexe 1) a été élaboré sur la base de la revue de la littérature. L'analyse de contenu des discours recueillis a été réalisée selon une double approche, à la fois inductive et déductive (Gavard-Perret et al., 2012). L'unité de codage choisie était la phrase, l'élément de phrase ou le paragraphe selon son homogénéité de sens (Miles et Huberman, 2003). Le traitement des données a été réalisé de façon manuelle. Un double codage a été effectué à l'aide d'une grille de codage semi-structurée. Ainsi, nous avons suivi en premier une approche déductive en utilisant des catégories prédéfinies issues de la littérature. Ensuite, elle a été complétée au fur et à mesure de notre lecture des textes des entretiens par une logique inductive, en développant des sous-catégories à l'intérieur des catégories principales. Ainsi, chaque thème sélectionné était ventilé suivant son degré de proximité avec les catégories identifiées.

Résultats et analyses

Des programmes de fidélité qui redonnent du pouvoir d'achat aux consommateurs

L'analyse de discours des répondants montre que les PF offrent prioritairement la possibilité de faire des économies sur les marques de distributeurs MDD : « *À chaque fois que je vais prendre des produits de la marque Monoprix, je cumule des points, donc j'achète toujours Monoprix [sourire]* » (Charlotte). Fatima associe le PF à un mécanisme permettant d'arrondir ses fins de mois : « *En fin de mois, souvent ça me fait ça…j'ai acheté pour 100 €,*

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je vais payer 85 €. Peut-être ça ne me fera pas payer de découvert, parce que parfois on est à 15 € près d'un découvert ». Une autre répondante affirme que le PF est le seul moyen lui permettant de faire des économies dans ce qu'elle achète, et le PF agit comme une motivation pour qu'elle continue ses achats auprès de l'enseigne : *« Sans la carte, je n'aurais pas les réductions et je n'aurais pas les cadeaux. Sinon j'aurais moins tendance à acheter chez eux »* (Kawtar). Ces résultats ne sont pas sans rappeler que la satisfaction vis-à-vis du PF influence positivement la durée de vie du client (Meyer-Waarden, 2007).

Des programmes cultivant le sentiment de reconnaissance des marques envers les clients

L'analyse du discours des répondants montre que même si les bénéficiaires des PF estiment que ces derniers font désormais partie du contrat de base des distributeurs, certaines enseignes fond, visiblement, de leur PF un axe phare dans leur stratégie marketing, comme illustré dans le verbatim suivant : *« Yves Rocher, au niveau fidélité, ils déchirent tout »* (Malika). En effet, plus de la moitié des répondantes dans ce domaine déclarent avoir le sentiment d'être privilégiées *: « Je reçois des petits cadeaux, parce qu'on m'envoie un mail pour mon anniversaire...En plus, il y a tout le temps quelqu'un pour me renseigner »* (Cindy).

Malgré les effets positifs que nous ayons évoqués ci-dessus, un répertoire de critiques émerge des données analysées.

Un système plus bénéfique à l'enseigne que pour le client

Les répondants questionnent en premier lieu leur intérêt par rapport à celui des entreprises. Des termes comme *« dérisoire »*, *« insuffisant »*, *« ne veulent pas donner »*, *« difficile à atteindre »*, *« c'est rien »*, *« regret »* sont alors évoqués pour exprimer l'injustice perçue.

Des catégories de produits imposées aux clients : restriction de la liberté de choix

Quelques répondants n'apprécient pas les nouveaux modèles de gratification qui tendent à se généraliser dans la distribution alimentaire, et qui consistent à sélectionner des catégories de produits sur lesquelles les PF opèrent : *« ...Moi, qui suis marié et qui a trois enfants, je suis obligé de choisir, ben pourquoi je choisis ? Je suis un très bon client carrefour ! »* (Eric).

Incitation à la consommation ou l'effet pervers des programmes de fidélité

Certains répondants expriment une sorte de regret dû à la pression exercée par les PF lorsqu'ils les incitent à acheter des quantités qu'ils n'ont pas prévu pour pouvoir prétendre à une récompense : *« Parfois, j'ai le sentiment de faire des dépenses qui sont bon finalement pas si responsable que ça »* (Viviane).

Récompenses inadéquates avec les besoins des clients

Certains répondants se plaignent du manque de personnalisation des PF et de l'incongruence des récompenses non-économiques avec les besoins des consommateurs. L'idée du cadeau est quelque chose qui séduit certains répondants, mais pas tous : *« Ils (Sephora) m'envoient des cadeaux qui ne sont jamais en adéquation avec mes goûts »* (Malika). De telles critiques ne sont pas sans rappeler que la fidélisation est perçue comme un discours masquant la sincérité réelle des entreprises à l'égard de leurs clients (El Euch et Roux, 2012).

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Des programmes en manque d'éthique

Des termes comme « arnaque », « fichage », « chantage », « outils statistiques », « pièges », « dépendance » montrent que les clients suspectent les distributeurs de pratiques non-éthiques : « *Je sais que je ne suis qu'un outil pour eux…je sais qu'ils nous fliquent* » (Claire).

Incitation des clients à adopter des comportements opportunistes

Une répondante estime que ces dispositifs marketing poussent les clients à devenir fidèles aux PF et non pas aux marques : « *Je suis fidèle mais pas fidèle à la marque, je suis fidèle à la réduction, c'est un peu malsain* » *(Claudia)*. Ainsi, les clients les plus opportunistes du fait qu'ils sont animés par une logique purement calculatoire, vont adhérer à plusieurs PF, et ils deviennent des cherry pickers (Leenheer et al., 2007 ; Meyer-Waarden, 2007).

Conclusion, discussion et implications managériales

Cette recherche exploratoire met en évidence les fondements argumentatifs des membres actifs des PF placés en situation à la fois de valorisation et de critique vis-à-vis des PF. Malgré les bénéfices ponctuels perçus, les répondants pointent les faibles niveaux de récompense, la restriction de la liberté du choix ainsi que l'incongruence des récompenses avec les besoins des consommateurs : trois aspects matérialisant l'iniquité perçue dans les PF. Des critiques corroborant l'hypothèse de Shulga et Tanford (2018), suggérant que si les membres des PF n'obtiennent pas les récompenses qu'ils estiment mériter, ils perçoivent le PF comme injuste et peuvent quitter l'entreprise.

Par rapport aux études antérieures, notre recherche dépasse les contributions centrées sur les aspects positifs des PF (e.g., Mimouni-Chaabane et Volle, 2010) et celles qui font l'inventaire des causes de rejet (Pez, 2012) et de résistance des consommateurs envers les PF (El Euch et Roux, 2012), en explorant de manière simultanée leurs perceptions positives et négatives auprès de participants actifs dans les PF.

Nos résultats ont montré que lorsque le PF est attractif, il agit comme une motivation pour le client à continuer ses achats auprès de l'enseigne. Donc, les managers doivent parvenir à limiter les expériences négatives et mettre l'accent sur le renforcement de la satisfaction des clients, en offrant des bénéfices économiques, hédoniques et symboliques à la hauteur de leur engagement. L'objectif étant d'éviter que le PF soit une source d'insatisfaction alors qu'il est sensé rajouter une couche de satisfaction supplémentaire. Par exemple, la nouvelle stratégie des distributeurs qui consiste à orienter les récompenses sur leurs propres marques ou sur une sélection de produits de grandes marques n'intéresse pas tous les consommateurs. Elle est perçue chez certains consommateurs, notamment dans l'alimentaire, à la fois comme une atteinte à leur liberté de choix et comme une incitation à la consommation, générant ainsi un sentiment de frustration (Stauss et al., 2005). Il est donc très important que les managers élargissent le champ de promotions dans le cadre des nouveaux PF à d'autres produits que les grandes marques ou les MDD, afin que tous les clients y puissent trouver leur compte. Autrement, ils risquent d'éloigner leurs clients fidèles. Par ailleurs, comme l'offre de « vrais » cadeaux crée de la surprise et de l'émotion auprès des clients, il serait important que les managers en parfumerie redoublent d'efforts en termes de personnalisation des récompenses.

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Annexe 1 – Guide d'entretien

Le guide d'entretien utilisé est décrit dans l'encadré qui suit.

- A quelles enseignes appartiennent les cartes de fidélité dont vous disposez ? Quelle est la carte de parfumerie ou de la distribution alimentaire que vous utilisez fréquemment ?

Importance des récompenses pour l'utilisateur du programme

- Qu'est ce qui traverse votre esprit en premier lieu quand je vous parle de la carte X ?
- La question des récompenses est-elle importante à vos yeux ? Pourquoi ?

Bénéfices perçus de la participation au programme de fidélité

- Concrètement, quels sont les avantages que vous percevez de la participation à ce programme ? Qu'est-ce que vous appréciez le plus en lui ?

Les sentiments positifs et négatifs procurés aux utilisateurs du programme

- Êtes-vous satisfait quant aux récompenses offertes (valeur/nature) ?
- Est-ce que les avantages du programme font de vous un client privilégié ? Cette dimension est-elle importante à vos yeux ? Pourquoi ?
- Est-ce que ça vous demande beaucoup d'efforts pour obtenir des récompenses ?
- Est-ce que vous sentez une forme de pression exercée par le programme pour vous inciter à l'achat ?
- À votre avis, qu'est-ce qui manque dans ce programme ? Pourquoi ?

Influences du programme sur les catégories de produits achetées et sur la fidélité

- Pensez-vous être impliqué dans une catégorie de produits grâce au programme ? Comment ?
- Pensez-vous que le programme a modifié votre comportement d'achat ? Comment ?
- Êtes-vous moins sensible aux offres de la concurrence depuis que vous êtes adhérent au programme ?

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Annexe 2 : Caractéristiques des personnes interrogées

Prénom	Âge	Situation personnelle	Situation professionnelle	Carte fréquemment utilisée	Nombre de cartes concurrentes	Durée
Anne	54 ans	En couple, 1 enfant	Secrétaire	Yves Rocher	2	20'
Baya	53 ans	Mariée, 4 enfants	Femme au foyer	Yves Rocher	2	22'
Claudia	33 ans	En couple	Cadre commercial	Sephora	1	60'
Kawtar	30 ans	Célibataire	Doctorante	Yves Rocher	1	39'
Stela	27 ans	Célibataire	Doctorante	Sephora	1	40'
Malika	33 ans	Célibataire	Assistante commerciale	Sephora	3	69'
Cindy	24 ans	En couple	Étudiante	Sephora	1	43'
Tatou	20 ans	Célibataire	Étudiante	Yves Rocher	4	45'
Viviane	56 ans	Mariée, deux enfants	Agent administratif	Nocibé	1	42'
Helena	54 ans	Célibataire	Responsable communication	Sephora	3	70'
Thérèse	48 ans	En couple, 2 enfants	Au chômage	Nocibé	1	25'
Fahima	30 ans	Marié, sans enfant	Étudiante	Yves Rocher	2	24'
Isabelle	52 ans	Mariée, 3 enfants	Ingénieur	Intermarché	3	29'
Charlotte	36 ans	Mariée, 1 enfant	Ingénieur pédagogique	Monoprix	1	34'
Valérie	48 ans	Mariée, 3 enfants	Directrice d'école	Monoprix	2	26'
Randa	32 ans	Célibataire	Enseignante	Auchan	1	64'
Fatima	50 ans	Mariée, 2 enfants	Éducatrice jeunes enfants	E-Leclerc	3	67'
Malek	54 ans	Marié, 3 enfants	Pharmacien	E-Leclerc	2	32'
Marie	69 ans	Mariée, 3 enfants	Retraitée	Carrefour	1	24'
Claire	49 ans	En couple	Infirmière	Carrefour	2	30'
Eric	55 ans	Marié, 3 enfants	Directeur associé	Carrefour	1	60'
Assia	30 ans	Mariée, 2 enfants	Femme au foyer	Auchan	3	57'
Mansour	40 ans	Marié, 2 enfants	Consultant	Carrefour	2	68'
Sophie	46 ans	Mariée, 3 enfants	Professeur des écoles	Auchan	3	32'
Kader	48 ans	Marié, 2 enfants	Manutentionnaire	E-Leclerc	3	35'

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Annexe 3 : exemples des perceptions positives et négatives citées simultanément par un même répondant :

Catégories	Verbatim sur les effets positifs	Verbatim sur les effets négatifs
Bénéfices économiques *vs.* **Incitation à la consommation**	« Je sais que si je vais à X, je trouverai à la fois les produits que je cherche et qu'en plus **j'aurais des réductions**. Ma fidélité sera récompensée quoi ! » (Viviane ; 56, F, agent administratif)	« On résiste à certaines choses…mais **on finit tout le temps par acheter des choses qu'on n'a pas prévu** d'acheter en réalité…c'est un effet je dirais pervers…parfois j'ai le sentiment de faire des dépenses qui sont bon finalement pas si responsable que ça » (Viviane).
Bénéfices économiques *vs.* **Incitation à adopter des comportements opportunistes + Problème d'éthique**	« Il y a souvent pas mal de **promotions soit en réductions immédiates**, soit on cumule sur un compte de fidélité qui vous permettra d'éditer un chèque, et c'est déduit en caisse de vos achats… je ne vais pas cracher sur la soupe, mais c'est ponctuel » (Claire ; 49, F, infirmière).	« Je suis venue aujourd'hui parce qu'avec la carte j'ai eu trois produits pour le prix de deux, la remise est immédiate, donc si ! Je suis venue parce que c'est immédiat. **Si ça avait été différé sur le mois d'après, par exemple, un versement sur la carte, je ne serais pas venue** » (Claire). « **Je sais que je ne suis qu'un outil pour eux**…je sais **qu'ils nous fliquen**t avec leur carte de fidélité » (Claire)
Bénéfice hédonique *vs.* **Restriction de la liberté de choix + frustration**	« **Ça me faisait plaisir de pouvoir m'acheter un truc en plus**, voilà, je ne suis pas à 10 euros près, mais c'est vrai que le fait que le magasin t'offre ce petit geste là tu peux te dire qu'aujourd'hui, je vais me faire un petit plaisir, m'offrir un truc à moi en dehors des courses » (Randa ; 32, F, enseignante).	« Avant, X, c'était très intéressant, tous les achats que tu faisais, ils te font 1% ou 2% sur l'ensemble du ticket sous forme de points en monnaie. **Là, ils t'obligent si tu veux avoir des points à acheter ce qu'il y a sur les têtes de gondole,** des produits qu'ils sélectionnent » (Randa). « Ça fait plus d'un an et demi depuis qu'ils ont mis ça en place, et moi, **je ne tombe jamais voire très rarement sur des produits dont j'ai besoin** » (Randa).
Bénéfice économique + Bénéfice de reconnaissance *vs.* **Incitation à la consommation + seuil de points difficile à atteindre**	« **Sans la carte, je n'aurai pas les** réductions et je n'aurai pas les cadeaux. **Sinon j'aurais moins tendance à acheter de chez eux** » (Kawtar ; 30, F, doctorante). **Il y a une carte qu'ils envoient à tout le monde peu importe qu'ils achètent ou pas**, mais la deuxième carte est envoyée à ceux qui achètent seulement **et là aussi ça fait une distinction** » (Kawtar)	« Ils ont tendance à dire à l'achat de 3 produits, ils donnent 100 pétales qui est l'équivalent de 10 euros d'achat…**c'est à cause de la carte que ça m'est arrivée d'acheter des produits que je n'utilise pas** » (Kawtar). « **Les pétales ça demande beaucoup de temps pour atteindre le seuil** et sincèrement je l'obtiens une fois par année » (Kawtar).
Bénéfice économique + Bénéfice de reconnaissance *vs.* **Incongruence des récompenses avec les besoins**	« J'ai vraiment l'impression que c'est une carte de fidélité où **le prix baisse** quand je passe à la caisse » (Cindy ; 24, F, étudiante) « Je reçois des petits cadeaux, parce qu'on m'envoie un **mail pour mon anniversaire**...oui, on se sent un peu privilégiée de recevoir des offres…**En plus, il y a tout le temps quelqu'un pour me renseigner** » (Cindy).	« **Les cadeaux, je trouve ça sympa mais ce n'est pas très utile**. Enfin, je ne m'en sers pas au final. Parce que soit, **ça ne correspond pas à mes goûts personnels soit, je n'en ai pas besoin**, enfin des sacs j'en ai plein » (Cindy).
Bénéfices hédoniques *vs.* **Restriction de la liberté de choix+ incitation à adopter un comportement opportuniste**	« **Lorsque j'ai une réduction, je fais waouh !** je vais pouvoir m'acheter un autre truc dans un autre magasin [sourire], comme si j'ai gagné quelques euros, des euros que j'avais et du coup je m'autorise à dépenser plus » (Claudia ; 33, F, cadre commercial)	« **Ils nous imposent encore leurs marques propres comme aux supermarchés** » (Claudia). « **On est fidèle mais pas fidèle à la marque, je suis fidèle à la réduction**, c'est un peu malsain, ça veut dire que si une autre enseigne fait des réductions ou les mêmes prix, je ne serai plus fidèle » (Claudia).

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Keywords

Cross-channel, Overall satisfaction, Store image, Website image, Congruence of channels.

Introduction

Over the past 20 years, multi-channel customers have been found to be more satisfied, more loyal, and more profitable than others (Flavian et al., 2019). The shift from multi-channel to omni-channel confirms this trend. In order to maintain this loyalty and profitability, companies are focusing on analysis of customer satisfaction and feedback. This is why Hult et al. (2019, p.10) refer to customer satisfaction as "the holy grail of modern retail". Nevertheless, retailing research too often remains focused on satisfaction in relation to a single channel, limiting itself to antecedents and consequences at store level (Hunneman et al., 2017) or website level (Dholakia and Zhao, 2010).

While omni-channel blurs the boundaries between channels (Hickman et al. 2019), there have been few studies modeling satisfaction on these two main channels and how their interactions contribute to overall cross-channel satisfaction. Montoya-Weiss et al (2003) show that the quality of service delivered by the website and the physical channel complement each other in improving overall satisfaction. The multiplication and coordination of channels increases the possibility of positive disconfirmation of the expectations of the most demanding customers and increasing their loyalty (Wallace et al., 2004). Since observed dissatisfaction is less related to the complexity of the multi-channel system than to the failures of a specific channel, the satisfaction rate and its impact on loyalty should be higher for multi-channel customers (Wallace et al., 2004; Lariviere et al., 2011). In-store satisfaction reinforces online satisfaction (Jin et al., 2010). Satisfaction and loyalty reinforce each other; for the same level of satisfaction, this effect is greater online than offline (Shankar et al., 2003).

As noted by Hult et al (2019), no other research analyzes the formation of overall satisfaction across channels, including the reciprocal interactions between store and website satisfaction and the factors that moderate them.

Purpose

The present study examines how overall customer satisfaction is formed from the image and perceived congruence of the two main existing channels and the satisfaction induced by each. It shows that overall satisfaction with the retailer is not only generated by satisfaction with the store and the website, but also directly and indirectly by the image of each channel. The contribution of these variables depends on the personal and situational characteristics of the customer. Not only is the relationship confirmed from store satisfaction to website satisfaction, but for the first time, in rarer cases the reverse is also observed. On the other

hand, while the perceived congruence of channels can improve satisfaction with the channel for certain types of customers, in other cases it can also worsen customers' overall satisfaction.

Conceptual framework

This research mobilizes three concepts: customer satisfaction, channel image and channel congruence. Figure 1 presents the conceptual model, supported by several hypotheses.

Figure 1 – Conceptual model
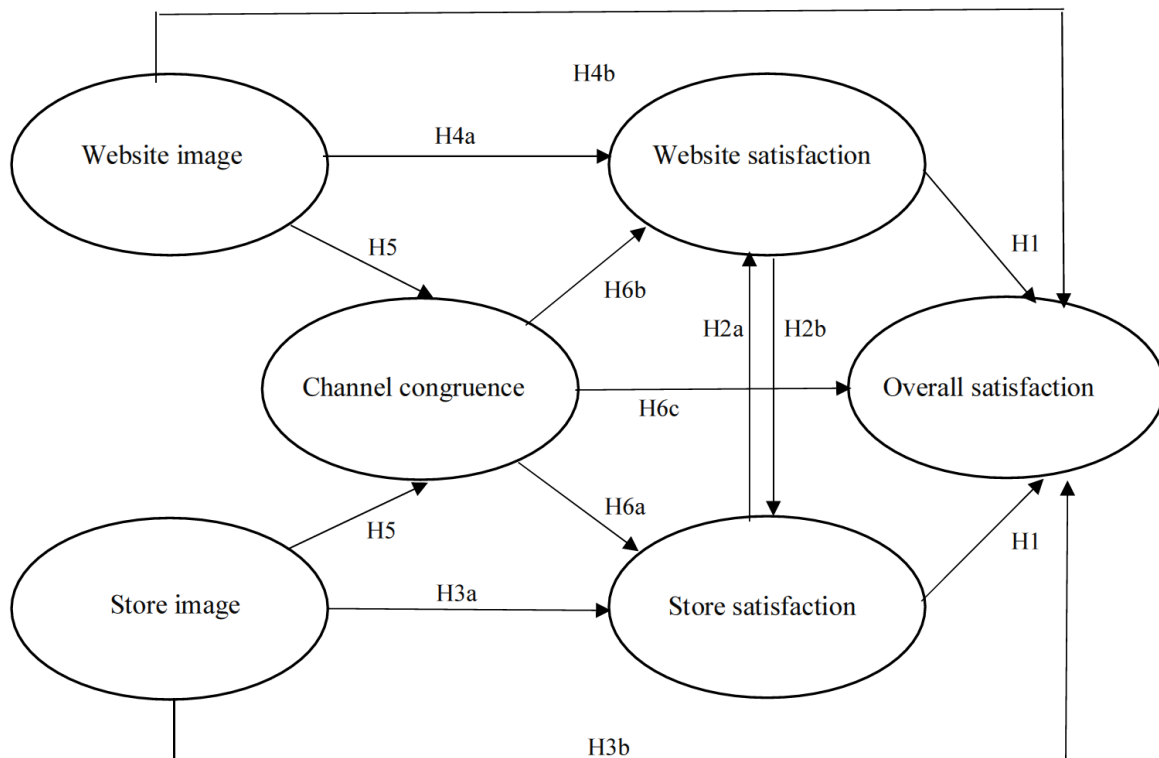
According to the literature:

H1 – Store satisfaction and website satisfaction both influence overall satisfaction.

H2 – Store satisfaction reinforces website satisfaction (a) and, conversely, website satisfaction reinforces store satisfaction (b).

H3 – The image of store contributes directly and positively to store satisfaction (a) but also to overall satisfaction (b).

H4 – The image of the website contributes directly and positively to website satisfaction (a) but also to overall satisfaction (b).

H5 – The image of the store and the image of the website combine in judging the perceived congruence of the channels.

H6 – Perceived channel congruence positively influences store satisfaction (a) and website satisfaction (b), but also overall satisfaction (c).

Many personal and situational variables can also moderate the satisfaction process: type of buyers (Hult et al., 2019), attitude towards the retailer (Jin et al., 2010), involvement in the product category and age of customers (Kumar et al., 2013), channel usage (Theodoridis and Chatzipanagiotou, 2009).

Methodology

Our online study covers 909 customers of a French mortar-to-click retailer specializing in women's and children's clothing. This retailer is particularly advanced in terms of cross-channel and omni-channel. On the basis of actual sales recorded by the retailer over the previous 24 months, the sample is divided into 3 sub-samples: 246 customers who purchased only in-store (store-exclusive shoppers), 251 customers who purchased only on the website (website-exclusive shoppers) and 412 customers who purchased through both channels (mixed shoppers).

The model to be tested using Structural Equation Modeling (SEM) by the Maximum Likelihood Method, is a non-recursive structural equation model. It incorporates reciprocal interdependence between store satisfaction and website satisfaction. To avoid underidentification of the model, the methodology follows recommendations of Martens and Haase (2006).

Main findings

Figure 2 shows the results obtained on the full sample.

Figure 2 - Results of structural modeling on the full sample
(***p<0.00; **p<0.01; *p<0.05)
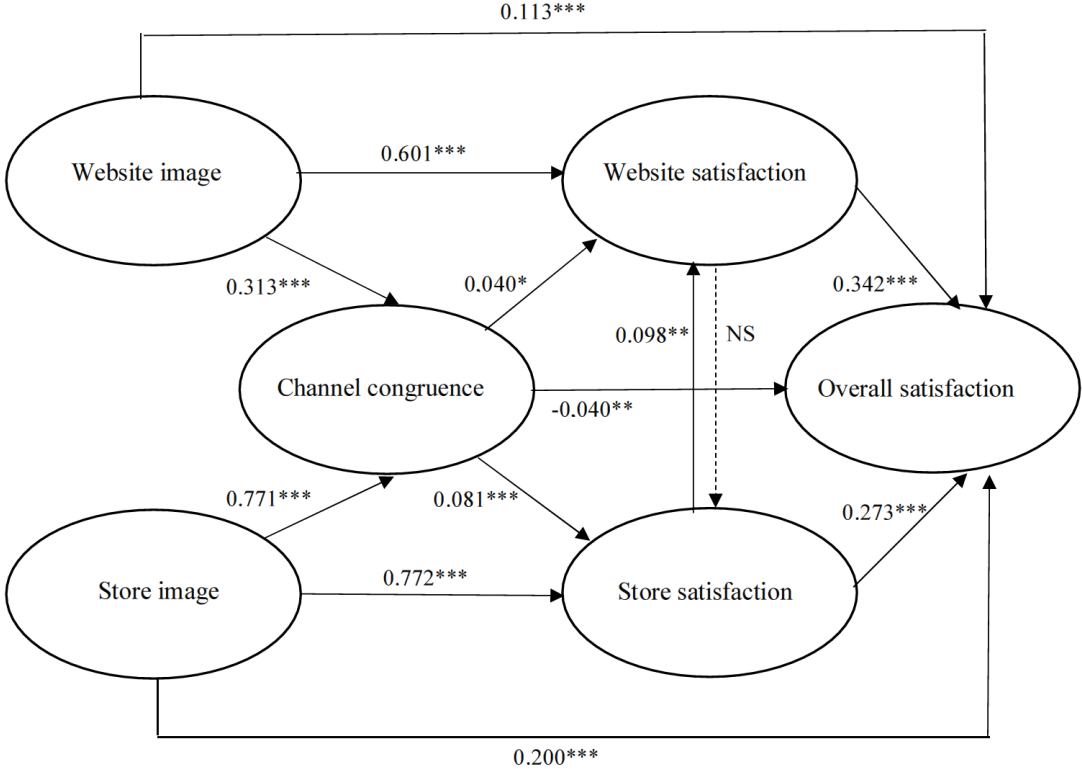
Store satisfaction and website satisfaction jointly influence overall satisfaction, regardless of the moderating variable. However, website satisfaction contributes more than store satisfaction to overall satisfaction.

On the other hand, the idea of a reciprocal relationship between satisfaction on each channel is subject to different conditions. On the full sample, store satisfaction tends to reinforce e-satisfaction. But this statement only concerns mature customers (35-54 years old), exclusive store shoppers and mixed shoppers, and those who visit the website the least or are most involved in the product category. The inverse effect is not significant. Nevertheless, in some rather limited cases, website satisfaction improves store satisfaction for store-exclusive shoppers. On the other hand, it considerably worsens store satisfaction for the oldest shoppers and those who have the best opinion of this mortar-to-click retailer. Reciprocity between store and website satisfaction is therefore only observed for store-exclusive shoppers and those most involved in the product category, with quite powerful effects for both categories.

Perceived congruence significantly improves store satisfaction. But it has no effect on the store satisfaction of exclusive-store shoppers. On the other hand, it strongly reinforces store satisfaction for the oldest customers. Perceived congruence improves website satisfaction, though to a lesser extent. But its beneficial effects are limited to the website-exclusive buyers.

Finally, congruent channels have a direct effect on overall satisfaction, but when they do, this effect is negative. Multi-group analyses show that channel congruence reduces the overall satisfaction of mixed shoppers. In most of these cases, the cumulative direct and indirect impact of congruence on overall satisfaction is in fact negative.

Contributions

Most research has focused on the relationship between satisfaction and loyalty on a single channel.

For the first time, this study simultaneously mobilizes the image of the channels, their congruence, the satisfaction induced by each channel, their reciprocal interaction and overall satisfaction. It deepens the work of Frasquet and Miquel (2017), who had shown a positive effect of multi-channel integration on overall satisfaction, but did not take into account either the perception of the channels or the satisfaction with each channel. Our study also shows that the sometimes reciprocal interactions between store satisfaction and website satisfaction seem to take precedence over the perceived congruence of the channels.

Firstly, overall customer satisfaction is not only generated by customers' satisfaction with their experience of the store and the website, but also directly by their image of these two channels. Satisfaction with the purchasing channel most used always dominates the overall satisfaction judgment. The concern reported by Shankar et al. (2003) that e-satisfaction may reduce overall satisfaction is not at all verified. On the other hand, although it has a secondary but powerful effect on the overall satisfaction of exclusive website and mixed buyers, satisfaction with the alternative channel contributes less than the image of the stores for exclusive website buyers. This finding suggests that exclusive website customers rely more on a memorized image of stores than on real shopping experience in them.

Secondly, the greater the in-store satisfaction, the greater the satisfaction on the website. But this observation is valid only for customers who are strongly attached to the store presence and continue to prefer it. We identify for the first time a reciprocal interaction between the store and the website in terms of satisfaction. However, this reciprocity, often with a more

powerful feedback effect from the website to the store, is limited to a few unusual cases, namely exclusive store buyers, strongly involved in the product category.

Thirdly, channel congruence generally improves website satisfaction and especially store satisfaction, as if it had a role in protecting or defending the original channel when faced by the development of the internet channel. Exclusive website shoppers, and the youngest and oldest age categories refer to it a lot, but its contribution is often small. On the other hand, channel congruence does not directly improve overall satisfaction and may sometimes even reduce it.

Practical implications

Researchers and managers are now stressing the extreme porosity between physical and virtual channels and the need for more channel integration to improve the overall customer experience. Indeed, following the purchase process, the combination of several channels increases the overall satisfaction towards the retailer inasmuch as the satisfaction induced by each channel accumulates.

However, the detailed analysis of the formation of this satisfaction shows the pre-eminence of the customer over the retailer's initiatives. The interactions between in-store and website satisfaction are always subordinated to the personal or situational characteristics of customers. A retailer may therefore facilitate or encourage virtuous interaction between its channels by making the transfer of information and products more fluid (click and collect for example); but in the end, it is the customer alone who decides whether or not to bring the channels closer together. In this research, the limited effects of perceived channel congruence corroborate this analysis. Whatever the retailer does to further integrate its channels upstream, this desired integration is less effective than the integration triggered by customers when they themselves make the connection between satisfaction on one channel and on the other. In some cases, the retailer's attempt to integrate its channels may even reduce overall satisfaction if customers do not want this integration, just as a high level of satisfaction on the website can reduce in-store satisfaction.

Although surprising in the era of the omni-channel, this last point is supported by the decisive impact of the image of each channel on both the satisfaction it generates and overall satisfaction. Customers' perceptions continue to be dissociated from the channels in order to categorize them better (Swoboda and Winters, 2021), and these perceptions guide them. The retailer's original channel (in this case, the store) then appears to serve as an anchor for customers throughout the process of confirming or disconfirming expectations. The suggestion by Wallace et al. (2004) that dissatisfaction issues are less related to the complexity of the multi-channel system than to the failures of a particular channel seems to be true even today. The distinction between channel image and channel experience is crucial here, since the image of the store has a significant influence even among those who do not shop there or do so infrequently.

As in the days of multi-channel, a retailer would therefore have every interest in developing and enhancing each of its channels rather than trying to integrate them by force: depending on their own expectations, customers will do so themselves. Even now, a mortar-to-click retailer should first capitalize on its stores, among other reasons in order to improve the overall satisfaction of those who do not frequent them much or who do not or no longer shop there.

Research limitations and outlook

Our study should be generalized to retailers in other sectors, some of which have evolved from click to mortar, to determine whether the interactions between the two channels are not now dominated by satisfaction with the website. Moreover, since the respondents in our study are almost all women, it should be replicated with a more gender-balanced sample, which would also make it possible to include gender as a new moderating variable (Hult et al., 2019). In an increasingly omni-channel context, consideration of mobile phone as a third purchasing channel would also be an advantage.

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SHOPPING APPS: THE ROLE OF APP FEATURES IN THE DOWNLOAD AND USE CONTEXT

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Keywords

Shopping apps, mobile apps, download intention, intention to use, multi-channel, retailing, channel preference

Introduction

Practical relevance

In times of omni-channel-retailing, more and more firms launch mobile (shopping) applications to engage customers (Boyd et al., 2019). Their core element is a shop function that is similar to the online store (Bang et al., 2013; Kim et al., 2017). However, shopping apps also include a number of additional features (Kim et al., 2016), e.g. online magazines, a QR code and barcode reader or storefinder. For retailers, shopping apps are an attractive way to get in touch with their customers and to strengthen the customer relationship (Peng et al., 2014; Taylor and Levin, 2014).

Theoretical relevance

Most of the recent literature focuses on the intention to use mobile apps. According to Kim et al. (2016), the usage of a specific app may depend on its features. Consequently, it is highly important to examine which features consumers perceive as useful and thereby influence usage intentions, as suggested by the Technology Acceptance Model (TAM) (Davis et al., 1989). However, there is little research analyzing influencing factors of the download intention. This topic is eminently relevant as it is not possible to use a mobile app without downloading it (Peng et al., 2014; Wang, 2017). This study investigates the research gap regarding retailers' possibilities, in form of sales promotions, to encourage consumers to download a shopping app and subsequently use it in the long-term.

Purpose

As previous literature has shown, sales promotions can be subdivided in monetary and nonmonetary promotions (Buil et al., 2013; Büttner et al., 2012; Palazon and Delgado-Ballester, 2009). We consider these incentive types in order to detect whether a rebate is necessary to stimulate a download or whether app features as nonmonetary incentives themselves represent the decisive advantage. Thus, our study aims to reveal which type of incentive is most effective for increasing the intention to download (short-term) and subsequent use (long-term). Furthermore, channel preferences may moderate the impact of

nonmonetary incentives on the perceived usefulness of the app, as consumers can use these incentives differently in the online or offline channel.

Conceptual framework

Monetary incentives usually have a positive short-term impact on consumers' behaviour. A suitable example is a rebate (see Yi and Yoo, 2011). Further, prior research has shown that the perceived usefulness has an impact on consumers' behavior in the technology environment (e.g. Chopdar et al., 2018; Hubert et al., 2017; Kim et al., 2016; Natarajan et al., 2017-2018; Roy, 2017). We propose a moderation effect, where the perceived usefulness of the shopping app can enhance the impact of the rebate on the download intention.

We consider app features to be nonmonetary incentives. These features can be subdivided in online and offline features (Baier and Rese, 2020; Gao and Su, 2018). One example of an online feature is an online magazine. One example of an offline feature is a QR code and barcode reader, named as scan and shop function. App features may also have an impact on the use intention as a long-term consequence as they are a part of the shopping app. According to the Technology Acceptance Model by Davis et al. (1989), this relationship can be explained by the perceived usefulness of the app. In conclusion, online and offline features have an impact on consumers' perceived usefulness of the shopping app and consequently on the download respectively use intention.

Due to the subdivision in online and offline features, consumers' channel preference must be considered. We assume that consumers prefer shopping apps with features opposite to their channel preference. Hence, offline features enable customers with an online preference to switch to their preferred channel. Online features present new shopping features for consumers with an offline preference that can support their offline purchase.

Methodology

The main study uses a scenario-based online experiment with a 2 (rebate: yes, no) x 2 (online magazine: yes, no) x 2 (scan and shop function: yes, no) between-subjects design. Data from 332 respondents were collected. A supplementary scenario-based online experiment with a 2 (channel preference: online vs. offline) x 3 (incentive: product availability check, scan and shop function, combination of both) between-subjects design was conducted with data from 198 respondents. Both studies were conducted in the fashion context. Data was analyzed with M/ANCOVA and PROCESS.

Findings

Findings suggest that a rebate (monetary incentive) increases the download intention. Online- and offline app features (nonmonetary incentives) have positive impacts on the use intention, however, the offline feature only works when it is offered in combination with the online feature. The relationships are mediated by the perceived usefulness of the shopping app. Moreover, the nonmonetary features interact with the channel preference of the consumers, who react more positively toward features offered in a non-preferred channel. A supplementary study supports this finding.

Contributions

This research is novel, as it analyzes the impact of monetary (rebate) and nonmonetary (online and offline features) incentives on both, the download and use intention of a shopping app separately. Such a differentiated view is important as stimulating a download is only a first step in creating positive effects on customer loyalty through app usage. Further, it contributes by examining which features consumers perceive as useful. Finally, the study considers the omni-channel environment regarding consumers' channel preference.

Practical implications

Results show that a rebate seems to be attractive for stimulating downloads. Further, retailers should offer packages of online and offline features that support channel switching in any direction. They should additionally promote these features more specifically to the relevant target customers regarding consumers' channel preference.

Research limitations and outlook

Firstly, our scenarios focus on the fashion industry. A cross-industry analysis could test the generalizability of results. Secondly, we analyze only a few specific nonmonetary incentives. Future research could integrate additional features. Finally, as we conducted a scenario-based experiment, further research could examine our findings in a real setting.

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References are available upon request.

SHOPPING IN THE TIME OF COVID-19 - CUSTOMER-TO-CUSTOMER INTERACTIONS AND CONSUMER MISBEHAVIOUR

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Introduction

The COVID-19 pandemic has uprooted our shopping habits. With mask-wearing, social distancing, disinfecting shopping-carts, and other safety measures, shopping for daily supplies, once a routine errand, has become very different from what it used to be.

Recent consumer panel data shows that in Austria consumers have not shifted to online shopping for FMCG to the extent that was predicted at the start of the pandemic, with online market share only rising by 0.3 percentage points (from 2.2% in 2019 to 2.5% in 2020) (Madlberger, 2021). With restaurants closed and a lot of time spent at home more shopping than ever takes place in physical grocery stores, which is reflected in an overall growth rate of 7% for the entire market in 2020 (Handelsverband, 2021).

There are some hard facts on the development of buying patterns during the pandemic (Nielsen 2020, Gallup 2020, JKU 2020a, JKU 2020b), but they provide little insight into the quality of the COVID-19 shopping experience in stores. As social encounters with other shoppers play a substantial role in shaping the in-store experience (Argo and Dahl, 2019), the focus of this paper will be on customer-to-customer interactions (CTC) in stores.

Purpose

There is still little research on COVID-19 in the marketing context. The aim of this research is to help understand how COVID-19 affects the shopping experience in physical stores and CTC-interactions in particular.

Previous research suggests that both positive and negative CTC-interactions play a substantial role in shaping the in-store experience (Heinonen et al. 2018, Nicholls 2010). As shopping during the pandemic is stressful for many consumers, special emphasis is put on negative encounters and shopper misbehaviour. Misbehaviour can be defined as behaviour that deliberately violates generally accepted codes of conduct in consumption situations (Schaefers et al., 2016; Fullerton and Punj, 1997).

This research addresses the following two questions:

- How does COVID-19 affect CTC-interactions in stores?
- How does COVID-19 influence the perception of consumer misbehaviour concerning CTC-interactions in stores?

Research approach

As the topic of research is new, this research is exploratory in its nature. For study 1, Austrian consumers (n=76) were invited to report on their positive and negative interactions with other consumers while shopping during the COVID-19 pandemic. Conventional qualitative content analysis, according to Hsieh and Shannon (2005) was conducted using NVivo 12 to discover changes in the shopping experience and to identify critical incidents with other customers as well as categories of consumer misbehaviour.

In study 2 an online survey via the platform CloudResearch (MTurk) (n=1025; M_{Age} = 40.07, SD_{Age} = 12.10; 55% female) was used to gather data on stress experienced while grocery shopping during the pandemic (adapted from Albrecht et. al., 2017), approach and avoidance behaviour (adapted from Donovan and Rossiter, 1982 and Puzakova and Kwak, 2017) and the categories of COVID-related consumer misbehaviour identified in study 1. The perceived seriousness of COVID-19, COVID-empathy (Pfattheicher et al., 2020), perceived risk of contracting COVID-19 (Jaspal et al., 2020), need for affiliation (adapted from Hill, 1987) and a previous COVID infection and its severity were also investigated, to show how these factors influence the shopping experience, interactions with other shoppers and the perception of consumer misbehaviour.

Findings

Study 1 shows that the shopping experience has substantially changed. Its quality has deteriorated for most of the shoppers. Especially in the early days of the pandemic, shopping induced a lot of stress and encouraged avoidance behaviour. B25: "*A very strange atmosphere was in the air and I just wanted to get out.*" A17: "*Nobody wanted to have the attention of other shoppers. Everyone wanted to do their shopping as quickly as possible, in order to be safe again.*"

In this atmosphere negative CTC-interactions occur more often; A9: "*Since the outbreak of the COVID pandemic, it seems to me that all shoppers are a lot more tense, nervous, and irritable. People often react to small things in a very aggressive way, or they feel offended.*"

Study participants report different types of consumer misbehaviour: Masks and violating social distancing guidelines are the most common pain points: "*More and more people are not keeping distance, and I am particularly uncomfortable with people not properly wearing their mask... Unfortunately, I see this sloppy mask wearing more often now,*" says A14. Touching products is also a big complaint: "*It would be important to me that people disinfected their hands at entering the store and touch only what they are buying,*" says A7.

While some are hesitant to address misbehaving shoppers, others are eager to confront those who do not follow the rules. Very often this I done in a rude way, which constitutes a sort of misbehaviour in itself. B 32: "*I was shocked what fear can do to people and with how much pleasure misconduct of others is criticised, even condemned. Rude insults and rebukes seem to be commonplace.*" B12 complains about self-proclaimed experts and sees "*no reason that some people enter the supermarket with the intention of lecturing others*"

Panic buying and hoarding is also considered misbehaviour. Study participants stress the contagious aspect: "*This behaviour was unpleasant for me, as – in this heated situation – I started to buy toilet paper and pasta as well.*" Shoppers also mention coughing and sneezing in stores, but as people can only prevent this behaviour to some extent, it does not qualify as deliberate misconduct in this research.

Study 2 also shows that shopping is very unpleasant for many and that people show avoidance of the store ("*I would like to leave and get out of the grocery store as quickly as possible.*"

(33.4% = 7, 21.4% = 6 on a 7-point Likert-scale from *1 = strongly disagree* to *7 = strongly agree*), as well as other shoppers (*"The grocery store is where I try to avoid other people"*; 29.9% = 7, 18.7% = 6).

To account for misbehaviour in Study 2, a 5-item 7-point Likert-scale (*1 = not inappropriate at all; 7 = very inappropriate*) on different levels of consumer misbehaviour was used. Four out of five categories identified as consumer misbehaviour in study 1 have a mean score of lower than 4 (see table 1). In line with the findings of study 1, not wearing a mask is considered the most inappropriate followed by not social distancing and buying excessive amounts and touching products. The majority of the shoppers does not consider reminding others about COVID-19-regulations inappropriate. Only 12.1% think that people are out of line. This is also consistent with findings of study 1, as a deeper analysis of the qualitative data shows that tone is the deciding factor. *A19: "Someone told me that I was not wearing a mask…It is important to mention that he said it in a very polite way and was very helpful. I was truly surprised and grateful."*

	not at all inappropriate					very inappropriate			
	1	2	3	4	5	6	7	**mean score**
*Not wearing or not properly wearing a mask (**mask sloppiness**)*	12.8%	3.1%	2.8%	6.6%	5.5%	11.7%	57.5%	**5.5**
*Not keeping the distance considered safe in physical distancing guidelines (**not physical distancing**)*	10.5%	4.9%	3.4%	8.1%	11.5%	18.1%	43.5%	**5.3**
*Buying excessive amounts of products (**hoarding**)*	9.1%	4.1%	5.6%	12.4%	13.6%	20.6%	34,5%	**5.2**
*Touching products that one does not buy (**contamination**)*	9.4%	9.7%	9.7%	20.6%	16.5%	15.7%	19.1%	**4.5**
*Reminding others about Covid-19-appropriate behaviour (**policing**)*	22.6%	13.6%	10.7%	21.2%	10.6%	9.2%	12.1%	**3.6**

Table 1: Appropriateness of behaviour of shoppers during the COVID-19 pandemic

The analysis revealed that the seriousness-perception of COVID 19 has a significant effect on not physical distancing ($M_{seriousness\_low}$: 4.04; $M_{seriousness\_high}$: 5,63, $p = 0.001$), touching ($M_{seriousness\_low}$: 3.51; $M_{seriousness\_high}$: 4.69, $p = 0.001$), mask slopiness ($M_{seriousness\_low}$: 4.09; $M_{seriousness\_high}$: 5,87, $p = 0.001$), policing ($M_{seriousness\_low}$: 4.45; $M_{seriousness\_high}$: 3,41, $p = 0.001$), and hoarding ($M_{seriousness\_low}$: 4.81; $M_{seriousness\_high}$: 5,26, $p = 0.028$). In line with seriousness, COVID-empathy shows a similar significant effect on not physical distancing ($M_{empathy\_low}$: 4.08; $M_{empathy\_high}$: 5,50, $p = 0.001$), touching ($M_{empathy\_low}$: 3.53; $M_{empathy\_high}$: 4.60, $p = 0.001$), mask slopiness ($M_{empathy\_low}$: 4.22; $M_{empathy\_high}$: 5,72, $p = 0.001$), policing ($M_{empathy\_low}$: 4.17; $M_{empathy\_high}$: 3,52, $p = 0.001$), and hoarding ($M_{empathy\_low}$: 4.44; $M_{empathy\_high}$: 5,27, $p = 0.028$).

Perceived risk to contract COVID-19 has an influence for those who have not yet been infected on not physical distancing ($p = 0.001$), touching products ($p = 0.001$) and mask sloppiness ($p = 0.001$) but not for policing ($p = 0.02$). These results do not uphold for those who have already contracted the virus as they obviously show a highly significant lower perceived risk (even if more than half consider it rather likely to be infected again). Stress during the shopping experience turned out to be significant only for not physically distancing (M_{stress_low}: 5,25; M_{stress_high}: 5,52, $p = 0.044$) and touching (M_{stress_low}: 4,28; M_{stress_high}: 4.83, $p = 0.001$). The other types of consumer misbehavior were not significant.

To summarize, people who consider the COVID-19 pandemic as serious, who empathize with others, and experience high levels of risk and stress seem to be more likely to judge consumer misbehavior by their peers.

Original value and implications

While people first assumed that the pandemic would be over within weeks, this view has turned out to be too optimistic and it now looks as if our shopping routines will be changed by COVID-19 for the foreseeable future. The longer the pandemic will last the less likely it is that things will go back to how they were pre COVID. Some changes of instore-behaviour and interaction between shoppers seem to be permanent. Understanding transformation in consumer behaviour is at the core of successful retail marketing.

Shopping in stores has always been and will always be a social experience. During the shutdowns caused by the pandemic, the visit to the local grocery store was the only human contact for some people, especially among the elderly who are at the same time the most vulnerable to COVID-19. Providing a shopping environment that feels safe and enjoyable and allows for positive encounters with others is of great value to society. Besides, retailers should be aware that they are providing the setting for customer encounters, which affect the experience with their retail brand.

Research limitations and outlook

This exploratory research is work in progress and requires further analysis of the underlying data.

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Keywords

Point-of-Sale, COVID-19, customer-to-customer interaction, in-store experience, social encounter, consumer misbehaviour,

THE LIGHT AT THE END OF THE COVID-19 TUNNEL IS REVENGE? EVIDENCE FROM RETAILING IN CHINA

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Introduction

"COVID-19 will reshape our world. We don't yet know when the crisis will end. But we can be sure that by the time it does, our world will look very different. How different will depend on the choices we make today" (Josep Borell, EEAS 2020).

As news of a new strain of Coronavirus threatening Wuhan started spreading across the globe, every country and its citizens sat watching. The seriousness of this pandemic did not transpire until cases of COVID-19 also started spreading across the globe with a major crisis surfacing in Europe (Italy, Spain, France, Germany, Austria, Netherlands, and the United Kingdom) and later the USA. The pandemic forced most governments to take unprecedented steps to contain the virus by imposing strict social distancing rules and a complete lockdown in many countries. We are yet to comprehend the full effect this lockdown has on individuals but early studies report emotional complexities with 'fear', 'anger', 'stress', 'anxiety' and 'boredom' being particularly prominent in Italy (Stella, Restocchi & De Deyne, 2020) and France (Droit-Volet, *et al.*, 2020).

For decades, researchers have shown that consumers' emotional states have strong influence on their buying and consumption behaviour (e.g. Goenka & van Osselaer, 2019; Holbrook & Hirschman, 1982; Kawaf & Tagg, 2017; Richins, 1997; Westbrook & Oliver, 1991) and on other issues such as the sharing and management of limited resources (Kennedy & Vining, 2007; Morales & Harris, 2014). As we move toward a post lockdown world, these emotional states that have been intensifying for months are no doubt bringing a wave of changes in consumer behaviour. On one hand, warnings of a wave of economic recession spread as people adapt to life in lockdown reducing their expenditures considerably (Fernandes, 2020). Another major factor in warnings of a recession is the length of the lockdown period, closing down of businesses which of course directly contributes to higher unemployment rates, hence, further contributing to decreasing spending and moving toward a global recession (Sułkowski, 2020).

On the other hand, despite these warnings of a major economic recession, one of the earliest trends we see from China as lockdown eases is a 'spending spree'; *"the French brand Hermes' Guangzhou flagship store in China reportedly did $2.7 million in sales on the day it reopened in April"* (Singh, 2020). Indeed, Hermes is not the only brand, this phenomenon, known as 'Revenge Buying', is on the rise in china, trending on its most popular Social Network Site (SNS) – Weibo.

The phrase 'Revenge Buying' ('Baofuxing Xiaofei', '报复性消费' in Chinese) was first used in China in the 1980s to describe the pent-up demand for foreign products that China had denied its citizens when the nation was closed off to the outside world (Williams & Hong, 2020). Since China's opening up policy of the late-70s, western brands began flooding into the welcoming embrace of a new and gigantic marketplace resulting in a shopping spree that was described as 'Revenge Buying' (Hall, 2020).

News articles report that, since February 2020, when much of China was under some form of quarantine measures, local SNS began filling with tales of real or imagined 'Revenge Buying'; documenting consumer fantasies of a future in which malls, luxury department stores and restaurants would once again be open for business – in the hopes that a nice meal or an expensive handbag would salve the wound of the lockdown (Hall, 2020).

Purpose

In this paper, we aim to explore the concept of 'Revenge Buying' and its implications on sectors such as retail, entertainment, hospitality and tourism. In addition, we investigate the early consumption and buying trends in the immediate post lockdown phase in China. Much

of the discussions around revenge buying appear in non-academic sources, with very little attention to this phenomenon from a consumer research perspective. As such, in this research we aim to plant the seeds of early discussions around revenge buying, in an attempt for further theorisation and investigation. To date, our understanding of the term is limited despite its popularity and trendiness on social networking sites.

Methodology

First, from China's largest microblogging platform, Sina Weibo, we collect 30,543 original microblogs containing the phrase 'Revenge Buying' (i.e., '报复性消费' in Chinese) covering the period from November 1st 2019 to April 30th 2020, the time of the immediate peak of covid-19 with pre and post lockdown phases. We conduct text mining analysis to establish the use and popularity of the phrase 'Revenge Buying' and the most frequent words and phrases associated with it.

The procedures used are described as follows:

1. Count the number of original microblogs for each day over the observation period and establish a dynamic view of the usage of the phrase 'Revenge Buying'.
2. Conduct text pre-processing (e.g., removing white spaces) to filter out non-Chinese characters that are useless for understanding the context and establish a stop-word list to filter out meaningless prepositions, adverbs, etc.
3. Use the Python programming language and the Jieba segmentation module to segment each microblog into key words or phrases and remove the single-character segments (which are often meaningless).

We also obtained survey data conducted in March and April in 2020 from ZHONGYAN TECHNOLOGY, a major marketing research company specialising in consumer survey in China (BESTCEM, 2020). The survey was conducted online and 8,000 users across platforms were targeted, out of which 1,361 responded (i.e., 17% response rate). The final set contains 1,000 valid responses and the participants are from diverse backgrounds (see appendix 1 for demographics). The survey explores buying and consumption trends in China before, during and immediately after COVID-19 lockdown (more details are available upon request).

Findings

We present the results from text mining analysis of 30,543 microblogs containing the 'Revenge Buying' phrase. First, by browsing through the dataset, we note quite a number of examples of 'Revenge Buying'. Some examples are: "*Since I had to start school, I would do revenge buying. I'm going to start buying shoes, the most expensive ones*" ("既然非要我开学 那我就报复性消费 我要开始买鞋了 哪贵买哪个") and "*Too many cars and people tonight, is everyone revenge buying?*" ("今晚车和人超多 大家报复性消费吗").

More systematically, Figure 1 below shows the daily number of microblogs (i.e., Weibos) over the observation period. Overall there is a clear pattern of increasing and then decreasing mentioning of 'Revenge Buying' in Weibo posts over time. The number peaked on March 19[th] 2020 with more than 1,400 daily Weibo posts, coincidently, this is the date of the first confirmed 'no new infections' in China since the outbreak. It is also interesting to note, although the number of Weibo posts stayed low before the outbreak (e.g., the months of November and December 2019), it was still above zero, which means that the usage of the phrase 'Revenge Buying' already existed in Weibo discussion and was stimulated significantly following the outbreak.
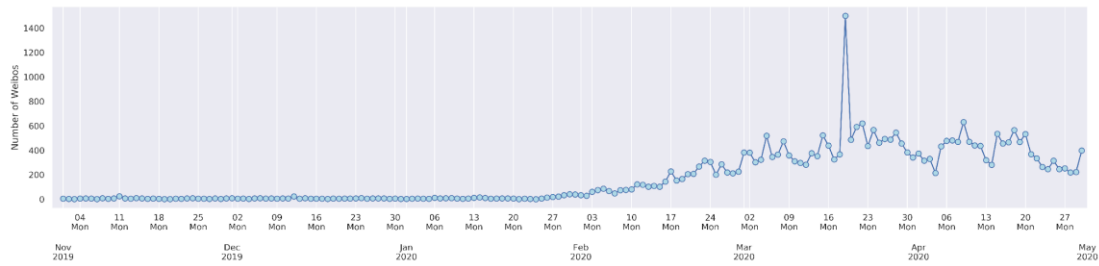
Figure 1 Daily Number of Weibos Containing 'Revenge Buying'

Moreover, our analysis complies the most frequent (i.e., with more than 1,000 appearances) words/phrases in the 30,543 original Weibo posts (see appendices for full table). Since the posts all contain 'Revenge Buying' ('报复性消费'), it is not surprising to see that 'buying' ('消费') and 'revenge' ('报复性') have topped the table. There are also words/phrases clearly related to COVID-19 such as 'epidemic' ('疫情') and 'returning to work' ('复工') and related to timing such as 'beginning' ('开始'), 'now' ('现在'), 'after' ('过后') and 'ending' ('结束'). Interestingly, the posts also tend to mention concrete examples of products for implementing 'Revenge Buying' such as 'bubble tea' ('奶茶') and 'Haidilao' ('海底'), the latter literally means 'seabed' but actually referring to one of the most popular hot pot restaurant chains in China.

