



Shopper Marketing & Pricing Conference

PROCEEDINGS

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MAY 8-10TH 2014, STOCKHOLM SCHOOL OF ECONOMICS



2014 Shopper Marketing & Pricing Conference Proceedings

May 8-10, 2014 at the Stockholm School of Economics

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ISBN 978-91-7258-945-2 (pdf)
Published by Stockholm School of Economics, 2014

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Special thanks to: Shannon Harper for help organizing the submissions, evaluations, program, and proceedings. Helena Kvist-Åslund for help organizing the rooms, meals, and travel accommodations. Scott Motyka for help with coordination.

RETAIL ATMOSPHERICS

How In-Store Attributes Impact Shoppers Store Loyalty. Do Different Countries and Categories Follow the Same Loyalty Building Process?
Monica Grosso, Sandro Castaldo 1

Role of Scent Congruency and Target Scope in Sales-Focused Scent Marketing.
Kaisa Kivioja 3

Face-To-Face Encounters in the Store and Their Impact on Consumers.
Magnus Söderlund 5

Factors Influencing Electronic Word of Mouth After Retailer's Complaint Handling Efforts.
Teresa Fayos-Gardó, Beatriz Moliner-Velázquez, Maria-Eugenia Ruiz Molina 6

PRICING I

Odd Pricing and Even Pricing Practice in the Luxury Goods
Annalisa Fraccaro, Sandrine Macé 8

The Causes and Consequencies of Price Unfairness
Outi Somervuori, Essi Pöyry, Petri Parvinen 11

Feel Nickeled-and-Dimed: Consequences of Drip Pricing
Thomas Robbert and Stefan Roth 13

NEW DIRECTIONS IN RETAILING AND PRICING

Returns from Customized Mobile Loyalty Programs: Spatial and Temporal Aspects
Rajkumar Venkatesan , Joseph Pancras, Bin Li 15

Self-Disclosure is Rewarding: How Customer Reviews Can Lead Individuals to Engage in Impulsive Behaviors
M. Elizabeth Aguirre, Scott Motyka, Dhruv Grewal, Dominik Mahr, Ko de Ruyter, Martin Wetzels 15

Delighting Customers with Surprises in the Context of Pre-Purchase Guarantees: A Test Using Low-Price Guarantees
Sujay Dutta, Abhijit Guha, Abhijit Biswas, Dhruv Grewal 16

PRICING II

Pay-What-You-Want – A Field Experiment on Anonymity and Reference Price Cues
Essi Poyru, Petri Parvinen 18

The Influence of Unit Price Measure on Purchase Intention
Lena Himbert, Stefan Roth 19

Temporal Price Promotions
Koert Van Ittersum, Daniel Sheehan 22

SOCIAL MEDIA

Eat a Bit Better: Choosing Healthy Meals with the Aid of Your Phone
Alicia de la Peña, Raquel Castaño 24

<i>Social Media and Their Influence on the Selection of the Purchase Channel</i> P. H. Steiner, T. Schlager, P. Maas	26
<i>Mobile Device Shopping Behavior - A Retail Store Perspective</i> Roger Ström	28
<i>The Power of the Visual – An Exploratory Study of Fashion Brands’ Engagement with Pinterest</i> Karinna Nobbs, Matteo Montecchi, Kat Duffy, Hanna Kontu	30
PRICE PROMOTION	
<i>Consumer-Related Facilitators and Barriers for Coupon Use in a Coupon-Immature Market</i> Birger Boutrup Jensen, Kasper Vestergaard, Kasper Bach	31
<i>Daily Deals Hunters – Insight From Croatian and Polish Market</i> Kristina Petljak, Ivana Stulec, Ph.D, Dr. Hab. Prof. US Edyta Rudawska	33
<i>Bargain Effectiveness in Differentiated Store Environments: When a Good Deal Goes Bad</i> Lieve Douce, Kim Willems, Wim Janssens	34
<i>From Good Deal Hunters to Pirates: Sailing the Market Seeking Pleasure and/or Fighting for Glory?</i> Michaël Korchia , Christine Gonzalez, Pauline de Pechpeyrou	36
MERCHANDISE	
<i>Does it Make Sense to Use Creative Window Displays?</i> Angelica Blom, Fredrik Lange, Sara Rosengren	38
<i>Smiling Faces in the Store: The Typicality of Smiling Faces in Product Packaging Design</i> Hanna Berg, Magnus Söderlund, Annika Lindström	40
<i>Neatness Matters: The Effect of Display Neatness on Product Color Choice</i> Ryann Reynolds-McIlroy, Maureen Morrin	42
MOBILE	
<i>Smartphone or Tablet, When Global Positioning Systems May Vary Consumer Product Choices</i> Jean-Eric PELET - LEMNA, IAE-IEMN	44
<i>Is Less Sometimes More? The Influence of Additional Information from Mobile Apps on Purchase Decisions at the POS</i> Gunnar Mau, Sascha Steinmann, Gerhard Wagner, Hanna Schramm-Klein	45
<i>Smartphone Usage in Store: Motivations and Barriers at Different Stages of the Buying Process</i> Nathalie Demoulin, Gwarlann De Kerviler	47
<i>Variables Differentiating Mobile Buyers from Non-Buyers: A Large Scale Study.</i> Manon Arcand, David Pauze	49
SEARCH	
<i>Too Expensive for Me Right Now: Young Danish Consumers Elaborating on Their In-Store Choice of Organic Versus Non-Organic Food</i> Jessica Aschemann-Witzel, Emilie Marie Niebuhr Aagaard	52

<i>The Influence of Search Channels and Variety Seeking on Channel Willingness to Pay</i> Matthias Rüfenacht, Tobias Schlager, Peter Maas	54
<i>Nobody Said Leaving was Easy - How the Number of Search Channels Influences Consumer Purchase Channel Choice</i> Tobias Schlager	57
<i>Drivers of Price Information Search in Brick-and-Mortar and Online Channels</i> Stephan Zielke, Thomas Dobbstein	59
CONSUMER BEHAVIOR	
<i>Give and Thou Shall Receive: Consumer Reciprocity in a Retail Setting</i> Paul W. Fombelle, Anders Gustafsson, Lars Witell, Martin Lofgren	61
<i>Shopper Marketing and the Post Crisis Consumer</i> Cristina Ziliani, Maria Grazia Cardinali	62
<i>Beyond Charitable Giving: A Cross-National Investigation of Psychological Distance in Cause-Related Product Buying Decisions</i> Tao Xue, Sarah Hong Xiao, Gopalkrishnan R. Iyer	64
<i>Consumer Behavior Analysis in the Digital World</i> R.G. Vishnu Menon, Reykjavik, Valdimar Sigurdsson, Hildur Einarsdottir, Gordon R. Foxall	65
DATA	
<i>Mobile Media and In-Store Shopping Experiences: Profiling App Usage in Food Retailing</i> Hamid Jafari, Benjamin Hartmann, Mart Ots	68
<i>Tracking Mall's Shopper Behavior Using Intelligent Positioning</i> Pedro Quelhas Brito, Tiago Costa	69
<i>Eye-tracking Customers' In-store Search Behavior: The Effect of Store Familiarity on Visual Attention at Different Stages of the Search Process</i> Tobias Otterbring, Erik Wästlund, Poja Shams, Anders Gustafsson	71
<i>Identifying Shopping Missions by Mining Point of Sale Data</i> Panagiotis Sarantopoulos, Aristeidis Theotokis, Katerina Pramataris	73
MULTICHANNEL	
<i>Consumers Across a Range of Platforms</i> Andrzej Szymkowiak	75
<i>Social Exclusion, Shopping and Well Being: A Three - Shopping Channel Approach</i> Eleftherios Alamanos, Charles Dennis, Savvas Papagiannidis, Michael Bourlakis	77
<i>Touchpoint Usage in a Shoppers' Path-to-Purchase</i> Dr. Thomas Rudolph, Thomas Metzler, Dr. Oliver Emrich	79
RETAIL	
<i>Online Buying Behavior in Technological and Office Products</i> Hélia Gonçalves Pereira, Margarida Cardoso, Pedro Dionísio	82

<i>Analysis of Consumers' Interactions of eWOM Behaviour in Microblog</i> Wen-Ling Liu, Chen Jia, Xingzheng Xie	85
<i>Sustainability Influences on Price and Profit – The Case of the Industrial Shopper in the Fishing Industry</i> Dirk C. Moosmayer, Björn Schuppar	87
<i>Unconscious Price Perception and Information Transfer in Consumer Choice</i> Anne Odile Peschel	89
ONLINE	
<i>The Shopper's Path-to-Purchase is Paved with Digital Opportunities: An Overview of Technologies to Augment the Shopping Experience</i> Kim Willems, Randy Lauriers, Johannes Schöning, Kris Luyten, Antonio Krüger	91
<i>Online vs. Offline Channels? Testing the Effect of Promotional Communication on Shopper Behavior</i> Marco Ieva, Prof. C.Ziliani, Prof. J.C.Gazquez-Abad	92
<i>Used Car Markets: The Influence of Online and Offline Word-of-Mouth on Consumer Channel Choice</i> Sonika Singh , Valeria Noguti	94
<i>The Path to Purchase Online is Versatile - An Overview and Classification of E-Channels from a Consumer's Perspective</i> Gerhard Wagner, Julian Kellner, Hann Schramm-Klein, Sascha Steinmann	96
RETAIL	
<i>Identifying Segments in the Multichannel Retailing Environment: A Study of British and Spanish Apparel Retail Shoppers</i> Marta FRASQUET, Alejandro MOLLÁ, Eugenia RUIZ	98
<i>Luxury Fashion Advertising: Transitioning in the Age of Digital Marketing</i> Natasha Lamoureux	100

How in-store attributes impact shoppers store loyalty. Do different countries and categories follow the same loyalty building process?

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SUMMARY

The relevance of store loyalty is rooted in the marketing literature on loyalty: loyal customers are less price sensitive, more likely to purchase at a higher frequency rate, and more willing to try the company's other product offerings and to bring new customers to the firm (Reichheld and Sasser 1990). Many examples of loyalty-based relationships with customers that have positive effects on firms' performance (e.g. Reichheld and Sasser 1990) can be found in the retail context. The well-known UK-based retailer Tesco, for instance, has been able to build a strong, long-term relationship with its customers. This has allowed the company to develop a successful store brand. Tesco is currently one of the retail chains with the highest private label penetration. Furthermore, leveraging its customers' loyalty, the firm has extended its service range to include services that have a high level of perceived risk, such as financial, insurance or tour package offerings. The main objective of retailers like Tesco whose strategy involves leveraging customers' loyalty, is to deliver value to their customers and build a long-term and mutually beneficial relationship with them (e.g. Dick and Basu 1994; Rust, Lemon, and Zeithaml 2001). Despite the numerous examples supporting the critical role of loyal customer relationships in improving firm performances, there are fundamental gaps in the retail literature on this topic.

Firstly, research on store loyalty building has only considered a narrow set of tools that retail managers can leverage in order to foster customer relationships. Among these, promotions and loyalty schemes are among the most investigated tools (e.g. Zhang and Wedel 2009; Ramanathan and Dhar 2010; Venkatesan and Farris 2012), although their effects on relationship development are not evident (e.g. Noble and Phillips 2004), easy to obtain (e.g.

Hart et al. 1999; Uncles, Dowling, and Hammond 2003) or always positive (e.g. Ailawadi and Keller 2004; Bucklin and Lattin 1991). In a retailing context, however, other levers can also contribute to loyalty building; these are, for example, customers' relationships with salespersons and the store environment (Guenzi, Johnson, and Castaldo 2009). To date, very few studies have empirically tested comprehensive models of customer loyalty (Too, Souchon, and Thirkell 2001); consequently, the operational means of improving loyalty has been insufficiently explored (Baker et al. 2002).

Secondly, prior study's results are sometimes contradictory; whereas certain antecedents of store loyalty prove to be relevant in one context, they prove less effective in other retail contexts. This makes it difficult to generalise the results (Leone and Schultz 1980) and provide insightful managerial implications. Inconsistencies between the results are probably due to the studies focussing on different countries and product categories. It therefore seems possible that building store loyalty depends on the specific retail context. To our knowledge, no study has yet extensively tested the same store loyalty model in a relevant number of different countries and product categories at the same time. The goal of this paper is to provide a first contribution to filling these gaps by presenting the results of a study aimed at testing a store loyalty model in multiple contexts (different countries and categories). The model is rooted in the extant literature and empirical findings of studies related to store loyalty. It is developed and analysed in two main steps. We firstly focus on the key dimensions of loyalty (intentions and behaviour) and their two main antecedents reported in the literature (satisfaction and value

for money). This led to the development of a store loyalty-centred core model (Model 1) whose robustness was subsequently tested across countries and product categories.

Secondly, we test an extended model (Model 2) by enlarging the perspective presented in the literature and simultaneously taking different store-level levers into account to gain further theoretical and managerial insights. We also assess the extended model's robustness across different countries and categories to fill the first gap regarding the replicability of the literature's results. We tested the two models in four macro groups (developed vs. developing countries and fmcg vs. non-food products) based on data collected from 15 countries and 2 product categories. The evaluation of the two-stage model revealed the utility of including the store environment, salespeople, product assortment and promotions in the model. It is particularly interesting to underline that adding these levers changes the impact of customers' perceived value in the two models. In Model 1,

perceived value appears to be a key determinant of intentional loyalty, mainly indirectly through its impact on satisfaction. In Model 2, perceived value's impact on satisfaction is significantly lower than in Model 1 and environment proves to be a more relevant antecedent of satisfaction. In Model 2, perceived value functions mainly as a direct antecedent of loyalty intentions.

The results of the structural paths confirm the key role of satisfaction in store loyalty. In turn, the store environment and promotions determine the satisfaction. Interestingly, store promotions' contribution to loyalty is mainly indirect and based on their direct impact on satisfaction rather than on the perception of the value that the store delivers. The latter is mainly determined by customers' evaluation of the assortment. The multigroup analysis of the country type and category shows differences between the paths in both models. This indicates the relevance of testing the results in different contexts.

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ROLE OF SCENT CONGURENCY AND TARGET SCOPE IN SALES-FOCUSED SCENT MARKETING

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SUMMARY

Introduction

As in-store marketing activities increase, retailers and brand owners must fight for consumers' attention in the store environment. Scent marketing is a unique means of in-store marketing because people cannot turn off their noses – scent marketing reaches almost everyone. Contrary to information provided by other senses, olfactory cues do not require mental effort (1), which makes scent marketing suitable for busy, information-overloaded consumers.

Ambient scents can evoke several consumer responses(2). A congruent product scent can enhance brand evaluation (3) and increase purchase intention (4).

Despite the impact on these important consumer responses, research on *sales* impact of scent marketing is limited and controversial. Controversial results can be partly explained by different target scopes (singular product – whole shopping mall). Second, studies have utilized congruency between scent and target varyingly.

Theoretical background

Researchers encourage using congruent scents, i.e., linking the scent with another environmental element, to maximize the impact. Scent marketing literature has borrowed the concept from environmental psychology. Congruent information creates most positive feelings and approach behavior, because congruent information requires less processing (5). Scent marketing research has adopted this view in several different ways: scent congruent with the product (6), category in question (7), or other sensory cues (8).

Congruency between the scent and the campaign target is at its loosest when the research context is complex, such as shopping mall. In the case of narrower targets, congruency can be built between scent and (a) *individual product* or (b) *product category*.

When promoting a singular product, the scent should be easy to link with this particular product, drawing attention to it.

However, the scent must not be incongruent with other category representatives or it can hurt category level sales. For example, jasmine scent may be compatible with jasmine-flavored green tea, but is incongruent with most traditional tea flavors.

The purpose of this study is to *investigate the role of scent congruency and target scope* in a sales-focused scent marketing campaign. In order to address scent congruency, two different scents are used. Target scope is considered by using two different scopes of the target: a singular product and a product category. Based on previous studies on scent marketing and environmental psychology, the author hypothesizes that

H1: When the target of scent marketing campaign is singular product, sales impact is maximized by choosing a scent that is congruent with the particular product and differentiates the target product from other category representatives.

H2: When the target of a scent marketing campaign covers a whole product category, sales impact is maximized by choosing a scent that is equally congruent with all category representatives.

Empirical study

The experimental study was built around the launch of new strawberry-flavored chocolate by Fazer Ltd. To test hypothesis *H1*, the researcher measured sales of this *singular product* (strawberry chocolate). For hypothesis *H2*, sales of the *total chocolate category* were measured. Two different scents were used: *strawberry scent* that differentiates strawberry chocolate from other category representatives (*H1*) and *chocolate scent* that is congruent with

the total category (H2). Scents were pretested to ensure adequate identification. Gender and age

were taken into account in pretesting.

Table 1 summarizes experiment information.

Table 1: Field experiment. Campaign target	Data	Analysis	Experiment
SINGULAR PRODUCT: Strawberry-chocolate	<input type="checkbox"/> Daily sales from campaign period Comparison: pre- and post-campaign and last year	Repeated-measures analysis	Campaign: 40 days 6 stores: 2x strawberry scent 2x chocolate scent 2x no scent
CATEGORY: Chocolates	<input type="checkbox"/> Total sales from campaign period <input type="checkbox"/> Comparison: last year		Descriptive analyses

Results reveal that sales of the strawberry-chocolate were significantly higher in scented stores than control stores ($F=8,153, p=0,035$). Contrary to hypothesis H1, it was not strawberry scent but chocolate scent that increased sales the most. Supporting hypothesis H2, sales of the total category were highest in chocolate-scented stores.

First, results confirm marketing's capability to affect sales as part of in-store

marketing activities. Importantly, findings indicate that scent congruency is an important determinant of sales-focused scent marketing, but the scent must be easy to recognize. Targeting a total product category instead of one singular product is advisable. Based on pretest, consumers' previous experiences with and the nostalgia value of the scent improve the effectiveness. Future research should address interaction impact of scent and different POS-materials or price campaigns.

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Face-To-Face Encounters in the Store and Their Impact on Consumers

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SUMMARY

In this study, we focus on one particular in-store factor and its influence on the consumer: the face-to-face encounter between the store employee and the consumer. Our focus is on such encounters in brick-and-mortar stores. Several aspects contribute to a need to examine this factor in this particular context. First, low growth has become a more or less permanent characteristic of many economies, which fosters a cost-oriented mindset among retailers. And labor is often a retailer's largest controllable expense, sometimes accounting for more than 10 percent of revenues. This makes it tempting to cut such expenses – particularly when profit margins are low. Second, e-retailing is growing. Third, and partly as a function of these two aspects, some attempts to make long-term predictions foresee a decline in the total retail workforce. Taken together, it seems likely that this would reduce the future possibilities for consumers to have face-to-face encounters with store employees. Presumably, some consumers are not likely to miss such encounters; empirical research shows that various self-service technologies, in which no face-to-face encounters with store employees are involved at all, indeed can add positively to the customer's satisfaction.

However, since many years, retail researchers have acknowledged that consumers' in-store encounters with the personnel are likely to have an impact on consumers. This is reflected, for example, in that the personnel typically is one discrete factor in models of store atmosphere and store image, and in attempts to explain store satisfaction and store loyalty. If retailing is viewed as service, further evidence is provided by service research, which has produced a long and continuously growing list of the frontline worker's specific behaviors with an impact on consumers in service encounters. In addition, many studies in the personal selling

field show that various ways for the salesperson to organize arguments or pose questions indeed affect the consumer in face-to-face encounters. And from a general conceptual point of view, it is possible to argue that human beings are hardwired to pay particular attention to human stimuli, and that no other communication means outperforms the face-to-face encounter in terms of information richness.

Thus, research evidence regarding the influence of face-to-face encounters implies that the retailer would benefit from providing the consumer with opportunities for having such 2 encounters, while retail reality suggest that such opportunities may be declining in the long run. This situation, we argue, call for examinations of the extent to which the face-to-face encounter in a brick-and-mortar stores are really making a difference. That is to say, what is the contribution of face-to-face encounters in terms of retail performance variables?

The purpose of this study, then, is to address the following question in a brick-and-mortar retail context: does the consumer's face-to-face encounter with store employees have an impact on consumers? Three effects variables, with high general importance for retailers, were included as dependent variables: the conversion rate, the amount of money spent on purchases by the consumer, and customer satisfaction.

Visits to brick-and-mortar stores allow for natural variation in face-face-encounters from the consumer's point of view, and this variation was the point of departure for the empirical study. More specifically, data were collected with a questionnaire in which the participants ($N = 170$) were asked to think about their most recent visit to a store. This self-selection design resulted in many different categories of stores. Two versions of the questionnaire were used, however, and they were distributed randomly to the participants so

that each participant received only one of the two versions. In one version, the participant was asked to think about the most recent store visit in which there was no conversation with a store employee; in the other version, the participant was asked to think about the most recent store visit in which there indeed was a conversation with a store employee. The presence/absence of a conversation was assumed to indicate if face-to-face-encounters of some duration and depth had occurred or not.

As for the results, a comparison between the two groups of store visits revealed that the most recent visit involving a face-to-face encounter as opposed to no such encounter produced a higher conversion rate (87 percent vs. 71 percent; $\chi^2 = 7.10, p < .01$), a higher

level of money (SEK) spent on purchases ($MSEK = 693$ vs. $MSEK = 359; t = 2.70, p = .01$), and a higher level of customer satisfaction as measured with a three-item scale ranging from 1 to 10 ($Msatisfaction = 7.79$ vs. $Msatisfaction = 6.02; t = 4.48, p < .01$).

Thus, in a brick-and-mortar retail context, the results suggests that store visits comprising face-to-face encounters between the consumer and store employees as opposed to visit without such encounters resulted in higher levels of three outcome variables generally 3 considered important for retailers. A development in which the possibilities for face-to-face encounters are reduced therefore calls for serious attention from retailers.

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Factors Influencing Electronic Word of Mouth After Retailer's Complaint Handling Efforts

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SUMMARY

Background- Nowadays consumers frequently use electronic word of mouth (e-WOM) to share experiences and opinions. As the act may prompt viral effects (Phelps et al., 2004), it is critical for retailers to know the factors most influencing consumer intention of e-WOM, particularly where there has been a complaint or a negative experience. Moreover, previous research showed that negative information generally has a stronger influence than positive information (Lee et al., 2009; Xue & Zhou, 2010; Yang & Mai, 2010), and this tendency has been referred to as the negativity effect (Lee &

Koo, 2012) and has been explained by prospect theory (Lee, Park & Han, 2008).

Although the topic of review valence (positive vs. negative valence) has been studied extensively, results are inconsistent (Lee & Koo, 2012). Moreover, although some researchers have addressed some particular questions related to which factors are more likely to influence e-WOM, as for example some types of shopping experiences, opinion leaders (Yoon, 2012), or the fact that teens are more willing to make referrals (Okazaki, 2009), many other

factors that may influence remain largely unaddressed.

Objectives – In view of the extant literature, the purpose of this paper is to identify the factors most influencing consumer intentions of electronic word of mouth. Among these variables we have considered customer satisfaction levels before and after the complaint, customer satisfaction with the service recovery, justice and attribution perceptions as well as consumer sociodemographic characteristics (i.e. gender, age, income and educational level).

Methodology – In order to test the relative importance of determining factors of electronic word-of-mouth for retail customers that have experienced problems with a store, we propose an empirical research on Spanish consumers. In particular, the research has been conducted in the context of shopping and/or consumption experiences that include efforts of service recovery by retailers. The method applied for collecting this type of information has been the retrospective memory, so that respondents are asked to remember an unsatisfactory situation in any store where there has been an action taken by the store employee to solve the problem.

The research method has been the personal survey based in a structured questionnaire. The scales have been selected from the most notable literature and have been adapted to the context of our research using a 5-point Likert scale: Satisfaction level before and after the complaint (Maxham and Netemeyer, 2002), satisfaction with service recovery (Goodwin and Ross, 1992), interactional, distributive and procedural justice (Blodgett et al., 1997), informational justice (Mattila and Cranage, 2005), blame attribution (Maxham and Netemeyer, 2002), stability attribution (Smith et al., 1999) and controllability attribution (Wirtz and Mattila, 2004); and last, electronic word of mouth (Kim and Cha, 2002). All the scales show acceptable levels of reliability with α Cronbach coefficients higher than 0.8.

The field work has developed in different commercial locations of a Spanish city

that have facilitated a random sampling procedure, allowing to collect 336 valid questionnaires.

As regards the data analysis, a unifactor inter-individual analysis of variance (ANOVA) is performed, considering the average value of the electronic word of mouth scale as the dependent variable, and evaluating several equations to find the one with the best goodness of fit.

Findings – To explore the impact of differences in satisfaction before and after experiencing the problem, customer satisfaction with the service recovery, justice and attribution perceptions and consumer personal characteristics, we perform a unifactor inter-individual ANOVA.

From the results obtained it is observed that the perception of the problem as isolated or casual (blame attribution) and customer satisfaction after service recovery are the main factors contributing to explain electronic word of mouth in experiences that include efforts of service recovery by retailers ($p < 0.01$). Also the magnitude of the difference in customer satisfaction is influencing electronic WOM ($p < 0.05$). In particular, when the problem is considered as unusual or anecdotal, customer proneness to post comments in the Internet about this store is higher. Similarly, the higher the customer satisfaction after the service recovery and the magnitude in the increase in customer satisfaction after the service recovery, the more likely the customer to generate communications in the about the store in the Internet.

Regarding the interactions between variables, the conjoint effect of gender and the magnitude of the difference in satisfaction before and after the service recovery is significantly related to differences in terms of electronic word of mouth ($p < 0.05$). Similarly, there is a significant effect of the interaction between gender and satisfaction with the service recovery on electronic word of mouth intentions ($p < 0.10$). On the other hand, in contrast with previous literature, age, level of studies or income do not seem to exert a significant influence on electronic word of mouth.

Conclusions and implications – This study provides preliminary evidence on the importance of customer satisfaction with service recovery on electronic word of mouth. Both managerial and methodological implications are derived from these results.

Acknowledgement: This research has been financed by the Vicerrectorado de Investigación y Política Científica de la Universidad de Valencia (Project ref.: UV-INV-PRECOMP13-115370).

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Odd Pricing and Even Pricing Practice in the Luxury Goods

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SUMMARY

1. Purpose of the research
Odd pricing, setting prices just below a round number, is a widespread practice in the FMCG (Harris & Bray, 2007; Schindler & Kirby, 1997). Former research has mainly investigated odd pricing in low-involvement categories priced less than \$100, except for the research by Baumgartner and Steiner (2007), which analyzed consumers' preferences for 9-ending versus 0-ending prices at the individual level for notebooks priced at around €1200.

No research has focused on the odd pricing practice in luxury goods. However, a quick look on several websites reveals odd prices are often applied to jewelry, handbags, watches (e.g. <http://www.montblanc.com/fr-fr/shop/montres/browse.aspx>, December 2013), and even prices are less common than expected. Why should we care about price endings at all? Not only do they contribute to margins (Gedenk & Sattler 1999) but they are also associated with different levels of quality (i.e. round prices communicate higher quality; Stiving, 2000) and have an impact on the perceived price level (i.e. odd prices are perceived as lower; Bizer & Schindler, 2005). If we consider that a positive

price-quality relationship exists and it becomes stronger as the consistency among cues increases (Miyazaki, Grewal, & Goodstein, 2005), why should a pricing manager in a luxury firm ever decide to set odd-endings so that prices and quality are perceived as lower, when consumers of luxury goods accept to pay more as they infer higher quality from higher prices? Also, what if using odd pricing had a negative effect on brand image and/or reputation?

To answer these questions our study examines the pricing practice of two major luxury brands, Louis Vuitton (LV) and Gucci, in the handbag category.

2. Description of the Data

Prices and main characteristics of the handbags (reference, size, material, model name and/or collection, type of bag) were collected from the websites of each brand for two different currencies, euro and dollar, from June to October 2013. The sample contains 447 items for LV and 363 items for Gucci.

80% of the prices range between 610 euros (892 dollars) and 2,820 Euros (\$3,727) for LV handbags, and between 750 Euros (1,040

dollars) and 2,500 Euros (6,300\$) for Gucci bags. 2

3. Defining odd and even pricing in the luxury sector

Odd pricing —refers to the practice of expressing a price so that its ending (i.e. its rightmost digits) causes it to fall just below a round number (Schindler & Warren, 1988). According to this definition, any price that is just few cents or few euros (or dollars) below a round number can be considered as —odd. Endings in -9 are by far the most common, even when compared to endings in -0 (Baumgartner & Steiner, 2007; Schindler & Kirby, 1997). However, when we observe price endings of luxury goods (see Table 1), we rarely find digits different from -0 or -5. Figures in Table 1 indicate that in at least 78% of the cases, prices end in -0. There are no nine-endings.

For both brands, endings in -50 /-00 are very common. For Gucci, the over-use of -90/95 could signal a certain intention to stay —just below the round price. It leads us to define —odd prices as prices with at least three digits that end up to 10 euros below a hundred. In our sample, this means considering only prices ending in -90 and -95, therefore approximately one third of observations for Gucci in both currencies. The practice is weak for LV (less than 10% of observations in both currencies).

Also, we consider —even any price ending in -00. Unexpectedly, even price practice is low as around 15% of prices are even for Gucci (euro and US zone) and around 20% for LV (see Table 1).

Table 1 – Most common price endings (frequency and percentage)

LV		Gucci		
Euro	Dollar	Euro	Dollar	
0	314 (90%)	290 (91.8%)	160 (78%)	255 (85.6%)
5	26 (7.4%)	26 (8.2%)	45 (22%)	43 (14.4%)
other	9 (2.6%)	-	-	-
00	55 (15.8%)	45 (14.2%)	39 (19%)	68 (22.8%)
50	49 (14%)	52	50	65

		(16.5%)	(24.4%)	(21.8%)
90	19 (5.4%)	24 (7.6%)	36 (17.6%)	74 (24.8%)
95	4 (1.1%)	5 (1.6%)	29 (14.1%)	33 (11.1%)

4. Practice heterogeneity across references

We expect that both practices, even- and odd-pricing, may vary across items and may depend on the item characteristics: its price level (low, medium, high), the prestige of the material (canvas, leather, or Python/Crocodile/Ostrich) and its conspicuousness (presence versus absence of the Monogram). Relying on the literature (Stiving, 2000; Han, Nunes and Xavier 2010), we formulate 6 hypotheses reported in Table 2.

We find that the odd-pricing practice is more intense for the lowest-priced items. For Gucci, unexpectedly, there are more odd prices in the leather category than there are among canvas handbags. Also, findings indicate that there are more odd endings among the more conspicuous references in the euro zone.

The even pricing practice is more intense for the highest-priced items, the materials with the highest quality (Python, Ostrich, Crocodile) and for the less conspicuous references.

5. Conclusion

This research contributes in several ways: first, by providing a definition of odd and even pricing applicable to prices with at least three digits. In so doing, it contributes to the field of research on price endings. Second, it reveals that the odd pricing techniques are paradoxically also applied by luxury firms, while even prices are less common than expected. The research contributes to the under-explored field of research focusing on pricing in the luxury sector; Third, it suggests some factors (price level, material, conspicuousness) that explain the heterogeneity of the practice across the items: odd prices are more common among lower prices, less prestigious materials and more conspicuous items; in contrast, round prices are more common among higher prices, more

prestigious materials and less conspicuous items; independently from whether the practice

should be adopted at all in luxury, both LV and Gucci seem to follow the right patterns.

Table 2 – Major findings

LV	Gucci			
We expect ...	Euro	Dollar	Euro	Dollar
H1A: ... more even prices for the items with the highest prices	Confirm	Confirm	Confirm	Confirm
H1B: ... more odd prices for the items with the lowest prices	Confirm	Non Significant	Confirm	Confirm
H2A: ... more even prices for the materials with the highest quality such as Python or crocodile.	Confirm	Confirm	Confirm	Confirm
H2B: ... more odd prices for the less prestigious materials.	Non Significant	Non Significant	Disconfirm	Disconfirm
H3A: ... more even prices for the less conspicuousness references.	Confirm	Confirm	Confirm	Confirm
H3B: ... more odd price endings among the more conspicuousness references.	Non Significant	Non Significant	Confirm	Non Significant

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THE CAUSES AND CONSEQUENCIES OF PRICE UNFAIRNESS

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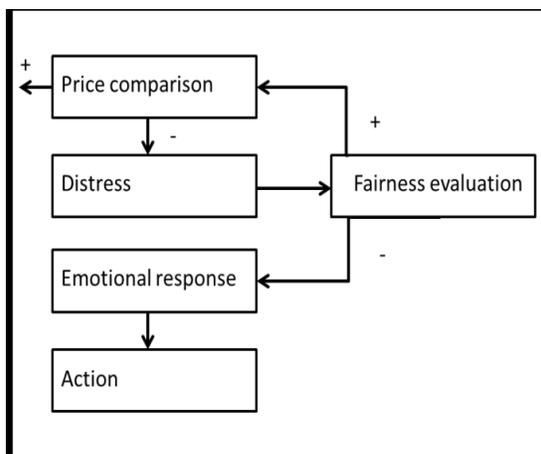
SUMMARY

There are several examples of companies who have received vast media coverage due to unfair pricing (e.g. Amazon, Finnish/ Swedish ice hockey world championship). This has forced companies to pay more attention on customer price fairness evaluation. Especially causes for unfairness and potential consequences are of interest. This study looks at the role of price and trust on price fairness evaluation. In addition, we study behavioral consequences of unfair prices.

Xia, Monroe and Cox, (2004) defined price fairness as consumer's assessment and associated emotions of whether the difference (or lack of difference) between a seller's price and the price of a comparative other party is reasonable, acceptable, or justifiable.

A conceptual framework to study price fairness Maxwell (2008b) suggests to use is the Rutte and Messick (1995) model of perceived unfairness in organizations. A modification of the model to the pricing context is presented in figure 1.

Figure 1. A conceptual model of price fairness (Rutte & Messick, 1995; Maxwell, 2008b).



The first phase of the model is outcome evaluation – whether the outcome is neutral,

positive or negative. In the pricing context this means that the suggested price is compared to a reference price.