We then examine the data from 1000-participant survey to identify any patterns that may indicate a wave of 'Revenge Buying' or similar. Figure 2 below shows the dining out rates across age groups (in birth year) pre-pandemic, during and after the COVID-19 lockdown in China. The dining out rate is defined as the percentage of participants in each age group who dined out at least once in a week during the specified periods. These periods are: (1) pre-pandemic: The 2019 spring festival (4th – 19th February), (2) during lockdown: The 2020 spring festival (24th January – 8th February), and (3) post lockdown: the point of data collection, participants were asked about their post lockdown behaviour 'in the past week' from late March to April 2020. Figure 2 shows that after the lockdown was eased in China, the dining out rate has recovered for all the age groups. But the recovery has only been slow.
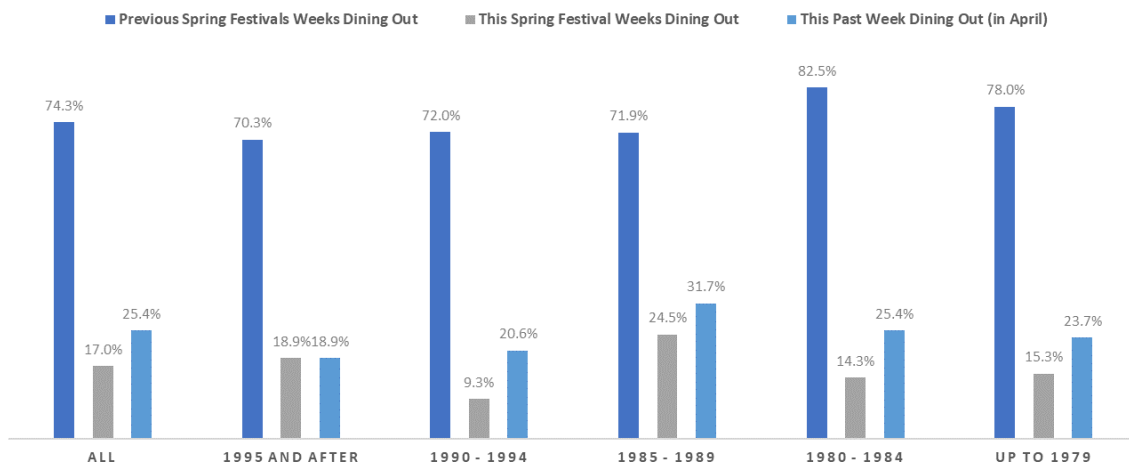
Figure 2 Dining Out Rates Across Age Groups (Birth Year)

Figure 3 below shows the offline consumption before, during and after COVID-19 lockdown by different categories. The offline consumption rate for each category is defined as the percentage of participants who purchased products or services in that category at least once during the specified periods. Figure 3 shows that the offline consumption shrank significantly in the period of during COVID-19 lockdown except for Fresh Food, and consumption noticeably concentrated on Kitchen Cleaning and Health products. On the other hand, the offline consumption clearly bounced back in the period of post COVID-19 lockdown while its level remained below its pre-pandemic equivalent for all the categories except for Health.
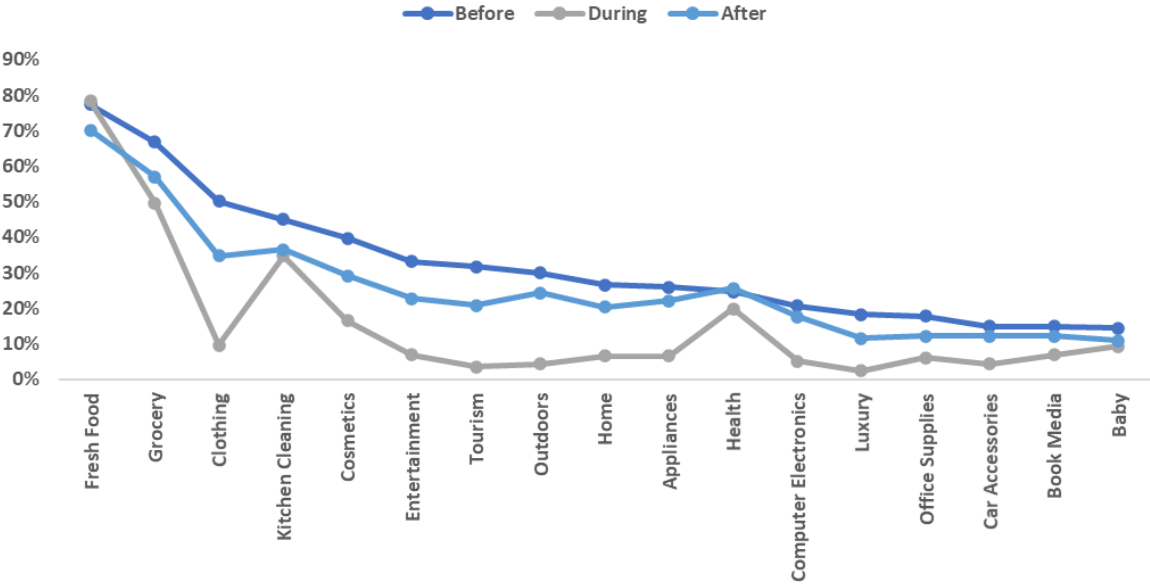
Figure 3 Offline Consumption Rates by Categories

Contributions

The findings of this research contribute to consumer research in relation to buying and revenge buying during and post lockdown. The popularity of 'Revenge Buying' on the Chinese Social Network Site – Weibo has received considerable attention from news reporters, yet, thus far, the concept has attracted little to no attention from academics. 'Revenge Buying' is a phenomenon of high relevance to our understanding of what shapes up the post COVID-19 buying behaviour and its impact on the economy. Existing literature has long discussed issues of consumption that are closely relevant such as compensatory consumption (Gronmo, 1988; Woodruffe, 1997) and addictive consumption (Elliott, 1994).

While we are unable at this stage to clearly show a significant change in behaviour as a result of 'Revenge Buying', we are able to discuss the nature of the concept as it appears in the preliminary analysis of this dataset. Thus far, the premise we have is that 'Revenge Buying' is a consumer fantasy embracing the possibilities of a post-lockdown life (Holbrook & Hirschman, 1982). This process refers to 'compensatory consumption', a result of feeling 'deficits' or 'lacks' in life (Grunert, 1993; Woodruffe, 1997). In this sense, "*the lack might be of tenderness and affection associated with feelings of loneliness and boredom […] in general terms, the phenomenon is that a lack of x could be cured by a supply of x, but may also be cured by a supply of y. If y is used, this process is called compensation*" (Woodruffe, 1997, p325). This notion directly challenges existing economic understanding of consumer behaviour that focuses on directly satisfying needs with actions. Rucker and Galinsky (2008) explain that the more powerless a person feels, the more they engage in compensatory buying, particularly of high value – high status products. Indeed, one of the global implications of the pandemic, the lockdown, means most individuals find themselves lacking control and

drowning in 'mundane' tasks as lockdown takes over. As such, elements of retaliation are still possible in this instance. Revenge in this case is not necessarily of the nature of "holding a grudge" or "wishing to inflict pain or harm" on others (Grégoire, Tripp, & Legoux, 2009) it is an act of retaliation on the circumstances that had stripped us of our freedoms.

This research contributes novel insights based on real time evidence from within the COVID-19 pandemic and the immediate post-lockdown period in China. We present evidence of recovery, albeit slow, in consumption rates across the major sectors (e.g. clothing, luxury, cosmetics, hospitality, tourism, entertainment, etc.).

Practical implications

This research is of immediate and direct implications to retailers and businesses. The discussions of revenge buying are particularly relevant to brands and businesses as they navigate recovery in post lockdown times. For example, the theoretical discussion around the emotional states that have pushed consumers to the fantasy of revenge buying at the point in lockdown when such behaviours were not possible, could be used as a basis for predicting and encouraging post lockdown recovery behaviours in future marketing and communication campaigns and in the design of experiences in stores and online.

Research limitations and outlook

There are limitations to this work as it is preliminary analysis in nature, this also only focuses on the very immediate period post-lockdown in one country, China. It is crucial that future research continues to establish these patterns over an extended period of post-lockdown especially as most of the world has been experiencing recurrent periods of lockdowns as uncertainty continues as a major part of the scene today.

Future research should fully theorise the 'revenge buying' concept, the learnings from this phenomenon is not only relevant in a post pandemic world but could also be applicable to other phenomenon where similar conditions may arise including post war, post natural disasters, and so on.

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Keywords

COVID-19; Lockdown; Pandemic; Revenge Buying; Consumption Rate; China; Consumption Emotion; Buying Habits; Compensatory Consumption; Retailing; Shopping Behaviour.

Appendix

Word Frequency Table:

Ranking	English	Chinese	Frequency	Ranking	English	Chinese	Frequency
1	buying	消费	39711	27	economy	经济	1621
2	revenge	报复性	38606	28	appear	出现	1603

3	epidemic	疫情	10725	29	recently	最近	1581
4	beginning	开始	4559	30	this	这个	1558
5	none	没有	3462	31	many	很多	1527
6	everyone	大家	3147	32	understand	理解	1341
7	price rising	涨价	3136	33	sad	允悲	1333
8	revenge	报复	3022	34	don't	不要	1319
9	self	自己	2679	35	time	时候	1281
10	just	就是	2615	36	recover	恢复	1260
11	now	现在	2355	37	however	但是	1254
12	already	已经	2337	38	because	因为	1253
13	one	一个	2259	39	things	东西	1249
14	after	过后	2220	40	after	之后	1234
15	ending	结束	2126	41	feel like	觉得	1168
16	real	真的	2121	42	company	企业	1158
17	still	还是	2095	43	know	知道	1133
18	bubble tea	奶茶	1984	44	anticipate	迎来	1131
19	what	什么	1928	45	not	不是	1127
20	today	今天	1899	46	impact	影响	1126
21	perhaps	可能	1839	47	feeling	感觉	1092
22	able to	可以	1757	48	China	中国	1071

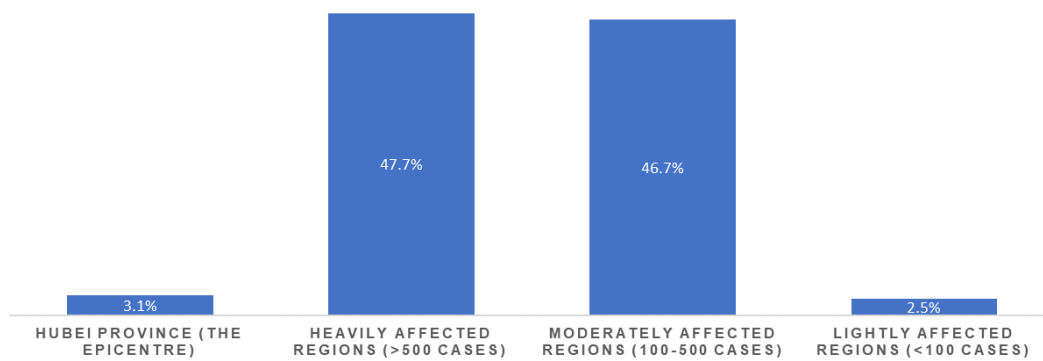| 23 | Haidilao | 海底 | 1756 | 49 | industry | 行业 | 1061 |
24	returning to work	复工	1743	50	life	生活	1027
25	won't	不会	1743	51	going out	出门	1003
26	we	我们	1710				

Participants Demographics:

Figure 4 Geographical Distribution (Severity of COVID-19 Impact)
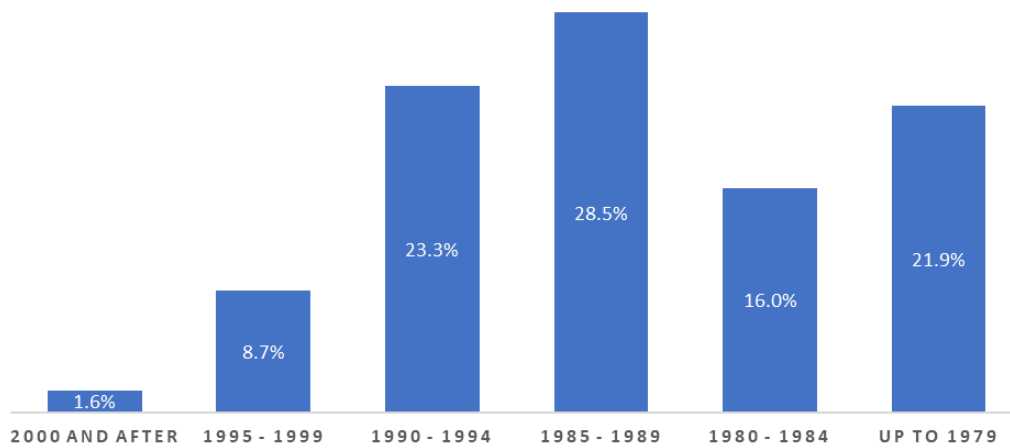
Figure 5 Age Distribution (Birth Year)
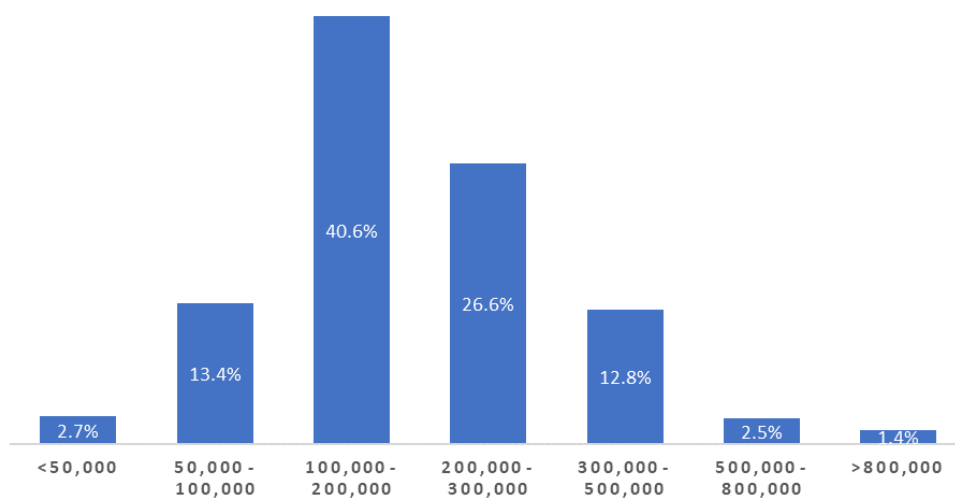
Figure 6 Income Distribution (Annual Income in RMB)

THE ACCEPTANCE OF ONLINE GROCERY SHOPPING DURING COVID-19: A SURVEY FROM AUSTRIA

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Keywords

Online grocery shopping, consumer acceptance, pandemic, COVID-19, panic buying

Introduction

The COVID-19 pandemic undoubtedly had an enormous impact on the whole retailing industry. While some retailers experienced a substantial increase in sales (namely the retailers of essential goods such as food, drugstore products and healthcare) others suffered from a sales drop (e.g. fashion, footwear, leisure,…) (Roggeveen and Sethuraman, 2020). Grocery shopping is among those retail areas where the outbreak of COVID-19 highly stimulated sales.

Studies in context of pandemics often focus on health issues and possible mitigation measures (Laato et al., 2020). These topics are naturally of primary importance considering the harmful impact of pandemics. However, there are also significant economic effects. Consumer behavior in pandemic times is a topic which has been neglected in present literature and needs further investigation (Laato et al., 2020; Brandtner et. al, 2021).

Purpose

The aim of the present study is to estimate the acceptance of online grocery shopping during COVID-19. In particular, it shall be analysed whether the outbreak of COVID-19 lead to an increased willingness to buy food online. So far, online grocery shopping has absolutely been a niche market in Austria with a share of only 1% of the total grocery purchases (Gittenberger, 2019). However, it is well known that the pandemic dramatically changed consumers' purchasing behaviour (Loxton et al., 2020). This study aims to provide prospects on consumers' demand for online grocery shopping during COVID-19. The results are intended to reveal whether food retailers should intensify their e-commerce endeavours based on consumers' demand prospects.

Conceptual framework

The stimulus-organism-response (SOR) model provides the conceptual foundation for this research. According to the SOR model, there are certain external impulses (stimuli) which effect an individual (organism) to react with a certain behaviour (response) (Mehrabian and Russell, 1974). The SOR model is a widely used and well proven framework to analyse

consumer behaviour (Jacoby, 2002), also particularly consumer behaviour in context of e-commerce and online shopping (e.g. Yadav and Mahara, 2020; Peng and Kim, 2014; Kawaf and Tagg, 2012). Recently, the SOR model was also applied to studies on COVID-19. It has been argued by previous authors that the COVID-19 pandemic is a stimulus that drives organisms to adopt a specific behaviour (Pandita et al., 2021; Laato et al., 2020). In the case of consumers the response to COVID-19 could lead to panic buying, restrained shopping behaviour at offline stores (to avoid personal contact), and eventually an increase of online shopping behaviour due to the lockdowns (Loxton et al., 2020). The aim of our study is to evaluate and demonstrate the impact of COVID-19 on consumers' online grocery shopping behaviour.

Design/methodology/approach

To study consumers' acceptance of online grocery shopping, an online survey was conducted within this research. We used an online panel to gain a representative sample of the Austrian population aged between 18 and 69. The survey took place at two different points in time: the first survey took place in January 2020 (closely *before* the first COVID-19 cases in Austria) and the second survey took place in August 2020 (*during* the COVID-19 crisis). Through this longitudinal study design we are able to capture the effects of the COVID-19 outbreak on the acceptance of online grocery shopping. The first survey includes a sample of 1,096 responses while the second survey still includes a sample of 764 responses. This means that a considerable number of almost 70% of the respondents participated in both surveys.

Findings

When comparing the results of the survey before the pandemic and during COVID-19, 75% of respondents have not changed their minds about online grocery retailing. For 22% however, the opinion on online grocery shopping has improved moderately or even significantly. Compared to the first survey, there was a slight increase in the number of people who have already bought groceries online. Of the people who already had shopped for groceries online in the past, the majority also made use of it during COVID-19. Almost 13% of all respondents ordered groceries online for the first time during the pandemic and there was a slightly higher general acceptance of online grocery shopping in times of COVID-19.

The overall purchasing behaviour has undoubtedly changed, since larger quantities of groceries were purchased but less frequently. Regarding canned food in particular, the acceptance of online purchase was considerably higher than before the pandemic. Other than that, the perception of certain barriers to online grocery retailing has changed due to COVID-19, for example the lack of personal contact and the shopping experience are less severe barriers due to the social distancing regulations. Receiving the delivery is also less of a problem, as many spend more time at home due to short-time work and home office, however the price sensitivity for shipping costs has increased.

This extended abstract is a work in progress study, the next research steps involve non-parametric statistical tests (Wilcoxon test).

Original/value

This is one of the first studies about the impact of COVID-19 on consumers' online grocery shopping acceptance. The unique value of our survey is that we were able to observe

consumers' responses immediately before the COVID-19 outbreak. This allows us to draw conclusions about the impact of COVID-19 by comparison with the responses during the times of COVID-19. Our results support online grocery retailers to adapt their service to the consumers' changed requirements during the pandemic. For example, grocery retailers learn how to design their business model in a way that meets consumers' needs. The study delivers insights how to promote the widespread use of online grocery shopping – e.g. through a low-price strategy concerning delivery costs due to the increased price sensitivity in times of COVID-19. On customer side, our study raises awareness for the requirements of consumers, which will lead to services tailored to their demand.

Research limitations and outlook

The current study provides valuable insights into online grocery shopping behaviour on the Austrian consumer market. The longitudinal study was conducted at two points in time: i) directly before and ii) five months after the start of the first COVID-19 wave in Austria. Hence, the results only reflect the change in consumer behaviour observable within these first 5 months of the pandemic. This limited timespan of consumers actually being affected by COVID-19 represents a possible limitation of the study. At the same time, this limitation also provides an opportunity for future research in this context. Based on the current findings, future work could focus on analysing the impact of COVID-19 on consumer behaviour at the present moment. The results gained by these means could be contrasted to the initial consumer behaviour as well as to the behavioural impacts after five months of the pandemic. Future research could also build on the developed questionnaire and could apply it in different countries in the future. A contrasting juxtaposition of the results from Austria to those from other areas around Europe or the globe would subsequently allow for a broader understanding of the overarching impact of the pandemic on online grocery shopping behaviour of consumers worldwide.

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THE INFLUENCE OF THE IN-STORE LOCATION OF PROMOTIONAL DISPLAYS ON SHOPPERS' ATTENTION AND BUYING DECISIONS

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Introduction

It is nearly impossible to shop at a grocery store without coming across at least one in-store display. With the use of this merchandising tool, retailers and manufacturers try to adapt to the way consumers shop today (Chandon et al. 2009; Egol and Vollmer 2008). In this context, in-store displays are frequently used by retailers and manufacturers to attract customers' attention for specific products, to trigger unplanned purchases, and, thus, to increase brand sales. Empirical studies consistently show that in-store displays can have large effects on final purchase outcomes (Breugelmans and Campo 2011). These effects remain stable even when controlled for sales, price discounts, and advertising measures (Van Nierop et al. 2010).

Purpose

In the past, empirical studies have seldom attended to the determinants of the effects of displays from the shoppers' perspective. Thus, there are hardly any findings about the role of the display's location in the shop. In this paper, we assume that the congruence of the product presented on the display with its setting has an influence on the effect of the display. In

particular, we assume that although a display in an incongruent setting attracts more attention, it can turn this attention into purchases only to a lesser extent than a display in a congruent setting.

Conceptual framework

The in-store location of a display can be chosen in regard to the congruence between the displayed product and the surrounding products. We assume that congruent and incongruent placements will impact shoppers' attention and their decision-making process in different ways.

Attention. In the complex settings of retailing environments, shoppers must select from a wealth of competing inputs so that only relevant information is processed and irrelevant information suppressed (Vossel, Geng, and Friston 2014). This process of actively selecting and interpreting relevant external stimuli is called *attention* (Phaf, Van der Heijden, and Hudson 1990). Besides sensory prior knowledge, reward, task sets, and emotional factors, attentional control is guided by the expectations of shoppers (Vossel et al. 2014). This means that if an in-store stimulus is in line with the expectation of the shopper, it does not require any exceptional attention. Contrastingly, attention is preferentially deployed toward those in-store stimuli that are unexpected to the shopper (Hutter and Hoffmann 2014). Hence, we assume:

> H1: Displays with an incongruent (vs. congruent) in-store location will attract more (vs. less) attention from shoppers.

Buying Decision. Bezawada et al. (2009) suggested that visiting a store aisle can evoke knowledge structures of the corresponding product category in shoppers' minds and will make associate information more readily available. For example, going to the chocolate bar shelf can evoke related memory content such as the taste of chocolate and relevant chocolate bar brands. In this situation, confronted with a display for chocolate bars, shoppers will have a more positive attitude toward the displayed products, leading to a higher likelihood to buy a product from the display. In contrast to this, the perceptual and conceptual fluency for an in-store display with incongruent products, like light bulbs, would be lower. This leads to relatively lower positive attitudes toward the displayed product, which makes it more unlikely that a purchase will be made from the incongruent display. Such assumptions are in line with the associated network theory of category knowledge structures as well as the top-down perspective of category representations (Ratneshwar et al. 2001). We conclude:

> H2: Displays with a congruent (vs. incongruent) in-store location will lead to a higher (vs. lower) likelihood of buying displayed products.

Design/methodology/approach

We tested our assumptions in a field study by using a quasi-experimental design with the between-subjects factor in-store display location (congruent x incongruent location).

Design and Stimulus. The study was conducted for the duration of one week in a store of a Swiss grocery retailer in the dairy and chocolate product category. Congruence of the in-store location was manipulated by locating an in-store display for Swiss chocolate in the aisle for chocolate products (congruent condition) or in the aisle for dairy products (incongruent condition). The location altered respectively every five hours. We kept the displayed product, its price and the promotion activities in both categories at a constant level. The display had been restocked each time its location was changed.

Procedure. We conducted a non-participating observation (NPO), meaning that consumers were unaware that their behaviour was being observed, using a specialized tablet PC solution.

Although NPO is rarely used, it is a powerful technique for analysing consumers' purchase behaviour at the point of sale because it overcomes the potential source of bias that is prevalent in exit-interviews, participating observations and when the shopper is aware of being observed (Hoyer 1984). This NPO served to measure shoppers' attention to the in-store display and the final purchase decision in terms of the amount of purchases as well as purchase abandonments of displayed chocolate bars. $N = 1{,}670$ shoppers were observed (65.6% female) with $n = 863$ in the congruent location setting (in the aisle for chocolate products) and $n = 807$ in the incongruent location setting (in the aisle for dairy products). The observers had been intensively trained prior to the data collection.

Operationalization. The observation started when the consumer entered the aisle with the in-store display. As for the attention to the displayed products, we collected data on the amount of *visual contacts* and *haptic contacts*. Specifically, a visual contact means that one particular product is focused upon and taken into consideration (no views of orientation). To be counted as a visual contact, three criteria have to be met according to Hui et al. (2013): First, the consumer had to face the displayed product. Second, the consumer had either slowed her pace or come to a complete stop. Third, the consumer's field of vision stabilized on the displayed product. A visual contact ended when the consumer shifted her gaze to a different product. Following a visual contact, the consumer could come into a haptic contact with the respective product, which means that she touched the product. After this, the consumer made a purchase decision. This purchase decision either resulted in a purchase or purchase abandonment. *Purchase abandonment* refers to a decision in which a consumer returned the product to the shelf. *Purchase* signifies that the consumer put the respective product into the shopping cart or shopping basket.

Findings

Attention. Overall, 21.2% of the shoppers that entered the aisles with the in-store display had at least one visual contact with the displayed products. This means that the display attracted the attention of more than every fifth shopper who came into its proximity. In H1 we assumed that the display would evoke more attention in the incongruent setting compared to the display in the congruent setting. In the incongruent setting about one quarter of the shoppers in the aisle had visual contact with the displayed product, while only 18% of the shoppers in the congruent setting had visual contact ($p < .001$. In the incongruent setting the number of shoppers who deployed their attention toward the in-store display was 36% higher than in the congruent setting, supporting H1.

Buying Decision Process. While we assumed that the display in the incongruent setting would attract more attention, we expected a larger buying impulse by the display in the congruent setting in H2. First of all, we analysed the conversion from a visual to a haptic contact. Here, we found in the congruent setting that 61.9% of shoppers who had visual contact also took hold of the displayed product. In the incongruent setting, this share was significantly lower (33.2%, $p < .001$), indicating that the display in the incongruent setting transferred the attention into action to a lesser degree compared to the display in the congruent setting. In addition to the conversion rate, we also analysed the share of all shoppers in the aisles with haptic contact in both settings. We found a significantly higher proportion of shoppers in the congruent setting (11.1%), which took hold of the displayed products, than in the incongruent setting (8.2%, $p < .05$). The analyses of actual buying decisions revealed the same pattern: In the first place, we analysed the conversion from attention to a displayed product (visual contact) to buying the product in both settings. This share was significantly higher in the congruent setting (52.9%) than in the incongruent setting (28.6%, $p < .001$). This indicates that the display in the congruent setting can transfer the attention of shoppers to a higher degree into actual purchases than in the incongruent setting.

Since the displayed chocolate was also offered at the regular shelf, it is possible that the observation of the total share of buyers might underestimate the impact of the display in the incongruent setting (that would be, if shoppers have seen the product at the display in the dairy category but travelled to the aisle containing the chocolate products where they picked up the respective chocolate bar). This is why we compared the sales data provided by the retailer's cash desk database for the same time period. We compared the share of shopping baskets that included the displayed product with the time periods when the display was located in the congruent and in the incongruent setting. We obtained the same pattern: In the time periods when the display was placed in the congruent setting, 6.3% of all shopping baskets included the displayed product compared to 4.7% in the time periods when the display was placed in the incongruent setting ($p < .001$).

Original/value

The results of our study show support for our assumptions. The display in an incongruent setting attracted substantially more attention from shoppers than in the incongruent setting. Obviously, the displayed chocolate was not expected by shoppers in the dairy aisle, which led to the shoppers' more intensive interaction with the display. However, our results indicate that it is not always enough for an in-store marketing tool to gain attention: The conversion rate from visual contact to purchasing the product and the total share of buyers of the displayed product were both substantially higher in the congruent setting.

Practical implications

Retailers and manufacturers could learn from these results how to improve the design of displays depending on its in-store location: In congruent settings, design elements of the display should aim at gaining attention. Here, the use of striking features that are schema-discrepant for shoppers could improve its effects, like display size, colours, and unusual shapes. If the display is located in an incongruent setting, the design should focus on communicating a fit between the surrounding products and the displayed products. This might be realized by addressing elements from the product category of the aisle or by referencing the surrounding category.

Research limitations and outlook

We observed the interactions with only one specific display and for one special product category only in a single grocery store. Without doubt, the results of our study might have been different if we had analysed a different product category or a different display design. Future studies should address this issue and also include several control variables (e.g., consumer characteristics, brand awareness, past buying behaviour) to better understand the impact of the location of in-store promotional displays on behavioural outcome variables.

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UNDERSTANDING OLDER ADULTS' "SMART" RETAIL CHANNEL PATRONAGE: A CONSUMER SOCIALIZATION PERSPECTIVE

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Introduction

A retail channel provides a platform where retailers and customers interact. The "smart" retail channel is a relatively new term, which refers to smart technology-enabled shopping channels "where consumers use a computer, a mobile phone, or social media to engage in digital commerce activities" (Dennis et al., 2017, p. 517). Research on smart retail channel patronage behaviours have focused primarily on younger generational cohorts as they are digital natives and active participants of multichannel-commerce activities (Mishra and Maheswarappa, 2018; Shim et al., 2011; Piotrowicz and Cuthbertson, 2014). Furthermore, the current global pandemic has accelerated the digital expansion of the marketplace and encouraged new participants. This digitally enhanced retail experience will change the greying population in their smart retail channel behaviours. However, there is a gap in understanding how they are socialized to become consumers of the smart retail channels.

Purpose

This study aims to expand our understanding of ageing consumers' attitudes and behaviours in the smart retail context using a consumer socialization framework. Specific objectives are to 1) develop a socialization model of smart retail channel patronage, which includes antecedent, socialization process, and outcome variables; 2) execute an empirical study to test the proposed relationships; and 3) provide insights and implications to academia, retailers, marketers, consumers and policymakers.

Literature Review

Research has shown significant influence in attitudes and behaviours by generational memberships. For example, Light (1988) concluded that baby boomers might be less materialistic than younger generations because they were socialized during a time where materialism symbolized a form of social oppression. Further, studies suggest that older adults have more potent abilities to process narrative and emotional texts because they grew up in the era of written documents (Carretti et al., 2007; Phillips et al., 2002). This ability has considerable impacts on older adults reading and processing of consumer and product reviews, which affect consumer behaviour (Von Helversen et al., 2018). Scholars argue that older adults are social-based or functional type shoppers and independence and control are factors to feeling active within retail settings (Angell et al., 2014; Barnhart and Panaloza, 2013). In addition, a large body of literature has concluded a positive association between shopping and the overall well-being of

older adults (Chang et al., 2012; Lim and Kim, 2011; Dennis et al, 2016; Rahman and Yu, 2019). With this perspective, gaining more insights into this mature segment of the population is essential.

Smart Retail Channel

The rapid changes in micro and macro level retail settings have forced retailers to defend their market position and continue to evolve with their smart retail channels. Attitudes toward shopping on smart retail channels were adapted from Weijters et al. (2007) self-service technology study. This positioned smart technology-enabled retail channels under five dimensions; perceived usefulness, ease of use, reliability, fun, and newness. Perceived usefulness represents the utilitarian view on shopping where consumers are concerned with buying products in a timely and efficient manner (Weijters et al., 2007). Ease of use represents the process leading to the final outcome (Weijters et al., 2007). Reliability signifies service quality, correct technical functioning, and accuracy of service delivery (Weijters et al., 2007). Fun represents technology being perceived as entertaining and enjoyable (Weijters et al., 2007). Lastly, newness refers to the innovativeness and feelings of technology being new or original (Weijters et al., 2007).

Smart retail channels have allowed older adults to participate in the marketplace when increase health concerns may limit access or visits to physical stores. The current Covid-19 pandemic has forced many consumers to adopt technology-enabled means of shopping. How are older adults socialized to become more avid consumers of smart retail channels? This study seeks answers to the important research question.

Consumer Socialization

Consumer socialization is defined as "the development of people's cognitions, attitudes, social roles, and attendant behaviors" (De Gregorio and Sung, 2010, p.84). The conceptual model in this research is adapted from a socialization model of retail patronage developed by Bellenger and Mochis (1981) and a model proposed by De Gregorio and Sung (2010). It includes three core elements: antecedents (social structural variables), socialization processes (socialization agents), and outcomes (mental outcomes and behavioural outcomes). Using the socialization process, consumers learn consumption-related skills, knowledge, and attitudes.

Consumer socialization research has been widely applied in the field of consumer behaviour (Moschis, 1987) and has widely acknowledged the impact of social structural

variables such as gender, race, and class, directly and indirectly, influencing knowledge, attitudes, behaviours, and consumer skills. (Moschis 1987; Moschis and Churchill 1978).

Socialization Agents

Socialization agents could be considered as parents, peers, educational institutions, and mass media. Media exposure has been widely accepted under three dimensions; broadcast media (television, radio), print media (newspapers and magazines) and digital media (social media) (De Vreese and Neijens, 2016). Interesting contrasts have been presented regarding media exposure such as older adults spending 77 minutes per day following the news compared to 46 by younger generations (Towner and Munoz, 2016). Further, both younger and older generations are shifting from traditional to digital media outlets; however, older generations still have an affinity to certain traditional media outlets compared to younger generations due to growing up during the height of these outlets.

Consumer socialization literature indicates that peers are the primary socialization agents beyond family members (Köhler et al. 2011; Moschis and Churchill 1978; Shim, 1996). More specifically, research has concluded that peer communication has a strong impact on attitudes towards advertising (De Gregorio and Sung, 2010), shopping orientation (Lueg et al. 2006; Mangleburg et al., 2004), and consumer decision-making (Shim 1996; Smith et al., 2005). When looking at older adults, peer communication from their circle of friends and children are the strongest predictors of attitudes towards marketing strategies (De Gregorio and Sung, 2010). The proposed model of the study is shown below.

Proposed Model
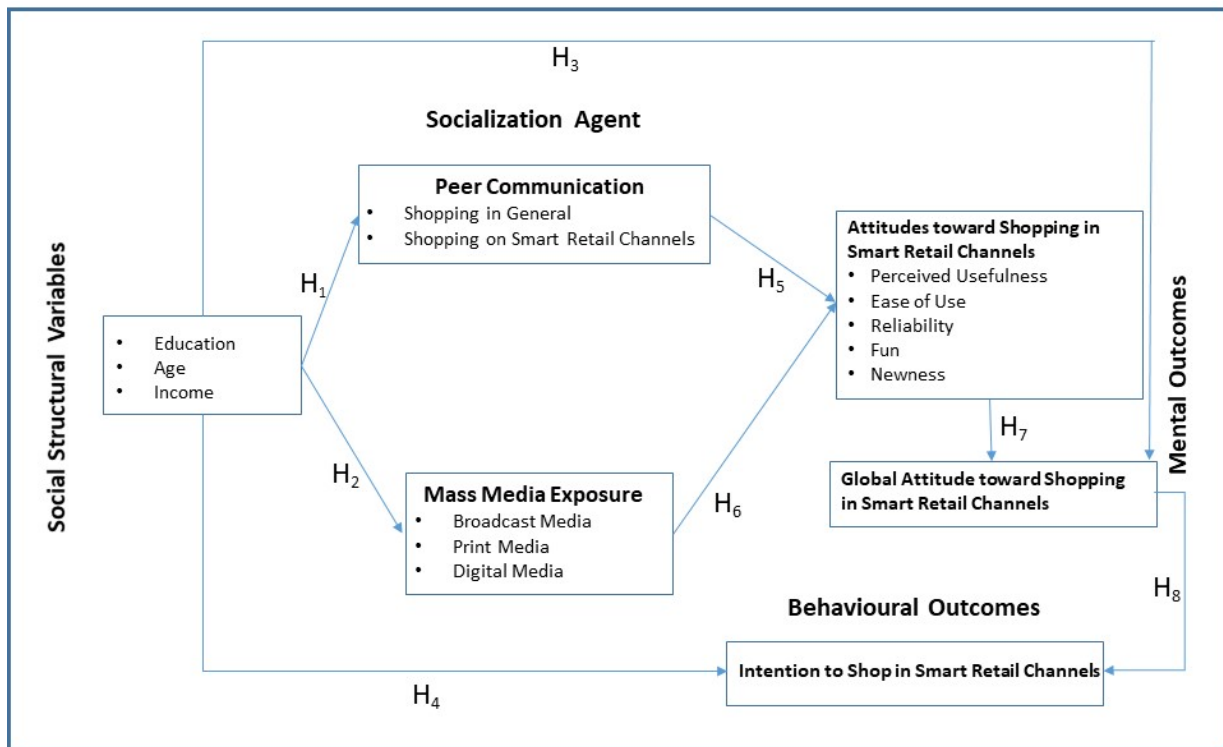
Research Method

The data were collected using an online survey with a Qualtrics panel. A total of 210 responses were deemed valid and included for analysis. Structural Equation Modeling (SEM) with Smart PLS 3 was performed to test the hypotheses.

All respondents were between 57-75 (baby boomers) years old with a median of 63. In terms of education, 24.2% had some post-secondary education, followed by 16.9% with a bachelor's degree. About 1/3 of the respondents were retired, followed by 16.3% were still employed full-time. About 41% of the respondents were married or domestic partner and 32.9% reported as only having two individuals in their household. Lastly, household gross annual income was evenly distributed where "above $100,000" achieved 9.7% of the sample and "$30,001-$40,000" achived 8.2%.

Findings

The results shows that Cronbach alphas are in the range of 0.7-0.9 except two variables, meeting the recommended reliability criteria thresholds of 0.7 (Hair et al., 2017). With regards to

convergent validity, the factor loadings are in the range of 0.78 and 0.96, and AVEs are between 0.55 and 0.92, all exceeding the recommended 0.4 thresholds (Hair et al., 2017). Discriminant validity was tested using Henseler et al., (2015) heterotrait-monotrait (HTMT) ratio of correlations criterion. Discriminant validity is established when the correlation coefficients are all less than 0.90 (except two), meeting the assessment criterion. Model fit. When Smart PLS-SEM is used to test a model, Henseler and Sarstedt (2013) recommends that model fit can be assessed by using the formula, $\sqrt{[}$ (average AVE) x average of R2values]. The average of the AVE figures is 0.811 and the average of R^2 is 0.171. Thus, $\sqrt{[}0.811x0.171] = 0.37$. This figure is greater to the recommended 0.3 threshold (Henseler & Sarstedt, 2013), therefore the model fit is acceptable.

Hypothesis H1 posited that "social structure variables" (education, age, income) will significantly influence "peer communication" (shopping in general, shopping on smart retail channels). This study found a significant relationship between education and shopping on smart retail channels (β = -0.152, $p < 0.05$). Hypothesis H2 posited that "social structure variables" (education, age, income) will significantly influence mass media exposure (traditional mass media, mass media in news, digital mass media). This study found a significant relationship between education and digital mass media (β = -0.171, $p < 0.05$), age and mass media in news (β = 0.263, $p < 0.00$), and income and traditional mass media (β = 0.180, $p < 0.01$). Hypothesis H3 posited that "social structure variables" (education, age, income) will significantly influence "global attitude towards shopping in smart retail channel" (mental outcomes/feelings) and hypothesis H4 posited that "social structure variables" (education, age, income) will significantly influence "intention to shop in smart retail channels" (behavioural outcomes). Both H3 and H4 generated no significant paths. Hypothesis H5 posited that "peer communication" (shopping in general, shopping on smart retail channels) will significantly influence "attitudes towards shopping in smart retail channel" (perceived usefulness, ease of use, reliability, fun, newness). This study found a significant relationship between shopping in general and ease of use (β = -0.195, $p < 0.05$), shopping on smart retail channels and ease of use (β = 0.237, $p < 0.01$), and shopping on smart retail channels and fun (β = 0.164, $p < 0.05$). Hypothesis H6 posited that mass media exposure (traditional mass media, mass media in news, digital mass media) will significantly influence "attitudes towards shopping in smart retail channel" (perceived usefulness, ease of use, reliability, fun, newness). This study found a significant relationship

between traditional mass media and newness ($\beta = 0.172$, $p < 0.01$), digital mass media and perceived usefulness ($\beta = 0.278$, $p < 0.000$), digital mass media and ease of use ($\beta = 0.243$, $p < 0.01$), digital mass media and reliability ($\beta = 0.227$, $p < 0.01$), digital mass media and fun ($\beta = 0.212$, $p < 0.05$), and digital mass media and newness ($\beta = 0.285$, $p < 0.000$). Hypothesis H7 posited that "attitudes towards shopping in smart retail channel" (perceived usefulness, ease of use, reliability, fun, newness) will significantly influence "global attitude towards shopping in smart retail channel" (mental outcomes/feelings). This study found a significant relationship between perceived usefulness and mental outcomes/feelings ($\beta = 0.196$, $p < 0.05$), ease of use and mental outcomes/feelings ($\beta = 0.154$, $p < 0.05$), reliability and mental outcomes/feelings ($\beta = 0.219$, $p < 0.01$), and fun and mental outcomes/feelings ($\beta = 0.340$, $p < 0.000$). Hypothesis H8 posited that "global attitude towards shopping in smart retail channel" (mental outcomes/feelings) will significantly influence "intention to shop in smart retail channels" (behavioural outcomes). This study found a significant relationship between mental outcomes/feelings and behavioural outcome ($\beta = 0.728$, $p < 0.000$).

Contributions & Practical Implications

Highlighting some key findings from our study, digital mass media exposure significantly impacted all dimensions of attitudes toward shopping in smart retail channels. This provides evidence of a meaningful shift of interest and engagement in smart retail channel participation from older adults through the exposure of digital mass media. The importance of this finding is crucial as traditionally younger generations are digital natives compared to older segments. Therefore, older adults responding to digital media over traditional or news media garners considerable implications that older adults are not only adopting but becoming active in different digital environments. Additionally, older adults found perceived usefulness, ease of use, reliability, and fun as significant factors towards mental outcomes or feelings towards smart retail channels. This signifies specific factors of acceptance towards the adoption of smart retail channels. Finally, mental outcomes/feelings significantly impacted behavioural intention. That said, all these findings suggest a shift in older adults who show an active interest in smart and digital channels.

An important implication from this research is the current and future global shift of older adults in the digital marketplace. The expansion of digital commerce has focused primarily on younger cohorts and this study provides insights into ageing generational cohorts within this

context. Older adults are increasingly closing the gap on younger generations on the technological divide and hold stronger disposable income than younger cohorts (Nillson and Tetlow, 2017). In addition, leveraging smart and digital technologies allow older adults to remain connected to their communities, families, and maintain a sense of independence. Considering this, this research provides important findings where the greying population is adapting and engaging in these environments.

Future research should consider examining solely older adults use of m-commerce (computers) over smartphones as they may have used it in the past for work and maybe more comfortable. Furthermore, examining specific product types or sectors would be beneficial to compare and infer the level of change and impact concerning these dimensions. Both are considerations for future research in older adult's socialization.

Keywords

Consumer Socialization, Smart Retail, Consumer Behaviour, Baby Boomer, Quantitative, Omni-Channel

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UNDERSTANDING SHOPPING BEHAVIOUR: THE IMPACT OF EXTERNAL AND INTERNAL VARIABLES ON ONLINE AND OFFLINE PURCHASES

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Introduction

Over the years, the consumer purchase process has been considered as a series of sequential phases that originate from the establishment of needs, search for information and evaluation of alternatives, to the act of purchase (Bellini, et al., 2017). More specifically, it is a path divided into different phases that are carried out both inside and outside the store. This process starts with the development of a purchase motivation, then there is a phase of research, evaluation and selections of brands/products, selection of the store, visit to the store, purchase, repurchase, personal considerations and finally word of mouth. Along this path, the purchase behaviour is affected by different stimuli that influence the outcome of the decision. Specifically, the nature of the behaviour (planned vs impulsive) may vary across situations and can also be the result of several characteristics.

In the grocery setting, many studies have been focused on the understanding of the variables that might have an impact on the nature of offline shopping behaviour. However, no studies have tried to test the same variables in the online context. Is the phenomenon of impulse buying still present in the online environment? Having a deeper understanding of the shopping behaviour online is paramount for both retailers and manufacturers given the increasing importance of the e-commerce in the present situation.

During the pandemic, in fact, Italian consumers have quickly overcome the barriers (technological, personal or cultural) that have prevented the evolution of online retail models for years. This phenomenon has affected different sector, including the grocery one. Specifically, according to Statistica in 2020, the Food & Grocery sector has registered + 56% of online purchases, while Clothing sector, with 3.9 billion, has registered an increase of 21%. According to the same source, Italians are not only making more online purchases, but their shopping cart value has also increased. As a proof, the revenues recorded by e-Commerce in the period January-April 2020 increased significantly compared to the same period of the previous year, with a peak in the first week of April (73%).

Purpose

Given the scenario previously described, the present work intends to fill the gap in literature about the phenomenon of impulse buying in the online setting by detecting the presence of impulsive purchases in the online grocery setting and outlining the variables that affect the nature of the behaviour. For the purpose of the study, we compared the impact of both external and internal factor in online vs offline context in order to detect the main differences in the pattern of shopping behaviour.

Conceptual framework

The knowledge of consumer attitudes towards commercial services has had an ever increasing importance for the purposes of planning trade and consumer marketing strategies.
Lterature about the study of the consumer initially focused mainly on his behavior towards products and brands. The strategic value of purchasing behavior was recognized only in a second phase. For a long time, industrial companies have invested significant resources in trade marketing to stimulate demand for their brands, but over the years the focus has gradually shifted towards the behavior of the shopper inside and outside the store, especially with reference to unplanned purchases (Cardinali, 2007).
In literature the subject of impulse purchases has been treated for a long time, already starting from the 60s.
With reference to the Grocery sector, there have been several studies related to impulse purchases: some scholars, such as Thomas and Garland (1993) have focused their studies on the reasons that push buyers to use a written shopping list. Their research demonstrates how the creation of a shopping list for grocery purchases affects the overall value of the receipt. In fact, those who have a written list spend less, on average, than those who do not have a list.
It has also been recognized that the phenomenon of the concentration of purchases (commonly defined as "one stop shopping") makes it less necessary to plan purchases by creating a written shopping list. This had also been recognized in 1967 by Kollat and Willet ,who showed that the impulse was greater in weekly purchases rather than in top-up, or daily or emergency spending.
Today's consumer is increasingly rational, wants to speed up the purchase of trivial goods and wants to save time when it comes to shopping for food. Even if the grocery sector tends to be associated with negative emotions and low intensity pleasure (Cardinali, 2007), the phenomenon of impulsive purchases is still present and the majority of the decisions are taken inside the store. It is then fundamental understand on which variables shoppers rely when they select a product.
According to the literature, the factors that lead consumers to buy on impulse are different: there are factors related to the characteristics of the product, of the individual's personality and in addition there are external variables that can be controlled by retailers. Are the same variable able to influence the behaviour online?
Most of the research has analysed the online shopping process of consumers according to the rationality model, based on cognitive problem solving and information processing. In fact it has been shown by several studies (Parboteeah, 2005) that the style of communication, the ease of use and the pleasure experienced while browsing the website bring to reasoned purchasing behaviour (Verhagen and van Dolen, 2011).
However, when consumers make online purchases they often act impulsively, especially thanks to the easy access to products of all kinds, the lack of social pressures, the ease of the purchase process (sometimes just a few clicks are enough to buy something). In particular, it

has been shown that impulse buying occurs in 40% of online expenses (Verhagen and van Dolen, 2011). Which variables affect the online impulsive behaviour? Can we use the model tested offline in order to establish the main aspects of the personality and the environment (physical vs virtual) able to explain impulsive purchases online?
Figure 1 shows the models and the hypothesis.

Figure 1. Hypothesis of the model
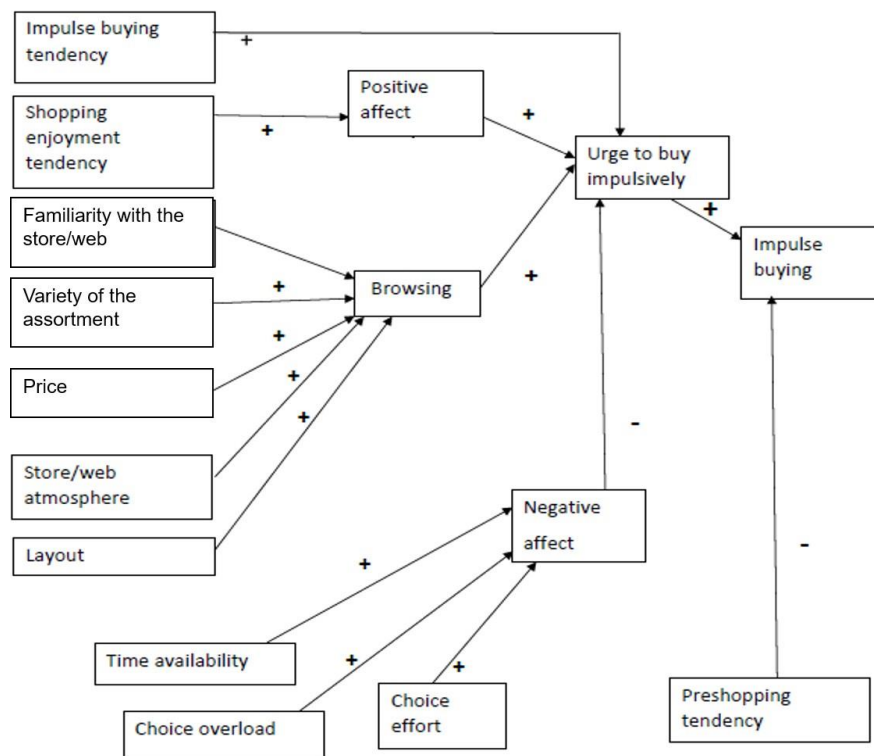
Methodology

In order to answer the questions we developed two structured questionnaires with the aim to test the impact of different variables on in store behaviour (both physical and virtual). Specifically, we tested the effect of personal characteristics (Impulse buying tendency, shopping enjoyment tendency and pre-shopping tendency), situational factors (positive and negative affect, time available/spent during the shopping trip, choice effort, familiarity with the store), store variables (price, assortment, atmosphere, layout, choice overload) on shopping behaviour (browsing, urge to buy impulsively and impulsive purchases). All the items considered were taken from previous models tested in the offline context (Beatty and Ferrel, 1998; Rook and Fisher, 1995; Putrevu and Lord, 2001; Burnham, Frels and Mahajan, 2003; Sproles and Kendall, 1986).

Validated scales made up of different items were used to measure the variables under consideration the answers were detected on a 7-point likert scale where 1 = disagree and 7 = fully agree.

The variables tested in the two models were the same and we adapted the offline scales in the online environment. All the data were processed using SmartPLS package.

We collected 90 complete questionnaire for the online shopping (63,3% female, average age 32,74) and 171 for the offline shopping (68,4% female, average age 32,64).

Findings

Figure 2 shows the different output. We have reported the intensity of the relationship and the significance of the relationship (we put a asterisk when the relationship reached a p-value<.10).

Figure 2. Path coefficients of the two models (online and offline)

Relations	Coefficients online model	Coefficients offline model
Impulse buying tendency → Urge to buy	0.569*	0.519*
Shopping enjoyment tendency → Positive affect	0.177	0.454*
Familiarity to the store/web → browsing	0.254*	0.068
Variety of the assortment → browsing	-0.049	0.123
Price → browsing	0.206*	0.194*
Store/web atmosphere → browsing	0.254	0.174*
Layout → browsing	-0.440*	-0.203*
Positive affect → Urge to buy	0.001	0.236*
Browsing → Urge to buy	0.272*	0.215*
Time → negative affect	0.139	0.131
Choice overload → negative affect	-0.012	0.024
Choice effort → negative affect	0.333	0.247*
Negative affect → urge to buy	-0.227	-0.102*
Urge to buy → impulse buying	0.509*	0.673*
Preshopping → impulse buying	-0.233*	-0.216*

By looking at the results, we found some similarities in the model and some differences. We are going to stress the main differences.

First of all, in the offline context we found a significant relationship between SET and positive affection, while we did not find any significant pattern in the online context. Second, positive affect does not have a significant relationship on the urge to buy impulsively in the online context. This, during the "virtual" shopping activity, we cannot argue that if the shopper feels positive sensations during the shopping activity, he necessarily experiences sudden impulses to buy impulsively.

Furthermore, we did not find an impact of positive and negative affect on urge to buy in the online environment. This can support the hypothesis according to which we experience low levels of emotional issues while shopping online.

At the same time, the web atmosphere does not have an impact on the browsing behaviour, as the design the website is not able to influence the way shoppers look for products.

Finally, an interesting significant relationship in the online context is the one between familiarity with the website and the browsing behaviour, something not found in the offline context.

Contributions

The present work is a first attempt to compare shopping behaviour in an online vs offline context and to highlight differences and similarities. Furthermore, this is a first attempt to assess the presence of the phenomenon of impulsive purchases online and to identify the variables that affect the nature of the behaviours.

Practical implications

Results can give to retailers and manufactures interesting clues about how to communicate to shoppers, how to organize the website, on which aspect they must focus in order to stimulate impulsive behaviours.

Research limitations and outlook

The limitations are related to the sample size. Maybe we need to collect more data for what concern the online model. The limited sample size is due to the fact that Italian customers are not used to shop grocery products on line. Further research will include more respondent and will test a simpler model.