The price fairness model proposes that when the outcome of price comparison is viewed negatively, people feel distressed and invoke thought of fairness, specifically, unfairness.

The amount of distress depends on the magnitude of discrepancy between the price being judged and the reference price (Rutte & Messick, 1995), and the context (Maxwell & Comer, 2010; Xia et al., 2004). Bechwati, Sisodia and Sheth (2009) identified three situations when consumers' perceive price unfairness: 1. consumers feel that the firm is making excessive profits; 2. consumers do not understand the pricing structure; and 3. consumers sense the firm is acting in an immoral or unethical manner.

According to the model, fairness judgment process may lead to the conclusion that the outcome was fair, which influences outcome evaluation in a positive manner. The fairness process may also lead to a conclusion that the price was unfair, which will result in a negative emotional response. Neuroeconomics research suggests that responses to perceived unfair prices are emotional in nature and vary across people (Maxwell, 2008a). Negative emotions that may result are disappointment, anger, hate, etc.

These emotions may lead to no-action, self-protection or revenge (Xia et al. 2004). In no-action, the perceived price unfairness has no significant influence on people's intentions. When people are disappointed or angry, they may want to complain, ask for a refund, or spread negative word of mouth to protect themselves. A strong negative emotion leads to a tendency of aggressive behavior. Thus, additional actions such as contacting media or bringing a law suit against the seller may result.

In our study, we tested the price fairness model in real estate industry in on-line environment. Firstly, we looked at the variables that influence price fairness evaluation. Secondly, we looked at the emotional responses caused by different price fairness judgment. Thirdly, we looked at behavioral consequences.

1 384 respondents participated our experiment who were all potential customers of a real estate agent. The participants were shown an on-line offer to sell their brokerage services were the commission (1%, 3% or 6%) and sales influence tactics used were varied. The sales influence tactics used were social proof (3, 15, 27 friend recommend the agent) and authority (level of education, 3 levels). After the respondents had seen the offer, they were asked to evaluate their price fairness, trust and behavioral intentions.

The results of linear regression analyses showed that commission and interaction between trust and sales influence tactics significantly influenced price fairness evaluation, $p < .001$. Increase of the commission negatively influenced price fairness ($\beta = -0.02$, $SE = .02$), interaction between trust

and social proof and the interaction between trust and authority had a positive influence, $\beta = .27$, $SE = .01$ and $\beta = .25$, $SE = .01$ respectively.

Increased price fairness resulted in increased positive emotions and increased price unfairness resulted in increased negative emotions, $p < .001$. Price fairness evaluation also significantly influenced behavioral intentions, $p < .001$ for all: purchase intention ($\beta = .63$, $SE = .02$), positive word-of-mouth ($\beta = .43$, $SE = .02$), increased price sensitivity ($\beta = .57$, $SE = .02$), and complaint behavior ($\beta = -.36$, $SE = .03$).

The results indicate that the **main triggers of price fairness evaluation are price and trust**. Additionally, **trust may be manipulated with different sales influence tactics**, e.g. social proof and the level of authority. Responses to price fairness evaluation are emotional – and an unfair judgment results in increased negative emotions. The respondents who perceived the offer unfair were more likely not to accept the offer and not to tell positive word-of-mouth of the company. They were also more price sensitive and were more likely to file a complaint of the service.

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Feel Nickeled-and-Dimed: Consequences of Drip Pricing

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SUMMARY

Introduction

In many occasions companies display a low price first and reveal additional surcharges only at the end of the buying process. Examples for these situations are shipping costs for online purchases or credit card fees in retail stores. These drip-pricing methods are closely related to partitioned pricing where companies also detach additional surcharges from the total price of an offering (e.g. Morwitz et al., 1998). The sequence in which price information is given can be seen as the basic distinction between both methods.

Despite the widespread use in marketing practice, there is little academic research on the effects of drip pricing on consumer's attitudes and behavior. However, there is research suggesting that companies can increase their profits with drip pricing especially when customers are naïve (Gabaix and Laibson, 2006). Moreover, it is argued that a common motivation for drip pricing is that sellers expect a lower price level perception to gain an increased purchase probability for their offerings (Shelanski et al., 2012). Drip pricing has already been subject to governmental regulations. Companies are forced by legal restrictions to disclose surcharges up front. For example this can be done by a small sign at the entrance of a retail store or a link to a page with surcharges on a website. From a consumer's point of view the information can often be not easily obtained. Consequently drip-pricing methods are frequently used in situations where a consumer feels that there is no way out of the deal. Therefore a common experience of consumers is that they feel "nickel and dimed" by the seller.

There has already been research on the consequences of multicomponent prices. Up till now, there is no research that compares the effectiveness of drip pricing to partitioned

pricing. We add to the growing body of research in drip pricing in a way that we elaborate on that issue by analyzing mediating variables in the relation between price presentation and product evaluation. Thereby, we aim to find new insights in the mechanisms which underlie the consequences of drip pricing.

In this part of our research project we compare price partitioning and drip pricing with a model proposed by Bambauer and Gierl (2008). The model contains three mediating variables between price presentations and purchase intentions which can be derived from research on partitioned pricing (Figure 1). The *perceived price level* relates to consumer's evaluation level as being comparatively high (negative evaluation) or low (positive evaluation). The *perceived complexity of the price structure* focuses on the clarity and processability of the given price information. Finally, the *perceived deception* captures a consumer's belief that a company wants to mislead the consumer by the way price information is presented.

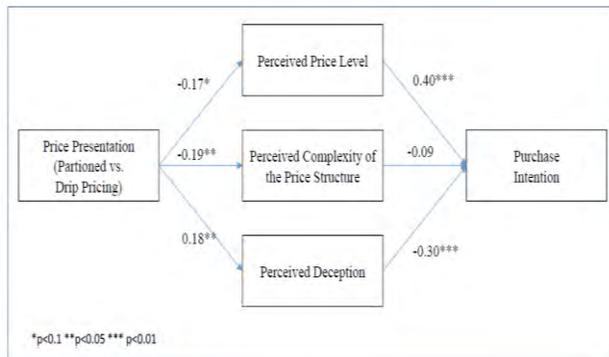
We argue that the perceived price level of an offering is higher when prices are presented sequentially since each individual component becomes more salient (Kim and Kachersky, 2006). Moreover, we assume that drip pricing methods are perceived as less complex compared to situations where a multicomponent price is presented at once. However, consumers dislike the feeling of being nickel and dimed (Maxwell, 1995). As we believe that an increased perceived level of deception reduces a customer's willingness to purchase a product or service, we suggest that drip pricing leads to inferior results in terms of purchase intentions compared to partitioned pricing.

Empirical Study

In June 2013, we conducted an experimental laboratory study with 120 business students of a mid-sized German university. In the study the participants were confronted with an online booking scenario in which only one additional fee for a credit card was separated from a multicomponent price.

In the first group, the credit card fee was shown with all other price information up front (*partitioned pricing*). In the second group, the credit card fee was revealed only after the participants have filled out a complete reservation form containing their address and credit card information (*drip pricing*). The multi-item scales for the measurement of the constructs were derived from previous research and were measured on a 7-point scale (*strongly disagree* to *strongly agree*). We analyzed the proposed model using Smart-PLS. The model shows a high reliability for the measurement of the constructs and the overall fit.

Figure 1: Effects of Price Partitioning vs. Drip Pricing



Our results reveal that drip pricing indeed significantly decreases the perceived complexity of the price structure. However, we do not find support for the idea that this results in a significant increase in a consumer's purchase intention. We also observe that the price level perception is significantly higher in the drip pricing condition. In contrast to partitioned pricing, the positive influence on price level evaluation that arise from multicomponent prices is significantly weakened. As a result the condition with partitioned prices reveal higher purchase intentions. Most importantly, and as assumed, drip pricing seems to come along with another shortcoming. The perceived deception by the seller is significantly higher when surcharges are revealed at the end. As a consequence the purchase intentions for the product are again significantly decreased.

Outlook

With our results, we find support for the idea that drip pricing has many pitfalls which have to be considered. Yet, the presented research inhibits the shortcoming that purchase intentions are measured after the participants completed the scenario experiment. This measurement may overestimate the negative influence of drip pricing on purchase intentions as the transaction is evaluated ex-post. In line with research on cognitive lock-in effects (e.g. Shi, 2012), we believe that consumers may feel trapped in a purchase process that they already started. Therefore, we are currently planning another data-collection that also captures these lock-in effects on consumer behavior when prices are dripped.

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Returns from Customizing Mobile Loyalty Programs: Spatial, Temporal, and Competitive Aspects

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SUMMARY

We identify reward program structure, consumer factors, and store factors (including spatial effects) that affect retailer's profits from mobile loyalty programs. A unique aspect of our study is the comparison of competitive loyalty programs that appeal to the same consumer. Data for the study is provided by a mobile application that offers points based loyalty programs for more than 5000 retailers in the US. Consumers collected points and redeemed coupons at each store independently. The stores varied in the number of rewards offered and the number of points required for redeeming each reward. We develop a joint model of store choice, trip spending, and reward coupon redemption that allows for spatial agglomeration benefits among stores, heterogeneity in

consumer preferences for reward program structure, and the endogeneity between consumer search and behavior. Results show positive a spatial agglomeration effect. This implies that stores on the mobile loyalty program network benefit from being located close to each other. Consumer search activity on the mobile phone has a substantial influence on consumer behavior. This suggests that consumer activity on a mobile platform provides an early predictor of store visits and coupon redemption. Policy simulations show that inclusion of information on competitive loyalty programs alters the optimal design of a firm's loyalty program and has the potential to substantially improve profits.

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Self-Disclosure is Rewarding: How Customer Reviews Can Lead Individuals to Engage in Impulsive Behaviors

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SUMMARY

While it has been found the presence of online customer reviews have both a direct effect on the sales of a product and on how subsequent reviewers construct reviews, no research, to the authors' knowledge, has investigated the impact of the review writing

process on the reviewer, herself. Through three studies we demonstrate that when an individual writes an emotionally-laden review to an audience, she feels more rewarded than if she was disclosing more substantive information, and this results in greater impulsivity as

evidenced by higher willingness to pay,
unhealthy/hedonic food choices, impulsive

choices and larger donations to nonprofits.

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Delighting Customers with Surprises in the Context of Pre-Purchase Guarantees: A Test Using Low-Price Guarantees

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SUMMARY

Despite admonitions against delighting customers with surprise gains (e.g., Dixon, Freeman and Toman 2010; Rust and Oliver 2000), efforts to delight customers are common and are widely prescribed in the marketplace (e.g., Curtin 2013; Keiningham and Vavra 2001; Schlossberg 1990; Thompson 2012). As Dixon et al. (2010) note: “The idea that companies must “delight” their customers has become so entrenched that managers rarely examine it” (p.116). For instance, the American Salesman, a guide for sales professionals, indicated that incorporating a surprise incentive has an “almost magical effect on a winning agent” (Valenzuela, Mellers and Strebel, 2010). Often, such efforts follow a negative experience of the customers, e.g., service failure or consumers’ discovery of lower prices elsewhere after purchasing from a retailer. As a case in point, one of the authors of this manuscript recently earned a surprise gift card from his bank following a brief period of online service interruption while another was surprisingly offered compensation after discovering lower prices following a purchase. Negative experiences that often precede surprise gains can occur against the backdrop of pre-purchase guarantees from which consumers infer information about seller characteristics. For

instance, a product might fail despite a strong warranty, a service might be subpar despite a *service satisfaction guarantee*, and consumers might find lower prices in the market despite a retailer’s *low-price guarantee*. In this paper, we argue and provide empirical evidence that subject to boundary conditions, attempts to delight consumers with surprise gains following a negative experience against the background of pre-purchase guarantees may lead to subpar outcomes when such surprises are of substantial magnitude. In two experiments, we demonstrate this effect in the context of low-price guarantees where sellers promise to refund money to consumers if they find lower prices elsewhere. Our core rationale is that since a pre-purchase guarantee acts as a signal and sets consumers’ expectations about the transaction characteristic that the guarantee relates to (e.g., Kirmani and Rao 2000), a negative experience in this context triggers suspicion of opportunistic signaling, i.e., a perception that the signal may have been issued opportunistically as a ruse only to attract consumers and not because the transaction actually possesses that characteristic. Thus, in case of a low-price guarantee, consumers might suspect opportunistic signaling when they find lower prices after purchase (Dutta, Biswas, and Grewal 2007) and in this paper we argue that a

large surprise serves as a confirmatory stimulus for such suspicion.

In Experiment 1, we expose respondents to a scenario where they imagine having purchased a laptop computer under a low-price guarantee that promised to pay 100% of any price difference consumers found after the purchase. Further, respondents were told that they found a lower price for the laptop a couple of days after the purchase whence, depending on the experimental condition, they received the promised 100% of the price difference (no surprise condition), 110% of the difference (small surprise), or 150% of the difference (large surprise). We measure respondents' future intention to purchase (FIP) from the retailer and their perception of opportunistic signaling. We find that while a small surprise leads to higher FIP than no surprise (suggests that the delight effect trumps any suspicion of opportunism that may have occurred), a larger surprise leads to statistically lower FIP than a smaller surprise and statistically the same level of FIP as no surprise. Further, perception of opportunistic signaling is statistically higher for the larger surprise than for the smaller surprise.

Experiment 2 manipulates the price difference that respondents find after the purchase (small; large) and the magnitude of the surprise refund (small; large). We predict that a large surprise would lead to higher (lower) FIP than a small surprise when the price difference is small (large). Thus, we expect that the backlash from suspicion of opportunistic

signaling from a large surprise would occur only when the price difference is large enough. This is because a small price difference may not trigger a strong enough suspicion of opportunism to begin with as it may be explained away in terms of market price fluctuations (Dutta, Biswas and Grewal 2007). That is, a small price difference falls within consumers' latitude of tolerance (e.g., Johnson and Eagly 1989) and surprises are assimilated making way for the expected delight effect. Hence, a large surprise leads to more positive outcomes than a small surprise. However, for a sufficiently large price difference, the suspicion of opportunism is strong enough such that a large surprise acts as a strong confirmatory stimulus for such suspicion whence outcome is less favorable than for a small surprise. As expected, we find FIP to be lower (higher) for the large surprise than for the small surprise when the price difference is large (small).

The core contribution of our research is that we provide a theoretical explanation for why large surprises following negative experience in the context of pre-purchase guarantees may lead to less favorable outcomes and demonstrate this effect. Further, our theoretical framework leads to a boundary condition for this effect, the size of the negative experience. For managers, the results mean that they use surprise refunds cautiously, and only when they are truly confident of their prices and in markets where prices do not fluctuate with large amplitudes.

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Pay-What-You-Want – A Field Experiment on Anonymity and Reference Price Cues

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SUMMARY

Pay-what-you-want (PWYW) is a pricing method in which customer is granted the right to fully decide what he wants to pay for a product. According to Kim et al. (2009), the final price paid depends on the consumer's reference price and the proportion of that reference price he is willing to discharge to the seller. The proportion discharged reflects customer satisfaction, price consciousness and income (Kim et al., 2009) but also social norms (Gneezy et al., 2010; Riener & Traxler 2011) and reference price cues (Johnson & Cui, 2013) have been argued to be influential.

However, empirical investigation is limited in terms of framing social normality in PWYW offerings. Existing research includes contexts where there are other people present when the customer makes the price decision (c.f., Gneezy et al., 2010; Kim et al., 2009; Riener & Traxler, 2011). This is influential because people act more altruistically when their generosity is revealed to other people (e.g., Aguiar et al., 2008; Ariely et al., 2009). Also the idea of a 'normal' price is argued to influence social norms in PWYW settings. This translates to the concept of reference price that is shaped by consumers' prior experiences, contextual cues, and normative standards (e.g., Monroe, 1973). As PWYW payments depend on consumers' reference price, it can be argued that also reference price *cues* affect PWYW payments. Consequently, the theoretical framework is based on payment anonymity (public/ anonym) and reference price cues (high/ low).

Payment size and anonymity has hitherto mostly been studied through generosity that relies on altruism. In dictator games research, for example, people allocate a higher share of money to others when their identity is known

than when they are anonymous (Aguiar et al., 2008; Engel, 2011). More money is also donated for charities when the donator receives visibility to his donation. This is because people are motivated by their own view of themselves and by how others view them (Soetevent, 2005). Based on these arguments we believe that consumers pay lower prices for PWYW-priced products if the payment is anonymous rather than public.

Research has shown that contextual cues – most notably advertised selling prices – affect consumers' reference price perceptions by anchoring their value perceptions to the direction of the given cue or price (Mazumdar et al., 2005). This is true especially in situations where the buyer's involvement with the purchased product is low (Grewal et al., 1998). In a price setting situation like PWYW, a consumer must be able to articulate his product utility in monetary terms, and the presence of an externally provided plausible price seems to facilitate this process (Gwebu et al., 2011; Johnson and Cui, 2013). Hence, we propose that the higher the cued reference price of a PWYW-priced product is, the higher prices consumers pay.