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Keywords

UNETHICAL CUSTOMER BEHAVIOUR IN GROCERY RETAIL STORES – INSIGHTS FROM THE COVID 19 CRISIS

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Keywords

Unethical customers, crisis shopping, consumer ethics, brick and mortar retail, frontline employees

Introduction

Hoarding, cheating, corruption, profiteering and engaging in dishonest acts – unethical customer behavior (UCB) during the Covid 19 crisis. UCB is pervasive during crisis situations leading to challenges for retailers, their employees and other customers. Not

surprisingly, such behaviors affect frontline employees and their organizations negatively. Moreover, the exposure to such behaviors is especially problematic for employees who are dependent on their job to deliver the income necessary for personal survival. For example, (Quade *et al.*, 2013) provide, in their research about unethical customers in relation to employee burnout, interesting insights into severe effects of UCB on stakeholders such as frontline employees. Pierce and Snyder (2013) indicate similar results by showing the impact of UCB on employee turnover intentions as well as other psychological parameters. Apparently, UCB has severe negative effects on the mental health conditions of frontline employees, which shows that it is important to understand how such behaviors evolve and how retailers can prevent it. Different types of challenges in various sectors and companies during the pandemic are elaborated by Paul and Chowdhury (2020) by referring to supply chain disruptions due to unusual customer behaviors. UCB is not only a problem for frontline employees but a serious threat to the retail businesses and the service delivery quality. While current academic literature focusses on the changed consumer behavior with regards to goods during the crisis, limited research aims at exploring customer behavior during crisis situations and its ethicality (Sobirova, 2020; Simon, 2009; Zwanka and Buff, 2021). In view of that only a small aspect of customer ethics is well examined such as panic buying (Galoni *et al.*, 2020; Hall *et al.*, 2021; Miri *et al.*, 2020). This is astonishing as the dimensions of UCB and its direct perception of frontline employees as an important asset within the service delivery network remain a mystery. Therefore, the aim of this research is to examine UCB and its dimensions in crisis situations, to consider frontline employees as well as customers perception of UCB as the unit of analysis and consequently to uncover the hidden phenomena of crisis shopping behaviors by providing practical implications for retailers.

Purpose

The purpose of this paper is to investigate and identify UCB during the pandemic caused by Covid 19, within the retail setting (first contribution), to explore the reasons behind it (second contribution) and to provide insights about the consequences for retailers and customers (third contribution). In order to bring benefit to retailers and increase the practical value of this research strategic, practical prevention tools are developed, aimed at minimizing the negative effects for customers, frontline employees and retailers overall (fourth contribution). Moreover, a differentiation of UCBs during the different stages of the pandemic is examined and a broader perspective of UCB during each phase is given. In concrete, in this paper the question of whether unethical behavior was relevant during all phases of the pandemic, and to what extent, is addressed (fifth contribution). Lastly, multiple perspectives will be considered. A concrete comparison of UCB perceptions of customers and frontline employees shall provide a holistic view of the topic (sixth contribution).

Conceptual framework

The theoretical foundation of this research paper consists of the following dimensions: The phases of the crisis (1), the unethical customer behavior (2), the Covid 19 customer crisis behaviour (3) and along its reasons and consequences referring to the stimulus organism response framework (4).

The phases of the crisis differ between panic phase, adaption phase and the transition to the new normal (Growth from Knowledge, 2020). Unethical customer behaviour is defined as any customer behavior which is deviating from generally accepted moral norms (Quade *et al.* 2013; Vitell and Muncy, 2005) and which consequently harms different stakeholders within the retail setting such as other customers, frontline employees or assets of the firm. Sobirova (2020) provide a relevant conceptual model which explains non – ethical behavior during the

pandemic. This model is relevant as it targets specifically unethical customer behavior during the Covid 19 crisis and therefore forms dimension 3.

Unethical customer behavior (UCB)
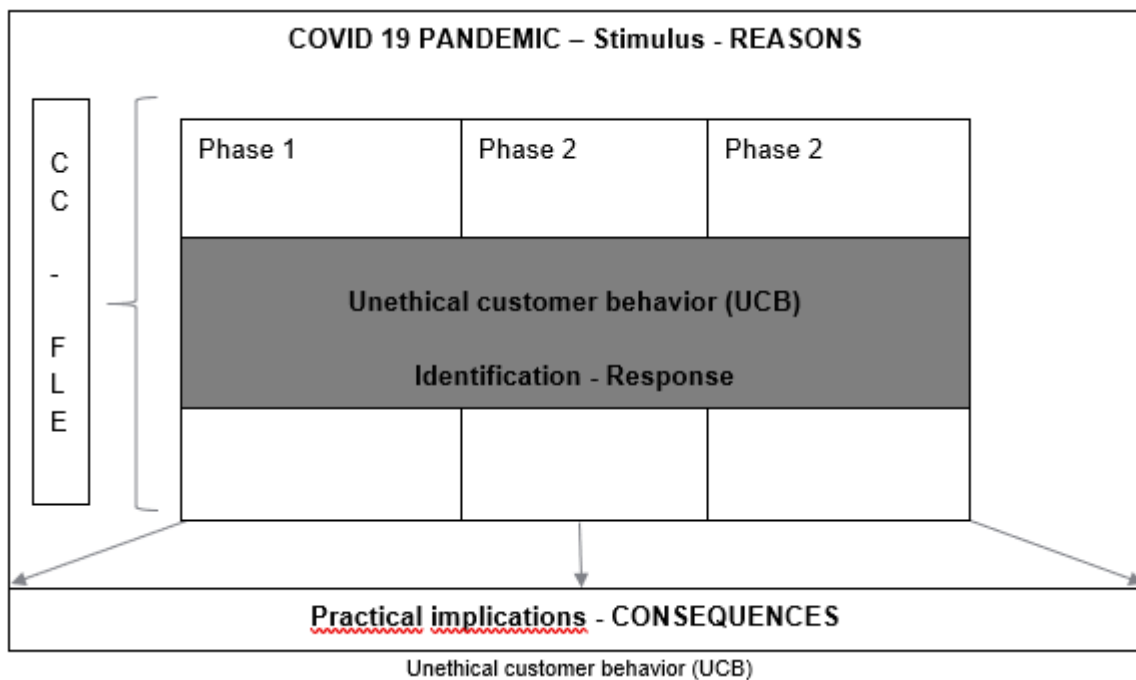
The above illustration shows the framework for the following research design. As per the S-O-R model the stimulus component represents the Covid 19 pandemic as the reason the for the unethical customer behavior. There are intra personal factors as well leading to certain behavioral responses however these factors are not considered in this paper as these cannot be controlled and have hence limited practical implication for retailers. The second layer represent the different phases of unethical customer behavior which are defined as panic phase, adaption phase and new normal phase. The identification of unethical customer behavior functions as response according to the S-O-R model and show the unethical behavioral responses of customers. CC – FLE stands for the comparison of the views of unethical customer behavior between customers and frontline employees. As consequences from this examination practical implications for retails will be provided.

Methodology

Two studies were carried out, with a qualitative research design chosen for both and the data coded and analyzed by two independent researchers. For Study 1, 45 semi-structured interviews were conducted. All respondents were within the age group of 18 to 65. The distribution of genders was 40% male and 60% female. For Study 2, 54 semi-structured interviews were carried out with frontline employees working within grocery retail stores. Out of this sample, 22 of the frontline employees were store owners and the other 32 were store managers, giving the advantage of a meta-perspective on customer behavior.

Findings

In this section, the findings of the qualitative research shall be briefly explained. First, the causes of UCB will be displayed; second, the persistence of UCB during all three phases of the pandemic will be explained; and third, the customer and frontline employee perspectives shall be compared and conclusions drawn. The three phases are characterized as the "before lockdown phase", or phase 1, the "lockdown phase", or phase 2, and "the after phase", or phase 3, which is defined as the post-lockdown phase when shops were opened again. The causes of UCB are found to be fear and panic, a lack of trust and faith, as well as selfishness

and greed as well as laziness leading to changes in demand. The reasons for changes in behaviors during the three phases differed. Whereas fear and panic dominated behavioral changes in phase 1, awareness and priorities reasoned different behavioral changes in phase 2 and 3 representing the highest motivational drivers for changed behaviors in phase 3 overall. Therefore, it is apparent that there was no awareness for crisis situations and coping approaches during the first phase of the initial lockdown which changed during the following lockdown phases. In fact, the more customers became aware of the situation their priorities changed and hence their customer behavior adjusted to the changes consequently. As major reasons for UCB, lack of trust, selfishness and greed are the main factors throughout all phases and among all respondents. Laziness was specifically apparent during phase 3 but not in phase 1 and 2. Panic buying was the most prevalent UCB observed by customers, which was identified and found to be stable throughout all three phases of the pandemic. Non-compliance with rules and outrageousness were other stable UCB patterns described by customers throughout all three phases. Similarly, frontline employees recognized panic buying and hoarding as the most common UCB. Another UCB, identified by store managers, was the angriness and aggressiveness of some customers, especially at the beginning of the lockdown. This behavior was caused by uncertainty, fear, panic and empty shelves. Furthermore, some customers were highly ignorant of security measures, for instance refusing to wear a mask. It is apparent that UCB was identified by customers throughout all three phases. For the store managers, however, UCB was only perceived during the first two phases of the Covid 19 pandemic. Customers and frontline employees gave similar opinions in terms of citing the UCB of panic buying most often across all phases of the pandemic. Non-compliance of rules was also observed by customers and employees in all phases. Outrageousness was mentioned by both types of respondent as UCB. However, while the store managers observed this behavior in phase 2 as well as the other phases, the customers did not mention it in phase 2, interestingly.

Practical implications

Based on the identified UCB of customers during all phases of the pandemic, namely panic buying, non-compliance with rules and outrageousness, along with the reasons for them, such as fear, panic, selfishness, laziness and a lack of trust, the following practical implications should provide insights for retailers and help them to prevent UCB from arising in the future and to help their employees deal with the same in a healthy way: Panic buying can be reduced by the provision of transparency and insights on stock availability and by controlling false news (Arafat *et al.*, 2020). Retailers could, for example, counteract challenging media coverage such as exaggerated bad news by proactively informing customers about the actual situation and providing transparency about the availability of products. Rule compliance can be enhanced by increasing the awareness of the relevance of rules such as wearing a mask or maintaining distance. Positive reinforcement, which is a concept from motivational psychology, could also be implemented by retailers through the promotion of ethical customer behavior and the showing of appreciation with special treats. Outrageousness as an impulse could possibly be partially eliminated by in store design variables. This links to phenomena such as impulse buying patterns in relation to store environments (Mohan *et al.*, 2013) which is academically well established. Selfishness will always be apparent and is difficult to control but one could smartly use the selfishness of customers by asking them to behave in certain ways in return for small gifts, which again refers to the above-described motivational strategy of positive reinforcement.

Research limitations and outlook

Qualitative research designs are limited with regards to their level of representativeness due to small sample sizes as well as interactional effects between researcher and interviewees.

Hence, a quantitative research design should have been implemented in order to develop hypotheses based on the findings of the qualitative research design. Mixed methods could have added value as they provide greater objectivity and validity based on the greater sample sizes that feature within quantitative research designs.

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Keywords

unethical customers, crisis shopping, consumer ethics, brick and mortar retail, frontline employees

WEBROOMING: IMPACT ON THE WELL-BEING AT THE MALL

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Introduction

Digital technologies have profoundly altered purchasing processes and transformed how consumers search for information, compare products and make purchases (Nam and Kannan, 2020). The traditional in-store visit has been replaced by fragmented processes that are spread across several sales channels, giving rise to so-called 'omnichannel' behavior (Verhoef, Kannan and Inman, 2015). As consumer behavior has become omnichannel, webrooming, which consists of searching for information online before visiting a physical shop[1], has become commonplace. Currently, 58.2% of the American population has adopted this behavior. Such purchasing practices have been widely studied in the literature, with the vast majority of studies focused on identifying their determinants (Balasubramanian, Raghunathan and Mahajan, 2005), while investigations of the consequences of such practices are few and far between (Flavian et al., 2020).

Given these observations, this article studies the impact of online browsing on the emotions and well-being felt by the customer in the mall. Does starting the shopping journey and the search for information online have an impact on the customer's behavior when they visit the point of sale? More specifically, how does online research influence well-being during the shopping experience?

Purpose

Webrooming: determinants and consequences

Many studies have sought to understand how consumers choose between channels, and why they switch from one channel to another during the decision-making process. While the preference for online or offline shopping has been shown to be a function of the product category (Singh et al., 2014), it also depends on where the customer is in the decision-making process (Gensler et al., 2012), and on perceived channel characteristics (Verhoef et al., 2007).

In addition, when making their choice, consumers evaluate the costs and benefits of each channel throughout the decision-making process. Their objective, both at each stage and with respect to the overall process, is to minimize effort (in terms of time, money, or risk) and/ or to optimize the results obtained (making the right purchase, at the right price, with the greatest hedonic value) (Alba et al., 1997; Gensler et al., 2012).

While several studies have investigated the determinants of cross-channel browsing, the consequences of such behavior have, on the other hand, received little attention. In the context of clothing purchases, a recent study (Flavian et al., 2020) revealed that consumers who had carried out an online search for information prior to an in-shop purchase (webrooming) had the impression that they managed their time and money better than those who had travelled in the opposite direction (showrooming). In the mall, webroomers feel they have greater control over their spending, time, and effort (Bouzid and Vanheems, 2014). Webroomers are more focused on product attributes, because they have invested more time in the purchase (Fernández et al., 2018). They also feel that they have made the right purchase.

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[1] https://wearesocial.com/fr/blog/2021/01/digital-report-2021-les-dernieres-donnees-de-notre-etat-des-lieux-du-digital-dans-le-monde WeareSocial's January 2021 report.

These results show that the utilitarian dimension of shopping is impacted by online browsing: the webroomer feels more in control of his or her time, money and in-store efforts. Since he or she has prepared for their purchase online, the consumer proves to be more efficient when they reach the mall. However, if we consider that shopping is both "work and fun" (Babin et al., 1994), what is its impact on the 'fun' dimension of in-store shopping? In other words, what is the impact of webrooming on the hedonic aspect of shopping?

Conceptual framework

From online browsing to emotions and well-being

Few studies have investigated the impact of webrooming on the hedonic dimension of shopping, and therefore on the pleasure of shopping, and well-being and the emotions felt when visiting the mall.

Although in-store well-being has been the subject of numerous studies (El Edhldi et al., 2013), it has not been studied for shopping trips that begin online and end offline. Nevertheless, an exploratory qualitative study (Vanheems, 2012) seems to suggest that a customer who begins his or her shopping process online is "more serene", "more zen", "smiles more", "is less aggressive" and has "more self-confidence" in the mall than a customer who does not. As serenity, zenitude and smiling suggest an inner harmony that is comparable to well-being, we develop the following hypothesis:

H1: Consumer in-store well-being is higher when he or she has browsed the Internet before visiting the mall than when they do not.

We anticipate that webrooming will generate more positive emotions and thoughts, as it improves the management of time, money and physical resources (Flavian et al., 2020) and gives the buyer a greater sense of personal efficiency (Bandura, 2009). However, any activity that is associated with pleasant emotions and thoughts is likely to generate well-being (Lyubomirsky and Layous, 2013). In particular, Dawson et al. (1990) showed the importance of two fleeting emotions *pleasure* and *arousal* in the purchasing process (Dawson et al., 1990). In this context, we develop a second hypothesis:

H2: Emotions are a mediating variable in the relationship between prior online browsing and in-shop well-being.

- o H2a: *Pleasure* is an emotion that mediates the relationship between prior online browsing and in-store well-being.
- o H2b: *Arousal* is an emotion that mediates the relationship between prior online browsing and in-store well-being.

Design/methodology/approach

Our quantitative study was carried out among 436 adults, representative of the American population. The questionnaire was administered via a professional online platform that ensured representativeness of the American population in terms of socio-demographic data, ethnicity, state, education and household yearly income. Our retrospective and introspective approach adopted a protocol that has been used in social psychology in other studies of well-being (Guevarra and Howell, 2015; Van Boven and Gilovich, 2003). Respondents were

asked: 1) To think about a recent in-store purchase for a product that they considered to be important. 2) Whether they had browsed the Internet prior to their visit to the point of sale, then, adopting an introspective perspective, they were 3) asked to recall their state of mind when in the mall. Scales reported in the psychological literature (Appendix 1) were used to measure emotions and well-being.

H1 was tested with a comparison of means. H2 and H3 were tested with a model in which in-shop emotions (*pleasure* and *arousal*) mediated the relationship between online browsing and in-store well-being. The PROCESS macro (Model 4) (Hayes, 2013), was adopted, with 5000 bootstraps, using item means for *pleasure* and *arousal*, and in-store well-being.

Findings

Descriptive analysis

The descriptive analysis revealed that respondents were aged 18–64 (mean 43), with 53.2% of the sample being female. Purchases were clearly important (m=4.33/5). In particular, 20.4% corresponded to electronic goods, 16.7% related to beauty, fashion and accessories, 27.5% concerned durable goods (furniture, cars, and outdoor equipment), and 35.2% related to other products (mainly food, medicines and gift cards). Overall, 67.7% of purchases were made during the preceding month.

Testing H1

An independent samples *t*-test revealed a significant difference in means between the two groups (online browsing prior to an in-store purchase *versus* an in-store purchase not preceded by online browsing). As Levene's test was significant, we report results for the Mann–Whitney *U* test (Appendix 2). These show that individuals who researched their purchase online had greater in-shop well-being (m_{Ropo} = 3.99) than those who had not browsed online (m_{Noropo} = 3.62). These results support H1.

Testing H2 and H3

The model revealed that online browsing had a significant and positive effect on in-store *pleasure* (a_1 = .30; t = 4.41; p < .01) and *arousal* (a_2 = .39; t = 4.10; p < .01). After controlling for the effect of online browsing and arousal, the effect of *pleasure* on in-store well-being was significant and positive (b_1 = .66; t = 12.70; p < .01). Similarly, after controlling for the effect of online navigation and pleasure, the effect of *arousal* was significant and positive (b_2 = .27; t = 7.20; p < .01). The direct effect of online browsing on in-store well-being then becomes non-significant (c = .06; p = .39).

However, the indirect effect of online browsing on in-store well-being, mediated by *pleasure*, is significant and positive ($a\ x\ b$ = .20), with a 95% confidence interval, excluding 0 (CI = [.108 to .307]). Similarly, the indirect effect of online browsing on in-store well-being, mediated by *arousal*, is also significant and positive ($a\ x\ b$ = .11), with a 95% confidence interval, excluding 0 (CI = [.057 to .174]). Finally, the comparison of these two effects shows that the indirect effect of *pleasure* is significantly stronger ($a\ x\ b$ = .10) than for *arousal*, with a 95% confidence interval excluding 0 (CI = [.0007 to .1966]). We therefore conclude that these emotions indirectly mediate the relationship between online browsing and in-store well-being (Figure 1). These results support H2 and H3.

Emotions at the mall
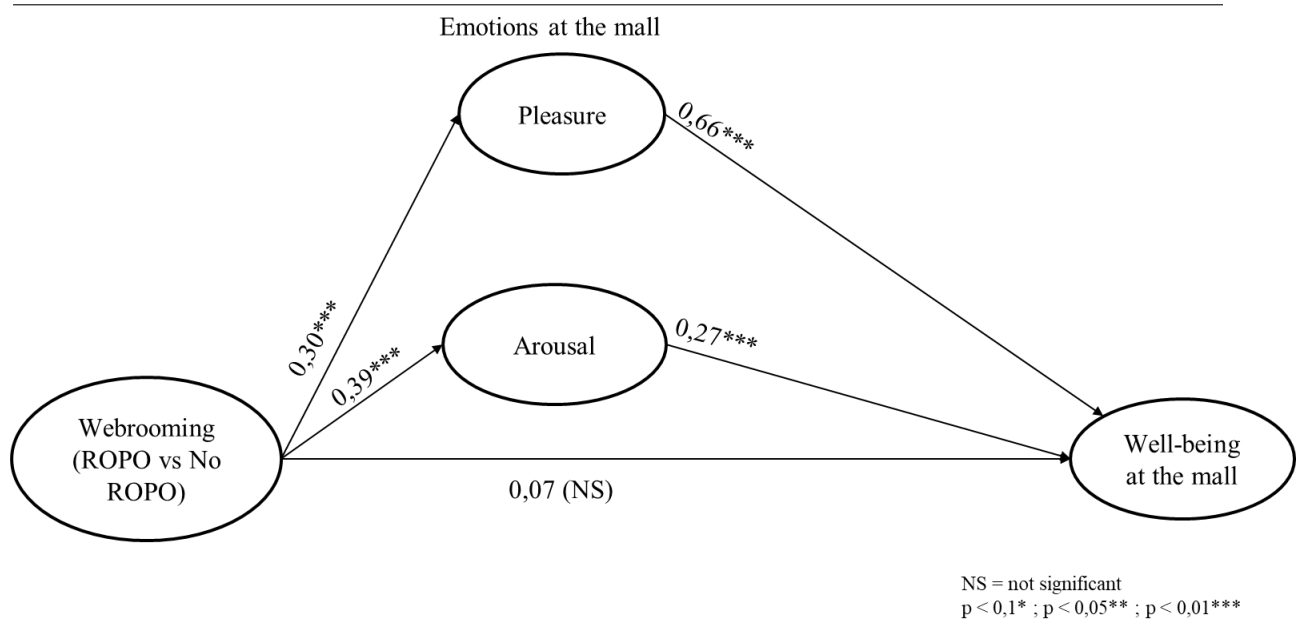
Figure 1: The mediating effect of emotions on the webrooming – well-being relationship.

Originality/value/limitations

Our study is, to the best of our knowledge, the first quantitative investigation to highlight:

(1) The relationship between prior online browsing and in-store well-being. The current literature on in-store well-being is focused on variables that are inherent to the physical point of sale (El Hedhli et al., 2013). The few studies that have investigated this issue are exploratory (Vanheems, 2012).

(2) The mediating effect of emotions on this relationship. The latter is so strong that it overwhelms the initial direct effect. Consumers who precede their in-shop purchase with online browsing experience more pleasure and arousal at the physical point of sale, which contributes to his or her general in-store well-being.

This research has a number of limitations. Asking the consumer to recall a purchase brings biases, but on the other hand allows the consumer to take the time to answer, which is rarely the case at the point of sale.

Practical implications

This article underlines that it is in the interest of retailers to encourage webrooming, as this behavior generates more pleasure and arousal than traditional shopping. A multiplication of touchpoints in the customer process helps to create a positive emotional state and generate in-store well-being. The search for the product becomes a form of treasure hunt where the customer self-evaluates and challenges him or herself. Our findings indicate that the hedonic dimension of shopping, which we have known about for a long time, can be exacerbated when it is prolonged and supported by several channels.

Research limitations and outlook

Our study could be expanded by considering the product category. Is the mediating effect as strong for hedonic products as it is for utilitarian products? Other variables could mediate the link between webrooming and in-store emotions. These could include the consumer's personality with regard to shopping, such as purchasing orientations or the perceived control of resources (in particular, temporal), along with the relationship to technology.

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Keywords

Appendix

Appendix 1: Measurement scales

Scale (Authors)	Items
Well-being measure (Guevarra and Howell, 2015) KMO= 0.752; AVE=82.9%; Cronbach's alpha = 0.90	How much does this visit in store contribute to your happiness? from 1 (not at all) to 5 (very much) How much has visit in store contributed to your overall life's happiness? from 1 (not at all) to 5 (very much) How much has this visit in store increased your overall life satisfaction? from 1 (not at all) to 5 (very much)

Measure of affective states
 	
(Machleit, Eroglu and Mantel, 2000)
 	
KMO= 0.771; AVE=73.4%; Cronbach's alpha: Arousal factor = 0.76 ; Pleasure factor = 0.87
	During this shopping experience, did you feel:
	  - happy–unhappy
	  - pleased–annoyed
	  - contented–melancholic
	  - stimulated–relaxed
	  - excited–calm
	  - aroused–unaroused

Appendix 2: test of H1

Non-parametric test							
Dependent variable	**Independent variable**	**N**	**Mean**	**SD**	**Average rank**	**Mann–Whitney *U***	**Sig.**
In-store well-being (3 items)	Online preparation	250	3.9867	0.88257	238.12	28156.00	0.00
	No online preparation	186	3.6183	1.02903	192.12		

Price, product/service, distribution and communication

RETAIL FOOD PROMOTIONS: CONSUMER ABILITY TO WORK OUT THE BEST DEAL

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retail; promotions; consumer; numeracy; consumer skills

Introduction

Price is an important factor for consumers when choosing groceries, and price promotions are a tool frequently used by retailers in the grocery sector to increase sales (Carlson and Kukar-Kinney, 2020; Zorbas *et al*., 2020). However, various promotions have been considered to be misleading, or complex to calculate, making it difficult for the consumer to determine the best deal (Babin *et al*., 2004; Garaus *et al*., 2015). Although, there are various factors which can impact on consumers ability to work out the best deal, such as financial and time constraints, another important factor is consumer numerical ability (Lee *et al.,* 2015). Numerical skills aid consumers in understanding, processing and comparing differences in prices between different product options (Tan and Bogomolova, 2016; Zorbas *et al.,* 2020), and are therefore a particularly important consideration for consumers on low budgets (Tan and Bogomolova, 2016). Consumers with low levels of numerical skills will be disadvantaged when making product choices (Jae and Delvecchio, 2004). If consumers cannot process information correctly, they are less informed and have reduced agency when responding to marketing communications (Harrison-Walker, 1995), therefore potentially

choosing the least valuable deal. The Consumer Council for Northern Ireland (CCNI, 2011) found that 52% of consumers find it difficult to work out the best deal and this may be due to cognitive differences regarding numerical ability (Choi and Mattila, 2013). The overall aim of this study therefore is to investigate the effect of consumer's numerical skills on their ability to determine the best deal when conducting a grocery shop (deal competency). There have also been some suggestion that demographic factors can impact on numerical skills, for example Tan and Bogomolova (2015) found younger, low-income consumers had more difficulty accurately calculating promotional offers. Numeracy skills have also been attributed with being more pronounced among the male gender (Stanford, 2012). Therefore, this study will also consider the association of demographic factors with numerical literacy and deal competency. Specific research objectives are as follows:

RO1: To examine numerical literacy among consumers and the relationship between numerical literacy and the demographic variables of gender, age and education.

RO2: To examine the ability of consumers to calculate the best deal (deal competency) and the relationship between numerical literacy and the demographic variables of gender, age and education.

RO3: To examine if there is a significant relationship between numerical literacy and deal competency.

Methodology

An online survey was distributed to consumers via email and social media (Twitter and Facebook). They survey was endorsed by the Consumer Council in Northern Ireland who further assisted in promoting the survey on their social media channels. A convenience sampling method was used, and in total 308 consumers completed the survey. Respondents were screened using a filter question to ensure they were at least 18 or over.

Survey Design and Measures

The survey included questions on respondent's demographics and grocery shopping behaviours, then measured numerical literacy and their deal competency.

Numerical literacy was measured using the subjective numeracy scale (SNS) (Fagerlin *et al.*, 2007), a validated 8-item scale constructed to subjectively measure consumers quantitative ability. Each of the responses 8-item SNS scale questions was scored from 1-6 on a likert scale, with higher scores indicating higher numerical ability (apart from one question which was reverse coded). The SNS question variables were computed to create a total SNS variable, with scores ranging 8-48, with the higher the score the better the numerical ability.

Deal competency (consumer ability to work out the best deal on promotion) was assessed by asking respondents to consider a series of options presenting two products on promotion, and decide (without using a calculator) which was the better deal. Sixteen questions were used in this section, divided into four categories corresponding with the main categories of promotional offers identified by Hollywood et al (2016) (price reductions, standalone offers, multi buys and mix and match deals). Incorrect answers were coded as '0', while correct answers were coded '1'. Participant answers were then totalled in order to calculate deal competency, with possible scores ranging from 0-16, with the higher the score indicating the better the respondents deal competency.

Data analysis

Data was analysed using SPSSv26. Multiple regression analysis was used to examine the relationship between numerical skills, deal competency and the demographic variables of gender, age and education. A Pearson's correlation was then used to examine if there was a significant relationship between numerical skills and ability to discern the best promotional offer on grocery products (deal competency).

Findings

A total of 308 respondents completed the survey. Over-two thirds of the sample (69%) were female, and regarding age, 57% were in the younger age groups, aged between 18-34. Almost half (47%) of respondents were in full time employment, while 30% were employed part time. There were a greater proportion of single individuals (59%) in the sample versus married (29%), and over half of respondents (57%) of respondents had no dependents living in their household. There was a fairly good representation of respondents across social grades, with 56% of respondents categorised as ABC1. Regarding mathematical achievement, 71% of participants achieved GCSE level maths or equivalent, and in terms of educational achievement, 40% of participants had attained a bachelor's degree while for 25% their highest educational achievement was secondary level.

Numerical literacy

Overall, the mean SNS score for the total sample was 31.47 (SD = 8.27). Numerical skills were positively associated with being male (b=2.603; SE=.994; t=2.618; $p<0.05$), and with mathematical achievement (b=1.348; SE=.418; t=3.220; $p<0.05$). There was no significant relationship between numerical skills and age or highest educational achievement. The model explained 86% of the variance (adjusted R2=0.074) in numerical skills (F(4)=7.048; SE=7.96, $p<0.001$).

Deal competency

Mean sample deal competency score was 13.5 (SD = 5.5). There were significant positive relationships between deal competency and age (b=.262; SE=.108; t=2.425; $p<0.05$), mathematical achievement (b=.280; SE=.125; t=2.245; $p<0.05$) and educational attainment (b=.309; SE=.108; t=2.865; $p<0.05$). There was no significant relationship between deal competency and gender. The model explained 83% of the variance (adjusted R^2=0.069) in numerical skills (F(4)=6.044; SE=2.26, $p<0.001$).

Numerical skills and deal competency

Pearson's Correlation analysis identified a moderate significant positive relationship (r(271)= .369, $p<.001$) between numerical skills and deal competency.

Originality

This study contributes to the literature as there has been no study conducted on consumers numerical literacy which has focused exclusively on grocery products. It also provides insight regarding how numerical skills and deal competency vary according to various demographic characteristics.

Practical Implications

Awareness of how consumers differ in their numerical skills levels can incentivise retailers to be socially responsible and empower consumers to make the best choice by providing clearer messaging around price promotion savings.

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Retail brand management

A TYPOLOGY OF EXPERIENTIAL VALUE CO-CREATION IN BRAND-BASED POP-UPS

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Keywords

Retail pop-ups; Brand based pop-ups; Experiential value co-creation; Typology

Introduction

Characterized by their plasticity, temporality and experiential orientation (Warnaby and Shi, 2019), retail pop-ups are experiencing a resurgence and transformation (Parisi, 2020). Retail pop-ups were popularized by the avant-garde Japanese fashion brand Comme des Garçons, who introduced their first pop-up in 2004 (Bernard, 2015). Pop-ups have evolved from temporary locations favoured primarily by fashion brands, to experiential and sensory spaces utilized by myriad retailers including pure-play retailers (e.g., Amazon) and manufacturer brands (e.g.,

adidas) to large chains (e.g., IKEA). Despite the popularity of retail pop-ups, the Covid-19 pandemic has placed restrictions on how bricks and mortar spaces can operate. Thus, retailers have had to re-think their pop-up strategies to align with new economic, societal and consumer behaviour shifts and determine how to deliver meaningful customer experiences and value during this transformative period. While customers may be eager to experience retail pop-ups, they require safety and hygiene protocols in order to feel safe in a retail space (Briedis *et al.*, 2020). Although some argue the novelty of retail pop-ups has worn off (Parisi, 2020), retailers and brands feel an urgency to elevate the level of experiential value for their customers and leverage retail pop-ups in new ways.

Recent literature gives considerable attention to customer brand co-creation (France *et al.*, 2015; France *et al.*, 2018; Guzmán *et al.*, 2019) which highlights the increasing power customers have in contributing to and influencing brand co-creation and the impacts of co-creation on the brands themselves. For co-creation to occur, the customer and the firm need the opportunity to interact in a common environment and engage in dialogue (Grönroos, 2011). Pop-ups provide a dedicated sphere in which co-creative interactions and conversations take place. Experiential value co-creation (EVCC) has been examined in different retail settings (Mathwick *et al.*, 2001; Varshneya and Das, 2017; Shamim and Gazali, 2014), however, retail pop-ups have received little research attention. Given that experiential value is a predictor of consumer purchase intentions (Keng *et al.*, 2007; Shobeiri, 2011), it is important to consider the role of experiential value in pop-up retail settings. The transformation of the retail shopping environment requires us to re-examine our understanding of the retail pop-up and how it co-creates experiential value with its customers.

Purpose

This research aims to reduce complexity and confusion regarding the co-creation of experiential value in a unique yet increasingly popular type of retail pop-up, referred to as brand-based pop-ups (BBPUs). BBPUs, the focus of this research, are primarily defined by their temporary and experiential retail spaces, vendor-owned brands, selective product categories and brand-owned touchpoints (Rudkowski *et al.*, 2020). The focal question of this research is 'What is the nature of experiential value co-creation in BBPUs?'. This research thereby identifies three common types of BBPUs (pure-play, manufacturer brands and large chains) and develops a typological framework of EVCC for BBPUs.

Methodology

This research develops theory through the conceptualization and development of a typology of EVCC, drawing on a thorough review of literature from three domains namely retail pop-up, brand co-creation and experiential value. Typologies are defined as "categorizing variants of concepts as distinct types" (Jaakkola, 2020, p. 22). A typology development research design is particularly useful in the context of this study, as it facilitates the organization of retail pop-up, co-creation and experiential value, three fragmented literature areas, into "common distinct types" (Jaakkola, 2020, p. 22).

Conceptual framework

A comprehensive review of EVCC in retailing literature resulted in the identification of six key dimensions: 1) functional, 2) cognitive, 3) economic, 4) emotional, 5) ethical, and 6)

social. Each dimension represents a building block, starting at a fundamental level of value (i.e., functional) and progressing towards higher levels of value (i.e., social). The typology presented in Figure 1 draws on co-creation and experiential value literatures.

Figure 1. Typology of Experiential Value Co-Creation in BBPUs
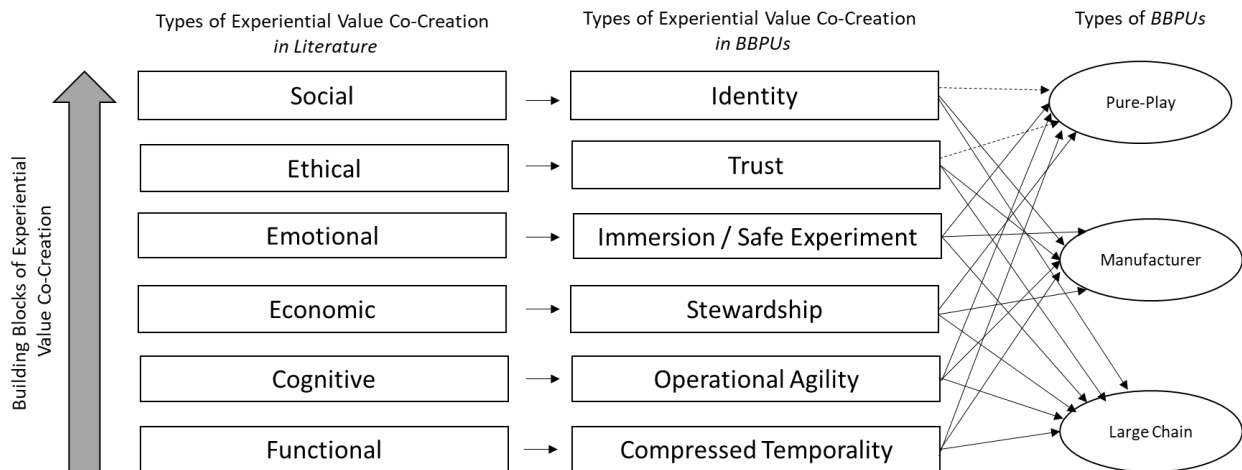
This research focuses on BBPUs and applies each of the six building blocks to six types of EVCC in BBPUs. The BBPUs are further segmented into three types: pure-play, manufacturer and large chain. BBPUs are a unique retail channel, and given their increasing importance as strategic brand building tools, this research develops a novel typology of EVCC that can be applied specifically to BBPUs along with the development of six research propositions.

Functional value, the first building block of EVCC, is conceptualized as quality, value for money and performance (Sweeney and Soutar, 2001) along with professionalism and price (Sanchez *et al.*, 2006). However, just as the retailing industry has experienced a paradigm shift from 'value in commodity' to 'value in experience' (Varshneya and Das, 2017), so too have retail pop-ups. Thus, the concepts of scarcity, temporality and ephemerality have become distinguishing and readily identifiable characteristics of retail pop-ups (Henkel and Toporowski, 2021; Overdiek and Warnaby, 2020). In this context, the first building block of EVCC in BBPUs is compressed temporality; where time (i.e., the amount of time the pop-up is available) and space (i.e., the physical constraints of the pop-up location) are limited. Thus, pure-play, manufacturer and large chain BBPUs experience compressed spaces (i.e., renting or leasing small spaces in relation to their permanent stores, especially in the case of large chains), compressed durations (i.e., the limited time that a pop-up exists; physical temporality), compressed assortments (i.e., selectively curating their product assortment for the pop-up space), compressed budgets (i.e., working within the confines of a predetermined budget) and compressed offers (i.e., using limited time offers to entice customers). It is therefore proposed:

P1: Functional Value has a positive relationship on compressed temporality in pure-play, manufacturer and large chain BBPUs

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Cognitive value engages customers' intellectual capabilities (Schmitt, 1999). Cognitive value, in the context of BBPUs, requires behind the scenes planning and operational challenges related to creating temporary retail spaces that satiate customers' hedonic shopping needs (Rosenbaum *et al.*, 2020). Thus, cognitive value, in the context of BBPUs manifests as operational agility. Because retail pop-ups are in restricted physical spaces, retailers must ensure that operations run as smoothly, if not more smoothly than in their flagship stores. This is particularly true in the case of the manufacturers' distribution channels, large chains' permanent stores and pure-play retailers e-commerce sites. It is therefore proposed:

P2: Cognitive Value has a positive relationship on operational agility in pure-play, manufacturer and large chain BBPUs

Economic value is conceptualized as service excellence (Holbrook, 1999; Mathwick *et al.*, 2001; Jin *et al.*, 2013; Taylor *et al.*, 2018; Shamim and Gazali, 2014), Customer Return on Investment (CROI) (Mathwick *et al.*, 2001; Jin *et al.*, 2013; Taylor *et al.*, 2018; Shamim and Gazali, 2014) and efficiency (also referred to as convenience) (Holbrook, 1999). Before the pop-up launches, pure-play, manufacturer and large chain BBPUs must negotiate renting details with landlords and collaborate with their marketing agencies to envision and create the customer journey and experience. BBPUs must also recruit and train appropriate frontline retail employees to deliver a unique and highly engaging retail experience (Lowe *et al.*, 2018). Thus, economic value in the context of BBPUs is categorized as stewardship. Stewardship represents the co-creation of experiential value in BBPUs among three critical relationships: landlords and retail management, retail management and marketing agencies, and frontline employees and customers. Therefore, each stakeholder dyad is responsible for organizing or stewarding an essential element of the BBPU. It is therefore proposed:

P3: Economic Value has a positive relationship on stewardship in pure-play, manufacturer and large chain BBPUs.

Emotional value refers to the feelings, emotions and attitudes that customers have towards the brand during or after an experience (Berry *et al.*, 2002; Sweeney & Soutar, 2001; Schmitt, 1999). Experiential BBPUs offer a particularized, engaging opportunity for brands to create an emotional connection with customers, which is often focused on experimenting with new/expanded features (Nierobisch *et al.*, 2017). Thus, co-creating emotional value with customers in the context of BBPUs suggests an immersive experience, where the retail environment is highly experiential across a variety of dimensions, including sensory stimuli, interactivity and engagement (Henkel and Toporowski, 2021). Therefore, emotional value is categorized as immersive/safe experiment value for BBPUs and it is proposed:

P4: Emotional Value has a positive relationship on immersive / safe experiment in pure-play, manufacturer and large chain BBPUs.

Ethical value is conceptualized as trust and privacy (Varshneya and Das, 2017), and spirituality and ethics (Holbrook, 1999). In the context of BBPUs, this level of value is categorized as trust. Trust has been widely studied in consumer behaviour and retailing literatures and is defined in the retail context as the customer's confidence that the retailer is reliable and operates with integrity (Morgan and Hunt, 1994). It is therefore proposed that established brands such as manufacturers and large chains have an advantage when it comes to delivering trust. Pureplay

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BBPUs who are still in the early stages of building trust with their customers may find it more challenging to deliver this level of value. It is therefore proposed:

P5: Ethical Value has a positive relationship on trust in manufacturer and large chain BBPUs.

Social value is conceptualized as impression (Sweeney and Soutar, 2001), social approval (Sweeney and Soutar, 2001; Sanchez *et al.*, 2006; Varshneya and Das, 2017), perception among others (Sanchez *et al.*, 2006), status (Holbrook, 1999; Varshneya and Das, 2017), esteem (Holbrook, 1999; Varshneya and Das, 2017), compliance (Shamim and Gazali, 2014) and identification (Shamim and Gazali, 2014). In the context of EVCC in BBPUs, social value is categorized as identity. This is particularly salient for BBPUs looking to enhance their brand's identity. When customers develop relationships with retailer brands, it influences and strengthens the retailer's brand identity (Lemon and Verhoef, 2016). It is therefore proposed:

P6: Social Value has a positive relationship on identity in manufacturer and large chain BBPUs.

Contributions

This research is the first of its kind to view BBPUs, through an experiential value and brand co-creation lens. The contributions of this research are threefold. First, it presents an evolved perspective of EVCC in retailing which reflects recent advances in academic research and retail practice, thus adding value to retail pop-up, experiential value and co-creation literatures. Second, it develops a new typology of EVCC by identifying and focusing on three common types of BBPUs: pure-play, manufacturer and large chain. Third, this research reduces complexity and confusion regarding the co-creation of experiential value in BBPUs, a unique yet increasingly popular type of retail pop-up. Finally, the proposed typology is applicable to both retail scholars and practitioners.

Research limitations and outlook

This research is not without limitations. The study focuses on BBPUs, with particular attention paid to three common types: pure-play, manufacturer and large chain. The authors acknowledge this is not an exhaustive list. Considering the growing pop-up industry (Taylor *et al.*, 2018), future studies could identify other types of BBPUs, including digital popups (i.e. with no physical presence). The study lacks empirical verification. Future research could look to extend this current study by taking a qualitative and/or a quantitative approach. A qualitative study that involves different stakeholders (i.e., pop-up managers and customers) of pure-play, manufacturer and large chain retailers could provide additional insights into the proposed typology of EVCC in BBPUs. Furthermore, a quantitative study via an online survey could test the typology to better understand the relationships between and among the six types of EVCC and the three types of BBPUs. Future research should continue to investigate the role that functional, cognitive, economic, emotional, ethical and social value play in retail pop-ups, as well as the role that the proposed typology (compressed temporality, operational agility, stewardship, immersion/safe experiment, trust and identity) play in BBPUs. Future research could also investigate differences between types of customers within the context of physical and digital retail pop-ups, including demographics (i.e., gender, income, age), geographies (i.e., where they live and work), psychographics (i.e., lifestyle) and shopping behaviours characteristics.

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DRIVERS OF BRAND RESONANCE (DBR): A PRACTICAL RESEARCH METHODOLOGY FOR STIMULATING ENDURING BRAND- STAKEHOLDER RELATIONSHIPS

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Keywords

Brands as carriers of cultural meaning systems, resonance-based view of the firm, drivers of resonance, enacted and intended organisational identity, microcosm, touch point experiences

Introduction

An increasing number of scholars argue that branding has to be understood as a holistic managerial principle that has the potential to govern all organizational processes. This paradigmatic shift in brand research raises the question how exactly branding can be employed by managers to govern processes such organizational design, strategic management and change management. In this paper we take up this research problem and present the concept of 'drivers of brand resonance (DBR)'.

Purpose

With the notion of 'drivers of brand resonance', the authors present a theoretical construct and a practical methodology that allow initiating long-term interaction of organisations with their stakeholders. This work is based on the empirical observation that the long-term survival of organisations is based upon creating and nurturing enduring and positive resonance among their stakeholders.

Conceptual framework

First the characteristics of drivers of brand resonance are outlined. In line with existing research brands are conceptualized as carriers of social-cultural meanings (Bauernfeind 2003, Holt 2002, McCracken 1986), which materialise into multisensory touch point experiences, comprising sensory, emotional, and cognitive stimuli (Brakus et al. 2009) for multiple stakeholders.

Second the notion of resonance is a metaphor borrowed from physics and sociology. Resonance describes the way an object or body reacts to the oscillation of a second body. The optimal resonance is achieved when the exciter-frequency, in our case a particular an organisation or particular place, equals the self-frequency of the targeted body, the relevant group of stakeholders (Tipler and Mosca 2009). According to sociologist Rosa resonance comprises of sensory and emotional affection followed by the desire to reach out and answering, which in turn leading to a transformation in the sense of a co-production of the involved vis-à-vis finally establishing a new mode of lasting attachment (Rosa, 2017). In management studies Brown (2000, 2005) and Fai (2006) delineate strategic resonance as the fit between the organisational offerings and market requirements, and Keller (2012) uses resonance to describe organizational processes equaling enduring bonding.

The third component of the presented framework are the 'drivers' of brand resonance (Botschen 2014, 2016). The drivers of brand resonance (DBR) are a unique set or portfolio of social-cultural meanings inherent in any culture of societies which describe the main attractors of the intended organisational identity of the organisation Without the attracting power of the socio-cultural meaning-sets brands lose their strength and diminish over time (Fournier et al. 2008).The particular content of social-cultural meanings, typically expressed as a combination of adjectives and substantives, becomes derived from reproduced concrete, sensory perceivable positive touch-point experiences. Touch point experiences can have multiple forms, such as the assortment in terms of products and services, design, visual POS representations, promotions and events, employee's behaviour, shop design with its different assortment categories etc. Brand resonance drivers help steer your organisation from the diagnosed enacted identity to the intended future identity (Botschen and Muehlbacher 2019). Internally, brand drivers help establish a set of principles and code of conduct in which everyone within the business is working toward.

The three components of DBR approach can be operationalized into a practical research methodology that allows identifying historically established and potential future drivers of brand resonance together with evaluating their potential future attractiveness and designing the meaning-portfolio of the most promising future attractors.

Methodology

The DBR methodology is the synthesis of a design science research approach (Hevner et al., 2004; 2010) and action research techniques (John Dewey 1938; Argyris and Schön 1996) with CEOs and owners of organisations and lead bodies over a period of 20 years. The methodology comprises elements of change management (Kotter 2007, Dannemiller and Tyson 2000, 2005), management discourse studies (Albert and Whetten 1985), organizational identity (Ashforth and Mael, 1996) and the learning organization (Senge 1990) and evolved over the course of time.

Findings

Figure 1 shows the identified 7 steps of the DBR methodology.

Figure 1: The 7 Steps DBR Approach

1. Preliminary search for drivers & barriers of brand resonance

2. In-depth interviews with members of microcosm, customers & other relevant partners

3. Identification and analysis of established drivers & barriers of resonance

4. Reflection of established drivers of resonance in core group & microcosm

5. Identifying future drivers of resonance via collaging

6. Composing & reflecting the future brand identity

7. Fine-tuning and official acclamation of new place brand identity

Supporting intellectual and emotional buy – in

Creating concrete shared mental pictures

DBR starts with a meeting with all members of the microcosm. The meeting is designed as a workshop and serves as the official start of the DBR application. It is designed in an open and emergent way and should allow reflecting on different views about historical resonance patterns of the organisation.

Selected members of microcosm team will hold short presentations around the resonating power of the organisation. The researchers try to facilitate an open discussion and reflection in the plenary.

In the second step of the DBR procedure the researchers conduct in-depth interviews with all members of the microcosm. The interviews are guided by a questionnaire and have the aim to identify historically established patterns of positive or negative resonances.

The main objective of the DBR-analysis during step three is to identify the central historically established patterns of resonance and their underlying socio- cultural meanings.

During the fourth step the brand reality is presented in a collaborative inquiry to the initiators of the new brand-driven organisation. It follows a presentation of the identified patterns in the microcosm group. These feed-back loops can be considered as a further external validity check.

In step five members of the microcosm design collages as an efficient and effective mechanism for identifying important socio-cultural attractors for the new brand identity (Butler-Kisber and Poldma, 2010). For the collage task groups of up to four members are asked to decide which of the established patterns of resonance should be strengthened,

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modified or eliminated and which new ones should be added in the future, including their underlying reasoning (see also Kim and Maubourgne's (2005) four actions framework of the blue ocean strategy).

During the sixth step all data and pictures of the collage meeting are complemented through additional screening and searching by the involved researchers. In an iterative process of adding, modifying and eliminating socio-cultural meanings the researchers try to develop a brand identity that optimizes its resonating power for a timeframe of one to two decades. Together with the identification of the future set of socio-cultural meanings the formulation of the core drive emerges. The composed new organisational place identity is reflected and fine-tuned in the core group and microcosm.

In the final step seven the new meaning set of the intended organisational brand identity is officially acclaimed as the organisation's strategic orientation for the next decade.

Contributions

In order to show how our approach can be practically applied to initiate and govern brand relationships on an organisational level the established and future drivers of Baguette, a new bistro-coffee format, is presented.

Figure 2: Established and new drivers of brand resonance of the Baguette brand

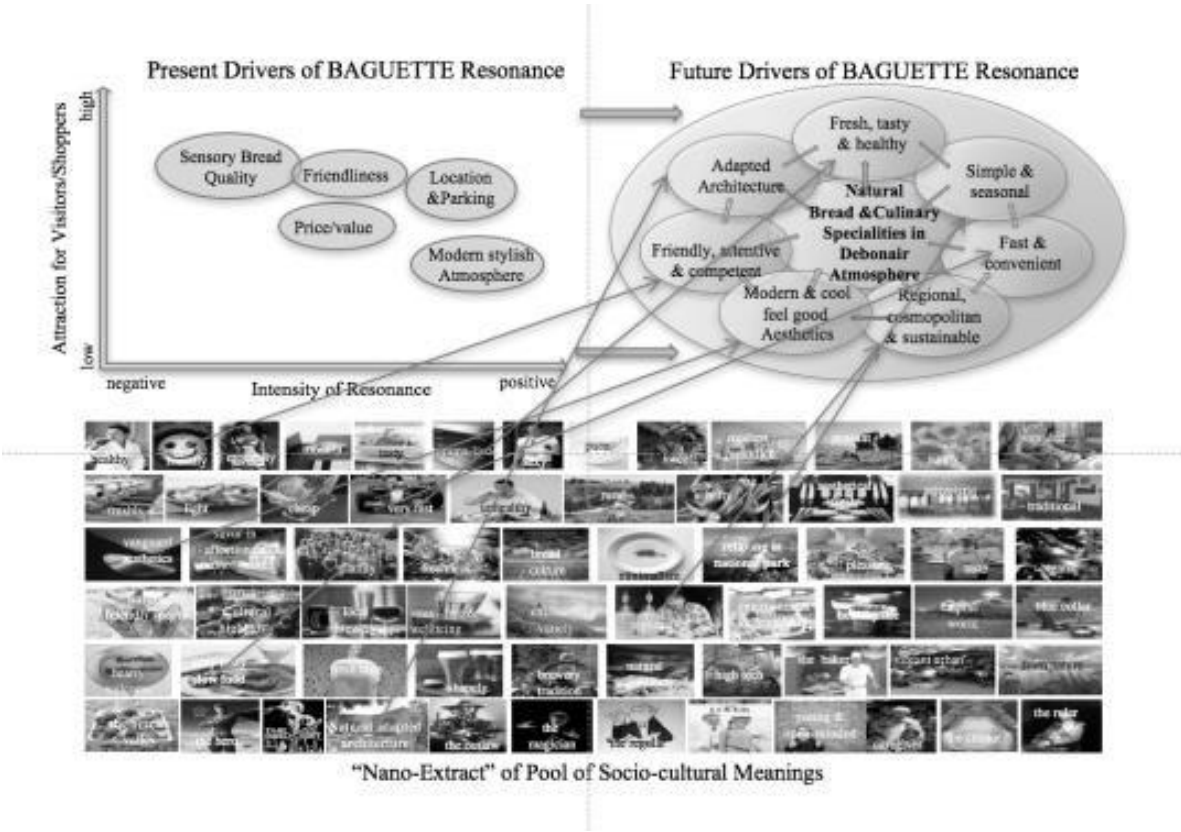"Nano-Extract" of Pool of Socio-cultural Meanings

Figure 2 summarizes the results in terms of enacted and intended drivers of brand resonance, the historical and future brand identity as a "big" picture (Kim and Maubourgne, 2005) applying the described DBR methodology for the Baguette case.

Practical implications

The DBR methodology provides entrepreneurs and top executives with a powerful tool to identify future attractors of resonance based on the established organisational identity. The participative development of the indented identity in a microcosm of the organisation promotes the development of a shared mental picture across all employees. Consequentially necessary changes and modifications of derived touchpoint experiences become facilitated and the continuous achievement of the intended organisational identity is supported. Equity and value of organisational brand strengthens.

Social implications *(where applicable)*

Future intended organisational identities will have to integrate socio-cultural meanings of sustainability, environmental concerns and workforce requirements. Without considering these important movements in future touch point designs the attractiveness of organisational brands for customers, employees and suppliers will be limited and brand equity will weaken.

Research limitations and outlook

After two decades of developing and applying the DBR-procedure, the authors observe the following key points are essential to create an enduring resonant organisational identity during successful action research and intervention processes:

- All members of the core group are ready for change and willing to use the organisational brand identity as the major steering wheel for the design of relevant touch point experiences
- Create with the help of the core group a microcosm of the company typically consisting of 10 to 30 members from all organizational levels and functions
- Conduct qualitative interviews with all members of the core group, microcosm and selected experts by the involved researchers and facilitators themselves
- Ideally interviewees provide you with deep insights and do not hide or prettify important information.
- Ensure a high reliability in your data collection and data analysis.
- The analysis and presentation of the enacted identity create positive feelings through confirmations and negative emotional feelings such as personal consternation. A natural dynamic due to continuous reflection and a sign of high engagement of all participants.
- Developing the strategic brand identity is a creative process, requiring the participation of all group members, including the researchers.
- The usage of inspiring creativity techniques such as mind mapping or collages keeps the energy level high for seeing and determining new drivers of brand resonance.
- One of the most important elements during the DBR application for necessary changes concerning structure, processes and behaviour is the creation of a shared mental picture of the future brand identity within the core group and the members of the microcosm.

From the authors' point of view the DBR-tool represents a practical research methodology for stimulating enduring brand- stakeholder relationships helping company owners and leaders to use branding as a leadership vehicle, capable to govern employees and organisational success.

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VIEWING BRAND BASED POP-UPS THROUGH AN EXPERIENTIAL VALUE LENS

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Retail pop-ups; Brand based pop-ups, experiential value co-creation; empirical

Introduction

The post-pandemic retail environment is well-suited to developing retailer interest in pop-up formats. During the pandemic, dynamic economic, societal and consumer behaviour shifts dramatically altered retailing practices. Dominant shifts include the rapid acceleration of online shopping (Torry, 2020) and the related rise in retail real estate vacancy rates (Toneguzzi, 2020). Landlords have responded by offering short or no-lease options to keep store-fronts active, thereby providing multiple opportunities for pop-up retail initiatives (Belanger, 2020). These shifts provide optimal opportunities for brands to operate short and long-term pop-ups. For example, vacant parking lots allow retailers to test new product offerings on a short-term basis in low-risk environments. Covid-19 has accelerated non-fashion and non-mall related pop-ups that offer in-demand products (i.e., loungewear) and experiences (i.e., Walmart's retail-converted drive-in theatres).

Pop-up retail strategies utilize temporary, physical stores to facilitate a range of marketing and brand objectives. Typically, there are two types of pop-up formats: 1) marketplace-based (MBPUs) (i.e. featuring multiple vendors with multiple brands and categories) and 2) brand-based (BBPUs) (i.e. featuring mono-vendor-owned brands and selective product categories) pop-ups (Rudkowski et al., 2020). This study focuses on the latter and, in particular, examines the nature of experiential value co-creation in three common types of BBPUs: pure-play, manufacturer and large chain retailer pop-ups.

The post pandemic retailing environment is being referred to as "the roaring 2020s" and is expected to be particularly vibrant (Cohan, 2020), providing impetus for flexible approaches to formats/concepts throughout the three BBPU types. Given that the pandemic required contact-free retail experiences, consumers embraced online shopping options. As a result, the post-pandemic future of bricks and mortar retail formats for manufacturer and large chain brands will be characterized by coherent omnichannel customer experiences (Fiske, 2021; Lee Yohn, 2020). Likewise, pure-play retailers will have increased opportunities to explore physical, experiential consumer offerings (Toneguzzi, 2020).

Customers' perceptions of the value of brands are embedded in their personalized experiences with these brands (Payne et al., 2009; Prahalad & Ramaswamy, 2000; Prahalad, 2004). Given that BBPUs afford unique brand experiences, customers and retailers co-create value that is integrally personal for the customers (Payne et al., 2009; Prahalad, 2004). Their perceptions of experiential value are grounded in interactions with and/or appreciation for brands (Jain et al., 2017; Mathwick et al., 2001), and these perceptions are integral to the process of brand experiential value co-creation (France et al., 2015, 2018; Guzman et al., 2019).

Previous research has examined the nature of experiential value co-creation in various retail formats (Mathwick et al., 2001; Sweeney & Soutar, 2001; Sanchez et al., 2006; Jin et al., 2013; Varshneya & Das, 2017; Taylor et al., 2018; Shamin & Gazali, 2014). However, there has been scant research attention focused on the particular characteristics of pop-up retail formats.

Purpose

Rudkowski et al.'s (2021) typology of experiential value co-creation in BBPUs proposes six types of experiential value co-creation (EVCC) particular to BBPUs: 1) compressed temporality, 2) operational agility, 3) stewardship, 4) immersion/safe experiment, 5) trust, and 6) identity. In response to their call for empirical studies examining the particularities of BBPU co-creation, this research provides a granular exploration of how experiential value is co-created throughout multiple BBPU cases.

Methodology

In order to gain insights into the research question "How is experiential value created in different types of BBPUs?" this study utilizes an exploratory case study approach to analyse multiple BBPU cases. Given that the contextual settings of BBPUs are integral to the creation of experiential value, this is a relevant approach (Yin, 2003). The cases portray the particularities of three common types of BBPUs: pure-play, manufacturer and large chain (Rudkowski et al., 2021). Purposive sampling was used to select cases of each type of BBPU occurring in Spring 2017 in Toronto, Canada. Three pure-play, two manufacturer, and two large chain BBPUs were selected.

In order to provide a granular and multi-lensed examination of BBPUs, data was collected through multiple qualitative research approaches. As a way to examine the BBPU management perspective, the first approach utilized semi-structured interviews which were conducted with the managers of each of the BBPUs. Each interview took 30-60 minutes.

Transcripts of the interviews were used for coding and analysis. In order to examine customers' experiences with BBPUs, members of the research team conducted ethnographic observations of the BBPUs' on multiple occasions, adopting the role of participants-as-observers. Using a common observation form based upon Lemon and Verhoef's (2016) Process Model for Customer Journey and Experience, they identified and described touchpoints/encounters between customers, brands, firms and other influencers. In order to study communication elements related to the BBPUs, we also collected online posts from the company websites, social media, and external media (i.e. news outlets) before, during, and after the BBPU time span.

A multi-phase analytic process was applied as a data analysis strategy. The first phase utilized the Process Model for Customer Journey and Experience framework (Halvorsrud et al., 2016; Lemon & Verhoef, 2016) to identify and describe the touchpoints throughout the pre, during and post stages of the BBPUs. Multiple researchers conducted independent coding and then met to constitute a common coding approach. The next phase further analysed the data by utilizing Pop-Up Objective definitions (Rudkowski et al., 2020; Warnaby et al., 2015) to classify how the BBPUs operationalized their respective objectives. Utilizing the Typology of Experiential Value Co-Creation in BBPUs (Rudkowski et al., 2021), the final analytic phase classified and compared how the different BBPUs created experiential value throughout their respective pop-up operations.

Findings

The findings of this study provide insights about the relationships between the BBPU objectives of different types of firms and how experiential value is created in their BBPUs.

Further to Rudkowski et al.'s (2021) Typology, all of the BBPUs experienced compressed spaces, durations, budgets, offers and temporality. However, this study finds that the nature of their assortments varied according to the BBPUs' strategic objectives. Given that large chain BBPUs are primarily focused on experiential and/or communication objectives, they are more likely to limit assortment to a core area and emphasize engaging activities. In comparison, pure-play and manufacturer BBPUs are more likely to focus on transactional and testing objectives, and therefore are more likely to present a wide assortment.

Operational agility evolved throughout all of the BBPUs, and was most evident in their approach to staffing, which was difficult to forecast. The physical layout of the BBPU was most problematic for those firms whose objective was transactional or testing, given that they were committed to maximizing assortment in their space. In addition, regardless of the importance of transactional objectives, the point-of-sale touchpoint was problematic for all of the manufacturers and pure-play retailers.

The manufacturers' business model is reliant upon relationships with the retailers that distribute their products, their marketing agencies and the management of the retail spaces in which their brand is situated. Experiential value for these stakeholders is characterized as the stewardship of these relationships with their distribution channels, landlords and agencies. Large chain retailers also co-create value with their landlord and agency relationships. Given that pure-play retailers are typically testing their brand's experiential value in a physical space, the stewardship of their landlord relationship is important to their core BBPU objectives.

As proposed in the Rudkowski et al. (2021) Typology and further to Mathwick et al.'s (2001) findings, regardless of their strategic objectives, all of the retailers reported that an important characteristic of their BBPU was the creation of a safe, immersive environment to portray their brand and to experiment with how it was experienced.

Both manufacturers and large retailers reported that customers built on existing relationships with their brands. However, in contrast to the proposition in the Rudkowski et al. (2021) Typology, pure-play retailers reported that because of the pre-BBPU website and social media touchpoints, their online customer base sought out and embraced their BBPUs. As a result, the value created through the BBPU was positively affected by brand trust established with online customers.

Further to the Rudkowski et al. (2021) Typology proposition, manufacturers and large chain BBPUs reported that customers had established identification with their brands. Also, in comparison to the proposition in the Typology, this study found that pure-play retailers leveraged their loyal customers through online communications.

Contributions

This study makes multiple practical and theoretical contributions. The findings extend and operationalize the Typology of Experiential Value Co-Creation in BBPUs (Rudkowski et al., 2021). This is the first study to utilize this typology as part of an analytical approach, and therefore, shows how this typology provides a useful framework for analysing how particular BBPU objectives are accomplished through the creation of different types of experiential value. Given that this approach is applied throughout multiple case studies and data sources, this study provides empirical insights into the six building blocks of this typology. This contribution provides a perspective that is informed by and reflects recent research and retail practices. In addition, by referring to this empirical example, researchers can utilize this typology in analytical approaches in further research.

Practical implications

One of this study's primary contributions is a practical one, as it contributes to our understanding of the operationalization of BBPUs' objectives and related co-creation of experiential value. As a result, these findings provide retail practitioners with a lens for examining the particular types of value created through various strategic processes. For example, when pure-play retailers or manufacturers consider a transactional objective (i.e. revenue generation), their planning should consider the costs associated with the operational agility required within the compressed BBPU timeframe. These BBPUs also involve the coordination of multiple stakeholder interests which can constitute stewardship of the firm's and customers' experiences, and can represent significant investments. As firms reflect on their BBPU experiences, they can refer to this study's findings to provide opportunities for experiential value co-creation.

Social implications

The post-pandemic retail landscape is particularly dynamic, exhibiting dramatic shifts in formats and consumer behaviour. Given the flexible nature of the pop-up format, retailers are viewing pop-ups as a particularly viable means for establishing and renewing their operations. In addition, the communities in which pop-ups are embedded recognize the contribution of pop-ups to these communities' economic and cultural resilience (Martinelli et al., 2018; McKnight and Linnenluecke, 2016). This study contributes to our understanding of how BBPUs provide value to these communities through developing trust that the retail experience will prevail and that BBPUs capacity for operational agility bodes well for resilient retail operations.

Research limitations and outlook

This study has multiple limitations, and thereby suggestions for future and ongoing research are warranted. The focus of this study is on three common types of BBPUs: pure-play,

manufacturer and large chain. However, given the current and emerging post-pandemic environment, the nature of pop-up activity is exhibiting substantial change. Further research (qualitative and quantitative) should focus on multiple facets of emerging, diverse pop-up activities. Studies incorporating the perspectives of multiple stakeholders should examine how this dynamic retail format is utilized throughout different retail sectors to accomplish different brand-based objectives. Although this study incorporates the view of participants-as-observers, future research focusing on customers' perspectives of experiential value co-creation in BBPUs would contribute to our understanding of the customers' experience and agency in this process. These studies could examine differences between types of customers according to BBPU objectives and according to the relative importance of different forms of experiential value. In particular, given the current retail environment, studies can focus on how BBPUs focus on institutional objectives (Rudkowski et al., 2020) as a means for renewing community and retail spaces, thereby constituting community resilience.

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Keywords

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Servicescape and atmospherics

A CLASSIFICATION OF TECHNOLOGY-INFUSED POS-SERVICES

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Introduction

The growing multiplicity of Point of Sale (PoS) technologies might lead to the fact that frontline service employees' jobs at the POS need to be retooled (Grewal et al., 2017). However, advancing technology-infusion of the frontline service is supposed to bring further challenges within the relationship between the customers, the retailer respectively the frontline employee (van Doorn et al., 2017).

In fact, the infusion of technology does not necessarily respectively automatically come with an enhancement of the entire service, as the interaction with the technology might lead to a distraction of the customer or the frontline employee, weakening the interpersonal character of such a service interaction (Giebelhausen et al., 2014).

We concentrate on the technologies potential on being directly infused within the employee-customer-service interaction. Hereby, we refer to de Keyser et al. (2019), who, based on Froehle and Roth (2004) and Parasuraman (2000), conceptualised several archetypes of frontline service technology-infusion. Given the interaction potential between the customer and the frontline employee, we understand archetype D: customer/frontline technology-facilitated encounter, as a central requirement for our approach. More concrete, we are interested in investigating the augmentation potential of the frontline service through the help of digital assistance and not in the substitution of the frontline employee (e.g., Marinova et al., 2017). Hereby, Hunter and Perreault (2007) as well as Rust and Huang (2014) pointed out the opportunity of improving and stabilizing the interpersonal relationship between the customer and the frontline service employee with the help of the infusion of specific service-technology within the service encounter.

However, an empirical investigation of a PoS-service-technology-classification is missing in academic and practical discussion. Especially for the stationary retailer it is important to understand, which PoS-service-technology is (or are) the most promising with respect to the individual product or the store atmosphere, the concerns or interests of the customers as well as companies' monetary benefit. Moreover, due to future, practical infusion alternatives, it is relevant to know, what service-technologies differentiate from each other with respect to certain abilities or forms of application in customers' perception. In this manner, our study emphasizes the specific relevance of technology-infused PoS-service with respect to their individual characteristic and extends the existing knowledge in this field by classifying the multiple technology-infused PoS-services. The resulting matrix includes the diversity of the infusion of these devices within the service. Consequently, we offer a heuristic and empirically supported categorization of technology-infused PoS-service from customers' perception by following two research questions:

RQ1: How can PoS-service-technologies be classified, considering a general focus on the social interaction between frontline employee and customer?

RQ2: To what extent are usefulness, ease of use and entertainment decisive for customers' perception of PoS-service-technologies as well as its integration for practice?

Purpose

Within a first analysis, we identified six PoS-technologies to be the most relevant ones in context of usability within a human-based PoS-service. As our study is aiming for a categorization of technology-infused PoS-services we use multidimensional scaling, creating a similarity-matrix. In a next step, three independent clusters resulted within a matrix, integrating the results of a property fitting. Property fitting analysis was based on Loiacono et al.'s (2007) approach of WebQual and refers to ServQual by Parasuraman et al. (1988) as well as to the uses and gratifications theory (Blumler and Katz, 1974) and to social presence theory (Short et al., 1976).

By doing so, we are first to classify and cluster technology-infused PoS-services. We identify two distinguishable dimensions: (1) familiarity/innovation-orientated service and (2) enjoyment/product-orientated service. Moreover, we were able to point out three independent clusters of technology-infused PoS-services: (A) Operation-focused technology-infused PoS-service; (B) Information-focused technology-infused PoS-service; (C) Enjoyment-focused technology-infused PoS-service. On the base of these findings, we offer useful knowledge for further investigation of stationary consumer behaviour (e.g., the design of experiments, surveys, or modelling approaches). Moreover, we deliver important implications for

marketing practice decisions (e.g., regarding formulating strategies on a smart infusion of PoS-service-technologies within physical retailing respectively the PoS-service, by focusing on the customer and on the frontline-employee).

Conceptual framework

As we assume that the central component in services at the physical retailing is still the interpersonal interaction between customer and frontline employee, social exchange theory generally helps to understand the interaction-behaviour between the two parties.

Besides the social presence theory, we draw on the uses and gratifications theory, introduced by Blumler and Katz (1974). U&G predicts that a specific medium will be used as a means to satisfy customer's wants or interests and is therefore applicable for the use of a PoS-technology (Keeling et al., 2007). As a theoretical framework, U&G aids in understanding and explaining the motivations for using new media and technology through a "how and why" approach (Kim and Lee, 2013).

As additional influences we draw on the extension of technology acceptance model (TAM) (Davis, 1986), implementing for instance enjoyment or trust (Ha and Stoel, 2008). Hereby we refer to WebQual by Loiacono et al., (2007), as we concentrate on the one hand on digital influences and orientate on ServQual by Parasuraman et al., (1988), as the interaction between customer and frontline employee is on the other hand important. This instrument introduced a set of scales covering the dimensions: usefulness, ease of use, complementary relationship and entertainment.

Design/methodology/approach

In our study, participants were asked, "Please indicate which of the following PoS-service-technologies you already have experienced." Thus, a multiple selection of up to six technology types (plus; "others") was possible for each respondent. In total, 620 subjects (48.23% female) with an average age of 30.80 (SD=10.94) years could be identified. We just integrated subjects, who already experienced the PoS-service-technologies.

As our study focuses on PoS-service-technologies with the potential of supporting and enhancing the frontline-employee-customer interaction (e.g., by delivering additional information etc.), We conducted a literature review on the infusion of technology in retail services, affecting the relationship and interaction between the two. As a result, we distinguish six technology-based PoS-services:

- Mobile Device (e.g. Ahearne et al., 2008): presenting current offers, store information, prices and finalize orders (etc.), while the frontline employee is able to move through the store.
- Standalone Kiosk (e.g. de Moerloose et al., 2005): presenting store information, prices and finalize orders (etc.) on a small terminal.
- Interactive Display (e.g. Roggeveen et al., 2016): presenting current offers, store information, prices and advertisement (etc.) (mostly) on a hanging, large screen.
- Digital Shelf (e.g. Grewal et al., 2019): presenting current offers, weather products are in the stock, prices and finalize orders (etc.) on a hanging, large screen.
- Virtual (Reality) Service Assistant (e.g. Farah et al., 2019): presenting current offers, prices and advertisement (etc.), while moving through the store (mostly) via VR-glasses/headset.

- Augmented Reality Display (e.g. van Esch et al., 2019): presenting numerous products/offers, prices (e.g., on customers' body or the product itself), while standing in the store (mostly) via a mobile device or in form of a digital display/mirror.

To analyse the data, we performed hierarchical cluster analysis to identify groups of similar PoS-services. We used single linkage and Ward's cluster algorithm and compared them for interpretability and consistency. To estimate the optimal number of clusters, we applied the elbow criterion by graphing the development of heterogeneity against the number of clusters.

The hierarchical cluster analyses resulting in a three-cluster solution. In detail, we investigated how consumers evaluate the technology-related attributes of a technology-infused PoS-service. Items of the central dimensions of usefulness (1.-3.), ease of use (and complementary relationship) (4.-5.) and entertainment (6.-7.) were rated by the respondents for the different PoS-service-technologies.

Findings

The results of several ANOVAs illustrate that consumers' evaluations differ significantly across the single cluster for seven of nine dimensions (see table 2).

Dependent Variable	Cluster A (N=271) Operation-focused PoS-services	Cluster B (N=304) Information-focused PoS-services	Cluster C (N=45) Enjoyment-focused PoS-services	F-Value	Eta²
1. Ease of Understanding	**5.22 (1.17)**[B,C]	4.96 (1.18)[A]	4.67 (1.30)[A,B]	6.157**	.020
2. Intuitive Operation	**5.23 (1.19)**[C]	5.06 (1.24)	4.66 (1.57)[A]	4.544*	.015
3. Functional Fit-To-Task	4.05 (1.48)	**4.10 (1.50)**	3.90 (1.36)	.378	.001
4. Information Quality	4.40 (1.49)[B]	**4.80 (1.44)**[A,C]	4.22 (1.39)[B]	6.855**	.022
5. Tailored Information	4.03 (1.44)[B]	**4.52 (1.39)**[A]	4.32 (1.48)	8.570***	.027
6. Innovativeness	4.96 (1.51)[B,C]	4.60 (1.43)[A,B]	**5.58 (1.37)**[A,B]	10.516***	.033
7. Perceived Enjoyment	4.81 (1.47)	4.51 (1.43)[C]	**5.25 (1.44)**[B]	6.050**	.021

Note: Mean (SD). Highest rating across e-channels is indicated in bold. (1)=does not apply at all; (7)=applies completely. *=$p < .05$ significance level; **=$p < .01$ significance level; ***=$p < .001$ significance level. Elevated letters indicate a significant difference (Scheffé post hoc $p < .05$) to the respective cluster.

Table 2. ANOVAs of the identified Clusters

The first cluster (A) encompasses three technology-infused PoS-services: PoS-service with the help of a Digital Shelf, a Standalone Terminal and an Interactive Display. These PoS-service-technologies show a high level of Intuitive Operation. The operation with these technologies and accordingly with the frontline-employee seems to be perceived as less complex as the contact with other (more innovative) sorts of technologies. Therefore, in context of technology-infused PoS-service, we name this cluster "Operation-focused PoS-services". The second cluster (B) includes PoS-service with the help of a Mobile Device Service and a Virtual Service Assistant. Both PoS-service-technologies are compact and portable. Moreover, the overall service-interaction in both cases is not primary proceeded by the technology but by the frontline-employee. Moreover, these PoS-service-technologies give the customer the feeling of delivering the most tailored information. Findings indicate that within today's retail landscape this cluster can be identified as "Information-focused PoS-services". The last cluster (C) consist of a single technology-infused PoS-service: PoS-service with the help of an Augmented Reality Display. This PoS-service is seen as the least used

one. Similar to cluster A, due to technologies' characteristics, by infusing Augmented Reality Displays, the frontline-employee takes more of a passive role. Here, the general service-interaction concentrates on the interplay between the customer and the technology. Findings show that PoS-services within this cluster function as the most innovative and enjoyable. Consequently, we summarize as "Enjoyment-focused PoS-services".

The respondents considered Ease of Understanding as well as Intuitive Operation to be significantly the highest for cluster A. Moreover, the analyzation of the planed contrast emphasis this finding, as especially ease of understanding shows a clear difference to both of the other cluster.

Original/value

In summary, we could give a clear answer to the two research questions. Findings of our study show that regarding the identified six different PoS-service-technologies can be classified into three categories of digitally infused service: Operation-focused PoS-service, Information-focused PoS-service and Enjoyment-focused PoS-service. Especially retailers' awareness regarding the associated challenges, the infusion of PoS-service-technologies might bring, need to be understood and considered (Piotrowicz and Cuthbertson 2014). In contrary to the more Intuitive-Operation-focused PoS-services, in which customers seem to appreciate the facile and familiar access to information, Enjoyment-focused PoS-services open a new field. It is interesting, that the included Augmented Reality Display is perceived the most innovate. These findings are in line with Krafft, Arden and Verhoef (2017) emphasizing that privacy concerns as well as information disclosure behaviour can be leveraged by entertainment-related factors.

Practical implications

Our findings also suggest practical implications both for the introduction and adoption of new technologies at the PoS. Results demonstrate that the evaluation of technology-infused stationary services differs significantly across technologies at the PoS, stationary retailers should provide adequate PoS- technologies that customers utilize for stationary activities. Moreover, the findings indicate that retailers should consider the relevant attributes and capabilities of a PoS-service-technology to design a positive service environment that enhances consumers' stationary shopping experiences. Our findings also confirm elements of U&G theory (Blumler and Katz, 1974) in which the intuitive operation with technology-infused PoS-service leads to a form of gratification of the customer. However, by providing innovative, enjoyable new technologies at the PoS for new types of connected technology-infused PoS-service, retailers can enhance the shopping experience and make stationary shopping even more convenient. Traditional retailer needs to find new/innovative approaches to create creative ways of combining technology and human resources in order to enhance customers' current experience (e.g., Bleier et al., 2019; Kuckertz et al., 2020). In detail, a changing in customer experience seems to depend on the way of infusing innovative/futuristic technologies. Overall, even though we used common and established PoS-technologies for our studies, findings are nonetheless transferable to more innovative/futuristic technological solutions.

Research limitations and outlook

The study reported here is a first step to illustrate the expanded perspective of stationary retailing and consumer behaviour across diverse service-technologies at the PoS. Future studies need to extend the data-set especially with respect to customers' evaluation of different branches and retail formats. It might be interesting to use a perceptual map through a multidimensional scaling (MDS). The input would be a similarity matrix (based on ranking or similarity of objects). As an output a low-dimensional dataset called MDS configuration results hereby. This matrix offers an overview on which and how the respected technologies are linked. In more detail, a property fitting approach might deliver further interesting aspects.

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THE ROLE OF THE FRONTLINE EMPLOYEE IN TECHNOLOGY-BASED SERVICE ENCOUNTERS

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Introduction

Recent studies investigated the interaction of the service employee and the customer and its impact on service quality (e.g., Parasuraman et al., 1985), the potential of technology in

physical retailing (e.g., de Keyser et al., 2019, Grewal et al., 2019) as well as the potential of integrating both sides in an optimal level (e.g., Giebelhausen et al., 2014). However, research lacks analyses on if and with what focus a technology-based service should be supported through a frontline service employee and with respect to which factors is such a support helpful or even hindering for the service outcome.

Even though, PoS-technologies lack on interpersonal skills, we suggest that when customers perform tasks such as "seeking and receiving" of information, they value clear and undisturbed interactions with the technology. Role and script theories (Halpern, 1997; Wang et al., 2012) implies that in a technology-based service, the presence of a human frontline employee as a support might be understood as a violation of the (adjusted) underlying script between the customer and the service-technology. This assumption might be supported by Esmark et al.s' (2017) findings that frontline employees could even be perceived as a disturbance in the use of PoS-technology in physical stores, especially when it comes to customers' feeling of uncomfortable. On the other hand, social presence theory (Short et al., 1976) implies that there might be situations, in which customers appreciate having sales personnel present and support them. For example, technology is often associated with retailers "gathering and handling" information on customers. In such situations, customers may become concerned that their data is being misused (White et al., 2014). Such concerns could potentially be mitigated by the presence of frontline employee.

With this study, we therefore seek for a better understanding of the role of frontline employees within technology-based services. We analyse, whether the presence of frontline employee in a technology-based service encounter at a physical PoS deepens knowledge on customers' perceived information quality and helps reducing customer privacy concerns.

Purpose

Most discussion on retail technology centres on infusing technology in traditional environments. Technologies are seen, for example, as having the potential to both increase process efficiency and improve the customer shopping experience (e.g., Bleier et al., 2019; Lemon and Verhoef, 2016). It is particularly innovative (AR- or VR-orientated) technology, offering a tremendous change in context of self-service, as these do not just imply a rapid information access, but the potential to increase customers' enjoyment within the respected service (Huang and Rust, 2017). Beside the literature on replacing or substituting the frontline employee through technologies (e.g., Marinova et al., 2017), what is considered much less frequently is whether it can be positive in technology-driven situations to take a supplemental role in this relation - in other words, to take the exact opposite approach. In particular, the question arises to what extent or in which particular situations of the service customers should use innovative technologies at the point of sale (PoS) alone and when is the frontline employee as a supportive service acceptable/tolerated or even desired.

Based on the research of van Doorn et al., (2017), separating technology-based services in human and automated social presence and Grewal et al., (2019), concentrating on the in-store infusion of technology by distinguishing social presence and convenience, focusing on the relevance of human presence within technology-based services. According to Grewal et al., (2019), it should not be in retailers' interest to eliminate the human-based frontline service, but to emphasize its strengths with respect to social interaction. Customers for example might want to share their situation and share their potential feelings with others, which would not be possible in the same manner with self-service technology (Gremler, 2017). The issue of how frontline employee should interact within a technology-based service, provided at the physical PoS (point of sale), is still not fully unanswered (e.g., de Keyser et al., 2019; Grewal et al.,

2019; Ostrom et al., 2019). Frontline employees have unique potential to contribute to PoS services, e.g. via their product-knowledge or emotional and interpersonal interaction abilities (Gremler, 2017; Yoo, 2017). Nonetheless, digitalization has changed consumer behaviour. For physical stores, this often means that customers are more informed and digitally experienced and open to use PoS (self-serving) technologies. Thus, the role and responsibilities of frontline employee have changed. Moreover, this raises not only the question of whether sales personnel in technology-based environments are necessary at all, but mainly of what tasks they should take on in the future and how they should interact with and integrate technology in customer contact.

Conceptual framework

We draw on role and script theories (Halpern, 1997; Wang et al., 2012) to investigate the opposing effects of a frontline employee, present in a technology-based frontline service encounter. Based on this theoretical stream, we suggest that a service encounter is subject to a clear process, presupposing a certain customer as well as frontline employees' behaviour accordingly to an established script (Solomon et al., 1985). It is argued that the script of such an interaction within a service encounter consists of norms which are based on behaviours learned under consideration of past experiences and accordingly define the script-relevant expectations of all participants with regard to the respective encounter interaction (Leigh and Rethans, 1984). Thus, the outcomes of these interactions can depend on whether customers and frontline employees adhere to their roles and follow their respective scripts. Consequently, a deviation from the expected role behaviour by one actor lead to the respective counterpart reacting with adjustments.

Social presence is an important factor, especially when it comes to processes beyond simple "seeking and receiving" information via technology. Today, the value of the presenting product information etc. depends strongly on the level of data a certain technology/algorithm has access to (e.g., Grewal and Iyer, 2017) and on the level of customizing information to the user. Gathering personal information therefore is important and common practice, not just at the digital, but at the physical PoS as well (White et al., 2014). This might raise data protection concerns among consumers, when using instore technologies, combined with the fear that the information they give to the technology might be used, analysed and stored by the retailer. Literature offers a wide range of antecedents on online privacy concerns (e.g., Bellman et al., 2004).

Summing up our considerations, we set up three hypotheses:

H1: The presence of a frontline employee within a technology-based service encounter will decrease customers' expected information quality within the service.

H2: The presence of a frontline employee within a technology-based service encounter will decrease customers' privacy concerns related to retailers' data-handling practices.

H3: The discomfort regarding the service mediates the relation of the presence of a frontline employee within a technology-based service encounter and (a) customers' expected information quality within the service and (b) customers' privacy concerns related to retailers' data-handling practices.

H4: The perceived social presence within the Service mediates the relation of the presence of a frontline employee within a technology-based service encounter and (a) customers' privacy concerns related to retailers' data-handling practices and (b) customers' expected information quality within the service.

Methodology

We tested our hypotheses via an online experiment (N=124), in which the presence of a human frontline employee was manipulated (presence of a human frontline employee in a technology-based service encounter is not given vs. given). Within the experimental conditions, subjects were asked to imagine to be in a technology-based service encounter located at the PoS. The technology was represented by an augmented reality mirror that allows users to interact with by gestures, e.g., by selecting different clothes, colours etc. via swiping to the right or to the left. In addition to this, respondents were exposed to a written scenario, in which the presence of a human frontline employee was systematically manipulated resulting in scenarios where only the technology or the technology augmented by a frontline employee was used. In case of a present frontline employee, the respondents were moreover told that it is frontline employees' task to be an additional/passive contact, supporting the service with further information on the products, the purchase process as well as the handling of the technology, if necessary.

Findings

We however identify ambivalent customer behaviour: appreciating the technology-solo service in terms of "seeking and receiving" of information and rejecting this service with regard to the potential privacy violation and data misuse in terms information "gathering and handling". Moreover, we can show that discomfort with the service mediates the impact of frontline employee presence in technology-based services on the expected information quality of the service. In addition, customers' perception of social presence within the service mediates the impact of frontline employee presence on privacy concerns related to retailers' data-handling practices.

Contributions

As service encounters, once just a game between persons, has continually evolved over time and as the infusion of instore technology at the PoS have become widespread (e.g. de Keyser et al., 2019; Grewal et al., 2019), findings emphasize that a deeper understanding of the synergy between technology and frontline employee during interactions with customers is of increasing importance to retailers. Based on our findings, we suggest that retailers should try to find a balance on letting customers interact on their own with the technology, providing them with higher comfort and expected information quality, when customer intention is to use these services in private. However, customers might perceive privacy concerns, e.g. that retailers might gather and misuse their information. Anyhow, research as well as retail practice have shown that customer data – and in this case also "big data" – might help companies to optimize and individualize their services. In fact, it is fine line with respect to innovative technologies, leading to the result that more research on the actual presence respectively the role of the frontline employee within the service should be carried out. Our study therefore followed calls for deeper investigation of the relevance of social presence within technology-based service encounters, for example by Giebelhausen et al. (2014), and we hereby sensitize for possible (psychological) barriers for customers in terms of frontline employees' behaviour/involvement.

Practical implications

As results show an ambivalent behaviour with regard to customers' perception and reaction when it comes either to customers' focus on "seeking and receiving" of information nor the retailers' potential on "gathering and handling" of information in technology-based services, the presence of a frontline employee seems to influence the entire service encounter strongly. In fact, the (social) presence of a frontline employee lowers customers' concerns, giving the frontline service the opportunity to show and prove its relevance and (re)builds an efficient form of customer relationship. It is necessary to hold customers' concerns on a decent level, as too many concerns on using the technology-based service might lead to a termination of this relation, nonetheless, too less concerns could cause or increase customers' intention to see no necessity of the frontline employee and thereby maybe of the entire physical service as a whole. The result would be a restructuring of brick-and-mortar services (best case) or an irreversible change of inner-city shopping possibilities (worst case). In consequence, the role of frontline needs to change, not in terms of totally "adaption" towards the technological changes, but with regard to be more sensitive on customers' feelings, desires and concerns within a physical service encounter. These competences need more focus in training of frontline employees from retailers' side in future.

Research limitations and outlook

Thereby, we see the relevance of further analyses of the interplay between frontline employees' competencies (Parasuraman et al., 1985) and customer behaviour at the point of sale. This might help to provide a deeper understanding of how technology and frontline employees can optimally collaborate in co-creating value with customers, especially in considering interaction-attentional related aspects (Grewal et al., 2019). In addition, PoS-technology has the potential to contribute to customer enjoyment or perceived entertainment. Thus, future research should focus on this aspect in customer-employee-technology interactions.

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Keywords

Customer/Supplier Relationship Management

CUSTOMER COMPLAINT HANDLING IN THE COVID ERA:
THE DAMAGE OF UNCERTAINTY

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Introduction

Effective resolution of customer problems and relationship marketing are closely linked in terms of their mutual interest about customer satisfaction, trust, and commitment (Morgan and Hunt 1994). In particular, effective complaint handling can have a dramatic impact on customer retention rates, deflect the spread of damaging word of mouth, and improve bottom-line performance. Previous research shows that the ability of a firm to handle correctly complaining customers has a positive impact on perceived service quality, strengthen customer relationships, and build customer commitment (Tax et al. 1998). A longitudinal study revealed that for a single failure and satisfactory recovery, customers rated the firm paradoxically higher on satisfaction, word-of-mouth, and repurchase intent (Maxham and Netemeyer 2002). Researchers have been keen to understand the cognitive and emotional processes linking failed recoveries with customer responses such as desire for revenge and retaliatory behaviors. In particular, inferences about a firm's motive (negative vs. positive) mediate the impact of perception resulting outcomes, such as customer anger, desire for revenge and desire for reconciliation (Joireman et al. 2013).

A survey by Accenture and SAP[1] reveals a partial transfer to more digitalized customer journeys in the retail sector due to the Covid crisis. Still, customers express a preference for

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[1] The survey was administrated in August 2020 via Qualtrics to a sample of 1 005 French consumers.

physical points of purchase after the lock-down period. Home delivery has increased by 46% and drive purchases have increased by 100%. Complaint orientation has been identified as a key issue in the 2020 edition of the Barometer of Customer Relationship. In the retail sector, 83% of firms systematically analyzed the topics of customer requests. Still, customer satisfaction after a commercial contact with the firm is measured only for 60% of them. In general, firms use a single indicator to measure customer satisfaction, which is mostly the NPS (68%), the CSAT (48%), and more marginally the CES (8%). The experts interviewed in the Barometer underline the opposition between industrial and automatic relationship management and a more human-oriented customer relationship management.

Purpose

The literature on service failure handling has identified several factors that have an impact on the evaluation of the complaint handling (e.g. Sabadie et al., 2006). In the Covid era, other factors might be relevant to understand customer satisfaction toward the complaint management process.

The research objective is to identify the specificities of the "customer complaining journey" which lead to either customer satisfaction or dissatisfaction.

Conceptual framework

Two main streams in the abundant literature on service failures are particularly relevant for our research objectives.

The first stream investigates customers' responses to service failures and identifies individual and contextual factors that can explain the adopted response. Hirschman (1970) made a basic distinction between alternative ways of reacting to dissatisfaction with organizations: one, "exit," is for the customer to switch to the competing product, and the other, "voice," is for customers to agitate and exert influence for change "from within." As exit often undercuts voice while being unable to counteract decline, "loyalty" is seen in the function of retarding exit and of permitting voice to play its proper role. Negative inequity perceptions lead to a cost-benefit analysis on whether to voice a complaint or not; ultimately, if the benefits of the complaint actions far outweigh the costs, such analysis will drive the customer to claim opportunistically (Khantimirov, Karande and Ford, 2020). Research also underlines individual differences in the propensity to voice. Richins (1983) developed an assertiveness scale, which covers three interaction situations: requesting information or assistance, resisting requests for compliance, and seeking remedy for dissatisfaction. Chebat et al. (2005) used this last component under the term of "Seeking Redress Propensity" (SRP). The higher the SRP score, the more likely the customers are to complain, even if they feel little emotion.

The second stream of research focuses on customers' evaluations of the complaint management process. Several factors emerged as explanations of customers' responses after the management of their complaint by the brand, notably the origin of the responsibility, the severity of the failure and the relationship strength. By applying the Tetraclass model (Llosa, 1996) in the context of relationships between health practitioners and the French Social Security, Sabadie et al. (2006) showed that the attributes concerned with distributive justice are "key" ones, those concerning interactional justice mostly "basic". The elements of procedural justice globally have a more contrasted impact ("plus" or "basic"). Additionally, the research stresses that the ***origin of the responsibility*** for the incident (total responsibility of the company versus shared responsibility) influences the impact of the attributes on satisfaction. Self-blame can have deleterious effects on the relationship with the brand (Dunn

and Dahl, 2012). Indeed, when consumers who have an internal attribution of blame toward product failure are provided with the opportunity to complain, they become much more negative in their product and brand evaluations, suggesting a defensive processing. Disappointment based on external events demonstrates a significant positive relationship, whereas disappointment caused by another person has a weaker relationship with consumer advocacy (Jayasimha and Srivastava, 2017). *Severity of the failure* is the extent to which an individual believes the service failure caused inconvenience and aggravation. This cognition is formed immediately after the service failure (Maxham and Netemeyer 2002). Customers who experience a severe service failure, or perceive the procedures used by the firm to be unfair, are more likely to infer negative motives, leading to anger and desire for revenge (Joireman et al. 2013). Finally, Grégoire et al. (2009) explored the effects of time and *relationship strength* on the evolution of customer revenge and avoidance in online public complaining contexts. Findings show that firms' best customers have the longest unfavorable reactions. "The love becomes hate effect" was confirmed in Siret and Sabadie (2020) who highlighted the mediation of desire for revenge between the deviation context (simple vs double) and the publication on a brand social network moderated by ties strength (weak vs strong).

Methodology

The research was conducted through a partnership with a major retailer operating across Europe in the field of furnishings and decoration. Complainers were selected manually through the ticketing system used by the company to handle complaints. First, a two weeks-time framework was defined and complaint tickets from this period were extracted. Several filters were applied to only select customers with a complete set of data (e-mail, phone, full name and surname) that would then be used to arrange the interviews. On the remaining tickets, a manual screening was realized in order to classify them between probably dissatisfied complainers and probably satisfied complainers. The screening process consisted in taking into account factors that could not be filtered automatically by the software, including but not limited to the number of exchanged e-mails, answering time by the company, if a solution was clearly apparent or not in the exchanged e-mails, or even words used by customers to express their (dis)satisfaction. This process resulted in pre-selecting 56 customers. Before arranging and conducting the interview, all complainers were contacted by phone to make sure the screening was right and they were indeed satisfied or dissatisfied. If the screening was incorrect (dissatisfied customer was in fact satisfied, and vice versa) but the customer willing to participate in the study, he / she would be switched to the other group on the basis of what had really happened. The final sample of 17 customers presented heterogeneity in terms of interest and expertise in do-it-yourself activities (See Appendix 1).

The semi-structured interviews were conducted from November 2020 to January 2021. Due to the health context, interviews were carried out by phone. The interview guide first investigated the respondent profile, in particular his/her interest and expertise in do-it-yourself. Then respondents were asked to describe their last purchase from the retailer. The interview then focused on the specific incident that occurs following their last purchase. The respondent gave an in depth description of the encountered problem, the complaining process he/she went through and his/her evaluation of the retailer's management. Finally, respondents expressed their behavioural intentions toward the retailer. Interviews were fully transcribed (44 pages single-spaced) and subjected to a thematic analysis.

Findings

The thematic analysis revealed 23 topics that can be grouped into 8 broader categories: channels used, service failure, complaining process, feelings and emotions, perceived effort,

evaluation of the firm's responses, impact of Covid-19 on customers' expectations and evaluation of the process, behavioural intentions (see Appendix 2). The comparison of topics among satisfied vs. dissatisfied complainers reveals several major insights:

1. Some satisfied complainers acknowledged being partially responsible for the encountered problem. That was never the case among dissatisfied complainers. This result is in line with Sabadie et al. (2006) who demonstrated that the origin of responsibility had an impact on the evaluation of the complaint management process.
2. The absence of any answer from the retailer characterizes situations where the compliant considers himself as dissatisfied with the complaint management. When the compliant receives no indication that his/her problem has been taken into consideration, it leads to very negative emotions, such as frustration and anger. Uncertainty about the process and about the possible outcome also leads to dissatisfaction. This result is in line with the old saying that a bird in the hand is worth two in the bush.
3. When the retailer gives an information, for example on the availability date of a product, which is then delayed again, this situation results in a dissatisfaction increase; consumers consider it as a lie.
4. Perceived effort is very high on several dimensions among dissatisfied complainers. The gathering of divergent answers from different commercial contacts induce high psychological discomfort among dissatisfied complainers. These divergent answers ask for more steps to obtain confirmation of the answer. On the contrary, satisfied complainers focus more on the positive result, which minimizes retrospectively the effort involved in the process.
5. Dissatisfied claimants focus more on the process while satisfied claimants focus more on the result. In particular, dissatisfied claimants evaluate particularly negatively the interactional dimension of justice: they criticize the absence of a clearly identified commercial contact and the lack of connexions between the call centre and the stores.
6. Satisfied complainers demonstrate high levels of empathy toward employees. On the contrary, dissatisfied complainers consider that it is not their business to find excuses to the retailer, even if the problem encountered can be attributed to the manufacturer. Several complaints related to the purchase of large furniture. Products are not physically available in stores and the retailer is not in control of the manufacturer's inventory and delivery times. However, dissatisfied complainers consider that they purchased the product from the retailer and that the retailer must solve the problem.
7. Most customers are aware that Covid-19 crisis has an impact on production level and delivery time. However, the retailer did not take advantage of the context to justify service failure. Satisfied complainers even experience positive disconfirmation, with a process faster and more efficient than expected.
8. Dissatisfied complainers doubt that they would purchase again from the retailer (Exit) whereas satisfied complainers underline the high value for money and their intention to repurchase (Loyalty).

Original/value

We highlight the key role of the uncertainty felt by the customer throughout the complaint handling process to distinguish satisfied versus dissatisfied customers. Although uncertainty is a key variable of most decision models, this variable has not been highlighted as such in the complaint management literature.

Practical implications

Results show that uncertainty about how the problem will be solved and especially the time needed to find a solution are important factors of dissatisfaction in the handling of the complaint. This uncertainty is multi-faceted: the customer does not know who will solve the problem, how and especially when. The worst reaction from the firm is silence, silence being badly experienced by customers. Several recommendations can be formulated to increase the process transparency:

- Acknowledge receipt of the claim by e-mail and give to the customer a claim file number to make following-up easier.
- Keep the customer informed at every stage of the claim process, communicate regularly with the customer, especially if the resolution timeframe changes.
- Be proactive and personalize the relationship in asking the customer if he/she has any constraint about delivery time.
- Putting people in touch with each other (for example people from the call center and salespersons in the store)
- Give reliable information and explanations to avoid being perceived as a liar.

Research limitations and outlook

Our qualitative study revealed several dimensions characterizing poor complaint management, leading to customer resentment and intention to exit the commercial relationship. Respondents were selected to cover a diversity of profiles and situations. Still, they were all customers of the same major retailer operating across Europe in the field of furnishings and decoration. Extensions to less involving contexts could increase the replicability of our insights.

Existing models of service encounter evaluation (e.g. Bitner, 1990) could be enriched by variables that appeared to play a key role in the understanding of customer satisfaction toward the complaint management process. First, perceived uncertainty about the resolution issue appears to be playing a key role in explaining the emotions felt by the customer experiencing service failure. Second, our results suggest introducing perceived effort as a multi-dimensional concept in complaint management models. More quantitative research is needed to test the effect of these variables on commercial outcomes such as advocacy behaviour and repeated purchase behaviour.

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Appendix 1. Profile of respondents (S = satisfied / D = dissastified)

N.	First name	Gender	Accomodation type	Household size	Interest in interior design	Expertise in do-it-yourself
S1	Karina	F	Flat	3	Very high	Low
S2	Ana1	F	Flat	3	High	Moderate
S3	Ana2	F	House	3	Low (High for husband)	Low
S4	Francisco	M	Flat	3	High	High
S5	Miguel	M	Flat	2	Very low	Very high
S6	José	M	Flat	3	Low	Low
S7	Juana	F	House	4	Low	Moderate (High for husband)
S8	Oscar	M	Flat	5	Low	High
S9	Maria José	F	House	5	Low	High.
D1	Andrea	F	Flat	4	High	Moderate
D2	Sonia	F	Flat	1	Unknown	Unknown
D3	Isabel	F	Flat	2	Very high	Low
D4	Sara	F	House	4	High	Low to moderate
D5	Urtzi	M	Flat	2	Low	Low
D6	Eugenia	F	Flat	3	Low	Moderate
D7	Isaac	M	Flat	3	Low	Low
D8	José	M	Flat + House	4	Low (High for wife)	Moderate

Appendix 2. Results by broad categories

Channels used	• I need to see the products, see the textures; it's better to see it in real life. [Isabel D3] • About furniture, it's true that I prefer the store to the internet, for the rest I use the internet more, but for this kind of things I like to see the product in situ, the materials, the resistance of the product. [Oscar S8] • The kitchen table that I bought at RetailerX, I had to go and see it before because sometimes on the internet you read very positive reviews, the prices are not expensive but the quality is very bad so you have to be careful. [Karina S1]	**High situational involvement** The purchases at stake are highly involving for both groups of complainers, which implies a preliminary visit to the store before the purchase.
Problem encountered	• I claimed for three months, in-store and online, and the product finally arrived home after three months. [Sonia D2] • When the product arrived, I decided to assemble it by myself. When I encountered the problem, I don't know why the company assembler who should have assembled it told me that it was a problem with how I had assembled the furniture. [Juana S7] • But who buys a bed without a box spring... it's true that it was specified on the website, we saw it afterwards, but you know how it is, it was written in very small print. [Ana1 S2]	**Attribution of responsibility** Some satisfied complainers acknowledged being partially responsible for the encountered problem. That was never the case among dissatisfied complainers.
Claiming process	• I sent the document back, they then replied that there was indeed a problem with the document and that the insurance company was going to get in touch with me, but since October and we are in December, I still don't have an answer. [Eugenia D6] • By email, either they don't answer you, or they answer to tell you that they are going to solve the problem, but in the end you don't get any answer. [Sonia D2] • Neither the freephone number nor the toll-free number, it was impossible to get an answer. [Isabel D3] • On the phone, I asked the customer care assistant to pay for the assembly service, and she told me that she didn't know if it would be possible. [José D8] • A few days later, the customer care assistant of ManufacturerX (mattress maker) called me and told me that such and such a day, a new mattress would be delivered to me and that they would pick up the one I had at home. [Ana2 S3]. • The girl from the store called me, and explained to me that it sometimes happened that the delivery of the product could be very late. [Karina S1]	**Frustration related to the absence of any answer and the uncertainty of the outcome** The absence of any answer from the retailer characterizes situations where the complainer considers himself as dissatisfied with the complaint management. Uncertainty about the outcome of the problem also leads to dissatisfaction.
Perceived effort	• It's pretty easy in terms of time, but you have to go to the store, and that makes it complicated. [Andrea D1] • The only answer they give me is that the manufacturer does not support it, it's not possible. [Isaac D7] • In total we had to go to the store about ten times [Urtzi D5] • Yes, very effortful, because each speaker was saying	**Perceived effort is very high on several dimensions among dissatisfied complainers.** The gathering of divergent answers from different commercial contacts induce

	something different. [Andrea D1] • Since they answered me by email, I will surely write an email, and I hope we can agree on the day of delivery, because this is not my main residence. [MariaJosé S9] • No, I work a lot with my phone, I spend a lot of time on the phone, so I know that very often we can't answer the calls we get. [MariaJosé S9] • Yes, having to move physically to the store was effortful, but no more than that, the resolution was easy [Miguel S5]	high psychological discomfort among dissatisfied complainers. These divergent answers ask for more steps to obtain confirmation of the answer. **On the contrary, satisfied complainers focus more on the positive result, which minimizes retrospectively the effort involved in the process.**
Evaluation of the response	• It took a minimum of three... two months to resolve the claim. [Sonia D2] • One thing is that the table is late and takes longer than expected, but it's completely another thing that they don't get in touch with me and tell me anything. [Isabel D3] • I'm not saying they can't take a little longer to give you an answer... However, not even an answer is unacceptable. [Urtzi D5] • The big problem is that you can't talk directly to a person, you talk to a voice server. [Sara D4] • If they have less staff than they used to and because of that they couldn't do a good follow-up on the claim... then it's possible. [Oscar S8] • She told me that on the Monday, she would send it by courier service, and finally it took another 3 days, or 4. [Francisco S4] • If they handle the problem, but then don't follow up with the manufacturer, that's problematic. [Oscar S8]	Dissatisfied complainers focus more on the process while satisfied complainers focus more on the result. In particular, dissatisfied complainers evaluate particularly negatively the interactional dimension of justice: they criticize the absence of a clearly identified commercial contact.
Complaining experience	• And even that they couldn't do it properly, I had paid by card and apparently they couldn't give me the money back on the card... They gave it to me in cash, which I didn't like. [Isabel D3] • They told me that the only thing they could do, until the manufacturer agreed to change the cabinet, would be to put plastic legs on to even it out. [Isaac D7] • My problem is that I paid for a delivery service and, in the end, we still had to make a round trip with the box spring in the car. [Sara D4] • It's a pity that RetailerX cannot be reimbursed by ManfacturerY, but this is not my problem [Isaac D7] • I sent an email via the website; they replied that they were overwhelmed with emails, and that they would reply as soon as possible. [Francisco S4] • Sometimes it's hard to talk to them by phone, I don't know if there are a lot of calls or few people to answer, but it's more effective by email. [José S6] • I had already exchanged with them via email regarding the delivery of the furniture, so when I was told by phone that I had to write, I already knew which address to use. [José S6] • So what I did was tell them with anticipation, and they told me that when I could receive the product, that I would tell them. [MariaJosé S9]	**Empathy toward employees** Satisfied complainers demonstrate high levels of empathy toward employees. On the contrary, dissatisfied complainers consider that it is not their business to find excuses to the retailer, even if the problem encountered can be attributed to the manufacturer.

	• It's important to tell because sometimes you go to some stores and you expect to sweat it out, but with them that's not the case. [Karina S1]	
Impact of Covid-19 on the expectations and the evaluation of the process	• I think that the pandemic has affected, because already we know that in August the furniture factories do not work, this is something that I had already been told. In addition, in September everybody goes to the furniture stores to buy for the beginning of the school year, and this year, with the pandemic, and the stopping of the factories in August, even worse, because apparently even more people went to the stores than in previous years. They told me that at the time of purchase to justify the delivery time. They told me that at the time of purchase to justify the delivery time, as it was normal for the conditions to be long [Andrea D1] • No, because in this case they never gave me the covid explanation to explain the situation. They simply said that the furniture was not there. However, that it would probably be there the following week. [Sonia D2] • What I know is that they never give me any information. If I was told that, manufacturers had stopped manufacturing, that furniture, because of covid, was not going to arrive in time, then no problem. What is not acceptable is not telling me anything. [Isabel D3] • I thought it would be much more complicated because of Covid, that they would take longer to solve, but it was the opposite. [Ana2 S3] • My wife and I have talked about this. We understand that with covid the delays are longer, that the fitters and deliverers also have more constraints. With the family, a little. But with the networks, no. [Francisco S4] • No, I don't think so. I think they have a lot more to do, and many delays, which are understandable because they had to stop their activity. Nevertheless, for the rest I don't think so. [Juana S7] • No, I don't think. Not at all even if they are short staffed. If they have less staff than they used to and because of that they couldn't do a good job of tracking the claim...then it's possible. In that sense, it's possible, yes. [Oscar S8]	Most customers are aware that Covid-19 crisis has an impact on production level and delivery times. However, the retailer did not take advantage of the context to justify service failure. Satisfied complainers even experience positive disconfirmation, with a process faster and more efficient than expected.
Behavioral intentions	• It is a good thing to buy from RetailerX, and I will do it, if the products are from RetailerX and available in stock. [Andrea D1] • I don't know frankly, because I figure if I have a more serious complaint to make and they handle it like this... Frankly I doubt "very much" buying from them. [Eugenia D6] • But I'm telling you, if I can find it for the same price somewhere else, I'll go somewhere else. [José D8] • The value for money... I'm not going to tell you that the quality of the furniture is incredible, but it's good enough and the price is very low. [MariaJosé S9] • I'll tell you, I've seen the same products that are sold at RetailerX, I'll tell you, the same ones, that were much	**Exit versus Loyalty** Dissatisfied complainers doubt that they would purchase again from the retailer whereas satisfied complainers underline the high value for money and their intention to repurchase.

	more expensive elsewhere. [Karina S1] • Exactly I saw some lights to buy so I'm going to give them a second chance. [Francisco S4]	

Supply chain management/partnering

IMPACT OF EPIDEMIC DYNAMICS ON RETAIL DISTRIBUTION NETWORKS

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Purpose

Today, Supply Chains (SCs) have become highly sophisticated and crucial in ensuring the competitiveness of organizations. The growing number of interconnections and global nature make them increasingly exposed to a variety of risks, with more potential points of failure and less margin of error for absorbing delays and disruptions. According to Craighead *et al.* (2007), risks in SC refer to anything that may interrupt the normal flows of the network, exposing organizations to economic, environmental, and social consequences as well. Over the last few decades, SC disruptions have been occurring at a greater frequency, representing a new challenge for SC managers. Moreover since 2020, the modern world has been stressed out by an unprecedented and disruptive disease outbreak commonly known as COVID-19, an infectious disease caused by a newly discovered coronavirus and transmitted via droplets, or contaminated objects, during close, unprotected contact between at least an infector and an infectee (La Torre *et al.*, 2021). The impacts of COVID-19 have gained great attention from academic researchers, practitioners, and governments (Queiroz *et al.*, 2020). In agreement with Ivanov and Das (2020), the COVID-19 pandemic is considered a new type of disruption quite

unlike any seen before that has been creating significant uncertainty in all areas of business, including retail distribution networks. It is interesting to analyze the resilience capacity and strategy retailers should adopt.