To study the proposed effects, we conducted a field experiment with an association that runs a routine program of professional seminars. Altogether 138 people registered to six seminars priced with PWYW. The customers registered through a website that announced: *“For this seminar, you can pay what you want. The normal price of the seminar is [60 / 120] euros. The price that you pay [will not be reported to anyone / will be reported to the speaker and the organizing*

committee].” The 2 x 2 between-subjects design created four treatment groups to which the participants were randomly assigned.

The mean PWYW price for all events was 45.02 euros. The highest prices were paid when the customer was presented with a high reference price cue and the payment was public (71.93 euros, n = 14). On the contrary, the lowest mean price was obtained when the reference price cue was low and the payment was anonymous (36.15 euro, n = 48). An ANOVA model shows that both of the main effects had a significant effect (anonymity $F = 5.172, p < .05$; reference price cue $F = 15.851, p < .01$). The results are in line with the research propositions. Importantly, however, the demand for the service under different conditions varied (n of each group). Sales revenue difference between highest and lowest condition was as high as 116%.

The study contributes to the behavioral pricing literature by showing how framing of social norms affects PWYW pricing. The results show that **1) social norms have an effect on the paid prices**. We also show that **2) when the risk of ‘losing one’s face’ with a price lower to a socially accepted level is high enough, consumers can refrain from buying the service altogether**. The results suggest that in practice PWYW works best for services for which clear market prices are not available or the reference prices have high variance among consumers. Promising areas of application include new products, bundled products and high-margin products with large untapped market potential. Additionally, incorporating strong customer identification helps use PWYW successfully online.

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The Influence of Unit Price Measure on Purchase Intention

Lena Himbert, Prof. Dr. Stefan Roth - University of Kaiserslautern

SUMMARY

Introduction

When shopping at the supermarket, consumers are confronted with the package price of a product and its unit price. The unit price indicates what a given product costs per unit of measure. Clearly stating the unit price in close proximity to the package price is mandatory in most countries. Despite these regulations, retailers have considerable leeway regarding how to state the unit price. Especially for smaller product sizes, retailers are free to choose between several unit price measures. For instance, for one and the same product category,

the unit price for liquids can be stated as price per liter or price per 100 ml. In previous literature, the question whether the unit price measure influences the customers’ price evaluation has not been addressed, although theory gives reasons to suggest a different perception of unit price depending on the measure. With our research we add to the existing literature by analyzing the influence of unit price measure on purchase decision.

Literature Review and Hypothesis

Development

In previous literature on unit prices there are controversial discussions, whether the provision of unit price information leads to consumers switching to products with lower unit prices (Granger/Billson, 1972; Isakson/Maurizi, 1973; Kilbourne, 1974). The impact of the unit price measure on purchase decision has not been addressed in the past. The importance of this research gap becomes even more obvious when assessing current research on the evaluation of quantitative information under influence of measuring units in general (Burson et al., 2009; Pandelaere et al., 2011; Raghubir/Srivastava, 2002; Gourville, 1998; Lembregts/Pandelaere, 2013; Zhang/Schwarz, 2012). This stream of literature leads to the assumption that unit prices are also not rationally evaluated by all customers and that measuring units influence this perception. However, we do not assume any effect on customer perception as long as all products of a product category are stated in the same unit price measure.

Therefore we hypothesize:

***H1:** When the unit price is stated consistently, the unit price measure will not influence the purchase decision.*

However, we assume a change in purchase decision when the unit price is stated in different measuring units within the same product category.

***H2:** The non-consistent statement of unit prices on price tags will lead to an increase in economically non-rational purchase decisions, compared to the consistent statement of unit prices.*

Experimental Design

To test our hypotheses, an experimental design was adopted. This experiment is a preliminary experiment to get a first insight into this field of research. Further experiments are planned for spring 2014. For this first experiment, a 2x2 between-subjects design was chosen. The two factors are the unit price measure of the low-

priced item (in terms of unit price) and the unit price measure of the high-priced item. The two levels of each factor were a large measuring unit (1 kg) and a small measuring unit (100 gr).

Table 1 gives an overview of these four scenarios.

		Unit Price Measure of High-Priced Item	
		1 kg	100 gr
Unit Price Measure of Low-Priced Item	1 kg	Scenario 1	Scenario 3
	100 gr	Scenario 4	Scenario 2

Table 1: Overview of scenarios

Our experiment was administered via the Internet. When respondents accessed the web site and were randomly assigned to one of the four conditions. Within each condition, participants saw a picture of a retail shelf displaying identical products, except for size. The retail shelves in the pictures had price labels attached, displaying the product's name, content, price and unit price (see figure 1 and figure 2). Participants were then asked which product they would choose. After stimulus presentation and product choice, respondents completed an online questionnaire containing a manipulation check, a store price image scale (Zielke, 2010), some questions addressing their product familiarity (Mitchell/Dacin, 1996) and price consciousness (Völckner, 2008), inferred store motive and need to evaluate (Jarvis et al., 1996) as well as questions assessing demographic data.

Results

A total of 198 individuals participated in our experiment. Cell sizes ranged between 44 and 55. Results of a logistic regression show that neither the unit price measure of the high-priced item ($\beta=.259$, n.s.) nor the unit price measure of the low-priced item ($\beta=.613$, n.s.) influence product choice. However, there is a significant interaction effect of the unit price measure of the high priced item and the unit price measure of the low-priced item ($\beta=-1.634$, $p\leq.05$). A pairwise-comparison of product choices utilizing z-tests shows that there is no significant difference between scenario 1 and scenario 2, those scenarios for which unit price measure was consistent for all products ($z_{102}=2.296$, n.s.). This confirms our first hypothesis. Although not significant, there is a

trend that the higher-priced item is chosen more frequently in the small unit price measure condition (price per 100gr). This trend can be explained with the *distance effect* (Dehaene, 1989) that says that the comparison of two numbers is easier, the greater the numerical distance.

However, if the unit price for the low-priced item is stated in price per kilogram and the high-priced item is stated in the price per 100 gram, the difference in product choice is significant ($z_{91}=7.716, p \leq .01$). This can be explained with the *numerosity effect*, leading to individuals focusing on the nominal value of quantitative information while neglecting the measuring unit. Also the difference between scenario 1 and scenario 4 is significant ($z_{99}=4.258, p \leq .05$), again underlining the interaction effect.

Discussion

Our results show that there is an impact of the unit price measure on product choice. As

predicted, there is no influence on purchase intention, if the unit price is stated consistently within a product category. However, if the unit price is stated in different measuring units within the same product category, product choices are less economical than in the consistent scenario. Therefore, an implication for retail is that if the retailer intends to increase sales of a product with a higher unit price, unit prices should not be displayed in the same measuring unit throughout the product category. Nevertheless, it still remains unclear if the unit price measure impacts further customer-related aspects, such as the perceived store price image or the perceived fairness of the price display that can impact retailer choice in the long term. Therefore, we are going to conduct further experiments in the very beginning of 2014 to confirm and generalize our findings

Appendix:



Figure 1: Examples for price labels with uniform unit price measure (price per kilogram) utilized in our experiment



Figure 2: Example for price labels with non-uniform unit price measures, displaying a smaller unit price measure (price per 100ml) for the high-priced product.

Temporal Price Promotions

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SUMMARY

Introduction

Consumers have traditionally been exposed to price promotions either before entering a store or at the moment of choice (Blattberg et al. 1995). Yet, with the proliferation of consumer facing technologies, such as smartphones or smart shopping carts, retailers and manufacturers have a greater level of flexibility as to when to present shoppers with promotions during a shopping trip. This research contributes by examining the role of the temporal distance between the promotional offer and the promoted product while shopping for groceries and its influence on redemption likelihood and spending behavior.

Temporal Promotions

Priming literature states that promotional offers should be transient, which suggests that shoppers are more likely to redeem a promotion when it is encountered closer to the purchase decision for the promoted product (Crowder 1976). However, temporal construal theory suggests that the temporal distance between the promotion and the promoted product positively influences consumer perceptions about the product (Trope & Liberman 2002). Specifically, when decisions are perceived to be temporally distant, individuals construe these decisions in terms of abstract, high-level terms, while more temporally proximal decisions are based in concrete, low-level considerations (Liberman & Trope, 1998). Temporal distance increases the influence of the value of high-level construals, while reducing the value of low-level construals, in consumer purchase decisions and evaluations. An important distinction between high- and low-level construals of goal-directed behavior is the focus on desirability versus feasibility considerations (Trope & Liberman, 2003; Vallacher & Wegner 1987). Desirability considerations refer to the value of the decision

outcome (the “why” of the behavior), whereas feasibility considerations refer to the ease or difficulty of reaching the decision outcome (the “how” of the behavior; Trope, et al. 2007). This implies that when the temporal distance between the promotional offer and the promoted product is close (e.g., the promotion is offered immediately prior to the purchase decision), shoppers would be relatively more influenced by feasibility considerations, such as the costs and uncertainties associated with acquiring the promoted product (Castano et al., 2008). When the temporal distance between the promotional offer and the promoted product is longer (e.g., the promotion is offered in advance of the purchase decision), shoppers are relatively more influenced by desirability considerations, such as the brand or taste (Alexander et al., 2008).

Studies

In order to examine the influence of temporal distance between the promotional offer and the promoted product on redemption likelihood and spending behavior, we conducted a number of simulated shopping tasks. In Study 1, participants were presented with a shopping list consisting of 8 different product categories and told that their decisions would occur in the order of the shopping list. After every purchase, the shopping list indicated what purchases have been made with a strikethrough (ex: bread) to draw attention to the temporally sequence of purchase decisions (Hornik, 1984). Participants were randomly assigned to one of three conditions: a temporally distant promotional offer (received prior to the 2nd purchase decision), a temporally proximal promotional offer (received prior to the 5th purchase decision, which involved the promoted product), or a control condition with no promotions. The promotional offer was “\$2 off Starbucks ground coffee.” The results indicate the promotions were effective: participants in both promotion

conditions were more likely than the control condition to purchase Starbucks (21% vs. 6%; $\chi^2=9.129$, $p<0.01$). More importantly, and consistent with temporal construal level theory, participants were more likely to redeem temporally distant promotions than proximal promotions (34% vs. 17%; $\chi^2= 4.78$, $p<0.05$).

Study 2 replicated Study 1 with the three exceptions. First, to mitigate concerns of primacy, participants shopped for 12 items with the promoted product as the 11th purchase decision. The temporally distant promotion occurred before the 5th purchase decisions, while the proximal promotion occurs before the 11th purchase decision. Second, the promotional offer was reduced from \$2 to \$1. Third, perceptions of the promoted product were collected to examine the salience of desirability considerations. As in Study 1, the promotions were effective (37% vs. 8%; $\chi^2=7.05$, $p<0.01$), and participants were more likely to redeem temporally distant promotions than proximal promotions (50% vs. 26%; $\chi^2=2.84$, $p<0.1$). Furthermore, participants who received the temporally distant promotional offer evaluated the taste and quality of the coffee more favorably than those who received the temporally proximal promotion ($F(1,87)= 5.57$, $p<0.05$). This suggests a temporally distance promotion may actually enhance a shopper's evaluation the desirability characteristics of the promoted product.

In order to examine the robustness of the effect of promotional temporal distance and the proposed mechanism in more detail, Study 3 promoted a product in a different category: \$1 off for Freschetta frozen pizza. Furthermore,

additional perceptual measures were collected to examine the effect of the temporal distance on both desirability and feasibility considerations. The results again show that the promotional temporal distance increases the likelihood that participants redeem the promotion and purchase the promoted product (50.0% vs. 39.5%; $\chi^2=1.85$, $p<0.10$). Furthermore, the promotional temporal distance is shown to positively relate to a shopper's perceptions of the promoted product's taste (5.66 vs. 5.18, $F(1,96)=4.15$, $p<.05$). An examination of the purchases of those participants that did not purchase the promoted product revealed some interesting results. The temporally proximal promotion leads to a lower spending on pizza (\$6.39 vs. \$6.19; $t(1,94)=1.63$; $p=0.10$), resulting in higher share for the least expensive brand (39% vs. 20%; $\chi^2=4.14$, $p<0.05$). Thus, temporally distant promotions appear to enhance the desirability considerations (e.g., taste) of the promoted product, while the temporally proximal promotion enhances the influence of feasibility considerations (e.g., price).

Conclusions

This research is among the first to examine how consumer make distinct inferences about products by increasing the temporal distance between the promotion and product within a single shopping trip. Second, we significantly extend the literature on Construal Level 3 Theory (Trope & Liberman 2006) by demonstrating how the level of a construal about a promoted product changes within a shopping trip as a function of only a few purchases.

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EAT A BIT BETTER: CHOSING HEALTHY MEALS WITH THE AID OF YOUR PHONE

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SUMMARY

Busier lifestyles, unconventional working hours, and more single households are among the reasons to eat away-from-home; an activity that has become a common practice among consumers around the World (Cohen and Bhatia, 2012; Euromonitor, 2012; Urban et al, 2011). Despite the wide amount of available food to eat away-from-home, according to a 21 country ACNielsen survey, consumers are unable to make healthy food choices when eating away-from-home because of a lack of information provided by restaurants and food courts. The view is that while away-from-home food remains an essential part of modern life there is insufficient information on which to base accurate distinctions between the calorie values of different foods (Euromonitor, 2006; Howlett, Burton, Bates and Huggins, 2009), but that is about to change. Nutrition related legislation in several countries requires restaurant chains to make calorie counts and nutritional information readily available; and in countries where is not mandatory proactive restaurant chains are already disclosing nutritional information (Burton, Creyer, Kees and Huggins, 2006; Burton and Kees, 2012; Euromonitor, 2011; Sullivan, 2012). Even when some restaurants already provide nutritional information on their menus, signs, or brochures; others, do not make such information available, leaving consumers to guess whether the food is healthy or to rely on their memory of previous nutrition knowledge to evaluate the menus; and even when nutritional information is provided, consumers do not necessarily understand if what they are eating is healthy or not (Howlett et al., 2009).

Despite the rich literature published in marketing and health journals related to the effects of nutrition information labels on consumer evaluation of food products (Hieke

and Taylor, 2012), Balasubramanian and Cole (2002) found a gap in the literature and suggest that new research should focus in all purchase and eating occasions not only in packaged food bought at a retail store. The authors developed a new model of human nutrition information processing which includes the use of computer technology to generate and process nutrition information in a manner that motivated and knowledgeable consumers could make nutritionally desirable food choices. Since prior research has been conducted mainly on the consumption of prepackaged food; and on the nutrition information provided in traditional forms such as labels, packages and in store signs, (Grunert, Bolton & Raats, 2012) our goal is to shed more light on how consumers are taking advantage of handheld devices and the internet to make healthier choices while eating at a restaurant.

The objective of this research is to explore consumers' concerns about food and nutrition and their potential receptivity to a bar code (known as a QR code) that can be scanned by a mobile phone to retrieve nutritional information before ordering a meal at a restaurant. In-depth interviews were conducted to gain a deeper understanding of consumers' concerns when buying food, attitudes towards technology, and willingness to use a novel tool to acquire nutritional information (Hackley, 2003). Twenty one in-depth interviews were conducted with Mexican women 24 to 45 years of age; and a semi-structured questionnaire was used to identify their buying patterns when purchasing processed food, to determine their degree of knowledge regarding health issues related to food consumption, and to assess what kind of information they do and do not consider important when choosing food for their families. They were also questioned on their use of

technology and their potential interest in scanning a QR code to retrieve additional information before making their food choices at a restaurant.

QR codes were provided to the participants on printed menus, paper placemats, and a brochure; interviewees were then asked to scan the QR codes with their smartphones and evaluate the information retrieved in order to offer insight regarding what kind of information and what format would be most acceptable to the participants.

Results from this exploratory research show that individuals are willing to use new tools to acquire nutritional information and make informed choices as long as restaurants disclose accurate and easy-to-understand nutritional information to guide them in their decisions (Wansink & Huckabee, 2005). Berman and Lavizzo-Mourney (2008) suggest that to be effective, menus must be labeled in a manner readily visible at the time individuals are placing their food orders, therefore giving the consumers an easy and fun to use tool, such a QR code that can be scanned with a smartphone to retrieve the information can reduce or eliminate the burden at least in that segment of consumers who own either a tablet or a smartphone with the right application to scan and view the information.

After the analysis, we found three different segments of restaurant patrons willing

to use QR codes. The first group is the health-oriented mothers who want to avoid risks and diseases and who make choices with a prevention focus in mind. They want to see labels and claims warning them if the meal has gluten, soy, or a high content of colorants and preservatives. Jacoby, Chestnut and Silberman (1977) found a similar group and acknowledge their interest to read nutrition labeling prior to purchase. The second group is the calorie-oriented mothers, who wish to eat balanced meals and who mainly watch out for calories, saturated fats, and sugar. Finally, the third group is the hedonistic mothers, who go out to a restaurant to have a good time and to chat with friends or family and who do not pay much attention to the ingredients of the meal, as long as it tastes good, their kids like it, and it is visually attractive.

Future research should use statistical analysis and a structured survey to assess particular aspects of consumers' behavior and intentions to use QR codes to retrieve information and to evaluate if the information retrieved can be perceived as an educational tool regarding nutritional issues. The use of a quantitative measure (e.g., The Technology Readiness Index or Techqual) to assess people's propensity to embrace and use technologies to accomplish goals in home life and at work (Parasuraman, 2000) could be a good starting point to shed more light on this issue.