Conceptual framework

Disruptions and Shocks in Retail Distribution Networks

Supply Chain Risk Management (SCRM) has become one of the most discussed topics among academic researchers and practitioners (Handfield and McCormack, 2017; Khojasteh, 2018). Heckmann *et al.* (2014) defined SCRM as the implementation of strategies to manage both every day and exceptional risks along the SC based on continuous risk assessment to reduce vulnerability and ensure continuity. SC risks can be generally classified into two main groups: operational (or recurrent) and disruption (or exceptional) risks. Operational risks are related to random uncertainty and business-as-usual situations in supply and demand (Ivanov *et al.*, 2019b). Disruption risks represent a new challenge for SC managers, impacting SC performance through exceptional events (e.g., natural disasters, political conflicts, terrorism, cyber-attacks, etc.). Since 2000, SC disruptions (e.g., Terrorism Twin Towers, New York, 2001; Earthquake and tsunami in Japan, 2011; COVID-19 pandemic, 2020-2021; etc.) have been occurring in greater frequency and intensity, causing significant consequences (Chopra and Sodhi, 2014; Simchi-Levi *et al.*, 2014). Although considerable advancements have been achieved in mitigating recurrent SC risks by improving planning and execution (Chopra and Sodhi, 2014), the unpredictability of a disruption's appearance and consequences makes this type of risk hard to be identified and prevented (Hosseini *et al.*, 2020). In contrast to the bullwhip effect, supply chain disruption management (i.e. ripple effect) has been gaining ongoing attention from academia, decision-makers, policy analysts, and other actors, for maintaining and improving SC resilience. For further information, see Ivanov *et al.* (2019a).

The retail sector includes all activities aimed at distributing a product or service to the end-customer. Retail supply chain operations can be a source of vulnerability or resilience, depending on its effectiveness in monitoring risk, implementing mitigation strategies, and establishing business continuity plans.

The impacts of COVID-19 on the retail sector have been heterogeneous and can be considered essentially as a consequence of some factors, such as the lack of social distancing measures in the conduct of retail activities, the difficulty of moving from physical to "online" modalities given the nature of the activities carried out, and the lack of a timely response first from the company and then from the government to deal with such events.

So, in the exceptional circumstance of the COVID-19 pandemic, companies should have grasped the importance of focusing much of their attention on managing the types of shocks, classified as "unexpected disruptions", redesigning their supply chain, and implementing resilient activities that enable them to be able to mitigate risks, respond promptly to risks, and ensure faster stabilization and recovery (Ivanov *et al.*, 2019b).

Design/methodology/approach

Modeling and Control of Disruption Propagation

We propose a Susceptible-Infectious-Susceptible (SIS) framework that abandons the classical version of the SIS model which assumes a logistic-type formulation, and focuses on the outbreak of the disease by adopting a simplified linearized version as suggested in La Torre *et*

al. (2021). We also suppose that the level of infected workers at each node of the distribution network is subject to shocks exogenous to the network driven by a classical Wiener process. We focus on how the stochastic spread of the epidemic across the distribution network will generate a loss of productivity and, therefore, the capacity of the distribution network to serve potential customers. We also propose a numerical simulation to analyze the dynamics of the infection over the network, and in the case of a strict lockdown we provide a policy recommendation to generate resilience and therefore reduce productivity loss.

A distribution chain or network is modeled by a graph G, composed by N different nodes $x_i, i = 1, ..., N$. At each node $i \in G$, the total number of infected is described by:

$$dI_i(t) = \left[\left(n_i + \sum_{j \neq i} \gamma_{ij} I_j(t) \right) - \delta_i \right] I_i(t)dt + \sigma_i I_i(t)dW_i(t), \quad I_i(t_0) = I_i^0$$

The above system of N stochastic differential equations (for further information see Øksendal, 2003) describes the spread of the epidemic in the early stage. The amount of infected people at the node i grows as consequence of two effects:

- the local spread of the epidemics with the infection rate n_i,
- the immigration of infected people moving from the other nodes $j, j \neq i$, to the node i.

The amount of infected is also subject to shocks exogenous to the network, all of them driven by a Geometric Wiener Process W_i where σ_i is the volatility term and the covariance is given by:

$$E \left(dW_i(t) \, dW_j(t) \right) = \rho_{i,j}$$

where $\rho_i, i = 1$. Of course, the spread of the epidemic causes a loss of productivity. If we define by $\theta_i, i = 1, ..., N$ the per-capita productivity at the node i, the total loss of productivity $L(t)$ is given by:

$$L(t) = - \sum_{i=1}^{N} \theta_i I_i(t)$$

subject to

$$dI_i(t) = \left[\left(n_i + \sum_{j \neq i} \gamma_{ij} I_j(t) \right) - \delta_i \right] I_i(t)dt + \sigma_i I_i(t)dW_i(t), \quad I_i(t_0) = I_i^0$$

where L is a stochastic process that describes the loss of productivity over time.

When a strict lockdown policy is put in place each node of the network is then isolated and, therefore, we can assume that $\gamma_i = 0$. We suppose that the Wiener processes W_i are independent as the nodes are totally disconnected. In this scenario the above system boils down to:

$$dI_i(t) = (n_i - \delta_i)I_i(t)dt + \sigma_i I_i(t)dW_i(t), \quad I_i(t_0) = I_i^0$$

In this particular case the expected loss of productivity over time is easy to be computed and it is given by:

$$E\big(L(t)\big) = -\sum_{i=1} \theta_i E\big(I_i(t)\big) = -\sum_{i=1} \theta_i I_i(0)e^{(n_i-\delta_i)t}$$

The volatility of $L(t)$ can also be easily calculated and it is provided by:

$$Var\big(L(t)\big) = \sum_{i=1} \theta_i^2 I_i(0)^2 e^{2(n_i-\delta_i)t}\left(e^{\sigma_i^2 t} - 1\right)$$

Findings

The continuing impact of COVID-19, as well as the potential for other global disruptions, on retail supply chains and its implications for 2021 and beyond has increasingly gained the attention among researchers and practitioners. The disruptions are largely due to the lockdown measures adopted and implemented by countries as a health strategy to mitigate the impact of the pandemic's spread on the human population: these choices led to production halts, movement restrictions of people and goods, border closures, logistical constraints, as well as the slowdown of trade and business activities. Our paper analyzes the effects of the epidemic outbreak on the distribution network. The model we propose takes into account the flow of infection from one node to another of the network as well as the presence of exogenous shocks.

In the case of strict lockdown the resilience of the retail distribution network can be controlled by means of the condition presented in the following proposition.

Proposition. Suppose that enough treatment and vaccination efforts δ_i are put in place such that $2\delta_i > \sigma_i^2 + 2n_i$. Then the following results are true:

$$E\big(L(t)\big) = 0$$

and

$$Var\big(L(t)\big) = 0.$$

The previous result states that, in the long run, both the loss of productivity and the risk are negligible and converge to zero.

Contributions and Practical implications

The study applies a linearized Susceptible-Infectious-Susceptible (SIS) model able to capture the dynamics of the disease outbreak to retail networks, offering managers a strategy to cope with disruption risks and increase the resilience of the retail network. In the case of strict lockdown ($\gamma_{ij} = 0$) we provide policy recommendations to generate resilience and therefore control the loss of productivity. Indeed, our numerical simulation shows that both treatment investments and lockdown measures are simultaneously necessary to invert the negative trend. We simulate the effects on a medium retail network under (and not) lockdown measurements (Fig. 1 and 2): it is evident that treatment investments alone are not able to sustain the productivity of the retail network.
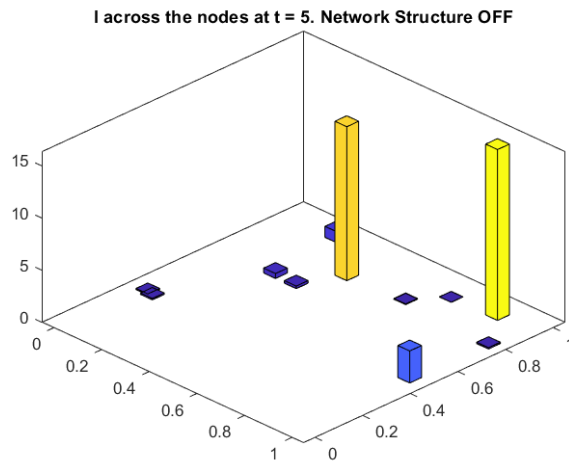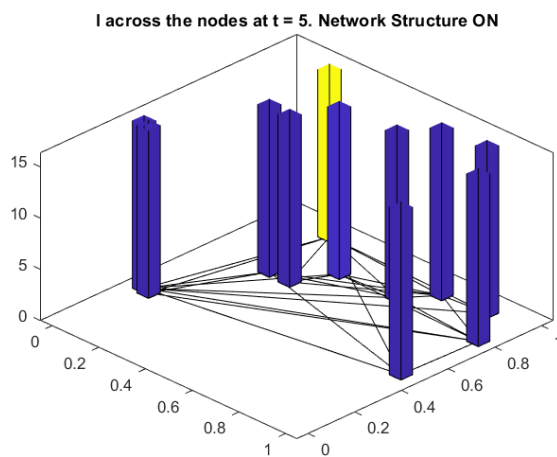
I across the nodes at t = 5. Network Structure OFF

Figure 2: Medium retail network not in lockdown

I across the nodes at t = 5. Network Structure ON

Research limitations and outlook

Future avenues will include the analysis of an optimal decision-making model in which the distribution network manager has to determine the optimal lockdown policy to minimize the disruption effect on the network productivity.

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INTELLIGENT SHELVES – EXPECTATIONS AND POTENTIAL APPLICATIONS FROM THE PERSPECTIVE OF RETAILERS

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Keywords

Intelligent Shelf, Smart Shelf, out of shelf detection, grocery retail, drugstore retail.

Introduction

Out of shelf or so-called shelf out of stock (SOOS), out of stock (OOS) as well as on shelf availability (OSA) in grocery retail has been studied extensively, both in research and in practice (Aastrup and Kotzab, 2009, 2010; Sanchez-Ruiz *et al.*, 2018; Corsten and Gruen, 2003; Mckinnon *et al.*, 2007; Ehrenthal *et al.*, 2014). According to (ECR, 2013) out of stock is a situation, when a product is not found in the desired form, flavor or size, not found in saleable condition, or not shelved in the expected location. While out of stock means that there is no stock left in the store or in the storage area, out of shelf means that there is still stock, but it is not in the corresponding shelf space. The OSA reflects that amount of products that are available in saleable condition to a customer, at the time, he wants to buy it and in the place, he expects it. Although intensive work has been done on the topic of OOS and OSA in recent years, there is still a need for further research, as stock out rates remain high (Gruen *et al.*, 2002; Aastrup and Kotzab, 2010).

In recent years, many different technologies for smart shelves or intelligent shelves have been developed or are on the market. Although these technologies offer support for reducing OOS, their use by retailers is limited. This paper shows why grocery and drugstore retailers in the DACH region still hardly use technologies for the automatic detection of OOS. The underlying survey also shows which use cases would be interesting for the deployment of intelligent shelves and to what extent there are plans in the next years for the use of technologies on or in the shelf.

Purpose

As already mentioned briefly, many different technologies for smart shelves or intelligent shelves have been developed in the last years. The term intelligent shelf generally refers to a storage unit equipped with certain sensors that not only detects impending out of shelf situations, but also sends automated inventory messages (Magenta, 2019). Additional functions of intelligent shelves are checking of planogram compliance or various analytics, such as frequency and duration of out of shelf.

In addition to the development of the systems for practical use in retail stores, research has also been conducted on the automatic detection of out of shelf (Frontoni *et al.*, 2014 - 2014;

Frontoni *et al.*, 2014; Satapathy *et al.*, 2015 - 2015; Higa and Iwamoto, 2018, 2019; Milella et al. 2020; Rosado *et al.*, 2016 - 2016; Moorthy *et al.*, 2015a; Moorthy *et al.*, 2015b; Santra and Mukherjee, 2019) or on planogram compliance (Varol and Kuzu, 2015; Tonioni *et al.*, 2018; Santra and Mukherjee, 2019). If you look at the websites of technology providers, many promises are made: Reduction of out of shelf and the associated increase in sales and customer satisfaction, savings in personnel costs and a rapid return on investment, to name just a few. These facts raise the question of why grocery retailers and drugstores in Germany, Austria, and Switzerland have so far hardly invested in intelligent shelves. Only one survey by EHI (Giese *et al.*, 2019) asked to what extent retailers have concrete plans for intelligent shelves. In this study, IT decision-makers from 90 retail companies in German-speaking countries were asked about IT trends in retail. When asked about specific plans, only 10% of respondents answered that they already use intelligent shelves. 40%, on the other hand, do not consider this technology to be of interest to the company. However, the study does not take a detailed look at why intelligent shelves have not yet made their way into stores and which deployment scenarios are conceivable in the grocery and drugstore retail sector.

Conceptual framework

As outlined above, there is little information from grocery and drugstore retailers as to why technologies are currently not in use to assist in the prevention of OOS. Grocery retail and drugstore retail are of particular interest, because of two facts: (1) According to ECR (ECR, 2013), fewer items out of stock are the third most desire by consumers in grocery retail, after shorter queues at the checkout and more promotion. And (2), the products offered in grocery and drugstores are typical fast moving consumer goods. The sales frequency is very high and out-of-shelf occurs accordingly relatively often. To address this issue, the following research questions arise:

RQ1: What are the reasons why technologies for out of shelf detection have not yet found their way into grocery and drugstore retail in the DACH region?

RQ2: What requirements do grocery and drugstore retailers in Germany, Austria, and Switzerland have for the use of intelligent shelves and which application scenarios are conceivable?

Methodology

The methodology of the underlying research is based on primary research. Since the aim of the study is to ascertain the current status quo and ideas about the use of intelligent shelves in retail companies, expert interviews were chosen as an appropriate method. We decided to use a 3-step approach: (1) identification of relevant retailers and experts, (2) data collection, and (3) data analysis and evaluation.

Step 1: Identification of relevant retailers and experts

In the first step, the market situation of grocery and drugstore retail in Germany, Austria and Switzerland was analysed and the main players identified. In total, 20 different retail companies (14 grocery retailers and 6 drugstore retailers) from the DACH-region were figured out and contacted. In some cases, personal contacts of the research team were used, in the other cases experts were contacted via the social media platforms LinkedIn (www.linkedin.com) and Xing (www.xing.com) and asked for an interview. The companies named the experts in their company. Since the divisional functions and areas of responsibility are defined very differently in the companies, the functions of the respondents also vary. Of all the 20 experts contacted, 11 agreed to be interviewed. The functions of the experts in the companies are Head of store logistics and disposition (3), Head of IT Management (2), Head of Insights – Operations, Head of Marketing & Online Sales, Head of Controlling & Strategy,

Project Manager Store Design, Head of Digital Corporate Development and one Managing Director.

The following two figures show the sample by country and trade sector.

Figure 1: Sample of the study by country and retail sector

Step 2: Data collection

The second step was to collect the data. For this purpose, an interview guide was created, in which the questions were formulated in an open manner. The interview guide was divided thematically into the following three areas: (1) current OOS detection practices in grocery and drugstore retail (2) preferred technologies and functionalities of intelligent shelves, and (3) decision criteria and application scenarios for the use of intelligent shelves. Interviews were conducted face-to-face via MS Teams. All the Interviews were tape recorded, as recordings serve as an essential basis for the subsequent transcription of the interviews. These transcriptions of the interviews were the final point in step 2.

Step 3: Data analysis and evaluation

The interview results were evaluated in step 3. To ensure systematic, rule-based qualitative data analysis, the transcripts were imported into MAXQDA, a software tool specialized in computer-assisted qualitative data and text analysis, in order to evaluate and interpret the results. For this purpose, the transcripts were coded with respect to various criteria analogous to the research questions. Each code was then evaluated individually. MS EXCEL was used to create graphs.

Findings

Although suppliers clearly emphasize the benefits of smart shelves, retailers in Germany, Austria, and Switzerland are still sceptical about using these systems. The high investment costs and unclear benefits prevent a large proportion of the retailers surveyed from investing in smart shelves. However, four of the companies surveyed said they would at least test smart shelves in the next five years. Overall, no clear preference for a technology could be identified. While advantages are seen in camera-based technologies in terms of investment costs, the advantages of sensor-based technologies lie in the accuracy of the data, such as the precise recording of shelf stock.

More generally, the issue of out-of-shelf is very important to companies, but some of the companies interviewed noted that due to highly trained staff, out-of-shelf situations do not occur too often and thus the "pain" is not yet so great to also make an investment in supporting technologies.

The challenges in the use of intelligent shelves are manifold and affect both the stores and central departments, such as IT or management. While some interviewees see a high level of acceptance among employees, others are very sceptical in this regard. The issues of data

protection and acceptance of the systems by customers, especially when it comes to the use of camera-based technologies, are also viewed critically.

However, interest in smart shelves will remain high in the coming years, and their use will become more likely as the technologies become even better and more cost-effective. The retailers surveyed also expect this development.

Contributions

To our knowledge, this is the first study in the DACH region to capture retailers' views on the use of intelligent shelves to reduce OOS, more precisely in terms of SOOS. Only if a product is still in stock it can be replenished immediately in the event of a gap on the shelf. Especially in this case, the intelligent technologies support the reduction or avoidance of OOS. Even though the level of knowledge on this topic is considered to be good among the respondents, they find it difficult to evaluate different functionalities and to derive use cases. This study thus provides an initial overview of the attitude of grocery retailers and drugstores in German-speaking countries.

Practical implications

The practical relevance is legitimized by sharing insights and experiences as a way to help retailers to think through their current situation and future aspirations within the context of OOS and turning data into actionable information. Also for technology provider, this study offers a broader and deeper insight into how retailers evaluate the topic. This gives them the opportunity to further develop the systems to meet the requirements of potential users.

Research limitations and outlook

The limitations of the study relate to the size of the sample and the number of respondents, as well as the restriction to German-speaking countries. While this study provides a very good initial overview, there is a need for further research.

For example, it would be interesting to know how the topic of intelligent shelves is viewed in other countries in Europe, USA and Asia. Are there differences here and what are they based on (e.g. culture, progress in digitization, retail landscape, qualification of staff at central and store level)? What influence does the "corporate philosophy" have on how the topic is considered? How do different departments think about the topic, e.g. logistics, marketing, CRM or category management? In terms of customer acceptance of smart shelves, this study surveyed retailers' perceptions. Here, it would be interesting to survey the actual acceptance by consumers, also with regard to differences between camera-based and sensor-based technologies. Quantification of benefits of smart shelves also has to find its way into research, as there are many benefits that have not yet been quantified in this context, e.g., increase in customer satisfaction.

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Keywords

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Multi-/Omni-channel marketing and operations

BUILDING RETAILERS' RESILIENCE IN TIMES OF CRISIS: A MULTIMETHOD CASE STUDY IN WÜRZBURG, GERMANY

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Introduction

In Germany, amongst other countries, measures taken against the containment of the Covid-19 pandemic included officially ordered lockdowns, which affected all sectors relevant to city centres, including culture, gastronomy, tourism and real estate. In the retail sector, over 200,000 brick and mortar stores had to close down temporarily (HDE, 2020), exacerbating long-established challenges which can be summarized under the buzzword of structural change, including inter alia, market concentration, internationalisation, changing consumer behaviours and demands, as well as of course digitalisation (Neiberger *et al.*, 2020). This lead to a year of extremes in the retailing industry in 2020. While as many as 50,000 retail businesses are estimated to end in insolvency (HDE, 2021), with big chains also being affected (Book and Gnirke, 2021), e-commerce accelerates growth significantly to more than 83 billion euros (Bevh, 2021). E-commerce effects physical shopping in terms of substitution, complementarity and modification (Singleton *et al.,* 2016; Weltvreden, 2007). While digitalisation and e-commerce were often seen as threats to traditional retail formats (Weltvreden, 2014), (temporal) multi-channeling is likely to help brick-and-mortar-retailers retaining resilience during the Covid-19 crisis, when restrictive governmental interventions challenged the (offline) brick-and-mortar retail sector.

Purpose

This paper's goal is to better understand individual retailer's resilience. It examines and determines crucial aspects of retailers' resilience against the backdrop of the current Covid-19 crisis and accompanying measurements and implications. Focusing on e-commerce strategies to investigate retailers' resilience, this study distinguishes between subjective and objective resilience, attempting to determine if and how psycho-social factors on the one hand and individual retailers' structure and characteristics on the other hand, support the resilience of retailers. The question is therefore, what aspects and strategies have been applied, leading to different resilience capacities and resulting into different response and retailer types. Lastly, the paper reveals how these strategies can become implemented in managerial practice to gain resilience during future crisis.

Conceptual framework

The concept of resilience serves as the theoretical framework of this paper. It has been applied in different context within the retailing sector and includes studies on the resilience of town centres (Dolega and Celińska-Janowicz, 2015), urban retail areas (Erkip *et al.,* 2014; Kärrholm *et al.,* 2014), shopping centres (Guimarães, 2018), retail supply chains (Alikhani *et al.,* 2021), retailers and regional resilience (Appel and Hardaker, 2021) as well as small retail business and individual retailers themselves (Kativhu *et al.*, 2018; Martinelli *et al.,* 2018; Martinelli and Tagliazucchi, 2019; Jones and Comfort, 2020). Generally, there is much ambiguity and a divergence of views as to how resilience can be measured (Dolega and Celinska-Janowicz, 2015: 12). For regional resilience, Christopherson *et al.* (2010: 6) suggest indicators such as current and past economic growth rates, employment rates and standards of living as possible indicators. However, Bristow and Healy (2013: 933) point out the necessity to judge these measurable outcomes in "relation to a region's own 'norms'" in order to evaluate resilience. For the resilience of retail or town centres catchment areas, vacancy rates, foot traffic and the number of anchor stores, premium brands are held to be suitable measures (Dolega and Celinska-Janowicz, 2015; Dolega and Lord, 2020; Wrigley and Lambiri, 2015). Indeed such indicators give insights in the overall performance of aggregate units such as locations or sectors, but as Strambach and Klement (2016) point out individual strategies and processes on a micro-scale remain invisible. Measurements of resilience are criticized to focus on a comparison of pre- and post-crisis moments in time and thus to preserve a status quo by preventing systems to reconfigure or bounce forward (Christopherson *et al.,* 2010) which leads to the question in how far resilience is a positive attribute (e.g. Dolega and Celinska-Janowicz, 2015; Schiappacasse and Müller, 2018). As Jones (2019) points out: "Resilience isn't the same for all". To better understand which aspects and strategies are relevant, we identify and analyse subjective and objective components of resilience, an approach that has been rarely used so far (Jones and Tanner, 2015).

Methodology

This study applies a mixed method approach, which includes a survey amongst retailers (n=108) as well as twenty expert interviews with retailers located in the city centre of Würzburg in Germany. The results are evaluated in descriptive and statistical terms, classified based on cluster analysis, as well as triangulated with qualitative content analysis.

Findings

Investigating the relation of retailers' e-commerce and online marketing strategies applied before and during the Covid-19 pandemic as well as the perception of retailers' crisis management, we reveal that the time span of e-commerce engagement and the chosen strategy as well as psycho-social factors do influence resilience strategies of retailers. In our study,

four broad categories (retailer types/responses/clusters) can be distinguished. We argue that psycho-social factors such as self-efficacy, future aspiration, risk perception influence how retailers react to the emerging challenges and confirm that those not engaging in e-commerce (type 1 = the offliner, absorptive) are suffering the most under the crisis. Retailers who have started focusing on e-commerce during the current crisis (type 2 = the motivated, adaptive), are generally more optimistic about the future and feel strengthened by the crisis. Interestingly, this is often the case even if they experienced sales losses in year 2020. Type 3 retailers (= the prepared, absorptive), who already had a bigger share of online sales before the pandemic, have undertaken little changes, are suffering less losses and yet, do not see a particular reinforcement of their businesses. Type 4 (= the invisible, transformative) is characterised by the closure of the shop and was identified via the qualitative data collection.

Contributions

This study, applying a mixed methods approach, reveals that retailer's resilience consists of subjective and objective aspects that influence the personal 'capacities to respond'. It provides a detailed analysis on how psycho-social factors influence retailers subjective resilience, leading to more or less (pro)active responses (absorptive, adaptive, transformative) to the crisis. As such, it contributes to a more detailed understanding of subjective and objective aspects of retailers' resilience, identifying retailer/response types accordingly. Subsequently, the paper adds to a better understanding of managerial tasks and approaches during crisis and of multi-channel strategies, processes and impacts (e.g. Singleton *et al.,* 2016; Wrigley and Lambiri, 2015; Weltevreden, 2014).

Practical implications

The findings help understanding retailers' resilience by identifying subjective and objective aspects which contribute to the adaption of strategies to retain more resilient in future crisis. The study reveals the underlying subjective aspects of resilience that help to cope with, adapt to or transform the current challenges on a managerial and retailers' level. Regarding objective components, the study reveals that the timing of online engagement is crucial for a higher share of e-commerce to complement the store-based operations.

Research limitations and outlook

Limitations derive from the narrow sectoral and spatial focus of the sample. It remains to be investigated what and how contextual aspects influence retailers' resilience.

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Customer Perspective of Omni-Channel Retailing in the German Specialty Retailing Sector of Marine Aquaristics

Introduction

Retailers need to change and adapt to remain competitive due to a dynamically changing retail environment and customer (Bovensiepen et al., 2016). Traditional brick-and-mortar retailers lose customers as customers use different channels. To counteract this trend, a provision of a combination of digital and analog channels is needed (Paul and Stahl, 2020; Verhoef et al., 2015). One possible approach for retailers is to implement omni-channel (OC) strategies, where products and services are offered across different channels (Verhoef et al., 2015). This topic is particularly of interest for small and medium-sized enterprises (SMEs), which may only survive in the market if they embrace digital developments and opportunities (Jäger, 2016).

Purpose*

We aimed for the specialty retailing industry of marine aquaristics and consider this type of retailing to be appropriate for the OC topic. First, it is a niche market with a quite manageable size of client base and second, there are many SMEs in the industry that compete with some large pet store chains and online retailers (Verhoef et al., 2015; ZooRoyal Magazin, 2014, 2014). Therefore, the research question of the paper is: What are the factors that influence the acceptance and use of OC approaches in the marine aquaristics specialty retail industry?

Conceptual Framework

The conceptual model (figure 1) captures individual factors that reflect the acceptance for the intended use for OC in this particular retail branch. Our approach is based on the technology acceptance model for OC (TAMOC) developed by Costa e Silva et al. (2018), which has been adapted to the requirements of OC retailing and the individual requirements of the marine aquaristics specialty retail industry.

Figure 1. Conceptual Model
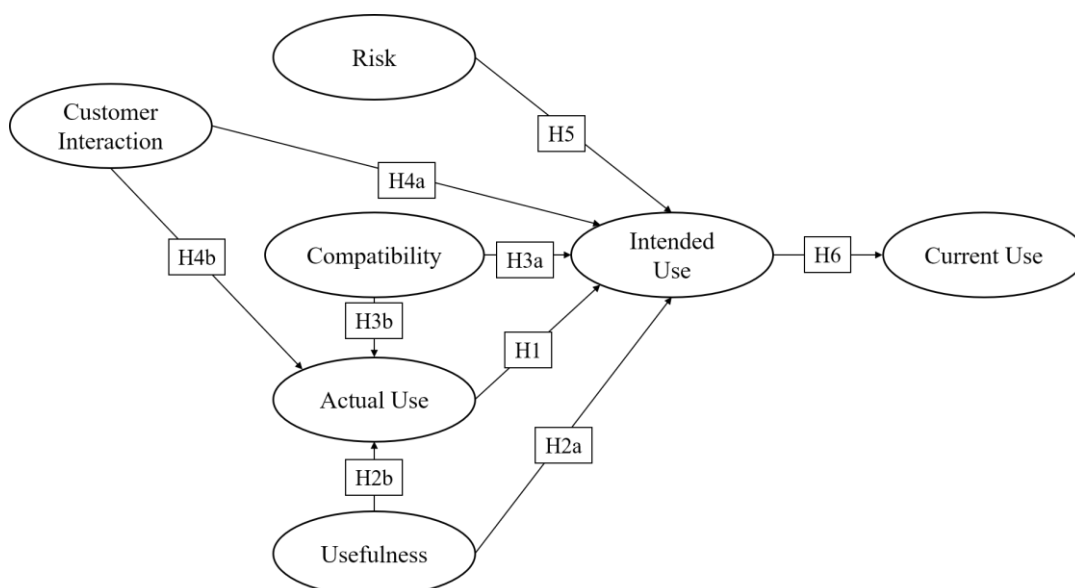
Concerning the wide product range of specialty retailers (Barth et al., 2015) OC can provide a faster overview of the product range and thus generate a perceivable benefit for customers (Blom et al., 2017). However, at the same time, attention should be paid to the user-friendly operation of the OC applications. We therefore assume:

H1: Perceived actual use has a direct positive influence on the intended use of an OC approach.

H2a: Perceived usefulness has a direct positive influence on the intended use of an OC approach.

According to the TAM approach, perceived usefulness depends significantly on perceived actual use (Davis et al., 1989), we therefore assume:

H2b: Perceived usefulness has a direct positive influence on the actual use of an OC approach.

Perceived compatibility indicates the extent to which an experience is perceived as consistent with existing habits as well as experiences of potential users (Al-Jabri and Sohail, 2012; Rogers, 2010). In e-commerce and omni-channel retailing, compatibility is an important condition for the intended use (Costa e Silva et al., 2018; Rogers, 2010; Shi et al., 2020). It can be assumed that the mentioned influence also exists for the selected industry:

H3a: Perceived compatibility has a direct positive influence on the intended use of an OC approach.

It can be assumed that compatibility has a mediator effect on the perceived actual use in addition to the direct effect on the intended use (Costa e Silva et al., 2018). This exists when the way in which customers perceive the actual use of purchasing is consistent with an OC approach. We therefore assume:

H3b: Perceived compatibility has a direct positive influence on the actual use of an OC approach.

Mrutzek et al. (2020) consider customer interaction to be an important tool for omni-channel companies. Consumers can be expected to perceive value through potential interaction on all channels with retailers. At the same time, there is a positive influence of customer interaction on intended use (Gefen et al., 2003), therefore it is to be expected:

H4a: Perceived customer interaction has a direct positive influence on the intended use of an OC approach.

H4b: Perceived customer interaction has a direct positive influence on the actual use of an OC approach.

Several studies indicate that perceived risk has a negative impact on attitudes toward using online transactions (e.g. Crespo et al., 2009; Li and Huang, 2009). It can be assumed that this influence also applies to the selected industry:

H5:   Perceived risk has a direct negative influence on the intended use of an OC approach.

In general, the intended use always influences the current use in a positive sense:

H6:   Perceived intended use has a direct positive influence on the current use of an OC approach.

Design/Methodology/Approach*

In this paper, a quantitative study is conducted with regular customers of marine aquaristics specialty retailers. To reach as many customers as possible, the survey was distributed on the internet via twelve forums and groups with a thematic connection to marine aquaristics.

The questionnaire used is based on the questions of Wu and Wang (2005) and Costa e Silva et al. (2018), where industry-specific changes have been made. In total, the questionnaire consists of 25 items in which the response options correspond to a Likert scale from one to five. The order of the answer choices is changed after each block of questions so that subjects are not influenced in one direction by the answer scheme. (Weiber and Mühlhaus, 2014).

Prior to conducting the survey, a pretest was conducted to check for comprehensibility (Del Greco and Walop, 1987; Weichbold, 2014). Thirteen people participated in the pretest, most of whom were unfamiliar with the OC approach and unfamiliar with the industry.

A total of 359 subjects participated, with 165 questionnaires completed fully. To eliminate subjects with a noticeable response pattern from the sample, all participants whose data set had a total variance of less than or equal to 0.2 were removed (Hair Jr et al., 2016). Together with a manual review by the authors, the sample size of the study is 157.

A partial least square analysis was conducted using SmartPLS to investigate the relationships between the various criteria and their influence on the use and likelihood of use of omni-channel approaches in the marine aquaristics specialty retail industry.

Findings*

The results provide empirical evidence for the developed conceptual model of consumer acceptance of omni-channel retailing in the marine aquaristics specialty retail industry. Except for hypotheses 2b and 5, all hypotheses could be validated. In particular, our data shows that the intended use of omni-channel approaches has a significant positive effect on current use (b= 0.360, $p<0.05$). In addition, the benefits of omni-channel approaches have a significant positive effect on intended use (b= 0.325, $p<0.05$). Similarly, we found that usefulness significantly influences intended use (b= 0.164, $p<0.05$). However, we could not find any significant influence of usefulness on the perceived actual use of omni-channel approaches (b= -0.003, $p<0.05$). In addition, compatibility influences both the perceived actual use (b= 0.687, $p<0.05$) as well as the intended use (b= 0.267, $p<0.05$) significantly. When it comes to the risk of using omni-channel approaches, no significant impact on intended use could be found (b= -0.039, $p<0.05$). One possible explanation could be the trusted status on which a specialty retailer's business is based (Kalkus, 2013). We also observed a positive significant

effect between customer interaction and perceived actual use (b= 0.188, p<0.05). Last, there is a positive significant effect between customer interaction and intended use (b= 0.250, p<0.05).

Original/value*

The explicit consideration of niche markets and SMEs has not yet received attention in existing research on the acceptance of OC approaches. Besides, the existing studies on the acceptance of OC approaches were conducted for areas where OC approaches are already widely used. In the marine aquaristics specialty retail industry, the environment is different. This provides a new perspective on the diffusion of the OC approach in practice.

Practical implications

Due to the high path coefficient of compatibility and actual use, a company in this industry should customize the OC concept to meet customer requirements. For example, the collection of customer data, such as preferred shopping times or forms of payment, enables an OC concept that is adapted to meet customer preferences.

Also noticeable is the strong positive influence of actual use and intended use. According to the report, customers primarily expect improved actual use from OC approaches. To enable this, care should be taken to provide various product alternatives and detailed product information. Likewise, a fast purchasing process is important to customers. Special appointments could be made for pickup in the stationary store so that a visit outside the actual opening hours is also possible. The responses on intended use indicate that many customers would be willing to use OC applications, but they do not currently have the possibility to do so.

Research limitations and outlook

In this paper, the focus was on the consumer perspective. To create a holistic picture, the corporate perspective is missing. It would also be interesting to investigate the extent to which the OC approach is being adopted in this industry.

The study is suitable to be conducted in another specialty retail industry and to compare the results with those of other industries. It would also be conceivable to conduct the study in another country. Country-specific differences and similarities could be identified in this way.

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Keywords*

Omni-channel retailing, SMEs, marine aquaristics, specialty retail industry, consumer survey, technology acceptance model (TAM)

LAST MILE DISTRIBUTION PRACTICES IN E-COMMERCE: A FRAMEWORK DEVELOPMENT AND EMPIRICAL ANALYSIS

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Keywords

Omni-channel; e-commerce; last mile distribution; strategy planning; logistics.

Introduction

The retailing landscape is changing as trade is shifting from store to internet-based formats where retailers are embracing the online channel (Hollander, 1960; Verhoef et al., 2015). e-Commerce is the fastest growing sales channel in Sweden with 20 per cent annual growth from 2004 to 2019, and a whopping 40 per cent in 2020 in light of the pandemic – and thus contactless shopping – leading to a total of 14 per cent of total retail sales.

Recently, an increasing number of retailers are exploring the means to provide a seamless shopping experience via multiple channels. Being active in an omni-channel environment not only changes firm strategies, but also raises the need for new logistics strategies, especially in the last mile (Jeanpart and Paché, 2016). Logistics strategy should as well be revised when firm characteristics evolve over time, it is therefore important to understand more about the firm characteristics which influence Last Mile Distribution (LMD) practices.

Although configurational approaches are useful in disentangling complex systems, still studies applying them are rare in omnichannel retailing (Marchet et al., 2018, Lim and Srai, 2018). While LMD strategy frameworks by Hübner, et al. (2016) and Marchet et al. (2018) have focused on Last Mile Back-End Fulfilment (LMBF) and Last Mile Delivery (LMDe), the link to the consumer aspect is missing. Wollenburg, et al. (2018) maintain that Last Mile Consumer Steering (LMCS), concerned with guiding the consumer through channels and delivery options, is a neglected aspect that has performance implications.

To date, no large-scale quantitative study has been performed to explore LMCS, LMBF, and LMDe in an integrated way. Also, the respective differences in e-commerce LMD practices of omni-channel and e-tailers (retailers selling products only online without any stores) have not been duly explored.

Purpose

The purpose of this paper is to *explore the LMD practices of e-commerce retailers.* By means of developing an integrated LMD strategy planning framework, and carrying out a large-scale, this study provides insight regarding how firm characteristics influence logistics practices when strategizing.

Two research questions are defined to explore the LMD practices of e-commerce retailers:

RQ1: What firm characteristics are most influential in LMD and LMCS practices?

RQ2: How do the identified firm characteristics influence LMD and LMCS practices?

Conceptual Framework

The LMD process is part of the overall order fulfilment process (Hübner et al., 2016). LMCS, LMBF, and LMDe should be considered in an integrated way when strategizing in the LMD area (Wollenburg et al., 2018). The logistics parameters to consider in designing LMD are visualized in Figure 1.
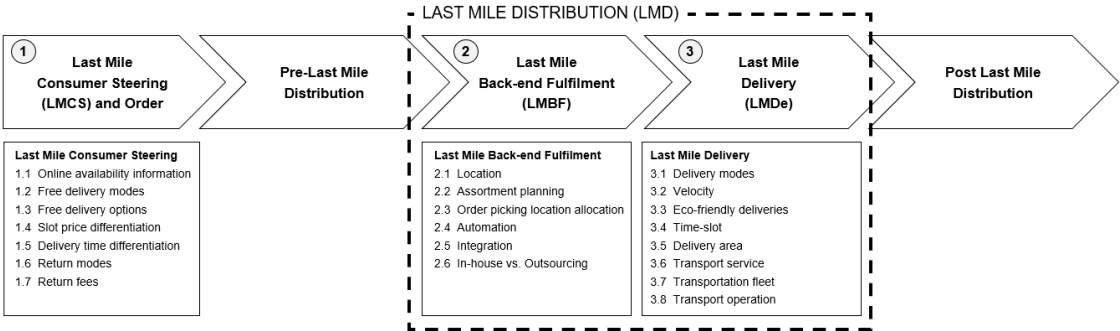

Figure 1. LMBF, LMDe, and LMCS Configuration Parameters

Source: Own Development

The integrated LMD strategy framework used in this study is a further development of the original frameworks by Hübner et al. (2016) and Marchet et al. (2018). The framework in Figure 2 covers important LMCS aspects aligning business and LMD strategies (Wollenburg, 2018), as well as important LMD aspects, such as the environment, outsourcing and inventory management (Mangiaracina et al., 2015; Buldeo Rai et al., 2019; Cai and Lo, 2020).

Areas	Parameters	Options			
① Last Mile Consumer Steering (LMCS)	1.1 Online availability visibility	Only web store		Physical stores & web store	
	1.2 Free delivery mode (always)	Attended HD	Unattended HD	In-store or attached C&C	Solitary C&C
	1.3 Free delivery options	Above a certain order value		Free freight subscription programs	
	1.4 Slot price differentiation	Yes		No	
	1.5 Delivery time differentiation	Yes		No	
	1.6 Return mode	In-store		Remote	
	1.7 Free return mode	In-store	Remote	No free return modes	
② Last Mile Back-end Fulfilment (LMBF)	2.1 Location	In-store	e-Fulfilment Centre	Central warehouse	Drop shipping
	2.2 Assortment	Symmetric		Asymmetric	
	2.3 Order allocation	Dynamic		Static	
	2.4 Automation	Manual	Semi-automated	Fully automated	
	2.5 Integration	Separated	Integrated	Capacity optimized	
	2.6 Back-end fulfilment operation	In-house	Hybrid	Outsourced	
③ Last Mile Delivery (LMDe)	3.1 Delivery mode	Home or other destination		Click & Collect	
		Attended	Unattended	In-store	Attached	Solitary
	3.2 Velocity	Same day	1 – 3 days	4 – 5 days	> 5 days
	3.3 Eco-friendly delivery option	Yes		No	
	3.4 Time slot	Specific		Undefined	
	3.5 Delivery area	Local & regional	National	International	
	3.6 Transport service	Milk run	Courier	Linehaul + distribution	
	3.7 Transportation fleet	Fossil	Hybrid	Fossil free	
	3.8 Transport operation	Internal transport fleet	Hybrid solution	External transport fleet	

Figure 2. Integrated LMD Strategy Planning Framework

Source: Own Development marked in grey. Partially Based on Hübner et al. (2016) and Marchet et al. (2018).

Methodology

To address the RQ's and to fulfil the purpose, this study takes a sequential dual-phase approach. In Phase 1, executive interviews are carried out to identify what firm characteristics are most influential in LMD practices, and to validate the integrated LMD strategy planning framework developed based on the existing literature. In Phase 2, the framework serves as the measurement instrument for a large-scale sector-wide quantitative study on 200 retailers with e-commerce sales. The study data was analysed to shed light on how the most influential firm characteristics influence e-commerce LMD practices.

Findings

The findings are multi-fold, as summarized below:

The Most Influential Firm Characteristics in LMD Practices

Two firm characteristics clearly stood out when executives were asked to rank the three most influential firm characteristics in strategizing LMD. All executives pinpointed that that *firm size* influences LMD practices, the second most influential characteristic mentioned by 80 per cent of the executives is the *sales channel mix*. Therefore, the top two firm characteristics when strategizing LMD are firm size and sales channel mix, reflecting on RQ1.

The Importance of an Integrated LMD Strategy

It was highlighted by the executives how closely business strategy, LMCS, LMBF and LMDe are linked when strategizing LMD. An omni-channel logistics executive describes it in the following way:

"The omni-channel business and logistics strategy need to go hand-in-hand when steering consumers through different channels and building the appropriate logistics structure. Sales turnover in each channel, environmental aspects and cost levels should be considered."

LMD Practices

Figure 3 provides an overview of the LMD practices of the studied 200 retailers in Sweden. Most omni-channel retailers promote a free delivery option. In-store Click and Collect (C&C) deliveries are in general free irrespective of order value. While a certain order value limit is often required to get a free remote (non-store) delivery, only one fifth of the retailers offer a free remote delivery mode no matter order value. In-store returns are generally free while only one fourth of the retailers offer a free remote return mode.

Standard delivery time from the national picking location is 24 to 48 hours. Same day remote delivery is mainly available in larger cities if the picking location is strategically located nearby the city or if in-store picking is used as a complement. Eco-friendly delivery options are not commonly offered, which is in line with Sallnäs and Björklund's (2020) study. However, the executives stress the importance of eco-friendly deliveries, and those larger retailers drive the change together with LSP's.

Two thirds of the retailers pick online orders in a national warehouse. It is more common to use an integrated central warehouse than a separate e-fulfilment centre. Two thirds of the retailers with national picking locations have invested in fully or semi-automated automated solutions, and half of them work with an asymmetric assortment. Two thirds of the omni-channel retailers with a national picking location use in-store picking as a complement.

Areas	Parameters	Options			
① Last Mile Consumer Steering (LMCS)	1.1 Online availability visibility	Only web store (43%*)		Physical stores & web store (57%)	
	1.2 Free delivery mode (always)	Attended HD (9%)	Unattended HD (4%)	In-store or attached C&C (66%*)	Solitary C&C (15%)
	1.3 Free delivery options	Above a certain order value (51%)		Free freight subscription programs (3%)	
	1.4 Slot price differentiation	Yes (63%)		No (37%)	
	1.5 Delivery time differentiation	Yes (38%)		No (62%)	
	1.6 Return mode	In-store (86%*)		Remote (88%)	
	1.7 Free return mode	In-store (79%*)	Remote (24%)	No free return modes (31%)	
② Last Mile Back-end Fulfilment (LMBF)	2.1 Location	In-store (62%*)	e-Fulfilment Centre (18%)	Central warehouse (64%)	Drop shipping (10%)
	2.2 Assortment	Symmetric (69%*)		Asymmetric (31%*)	
	2.3 Order allocation	Dynamic (51%)		Static (49%)	
	2.4 Automation	Manual (38%)	Semi-automated (50%)	Fully automated (12%)	
	2.5 Integration	Separated (14%*)	Integrated (49%*)	Capacity optimized (37%*)	
	2.6 Back-end fulfilment operation	In-house (66%)	Hybrid (2%)	Outsourced (32%)	
③ Last Mile Delivery (LMDe)	3.1 Delivery mode	Home or other destination (79%)		Click & Collect (91%)	
		Attended (70%)	Unattended (53%)	In-store (68%*)	Attached (12%*) Solitary (61%)
	3.2 Velocity (fastest delivery)	Same day (13%)	1 – 3 days (76%)	4 – 5 days (9%)	> 5 days (2%)
	3.3 Eco-friendly delivery option	Yes (8%)		No (92%)	
	3.4 Time slot	Specific (68%)		Undefined (32%)	
	3.5 Delivery area	Local & regional (11%)	National (39%)	International (50%)	
	3.6 Transport service	Milk run (16%)	Courier (71%)	Linehaul + distribution (23%)	
	3.7 Transportation fleet	Fossil (92%)	Hybrid (8%)	Fossil free (0%)	
	3.8 Transport operation	Internal transport fleet (2%)	Hybrid solution (2%)	External transport fleet (96%)	

* = Omni-channel retailer

Figure 3. LMD Practices

Firm Size, Sales Channel Mix and LMD Practices

Sales channel mix influences LMCS, LMBF and LMDe, meanwhile firm size influences LMBF and partly LMDe but surprisingly not LMCS. There exists an underlying connection in

the LMBF area and a weaker one in LMDe. The circles in Figure 4 indicate how the different configurations areas are influenced by the characteristics, the bigger the share of the circle the bigger the influence.
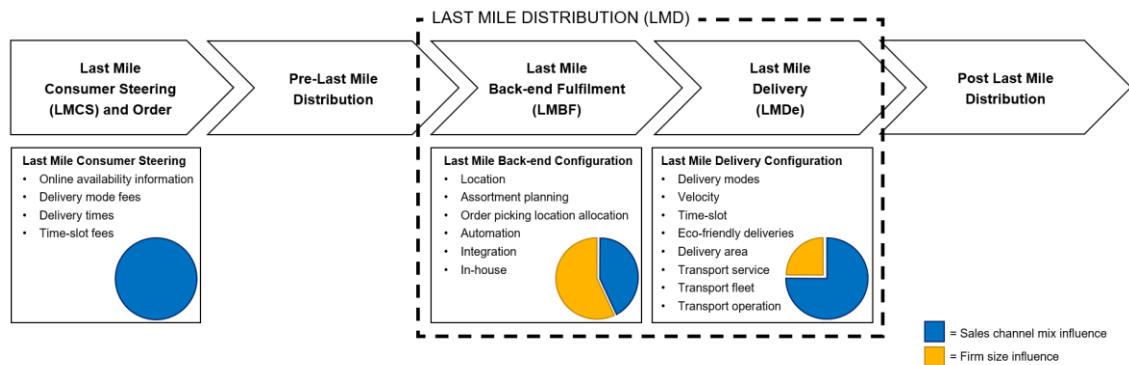

Figure 4. Firm Size and Sales Channel Mix Influence

Larger retailers and retailers with higher online sales share have a more sophisticated LMBF and LMDe. Larger firms offer more delivery options with home delivery as standard, often with time slots to an additional fee as an alternative and offer same day delivery alternatives more often than the smaller firms. They pick order in national warehouses with higher automation and keep the longer tail of products in the warehouse. Store dominant omni-channel retailers leverage on stores for LMD practices by offering free in-store C&C deliveries, free in-store returns, display store availability online, and differentiated delivery times. They also complement the central picking location with regional in-store picking. e-Tailers, on the other hand, have a more competitive remote delivery offering. Primary store-based omni-channel retailers offer a competitive remote delivery offering and leverage stores for LMD practices.

Contributions

The study contributes to the emerging under-researched e-commerce and omni-channel logistics literature by developing an integrated LMD strategy planning framework. The study builds on Hübner et al. (2016)'s original framework and the existing e-commerce literature and incorporates practitioners' perspective. The findings from the survey reduces the knowledge gap regarding if and how firm size and sales channel mix influence LMD practices and broadens the prior knowledgebase on the grocery and fashion retail sectors to the other sectors.

Practical implications

The article sheds light on how important it is for executives to consider LMCS, LMBF and LMDe in an integrated way when strategizing. The framework supports the thinking process of the executives by providing an overview of the important parameters. It is an important tool, especially since there exists no magic formula fitting all retailing firms. The findings provide insights for executives when making competition analysis and positioning the firm by giving valuable information how 200 retailers design their LMD practices. The insights can also be used when the retailing firm size or sales channel mix is changing.

Research limitations and outlook

While this study helps understand LMD practices, there is room for exploring the resulting performance. Another area with potential for further investigation is how sales channel mix changes influences LMCS, LMBF and LMDe over time through longitudinal studies, especially considering the strong e-commerce growth.

Another area for further research is to expand the context beyond online retailers and marketplaces, by including manufacturers, and the resulting encroachment implications on supply chain actors. Also, there is potential for investigating how e-commerce LMD internationalization strategies change over time with the increasing international online sales. Another interesting research stream is how disruptive events and technologies such as the COVID-19 pandemic, entrance of major global players, autonomous vehicles and city regulations might influence LMD practices.

Due to some cultural and country-specific characteristics (such as high level of e-consumer maturity with high environmental awareness, high per cent of firms selling online, high firm blue-collar total cost, etc.), future studies could examine whether the findings of this study hold true in other contexts.

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Keywords

Luxury Fashion Retailers' Multiple Channel Distribution Strategies
-   Evidence from China

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Introduction

Within the present digital era, fast-moving consumer preference and lifestyle, especially online communication and shopping, have driven increasing numbers of luxury fashion retailers to strengthen e- and m-commerce and to adopt multiple channel distribution strategies for their sustainable success, especially in China (Cao and Li, 2015). By June 2020, there were over 940 million internet users in China (ChinaDaily, 2020). According to Bain & Co. (2019), over one third of €281 billion, the value of global luxury fashion market in 2019, was contributed by the Chinese market (excluding Chinese consumers' cross-border luxury fashion consumption). Furthermore, even during the COVID-19 pandemic, due to restrictions of international travel and tourism, luxury fashion consumption in China sharply increased in 2020, with a market growth of 48% (Reuters, 2020). Therefore, in order to obtain sustainable success in China, internationalising luxury fashion retailers need to adopt a localised multiple channel distribution strategy (Bai *et al*., 2021).

Purpose

In parallel to rapid growing importance of e-commerce and digital marketing, a great number of studies have concentrated on multiple channel distribution strategies, especially multi-channel retailing and omni-channel retailing (Verhoef *et al*., 2015; Galipoglu *et al*., 2018). An omni-channel retailing strategy helps luxury fashion retailers offering seamless brand experiences through an integrated distribution channels, especially important in the market

where the brand loyalty is relatively low such as China (Bai, 2018). However, in reality, to develop an omni-channel retailing is not feasible for every luxury fashion retailers because of a series of barriers in relation to marketing knowledge, supply chain and logistics infrastructure, as well as organisational management (Ye *et al.*, 2018). Therefore, this study aims to examine luxury fashion retailers' multiple channel distribution strategies, especially to compare multi-channel and omni-channel strategies in the Chinese luxury fashion market.

Conceptual framework

Since this study adopts an international retailing perspective, luxury fashion retailers are defined as those who "*distribute clothing, accessories and other lifestyle products which are: exclusively designed and/or manufactured by or for the retailer; exclusively branded with a recognised insignia, design handwriting or some other identifying device; perceived to be of a superior design, quality and craftsmanship; priced significantly higher than the market norm; sold within prestigious retail setting*" (Moore et al., 2010, p.143). Bai *et al.* (2018) suggested to understand their strategies and operations via their retailing formats, key products and ownership structures.

The main theory examined in this study is the three-main multiple channel distribution strategies, including multi-, cross- and omni-channel (Beck and Rygl, 2015). More specifically, this study considered interrelations between multiple channel distribution strategies, and distribution channel length, as well as the three main distribution strategies, including selective, intensive and exclusive.

Methodology

An interpretivist multiple case study was regarded as the most appropriate research methodology for this study, as it seeks to understand *what*, *why*, and *how* research questions regarding to luxury fashion retailers' multiple channel distribution strategies. The thirteen participant luxury fashion retailers (across a wide range of country of origin, retailing format, and ownership structure) were selected from the sampling frame which was developed through four sources: 1) members of globally reputable luxury committees, including Comité Colbert (France), Fondazione Altagamma (Italy), the Walpole and the British Council of Fashion (UK), and the Council of Fashion Designers of America (US); 2) the directories of the top ten luxury malls across China and the Peninsula Hotel (Beijing); 3) the directories of

the e-commercial platforms and social media in China, including JD.com., T-Mall.com (a B2C subsidiary of Alibaba Group), WeChat, Xiaohongshu, and Sina Weibo; and 4) the marketing reports published by reputable professional organisations.

The primary data was collected through twenty-nine semi-structured executive interviews, lasted between 70 and 90 minutes between October 2018 and October 2020. At that point, the authors acknowledged data saturation. After analysing the primary data, the secondary data was also employed through annual reports, marketing reports, and (for some) internal documents. In order to fulfil confidentiality agreements, all the participating retailers' and interviewees' names are coded during data analysis and reporting. The data are analysed through thematic analysis on NVivo 10.

Findings

Based upon the case studies of thirteen participant luxury fashion retailers (across wide range of country of origin, retailing formats, and ownership structures), this study reveals that all of the three multiple channel distribution strategies (multi-, cross-, and omni-channel retailing) have been adopted by luxury fashion retailers. Despite of popular multi-channel retailing, omni-channel retailing has become increasingly important for their sustainable success in China because of the capacity of offering unique and seamless brand experiences. Cross-channel retailing is not a long-term distribution strategy but a transition.

The motives behind each multiple channel distribution strategy are heavily influenced by retailers' distribution strategies, channel lengthen, and business development strategies. The following issues are found in this study:

- Multi-channel retailing is more appropriate for the retailers who adopt a selective and/or an exclusive distribution strategy. They distribute products through multiple channel lengthen, including direct marketing, distributors' networks, as well as local partners' networks (only applicable to those who develop their business further in China through local partnership, especially franchisees);

- Cross-channel retailing is suitable for the retailers who are in the transition from local partnership to directly-owned business development and expansion after their initial entry

into China. Meanwhile, they attempt to reduce the channel lengthen, and aim to change their distribution strategies from selective to exclusive; and

- Omni-channel retailing is more appropriate for the retailers who adopt an exclusive distribution strategy. They distribute products through relatively short channel lengthen, and most important is direct marketing through all channels (e.g. brick-and-mortar stores, official online store in the Chinese website, and e-commerce through e-commercial platforms and social media).