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Social media and their influence on the selection of the purchase channel

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SUMMARY

Introduction

The influence of social media (SM) on any individual's life has been broadly discussed in the recent years. From an individual's perspective, SM have multiple purposes, such as enhancing social relationships and exchanging information with other individuals. Besides this more general perspective on the influence of SM, the phenomenon has attracted broad attention in the marketing literature. Consumers can engage in C2C interactions, discuss in forums or review websites about brands and / or their products. Consumers have truly become more powerful as they nowadays can directly influence whether or not other consumers engage in interaction with a specific company or not (Bernoff & Li, 2008). Several attempts to handle SM (i.e. Kietzmann et al., 2010) were made, but in multiple regards, SM are cannot be directly influenced by companies (Hoffman & Fodor, 2010).

What is still missing is how the presence of SM influences the purchase process, and in particular, how SM influence the way consumers select the purchase channel. This aspect is highly important, since companies aim are still reluctant at including SM into their processes, and especially in their yet existing channels.

In this article, we seek to answer this question by investigating whether or not perceptions of SM communities can determine the selection of a purchase channel.

Theoretical background

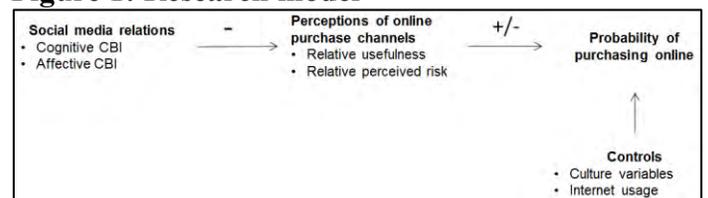
We build our framework on social identity theory and especially focus on the immediacy aspect. The more someone's own sense overlaps with the sense of the website, the more he trusts these information, ultimately requiring less information sources. For our model, when having a big cognitive and

affective identification with a SM-brand, it is very likely to rely on the information. However, without identification, it might be necessary to make a purchase at an offline channel instead of purchasing online. In terms of the purchase channel, we differentiate between the most prominent possibilities – online and offline channels. In summary, we make two propositions to grasp the influence of the consumers' identification with the social media brand on the selection of the purchase channel (Figure 1 shows our proposed model).

Proposition 1: Proposition 1: The higher the (a) cognitive and (b) affective customer-brand identification (CBI) with the SM channel, the higher the probability of making a purchase online.

Proposition 2: This relationship is mediated by the relative (a) perceived usefulness and the (b) perceived risk of making a purchase online.

Figure 1: Research model



Data and Analysis

We use data from 2337 consumers of four different countries (our sample includes consumers from Germany, Switzerland, India, and the USA). Consumers were asked whether they have engaged in a purchase and whether they used SM for searching for information.

To investigate our research question, we asked consumers for the cognitive and affective identification with the SM brand that were used

for acquiring information. For both, we used constructs yet used by literature (i.e. Zinkhan & Martin, 1983; Lam et al., 2010). Similarly, the channel perceptions, which serve as mediators, directly stem from previous literature (Cox & Cox, 2002; Verhoef, Neslin, & Vroomen, 2007). Same is valid for the covariates (uncertainty avoidance and power distance, i.e., Erdem, Swait, & Valenzuela, 2006). The confirmatory factor analyses indicated no problems with regards to convergent and discriminant validity.

For our focal research question, we used mediation analyses. The confidence intervals and p-values were bootstrapped (Nboot = 100). For both constructs (affective and cognitive CBI), the direct effect was significant. When adding the mediators “perceived usefulness” or “perceived risk”, the effect of cognitive CBI becomes insignificant (model 2) or only marginally significant (model 3). The indirect effects were both significant, indicating a full mediation of the perceptions of the purchase channel (mediation path via the relative perceived usefulness: $p < .05$; mediation path via the relative perceived risk: $p < .05$).

In line, the indirect effects of affective CBI via the two suggested mediators were significant (mediation path via the relative perceived usefulness: $p < .001$; mediation path via the relative perceived risk: $p < .001$). Nevertheless, the direct effect of affective CBI remained significant even with mediators added ($p < .001$), indicating a partial mediation of the perceptions of the purchase channel. In Table 1, the results for the regressions are indicated.

Discussion

Our results indicate that identification with SM brands alters the perception towards on- and offline channels for making the purchase, which in turn alters behavior. When having a high identification with a SM brand, the likelihood of making an online purchase is increased – a relationship mediated by the consumers’ perceptions of the channels. Therefore, we enhance current research, which has predominantly focused on SM as a marketing tool (Mangold & Faulds, 2009) or its influence on consumers’ purchase intention (Kim & Ko, 2012).

As our research is considered as initial step into unveiling the role of SM during the purchase process, several questions still offer room for more investigation. First, experimental research is needed to warrant internal validity of our results. The study suffers from the traditional downsides of survey research, namely, the results may be subject to endogeneity.

Second, the cultural values are significant which indicates cultural differences. Investigating this was beyond the scope of this abstract, but it is intended to build on this link in future research.

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Table 1: Results from the mediation analyses

	Model 1			Model 2			Model 3		
	B	SE	p	B	SE	p	B	SE	p
(Intercept)	-0.05	0.15		-0.80	0.12	***	-0.59	0.12	*
Uncertainty avoidance	-0.21	0.03	***	-0.05	0.02	**	-0.08	0.02	*
Power distance	-0.07	0.02	**	0.05	0.02	**	-0.01	0.02	
Internet usage	0.17	0.02	***	0.03	0.02		0.06	0.02	*
Cognitive CBI	0.03	0.02	*	0.02	0.01		0.02	0.01	
Affective CBI	0.09	0.02	***	0.11	0.02	***	0.12	0.02	*
Perc. usefulness_diff				0.38	0.02	***			
Perceived_risk_diff							-0.14	0.01	*

*** $p < .001$, ** $p < .01$, * $p < .05$, + $p < .1$

Mobile Device Shopping Behavior - A Retail Store Perspective

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SUMMARY

Several American and European industry studies indicate an increased importance of in-store mobile marketing. In-store mobile marketing is predicted to have a significant impact on store retailing due to that the majority of purchase decisions are made in-store and based on the hypothesis that mobile device shopping replicate the developed behavior seen for computer online shopping. One example of such replicated behavior is “window shopping”. Consumers use mobile devices in-store to search and compare brands, products, retailers and offers. They then leave the store for a competing off- or online offer, or even order on the spot using their mobile device. Our previous study (in press) indicate that knowledge about mobile device shopping is to a high extent limited to the use of mobile advertising and mobile “light versions” of e-commerce.

The knowledge about in-store and post purchase use of mobile devices are to our knowledge shown at its best to be rare.

However, apart from the obvious risks of decreasing conversion rates for store retailers with increasing “window shopping”, mobile marketing offers several potential advantages for retailers.

Consumers accessing all necessary information to make a purchase decision, combined with the store’s possibilities to interact with the physical environment and staff may increase the perceived value (utilitarian, emotional, financial and social) of the store visit, potentially resulting in improved conversion rates.

Conversion rates of price sensitive consumers may also be increased based on the potential to influence with targeted and customized mobile in-store coupons or by providing mobile information making these consumers evaluating other attributes than price.

Examples of cross selling opportunities using in-store mobile marketing arise when marketers can drive in-store foot traffic to other departments and categories based on consumers exact location in-store, previous search and purchase history and profiles. With the increased transparency of brands, products, retailers and offers facilitated by mobile devices, loyalty to retailers may be challenged. On the other hand, by channel addition retailers can increase consumer loyalty through increased brand exposure and interaction.

The general question is how mobile device shopping behaviors can be influenced by marketers to increase growth and profitability. To answer this question marketers need to know which consumers use mobile devices while shopping, in which shopping situations, how they are used, and the effects of such behaviors? As mobile device shopping is assumed to be a replicated behavior from computer online shopping, knowledge from such behaviors may function as a foundation for increased understanding of mobile device shopping behaviors. The authors present a conceptual model of mobile device shopping behaviors to help developing an initial understanding of and better definitions of concepts of mobile device shopping, and by that guiding future empirical studies. The model is developed from previous empirical studies of *computer online shopping behaviors* and *mobile search and user behaviors* adopted to mobile device shopping contexts.

Computer online shopping behaviors

For consumers with limited time or interest to evaluate new brands, computer online shopping simplify the buying process by offering opportunities using shopping lists for frequently purchased

goods or recommendations for less frequently purchased goods. Apart from purchases in low involvement categories, computer online shopping increase search, evaluation and interactions pre- and post purchase. Clearly separated pre-, purchase and postpurchase processes are identified in higher involvement categories. Due to the highly perceived synergy effects combining channels for different stages in the buying process, and the lack of “lock in” effects in single channels, consumers’ channel migration has increased.

Mobile search and user behavior

Mobile devices lack a proper keyboard and have a limited screen. Web pages adapted to mobile screens consist of fewer links and have a simplified design compared to those adapted for computers. All together this make mobile search behaviors more restricted. Instead of extensive information search mobile device users require instant access to highly specific and relevant content, especially in situations where they use mobile devices during other activities such as driving or shopping with kids. The potentials to customize content are superior to computers due to the use of personal profiles, search and purchase history, location and sometimes user situations.

Mobile links in off- and online contact points also offer opportunity for consumers to directly access highly relevant content. Compared to computers mobile devices are always on and with the user and can be used independent of place, which makes it a perfect shopping tool for all situations. Computers are preferred in high involvement shopping situations and for transactions. In such situations mobile devices function as a complementary channel, either

initiating information search or complementing information search first initiated on computers.

Model development

Based on the above we develop a conceptual model of mobile device shopping assuming that mobile devices influence consumers purchasing process before purchase and remote from store, close to and during store visit, and during product use remote from computer, with a special focus

on mobile device use close to and in-store.

Combining computer online shopping with mobile device search and user behavior, we assume that the influence of mobile devices on low involvement category shopping in-store may have an even stronger impact than computer online shopping has had to date. In higher involvement categories it may be assumed that mobile devices may increase instore information search and interactions as well as post purchase. In addition, marketers need to fully understand the limitations and user situations where mobile device shopping take place. The aim with this model is to facilitate the understanding of mobile device shopping behavior based on experiences and research regarding computer online shopping, guiding future research and retail training and implementation.

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The Power of the Visual – **An exploratory study of fashion brands' engagement with Pinterest**

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SUMMARY

Digital and social media have radically altered marketing's ecology of influence. Moreover, through the rise of visual social media platforms in recent years, marketers are facing new challenges in their daily practice. However a gap exists between academic attention and social media practice by brands. Adopting an exploratory approach, our study combines content analysis and elite interviews to research fashion brands' use of the visual content site Pinterest and to assess its potential as a strategic marketing communications tool.

Digital technology and social media have changed the way fashion brands communicate with consumers and market their products (Bautista 2013a, Kietzmann et al. 2011; Wright, 2011). Moreover, the rise of visual social media platforms in recent years has helped to make this dialogue more appealing, inviting millions of new consumers to engage with branded content (PEW 2013). Today, visual social media such as Pinterest, Instagram, Tumblr, Vimeo and Vine are extensively used by fashion companies and amongst consumers within the fashion industry (Arthur 2013; Bautista 2013a; Wasserman 2013). As a content site Pinterest offers a virtual hedonistic experience for the consumer and with a strong product focus it presents a unique opportunity for branding in the busy fashion social media landscape. As the first 'promoted pins' went live in October 2013 (Indvik, 2013) and brands such as J.Crew premiered their fall 2013 campaigns (Indvik, 2013), can the power of this platform be utilised strategically? The aim of this study was twofold: firstly to explore the reasons for and against fashion brands' use of Pinterest; and secondly, to identify the variety of ways in

which fashion brands can use the platform within a marketing context.

Social media has radically altered marketing's ecology of influence, however as Fournier and Avery (2011) comment, brands have to break through the clutter of social media to be heard, or in this case seen. The methods by which fashion brands utilise and engage with Pinterest specifically are fragmented and empirically undocumented and this forms the rationale for the study. There was a lack of applied research in this field, as such the study adopts an exploratory approach for researching to what extent visual social media platforms such as Pinterest are suitable for marketing communication purposes relative to the more 'traditional' text driven platforms like Twitter or Facebook. This study combines content analysis of virtual documents and semi-structured qualitative interviews (Ertimur & Gilly, 2011; Cova & Page, 2006) to unpack how (methods) and why (motives) fashion brands use Pinterest (Boticca, Jaeger, Lipsy, Links of London, ASOS Marketplace, Mulberry, Ted Baker.)

This exploratory study provides insight into the strategic use of Pinterest, it has achieved this through reviewing the literature regarding the motives and methods of its adoption and undertaking qualitative analysis. The primary research was in two phases and the content analysis illustrated three main ways in which fashion brands are using Pinterest, for product sales (commerce), for Corporate PR and for supporting and integrating with marketing communication campaigns. These findings were supported in the industry interviews which revealed that the motivation to join the platform was predominately pull. The fashion brands

talked about the problems in measuring the performance of Pinterest and in general their approach to it can be described as ad hoc and predominately tactical. This study aims to give an initial academic understanding of the

potential of this visually driven platform in the strategic marketing domain and calls for further academic research into the changing practices of digital fashion marketing.

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Consumer-related Facilitators and Barriers for Coupon Use in a Coupon-immature Market

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SUMMARY

Coupons are a vital promotional tool in many markets, not least the US market. Here, coupons have been used for more than 125 years and today they are perceived as an innate part of the American shopping culture; perhaps even an indispensable part as JCPenney learned when they tried to skip them in 2012 (Greene et al. 2013; Miller 2013). Numerous studies have looked at different aspects of coupon behavior in coupon-mature markets such as the US (e.g., Shimp & Kavas 1984; Bagozzi et al. 1992; Mittal 1994; Lichtenstein et al. 1997; Argo & Main 2008; Clark et al. 2013). However, almost no studies deal with coupon-immature markets and little is therefore known about consumer-related facilitators and barriers for coupon use in such markets.

Physical coupons¹ (i.e., a ticket/document entitling the holder to a discount when presenting it at the time of paying for a particular product in a store) were not allowed in Denmark until July 2011. Today, more than two years later, coupons have hardly been applied in the Danish FMCG market.

Thus, the FMCG retailers and manufacturers have been very reluctant to embrace this new promotional opportunity, and as a consequence this market is still coupon-immature. One major Danish retailer defended their hesitancy with a fear that Danish consumers would respond negatively to coupons and associate them with being waste of time, unfair and socially undesirable. However, no studies have looked at Danish consumers' attitudes towards the use of coupons to confirm this perception. The objective of this paper is to examine consumer-related facilitators and barriers of coupon use in a coupon-immature market such as the Danish, and thereby answer the following questions: Do Danish consumers perceive coupons negatively? What can explain Danish consumers' intention to use coupons?

To study this, we carried out 157 personal interviews in two shopping malls located in two Danish cities differing in size and location. The personal interview was chosen to ensure that respondents correctly understood the specific coupon-related questions. Every third group (single person or family) that passed a fixed point in the mall was intercepted and asked

¹ Hereafter, whenever we use the term „coupon“ we refer to physical coupons.

to identify the primary shopper and participate in an interview.

Although the Danish FMCG market can be classified as coupon-immature, we found that the majority of respondents report having knowledge of online coupons; a finding that may be explained by the continuous increase in online (i.e., borderless) shopping. Attitudes towards the use of coupons were measured by four items on a 7-point Likert scale (Shimp & Kavas 1984; Mittal 1994), and with an average score of 4.6 (SD 1.8) Danish consumers appear to be more positive than negative towards the use of coupons. At the item level, results among other things showed that only a minority perceives coupons to be a waste of time.

We measured consumers' intention to use coupons by two different 7-point scale items: "I would use coupons to obtain savings on the goods I buy" and "How likely is it that you would use coupons if they were available on your next shopping trip?" Again, the average scores (4.9 (SD 1.7) and 5.1 (SD 1.7), respectively) indicate that a relatively large segment would use coupons if they got the chance.

These two items were combined into a single measure of intention to use coupons, which we then used as the dependent variable in a multiple regression analysis. Results of this analysis showed a significant positive effect of *Attitude*, *Deal proneness*, *Coupon experience*, and *Household size* on intention to use coupons (adjusted R² is .64), while we found no significant effect of, for instance, social norms, age, perceived budget constraints, and sales flyer behavior.

In line with Bagozzi et al. (1992) we found a positive effect of coupon experience on intention to use coupons. However, contrary to Bagozzi and colleagues our finding comes from a coupon-immature context. Along with the finding of extensive online coupon knowledge, this suggests that coupon experience from online shopping could facilitate coupon introduction in a coupon-immature market, such as the Danish.

Another key finding is the lack of an effect of social norms on intention to use coupons. Previous research indicate a possible negative effect of social norms, for instance due to fear of stigmatization (e.g., Argo & Main 2008). Based on our results, social norms appear not to function as a barrier for the introduction of coupons in this market, perhaps due to a counter balancing effect of the positive social norm of appearing a smart shopper by using coupons (Ashworth et al. 2005).

The positive effect of deal proneness is in line with Lichtenstein et al. (1997) who find that deal prone consumers generally are receptive to a broad range of promotion tools. According to a study by Jensen and Grunert (2014), Danish consumers are quite price involved, thus favoring implementation of coupons in the Danish FMCG market. 3

The positive effect of household size suggests implementing coupons aimed at families and/or focused on multi-item offers/volume discounts. Furthermore, the positive effect of coupon experience on intention to use coupons highlights the benefits of persuading consumers to try out coupons. Possible ways of achieving first-time coupon use include offering online coupons, ease the access to coupons (e.g., by initially placing them at the shelf), and/or increase the discount size to a level where most intentions to use coupons would transform into actual behavior.

We have examined consumer-related facilitators and barriers for coupon use in a coupon-immature market in this study. Our conclusions rest on measurement of intentions to use coupons. That is, we do not know whether such intentions eventually lead to coupon use in case coupons become implemented. Still, our findings seem to contradict the Danish retailers' skeptical view of consumers' perceptions of coupons. Consumers in this almost coupon-virgin market generally are positive towards coupons and the majority even claims to be willing to use coupons if they are introduced.

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DAILY DEALS HUNTERS – INSIGHT FROM CROATIAN AND POLISH MARKET

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SUMMARY

Internet has brought many benefits for consumers: simplified search for information about products and services, fast and easy comparison of products' characteristics and prices, and easy exchange of experiences among consumers which can all result in big savings of time and money for consumers. The global recession faced consumers with decreasing purchasing power and has encouraged them to exploit advantages of the Internet to group together and to strengthen their position against the retailers in order to receive quantity discounts. The phenomenon of online grouping was launched in 2008 by the American web site Groupon.com, even though the concept of group buying can be noticed even earlier among Eastern collectivistic cultures.

Group buying can be defined as buying in group in order to achieve quantity discounts. High discounts and attractive bargains are the essence of group buying (*Kauffman and Wang, 2001*). The concept of online group buying is also that simple, the only difference being that a group buying website comes as an intermediary between sellers (producers, local retailers and service providers) on one side and buyers (customers) on the other (*Stulec and Petljak, 2010*). Group buying websites cooperate with sellers in order to agree on the products and services that will be offered at discount, on the amount of discount granted, and on the minimum number of customers needed for an offer to become valid. Those being agreed upon, the group buying website publishes the offer on the Internet. If enough people sign up for buying a particular product or service, the offer becomes valid and people that signed up for buying receive a large discount. The sellers typically grant a discount of 50% to 90%, and a minimum number of interested customers is

usually determined so as to cover cost-effectiveness threshold.

In a short time, lots of group buying web sites has sprung and spread throughout the world (*Erdogmus and Cicek, 2011*). Owing to development of the aforementioned web sites, it can be observed that the market of group buying is one of the segments of trade that is developing the most rapidly nowadays. The market enthusiasm for online group buying peaked when Groupon declined a \$6 billion offer from Google (*Bilinska-Reformat and Reformat, 2011*). The phenomenon of online group buying was rapidly adopted in Croatia where first Croatian group buying web site was launched in 2009. Today there are 40 active group buying web sites in Croatia.

Similar group buying market development is noticed in Poland also, where the first Poland group buying website was launched in 2010 and the number of group buying websites has continued to grow rapidly. It is hard to indicate the exact number of group buying websites in Poland, but according to the latest data, there were around 66 active group buying websites. Aim of the paper is to give an overview of the development and current status of group buying on the Croatian and Polish market. Empirical research was conducted on Croatian and Polish market through online questionnaire which was distributed among social network fans of group buying web sites. Special emphasis is put on profiling and comparing group buyers e.g. daily deal hunters on two selected markets and main differences among them regarding group buying behaviour. The paper will give detailed insight in demographic and behavioural differences of daily deal hunters on observed markets. Based on research findings, daily deals hunters will be

segmented not only by their group buying behaviour but also their attitudes toward this kind of online shopping. Further on, empirical research results will shed light on main triggers which affect group buyers.

Previous group buying research studies focused mainly on price (*Kauffman and Wang, 2001*), information searching (*Wang and Archer, 2007*), economies of scale (*Chen, Chen, and Song, 2007*), information visibility (*Chen et*

al. 2009) and incentive discounts (*Kauffman, Lai and Lin, 2010*). However, studies on group buying behaviour from shopper perspective are rare (*Wang, Zhao, and Julie, 2013; Stulec and Petljak, 2013*). Because group buying was mainly investigated from technical perspective, contribution of this paper will be in consumer behaviour perspective from two different group buying markets, which represents novelty in group buying research

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Bargain effectiveness in differentiated store environments: When a good deal goes bad

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SUMMARY

As the retailing industry has reached the maturity stage, being characterized by an overcapacity of rather homogeneous stores, the necessity of differentiation becomes increasingly obvious. Voss and Seiders (2003, p. 39) conceive of retailer differentiation as “an assessment of the relative superiority of a retailer’s offering compared to competitors”. Chaudhuri and Ligas (2009, p. 417) define a low-differentiation store as a “bargain basement ‘no frills’ environment” and see a high-differentiation store as a “high-end retailer which provides a more differentiated environment”. Academic proof of the servicescape serving as ‘physical evidence’ and providing informational cues that help customers develop their beliefs, feelings, and behavioural intentions toward the store’s offering, is ample (e.g., Baker, Parasuraman, Grewal, & Voss, 2002).

Thus, based on the outline above and applying a Stimulus-Organism-Response approach (Mehrabian & Russell, 1974), we expect that: **H1:** Compared to a low-differentiation store, a high-differentiation store (S) will lead to a higher store affect (O), a higher evaluation of the store atmosphere (O), and higher approach behaviour (R).

Besides store differentiation, another way for retailers to enhance store affect is the use of bargains. However, the presence of a bargain and store differentiation may clash with each other. Chaudhuri and Ligas (2009) already pointed out that low-differentiation stores derive more positive store affect from merchandise value than high-differentiation stores. A theoretical explanation can be found in the ‘schema-triggered pre-existing’ affect for highly differentiated stores overshadowing the affect generated by bargains in the store (Myers-Levy

& Tybout, 1989; Fiske, 1982). Schemas are “existing knowledge structures” which people use to evaluate stimuli (Fiske, 1982, p. 60). According to Chaudhuri and Ligas’ own empirical findings (2009), consumers in less differentiated stores derive more positive affect from the presence of bargains and good deals since there are no other sources of affect. In a high-differentiation store on the other hand, consumers already derive positive affect from aspects of the store environment which can get in the way of a customer’s enjoyment of a bargain.

The proposition that a bargain is more appropriate in low-differentiation stores can also be explained by the theory of processing fluency, which refers to the experienced ease of processing an external stimulus (Schwarz, 2004). When people easily process the environment, they experience a positive affective state that can be misattributed to the stimuli rather than to the ease of processing (Winkielman, Schwarz, Fazendeiro, & Reber, 2003). So, since consumers expect a bargain to appear more often in a low-differentiation store, this situation can lead to processing fluency and more positive affect. However, since a bargain does not fit with a premium label or a high-differentiation store, a bargain in such a highly differentiated store can also lead to processing “disfluency” and less positive affect. Therefore, we expect that:

H2a: In a low-differentiation store, the presence of a bargain will lead to more positive customer reactions compared to no bargain.

H2b: In a high-differentiation store, the presence of a bargain will lead to more negative customer reactions compared to no bargain.

Pilot study

Our main study was conducted in a retail design research lab (grocery store). To verify that our store differentiation conditions have an influence on consumer reactions, we first conducted a pilot study. The simulated store was designed as either a low- or a high-differentiation store. Based on findings in other studies (e.g., Baker, Grewal, & Parasuraman, 1994), we chose to operationalize store differentiation through lighting levels, music and scent. In the low-differentiation store condition, no music, bright lighting, and no scent were present. In the high-differentiation store condition, classical music, soft lighting, and a pleasant ambient scent (water lily was chosen based on a pretest) were present in the store. This pilot study with 50 participants confirmed that store environment differentiation generates positive consumer affect, evaluations and approach behaviour.

Main study

In the main study, we examined the effect of the presence of a bargain on customer reactions and whether this effect depends on the differentiation level of the store. A 2 (low vs. high differentiation store) x 2 (no bargain vs. bargain) between-subjects lab experiment (n = 121) demonstrated that the presence of a bargain had no effect on customer reactions in the low-differentiation store, whereas in a highly differentiated store the presence of bargains negatively affects consumer reactions. Our findings in the high-differentiation store support the assumption that bargains do not fit with a premium strategy. Hence, retailers should be aware that offering a bargain does not always lead to positive consumer reactions, especially in highly differentiated store environments.

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From Good Deal Hunters to Pirates: Sailing the Market Seeking Pleasure and/or Fighting for Glory?

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SUMMARY

Are Groupon buyers only bargain hunters? Some retailers are lamenting that the program not only did not draw in new customers, but the new customers also spent less than the average amount spent by non-Groupon customers. More research is needed to examine the profitability for retailers using such sites (Grewal et al., 2011). Building on existing motivation-based shopper typologies and an extensive qualitative research, this research identifies new motivations favorable to small business but also motivations which could reframe the Groupon business model.

Content analysis of 23 interviews conducted with group buying web sites users confirms that some customers of group buying sites are motivated by bargain hunting (value motivation). They can either derive pleasure from bargains (promotion orientation leading to smart-shopping) or seek only to control their budget (prevention orientation leading to wise shopping) (Djelassi et al., 2009). As a matter of fact perceived value and anticipated regret were already found to be strong predictors of purchase intention (Coulter & Roggeveen, 2012). But this value orientation is far from being the sole motivation. Customers may also want to pass the time (kill-time motivation), cheer themselves up (gratification motivation) or explore new offerings (idea motivation).

Lastly, consumers may be motivated by “seeking economic advantage through bargaining interactions with sellers”, the so-called negotiation style isolated by Westbrook & Black (1985). Some consumers hijack the business model of group purchasing sites, for example, by negotiating directly with the small business. Other respondents attempt to exploit the limitations of the system by getting

reimbursed on expired coupons. We define the hijacker as a purchaser “who uses his knowledge and skills to divert the strategies and tools of company and uses them for his own benefit or the benefit of a third party.” Several studies have already suggested that the company’s strategies and tools are sometimes diverted by consumers in the shopping context. For example “free-riders” inquire about a product, test it in one sales channel and then buy it in another (Singley & Williams, 1995). Some people buy products on private sales sites and then sell them at a profit (Ayadi, Giraud, & Gonzalez, 2013). Others adopt multiple identities so as to take advantage of several repayment offers (Oudou, Djelassi, & Belvaux, 2008).

These practices refer to what Babeau and Chanlat (2011) call ordinary deviance, defined as “practices contrary to the rules, but in such a minor and surreptitious way, on matters of little importance compared to serious deviance (fraud, theft, etc.), that it makes sense to distinguish them from what the deviance literature is concerned with.” In the context of buying on Groupon, this behavior sometimes mixes altruistic foundations (enabling the provider to increase his margin) and social foundations (getting to relate to the provider). One of the contributions of this study in regard to this latter point is that the consumer does not “work” with the company to create and modify its offering (Cova & Cova, 2012), but diverts Groupon promotional offers for his own sake. In the context of value, kill-time, gratification or idea shopping, shoppers respect the “implied psychological contract” with Groupon defined by reciprocal obligations (Guo, 2010). Deviant consumers do not adhere to this psychological

contract (when they negotiate directly with providers) or do not respect it (when they lie to obtain a refund).

A detour via work in the sociology of organizations (Crozier & Friedberg, 1977) can provide a better understanding of this phenomenon and how it gives rise to innovations (Babeau & Chanlat, 2011). Deviance is conceptualized as a “confrontation” between different ways of seeing and acting. The business model of group buying sites builds upon bargaining power between actors: the group buying website, the providers, and the customers. It imposes both a structure and rules that limit the freedom of providers (imposed margins) and customers (purchase limit, time-to-expiration), but give them a certain amount of leeway. These actors use this leeway to rebalance the system in their favor: using the information provided on the site to contact sellers directly, getting refunds for expired coupons, etc. These transgressions are a way of defending themselves against the constraints imposed by Groupon. They lead to changes in the group purchase model. New actors can emerge, who provide a structure with different rules and power relationships resulting from a compromise between actors. For example AllStar Deals leaves a greater margin to providers and encourage customers to look for their own deals and submit them to the company. Several dimensions of the creative process highlighted by Alter (2006) appear through this example: (1) hijackers who transgress the rules set by Groupon, (2) a conflict between these hijackers, Groupon rules and the established order, and (3) firms that take into account the implicit or explicit criticisms made by hijackers.

Paradoxically, it may be in Groupon’s interest to overlook some of these

transgressions, for they can potentially increase users’ satisfaction level and ultimately their loyalty to the group purchase site. Would a customer be happier if he gets refunded for coupon after cheating? Would he be all the more satisfied if he feels he has tipped the balance of power? Would he be less tempted to go to a competitor’s site? Similarly, to avoid losing too many customers, it may be in Groupon’s interest to leave a certain leeway to its users, or at least relax its refund rules. It would therefore be in their interest to listen to dissatisfied customers and allow them, within limits, to find an amicable agreement with the site.

More generally, to recruit new providers, Groupon salespeople could emphasize in their sales pitch the existence of motivations that are more lucrative, because they result in more impulse purchases (smart, gratification and kill-time shopping) or in the development of the customer relationship (idea shopping). The purchase of a Groupon voucher may be the first step in a relationship with a provider (idea shopping). Service quality therefore plays an important role, particularly the welcome given to the Groupon customer by company personnel (Dholakia, 2011). Yet it does not seem satisfying as the feedback left on Yelp by Groupon customers is less favorable than that left by other customers (Byers, Mitzenmacher, & Zervas, 2012). The year is punctuated by commercial events such as Christmas, which allow merchants to increase their revenue by selling more to repeat buyers, but also by attracting new customers. Group buying sites capitalize on these events by providing tailored offerings. It would be interesting to go further in this direction by analyzing variations in consumers’ shopping motivations during these various high points.

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Does it Make Sense to Use Creative Window Displays?

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SUMMARY

Introduction

This paper sets out to examine how store window displays influence shoppers. In four empirical studies we investigate how more versus less creative store window displays impact 1) shopper attention to the window display, 2) shopper perceptions of a) the store window, b) the items on display, and c) the store, and 3) shopper intention to enter the store.

We argue that window displays are highly important in retailing since they offer an opportunity to influence shoppers in the close vicinity of the store and drive store traffic (Ailawadi & Keller 2004; Ailawadi, Beauchamp, Donthu, Gauri, and Shankar 2009). Store window displays can therefore be seen as one of many important touch points on a shopper's path to purchase. What is more, retailers put a lot of effort into store exteriors (e.g. window displays) through visual merchandising since it opens up for an ample of opportunities to influence shoppers. Selfridges in the UK is famous for its window displays and other well-known examples are the Holiday season displays at Harrods and Macy's. When the store exterior permits, retailers typically use window displays as an integral part of their promotional strategies.

There is, however, limited research on how store window displays influence shoppers. Previous studies have focused on the displays might generate in terms of overall attitudes and intentions compared to when they are not used (Mower, Kim, and Childs 2012) and differences between artistic and merchandise-focused displays in terms of entering intentions (Oh & Petrie, 2012). Little is known about how window displays may affect a shopper's attention towards the products on display and perceptions of the store window. Moreover, little is also known about whether attitudes and willingness to pay for the displayed items may

be affected as well as affects a shopper's intentions to enter the store and her general store perception. We aim to contribute to retailing by investigating how creativity in window displays may affect shoppers.

Creativity and its effects

In advertising research there is a large body of literature highlighting how advertising creativity can strengthen communication effects. More specifically, advertising creativity (typically defined as advertising that is novel yet relevant, cf. Rosengren, Dahlén, and Modig 2013; Smith, Mackenzie, Yang, Buchholz, and Darley, 2007) has been found to have a positive impact on advertising attention and processing as well as communication effects such as brand attitude and purchase intentions (for reviews of the effects see Sasser & Koslow 2008 and Smith, Mackenzie, Yang, Buchholz, and Darley, 2007). Research on advertising creativity has also shown that consumers tend to evaluate creative advertising more positively than less creative advertising (e.g., Dahlén, Rosengren, Törn, and Öhman, 2008) and that advertising creativity serves as a signal of product quality (Dahlén, Rosengren, and Törn 2008).

Moreover, advertising creativity has a positive impact on willingness to pay (Rosengren, Dahlén, and Modig 2013) and has been found to carry over to the advertised brand, for instance by enhancing the perceived brand ability (Dahlén, Rosengren, and Törn 2008). However, creativity has yet to be studied in the area of retailing in general and in store window displays in particular.

We believe that the level of creativity in a store window display will have similar effects as the level of creativity in advertising presented above. More specifically, we hypothesize that a more (vs. less) creative store window will increase 1) shopper attention to the window

display, 2) shopper perceptions of a) the store window, b) the items on display, and c) the store, and 3) shopper intention to enter the store.