Moreover, this study also recognised the following issues regarding to the integrated omni-channel retailing:

- Through an omni-channel retailing, distribution and communication strategies are highly relevant and are able to create eco-system for channels, for instance, social media and brick-and-mortar stores can be used as both distribution channel and communication tool;

- Integration between offline and online channels can be facilitated by (scanned) QR Code in stores, click-and-collect service, public relations events in stores, as well as sales floor staff's social media (as a part of CRM);

- Chinese social media (especially WeChat) should be adopted as a global perspective rather than China-only, because of considerable value of Chinese consumers' cross-border shopping, and overseas Chinese (as both consumers and floor sales staff);

- The difficulties identified in this study confirmed Ye *et al* (2018).

Value

This study, from an international retail scope, examines luxury fashion retailers' multiple channel strategies, especially compares opportunities and challenges for both multi-channel and omni-channel distribution strategies in China. It also contributes to build depth insights of retailers' localised distribution strategies in a continent-sized emerging market.

Practical implications

The practitioners are suggested to adapt their distribution strategies in China through a multiple channel distribution strategy. As well as brick-and-mortar stores, they should

strengthen e-commerce through official online store, Chinese e-commercial platforms and social media. They are also suggested to consider their channel length and distribution strategies when designing either a multi-channel or an omni-channel distribution strategy.

Research limitations & outlook

This study's findings are generated from China, the world's second largest luxury fashion market. The psychic distance between China and other markets are considerable. The relatively small sample size is also challengeable.

Therefore, the subsequent studies are suggested to test this study's findings through quantitative methods with larger samples in other geographic markets and/or for other retailers, especially large-scale multinational grocery supermarket chains. Further understanding of e-commerce-only luxury fashion retailers are expected.

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Keywords

Omni-Channel Retailing – Resources and Capabilities of SME Specialty Retailers in Germany

Purpose*

The retail sector is characterized by extraordinary dynamics and competition, which requires a high degree of adaptability (Merkle, 2020). The recent drivers are increasing digitalization and technological developments, which are also responsible for changing customer behaviour (Özdemir and Yılmaz, 2018). Furthermore, since the beginning of 2020, the world has been in a global state of emergency due to the covid-19 pandemic and countries are trying to minimize the spread of the virus through strong economic and social restrictions (Roggeveen and Sethuraman, 2020). One way to take advantage of and utilize these dynamic and disruptive changes as a retailer is to implement an omni-channel concept (Krings, 2019). Omni-channel retailing describes the seamless integration of all sales channels and is thus seen as a further development of multi-channel retailing (Piotrowicz and Cuthbertson, 2014). The transformation is particularly necessary for small and medium-sized enterprises (SMEs) in niche sectors, for which the pressure on the market appears even higher, why they have to adapt but also cannot afford to try something that does not work (Jäger, 2016).

In this paper, the main objectives are the company's core with its resources and dynamic as well as ordinary capabilities and which are more important for transforming and operating as an SME omni-channel specialty retailer. With our proposed conceptual framework, different types of retailing resources and capabilities for omni-channel retailers are categorized. The subsequent expert interview method is then used to identify the more important resources and capabilities for specialty retailers in the process of transforming a multi-channel company into an omni-channel retailer. The focus lies on companies that operate as specialty retailers, which are SMEs and serve niche markets. Therefore, the research question of the paper is: Which type of resources and capabilities of SME specialty retailers are needed in the transition from multi- to omni-channel retailers?

Conceptual framework

The development of the underlying conceptual framework (figure 1) is following a resource and capabilities-based perspective. The notion of the Resource-Based-View (RBV) on the one hand provides information that resources are necessary for a firm to be competitive successful and which basis has to be available for applying a new concept like omni-channel retailing in an existing firm (Barney, 1991; Peteraf, 1993). The provision of sales area, operating resources, warehouses, human resources, financial resources and products are the core resources of retailing companies (Grant and Nippa, 2006; Hofer and Schendel, 1980). Consequently, these resources are listed in figure 1 and denominated as categories for the following methodological study. Moreover, these categories are classified into front- and back-end to be able to better differentiate between more logistical and customer-focused categories. But there is also a way to assign categories to both classifications. The sales area, where the staff meets the customers is classified as a front-end category. Whereby operating and financial resources as well as the warehouses are classified as back-end categories, as there are no points of contact with the customer. The human resources and products have

touchpoints with the customer, but also can fulfil functions in the background and can be classified as front- and back-end categories.

The notion of the Dynamic-Capabilities-View (DCV) introduced by Teece et al. (1997) on the other hand is an enhanced and refined approach of the RBV with the addition of more complex perspectives and dynamic components (Helfat and Peteraf, 2003; Sirmon et al., 2007). The reason and necessity for further developments with and in addition to the RBV approach are rapid change within business environments, global competition and shifts of competitive advantages through innovation (Teece, 2007). The era of digitalization in retail with the concept of omni-channel retailing is such a development that requires capabilities to stay and adapt in the market. The eight capability categories are taken from the work of Mrutzek et al. (2020), who are proposing a set of six dynamic and two ordinary omni-channel retailing capabilities. The two ordinary capability categories are implementation and availability. Implementation refers to the realization of omni-channel settings and is a category, which can be assigned to both, front- as well as back-end. Availability can also be attributed to these two classifications but stands for the provision of assortments, general logistics processes and access to channels. These ordinary capabilities contain recurring routines that help to do things right, like administrating and operating the firm's business. Dynamic capabilities provide competencies to do the right things at the right time. Recognition of key developments or trends and adapting are one of the main functions of this approach.

The six dynamic omni-channel retailing capabilities include an understanding of customer and market developments, integration and coordination of various channel activities, interaction with end-users, the creation of an omni-channel environment as well as supply chain management capabilities to get the logistics omni-channel-ready and capabilities for the overall innovativeness in terms of the strategy. Customer interaction is classified as a front-end category reasoned by the communication with and activities concentrating on end-users. The categories of integration & coordination as well as customer/market understanding are classified as a mix of front- and back-end. Both have processes and actions that are interacting with the customer like implementing digital assistants or improving customer relationship management, but also include features such as the integration of data security systems or tools to analyse customer information. Supply chain management, innovativeness and omnichannel environment are focusing on activities and processes about logistics and strategic management, why they are all classified as back-end categories. These eight capabilities, together with the resource categories, build the companies basis for managing an omni-channel retailer and therefore, are the categories for our further methodological action.

With an omni-channel strategy, that is combining the company's operations, functions and processes – the resources and capabilities – the retailers are capable of providing omni-channel services. The definition of the different services is taken from the study by the EHI Retail Institute (EHI Retail Institute, 2019). In total, they name five services: click & collect, click & reserve, instore-return, instore-order, online instore-availability. Click & collect offers end customers the way to first research and purchase the products online and then collect the goods in a stationery retail store. Click & reserve is pretty much the same, also often referred to as click & collect with store payment, due to the fact, that the customer research the

product online and then purchases and pick-up the product in an offline store. Instore-return is defined as the process when customers buy products online and return the products in an offline store. Instore-order is the execution of an online order within the physical retail store performed at a terminal or from the staff. Online instore-availability means, that customers can check the availability of products in the stationary retail store at the online website of the company.

Figure 1. Conceptual Framework
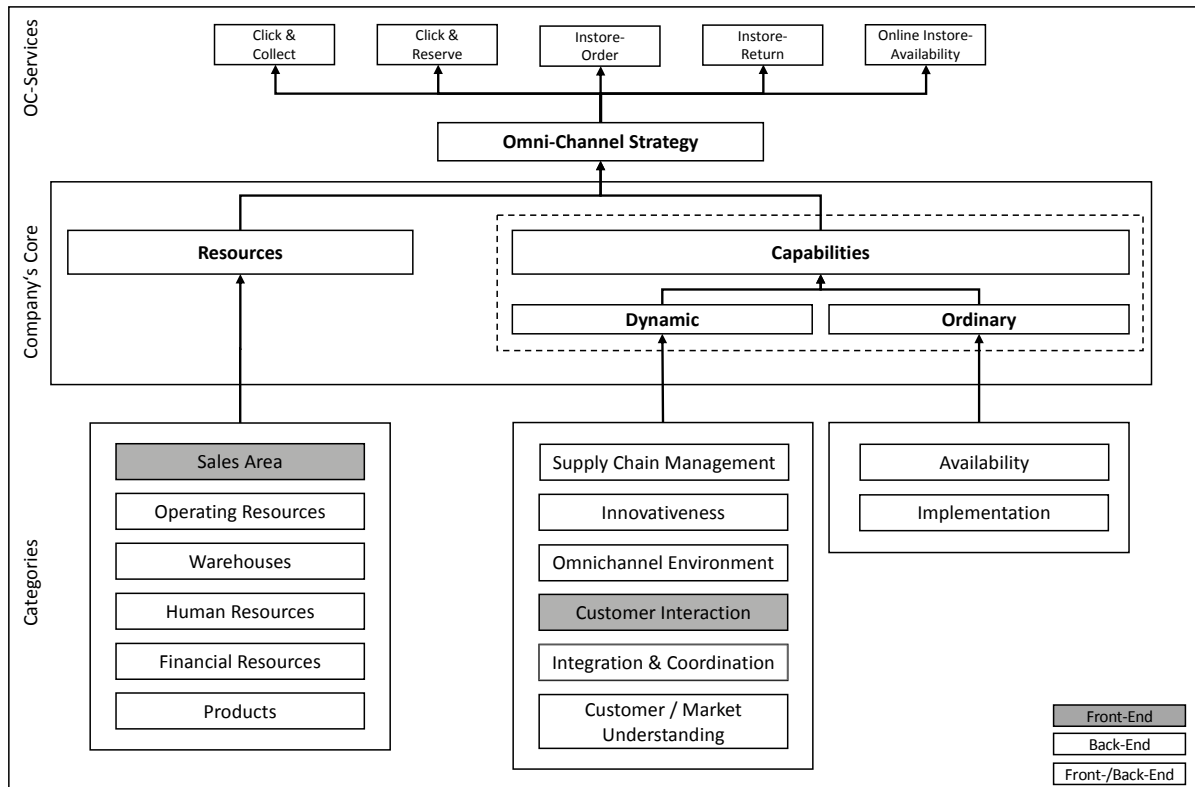
Design/methodology/approach*

The methodical approach build upon the conceptual framework is the conduction of expert interviews. In this research study and related to the research question, experts are defined as managers of SME omni-channel specialty retailing companies. A careful selection of the interview partners is essential because the statements and knowledge of this group are the most important basis for the results of this study. Ensuring the validity and reliability of the results must therefore already be considered in the selection process. This is a requirement to ensure the comparability of the results from the individual interviews (Schnapp et al., 2006).

The four criteria of company size, company type, product range type and omni-channel services are classified to narrow down potential interview partners and to identify a homogeneous group. Company size is defined as SMEs with fewer than 250 employees and not more than EUR 50 million turnover or an average balance sheet not exceeding EUR 43 million (European Commission, 2005). The criteria "company type" is considered to be fulfilled, if the interviewee can be assigned to a specialty retailer. The company type represents a special focus of this study because it is distinguished from other company types by a special service offering and product quality (Brennan and Lundsten, 2000). Specialty

retailing includes the following types of businesses: specialty stores, specialized stores and boutiques. These types are also the most widespread and strongest in terms of sales in the retail sector in Germany (Kaland, 2014). Therefore, they form a representative group. The third criteria of the "product range type" define the companies that will be included as a non-food retailer. The unique challenges of food suppliers in terms of shelf life and supply requirements (e.g. cold chain) differ from non-food retailers, who do not have to face these challenges (Lerchenmüller, 2003). Therefore, only interview partners whose core assortment includes non-food products will be admitted to the selection. Thus, the selection process remains comprehensible and the homogeneity of the group is preserved (Kuckartz, 2009). Finally, according to the "omni-channel services" criteria, only those interview partners who already implemented an omni-channel strategy are included. As a result, pure single- and multi-channel providers are not considered in the selection process. This is reasoned through the lack of experience with omni-channel retailing and all the needed resources, capabilities and processes. From SME specialty retailers that already made the transformation and provide omni-channel services, we can gain more detailed information in the sense of the research questions. Moreover, only companies that provide two or more of the following five services provided by a study of the EHI Retail Institute (EHI Retail Institute, 2019) qualify as omni-channel retailers: click & collect, click & reserve, instore-return, instore-order, checking instore-availability on website.

This enables a defined and homogeneous group that is specifically set up (Kuckartz, 2009). The content of the four criteria is selected in the context of the research question (Buldeo Rai et al., 2019). The selection aims to form a representative expert group of SME specialty retail companies with an omni-channel strategy. Regarding the selection criteria, 32 companies in the area of Bremen were identified and contacted, out of which six accepted the interview request. This number fits the literature that recommends a set of 6-8 interviewees to identify common structures and skills in a homogeneous group of participants (Guest et al., 2006).

We conduct semi-structured and guideline-based interviews with these six experts. The guideline for the interviews as well as the coding guide are based on the previously presented conceptual framework. Therefore, this study is narrowing down the object of investigation and increases the validity. The structure of this method is based on the qualitative content analysis of (Kuckartz, 2014). The interviews are recorded, a transcript is made and then coded by following a coding guide. The coding guide consists of six resource and eight capability categories from the framework and therefore, refers directly to the conceptual basis. The interviews, category development and coding are always executed by two persons as well as documented, by what the objectivity and reliability are given at any point of the qualitative approach.

Findings*

The first results of the interviews of the different experts from the specialty retailers of SMEs provide interesting insights regarding the different categories from the conceptual framework. The various resources and ordinary as well as dynamic capabilities are all mentioned differently often and therefore, are weighted unequally. Together with substantive statements of the specialty retailer's practical relevance and importance of these categories can be

interpreted. The categories, which were named the most often and therefore, are interpreted as the most important ones regarding the transformation to an omni-channel retailer as a SME specialty retailer are human resources with 13%, customer/market understanding with 11% and availability with 11%. The category human resources is named as a major strength for specialty retailers through the quality of advice and service. Teamwork and a special appreciation of employees, in the form of employee discounts or task changes, is also an important success factor in the internal relationship. Customer/market understanding is closely linked to human resources, as knowledge of customers and the market are mentioned as important to offer suitable advice by personnel. Employees are the gateway for gathering and managing customer and market data and drawing conclusions about needs. At the same time, product availability and fast delivery options for follow-up orders are very important. Ways mentioned include deliveries to individual locations, directly to the customer or drop shipment, i.e. time-saving delivery from the manufacturer directly to the customer. As a practical implication, this means that a close link between trained and service-oriented staff with special customer knowledge in combination with the availability of goods is of above-average importance for the successful omni-channel strategy of SME specialty retailers.

Original/value*

The explicit consideration of niche markets and SMEs has not yet received attention in existing research with a holistic view of the company's resource and capabilities core. The major contribution of this paper is the linkage between SME specialty retailers with an omni-channel retailing approach and the focus on the more important resources and capabilities for this group of companies.

Research outlook

Due to the fact, that this is an extended abstract the focus of the interpretation of the results of the expert interviews was more descriptive than qualitative interpreting the content. This is an aspect, which should be part of future research. In this paper, we concentrated on the company's perspective of SME specialty omni-channel retailers in the greater area of Bremen, Germany. The study would be suitable to be conducted in another country and to compare the results. Country-specific differences and similarities could be identified in this way to strengthen our analysis as well as complement and refine the results of our study.

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Keywords*

OMNICHANNEL BUSINESS CHALLENGES DURING THE COVID-19 PANDEMIC

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Introduction

The global SARS-CoV-2 (Covid-19) pandemic has quickly advanced retail omnichannel strategy in a short period of time. Many retailers across industries have been strategically challenged by implementing new omnichannel initiatives to meet consumer's new pandemic-forced needs (Twilio, 2020). Even the most capable omnichannel retailers such as Sephora and Ted Baker have adjusted their strategies to meet new consumer behaviours (Knowles et al., 2020). Whilst some omnichannel retailers have achieved strategic success, many have adapted with major complications. Order, inventory and delivery issues have continually caused widespread customer complaints to date (Tims, 2020). The global pandemic continues to challenge retailers and consumers.

As retailer focus during the pandemic switched from competitiveness to providing access and service availability of goods (Pantano et al., 2020), knowledge about how they strategically exchanged value with consumers during this time across industries and countries remains unknown. The pandemic has placed enormous pressure on retailers and these demands are expected to continue post-pandemic (Gao et al., 2021; Pantano et al., 2020).

Purpose*

The purpose of this research is to investigate omnichannel challenges across different countries in two industries affected by the pandemic by identifying the impact on consumers and determining how retailers can advance their omnichannel strategies. Our work offers actionable guidance to retailers on improving omnichannel retail strategies coming out of the pandemic.

Conceptual framework

To provide a coherent framework which integrates existing conceptual and real-world issues, we take a *dynamic capabilities perspective* (see Figure 1). The dynamic capabilities theory extends our understanding of how firms react to cope with *rapidly changing external environments* (Teece et al., 1997). Retailer internal capabilities are acquired over time, and when external events require retailers to strategically adapt, firm capabilities have a positive influence on firm performance (Grewal and Tansuhaj, 2001). Therefore, in rapidly changing environments such as the Covid-19 pandemic, retailers can achieve and sustain competitive advantage by developing a dynamic capabilities approach.

The proposed model shows the rapidly changing environmental factors that affect the global retail business and consumer behaviours. These external factors are the pandemic, government and sanitary regulations, which have affected retailer management actions, and consumer behaviours and expectations.

Figure 1: Conceptual model for the omnichannel retail challenges in a Dynamic Capability framework
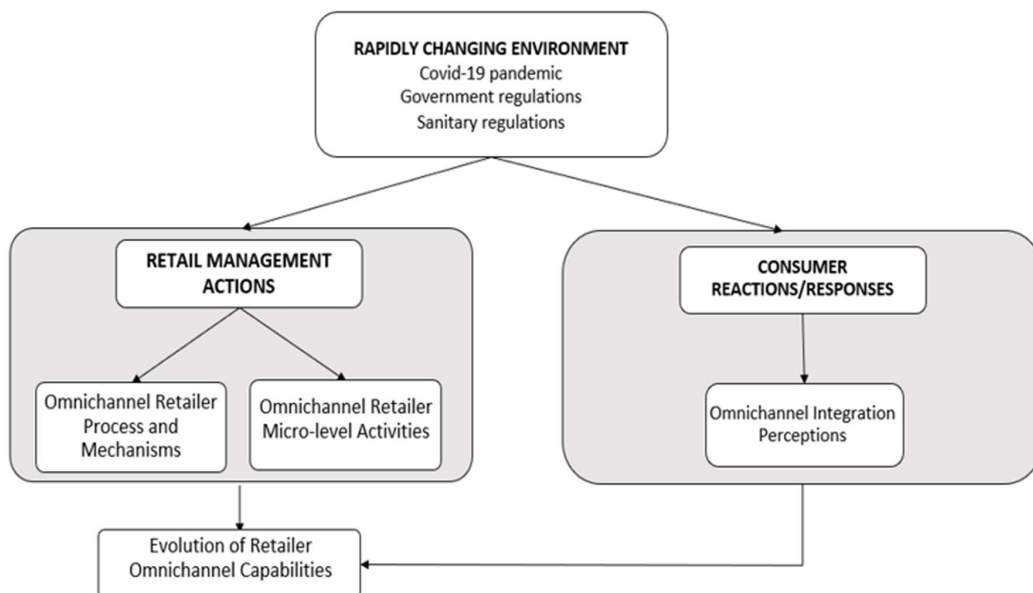
In this *dynamic capabilities* framework (Teece et al.,1997), the underlying elements are: a) the *processes* (retailers routines, patterns of practice and learning), which represents retailers'

habitual activities; b) the *positions,* or the retail mix and retailer format positioning in the market ; and, c) the *paths* that represent strategic retailer alternatives.

The *processes and mechanisms* are identified in five themes according to Cai and Lo (2020): 1) omnichannel strategy, 2) omnichannel retail mix, 3) omnichannel customer service, 4) omnichannel logistics and fulfilment, and 5) omnichannel marketing and advertising. These processes are shaped by its specific asset *positioning* (mix, technological approach, logistics, etc.) and the *paths* available to them. The *omnichannel retailer micro-level activities* are identified by the categories and sub-categories of business challenges, based on a framework by Rosenmayer et al., (2018).

Finally, external factors also affect consumer behaviours, their reactions towards retailer's actions and their omnichannel integration perception. As a result of retail management actions and corresponding consumer responses, the evolution of retailer omnichannel capabilities takes place at different paces.

Design/methodology/approach*

Based on desk research, using a document review method, we investigated omnichannel initiatives and consumer responses of retailers in food and sports and leisure industries, operating worldwide. The document review analysis was deemed the most suitable method because it is a systematic evaluation procedure that allows for tracking changes during this specific and complex period of time (Camargo et al., 2020, Bowen, 2009). Extending Rosenmayer et al., (2018), we review published reports, news and company report statistics in addition to customer reviews.

Sample

Sampling retailers across countries in various industries increases the generalisability of our findings. Omnichannel retailers were selected by highest turnover, as listed on Deloitte (2020) and the Retail Index Europe (2020). To qualify for the study, the retailer must have had search and payment facilities on at least two channels due to the nature of omnichannel encompassing multiple functioning channels.

Selected retailers were operating in several countries in Europe and North America, which correspond with regions where omnichannel growth is highest (Maekelburger et al., 2017) and in the above mentioned industries; food and sport. The industries in which the retailers were operating featured within the top-rated omnichannel product categories (Maekelburger et al., 2017; Saleh, 2016) whilst playing fundamental roles during the pandemic; the food sector is a worldwide industry with a global supply chain that is essential to society (Pantano et al., 2020); sport and exercise was also considered as essential in maintaining societal wellbeing (Mutz and Gerke, 2021).

Data Collection

To begin this task, two academic experts in omnichannel retailing carried out a preliminary Delphi study to choose the most relevant keywords in the document search (Von Briel, 2018): company, omnichannel, mistakes, challenges, failures and issues. Those were systematically used in a Google search featuring the retailer's name and each keyword. We searched for results that were published from January 2021 which is when the World Health Organisation (WHO)

declared 2019-nCoV a global emergency (WHO, 2020), to March 2021. We then searched for corresponding customer experience online comments that related to each retailer challenge, using social media and review websites.

Coding procedure

A content analysis was used to categorise resources based on a transparent system of coding (Weber, 1990). By coding the data, we apply a quantitative approach that is systematic, empirical and objective.

The coding procedure linked the omnichannel themes 1-5 (process and mechanisms) to the categories (micro-level activities) for every omnichannel research theme (e.g. for theme 1= 1.1; 1.2; 1.3 categories). For example, according to theme: omnichannel customer service (Cai and Lo, 2020), several micro activities were identified (Rosenmayer et al., 2018): 3.1. Store shopping experience; 3.2. Website experience; and 3.3 Customer Service Problems (e.g. Poor customer service support, poor in-company communications, unfair/unclear return policies, refund problems).

Concerning the consumer reactions and responses, we classified omnichannel integration perceptions according to omnichannel integration items identified in the literature (e.g. A, B, C). Continuing the example for theme 3, the items are 3A The firm advertises its mobile app at its local stores (Bendoly et al., 2005); 3B (Retailer's) physical store allows me to do an order online (Frasquet and Miquel, 2007); 3C past purchases in the store can be found online; (Frasquet and Miquel, 2007); 3D click-to-call or click-to-chat (Cao and Li, 2015); 3E the customer basket/cart online is accessible in the app or mobile website (Close and Kukar-Kinney, 2018).

Findings

In total, 97 omnichannel business challenges were analysed (Sports: 58, Food: 38) from 24 retailers (Sports:11, Food:13). Major results based around the five themes showed that 31% of the challenges found were due to newly introduced omnichannel strategies such as new partnerships or services offered, usually with the goal of increasing accessibility to products. Both the sports and food sectors had varying omnichannel challenges.

In the sports industry, the challenges centred around introducing new partnerships to improve the experience whilst in the food industry, the challenges mainly involved major improvements to existing services, showing that food retailers are generally more advanced in omnichannel capabilities than sports retailers. It was detected that whilst some sports retailers were introducing click-and-collect, many food retailers were striving to improve the number of available pick-up appointments. This meant that during the pandemic, food retailers were better prepared to provide access to products than sports retailers. This omnichannel difference in maturity was also reflected in the service issues where sports retailers had twice as many delivery problems (8) compared to food retailers (4). Contrary to previous findings (Rosenmayer et al., 2018), we found no evidence of CSR discrepancies, and few product quality, payment and promotion challenges across channels. This supports the knowledge that

during the pandemic, challenges centred around physical access to goods and services attached to the goods.

Contributions

Our findings show that retailers faced numerous challenges during the pandemic, which caused customer anger, frustration and a lack of seamless experience. The contributions of this paper are threefold. Firstly, following calls for more qualitative studies on channel management (Krafft et al., 2015), we update Rosenmayer et al. (2018) study of omnichannel failures by investigating the full scope of cross-channel initiatives that are indicative of today's omnichannel strategies. Using a dynamic capabilities theory, we extend their work (Rosenmayer et al. 2018) by offering both a business and customer viewpoint, which captures a more thorough 360 perspective of challenges. Secondly, the document review involves two industries, grocery and sports, which add value through analysis of commonalities, thus contributing strengthened omnichannel strategic findings. Thirdly, our research contributes to omnichannel literature and to the documentation of retailing events during a period of global shock. Pre-pandemic, retailers were already struggling to implement the omnichannel format (Iftikhar, Pourzolfaghar and Helfert, 2019; Humphrey, Harbin, Matthews, 2019) and to better define customer experiences (De Keyser et al., 2015).

Original/value*

The pandemic is a unique external event that is present in the lives of the population at this time. Driven by a number of external pressures, retailers have challenged their capabilities by adapting strategies in non-traditional ways (avoiding use of physical stores) whilst consumers have also adapted their expectations and behaviours as never seen before. Whilst general business failures (Thornhill and Amit, 2003, Martinez, et al, 2019.) and service recovery failures have been researched (Schumann et al., 2014, Brady et al., 2008), studies of omnichannel integration challenges are sparse (Rosenmayer et al., 2018). This paper will offer unique insights into the challenges businesses are facing whilst discovering consumer reactions since the beginning of the pandemic.

Practical implications

By discovering these challenges and the reactions of consumers from both perspectives, we offer practical guidance to retailers on how they can improve their omnichannel strategies and address the changing expectations of consumers. Since food retailers are further advanced in omnichannel capabilities, it is imperative that these retailers adapt to new consumer needs of click-and-collect. Retailers are therefore recommended to keep highly accurate inventory records and improve their ability to update inventories in real time.

In the sport and leisure sector, one of the biggest challenges was offering delivery options and ensuring time-efficient delivery. Customers often had to wait for goods to be delivered. To solve communication issues, it is recommended that sports retailers communicate delays by emailing customers, sending messages (e.g. whatsApp) or telephoning customers. Using a more personalized approach to communicate delivery delays or updates may be

considered non-cost effective, however, providing a more personalized service can help fill the gaps in service problems when they arise and better ensure a seamless experience.

Research limitations and outlook

This study is limited to two sectors, food and sports and leisure. To improve the generalizability of the results and increase the managerial recommendations, the analysis could be extended to other industries such as cosmetics and furniture. These industries faced diverse difficulties during the pandemic, which could enrich understanding of the captured evolution of omnichannel. The sample of companies reviewed could also be increased to enhance the reliability of our findings.

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Revisiting loyalty in the omnichannel LSQ environment

Purpose

The transition from a multichannel system to an omni-channel (OC) one requires the integration of logistics activities (Yumartaci et al., 2018). Channels that previously operated separately now converge in a single channel that delivers products and enables sales and returns with full visibility and control for businesses and consumers. To obtain loyal customers, the company must analyse whether the customer's OC shopping experience is truly perceived as seamless and without barriers between the different touch points, but also, the effect of integrating logistics services as part of the experience.

The purpose of this research is therefore to analyse the influence of OC intensity on the different elements of the LSQ and the influence of these on consumer loyalty. For this purpose, we focused on a representative sample of Spanish consumers who had shopped in one of the purchasing scenarios that is undergoing major growth, click & collect.

Conceptual framework

OC intensity describes how consumers perceive seamless and homogeneous OC shopping (Huré et al., 2017). It is composed by consistency and continuity. Consistency is the coherence perceived by consumers about the mix of touch points offered by the retailer (Picot-Coupey et al., 2016) and the consistency of the information provided through physical and online channels (Lee et al., 2019). Continuity refers to the consumer's perception of no barriers between channels during the shopping experience, with a smooth transition whenever they move between channels (Verhoef et al., 2015).

OC retailing requires integrated logistics processes crafting a truly unified service experience (Peltola *et* al., 2015). Logistics service quality (LSQ) is the outcome of retailers' logistics performance (Sorkun et al., 2020). Timeliness, availability, condition of order and return are emphasized as most important dimensions of LSQ (e.g. Murfield et al., 2017, Jain et al., 2017; Cotarelo et al., 2021); t*imeliness* refers to speediest, arrival on time and the information about the delivery date; *availability* is associated to whether the product is in-stock at the point of order placement or when it will be available including alternative products; *condition* assess the accuracy, quality and integrity of the order; and *return* deals with how convenient, efficient, fast and simple the ways of returning the products are.

Although buyers do not care about omnichannel intensity, the analysis of the relationship between OC intensity and LSQ is crucial for the retailer. Online consumers desire to receive their orders rapidly, without damage and as described on the website (Han and Xie, 2018). Moreover, research should not only focus on how to satisfy customer demands delivering the products but also tackle other service-related problems. Increasingly demanding expectations regarding service pressure logistics professionals (Daugherty et al., 2018).

Recent OC research reveals the importance of LSQ on customer loyalty (Sorkun et al., 2020). However, results of the analysis of the effect of the different components of the LSQ on loyalty are inconclusive and even contradictory (Cotarelo et al., 2021).

Between the different scenarios considered in the OC environment, recently, the click & collect shopping scenario is acquiring great importance. It reacts to impatient consumers and integrates online and offline operations. Moreover, online retailers are opening physical stores to improve their service (Verhoef et al., 2015).

Therefore, the hypotheses proposed for an omni-channel Click & Collect environment were:

OC intensity is positively related to LSQ timeliness (H1), availability (H2), condition (H3) and return (H4).
Customer perception of LSQ timeliness (H5), availability (H6), condition (H7) and return (H8) are positively related to customer loyalty.

Method

To test the hypotheses, a quantitative study was developed based on the buying experience of consumers who had purchased products through the online channels but collected them in store.

As for OC intensity, LSQ and loyalty scales used, they had all been previously validated in literature (Xing et al. 2010; Murfield et al., 2017; Davis-Sramek et al. 2009; Cotarello et al., 2021) although adapted to click and collect setting.

We follow Hüseyinoğlu et al. (2018) approach to select the sample given the difficulty in addressing only to those consumers who used the Click and Collect service. 151 valid questionnaires were obtained.

Regarding the measurement analysis, reliability, validity, and discriminant validity were tested and confirmed. Data obtained from questionnaires was handled applying the variance-based Structural Equations Method, PLS, using SmartPls. R2 obtained by bootstrapping was used to analyse the predictive capacity of the structural model. Finally, hypothesis testing was performed using the Bootstrapping test and a two-tailed Student's T-distribution test.

Findings

The results for R^2 (Figure 1) confirmed that the model presented significant predictive capacity for endogenous variables.
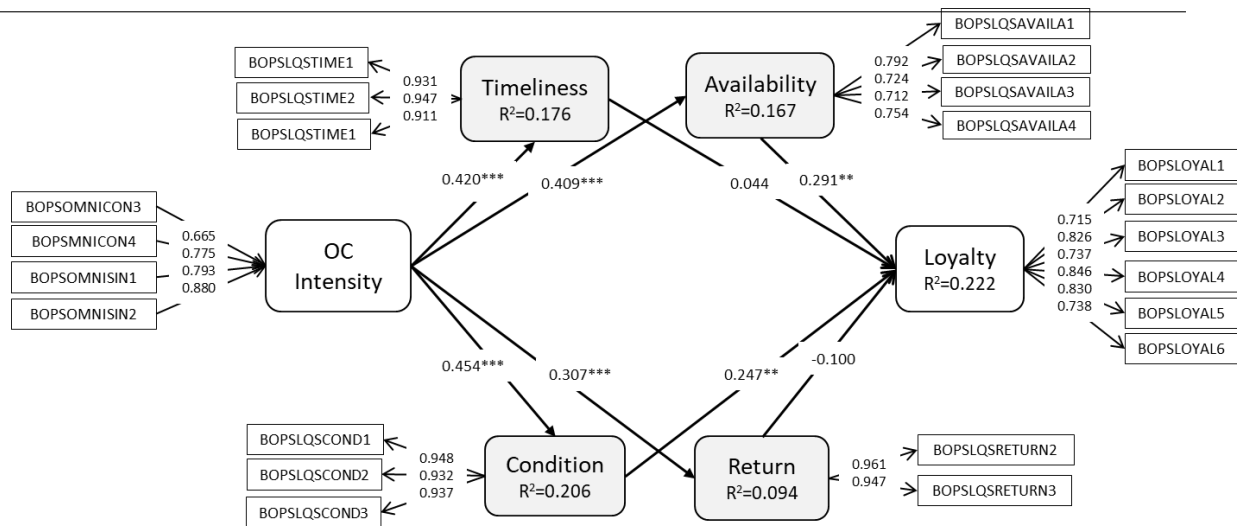
All hypotheses concerning the positive relationship of OC intensity with the components of the LSQ are confirmed (H1, H2, H3, H4). That is, OC intensity influences all 4 components, being the most powerful relationships: OC intensity with condition (β = 0.454; p <0.005), with timeliness (β = 0.420; p <0.005) and availability (β = 0.409; p <0.005).

With respect to the hypotheses that predicted a positive relationship of each of the LSQ components on loyalty, only two of the hypotheses were confirmed (H6, H7). Condition element of LSQ (β = 0.247; p <0.005) and availability (β = 0.291; p <0.005) influence consumer loyalty.

Regarding the only two rejected hypotheses H5 and H7, a line of research is opened that seeks to deepen the reason for its lack of influence on loyalty. Some questions that arise would be: is the return not as important when picked up in store? It is a loyal customer who comes to pick up in store? Could it be that the current loyalty scales do not adequately reflect the urgency of receiving the order and its return?

Originality/Value

The contributions of this paper are two-fold: First, progress in understanding the relationship between OC intensity and LSQ in the click & collect environment. In this sense, OC intensity has a direct relationship with all the components of LSQ. Second, in the OC intensity-LSQ-loyalty relationship, the variables condition and availability are of paramount importance for loyalty in the click & collect environment, while timelines and return are not, which raises interesting questions for future research.

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Keywords

THE INTERACTION BETWEEN OFFLINE AND ONLINE EXPERIENCE OF MULTICHANNEL CONSUMERS: THE ROLE OF CONGRUENCE

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Introduction

Opening an online store has been seen by land-based retailers as a means to reach new customers as well as to increase the loyalty rates of the current ones. Notwithstanding, some authors point out that loyalty to the new online channel is lower than loyalty to the offline channel, and indeed, loyalty to both channels decreases with the addition of a new channel (Gensler et al., 2007) due to the fact that, as far as consumers gain experience in the online purchasing process, they start to easily switch from the online store of a retailer to the e-store of another retailer (Bilgicer et al., 2016). In this sense, congruence between the offline and the online stores, in terms of beliefs across different attributes and dimensions (Bezes, 2013), has been identified as an important research topic in multi-channel marketing (Gabisch and Gwebu, 2011) to build a seamless experience across channels and along all the customer decision journey (Lemon and Verhoef, 2016). However, there is still scarce evidence about the role of congruence in the interaction between offline and online experience of multichannel consumers and, in particular, if congruence reinforces the transfer of satisfaction and loyalty from the offline to the online setting.

Purpose

This study examines whether service and price congruence between the offline and the online stores moderates the relations between value, satisfaction and loyalty, as well as the bonds

between these constructs in the offline and the online settings. In this way, we aim at filling a research gap regarding the role of congruence in the experience of multichannel consumers.

Conceptual framework

Previous research has highlighted the importance of the integration of both channels (online and offline) and the contribution of both offline and online value to the generation of customer loyalty in multichannel retailing (Fernández-Sabiote and Román, 2012). Notwithstanding, it has been argued that consumers may apply positive expectations and knowledge accumulated from offline channels to online channels only if the channels are integrated (Jin et al., 2010), and the benefits of channel integration in creating a loyal customer base both online and offline have been reported (Frasquet and Miquel, 2017). Indeed, the literature highlights the linkages between the consistency of the marketing mix across channels along the customer journey and the customer experience (Gao et al., 2020), which is specially relevant in omnichannel retailing, that requires giving consumers a consistent and seamless experience across every channel (Park and Kim, 2019).

According to Bezes (2013), congruence is based on the similarity perceptions in terms of beliefs about two objects before any kind of evaluation is formed. It is, to some extent, a first overall impression. In the present study, since we aim at exploring the perceptions of multichannel consumers about their purchase experiences in the physical and the online store of a retailer, so that we will consider the perceived congruence as similarity beliefs about the different attributes, in the line of Wang et al. (2009) and Badrinarayanan et al. (2014). Since perceived congruence may condition the processing mode that consumers develop when confronted with new stimuli, to go one step further, we propose an integrative model to examine the bonds between value, satisfaction and loyalty in the offline and the online settings, the transfer of value, satisfaction and loyalty from the offline setting to the online environment, and to test whether service and price congruence between the offline and the online stores moderates these relations (Figure 1).

Figure 1. Proposed model
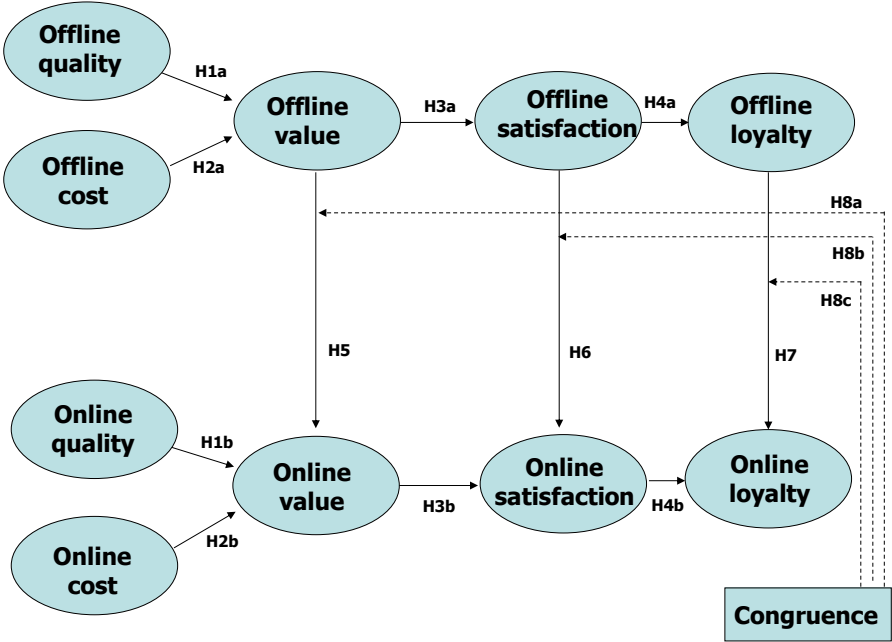
Methodology

To achieve the aims of this research, an online ad-hoc survey was developed based on a structured questionnaire. The questionnaire was designed from a set of scales carefully selected from the literature and adapted to the context of physical and/or online retailing. In particular, the scale for online and offline loyalty has been adapted from Jin et al. (2010); the items for measuring offline/online service quality and online/offline cost have been adapted from Fernández-Sabiote and Román (2012), whereas the offline/online value scale, conceptualized as an overall appraisal, is based on the proposal of Arnett et al. (2003). Offline/online satisfaction scales are adapted from Jin et al. (2010), and Chen and Cheng (2013). Last, items to measure service and price congruence have been adapted from Badrinarayanan et al. (2014), and are formulated in a way to measure the perceived similarities between land-based and online stores, that is, congruity between offline and online stores. All these measures used 7-point Likert-type scales.

To obtain a representative sample of the Spanish population of multichannel retail customers, a quota sampling procedure has been applied to select consumers according to the gender and age quotas of apparel and electronics online shoppers in order to gather data for different types of products. Data collection was supported by a Spanish market research firm that manages a consumer panel composed of registered users from all around the country and varied sociodemographic characteristics. 401 and 402 valid online questionnaires were collected from apparel and electronics multichannel retail customers, respectively.

Findings

The empirical results revealed that: (1) value is generated as a trade-off between quality and cost, both in the offline and the online setting, and the value-satisfaction-loyalty is confirmed both offline and online; (2) offline value, offline satisfaction and offline loyalty positively influence online value, online satisfaction and online loyalty, respectively; (3) congruence in service between the offline and the online settings plays a moderating role in some of these relationships, specially contributing to reinforce the linkage between offline and online satisfaction.

Contributions

To the best of our knowledge, this is a first attempt to examine whether service and price congruence between the offline and the online stores moderates the relations between value, satisfaction and loyalty, as well as the bonds between these constructs in the offline and the online settings. In this way, the present paper sheds light on the role of congruence in the experience of multichannel consumers and, ultimately, the generation of online loyalty, that is rather challenging for multichannel retailers.

Practical implications

The present research provides evidence of the contribution of congruence to enhance the impact of offline value to online value. From this evidence it can be inferred that retailers should invest their efforts in guaranteeing the congruence between the level of service delivered in their offline and online stores. To achieve this, multichannel retailers should reset their capabilities to manage marketing channels, new logistic processes, and the huge quantity of data that the multichannel activity generates.

Research limitations and outlook

The main research limitations stem from the eligibility of the sample elements subject to their membership to a particular panel of consumers, the use of self-reported data, and the geographical scope limited to Spain. Despite its limitations, we understand that this research may inspire further studies in this area.

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Keywords

Multichannel consumer, Online and offline value, Online and offline satisfaction, Online and offline loyalty, Congruence.

THE ROLE OF PLATFORMS IN RETAIL DIGITALIZATION PROCESSES IN PANDEMIC CRISIS

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Keywords

Platform Economy, Digitalization Initiative, E-Commerce, Covid-19, Multi-Sided Platform, Two-Sided Markets, Retail Transformation, Germany, Multi-Level Perspective.

Introduction

Digital (transaction) platforms count as the major beneficiaries of the Covid-19 crisis (Kenney and Zysman, 2020b), which is particularly the case for retail platforms, such as Amazon (HDE, 2021a; Herrera, 2021). These corporations benefited greatly from the consequences of measures taken against the containment of the pandemic such as 'stay at home' protocols as well as the governmentally ordered lockdowns, which resulted in the temporary closure of 200.000 brick-and-mortar stores in Germany that did not provide essential goods or services, such as grocery retailers (HDE, 2020a). Unsurprisingly, the urgent call for offline retailers to digitalize and participate in e-commerce as soon as possible is ubiquitous and increasingly intensifies. Studies reveal that online retailing represents a major factor influencing the resilience of brick-and-mortar retailers during the current crisis (Appel and Hardaker, 2021). Yet, it is primarily small businesses (representing 54% of all stores) whose digitalization is often still in its infancy (HDE, 2020b).

Against the backdrop of the increasing importance of e-commerce, currently accelerated by the Covid-19 pandemic, and the deficit in brick-and-mortar retailers' digitalization, several so-called digitalization initiatives are developing in Germany with most of them launched during the pandemic. As a rule, the aim of these initiatives is to support entrepreneurs' transitions from the classic brick-and-mortar store to a hybrid business that is active both offline and on. It is striking that, in addition to retail associations and governmental institutions, private-sector companies, such as Amazon, Google, Facebook and LinkedIn, are involved in these digitalization initiatives, having co-founded several of the most prominent ones. Yet, it is unclear what role platforms play within the digitalisation initiatives.

Purpose

This study's goal is to fill this research gap by examining the role of digital platforms in digitalization initiatives in Germany, investigating platforms reasons and advantages. The paper examines if and how platforms are expanding their reach on traditional small and medium-sized retailers during the pandemic, particularly in consideration of the digitalization initiatives they are involved in. It contributes to a better understanding of how digital platforms continue to shape the retail landscape and increase their power.

Conceptual framework

The conceptual framework is based on the one hand on digital platforms being understood as a two-sided or rather multisided matchmaker (Rochet and Tirole, 2004). On the other hand, it grounds on the multi-level-perspective (Geels, 2002).

Generally, multisided matchmaker enable multiple actors "who would otherwise struggle to find each other (sellers, buyers, advertisers etc.)" (Schwarz, 2017: 3) to connect. The core power of digital platforms derives from their ability to increase their network, seeking to add value through the leveraging of network effects (Weitzel *et al.,* 2000; Gawer and Cusumano, 2014; Langley and Leyshon, 2017; Srnicek, 2017; Kenney *et al.,* 2019). By continually reforming spatial representations, controlling interactions between users, workers, capital, and information (Graham, 2020) as well as reorganizing urban interactions and operations (Richardson, 2020), digital platforms reterritorialize existing infrastructures and sectors (Kenney and Zysman, 2016; 2019). This also applies to the retailing sector, where Amazon, particularly in the USA and Germany, represents the major disrupter (e.g. Culpepper and Thelen, 2019; Kenney *et al*., 2019), "creating new rules of retail altogether" (Hänninen and Smedlund, 2019: 37) and having vigorously shifted the balance of power in retail, as well as in many other sectors, within just a few years (Kenney and Zysman, 2020a; 2020b).

To help shape the analysis in terms of the overall enhancement of digital platforms, this paper understands platform-based change as a socio-technical transition. In this context, it discusses development paths and interdependencies within the framework of the multi-level perspective (MLP) by Geels (2002; 2018). While socio- technical regimes are embedded in the landscape and characterised by established practices, the transformation of regimes can be facilitated by the emergence of so-called windows of opportunity (Geels, 2002). While it is well documented that such a window has been opened for digital platforms by the reactionary Covid-19 measures, this paper argues that the engagement of platforms in digitalization initiatives additionally supports their ascendance, a factor that has not yet gained attention.

Methodology

The methodology draws on a mixed method approach, which is based on qualitative interviews, participant observation as attendee at webinars held by digitalisation initiatives, secondary statistics as well as media analysis.

Findings

Firstly, the study reveals that digital platforms are actively asked to fill an important space that cannot be filled by governmental institutions, functioning as advisers, best practice case studies and implementers. Secondly, it illustrates the controversial role of digital platforms by positioning themselves as saviours/supporting partners of the (offline) retailers, as they are simultaneously shifting power away from brick-and-mortar retailers towards the platforms themselves, attempting to make inroads into the market share of traditional retail formats. New retailers recruited for the digital platforms business results in more data, which consequently results in higher turnover, lesser competition. Thirdly, digital platforms' engagement in digitalization initiatives positively influenced digital platforms perception as knowledgeable partners, increasing their legitimacy and making them regarded as a necessity. This in particular stems from the openly active encouragement that digital platforms receive from governmental institutions and retail associations. Therefore, a continued establishment of the accompanying innovative business models and distribution mechanisms can be expected which leads in turn to an advanced reconfiguration of the regime in the sense of the transition studies. Fourthly, the paper argues that digital platforms have transformed into and

established themselves not only as infrastructure providers, but as active players, shaping digital as well as physical retail spaces, inter alia due to their role as publicly legitimised retail advisers.

Contributions

The paper's contribution is twofold: Firstly, it encompasses the retail literature in two ways by arguing that platforms/multi-sided marketplaces (1) gain legitimacy through their role and their collaboration within current digitalisation initiatives and (2) enhance their power position due to expanding their network and increasing datafication in terms of traditional small brick-and-mortar retailers. Secondly, this paper represents a starting point for a wide field of future research regarding digital platforms in the retailing sector, their economic, social and spatial effects on (especially) small and medium-sized retailers.

Practical implications

While digitalization initiatives may provide helpful support for (offline) retailers, all considered initiatives (albeit to differing degrees) suggest risk diversification, which means that retailers are advised to use as many different platforms (and generally sales channels) as possible to avoid dependencies. This is highly recommended due to the powerful positions some of the bigger platforms (foremost Amazon) are holding.

Research limitations and outlook

The study draws on a limited number of expert interviews. Future research should focus on a variety of different actors, such as policy makers and small retailers participating in digitalization initiatives, evaluating the economic, social and spatial effects.

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UNDERSTANDING THE TRANSFORMATION TOWARDS OMNICHANNEL LOGISTICS IN GROCERY RETAIL – A DYNAMIC CAPABILITIES PERSPECTIVE

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Keywords

Omni-channel, Grocery retail, Logistics network, OFC, Automation, Dynamic capabilities, Transformation

Introduction

The omnichannel transformation has created a rapidly changing environment with high requirements on grocery retailers' organization and logistics capabilities. To be competitive, many grocery retailers invest in new logistics processes, warehouses, automation technology, and IT-systems and transform their organizations (Wollenburg et al., 2018; Eriksson et al., 2019). In combination with significant investments in back-end logistics, grocery retail's rapid transformation calls for research on how and why individual grocery retailers manage to succeed with their transformation in omnichannel logistics. The decisions of what material-handling facility types to invest in, locations, and configurations, have now become strategic.

Previous research has highlighted the transformation of the logistics network as a fundamental part of the omnichannel transformation (cf. Marchet et al., 2018). While research has begun to explore what successful logistics practice omnichannel grocery retailers are using, there is still a lack of research on how they can realize the transformation and achieve sustainable competitive advantage. There are several reasons why the theoretical lens of dynamic capabilities (cf. Teece, 2007) is a well-suited tool to explore this omnichannel transformation in grocery retail. Omni-channel grocery retail is characterized by rapid growth, changing customer expectations, and new technological development. Moreover, retailers are making considerable investments in warehousing and technology and are transforming both organizations and logistics networks (Eriksson et al., 2019). Capabilities can be divided into

operational capabilities, being the organization's current operations, and dynamic capabilities refer to how an organization efficiently and responsively changes and develops these operations (Helfat et al., 2007). Hence, in our study will differentiate between operational (logistics) capabilities and dynamic capabilities needed to transform the logistics capabilities to align with the general omnichannel transformation

Purpose

This paper aims to explore and understand the transformation of omnichannel logistics in grocery retail. The purpose includes exploring the actual transformation of the logistics organization, i.e., the actual changes of operational capabilities, and understanding how the grocery retailers have managed to make these changes happen, i.e., which dynamic capabilities have been essential and necessary.

Conceptual framework

The capabilities of an organization used to purposefully adapt its resources to external changes are in organizational theory called dynamic capabilities (Arndt and Pierce, 2018). Teece et al. (1997) defined dynamic capabilities as *"the firm's ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments*." Dynamic capabilities are a novel concept in omnichannel grocery retail logistics, and our conceptual foundation mainly emphasizes the transformative capabilities regarding the logistics resource base.

First, Teece (2007) argues that dynamic developments in technology and markets often *"must be addressed through new products, processes, or services*," which almost always includes investments. Investing in new automation, for example, means that the company is committing financial resources behind a vision of where technology and the market will be in the future (Teece, 2007). Top management's communication and actions are critical for creating loyalty and commitment toward innovation and efficiency improvements. In an omnichannel environment, opportunities occur both due to changes in the market and technologies (Verhoef et al., 2015). In line with Teece (2007), investments in new technology (e.g., IT-systems, online platforms, handheld devices for stores), in new facilities (e.g., online fulfillment centers), and new internal processes may be pre-requisites for omnichannel grocery retailers (Marchet et al., 2018; Wollenburg et al., 2018; Eriksson et al., 2019).

In his paper from 2007, Teece highlights co-specialization as an essential capability for facilitating transformation. Co-specialization means that assets are combined and that their value is enhanced through combination. Teece (2007) states that to capture these co-specialization benefits, integrated operations are required. Logistics integration can be described as continuous routines within the organization and is critical for the ability to seize opportunities (Beske, 2012; Gruchmann et al., 2019). Therefore, an omnichannel retailer may need to foster climate, behaviors, and relationships needed to develop cross-functional collaborations, relationships, commitment, and trust across the logistics network (Kembro and Norrman, 2020, Eriksson et al., 2019).

The idea that logistics leverage can help the company achieve and maintain a sustainable competitive advantage is recurring in strategy research (cf. Mentzer and Williams, 2001; Bowersox and Closs, 1996). Gruchmann et al. (2019) show in their study that logistics-leveraging capabilities are essential for satisfying customer demand. In Eriksson et al. (2019), the grocery retailers viewed the last mile as a strategic resource, which they either did themselves or outsourced with long contracts and tight control. Further, the retailers considered it a way to market themselves through branded vans driving.

Teece (2007) argues that one key to sustainable competitive advantage is transforming and reconfiguring operational capabilities. These changes are costly and do not come easy for an organization. An implication of increased complexity in the omnichannel logistics network and the number of different actors involved is the need for profit and resource sharing and incentive alignments. This complexity is especially evident when the stores are engaged in online order fulfillment. The involvement can range from full responsibility of order fulfillment and delivery to acting as a pick-up point. Retailers then face questions such as who should be responsible for the additional costs for online fulfillment in stores and how the organization should share online profits (Wollenburg et al., 2018).

Learning is an integral part of the dynamic capabilities literature. Teece (2007) states, *"...the creation of learning, knowledge-sharing, and knowledge integrating procedures are likely to be critical to business performance"*. Learning orientation plays an essential part in developing dynamic capabilities as it facilitates continuous reconfiguration of existing and the development of new routines/processes/skills.

Methodology

A multiple case study was conducted with two grocery retailers at different stages of their omnichannel transformation. We will refer to the two cases as Epsilon and Beta, and no specific details regarding the country or market share of each company will be provided to guarantee anonymity. This study's purpose reveals a focus on a contemporary phenomenon in a real-life context, and a multiple case study method is, therefore, an appropriate research strategy (Voss et al., 2002; Yin, 2009). In line with the purpose, the unit of analysis is defined as: "the logistics operational and dynamic capabilities a grocery retailer develop and possess in a transformation to omnichannel."

In figure 1, data about the two companies' logistics organizations are presented. There are several similarities between how the two cases have organized and developed their omnichannel logistics. Their central logistics organizations have taken over more and more responsibility for online logistics, a strategic unit that drives digital business development, and the store organizations own the customer relationships. Some differences are that Epsilon has a central unit coordinating omnichannel development and an existing IT organization building a joint IT-platform. In contrast, Beta has a separate unit responsible for omnichannel- and IT development.

Beta (cooperative, owned by the customers organized in customer associations) — *Organization structure*

Business units involved in omnichannel logistics:
- Central organization (Joint central functions to achieve economies of scale): Digital business development | Logistics organization | Online Operations
- Store organization (stores organized per customer associations): Customer Associations

Main responsibility of each business unit:

Digitalization strategy	Store logistics	Online logistics connected to OFC	Online operations	Towards customers
- Digitalization process - Coordinating omnichannel development	- Replenishments to network of stores - Large volumes managed - < 5 semi-automated DCs - Procuring organization	- One OFC - OFC operations - Home delivery - Online logistics development connected to dark store	- Online platform - Online strategic development - Customer service - Logistics development connected to in-store picking	- Owner of customer relationships - Owner of all sales (physical and online) **Online logistics connected to stores** - In-store picking - Home delivery - Click & Collect for all stores.