The four empirical studies

We test our hypotheses in four different studies on fashion retailing, a retail industry known for its use of window displays and appealing store exteriors. Firstly, we test the effects of adding creative elements to window displays while keeping the items on display constant for both an unfamiliar retailer brand (study 1) and for a familiar retailer brand (study 2). In study 1 and 2 we measured the attitude towards the window display (H2a), attitudes and willingness to pay for the items on display (H2b), and attitudes toward the store (H2c), as well as store entering intentions (H3). All items were measured on a seven-point scale, except from willingness to pay, which was measured by an open-ended item.

One hundred and forty-three undergraduate business students participated in study 1 (unfamiliar retailer brand), where a 1*2 (creative vs. non-creative window display) experimental design was used. In study 2, four hundred and eighty participants, recruited from a retailer's customer database, participated in the study (familiar retailer brand), where a 2 (creative vs. non-creative window displays)*2(with or without price information¹) experimental design were used.

Study 3 and 4 was designed to be able to investigate the impact of store window creativity on attention. To go beyond investigating shopper attitudes and intentions we observed real shoppers in an actual retail environment using existing store window displays (creative versus less creative store windows) and an established observational measure (Hui et al, 2009). In study 3 we observed 583 shoppers and their attention towards the store window display. To be able to investigate if a more creative window display also may affect a shopper's attention towards the displayed items after entering the store, an

additional observational study (study 4; which is still up and running at the moment) was set up with two observational points; 1) the window display and 2) the point of purchase display in the store.

Manipulation checks and/or pretests showed that the creative window was significantly more creative than the non-creative window in all four studies.

Key findings

Study 1, 2 and, 3 are completed and the results from these three studies support our hypotheses (data will be presented at the conference).

To summarize, we have found that creative window displays have positive effects on a shopper's attention (study 3), perceptions of the window display (attitudes, study 2), the displayed items (attitudes and willingness to pay, studies 1 and 2), and on the store (attitudes and entering intentions, studies 1 and 2). Our hypothesized effects also hold both for an unfamiliar and a familiar retailer brand. Based on our results, using creative window displays seems to be a promising path for retailers.

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¹ We included price as a variable because price information is often presented in window displays in retail practice. However, price information produced no significant effects.

SMILING FACES IN THE STORE: THE TYPICALITY OF SMILING FACES IN PRODUCT PACKAGING DESIGN

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SUMMARY

Retail researchers have long acknowledged that social elements in the store can influence the shopper. So far, however, the impact of pictures of human beings in an in-store marketing context has not been examined extensively. In this study, we examine the pictorial content of packaging, since packaging design serves both functional and communicative purposes and is an important tool in in-store marketing (Underwood & Klein, 2002; Schoormans & Robben, 1997). According to a study based on eye-tracking data by Pieters and Wedel (2004), the pictorial elements of advertisements attract more attention than other design elements. Most packaging also features pictorial design elements, and these have been shown to affect consumer response (Underwood & Klein, 2002; Garber, 1995; Bloch, 1995).

A common type of pictorial element often found in packaging design is photos of human faces, and human faces attract more visual attention than almost any other stimuli in our environments (Palermo & Rhodes, 2007). In other marketing contexts, such as service encounters, smiling faces have been linked to positive consumer response through emotional contagion (Söderlund & Rosengren, 2010). While we believe that reactions to smiling faces in product packaging will be affected by emotional reactions to the smiles, we also believe that the perceived typicality of the packaging will affect consumer evaluations. A smiling facial expression is in itself typical; something that Pixton (2011) calls *happiness superiority*, meaning that – especially for depicted women – we expect to see smiling faces. This typicality is also apparent in marketing where photos of smiling decorative models abound.

The purpose of this study is to compare consumer reactions to product packaging with smiling and neutral faces. We propose that a packaging design featuring a smiling face will be perceived to have higher typicality, defined as similarity to product category expectations (Loken & Ward, 1987, Schoormans & Robben, 1997), than a packaging featuring a non-smiling face.

H1: A product packaging including a photo of a smiling (non-smiling) model will be perceived as more (less) typical.

Since higher typicality in product and packaging design has been linked to preference and positive attitudes (Schoormans & Robben, 1997; Kumar & Garg, 2010; Loken & Ward, 1987; Loken & Ward, 1990) we expect to find more positive attitudes for a packaging featuring a smiling face.

H2: Consumer attitudes for a product packaging including a photo of a smiling (non-smiling) model will be more (less) positive.

We also propose that this perceived typicality mediates the effects of smiling faces in packaging design on consumer attitudes for the packaging.

H3: The effects of type of packaging on packaging attitudes described in H2 will be mediated by perceived packaging typicality.

METHOD

A between-subjects experiment was conducted where participants were randomly allocated to two experiment groups. A student sample ($N = 75$) was employed, 22 participants were male and 53 female, the mean age was 21.52 years and there was no significant difference in age or gender between treatment groups. For stimuli pictures we

selected two photos (out of a pre-tested pool of photos) depicting the same woman, one photo with a smiling facial expression and one with a non-smiling facial expression. We also photographed a juice carton and inserted the two model photos digitally into the juice carton design. The result was two (210 x 90 mm) images of juice cartons that each contained one of the photos (sized 40 x 60 mm). The finished images (in color) were inserted in paper questionnaires distributed randomly to participants so that each participant received either the smile or the non-smile version. To measure how typical participants considered the juice cartons we asked them to rate the statement, "The juice carton in the picture looks like this type of juice cartons normally do" on a 10 point scale ranging from 1 (disagree completely) to 10 (agree completely). Participant attitudes for the product packaging (the juice cartons) were captured with four adjective pairs scored along a 10-point response format; "bad-good", "dislike-like", "unpleasant-pleasant", and "negative impression-positive impression". Alpha was .98 for the attitude scale and an index was computed.

RESULTS

A significance level of .05 was used throughout the analysis. In order to address H1, an independent samples t test was performed to compare participant perceptions of the typicality of the product packaging in the two conditions (smiling model, non-smiling model). The results showed higher typicality ratings for the packaging with a smiling model ($M = 5.27$, $SD = 2.68$) than for the non-smiling model ($M = 2.97$, $SD = 2.46$), $t(73) = -3.87$, p

$< .01$. To address H2 an independent samples t test was performed to compare the effect of product packaging type (smiling model, non-smiling model) on participant attitudes for the packaging. In line with H2 participant attitudes were more positive for the product packaging with a smiling model ($M = 6.97$, $SD = 2.30$) than for the product packaging with a non-smiling model ($M = 3.03$, $SD = 2.30$), $t(73) = -7.41$, $p < .01$. To address H3, whether the effect of product packaging type on attitude for the packaging is mediated by packaging typicality a mediation analysis using Preacher-Hayes approach was performed (cf. Zhao, Lynch and Chen, 2010). The mediation analysis showed a mean indirect effect from the bootstrap analysis of .79 (95% CI : .30 – 1.62) for packaging typicality, suggesting that the effect of product packaging type on attitude was mediated by packaging typicality. H3 was thus supported.

DISCUSSION

All hypotheses were supported in that the juice carton with the smiling model photo was considered more typical, and attitudes were more positive than for the juice carton with the non-smiling model photo. The positive effect of the smiling face on attitudes was mediated by the perceived typicality of the packaging. These findings contribute to retailing research in extending the knowledge of what specific product design elements will contribute to perceived typicality and consumer response. The study also applies some rather recent research findings about person perception and mood (Pixton, 2011) to consumer research.

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Neatness Matters: The Effect of Display Neatness on Product Color Choice

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SUMMARY

While shopping in stores, consumers often remove products from a display, touch and handle products for evaluation or for enjoyment (Peck and Childers 2003), and return the merchandise to the display after deciding not to purchase it. Unfortunately for retailers, the discarded merchandise is rarely replaced in the exact manner it was found, and this process causes a previously neat and organized display to appear messier for the next customer. The relative messiness of a displayed stack of product is proposed to influence the next shopper's choice behavior.

Prior literature examines organized versus disorganized displays (Castro, Morales and Nowlis 2013) or contagious versus noncontagious groups of product (Mishra 2009). Organization or neatness *within a display*, to our knowledge, has not been examined. Instead of examining the effects of stock-out or low stock conditions on buyer behavior, this research examines situations in which merchandise has been examined but not purchased, minimizing inferences about product popularity from decreasing product quantities (Castro et al 2013). In doing so, we develop and test a model of how display neatness and product color options affect consumer product selection by incorporating color theory into what is currently known of disgust and contamination.

We propose that the neatness of the product color options within a display will shift shopper color preference to the neater items within a messy display. When other customers appear to have handled products within a display, shoppers will perceive the more handled product as contaminated and experience a disgust response. Further we propose that shoppers who are disgust sensitive and predisposed to experiencing disgust in response to a wide array of aversive stimuli (Jong and Merckelbach 1998 in Olantunji et al 2007), will be even more likely to select the neater product color option from within the display. We also propose that product color moderates this phenomenon. As colors have subjective associated meanings (e.g. black

associations with immorality, impurity and pollution and white associations with morality, purity and cleanliness; Sherman and Clore 2009), darker colors that are displayed in a messy manner will be more impacted than will lighter colors from the contamination effect. Thus, a metaphorical transfer of purity and impurity to products is based on its color brightness.

Two studies are conducted to test the proposed conceptual model. The first study, an online experiment (n = 91 US online panel participants, median age group = 25-34 years, 42.9% female) with random assignment to neat or messy display conditions using photographs of a merchandise display taken in national US apparel retail store, suggests the favorite color option (i.e., blue sweaters) is chosen 69.4% of the time when it appears in a neat stack compared to 47.6% of the time when displayed in a messy stack ($\beta = -.91$, $SE = .44$, $Wald(1) = 4.93$, $p < .05$).

The second study (n = 139 US online panel participants, $M_{age} = 35.32$, 47.9% female) replicates the study 1 findings of color choice shift when culturally significant achromatic neutrals and brightness extremes black and white appear both messy and neat. Photographs of three contiguous stacks of towels in black, tan, and white were digitally altered to create two display stimuli (Messy Light, Messy Dark) that were pretested for order of color presentation, condition neatness, stack neatness within condition, and perceived color popularity.

The color choice shift is analyzed with logistic regressions that include the selected towel color as the dependent variable and display condition as the predictor. The results for the black towel choice logit (Chi-square = 20.61, $df = 1$, $p < .001$, Nagelkerke $r^2 = .20$) show that the black

option is selected 49.2% of the time when folded neatly compared to 14.1% of the time when folded messy ($b = 1.77$, $SE = .41$, $Wald(1) = 18.36$, $p < .001$). This effect is moderated by contamination-based disgust sensitivity ($b = -1.46$, $SE = .50$, $Wald(1) = 8.53$, $p < .01$), which shows that highly disgust sensitive consumers are even more likely to reduce their choice of black when it appears to have been handled by others. The results for the white towel choice logit support that the neater white option is also selected less often (9.8% of the time) when it appears messy rather than neat (34.6% of the time) ($Chi-square = 12.52$, $df = 1$, $p < .001$, Nagelkerke $r^2 = .13$; $b = 1.58$, $SE = .49$, $Wald(1) = 10.33$, $p < .01$). However, contamination-based disgust sensitivity does not moderate the choice of white as a function of neatness ($b = -.31$, $SE = .51$, $Wald(1) = .37$, $p = .54$).

Mediation analysis, conducted using the PROCESS computational macro for SPSS (Model 7, Hayes 2012), suggests shoppers select the darker product less when messy because it is perceived as more contaminated ($a = -.33.28$, $SE = 2.03$, $t = -16.39$, $p < .001$; $b_1 = -.02$, $SE = .01$, z

$= -2.72$, $p < .01$). Further, this effect is moderated by the shopper's contamination-based disgust sensitivity ($a*b_2 = -6.81$, $SE = 2.04$, $t = -3.34$, $p < .01$), as hypothesized. Mediation is supported for the dark products ($c' = .22$, $SE = .31$, $z = .72$, $p = .47$) but not for the light products ($a+b = -.48$, $SE = .30$, 95% CI: -1.09 to .04). This suggests product color brightness moderates whether a shopper perceives the product as contaminated by others more for disgust sensitive shoppers. Consistent with Sherman and Clore's (2009) findings that black is viewed as dirty and impure while white is viewed as clean and pure, the messy black towel stack that exhibits contamination cues from prior shoppers is viewed as more contaminated than the messy white stack for disgust-sensitive consumers.

Contribution to the literature is made in several ways. First, neatness of the displayed product stacks *within a single display* influences product color purchase selection from a merchandise display. Second, metaphorical color associations affects the degree to which touched products are perceived as contaminated, and this is especially true for disgust sensitive shoppers.

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Smartphone or Tablet, when Global Positioning Systems may vary consumer product choices

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SUMMARY

The annual increase in traffic from smartphones is favoring the surge of mobile commerce (MC) and some gurus already predict MC will overtake e-commerce soon. Indeed, mobile transactions increase progressively, consultancy reports such as IMRG Capgemini see exponential growth of 356% concerning sales via smartphones and tablets compared to the previous year (2012).

It is very appealing for brands to target and reach an audience thanks to a new artifact/device which is the smartphone using Global Positioning Systems (GPS), Location-based service, etc for MC purposes. GPS-enabled smartphones allow managers to target customers by location. Unfortunately, if users disclose false data in the aim to protect their privacy, it ends up a waste of time for both the brand and the customer. Furthermore, after what Cerf (2013), co-creator of the Internet's key networking technology and Google's chief internet evangelist said during a Federal Trade Commission's Internet of Things workshop (2013): "Privacy may actually be an anomaly", the questions we are trying to pose seem important in the shift from e-commerce to m-commerce, customers are actually experiencing during their cross canal shopping day. MC has profoundly changed the way suppliers and customers interact. The possibilities are endless in all aspects of everyday life, business, commerce and in ways yet to be imagined. Marketers understand this dynamic evolution as witness by the proliferation of websites, applications, social media and other ways of reaching customers, possibly anywhere, anytime, in reference to the u-commerce (ubiquitous commerce), or in their brain, soon, although not yet possible. The proliferation of new technologies enabling such advances is developing so fast that it is not easy to keep-up,

find the information addressing such questions, and enable organizations of any size to choose the best strategy to deliver their message, product or service.

Listed in the wake of smart clothing and accessories ('wearable technologies') the recent arrival of the swatch Gear (figure 1), already enables people to read their email and will soon make them able to practice MC from their wrist, by pinch and zoom, as for the already known tablet and smartphone devices. The difference in terms of consumer behavior questions the opportunities for marketers, to target consumers in context even more bitterly, in an even more adeptly manner. Unfortunately, this topic has not been studied and compared if we refer to the academic literature.

Figure 1 : Galaxy Gear by Samsung



In order to answer fill this gap, the methodology we will use is based on a preliminary exploratory study (already conducted), followed by 2 confirmatory studies about smartphone's use, (already conducted too) and tablet's use (to be conducted for the conference). We will then prepare this final confirmatory study using the previous survey platform in order to obtain results taking into consideration GPS questions (see questionnaire in appendix).

The objective of our proposition is to examine the effect of an MC website reputation on consumer loyalty, through the mediation of

MC privacy feelings and MC trust and also to assess the moderating role of consumer experience with the MC website. Taking an integrated approach, we attempt to facilitate researchers and consumers in gaining a better understanding of the potential inherent in the combination of MC and user experience with mobile devices, emphasizing privacy concerns and comparing differences of consumer behaviors between computer, tablets and smartphones uses.

First, we present m-commerce (MC) and then introduce reputation, privacy, experience,

trust and loyalty into MC. Thus we try to question the difference in terms of response of the organism (behavior, trust, emotion), between 1) someone who is shopping using his/her smartphone, to understand the behavior changes if any, and 2) comparing smartphone, tablets and computer usages during an m-commerce shopping session. The results of the empirically tested model will then be presented, followed by conclusion focusing on the research implications.

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Is less sometimes more? The influence of additional information from mobile apps on purchase decisions at the POS

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SUMMARY

This work reports four studies that analyse the influence of additional information provided by the use of mobile barcode scanner apps at the Point of Sale (POS) on the quality and efficiency of consumer purchase decisions. In this context, prior studies found a surprising result (Jacoby et al. 1974; Scheibehenne et al. 2009): while a larger amount of information at the time point of the decision might increase a consumer's subjective certainty that the best product has been purchased, at the same time objective decision quality (choosing the optimal product) often is negatively influenced. In the past, these relationships have been discussed in the context of the information overload paradigm (e.g. Jacoby et al. 1974).

Research in the context of purchase decisions mostly investigates the use and impact of static information from which all shoppers have to choose in equal measure on consumer decision-making. However, if consumers use mobile apps in their decision-making they have the opportunity to adaptively acquire additional information which is of relevance for their purchase decision and which refers explicitly to the product alternatives that come into question. Therefore, irrelevant information will not be acquired and hence will not have an impact on the consumers' purchase decision. We assume that information overload can be reduced in this way and consequently the possible negative impact of an increasing amount of information can be prevented (e.g.

consumer confusion). Thus, our central assumption is that the use of mobile scanner applications will improve the objective and subjective quality of purchase decisions. However, decision efficiency should decrease, which especially results from handling the Smartphone and cognitively processing the additional information in the decision-making process.