Epsilon (listed company, largest shareholder has majority, house of brands) — *Organization structure*

Business units involved in omnichannel logistics:
- Central organization (Joint central functions to achieve economies of scale): Digital business development | Logistics organization | IT organization
- Store organization (stores organized per brand): Brand organization

Main responsibility of each business unit:

Omnichannel strategy	Store logistics	Online logistics connected OFCs	Joint IT-structure	House of brand with three different brands
- Digitalization process and business development - Coordinating omnichannel development	- Replenishments to network of stores - Large volumes managed - > 5 manual DCs	- Two OFCs for three brands - OFC operations - Home delivery - Click&Collect - Online logistics development	- Online platform - Joint IT-system to support omni development - Joint TMS	- Three omnichannel strategy towards customers - Owner of customer relationships and physical store sales **Online logistics connected to stores:** - In-store picking - Home delivery - C&C in store

Figure 1: Presentation of case companies

The research design is based on Yin (2009) and presented in figure 2. The first step was to define and design the study. Based on a literature review, we developed a conceptual foundation based on the dynamic capabilities lens and relevant for grocery retail.
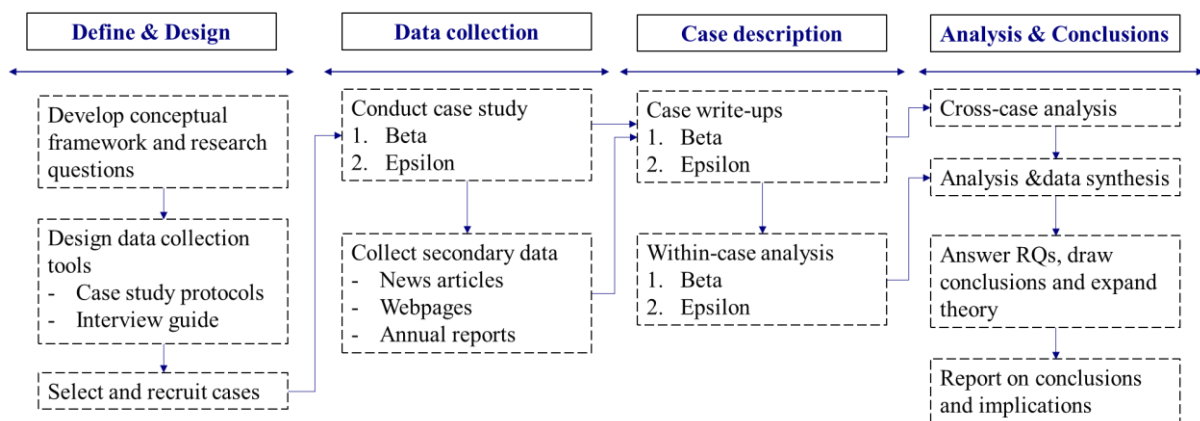

Define & Design	**Data collection**	**Case description**	**Analysis & Conclusions**
Develop conceptual framework and research questions	Conduct case study 1. Beta 2. Epsilon	Case write-ups 1. Beta 2. Epsilon	Cross-case analysis
Design data collection tools - Case study protocols - Interview guide	Collect secondary data - News articles - Webpages - Annual reports	Within-case analysis 1. Beta 2. Epsilon	Analysis &data synthesis
Select and recruit cases			Answer RQs, draw conclusions and expand theory
			Report on conclusions and implications

Figure 2: Research design

The primary data collection point in this study was interviews with several representatives from each case. The interviews were semi-structured to capture all aspects of the current logistics organization, the omnichannel transformation, and explore how the retailers carry out the transformation. Four different people at each case company, representing different functions, were interviewed for 90 – 120 minutes, and the interviews were recorded and later transcribed. The interviewees were all sent a summary of the interview that they approved. In addition to the interviews, secondary data such as web pages, news articles, and annual reports were used to validate the primary data collection findings. Using different data

collection methods and sources when using case study as a method is called triangulation and helps provide the most accurate picture of the events (McCutcheon and Meredith, 1993).

The analysis was carried out in two steps; first, each case was individually analyzed, and second, the cases were compared to identify and strengthen patterns. The analysis's emerging patterns and results were systematically compared with the conceptual foundation in a highly iterative process (Eisenhardt, 1989) to reach theory, which closely fits the data. To reach trustworthiness, actions recommended by da Mota Pedrosa et al. (2012) were followed.

Findings

The two studied grocery retailers are similar in size (among the leaders in their countries) but represent different organizational structures, geographical coverage, online organizations, and omnichannel maturity. By mapping the transformation and the different activities performed to manage it, we identified five categories: i) Omnichannel strategic development & logistics investments, ii) Strategic focus for online logistics, iii) Organization of the online channel, iv) Online material handling, and iv) IT/technical capabilities. We see several similarities in Beta's and Epsilon's operational capabilities. For both, top management support was critical for the omnichannel strategic development. Further, Beta and Epsilon have both gone through similar phases regarding strategic focus for online logistics. In the first phase, both cases describe how they focused on growth and market share before costs. In the current phase, the focus is on scaling up online logistics to prepare for future growth. Beta and Epsilon agree that the focus will be on reaching profitability for the online channel in the next phase. At the moment, Beta and Epsilon combine manual picking of online orders in OFC with in-store picking in selected stores. For both cases, the central logistics organization is responsible for the OFC operations and logistics development connected to the online channel. Nevertheless, we can see that Epsilon often is a few steps ahead of Beta in the journey towards becoming an omnichannel retailer. Epsilon has a central omnichannel function driving a joint omnichannel strategy across brands and different business units. In this strategy, logistics development is the main focus. Epsilon has made significant investments in a new omnichannel DC (including facility and automation) and system support. While Beta has started to integrate the online channel with the central organization, they still lack a joint omnichannel strategy, and the role of logistics is not clearly defined. Beta representatives all agree that investments in automation and system support will be a necessity to become an omnichannel retailer, but they have not yet made any decisions.

By comparing and contrasting Beta's and Epsilon's transformations and combining the findings with literature, we identified five dynamic capabilities (Figure 3). Beta and Epsilon
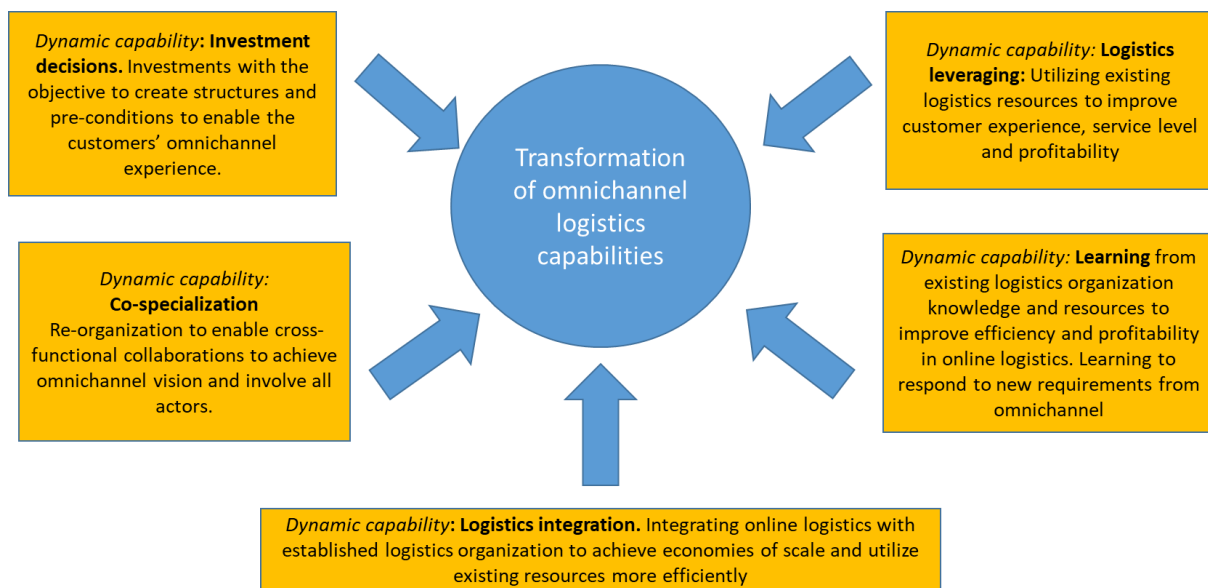

Figure 3: Dynamic capabilities enabling the omnichannel transformation in grocery retail

both possess the following dynamic capabilities: Logistics Leveraging, Learning, and Logistics integration. However, we see that Epsilon is much stronger in Investment Decisions and Co-specialization, which may explain why they are at the forefront. The dynamic capabilities have enabled Epsilon to speed up the transformation, counteract cross-functional barriers, and take more effective decisions. Beta instead struggles with cross-functional collaborations, lacks a joint omnichannel vision and shows some incapability in investing in the omnichannel transformation.

Contributions

While previous research has discussed what the omnichannel transformation can mean for grocery retailers' logistics (cf. Hübner et al., 2016; Marchet et al., 2018; Wollenburg et al., 2018), there is a lack of knowledge on why certain grocery retailers are more successful with this transformation than others. Our study provides value both by using dynamic capabilities to explain how grocery retailers transform their logistics capabilities and adapting the theoretical concept of dynamic capabilities to this specific context. Dynamic capabilities is a novel concept in omnichannel retail, and our study provides an attempt to adapt the concept of dynamic capabilities to this context.

Practical implications

Our findings provide value in identifying dynamic and operational capabilities that grocery retailers possess in an omnichannel transformation. Hence, the results will give practitioners examples of capabilities that may be required in this new environment

Research limitations and outlook

One main limitation of our study is the use of only two cases from the same geographical market. Adding additional cases from other markets at different stages in the omnichannel transformation would strengthen the study's findings.

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Keywords

Omni-channel, Grocery retail, Logistics network, OFC, Automation, Dynamic capabilities, Transformation

WHAT DRIVES MOBILE SHOWROOMING? THE ROLE OF SMARTPHONES, INVOLVEMENT AND VALUE CONSCIOUSNESS

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Keywords

Mobile showrooming, UTAUT2, purchase involvement, value consciousness, mobile dependency.

Abstract

Omnichannel retailers have gradually increased channel integration, facilitating consumer cross-channel behaviours such as webrooming and showrooming (Flavián, Gurrea and Orús, 2020; Goraya *et al.*, 2020). Evidence posits that, in 2018, 58% of individuals engaged in webrooming whereas 46% in showrooming (Conversant, 2019). The increased use of smartphones in-store contributes to showrooming growth (Sit, Hoang and Inversini, 2018; Kim and Park, 2019). i.e. searching for product information in offline channels and purchasing online (Verhoef et al., 2015). Research on showrooming behaviour and intentions has been slowly accumulating. However, research focusing on the specific consumer drivers of mobile showrooming is scarce (Fiestas and Tuzovic, 2021; Schneider and Zielke, 2020).

This paper aims to explain mobile showrooming intention by applying an extended UTAUT2 model (Venkatesh, Thong and Xu, 2012). The original UTAUT2 model integrates seven variables as predictors of technology acceptance and use, which are key aspects when engaging in showrooming through the smartphone: performance expectancy, effort

expectancy, social influence, facilitating conditions, hedonic motivation, price/value, and habit. By adding purchase involvement, we integrate a situational factor that refers to the specific context of using a mobile technology for showrooming. The contextual adaptation suggested by Venkatesh et al. (2012) is further accomplished by the value-consciousness and mobile dependency factors.

The model was tested using survey data from 659 individuals living in Spain who engaged, at least once, in showrooming behavior in two product categories in the previous six months. The psychometric properties and the structural model were estimated through PLS. Our results show that, as expected, social influence, hedonic motivation, value consciousness and purchases involvement exert a positive effect on mobile showrooming intentions. However, performance expectancy, effort expectancy and facilitating conditions do not significantly affect mobile showrooming. Mobile dependency does not have a direct effect on mobile showrooming, but a moderating effect in the relationship between value consciousness and showrooming intentions.

This paper contributes to the existing omnichannel literature in three ways by extending UTUAT2 with variables suited to better explain mobile showrooming, which capture situational context and personality traits and characteristics. The lack of influence of performance expectancy, effort expectancy and facilitating conditions, could suggest that smartphones have become a common technology to use in shopping tasks. Retailers could leverage on the social influence and hedonic motivation associated with mobile showrooming by providing opportunities to socialize and enjoy in the store. As well, retailers should identify highly-involved and value-conscious shoppers, who are more likely to showroom, to try to keep them as customers by leading them to purchase from their website. Future research could analyse mobile showrooming considering the intentionality of the behaviour, as well as the moderating role of product characteristics.

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Leadership and retail management

TURNING CHALLENGES INTO OPPORTUNITIES DURING THE COVID-19 PANDEMIC: FIELDNOTES FROM "PEOPLE IN RETAIL"

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Keywords

Retail; People; Flexibility; Covid-19; Frontline employees; Pandemic Crisis.

Introduction

Following the spread of the COVID-19 pandemic and the release of strict containment measures in many countries, people's daily lives have radically changed: entertainment, work, social interactions, and even education are now vehiculated through the screen of a PC, notebook, or smartphone. Even the way people make purchases has changed, the shopping experience is very different from the near past. Customers must queue in front of stores, follow purchase limits per item, follow the floor signage, wear masks, keep distance from other customers and store staff, and so on (Martin-Neuninger & Ruby, 2020). It is not surprising that in this scenario - characterized by restrictive measures and new rules - many consumers shifted their preferences from brick-and-mortar retail to e-commerce. As significant examples, in the US the share of e-commerce in total retail increased by 4.3% between Q1 and Q2 2020. A similar trend was recorded in the UK, where the share of e-commerce in retail increased significantly from 20.3% to 31.3% in the same period (OCED,

2020). Furthermore, some forecasts suggest that e-retail will account for 22 % of total retail sales globally by 2023 (Statista, 2020).

However, it can be argued that such a trend was characterizing this sector also before the pandemic. E-commerce was already increasing as a share of total sales before COVID-19 (OCED, 2020), and, to add to this, data prior to this epidemic suggested that 70% of all consumers began their consumption experiences with "webrooming" (*i.e.*, looking at products online before going into physical stores; Aw, 2019). To describe this scenario mainstream media began to write about "retail apocalypse" – *i.e.,* a neologism denoting the decline and death of brick-and-mortar stores. (Kaufinger & Neuenschwander, 2020).

Nonetheless - even after the COVID-19 odyssey and the "prophesied" retail apocalypse (Bhattarai, 2019; Morris, 2019; Thompson, 2017) - most of the transactions occur in physical stores (OCED, 2020). Several scholars support the hypothesis that there is no retail apocalypse (*e.g.,* Mende, 2019). The "simplistic" explanation is that the retail landscape is evolving, and retailers that will not follow this evolutionary trend, will become obsolete and fail (Morgan, 2018).

Purpose

COVID -19 caused a shift in the evolutionary trend in retailing, from incremental to more transformative (Dannenberg et al., 2020).

This paper aims to shed light on the transformations that will take place in the retail sector in the near future, focusing on the relationship between the human factor and technology. More specifically, due to their relevance in maintaining and managing customer relationships in the "cross-channel" situation caused by the pandemic, our main hypothesis is that frontline employees are among the top priorities, if not the top priority, of retail organizations. We have adopted a qualitative approach based on researching and conceptualizing the thoughts, opinions and experiences of those who have experienced the pandemic crisis at its worst.

Conceptual framework

The human factor can be considered as a strategic asset for retail companies. Remarkable studies have been written about the importance of frontline employees in shaping the customer experience (e.g., Morhart et al., 2009). As the human component of the sales process, customer-facing personnel act as a catalyst for customer affection and trust, which triggers feelings of connectedness and loyalty in buyers, thus contributing to a firm's success. Thus, it is not surprising that several authors emphasise the importance for retail firms to attract, recruit, and retain competent employees (e.g., Chung et al., 2012). In particular, employee retention should be considered as a crucial aspect for these companies. High employee turnover is one of the most salient problems in the retail industry (Park et al., 2021), and it is in the characteristics of this work environment - including the difficulties arising from constant and changing customer demands and long working hours (Booth and Hamer, 2007) - that the reasons for this should be sought.

Technological implementation

The pandemic COVID 19 created additional stressors for frontline workers, elements that are quite capable of lowering morale and triggering negative feelings. These can include the 'rushed' implementation and 'forced' use of technology. It is certainly true that digital transformation has progressed at an unprecedented pace during the pandemic - across all sectors (George et al. 2020), but few have discussed the potential downsides of this development. Previous research has highlighted the detrimental effects that new technology implementations can have on the workforce. For example, such implementations can cause

changes in the employee's role and routines (Wiblen et al., 2010), and - if the employee is not open to change or accepting of the new technology - this can lead to lower job satisfaction, higher turnover intentions (Shahreki et al., 2019), and lower organisational commitment (Brougham and Haar; 2018). Thus, this frenetic digitalization can negatively impact retail employees, especially those who are digitally illiterate and lack flexibility.

The evolution of the 'rapport'

To complete the picture, it is also necessary to consider how massive and ongoing technological change will affect the customer-employee relationship. As mentioned earlier, this relationship is the foundation of retail success. Gremler and Gwinner (2000) examined rapport in their study and emphasised the importance of building strong employee-customer relationships and reported how they can influence satisfaction, loyalty, and word of mouth. Confinement measures have drastically altered these interactions, so a sustainable claim is that this element - which can influence overall perceptions of service quality (Gremler and Gwinner, 2008) - has been reduced, if not disappeared. Therefore, it is relevant for both scholars and practitioners to understand how the pandemic has affected employee-customer relationships.

Employees' motivation

Another factor that was greatly affected by the crisis COVID -19 was employee motivation. The pandemic caused a great financial hardship in all institutions. As the stain of the economic crisis widened, workers felt an ever-increasing level of job insecurity and lowered institutional support, which caused them feelings of stress and demotivation. The retail sector was fully caught up in the global crisis, which inevitably triggered strong feelings of insecurity and uncertainty - particularly among staff with customer contact. The impossibility of predicting the extent and timing of the pandemic further exacerbated the situation. As previous studies have shown, job insecurity is closely related to job satisfaction and motivation, and high levels of uncertainty inevitably lead to undesirable behaviours and higher turnover intentions (Reisel et al., 2010; Lee and Jeong, 2017). Thus, financial and job uncertainty and lowered insitutional support may have caused demotivation among retail employees, which in turn may have negatively affected their job satisfaction and performance.

Moreover, it is also relevant to understand how the digital tools and human factor will interact in determining customer satisfaction in the post-pandemic scenario.

Methodology

To reach the proposed goals, we set up a data collection process following a grounded theory approach, that is, designing a data gathering process that continues until and unless new data stop emerging (Charmaz 2003, 2006). Three different focus groups were organized in sequence to gain insight over the changes that will affect retail in the future. Due to the COVID-19 pandemic, face-to-face meetings were not possible, so the focus groups were conducted online. Online focus groups not only save time and resources but also allow for automatic and accurate storage of discussion data. The focus groups were composed of five/six individuals each and spanned over three weeks. Four moderators were present in each session.

All participants (n = 16; 87,5% male) were employed by different companies. The first group consisted of 5 individuals who worked as store managers. The second group included 5 individuals who worked as HR managers. The third group consisted of 6 top managers/CEOs. So, each group was composed of people belonging to similar organizational levels. Still, the

differences between groups would allow the obtainment of different perspective over the discussed topics. Information about the participants can be found in table 1.

	Focus Group	Role	Industry	Firm Size
Partecipant 1	1	Store manager	Automotive	> 500 employees
Partecipant 2	1	Store manager	Pharma	< 100 employees
Partecipant 3	1	Store manager	Fashion	< 100 employees
Partecipant 4	1	Store manager	Home Accessories	> 500 employees
Partecipant 5	1	Consultant	Consultancy	< 100 employees
Partecipant 6	2	HR Manger	Healthcare	> 500 employees
Partecipant 7	2	HR Manager	Beauty	> 500 employees
Partecipant 8	2	HR Manger	Banking	> 500 employees
Partecipant 9	2	HR Manger	Fashion	100 – 500 employees
Partecipant 10	2	Marketing Specialist	Fashion	100 – 500 employees
Partecipant 11	3	Commercial Director	Beauty	< 100 employees
Partecipant 12	3	CEO	Food	> 500 employees
Partecipant 13	3	Country Manager	Beauty	100 – 500 employees
Partecipant 14	3	CEO	Entertainment	< 100 employees
Partecipant 15	3	CEO	Consultancy	< 100 employees
Partecipant 16	3	CEO	Consultancy	< 100 employees

A semi-structured protocol with minimal supervision was used for the interviews. Participants were free to intervene during the other responses to add weight to the discussion or to emphasize certain aspects they felt were important. In addition, the moderators asked additional questions when further clarifications from the participants were needed. Each focus group lasted about two hours.

Participants were asked to respond in alphabetical order to 4 different and open-ended questions. Questions were formulated through a Delphi antecedent to the workshops and refined in consultation with all authors and with some experts with several years of experience in retail. The questions were related to I) the problems due to the occurrence of the pandemic COVID-19, II) the support that the company provided to the employees in the stores, III) which skills were the most valued in times of pandemic, and IV) what the opportunities in the post-COVID-19 scenario will be.

NVivo 12 software (QSR International) was used to analyse the data collected. A thematic analysis was carried out. An open coding approach was adopted. The information was coded freely into several emerging sub-themes and then these were aggregated into main themes. The data processing was carried out repeatedly until general agreement around the coding was reached among all the authors.

Findings

From the aggregation process, three themes have emerged, these concerned: I) the problems and critical shifts caused by the spread of the pandemic and the support provided by companies, II) which competencies and skills were most valued during the pandemic, and III) which opportunities and changes will characterize the scenario after COVID-19. As one may notice, the first two questions collapsed in a unique main theme.

Problems and Critical shifts caused by the pandemic.

In the first focus group (*i.e.*, store managers), when asked what problems were caused by the pandemic and how they encountered them, one participant stated that he felt "*like a firefighter putting out as many fires as possible*[1]." In general, most of the problems were related to the ability to ensure a safe environment for customers, but that the solutions chosen were related to the specific sector in which the company operated. As a relevant examples, those who worked in the automotive sector chose a solution based on "*two cars with radios to ensure contact between the customer and staff*" to ensure a safe process for customers. Those who worked with small shop areas were forced to introduce "*shifts between staff*" and have customers queue outside the store to respect the maximum internal capacity. Those who sold disinfectants struggled with the "*enormous traffic [of customers]*" and had to respond with frenetic work by staff who were "*busy in meticulously disinfecting sales tools [...] and constantly making announcements about safe distancing*". To ensure customers' safety and be compliant with the new regulations, operators had to implement various solutions.

There was consensus on two aspects: I) the pandemic forced companies to implement innovative solutions and II) higher customer conversion rates.

Regarding the first aspect, most companies implemented digital technologies to ensure service continuity and fulfil customer requests remotely. For example, one clothing firm developed a digital system that allowed customers to "*rate the wearability and fabrics*". Others implemented digital platforms to allow customers to book their appointments remotely, create virtual tours, and so on. In general, each sector had its specific problems, and to solve them, digital technologies were used in different ways.

The second aspect on which there was general agreement was a higher customer conversion rate. One of the participants confirmed, "*What's interesting is that the people who came in had a very high interest*", and therefore "*the conversion rate went up in inverse proportion to the traffic in the store, which went down*". In summary: fewer customers, but much more interest in the product.

For participants in the second group (*i.e.,* HR managers), the most important issue was ensuring a safe shopping environment, not only for customers but also for employees. As one participant put it, it was about "*reassuring, reassuring and reassuring again*". And to achieve this, participants emphasized the fundamental role of digital technologies. In practice, most companies were forced to build or expand their digital channels to ensure continuity of service.

The topic of motivation also emerged during the session with these focus groups. A participant stated that the employees were "*tired and disillusioned*". About this, it is worth mentioning that a firm addressed this problem by creating an "*internal newsletter*" aimed at creating a motivational storytelling around what was happening inside and outside the firm. Such procedure was declared a success since this newsletter had a "*very high opening rate*".

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[1] All direct quotations were directly translated into English by the authors.

In addition, two other relevant aspects crystallized in the discussion: people's desire for social connection and a higher customer conversion rate. Regarding the first point, most participants agreed that after the first quarantine period (*i.e.,* March 2020 - May 2020), "*people wanted to go outside and seek social contact*" and shopping was a way to achieve this. However, this meant problems as "*the rules [for people] were not clear. Therefore, it was difficult to enforce them without being obstructive*". On the second aspect, participants in this focus group also emphasized a higher conversion rate among customers. As one of the panellists noted, "*we found that obviously fewer people came, but the conversion rate was much higher. The conversion rate was 4% or 5% higher than the year before*". So, people wanted out and were willing to spend money, even if it was quite a challenge for businesses to deal with the mass of people and - at the same time - comply with the law.

From the discussion of the problems with the third focus group (*i.e.,* top managers), similar aspects to the first group emerged to some extent. As mentioned earlier, the main problem was to ensure safe shopping and different solutions were adopted depending on the business to comply with the new laws. The massive use of digital tools was also reported in this group.

However, two aspects were strongly emphasised by the participants of this group: employee motivation and employee digital skills. In terms of motivation, for many staff the quarantine meant foregoing full pay, so *"when it started again, the general climate [motivation] was very bad"*. The situation was dire. The lack of financial security and forced disengagement from routine caused a *"pretty negative emotional and existential state"*. As a result, motivation was low and even when things got back on track, employees felt let down by the company. Another problem that emerged during the discussion with this third group was related to employees' digital skills. Several participants reported situations where *"customers were way ahead in using new technologies [compared to employees] and therefore it was impossible to guarantee the same kind of shopping experience or convey the same professionalism"*. In summary, unmotivated employees and lack of digital skills were two severe problem areas for top managers.

Fig. 1: Word frequency cloud of problematics node.

Most valued skills during the pandemic.

The second question asked during the focus groups asked participants what skills and competencies are most valued in times of pandemic. Most participants in the first focus group (i.e., store managers) cited flexibility as the most important skill to respond to the challenges of the pandemic COVID -19. One participant noted, *"it was a matter of pure flexibility. Even before the pandemic, which will become the 'B.C.' of retail, we had an e-commerce channel [...] but now everything is online. So, to do not lose sales, we had to move from physical to*

digital, and that required flexibility". Thus, the ability of staff to adapt to new technologies and the contingencies of the pandemic was by far the most valued. Flexibility was important because most firms were adding or expanding *"a layer of technology (e.g., a digital channel) between employees and the customer"*, and if employees didn't have the flexibility to learn how the tool worked, it just added *"additional friction and slowness"* to the whole process.

Another theme that emerged during the discussion with this first group related to soft skills: problem-solving, proactivity, curiosity, creative thinking, and others were mentioned by participants. They were considered important as they are fundamental for reorganizing activities in times of legal constraints.

Similarly, in the second group (i.e., HR managers), a general agreement was found on the importance of flexibility. One participant confidently stated that *"traditional selling will no longer be there. [...] What we need today is to adapt to the situation and to the context"*. In terms of future trends, another panellist predicted that *"the new normal will be a bit more Darwinian. You either adapt or retail is not for you. And those who resist change will probably lose"*.

Flexibility was also evident in the third focus group (i.e., top managers). Indeed, the pandemic situation required employees to *"change jobs four times in one day"* and consequently, *"those who had the ability to successfully deal with different and unforeseen situations stood out more than those who look at the numbers"*. In summary, flexibility was highlighted by the whole group as a key skill that will be increasingly required of retail employees in the future.

Fig. 2: Word frequency cloud of competencies and skills node.

Changes and opportunities of the post-pandemic times.

The fourth and final question asked during the focus groups related to the opportunities and changes that will occur in the post-COVID-19 scenario. In response to this question, the participants of the first focus group (*i.e.,* store managers) and the second focus group (*i.e.,* HR managers) emphasized that the pandemic has made retail personnel much more aware of the importance of customers to brick-and-mortar stores. As one participant noted, *"the big takeaway from the pandemic is that staff are now aware that those on the other side of the counter, who are often a nuisance and often come in ten minutes before closing time [...] are the very ones who keep this big circus [retail] going"*. In the future, retailers must be able to satisfy customers by providing them with a *"fluid shopping experience"* based on a *"perfect integration between the physical and the virtual tools"*. Another focus was on the enormous digitization process that will occupy the retail industry in the near future. Before the pandemic, *"the goal of integrating digital technologies into the store or sales process was to create a wow experience"*. Post-pandemic, technology integration should instead have a social connection value, aiming to *"create relationships and bring customers closer"*. However, such integration between physical and digital should not be done blindly; it is

necessary to "*understand what technologies are needed to satisfy customers*". Thus, for most participants, the key to success lies in the ability to tailor a fluid shopping experience to the customer, where "*barriers [between digital and physical channels] are completely broken down and employees are seen as fundamental levers*".

Fig. 3: Word frequency cloud of changes and future opportunities node.

As for the third focus group (i.e., top executives), discussants focused more on the changes affecting retail than the opportunities created by the pandemic. The challenges for this industry are to be able to answer the question of why a customer should "*get off the couch and go somewhere to buy something they can buy from the couch without wasting energy and maybe even saving some money*". "*Retail Entertainment*" may become the new dogma in the future. To offer such an experience, companies need to consider two basic aspects. The first is to listen to customers more. CRM systems will be essential for this as they enable a one-to-one relationship. "*Talk to people as people*" is how trust and loyalty can be built and customer retention rates increased. Second, digital tools must "*become means to enhance the shopping experience*", but the core must be the employees. The employees have to be considered a mean through which brick-and-mortar can diversify itself from online stores. The implementation of digital means, instead, must be aimed at creating a unique and fluid shopping experience in the store.

Figure 3 shows a word frequency cloud of the third main theme about the opportunities and changes that will occur after the pandemic.

Contributions

Through a qualitative approach, this study provides an overview of the perspective of those who work in the retail business. Important insights emerge from the study both in terms of the skills retailers need to cultivate to better adapt to the challenges of the future, as well as the opportunities that arise, particularly in terms of technology integration, employee-customer relationships, flexibility, and technology literacy among store personnel. Table 2 summarises the salient aspects that emerged from the analysis.

*Tab. 2: Synthesis of the knowledge gained in the discussions.*

Themes	Focus Group I	Focus Group II	Focus Group III
Problems and critical shifts caused by COVID-19	Provide a safe shopping environment Different businesses, different solutions adopted. Higher conversion rates.	Provide a safe shopping environment Reassure customers and employees Implement technology based on digital technologies. Higher conversion rates. Low motivation of employees. Customers looking for social connections.	Provide a safe shopping environment Different businesses, different solutions adopted. Low motivation of employees. Low digital skills employees.
Most valued skills during the pandemic	Flexibility, in the sense of being able to adapt to the volatility of the context. Soft skills.	Flexibility, in the sense of being able to adapt to the volatility of the context.	Flexibility, in the sense of being able to adapt to the volatility of the context. Soft skills.
Opportunities and future changes	New sensitivity to the importance of the customers. Integration of physical and digital tools to ensure a "fluid" shopping experience.	New sensitivity to the importance of the customers. Integration of physical and digital tools to ensure a "fluid" shopping experience.	Integration of physical and digital tools to ensure a "fluid" shopping experience. Strive to create "retail entertainment" experiences. Enhance the diversifying role of the employees using digital technologies.

This study highlights three fundamental themes in its contributions. First, the 'forced' digital transformation caused difficulties for some employees: those who lacked flexibility, digital and soft skills found it difficult to adapt to the new realities. Second, participants affirmed the primary role of 'rapport', claiming that when activities began to open up a little, people entered them; motivated not only by shopping reasons, but also by a willingness to engage socially (Gremler and Gwinner, 2000; 2008). Thirdly - as expected - the period was characterized by very low levels of employee motivation. This was determined by the uncertainty - on several fronts - caused by the pandemic (Reisel et al., 2010; Lee and Jeong, 2017) and in certain cases a decrease in perception of institutional support.

Therefore, by conceptualizing the aspects that emerged in the analysis, the following theoretical model is proposed (Fig. 4). In it, technology acceptance is related to job satisfaction through the mediation of the employee-customer relationship, and thus to service performance. The relationship with technology is moderated by two factors: Employee flexibility and digital literacy, which can be considered as personal factors. The higher these factors (flexibility and digital literacy) are, the easier it is for the employee to adopt and properly use a new technology, resulting in higher quality customer relationships and lower "process frustration." On the other hand, lower scores on flexibility and digital literacy reverse the sign of the impact of technology on the employee-customer relationship. A second relationship relates to the elements of the employee-company relationship, namely perceived

organizational support, identification with the company, and motivation. When the former factors increase, employee motivation also increases, which in turn positively moderates the effect of input (technology) on output (employee-customer relationship). Motivation, as an outcome of the quality of the employee-firm relationship, is also directly related to the outcome variable of job satisfaction, which in turn is related to service performance. We would also expect the employee-customer relationship to be related to job satisfaction and service performance.

Fig. 4: The proposed theoretical model
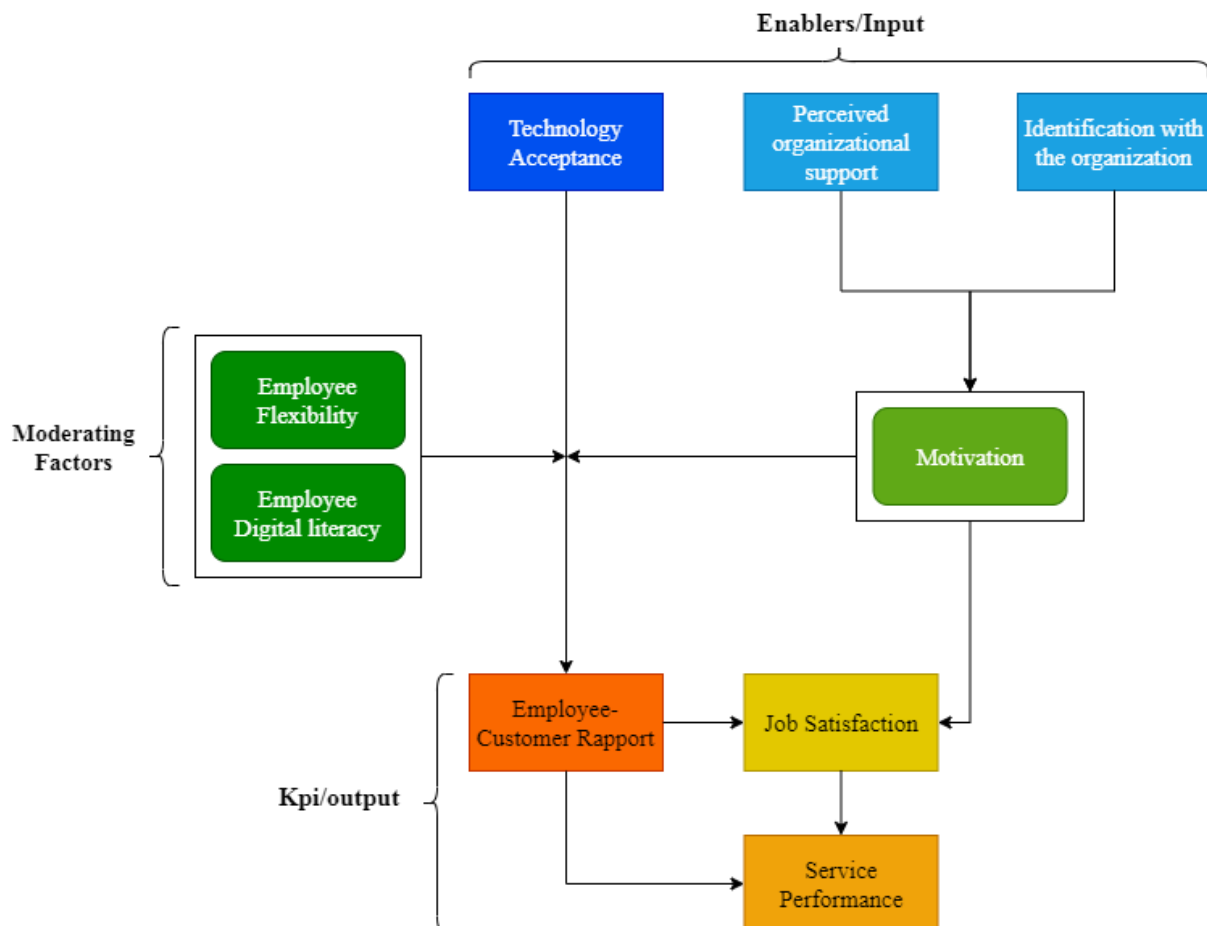
Practical implications

Many practical implications arise from the current investigation. As previous research has shown, frontline staff are a critical factor when it comes to service excellence: customer perceptions and overall service ratings are quite dependent on how staff perform their duties (Morhart et al., 2009).

After the pandemic, a new form of retailing will emerge, and skills appropriate to the new context will be needed on the front lines of business. In the discussion, flexibility and soft skills emerged as key to ensure continuity of services: as the pace at which digital technologies are implemented in retail increases, these skills will be needed more and more. New technologies will be needed by employees to properly serve customers in the new retail environment and avoid additional friction in the sales process. Therefore, managers - and especially HR managers - will look for these skills when selecting staff or invest in training them. On the other hand, companies need to take measures to increase employee motivation (e.g. motivational newsletters, motivational courses).

Second, shopping is an experience that involves a social component (Dennis et al., 2010), and given the relevance of social mediation today, this is expected to become increasingly important. Taking this into account, using the human factor and, for example, teaching staff to engage with customers in a pleasant and stimulating way can lead to successful performance.

Third, the pandemic has led to customers becoming more accustomed to buying online. Retailers will likely have to invest extra effort and resources to find new ways to appeal to them and get them to spend their money in brick-and-mortar stores. Designing a unique in-store customer experience and "retailtainment" will be a must in order to differentiate brick-and-mortar stores from their online counterparts and divert traffic to physical establishments. Again, the role of staff will be critical.

Conclusions

The purpose of this study was to examine how companies were able to address the multiple problems as well as the transformative imperatives that arose following the occurrence of the pandemic COVID -19. Because of their relevance to maintaining and managing customer relationships in this era of upheaval, our main hypothesis was that frontline employees were among the top priorities, if not the top priority, of organizations. We had full confirmation that this was true and that the service component, and therefore people management, would have a key role in the future of retail. Following our qualitative research, we have begun to build a model that more accurately identifies the key variables related to managing people that need attention in the current climate. We therefore look forward to continuing this research with a quantitative study.

Research limitations and outlook

The main limitation of the study is that the analysis is based only on a qualitative approach. Second, the sample included participants from a single country; perhaps a more diverse sample could be used to gain additional insight. In addition, conducting a quantitative study that explores the relationships that emerged during the focus group would be highly relevant to both academics and practitioners. Finally, massive technological implementation may also have some negative effects on employee performance (see Brougham and Haar, 2018). Further exploration of this relationship could be highly relevant to understanding future development paths.

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Digitalisation in retailing

SHOPPING THROUGH RETAILING APPS:
COMPARING MOTIVATIONS OF REGULAR AND OCCASIONAL MOBILE SHOPPERS

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Mobile shopping, Regular shoppers, Occasional shoppers, Shopping motivations, Chinese retailing, Structural equation modelling

Introduction

Since its emergence on the market, the mobile channel has established its primary role among online channels. This phenomenon has become increasingly relevant starting from last year, when, due to the pandemic restrictions, online sales registered a peak in demand, with an increasing number of consumers approaching the online channels for the first time (Tran, 2020). Mobile phones and relative apps are becoming ubiquitous in consumers lives. Their usage is strongly reshaping the traditional scenario, and day-by-day we are assisting to the emergence of newest and multifunctional mobile apps aimed at encountering evolving users' needs (Balapour *et al.,* 2020), such as mobile retailing apps, among others. Particularly in China, the market context investigated in the present study, mobile shopping is becoming increasingly common. The Chinese marketplace is one of the most digitalised worldwide, and almost 70% of smartphones have a mobile retailing application installed (China Internet Watch, 2018).

Although mobile shopping is becoming the norm (McLean *et al.,* 2020), extant literature has mainly investigated usage and perceived barriers encountered by regular shoppers. However, in other consumer behaviour's research areas, scholars (e.g. Truong *et al.,* 2021) have underlined the need to investigate both regular and occasional consumers - in the case of our research: m-shoppers – in order to not losing a potential piece of knowledge on the behaviour

of occasional shoppers, that may lead to identifying strategies and tactics useful for expanding the overall related market.

Purpose

This paper aims at shedding light on the competing extrinsic motivations behind the mobile shopping process of regular and occasional shoppers. Price and time convenience, shopping security, order delivery and post-sale services are investigated as antecedents of the mobile shopping attitude-intention path of the two shoppers' segments.

To contribute to the evolving mobile shopping literature, the present study aims at answering the following research question:

RQ. Are regular and occasional mobile shoppers driven by similar motivations?

The scope of the present research is to identify potential barriers that may reduce occasional shoppers' intention to buy using a mobile retailing app. Further, due to the recency of the mobile shopping phenomenon, further research on regular mobile shoppers' intentions is required to potentiate the mobile retailing offer.

Conceptual framework

Emerging technologies allow retailers to implement effective pricing strategies able to both improve revenues and customize prices and promotions (Grewal *et al.,* 2011).

    H1. Price positively affects attitude towards mobile shopping.

The mobile channel can be accessed without time and space constraints; it is increasingly preferred to the electronic channel (De Canio *et al.,* 2017).

    H2. Time convenience positively affects attitude towards mobile shopping.

Mobile retailers are called to securely store and protect customers' monetary information by third parties. Thus, consumers need to get aware about the protection mechanics implemented by retailers using mobile channels (Lu *et al.,* 2017).

    H3. Shopping security positively affects attitude towards mobile shopping.

In China, the proliferation of mobile retailing apps has been reinforced by the Same Day Delivery service (Xi *et al.,* 2020).

    H4. Delivery positively affects attitude towards mobile shopping.

The post-sale service reduces consumers' scepticism to shop online and was found to have a positive impact on Chinese consumers' attitudinal and behavioural online shopping (Javed *et al.,* 2020).

    H5. Post-sale service positively affects attitude towards mobile shopping.

A strong and positive relationship exists between shopping attitude and behavioural intentions to use mobile retailing apps (Yang, 2010).

    H6. Attitude towards mobile shopping positively affects intention to shop using a mobile retailing app

Methodology

  903 Chinese shoppers were surveyed online using a structured questionnaire shared towards the WeChat application in January 2019. The sample was divided in two groups based on the respondents' mobile shopping frequency. Those using to shop towards a mobile retailing app every day or almost 3-4 times per week were included in the regular shoppers' segment (49.6%). The remaining were included in the occasional shoppers' segment (50.4%). None claimed to have never bought using a mobile retailing app. Since all items were treated as reflective indicators, their internal consistency and validity were evaluated according to the procedure suggested by Hair *et al.* (2019).

Findings

First, a structural model with the pooled data was estimated. The results for the estimated coefficients of causal relationships show the significant and positive effect of price on attitude towards mobile shopping ($\gamma=0.181**$), confirming H_1. The results also show a positive and significant influence of time convenience ($\gamma=0.141**$), shopping security ($\gamma=0.103**$), delivery ($\gamma=0.193**$), and post-sale service ($\gamma=0.087*$), which allow us to confirm H_2-H_5.

Second, to test the moderating effect of online shopping frequency, a multigroup analysis (MGA) was carried out. The results, presented in Table I, indicate several differences in the group-specific path coefficients between occasional and regular m-shoppers.

The relationship between attitude towards mobile shopping and intention to shop using a mobile retailing app is significantly stronger in the group of regular m-shoppers ($\beta=0.171**$) than among occasional m-shoppers ($\beta=0.068+$). On the other hand, the direct influence of time convenience on intention to shop using a mobile retailing app is stronger among occasional mobile shoppers ($\gamma=0.382**$) than among regular ones ($\gamma=0.197**$).

Table I. PLS-MGA

EFFECTS	OCCASIONAL (n=451)		REGULAR (n=452)		Difference	p-value
	Stand. Coef	t-Stat	Stand. Coef	t-Stat		
Price → Attitude	0.162**	2.93	0.190**	3.83	-0.028	0.352
Price → Intention	0.169**	2.97	0.230**	4.29	-0.061	0.218
Time → Attitude	0.138*	2.17	0.154**	3.17	-0.016	0.423
Time → Intention	0.382**	7.07	0.197**	4.54	0.185**	0.004
Security → Attitude	0.058	1.24	0.141**	2.96	-0.083	0.106
Security → Intention	-0.004	0.08	-0.029	0.68	0.025	0.352
Delivery → Attitude	0.200*	2.26	0.198**	3.84	0.002	0.499

Delivery → Intention	0.082	1.44	0.135*	2.54	-0.053	0.250
Post Sale → Attitude	0.076	1.24	0.088+	1.72	-0.011	0.442
Post Sale → Intention	0.164**	2.86	0.186**	3.74	-0.022	0.391
Attitude → Intention	0.068+	1.53	0.171**	3.82	-0.104*	0.048
Age → Intention	0.021	0.54	0.042	1.22	-0.021	0.342
Sex → Intention	-0.064+	1.71	-0.084*	2.44	0.019	0.351

Occasional: occasional mobile shoppers; Regular: regular mobile shoppers

*+: significant at 90%; *: at 95%; **: at 99%*

Contributions

The paper contributes to the emerging retailing literature on mobile shopping offering a comparison of the motivations behind mobile shopping intentions of regular and occasional shoppers. The study investigated how several extrinsic motivations, before (i.e., price and time convenience), during (i.e., shopping security), and after (i.e., delivery and post-sale service) the purchase, influence behavioural intentions of regular and occasional shoppers using a mobile retailing app. Overall, the present study provides empirical contribution to the mobile retailing literature offering a wider overview on the extrinsic motivations of various shoppers' segments that represent a potential market in a highly competitive market-place (Truong *et al.,* 2021). Findings evidence contrary motivations behind the attitude - intention to shop using a mobile retailing app of regular and occasional shoppers. While all the investigated aspects result to be positively relevant for regular m-shoppers, shopping security and post-sale service do not impact on the attitude - intention path of occasional mobile shoppers. Results support retailers' strategies in a context of mobile shopping growth.

Practical implications

Empirical results offer useful implications for mobile retailers willing to improve their mobile channels among occasional mobile shoppers and retain regular shoppers by proving an effective mobile shopping experience. Two main aspects emerged as critical in mobile shopping: the security of the information provided during the transaction and the post-sale service.

Concerning shopping security, mobile retailers should improve regular customers' security perceptions by proposing practical insights although suggesting standard security policies. Rending available videos and brief webinars explaining security practices implemented in their retailing apps, retailers can display an interactive and engaging approach able to improve security perception and involve consumers to shopping through their mobile retailing apps. Further, implementing a multi-channel post-sale service with a website form, an email

contact, a telephone number and a physical office, retailers can reduce the scepticism of brick-and-mortar shoppers rarely approaching the online. Furthermore, as time convenience emerged as stronger among occasional mobile shoppers, in order to convert them in regular shoppers, retailers should better communicate the retailing app usefulness in saving time and efforts.

Research limitations and outlook

Due to the continuous and evolving technological developments characterizing the mobile industry, further research comparing these customer segments is required. Although the mobile shopping is preferred by goal-oriented customers (Zeithaml *et al.,* 2002), hedonic aspects, such as shopping enjoyment, shopping engagement, shopping gamification, are increasingly characterizing the mobile retailing scenario (De Canio *et al.,* 2021). The mobile scenario is evolving with the implementation of social networks, virtual reality and augmented functionalities that will revolutionize the mobile shopping in future years (Roggeveen and Sethuraman, 2020).

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THE RELATIONSHIP BETWEEN RETAILER APP USE, PERCEIVED SHOPPING VALUE AND LOYALTY: THE MODERATING ROLE OF DEAL-PRONENESS

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Keywords

Deal proneness; retailer app; loyalty to the retailer; shopping perceived value; mobile.

Introduction

Consumers increasingly use their mobile while shopping (Grewal *et al.*, 2018; Fuentes *et al.*, 2017). It appears that 57% of shoppers use retailer mobile apps in-store (Yes Marketing study, 2019[1]). This touchpoint is a firm-controlled touchpoint (Becker and Jaakkola, 2020) on which retailers can directly act. To date, scare academic works have examined retailers' apps (Hew, 2017). As a result, new research needs to examine the impact of retailer's app use on important variables for retailers such as shopping value and loyalty (Voropanova, 2015) in order to help retailers to exploit the app's potential as a sales and engagement channel (Molinillo *et al.,* 2020).

This research aims to: 1) investigate how in-store retailer app usage affects the retailers' loyalty, directly or indirectly via the mediation of perceived shopping value; and 2) study if deal proneness moderates such relationships (Shukla and Babin, 2013).

Conceptual framework

Customer loyalty and mobile apps

The mobile use during in store shopping activity has a positive and direct impact on store loyalty (Collin Lachaud and Diallo, 2021). For the post-purchase stage, the mobile app offer to customers more flexibility and control on the rewards program of the retailer and can have a positive impact on the loyalty with the retailer (Roggeveen and Sethuraman, 2020). Mobile app helps consumers to take control of their omnichannel shopping experience (de Haan *et al.,* 2018) and makes it frictionless, which has a positive impact on behavioral loyalty (Singh, 2019). Considering the previous studies, we can suppose that:

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[1] https://www.prnewswire.com/news-releases/data-over-half-of-consumers-use-mobile-apps-when-shopping-in-store-300773532.html

H1: Retailer's app use during the shopping experience (vs. no use) has a positive effect on retailer's loyalty intention.

Shopping value and its mediation effect on loyalty

Shopping value results from the interaction between the consumer and the shopping environment (Babin *et al.,* 1994; Jones *et al.,* 2006). It is structured around utilitarian and hedonic values. Voropanova (2015) suggests that the use of a mobile during shopping improves shopping productivity dimensions (time/effort savings, money savings, right purchase, and emotional benefits from shopping), which in turn leads to higher shopping value.

Shopping value is essential in explaining loyalty behavior (Mencarelli and Lombart, 2017). To our knowledge, no previous studies on mobile apps examine shopping value as an antecedent of loyalty. Only Collin-Lachaud and Diallo (2021) show that the store's hedonic value dimension mediates this effect, but not its utilitarian value. A retailer apps differs from others apps because it constitutes a firm-controlled touchpoint. As a result, we can expect that both dimensions of shopping value can mediate the relationship between retailer's app usage and retailer loyalty.

H2. Retailer's app usage during the shopping experience has a positive effect on retailer's loyalty through the mediation of perceived utilitarian value.

H3. Retailer's app usage during the shopping experience has a positive effect on retailer's loyalty through the mediation of perceived hedonic value

Deal proneness

Deal proneness is defined as the responsiveness to promotions and deals (Blattberg and Neslin, 1990). For grocery shopping, apps are the primary source of deals used by "mobile-to-store deal shoppers" segment and the physical store is the primary channel for their usage (Valentini *et al.,* 2020). Deal proneness influences mobile services adoption like payment (Handarkho and Harjoseputro, 2020) and shopping value (Shukla and Babin, 2013). As a result, deal proneness can be a moderator of customer experience and its consequences:

H4. Deal proneness moderates the mediation effect of perceived utilitarian value between retailer's app use and retailer's loyalty.

H5. Deal proneness moderates the mediation effect of perceived hedonic value between retailer's app use and retailer's loyalty.

Method

A total of 428 French consumers took part in an online survey enquiring about a recent shopping experience. Half of them used the retailer's mobile app when visiting the store. We used previously validated scales to measure each construct.

Findings

The results from a *t-test* for independent samples revealed significant differences in loyalty intentions (M_{App} = 5.51, M_{NoApp} = 4.96, t(426) = -4.41, p < .001) across app use conditions. This result supports H1.

Testing mediation effects

The results showed that app use does not significantly and positively influence perceived utilitarian value (B = 0.20, p = 0.09) but significantly influence perceived hedonic value (B = 0.75, p < 0.001).

There was not a significant indirect effect of app use on loyalty intentions through the perceived utilitarian value because CI values included zero (B = 0.10, Bca CI (-0.01, 0.23)). H2 is not supported. However, there was a significant indirect effect of app use on loyalty intentions through the perceived hedonic value (B = 0.16, Bca CI (0.09, 0.25)). As a result, H3 is supported.

The total effect of app use on loyalty intentions was significant (B = 0.55, p < 0.001, LLCI = 0.31, ULCI = 0.80). After including the mediators in the model, the direct effect of app use on loyalty intention remained significant (B = 0.29, p < 0.01, LLCI = 0.08, ULCI = 0.50), providing further support to H1.

Testing moderated mediation effects

We found a significant indirect effect of app use on retailer's loyalty through utilitarian value only when the deal proneness level was one standard deviation above the mean, 95% CI [0.01, 0.34]. As a result, H4 is supported. We also found that hedonic value was a significant mediator between app use and the retailer's loyalty only when the deal proneness level was equal to the mean, 95% CI [0.04, 0.17] or one standard deviation above the mean, 95% CI [0.07, 0.26]. H5 is supported.

Contributions

Our findings confirm that retailer app use affects customer loyalty toward the retailer both directly and indirectly through the mediation of hedonic value in contrast to utilitarian value. The direct effect can be explained by the cognitive benefit of apps (Narang and Shankar, 2020; Fuentes *et al*., 2017).

The findings concerning the indirect effect of app use on loyalty are also consistent with previous research. Collin Lachaud and Diallo (2021) underline the low mediating influence of utilitarian value on store loyalty. Shukla and Babin (2013) also demonstrate the stronger effect of hedonic shopping value on store switching behavior. However, this result is in contrast with the conclusions of Jones *et al.,* (2006) who show that utilitarian value is a better predictor of repatronage intentions.

Lastly, our results also enrich the literature on deal proneness. For customers who are the most sensitive to promotions, app use can deliver better utilitarian and hedonic value.

Practical implications

Our findings offer important insights for retailers. We highlight that the retailer app is a powerful tool to increase customer loyalty to the retailer. Retailers should not only propose apps that meet basic functions such as managing promotional coupons or searching information. They should provide fun and create positive emotions (Iyer *et al.,* 2018).

Retailers can communicate on these apps features to improve the penetration rate of the use of their app and to reduce the likelihood of using a third-party app that retailers do not control (Becker and Jaakkola, 2020).

The strong moderating effect of deal proneness suggests that managers should not consider consumers as a homogeneous group. Both utilitarian and hedonic shopping values of retailer app use are stronger for promotion sensitive customers.

Research limitations and outlook

A cross-cultural comparison would be relevant, as cultural differences could be significant in terms of both retailer app use and general deal proneness. We only looked at whether or not customers used the retailer's app during their shopping experience. However, we did not include the uses they made of it. Moreover, not all of the retailer's apps do offer the same services.

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International/global retailing

RETAILERS' FOREIGN MARKET EXITS OVER TIME: FIRM-SPECIFIC BEHAVIOR OR INDUSTRY-SPECIFIC COMMON PATTERNS?

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Keywords

Market Exit, Divestment Behavior, Firm-specific Behavior, Industry-specific Common Patterns, Corporate Strategy Perspective, Industrial Organization Perspective, Retail Divestment

Introduction

Divestment from foreign markets is a highly relevant phenomenon (e.g., Benito and Welch 1997; Berry 2013; Burt et al. 2004; Demirbag et al. 2011). Retail companies exhibit a non-linear internationalization behavior and divest extensively from foreign markets (Alexander et al. 2005; Burt et al. 2008a; Burt et al. 2004). While different forms of international retail divestment exist, from the closure of single stores to the complete termination of foreign activities (Alexander and Quinn 2002; Burt et al. 2002), the focus of this study is on "foreign market exit", defined by Burt et al. (2003, p. 359) as the "total withdrawal of a firm from an operational presence in a foreign market". Over the past 15 years, the ten largest global retailers have, altogether, entered a total of 76 foreign markets; however, in the same period, they have also exited 43 foreign markets (EDGE Retail Insight 2020). For example, the French retailer Carrefour has demonstrated a constant flux of market entries and exits, entering 23 new foreign markets between 2005 and 2019 but withdrawing from 22 foreign markets. Despite this relevance, research on foreign divestment still lags far behind research on international expansion (e.g., Jackson et al. 2005; Tan and Sousa 2019; Wrigley and Currah 2003). In the existing foreign divestment literature, most studies investigate single incidents of foreign market exits and do not consider the overarching, long-term divestment behavior of specific companies (see the literature reviews by Arte and Larimo (2019); Coudounaris (2017); Schmid and Morschett (2020); Trąpczyński (2016)). However, understanding companies' long-term behavior is crucial in strategic management, which considers strategy as a longitudinal process through which companies create and develop a competitive position (Porter 1991; Schendel 1996). The two main theoretical perspectives in this field are the industrial organization (IO) perspective and the corporate strategy (CS) perspective. Central to the field is the question of whether firms' behavior (i.e., strategy) and performance are primarily driven by industry-level or firm-level factors (Esho and Verhoef 2020; Hawawini et al. 2003; Rumelt 1991; Sun et al. 2021). In the foreign divestment field, authors have found retailers' foreign market exits to be driven by the industry, but also to be driven by firm-specific influences, i.e., their resources and the strategic management of their portfolio of international operations (Burt et al. 2018; Burt et al. 2003; Dawson 2001; Młody

2016; Wrigley and Currah 2003). However, to the best of our knowledge, there has not yet been a systematic investigation of whether industry-level factors, explained from an IO perspective, or firm-level factors, explained from a CS perspective, are the primary drivers of the long-term strategic exit behavior of retail companies.

Purpose

This exploratory study aims to take a longitudinal approach to investigating foreign divestment. The main research question is whether the long-term strategic exit behavior of retail companies is idiosyncratic or follows industry-wide common patterns.

Methodology

This study takes an explorative and longitudinal multiple case study approach with cross-case analysis, investigating the foreign market exit behavior (i.e., 43 market exits) of the ten largest store-based retailers in the world between 2005 and 2020. A longitudinal approach is necessary given the process-based nature of retailers' internationalization behavior (Kutschker et al. 1997; Santangelo and Meyer 2017). A qualitative approach, examining multiple cases in depth, is appropriate to answer "how" and "why" questions and is therefore frequently used in international business research (Ghauri 2004; Welch et al. 2011). Investigating multiple retailers simultaneously allows to compare their exit behavior over the years in a cross-case analysis and assess similarities and differences among retailers on multiple dimensions.

Findings

Overall, the cross-case analysis reveals that the exit behavior of the ten retailers is idiosyncratic; it is heterogeneous in almost all of the analyzed dimensions. For example, while some retailers repeatedly entered and exited foreign markets in an "in-and-out" strategy, others exited markets only as rare exceptions. While some retailers exited a few markets, which were insignificant in the context of their total group sales, others exited many international markets, which cumulatively represented significant parts of their overall sales. We also find more differences than similarities with regard to temporal and spatial patterns in the exit behavior of these retail companies. This idiosyncratic exit behavior can be explained through the CS perspective, in particular through the RBV. From this perspective, the country portfolio and all the businesses within it should be regarded as resources forming the base of a retailer's competitive advantage. The RBV defines strategy as the process of making the best possible use of the retailer's resources and fostering potential for the future (Barney 1986; Esho and Verhoef 2020; Wernerfelt 1984). This strategic process requires constant optimization of the international portfolio. In contrast to the CS perspective, the IO perspective's central argument is that an industry's structural characteristics constrain its component firms' strategic behavior (Hawawini et al. 2003; Porter 1980). From this perspective, one would expect all large global retailers in our dataset to be uniformly affected by and react to external changes and thus follow a similar exit behavior over time (e.g., show more exits during the same period; exit from the same regions simultaneously). The findings in this study show that this is not the case. However, the study identifies common patterns in the exit behavior across retailers, indicating that the IO perspective cannot be entirely disregarded when explaining foreign retail divestment. First, retailers show similar exit behaviors in East Asia. This behavior highlights substantial regional pressures in the retail industry and confirms the higher explanatory power of the IO perspective in developing markets (Esho and Verhoef 2020). Second, retailers within two strategic groups, i.e., large format grocery retailers and the discounters, exhibit similar exit behaviors. While the large format grocery retailers predominantly used market exits to downsize their over-diversified foreign market portfolios to strengthen their competitive position, discounters have been slowly but continually expanding their portfolios and only exiting a few markets. These

common patterns within the strategic groups demonstrate the importance of industry-level factors and the IO perspective's relevance to explain retailers' strategic behavior in this case (Esho and Verhoef 2020; Hawawini et al. 2003). Third, the study identified an interesting theoretical perspective on a recently emerging exit pattern. Large format grocery retailers have recently been retaining equity stakes when exiting from high-potential markets. This exit behavior can be explained by the real-options theory from the strategic management field (Belderbos and Zou 2009; Chi et al. 2019; Kogut 1991).

Contributions

By taking a longitudinal approach and investigating the exit behavior of the ten largest store-based retailers globally over time, the study follows researchers' calls to examine divestment as a process that develops within firms over time (Burt et al. 2018; Vissak and Francioni 2013), to take a long-term strategic perspective, and to investigate foreign divestment actions not as isolated episodes but through a portfolio perspective (Schmid and Morschett 2020). The study contributes to the literature by investigating a question that cannot be understood with a static approach. It analyzes one of the core questions in strategic management, that of whether the long-term strategic behavior of companies can be explained from an IO perspective or from a CS perspective, with regard to retail market exits, and provides first answers. Furthermore, the study contributes to the literature by applying the real-options theory to partial retail exits, showing how it can provide relevant explanations to this recent but increasingly prominent form of market exit.

Practical implications

The findings of this study can help managers to understand foreign exits not as a failure but as an essential part of their internationalization paths and a way to pro-actively manage their resources and securing long-term competitive advantage. Furthermore, managers can consider retaining a minority interest in their sold foreign units, providing them with a real option to return later on.

Research limitations and outlook

This study focused on the exit history of retail companies and considered the entry history as complementary information. However, taking a longitudinal perspective, as is often demanded in IB literature (Burt et al. 2018; Kutschker et al. 1997; Santangelo and Meyer 2017; Vissak and Francioni 2013), and investigating companies' entries and exits and their inter-connectedness over time would give a more complete understanding of the overall internationalization process than the many studies that focus merely on expansion or the few studies (including this one) that focus on foreign market exits. Furthermore, the present study does not make any prescriptive nor predictive claims regarding the success of the retailers' exit behavior. For example, it does not show which kind of exit behavior increases or decreases the retailers' performance. Instead, it provides what is essentially a description of "what" retailers have been doing and "how" they are doing this instead of what they have "succeeded in doing". Investigating the effect of retailers' market exit behavior over time on their long-term performance would be an exciting research avenue for the future.

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Keywords

Market Exit, Divestment Behavior, Firm-specific Behavior, Industry-specific Common Patterns, Corporate Strategy Perspective, Industrial Organization Perspective, Retail Divestment

Retail evolution and history

REVISITING THE BIG MIDDLE: AN FS-QCA APPROACH FROM A SPECIALIST RETAILER PERSPECTIVE

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Introduction

Currently, the retail industry worldwide is experiencing unprecedented institutional change, which is partly due to the constant and frequently dramatic changes in the task and constraining environment that surrounds it. The rise of e-tailing and e-platforming has accelerated retail change further, shaping a new landscape of retail competition. In the face of a new competitive horizon, many classic retail names have lost their consumer appeal.

However, a handful of leading mega-retailers have not only survived the hectic and harsh ever-competitive environment but also undergone constant growth. One common feature characterises these retailers: they have successfully maintained their power and presence in the distribution channel by reaching the *Big Middle* and strengthening their positions therein. The concept of the *Big Middle* was first coined by Levy et al. (2005) in a special issue of the *Journal of Retailing* that commemorated the academic contributions of Stanley Hollander to the early advancement of research in retailing and distribution trades. According to Levy et al. (2005), the *Big Middle* is the most significant market space in which retail giants compete for consumer expenditures' preponderance because the largest population of potential customers resides therein (Brown et al., 2005; Levy et al., 2005).

Levy et al. (2005) posited that retailers can migrate into the *Big Middle* by becoming either product specialists (specialist retailers) or market specialists (general merchandisers). Although this proposition seems plausible when retrospectively considering the emergence and growth of modern large-scale retailing in the United States and other advanced economies, no study has empirically tested a recent version of this hypothesis of institutional change in retailing.

Purpose

The main objective of the present study is to bridge the gap between the intuitive attractiveness of the *Big Middle* hypothesis and the relative lack of empirical evidence for its propositions. Specifically, this study investigates the composition of the *Big Middle* from the specialist retailer perspective. The study empirically examines whether the *Big Middle* is a single large market segment, an aggregation of various market segments, or a combination thereof. To this end, the study employs a fuzzy-set qualitative comparative analysis (fsQCA), which is the most principal set-theoretic analytical method. Hollander's (1966) *retail accordion* hypothesis facilitates the theoretical underpinnings of the propositions herein. He postulated the process of institutional change in retailing as an oscillation between the generalist and specialist poles of retailing. Hollander's (1966) basic concept of the cyclical change in the dominant form of retailing poses another question regarding how retailers compete when the centre of the retail trades shift from one end of the spectrum to another.

Conceptual framework

This study relies on some assumptions to address the latent need for empirical research to test the theoretical validity of the *Big Middle* hypothesis. The principal aim herein is to examine whether specialist retailers reach the *Big Middle* by attracting and subsequently acquiring part of the customer base of other retailers, including those that are not considered their direct competitors. The successful conversion of the consumers of other retailers into their own customers ensures the *Big Middle* retailers' strong position in the immense value segment of the market. Thus, the *Big Middle* is perceived as an entity comprising an aggregation of various smaller market segments, including those that are mutually exclusive. This conceptual framework, which is employed to explain the *Big Middle*, leads to the following propositions.

Proposition 1. There are multiple pathways through which consumers can patronise the same single retailer in the Big Middle.

Proposition 2. A specialist retailer's dominant position in the Big Middle comprises an aggregation of various smaller market segments, which constitute a sizable super segment.

Proposition 3. A specialist retailer's large value segment in the Big Middle comprises multiple market segments that partially overlap with those of its competitors.

Methodology

Analytical approach

To test the three propositions herein and thus the theoretical validity of the *Big Middle* hypothesis from the specialist retailer perspective, the authors employed fsQCA. This set-theoretic analytical approach was derived from Boolean algebra (Ragin, 1987/2014, 2000). The advantages of QCA over conventional statistical methods in the analytical context of the present study are as follows.

1) QCA incorporates the complex and aggregate effects of multiple factors that produce a given outcome, also known as causal complexity. Here, QCA plays an essential role in identifying the complex and combined effects of a retailing "mix" that encompasses consumers' store choice and patronage behaviours.

2) QCA allows for multiple configurations of causal conditions to lead to the same outcome. This assumption is called equifinality.

The analytical rigours of QCA help identify whether the *Big Middle* achieved by a specialist retailer builds upon a single mass market, an aggregate of various smaller market segments, or a combination thereof.

Survey outline

The authors conducted an online survey on the customers of UNIQLO, a Japanese clothing specialist retail giant that has maintained its *Big Middle* position adequately in international clothing retailing alongside ZARA and H&M in the last decade. A common feature characterises these three retailers: these are ranked the largest clothing specialist retailers globally, and all have vertically integrated retail format designs with own-brand merchandising. The survey measured consumers' perceptions of the various store attributes of UNIQLO. It also measured their perceptual distance between the UNIQLO store and ten other clothing specialist retailers, some of which had customer bases that differed from those of the specialist retailers in the *Big Middle*.

The survey was limited to consumers in urban areas in the Tokyo metropolitan area (Tokyo, Kanagawa, Chiba, and Saitama) and the Kansai region (Osaka, Kyoto, and Hyogo) where store options for consumers are abundant. Of the 1,198 responses received, 888 were usable after respondents that were unaware of UNIQLO (n = 38) and incomplete responses were excluded. The average age of the respondents was 41.43, ranging from 22 to 74 years (standard deviation = 11.425 years), and 43.8% of them were female; further, 66.8% of the respondents lived in Tokyo and 33.2% in Kansai.

Measurements

The analytical model of this study, which employs the fsQCA procedure, incorporated three outcome variables, namely, overall satisfaction, usage status, and shopping intention, which are well-accepted dependent variables in the literature on consumers' shopping behaviours. The variables were measured on a five-point Likert scale. The analyses, using the fsQCA procedure, applied the factor scores of these items.

Regarding the conditional variables (causal conditions in the QCA term) for the fsQCA, the authors designed 70 items to measure the consumers' perceptions of various dimensions of UNIQLO's store attributes, ensuring that these items covered all the key areas of its retailing mix. The authors followed the six key-domain (location, merchandise management, pricing, communication mix, store design and display, and customer service) models of retailing mix proposed by Levy and Weitz (2012) and Levy, Weitz, and Grewal (2019). An exploratory

factor analysis (Promax rotation, maximum likelihood estimation method) yielded four factors out of the conditional variables related to the store attributes of UNIQLO.

Another pillar of the conditional variables incorporated into the fsQCA herein concerns the perceptual distance (similarity or dissimilarity) between the UNIQLO store and the ten other clothing retailers of various targeted segments. This item was measured through a five-point Likert scale, with higher scores indicating a greater degree of similarity.

Reliability and validity of the constructs

The authors employed Cronbach's alpha coefficients and composite reliability to validate the reliability of the constructs. Both scores were above the generally accepted standard values of 0.70 and 0.60 for all the constructs (Bagozzi and Yi, 1988; Nunnally, 1978). The confirmatory factor analysis (maximum likelihood estimation method) of the five constructs, including the outcome and the condition variables, showed a good fit (χ^2 = 378.718; df = 109; CFI = 0.969; SRMR = 0.039; RMSEA = 0.053). Thus, unidimensionality was ensured (Hair et al., 2010). The path coefficients of the latent variables to the observed variables were more than 0.5 and statistically significant at the 0.1% level (Bagozzi and Yi, 1988). The average variance extracted scores were above 0.5 and exceeded the square of the correlation coefficient between the constructs (Fornell and Larcker, 1981).

Common method bias

Because the survey obtained data on both the outcome and condition variables from a single source, the authors conducted Herman's single factor test (Podsakoff et al., 2003). The result converged on four factors, with the first-factor loading at 23.59%, so the common method bias is not significant.

Findings   (* More details, including the outputs of the fsQCA, will be presented at the conference)

The findings are threefold. First, the results of the fsQCA show that UNIQLO, as a specialist retailer in Levy et al.'s (2005) terms, has built and secured its position in the *Big Middle* by aggregating various heterogeneous market segments rather than by capturing and relying on a single mass market. Second, the consumers representing each of these market segments patronise UNIQLO products with different aggregates of causal conditions and store attribute perceptions. Third, the *Big Middle* that UNIQLO has captured is characterised by a complex structure wherein UNIQLO has so-called blue oceans with little competition on the one hand and substantial overlaps with their competitors on the other. These findings support the three propositions of the study.

Contributions

The results of this study shed new light on the theoretical salience of Levy et al.'s (2005) *Big Middle* hypothesis as one of the most updated and hybridised versions of the theory of institutional change in retailing. In addition, the methodology employed herein, fsQCA, is promising from both a methodological and an epistemological perspective, particularly for researchers engaging in empirical studies on phenomena with high levels of complexity.

QCA is a practical alternative when the subject under investigation is beyond the analytical scope of conventional statistical techniques and their epistemological assumptions.

Practical implications

The findings herein provide retail practitioners with four essential insights: the importance of the aggregate effects of retail store attributes on customers' patronage; the identification of the actual patrons of a given retail store; the knowledge that customers create another dimension of importance, which is related to the competitors of the said retail store; and, finally, the strategic choices that retailers can make in terms of which market segments to attract and aggregate to reach the *Big Middle* more effectively and efficiently.

Research limitations and future directions

Although the present study highlights the latent need to empirically test the validity of the *Big Middle* model, the scope of its analysis is limited in that it only provides a snapshot image of the internal structure of the *Big Middle* that UNIQLO had at the time of the survey. This lack of temporal scope indicates an opportunity for future research to investigate the longitudinal chains of causal processes through which a retailer successfully enters the *Big Middle* and maintains its strong position there. Process tracing (Beach and Pedersen, 2019) and its adjacent process-based research method will be effective for this purpose.

In addition, the study only examined a single UNIQLO case with the fsQCA procedure; consequently, the findings cannot be generalised beyond the scope of this single case because inferential statistical techniques were not employed. Therefore, a more thorough empirical testing of the *Big Middle* hypothesis to conduct multiple case studies on individual *Big Middle* players is essential.

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Corporate Social Responsibility

HANGING UP SINGLE-USE PLASTICS IN FASHION RETAIL: POST-PANDEMIC SUSTAINABLE DISTRIBUTION CHAINS

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Keywords

Sustainability, single-use plastics, luxury fashion retail, distribution components.

Introduction

The global retail sector, with yearly sales of approximately $24 trillion has a greenhouse gas footprint of 33 GtCO2e annually (World Retail Congress, 2021). Retail sales within the UK in 2019 were worth £439 billion, with £0.12p of every pound spent being in clothing shops, meaning the purchase of fashion was the 2nd largest consumer commodity (BRC, 2020). Fashion and fashion retail are often perceived as negative contributors to global sustainability, with factors such as the use of natural, finite resources and carbon emission contributions being amongst some of the primary concerns. The industry's traditional linear "take, make, dispose" model of production and consumption combined with decreasing product life cycles has resulted in significant environmental impact globally (Niinimäki et al., 2020, Brydges, 2021). The recent global pandemic has acted as a catalyst for change within retail and has profoundly altered how, where and what fashion consumers shop for. There is impetus for fashion brands to similarly transform their operations to align business purpose to the values of a post pandemic conscientious consumer. Trend Forecaster Li Edelkoort described this time as *a chance to rewrite the fashion system*, emphasising the need but also the opportunity for responsible change going forward (Business of Fashion and McKinsey & Company, 2020). Many fashion brands have embraced this challenge, with their post-Covid recovery strategy clearly emphasising their intention to become agents of positive environmental and social change.

The Climate Action Roadmap, launched by the British Retail Consortium in November 2020 was responsible for over 60 retailers in the UK committing to a vision of full net zero emissions by 2040, scope 1 net zero by 2035 and scope 2 by 2030 (British Retail Consortium, 2020). This indicates a significant shift in business thinking and consequently operations during a crucial period of reflection. It is believed that the retail sector alongside millions of employees and customers can play a leading role in transitioning the global economy towards net-zero status.

An environmental challenge which has received particular interest from legislators and consumers is the detrimental impact of single-use plastics (SUPs) on ecosystems. SUPs are emblematic of a modern *throwaway* society where goods are overproduced and underused.

Legislative and customer led initiatives to remove SUPs items such as drinking straws has successfully resulted in innovative replacement product design solutions and rapid consumer acceptance. The UK has set a target to eliminate avoidable plastic waste by 2042 and the European Union has tabled directives to ban single-use plastic cutlery, cotton buds, straws, and stirrers (European Commission, 2018).

Fashion has an increasing reliance on plastics over the last century. Historically this relationship was facilitated by the growth of the oil industry in the early 1900's meaning that fibres such as acrylic, polyester and nylon were being widely produced for fashion purposes. Textile and fashion retail utilises large amounts of plastic in numerous ways. Today, 65% of all garments produced are made from synthetic fibres (Textile Exchange, 2017), meaning that they not only rely on oil as a finite resource for their production, but that disposal at the product's end-of-life, becomes a much bigger challenge. Although the fashion industry is often perceived negatively in terms of environmental impact one of the sectors greatest strengths is its ability to redesign creatively and implement quick-response, agile production solutions to meet customer requirements. Stella McCartney, Patagonia, and Adidas were among the first to incorporate recycling and circularity of materials as significant components of product development and branding strategy. This paper begins to highlight and address these opportunities for positive change within the industry, acknowledging gaps in practical implementation of sustainable strategies in the eradication of SUPs.

Purpose

Beyond the production of synthetic fibres employed in garment manufacture, the fashion industry also uses large quantities of plastics in product branding, in-store visual merchandising and within distribution systems. Fashion must be careful not to undermine advances achieved in garment life-cycle circularity by not concurrently reassessing and reforming the use of *hidden* plastics in distribution components and practices. Green distribution within fashion retail requires the industry to consider the ecological footprint of plastics used in areas such as product processing in distribution centres, transportation to retail or directly to end consumer, in elements such as storage, labelling, packaging protection and security requirements (Khurana and Ricchetti, 2016). A growing base of conscientious fashion consumers are demanding that industry revisit product development and supply chain components to challenge and eliminate environmentally harmful SUPs at source. Luxury conglomerates such as Kering and PVH are among early adopters of green distribution reassessment related to packaging and are among the first to view their supply chain's environmental credentials as part of a brands visual presence in the marketplace (De Angelis et al., 2017).

This paper explores the overlooked and often forgotten negative impact of plastics within the global fashion supply, focusing particularly on the use of plastic garment hangers. Acknowledging this item as both a practical visual merchandising tool but also as a key component for transportation purposes, the scale of industry use of plastic garment hangers will be established. Furthermore, though an increased insight into the type of use, methods of distribution and end-of-life options, the paper will propose valuable strategies for retailers willing to reduce the impact of plastics within their business model.

Conceptual framework

Garment hangers in both retail and domestic settings are commonplace products used by industry and consumers alike, but in the shadow of fashion garments their impact on the planet is rarely considered. As a by-product of fashion manufacturing, it is the volume of garments being produced and purchased in the UK market which is increasing the number of

hangers utilised annually. In an industry, where 130.6 billion items of clothing were produced in 2019 (Arch & Hook, 2020), the scale of this issue starts to become a priority challenge going forward. To look closer at the quantity of hangers utilised by the UK fashion industry every year, and to understand how these items are being used, a research project in collaboration with sustainable hanger brand Arch & Hook was conducted. The research looked to understand how UK fashion brands typically used hangers in the transportation and retail of their goods, including a focus on the differences between physical and online purchasing.

Methodology

In order to establish the fashion industry's use of plastic garment hangers, this study utilised purposive sampling techniques to collect primary data form 20 UK-based fashion retailers. Quantitative survey methods were utilised to gain a broad foundation of data, additional supported by a series of qualitative, semi-structured, informal interviews engaging willing parties. Survey participants were identified as individuals in senior positions working within fashion companies in functions such as buying and merchandising, product development, supply chain and corporate responsibility. Access to information surrounding individual company's hanger purchasing decisions was a key criterion in identifying participants and thereby excluded retail store personnel and packaging manufacturers. Research participants consented to their involvement in the study and agreed to the terms of the data usage. Survey responses were fully anonymised, with no questions being posed that would reveal personal identity or company affiliation.

Findings

The study found that over 954 million plastic hangers are used by the UK fashion industry every year, with 60% of all garments purchased in 2019 being sold to the customer with an associated hanger. This data included traditional garment hangers but also additional plastic hanging loops for smaller items such as socks for retail display purposes. The study also discovered that the growth of online retail was having a positive effect on reducing the overall number of plastic hangers being utilised, however many retail orders being made online are still sent out with plastic hangers, despite their primary function being to display the products in a bricks-and-mortar store. From the data collected, the study determined that over 82 million hangers were included with online purchases in 2019 alone.

Hidden Sources of Plastic

One of the largest sources of SUPs in fashion distribution was uncovered within execution. 148.2 million hangers are used each year to solely transport clothing from factory to shop floor, 16% of which are discarded when reaching their destination and replaced by a higher quality often branded alternative when the products reach the point of retail. These single-use plastic products are generally made of lightweight plastic and are so cheap to produce that it is more cost effective to discard to landfill and produce new rather than recycle. The luxury market sector was found to be the guiltiest of utilising different hangers for transportation and retail, with 31% of the overall total of plastic hangers used being solely for transit purposes. Additionally only 50% of hanging stock retails in store on the hanger on which it was transported.

Contributions

The data collated during this paper provides up-to-date figures on the use of plastic garment hangers in the fashion industry in light of changing parameters around sustainable business strategies. Figures pertaining to this level of information have been previously unavailable and have been largely based on estimates alone. This data will act as a catalyst for change and

will act as a rationale for business to rethink their use of plastic packaging within distributive retail supply chains. Furthermore, the identification of waste streams (i.e. plastic hangers being sent out with online orders) would provide retailers with not only environmental rationale but also financial rationale to create meaningful change within their value chain.

This paper makes a series of industry recommendations:

- *Increased Choice of Alternatives to Plastic Hangers*
  Functionality is the main factor affecting hanger selection. Recyclable hangers should be made available in a full range of hanger types, shapes and sizes to ensure that they adequately meet demand.
- *Lower Cost Sustainable Alternatives*
  Cost is an important factor affecting hanger selection. An increased interest in sustainable hanger alternatives would drive volumes up and prices down.
- *Industry Awareness*
  A campaign is required to inform the fashion industry about plastic hanger usage and the sustainable alternatives.
- *Consumer Pressure*
  Change in the fashion industry is frequently consumer led. A PR campaign raising the awareness of the damage plastic hangers are inflicting on the environment will help to drive a change in industry attitudes.

Practical implications

In contrast to thinking what can be done with the quantity of plastic garment hangers in retail distribution systems, the fashion industry needs to start considering how, when and why they are using hangers. As outlined by D'Adamo (2021) the post-pandemic period is an opportunity for the fashion industry to become inventive as a consequence of the global crisis it has encountered and to reassess established norms in order to redesign with sustainable practices as a competitive business advantage. By implementing even a number of small changes the sector could dramatically begin to reduce the quantity of SUPs hangers needed within distribution channels altogether. There are many inventive suppliers responding to fashions need to eliminate plastic hangers, including exciting developments in the use of paper, natural materials as well as novel managed recycle and regenerate services. However, it must be recognised that no material is without associated environmental impact and that ultimately there will be a greater environmental price if a finished garment becomes unsellable due to a lack of protection currently provide by a SUPs within the distribution chain.

Research limitations and outlook

While this study offered a comprehensive overview of the use of plastic garment hangers in the fashion industry, the data collected worked only with UK fashion retailers meaning a more global perspective is necessary going forward. Furthermore, despite every effort being made to work collaborative with a good representation of the UK fashion market, increasing the size of scope of the study would be of benefit.

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THE ECOSYSTEM OF SOCIAL SUPERMARKETS – AN INDUSTRY- SPECIFIC CSR INITIATIVE

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Keywords

Retailing, Corporate Responsibility, Corporate Social Responsibility, Sustainability, Social Supermarkets

Introduction

In our conceptual paper, we illustrate a well-established example of an industry-specific CSR initiative in the food retail sector that addresses the social issues of food waste, poverty, and long-term unemployment in a European country. "Social supermarkets" (SSMs) sell food and consumer goods they receive for free from retailers and manufacturers at a discount of up to 70% to people who are in or at risk of poverty. These products are still consumable or useable but not saleable anymore and would otherwise become waste. SSMs illustrate collective action by intensive collaboration with various business partners as well as governmental actors. Literature highlights partnerships between nonprofits and businesses as the preferred strategy to address social, issues, enhance brand value, and to gain economic and social value (Sehumate et al., 2018; McIntosh, 2007). The majority of the empirical studies on non-profit organisations are related to the sectors of Health, Human Service or Education. The retailing sector - amongst many others - is hardly covered (Sehumate et al., 2018). This gap is also reflected in a call to investigate Corporate Responsibility (CR) in industrial contexts (Beschorner et al., 2013; Timonen and Luomaaho, 2010, p. 6). In our paper we use the terms corporate social responsibility (CSR) and CR synonymous as other authors do (Freeman and Hasnaoui, 2011).

Purpose

The objectives of this paper are, (i) to introduce SSMs as a sector-specific CR initiative in food retailing and (ii) to describe the role of the industry-specific CR initiative SSM in Austria, the European country with the second highest density of SSMs. A sector-specific CR is understood "as network-like relations between a set of distinct actors in a particular sector on CR issues" (Beschorner et al., 2013, p. 27), SSMs would be a worth-mentioning example of a sector-specific CR initiative in the specific food retailing sector, as they can only exist as

long as they cooperate successfully with various other stakeholders (e.g., manufacturers, retailers, government) to reach their above cited socially oriented goals.

Conceptual framework

We apply the conceptual framework of Beschorner et al. (2013) using four dimension that allow to downsize CR to an industry. These are: (i) *spatial dimension* (cultural conditions of cities, regions, and countries), (ii) *sector specific issues* (e.g., CO2 footprints of certain products or services), (iii) *concrete actors* (e.g., governmental department), and (iv) *the mode of cooperation.*

Findings

Based on the above stated framework, we illustrate our findings as follows:

(i)   Spatial dimension in the Austrian food retailing sector

Austria has 8.3 million inhabitants and a total area of 83,870 km2 and entered the European Union in 1995 (European Union, 2021). The food retail sector is one of Austria's largest industrial sectors in terms of revenues and employees (Nielsen, 2020). The sector is further characterized by a high concentration with three (multi)national companies accounting for approximately 85% of national revenues (Nielsen, 2020). The store format of supermarkets (size of 400-1000m²) is predominant, with 50% of all ca. 5,300 food retail stores representing that store type (Nielsen, 2020). Store density is the second highest in Europe after Norway with 445 stores available per one million inhabitants (Nielsen, 2013), thus allowing a good supply of food for the population, even in rural areas. Our research reveals that 86 SSMs do exist in Austria as stationary and mobile outlets (Holweg and Lienbacher, 2016). This translates into a 1.6% market share of all stores in the Austrian food sector (Nielsen, 2020). A national coverage of SSMs would imply the opening of ca. 15 additional stores as investigated by a recent white space study using GIS data (Lienbacher et al., 2021).

(ii)   Sector-specific CR issues in the Austrian food retailing sector

According to Hartmann (2011, p. 298), the most challenging aspects in the context of CR are that the food sector has a high economic and societal impact, it strongly depends on natural, human, and physical resources, and has a unique and multifaceted structure of small and large enterprises (see, e.g., Brashear et al., 2008; Maloni and Brown, 2006; Simeonov and Krauss, 2013). Sector specific characteristics, challenges and issues that also apply to the Austrian food retailing sector are summarized in Table 1.

Sector-specific CR issues in food-related retail trade	
Characteristics	food covers basic human needs and people have a strong view on what they eat, customer loyalty and satisfaction are essential to retailers; broad spectrum of goods; SME-dominated; gate-keeper between producers and consumers;
Challenges	Climate change; poverty and inequality; financial and economic environment; scarcity of natural resources; competition from emerging markets; production of the raw materials (animal welfare)
Issues	Energy and water use; packaging and waste management; transport and use of sustainable materials; working conditions (e.g., wages, gender discrimination); health and safety; global supply chain; employee and customer relations; carbon footprint of products

Table 1: Sector-specific CR issues in Food related retail trade (Brashear et al., 2008, Maloni and Brown, 2006; Simeonov and Krauss, 2013)

SSMs directly address the issues of food waste, poverty, and long-term unemployment portrayed in Table 1. To illustrate its dimension, 116,000 metric tons of food waste occur at the retail level as per a comprehensive research study (Lebersorger and Schneider, 2014). The Austrian at-risk-of-poverty threshold for a single person household is set at €1,286 per month. In total, 16,9% of the population was considered at risk of poverty in 2019 (Statistics Austria, 2021a). Unemployment and poverty are two closely linked social issues, and Austria reports a 15,9% long-term rate of all unemployed people in 2019, amongst the lowest in Europe (Statistics Austria, 2021b).

(iii)   Concrete actors of CR in the Austrian food retailing sector

CR in the Austrian food-related sector is driven by the key stakeholders of businesses, NPOs, government, consumers, and other groups. First, we consider the role of *governmental actors* (such as ministries or governmental councils). Therein, the European commission (EC) sets the framework for international trade and public procurement and supports activities in cooperation with private actors such as trade associations and individual companies (Simeonov and Krauss, 2013). The political responsibility for CR policies in Austria is mainly taken by the ministerial department in the areas of: (i) employment/social affairs, (ii) environment, and (iii) industry and trade/economic affairs (Moon et al., 2012). Austria has a long tradition of social and environmental mandate type policies using awareness-rising (e.g., the label *"Umweltzeichen"*) and partnering instruments (e.g., TRIGOS, ASRA) under the responsibility of the according ministries (Moon et al., 2012; RespACT Austria, 2021; Trigos, 2021). Conventional retailers and manufacturers are the key actors for SSMs and regarded as close *business partners.* NPOs *and c*harities are a further key partner of SSMs (e.g., The Red Cross or Samaritans) supporting SSMs with their vast resources of volunteers or infrastructure. Lastly, SSMs have expanded their network through the active participation

in various working groups with various actors from the food sector such as 'Social Sustainability'. This working group was founded in 2011 by the ECR platform, a business-driven institution that fosters collaborations along the supply chain (Lebensministerium, 2013; ECR Austria, 2014).

(iv)   Mode of cooperation in the Austrian food retailing sector on CR issues

Modes of cooperation can be either (i) awareness-raising, (ii) partnering, (iii) soft law, or (iv) mandating from a public-private collaboration perspective according to Peters and Röß (2010). These collaboration perspectives are general and must are not limited to public-private collaborations only. The modes of cooperation in the Austrian food sector are predominantely awareness-raising and partnering. Examples are the long running national campaign "Lebensmittel sind kostbar" (Food is precious) by the ministry of health (Lebensministerium, 2021). Further, the publication of a guideline on efficient processes to pass on unsaleable food from retailers and manufacturers to SSMs or other charitable institutions (ECR Austria, 2014).

Contributions

The illustration of SSMs as a sector-specific CR initiative reveals that the success of SSMs depends on a well-functioning ecosystem. SSMs require a tight relationship with both retailers and consumers, governmental institutions, charities, and support from communities and other institutions. This article has provided evidence of the industry-specific CR initiative of SSMs. The outcome of the study confirms the relevance of analyzing SSMs in an industrial context. It describes essential features and dynamics specific to the sector. It also illustrates the relationships of business operations and their impact on society in more detail (Beschorner et al., 2013). Summarizing the above, SSMs have provided a unique answer to several major societal challenges. By their collective-action approach creatively combining the resources of multiple actors in the retailing sector, they have had a direct impact on society and many people's lives.

Practical and social implications

Results indicate that a well function ecosystem requires strong cooperation and communication among all stakeholder groups. SSMs have rapidly expanded since 2008 with more than 1000 stores across the majority of European countries. Their success depends on managing the complex operational level of a retails store in parallel to creating a "sustainable symbiotic" model of partnerships (Shumenate et al., 2018).

Research limitations and outlook

The current research is conceptual and could be extended by an empirical investigation. This would imply a national survey amongst SSMs including clustering SSMs according to their specific characteristics and modes of cooperation.

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Keywords

Retailing, Corporate Responsibility, Corporate Social Responsibility, Sustainability, Social Supermarkets

THE IMPACT OF PRO-SOCIAL LOYALTY PROGRAMS ON PROGRAM PERCEIVED VALUE AND CUSTOMER LOYALTY

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Keywords

Introduction

Loyalty programs (LP) are very popular marketing tools in retailing. They are used to manage the customer relationship (Yi and Jeon, 2003) and are based on the rewarded behavior mechanism. Nevertheless, despite the growing number of LPs in the retail context, empirical evidence of their impact on customer loyalty remains uncertain (Dorotic et al., 2012). There is discussion about rethinking LP design (Breugelmans *et al.*, 2015; Kumar, 2019) and building programs "*that resonate with customers at an emotional and attitudinal level in order to induce more than just financially induced repeat patronage*" (Eason *et al.*, 2015, p.71). Nastasoiu and Vandenbosh (2019) call for an alignment of LP with customers' existing goals by awarding consumers not only for their purchases but also for their behaviors. To this end, retailers have started to develop new loyalty initiatives by focusing on societal and environmental causes (Kumar, 2019). Pro-social LPs "*convey companies' contribution to the well-being of society*" (Hwang and Kandampully, 2015, p. 346). These LPs reflect the growing concerns of consumers about the role of business in the fight to protect the environment, as well as awareness of sustainable consumption.

Purpose

With some exceptions, little academic research has been carried out on "pro-social" LPs, (e.g. Eason *et al*., 2015; Giebelhausen *et al.*, 2016; Hwang and Kandampully, 2015; Kumar, 2019; Liu and Mattila, 2016) and several issues remain unexplored. First, Hwang and Kandampully (2015) have highlighted the role of perceived value as a driver of consumers' participation in pro-social LPs. A large body of research has pointed out that LP can only build loyalty through customer value perception (Kreis and Maefel, 2014; Mimouni-Chaabane and Volle, 2010). However, the role of perceived value as a driver of customer loyalty has not been investigated. As far as pro-social LPs are concerned, it is important to examine the underlying mechanisms through which pro-social LPs can contribute to customer loyalty. Moreover, existing studies have investigated the effect of pro-social LPs on customer attitudes without comparing the effect of the different typologies of pro-social LPs identified in the literature.

To fill these gaps in research, this paper aims to answer the following research questions:

(1) What are the mechanisms under which pro-social LPs could positively contribute to retailer loyalty?

(2) How can retailers design an effective pro-social LP?

Conceptual framework

Existing studies on "pro-social" LPs examine different ways of involving CSR strategies in LPs. Three types of pro-social LP design are identified: 1) LPs rewarding sustainable behaviors (Giebeljausen et al., 2016); 2) LPs rewarding green product purchasing (Hwang and Kandampully, 2015); 3) altruistic LPs allowing the customer to donate loyalty points to an association (Eason et al., 2015).

The role of perceived value is the key to understanding customer evaluation of LP. The perceived value of an LP relates to the overall assessment of the usefulness of LP for customers. Existing studies have identified three different forms of perceived value relating to an LP (Mimouni Chaabane and Volle, 2010; Kreis and Mafael, 2014): first, psychological value, in that the LP can enhance social self-concept; second, social value, in that the LP can make consumers feel that they are a member of a community (Liebermann, 1999) and third, economic value, relating to perceived financial benefit of the LP (Mimouni Chaabane and Volle, 2010).

The present study uses two different conceptual frameworks in order to explain how LP members perceive the value of a pro-social LP: Social Exchange Theory and Social Desirability Theory. The social norm of reciprocity, at the heart of Social Exchange Theory (Gouldner, 1960), entails that one party receiving a benefit will provide a benefit to the other party. In the case of an LP, members access a better value proposition and/or receive tangible and/or intangible rewards. Social Desirability Theory finds that consumers engage in sustainable actions to make a good impression on others (Green and Peloza, 2014). On the basis of these two theories, we develop the framework shown in Figure 1. We hypothesize that LP design has a positive effect on the loyalty intention through the mediation of psychological (H1), interaction (H2) and economic (H3) LP perceived value.

Figure 1. Research model
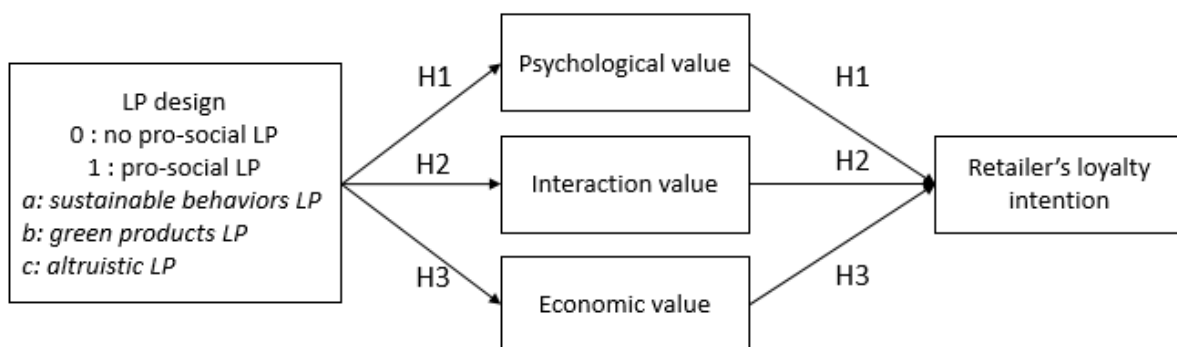
Methodology

An experimental protocol was implemented in an online setting in order to manipulate the three types of pro-social LP design. Participants indicated one grocery retailer LP on which they had already enrolled. They next completed a questionnaire referring to one of four scenarios in which this LP might change design. Respondents were randomly assigned to one of the four scenarios. A total number of 696 actual LP members took part in the experiment. In Scenario 1, a conventional LP is tested on the control group (N = 172). In Scenario 2, the respondent is asked to imagine that his/her LP starts to reward sustainable behaviors (N = 172). In Scenario 3, the LP is modified to reward the purchase of green products (N = 172). Finally, in Scenario 4 the LP is modified so that customers can donate their points to a charity or social project (N = 172). The measurement scales were taken from the existing academic literature. The bootstrapping method of 5000 resamples using Hayes's (2018) PROCESS macro for SPSS with Model 4 was used to investigate mediation effects.

Findings

Across the four groups, no significant differences were found in terms of those variables assessed before random assignment implementation. The LP design rewarding pro-social behaviors was significantly related to psychological (B = 1.358, t(342) = 8.968, p < 0.001), interaction (B = 0.963, t(342) = 6.290, p < 0.001) and economic (B = 0.3411, t(342) = 2.727, p = 0.007) perceived values. The three perceived value constructs are, in turn, significantly related to loyalty intention. As expected, the results indicate that the perceived psychological and interaction values are higher when the program rewards sustainable behaviors. Contrary to our hypothesis, results show that LP design rewarding sustainable behaviors positively and significantly influenced perceived economic value.

LP design rewarding green product purchasing was significantly related to psychological (B = 0.974, t(342) = 8.968, p < 0.001) and interaction (B = 0.928, t(342) = 6.010, p < 0.001) perceived values but not to perceived economic value (B = -0.081, t(342) = -0.593, p = 0.553). The three perceived value constructs are significantly related to loyalty intention.

The altruistic LP design was significantly related to perceived psychological, interaction and economic values. The three mediators are significantly related to loyalty intention. As expected, the results show that the perceived economic value is lower when the program offers other-oriented rewards compared to a "conventional" LP (B = -0.961, t(342) = -6.736, p < 0.001).

Contributions

Our results show that CSR commitment, when perceived by consumers, strengthens the relationship with the retailer (Chang 2017; Chernev and Blair, 2015; Liu and Mattila, 2016; Louis et al., 2019). We also contribute to the debate on innovative LPs in highlighting the beneficial effects of LPs for a retailer. Pro-social LPs thus appear to have several advantages in overcoming the limitations of conventional LPs (Dorotic et al., 2012; Kumar, 2019). Our results reveal that not all pro-social LPs are equal, and the design of an LP may have conflicting effects on each of the LP's perceived value dimensions. From a managerial perspective, developing a pro-social LP seems a promising option for maintaining and strengthening the relationship with the retailer. However, not all pro-social LPs are capable of delivering economic value. Customers therefore remain sensitive to rewards, and a pro-social

LP needs to offer a combination of rewards oriented towards the self (self-benefit) and towards others (altruistic benefit) (Eason *et al.*, 2015).

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Innovation and technology in the retail environment

SHARING ECONOMY IN SPORTS RETAILING: FUTURE APPLICATION POTENTIALS

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Keywords Sports retailing, sharing economy, reuse, retail trends, in-store research, business model

Introduction

The sharing economy trend is a fast-growing phenomenon that places the fact of access over ownership. This trend could potentially become as important as the industrial revolution in terms of the way we think about ownership and will shape the next stage in the evolution of not only the retail economy but the global economy as a whole (Trenz et al., 2018). The central aspects of the sharing economy lead to new patterns of behavior, which are difficult to predict and identify and hence require a new way of understanding (Paul and Rosenbaum, 2020).

In sport retailing, high customer orientation (e.g., advisory expertise) remains a cornerstone but recent developments related to sharing and reuse represent movement in sport retail strategies. This refers to concepts that e.g. offer (i) the retailers' ability to redirect used products to new uses, (ii) the enabling to exchange (used) products with product alternative, (iii) the retailers' belief towards "use instead of ownership – sharing instead of having" and/or (iv) new pay-per-use and/or borrowing models. The degree of application of sharing and reuse value streams vary and give room for improvement in sports retailers' environments. In order to address this gap, we provide the following research question (RQ): *Which selected set of sharing and reuse concepts in sports retailing offer promising potential in Austrian sports retail stores?*

Purpose

The purpose of this research is to look at global sports retail trends – traditional (brick-and-mortar) and e-commerce – and to identify current innovative sharing and reuse trends relevant in sports retailing. Furthermore, insights are generated from an empirical research phase

involving semi-structured expert interviews with sports retail management, operative sports retailing personnel as well and sports customers during in-store research. A synthesis of most promising and potential findings aims to be presented as "sharing and reuse concepts". These concepts refer to sample specific observations and study limited research results based on a regional sports retail store investigation. Therefore, trends on sharing and reuse from scientific and management literature are analyzed in course of a systematic review. For the purpose of determination of captured concepts relevant for the given context, a qualitative in-store research phase with contextual interviews (i.e. retail managers, sports retail personnel, consumers) and on-site observations in the sport retail stores is applied.

Background and conceptual framework

Changed consumer behavior (e.g. resource sensitivity, sustainable products etc.) is reflected in sharing economy and bonds positively connoted values such as solidarity and community (Alonso-Almeida, 2020). In sports retailing, the additional range of sharing and borrowing products (e.g. ski, ski sticks, clothing etc.) forms part of consumer loyalty and in-store experience. Taking current sharing economy dynamics, a detailed analysis of these specific offerings is important to examine new perspectives and concepts (Alonso-Almeida, 2020). Innovating this area would contribute to both changing consumer behavior and sport retail offerings. That leads to our first proposition:

P1: Sharing economy trends and related changes in consumer behavior reshape sports retailing.

Sharing and reuse concepts represent options for retailers boosting profit (Weber, 2016) and connecting more closely with consumers for enhanced services (Yuan, 2019). The offerings – which combine online and offline environments – additionally expands the customer journey through new touchpoints in the future (Alexander/Kent, 2020). Furthermore, sharing and reuse concepts address awareness regarding conscious consumption, cost-benefit equation and allow for positive communication and marketing (i.e. customers' social media profiles) (Alonso-Almeida, 2020). That leads to the research's second proposition:

P2: Sharing and reuse concepts drive a new awareness for sport retailers and consumers.

Methodology

To address the defined research question and propositions, the research follows a multi-method approach consisting of (i) a literature review and software-based trend analysis, (ii) expert interviews and (iii) on-site observations in combination with consumer interviews (see Figure 1). The methodology allows for taking into consideration not only theoretical results and current trends, but also enables the juxtaposition with experiences of involved persons and the coverage of consumer values and demands.
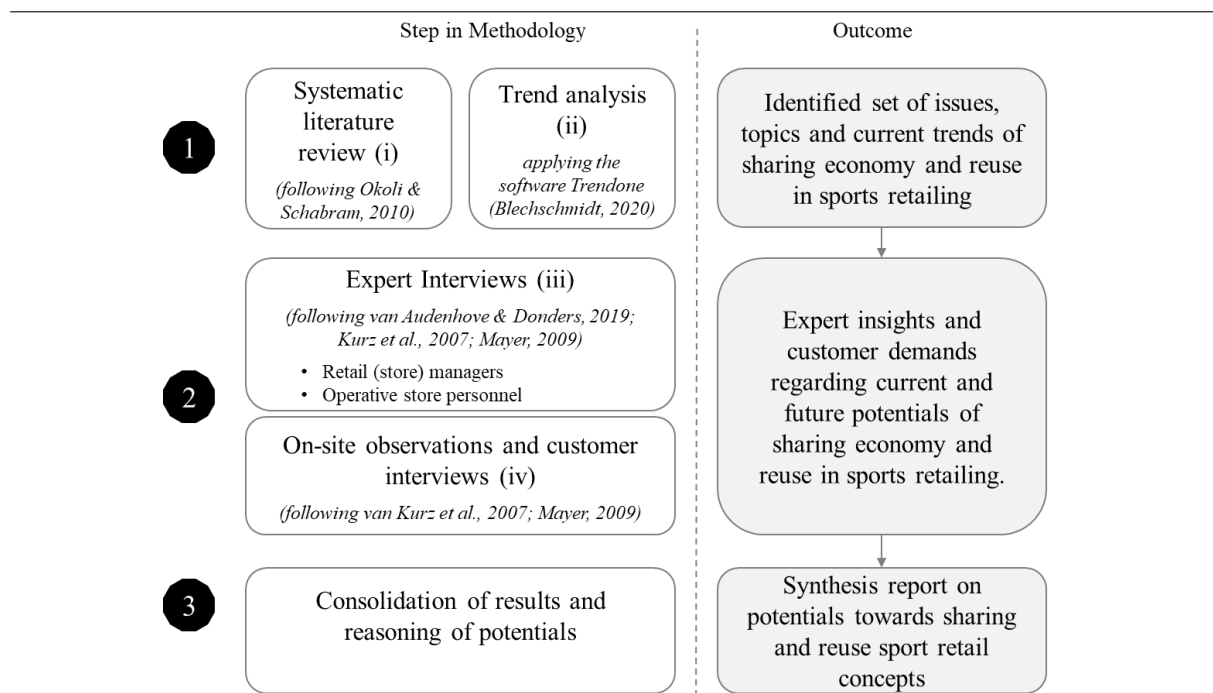
Figure 1: Research Approach and Methodologies of the Paper

Findings

In recent years, the topic of sharing economy has evolved as a trend with high growth potential and has proven to be an innovative model for sustainable consumption (De las Heras, 2020). It is one of the most promising drivers for the development of the modern economy (Pletnev, 2020). Results from the trend monitoring software TRENDONE indicated that trends such as sharing activities, second life products and pay per use moved into the focus of sports retailers.

In-store research results showed priority on sale and advisory on sports assortments however, several entry points with regard to sharing and reuse developments were captured:

(●) Returned sport items for exchange which in the end can no longer be resold;
(●) Maintained products that are exchanged for new ones against discount;
(●) Special or seasonal assortments that are borrowed for short-term use;
(●) A strong customer community who tests, evaluates and exchanges sport products among the group on a trial basis;
(●) Attractive store layouts with spacious areas and room for new value streams.

A synthesis report on current and potential future sharing and reuse concepts in sport retailing includes 14 concepts in total. Five selected concepts are presented in the following section:

The concept "*share sport stations*" provides refurbished sports products at locker stations, located at neuralgic points (public transport stations, parks, etc.) to serve a conscious sporty community. Accessible via an app, payment by subscription etc. plus customer loyalty actions. "*Marine plastic*" is related to careful use of natural resources and a way of communicating sustainability. Sport stores' mannequins and hangers are made of marine plastic, shelving systems have an eco-design character and are fruits of upcycling design processes. The concept titled "*share contract*" refers to the purchase of expensive sports equipment tied to a set of

conditions: Customer agrees to (i) share the equipment with others and (ii) record the sharing in the customer account and social media. With "*repair day*", sport retailers are setting standards for sustainability and conscious use of materials. The concept draws attention to joint refurbishing (under guidance) and highlights the importance of reuse and maintenance. An innovative product recover strategy enables sport retailers to resell reused, upcycled or redesigned sport products in a dedicated "*reuse store*". Returned or discontinued models run through a collection process and are revaluated by a recovery team consisting of designers and specialists who realize innovative refurbishment.

Contributions

Consumer benefits on sharing and reuse concepts need to be viewed holistically – from a cognitive, affective, sensory, relational and behavioral view – and are a potential part in strategy and design of future stores (Alexander/Cano, 2020). Revisiting P1, results of trend analysis and in-store research suggest that related sharing economy trends do shape consumers values in sports retailing.

The selected set of concepts address these changed values and behavior, draw a new perspective on sport retailing and correspond to the new awareness of sport retailers and their enlightened consumers. That relates to P2 as prototyped concepts and corresponding retailers' strategies drive a new awareness in approaching consumers.

Theoretical Implications

In this research, sharing and reuse concepts serve as value-added services and are understood as a potential investment at the sport retailing point-of-sale. The mindset of sharing, reusing and reselling was shown relevant for sports retailing. The research advances understanding of the sports retailing business models in a sharing economy context and theoretically contributes how sharing and reuse concepts potentially complement sports retailers' strategies in their future consumer orientation.

Practical and social implications

The practical relevance of the research refers to (i) the investigation of sharing and reuse strategies in sports retailing and (ii) a synthesized set of potentially relevant concepts for Austrian sport retailers based on empirical investigation. Driven by the development of sharing economy, as people think about participating in this setting – either as a lender or as a borrower, depending on the need realization (Weber, 2016) – sport retailers have a chance to meet social values and propensities to create both high consumer orientation and socio-political awareness.

Limitations and future research

Limitations of the research lie in the limited sample size, the country-specific sample and respective retail focus. Further, the study provides insights into potentials of sharing and reuse concepts without investigating novel implemented cases. A future focus should be placed on implementation and acceptance of sharing and reuse concepts in sports retailing. In addition to a comprehensible understanding of sport customers behavior's, the relationship between sharing (in the sense of sustainability values) and sports retail consumption should be tested using surveys or experiments such as discrete choice method.

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