In an initial quasi-experimental field study (Study 1, $n = 117$), we investigated this influence in a real setting. Here, we found that the decision-making efficiency is reduced by app usage but that the decisions do not get better. Subsequently, we tested in three lab studies whether this effect depends on the complexity of the assortment (Study 2, $n = 133$), the complexity of environmental conditions (Study 3, $n = 121$) or the complexity of the additional information (Study 4, $n = 120$). In every study a scenario was presented, in which the participants should imagine that they are planning to prepare a Spanish three-course menu for dinner and that they still need a bottle of wine that fits well to their menu. The participants were told that the wine must meet five specific criteria. After reading the scenario the participants were asked to find the wine that fulfils the five criteria in the wine section of a traditional super-market (Study 1) or from a shelf with several alternatives in a laboratory (Studies 2, 3, and 4). In every study only one bottle of wine fulfilled all criteria. During the decision-making process the investigator collected information regarding the participants' approach behaviour towards alternative products (e.g. product contacts, duration of the decision-making). After the participants had selected a bottle of wine they had to complete a questionnaire regarding the subjective quality of their decision according to the approach of Jacoby et al. (1974). Consumer confusion was measured using the scale of Walsh et al. (2007). We measured the participants' satisfaction with their decision using a single item on a seven point rating. The selected bottle of wine serves as a measurement of the objective quality of the decision. Decision efficiency was

operationalised by the duration of the decision-making process.

Regarding the objective decision quality, our results do not fully support our expectations: additional information during the purchase decision lead to higher objective quality of the purchase decisions if it is attuned to the specific decision. If further but irrelevant information is acquired for the purchase decision, it reverses the positive effect of relevant additional information. Our expectation that the individual accessibility of information from apps lead to shoppers only having recourse to information that is relevant to them could not be confirmed. Evidently, shoppers endeavour to reduce their uncertainty through access as much information as possible during uncertain decisions. Paradoxically, this strategy leads to greater confusion and reduces the objective decision quality.

Unlike in other studies, the subjective quality of the decision is not positively influenced by additional information in every case. If complexity increases e.g., due to the number of available alternatives, additional information lead to a more positive evaluation of the decision. This is especially true for purchase decisions in stores and online shops, where shoppers encounter assortments with a great variety of alternatives. Neither the complexity of the environmental conditions nor the information offered had an influence on the subjective decision quality. It seems that shoppers evaluate decision-support instruments, such as information from apps, according to their suitability for reducing confusion. However, the use of mobile scanner apps reduces decision process efficiency in every instance. As expected, handling and processing the information takes additional time, which is not balanced out by more rapid decision-making.

For customers our results imply that it is evident to focus only on additional information, which are of relevance for their decision-making. If additional but not relevant information might be of interest, it generally increases the complexity, which can lead to

poorer decisions. Retailers, on the other hand, can help prevent customers from losing track in a large assortment by offering individualised, relevant information through Smartphone apps

and thus avoid the negative consequences of information overload.

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Smartphone usage in store: motivations and barriers at different stages of the buying process

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SUMMARY

With over a billion subscribers worldwide, smartphone is one of the most popular advanced technology devices. Almost half of cellphone users now own a smartphone and over 60% of smartphone users have used their device in some type of shopping activity (Miller and Washington 2013). Smartphone usage in store facilitates showrooming behavior defined as visiting a store just to examine a product while comparing the retailer's offer with that of its competitors with the intention of buying it elsewhere at a better price. If retailers fail to understand the drivers of smartphone usage in store, they run the risk of losing sales and customers.

As noted by Verhoef et al., (2010), the shopping environment has been dramatically modified lately by the addition of new channels through which customers can interact with firms. Prior research has investigated the effects of various channels' attributes on consumers channel usage (Frambach, Roest, and Krishnan 2007; Gensler, Verhoef and Böhm 2012) but have not included the smartphone in consumers' consideration set of channels. However, because it delivers a different value proposition to consumer with unique capabilities (Shankar and Balasubramanian 2009), smartphone can be

considered as a new channel in itself. Previous studies pinpoint that research on multichannel customer behavior is still in its early stages and relatively sparse (Verhoef et al. 2010) and that there is a need for a better understanding of mobile usage in the different stages of the decision-making process (Shankar and Balasubramanian 2009).

This paper contributes to the literature on multi-channel shopping behavior and on mobile marketing as it investigates factors influencing smartphone usage intention as a complementary channel to a retail visit for a high-involvement purchase. It also examines how these factors differ across different stages of the purchasing process and depending on user profile. We base our conceptual model on the Theory of Planned Behavior (Taylor and Todd 1995) and on the risk/reward perspective regarding technological innovation (Wells et al. 2010). We categorized benefits into three categories (Park et al., 1986; Keller 1993): functional (i.e. economic, convenience, information), hedonic and social benefits. Because using smartphone often implies exchange of personal information and possibilities for tracking the customer behavior as well as potential financial risks, we included

financial and privacy risks as potential antecedents of consumers' attitude. Finally, we consider the consumers' attitude, social influence, customer experience with the smartphone and facilitating conditions as determinants of customers' intention to use their smartphone.

Given the specific objective of this research, which is to evaluate the intention to use a smartphone as a complementary channel to a store visit for a purchase, we consider three buying stages: pre-shopping, pre-purchase and purchase. Indeed, we split the search for information phase into two stages depending on whether the customer is outside the store searching for information about retailers (pre-shopping) or inside the store searching for information about products (pre-purchase). The perceived importance of channels attributes differs across the stages of the buying process because customers pursue different goals (Frambach et al. 2007; Verhoef et al. 2007; Gensler, Verhoef and Böhm 2012). Therefore, we expect that along our three steps considered, customers having different goals, the main drivers of intention to use a smartphone will vary.

In order to test our hypotheses, we use an online questionnaire including an introduction detailing the different uses of a smartphone during a shopping activities and measuring the antecedents of smartphone usage intention. Each of the 541 respondents was randomly assigned to one of the three scenarios corresponding to one of the 3 stages. We used SmartPLS to test our hypotheses (Ringle et al. 2005). We analyze the differences between stages by considering a multi-group analysis as recommended by Eberl (2010).

The results of our experiment highlight that: 1) effect of the antecedents of attitude towards using a smartphone in the purchase process (economic, information, hedonic benefits and privacy and financial risks) is moderated by the shopping stage (pre-shopping, pre-purchase or purchase); 2) effect of the antecedents of intentions to use a smartphone is moderated by user age.

More precisely, we find that shopper develop favourable attitude towards smartphone use by accessing additional information about stores and products, benefiting from better prices and special promotional offers as well as enjoying their shopping experience more. Potential risks in terms of data privacy and potential fraud may impact negatively their attitude towards using their smartphone for their shopping. Moreover, factors influencing attitude towards smartphone usage depend on the shopping stage. Indeed, in the pre-shopping stage, when consumers are searching for the right place to shop, access to information and savings are the main benefits driving intentions. Later, in the pre-purchase stage, information about products and privacy risks are particularly important in shaping intentions. Finally, during the purchase stage, consumers are wary about financial risks but are also interested in hedonic benefits provided by smartphone usage.

Customers' favourable attitude towards smartphone usage for shopping activities, smartphone experience and positive perceived social influences lead to higher usage intention. Facilitating conditions and usage intention determine the actual use. Findings also highlight the importance of age as a moderating factor. Influence of facilitating conditions increases with age and impact of social norms decreases with customers' age.

In conclusion, the rate of smartphone adoption is growing to the highest level it has ever been in the history. As smartphone users' experience grows, they will be more and more acquainted with smartphone utility and risks for buying products and services. In order to take advantage of showrooming behaviour and avoid the risk of losing sales, retailers should be ready to provide their customers with mobile apps making available information about their stores and their offer, sending marketing promotion while entertaining consumers and reinsuring them about potential risks. Mobile internet remaining an impediment to mobile usage in-store, retailers should also facilitate internet access with an open wireless connection.

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Variables differentiating mobile buyers from non-buyers: a large-scale study.

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SUMMARY

Smart mobile devices are profoundly changing the way consumers shop and buy. By 2017, 25% of online retail sales are expected to take place via mobile devices (eMarketer, 2013a). However, studies investigating the antecedents of mobile purchasing are scarce. Scholars examining the drivers of adoption/usage of mobile technology either (1) rely predominantly on adaptations of the TAM model (Davis, 1989), studying the impact of perceived characteristics of the mobile technology on its adoption (Chan & Yee-Loon Chong, 2012; Malik et al., 2013; Yang, 2010), or (2) measure the effect of consumers' shopping motivations on mobile shopping (Yang & Kim, 2011) or mobile browsing (Ono et al., 2012). Given that retailers are actively deploying mobile marketing strategies to attract customers and that mobile, as a channel, is becoming a separate field of research (Kourouthanassis & Giaglis, 2012), it is important to improve our understanding of the key factors driving mobile customers to buy using their smart devices or impeding them from doing so. Therefore, the objective of this study is to measure:

- which consumer characteristics (innovativeness regarding technology, need to touch products before buying, engagement with mobile shopping, attitude toward online and in-store shopping, risks associated with e-commerce) can predict mobile purchasing.
- which of these characteristics are the most important in driving or impeding mobile purchasing.

Research has shown that a favorable attitude toward online shopping is predictive of e-commerce purchasing. Although m-commerce differs significantly from desktop e-commerce with regard to presentation, interaction

modalities and usage patterns (Featherman et al., 2010; Kourouthanassis & Giaglis, 2012), we thought it likely that a favorable attitude toward online shopping would extend to m-commerce. Consumers who are more innovative regarding technology have been shown to adopt mobile services and/or marketing more rapidly (Sultan & Rohm, 2008). Likewise, consumers who are more engaged with mobile during early shopping phases (downloading coupons, surfing the web for info, comparison shopping), may be more likely to make a purchase using their device. Konus et al. (2008) observed similar patterns in channel choice in the search and purchase phases. Mobile users who use their device while shopping may thus be more likely to proceed to a mobile purchase. In contrast, the perceived risks of e-commerce (Crespo et al. 2009) may be aggravated with mobile technology due to the increased security issues associated with mobility (Chan & Yee-Loon Chong, 2013). Similarly, lack of physical and tactile information (Citrin et al. 2003; McCabe & Nowlis, 2003) is expected to be particularly salient on mobile devices due to the small screen size. The consumer's need to touch products would thus be expected to impede mobile purchasing. Further, a preference for in-store shopping is the top reason given by

Canadians for not buying online (Statistique Canada, 2013), highlighting the key benefits of the in-store experience (i.e., social, experiential). A favorable attitude toward in-store shopping might thus decrease the propensity to buy on mobile devices. These six variables are proposed as likely to differentiate mobile buyers from non-buyers.

We partnered with a large global apparel and footwear retailer and surveyed their Canadian database. Using a convenience sampling method, an email was sent to a randomly selected sample of customers, inviting

them to participate in the online survey. A link to the questionnaire (pretested on a class of 65 university students) was included in the invitation. A total of 3,136 valid surveys were completed by mobile respondents who owned a smartphone (47.2%), an electronic tablet (7.7%) or both (45.1%). To maximize the content validity of the measures, we adapted scales previously used by other marketing scholars. Engagement with mobile shopping was calculated using the number of functions used for shopping in the last 30 days (comparing prices, browsing the Web for information, using a retailer's site, downloading/looking for coupons). This scale ranged from 0 to 4 functions used.

The typical respondent was a 32-year-old (range, 18 to 75) woman (78%¹) with a university degree (53%). Forty-five percent of the sample were classified as "mobile buyers," having made an online purchase with their mobile device in the last 30 days. Logistic regression was performed using the six individual variables as predictors and mobile purchasing (yes/no) as the dependent variable. The model explains 29.1% of the total variance (Nagelkerke's R²) and correctly classified 71.9% of the respondents. The results show that the odds of being a mobile buyer increase significantly as usage of mobile shopping functions increases (Exp (B) = 2.09). Similarly, for each 1-point increase in attitude toward online shopping, the odds that a mobile purchase was made increases by 26%. Innovativeness with technology also predicts mobile purchasing (Exp (B) = 1.12). However, the likelihood of mobile purchasing decreases as attitude toward in-store shopping and the need to touch items increase (Table 1). Risk related to e-commerce does not predict mobile purchasing. Further, chi-square analysis revealed that the type of device owned significantly influences the propensity for mobile purchasing ($X^2 = 179.23$, $df=2$, $p<0.000$, Cramer V = 0.24), as 48% of tablet-only owners had made purchases with their device compared to only 32% of

smartphone-only owners, supporting recent statistics showing that tablets are driving m-commerce (eMarketer, 2013b). Interestingly, 57% of consumers owning both devices did make purchases.

These findings have important implications for both theory and practice. They shed light on the factors that contribute to or impede mobile purchasing, providing retailers with some guidance for targeted marketing. Focusing on consumers who are innovative with regard to technology, use mobile devices heavily and have a favorable attitude toward online shopping appears to be a key strategy in converting mobile browsers and shoppers into buyers. Although the need to touch and physically examine products and positive attitudes toward in-store shopping impede m-commerce to some degree, perceived risk is not an issue.

¹ This proportion reflects the footwear retailer's current market, which is geared toward women.

Table 1. Logistic regression and reliability of measures (n=3,136)

Table 1. Logistic regression and reliability of measures (n=3,136) Variable (authors)	b	Odds ratio [95% CI]	Reliability (Cronbach's α)
Engagement with mobile shopping	0.74*	2.09 [1.94–2.25]	n/a
Attitude toward online shopping (Hasan, 2010)	0.25*	1.28 [1.20–1.38]	0.95
Attitude toward in-store shopping (Hasan, 2010)	-0.13*	0.88 [0.82–0.94]	0.93
Innovativeness with technology (San-Martin & Lopez-Catalan, 2012)	0.11*	1.12 [1.06–1.19]	0.91
Need for touch (utilitarian) (Peck & Childers, 2003)	-0.10*	0.90 [0.85–0.96]	0.77
Perceived risk of online shopping (Crespo, 2009)	-0.02a	0.98 [0.93–1.13]	0.91

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Too expensive for me right now: young Danish consumers elaborating on their in-store choice of organic versus non-organic food

Jessica Aschemann-Witzel, Emilie Marie Niebuhr Aagaard - Aarhus University

SUMMARY

Background

Organic food is often used as an example of the so-called attitude-behaviour gap in consumer behaviour (Vermeir & Verbeke, 2006). The attitude-behaviour gap describes a situation where consumers express a great deal of positive attitudes towards a product or even favourable buying intentions, but their actual behaviour falls short to these (Carrington et al., 2010). Drivers of organic food choice are health motives (e.g. Aschemann-Witzel et al., 2013; Guilabert & Wood, 2012), but also environmental protection (Padilla Bravo et al., 2013). Price and lack of availability are reported to be major barriers (e.g. Padilla Bravo et al., 2013; Jensen et al., 2011). Organic food consumption has found to be higher in older age groups (Hughner et al., 2007). Attitudes are, however, more favourable among younger age groups (Magnusson et al., 2003). This indicates that the attitude-behaviour gap is especially large among younger consumers.

Research question and approach

We propose that a closer exploration of young consumers' barriers to act upon favourable attitudes is needed, in order to provide the consumer insight that can be a basis for further market growth in the organic sector. To this aim, we researched the following question: How are young Danish consumers elaborating on internal (e.g. beliefs, attitudes, intention) and external (e.g. perceived behavioural control, elements of the purchase situation) factors influencing their choice, and their choice for or against organic food?

We applied a qualitative research approach (Flick, 2009; Greenhalgh, 2010), following the so-called problem-centred approach (Witzel, 2000) in an accompanied shopping interview. We operationalized the problem-centred approach by starting with open

think-aloud questions, while probing into the issue of choosing or not choosing an organic product variant at a later stage. Interviews were conducted in March 2012 at a single location to ensure the interviewer has a good knowledge of the store layout. Ten interviews with respondents who had conducted a sufficient number of purchases on the observed trip as well as stating to at least occasionally buy organic food were included. Open, axial and selective coding was applied (Strauss & Corbin, 1990).

Results and discussion

As a result of the analysis, a model of young Danish consumers point of purchase elaborations on organic versus non-organic food choice in the supermarket is developed (see figure 1). It shows how the categories that emerged as condition or context factors impact the core category, and how this relates to action and consequences.

The results show that especially price and quality considerations are triggered by the organic versus conventional product options on the supermarket shelf. It appears that they relate to the „situational context“ (Carrington et al., 2010) in the sense that the store they visit at the time of the purchase offers only a certain quality at a certain price. Interestingly, in the interviews conducted, no category emerged describing a barrier relating to personal ability or inability, as e.g. not being able to judge which product is organic or not and a lack of knowledge about organic quality could have been. This might indicate that the young Danish consumers perceived themselves competent enough in terms of their own ability and that they exhibit the confidence to identify and assess organic versus non-organic products in terms of quality and price.

Furthermore, the point of sale interviews with the young Danish respondents showed that they come to the store with especially two factors influencing their considerations, the first their moral beliefs on issues related to organic or conventional food, the second their household member's preferences for or against organic food. The first is, according to the theory of planned behaviour, mirrored in the factors influencing intentions: attitudes and personal norms, which in turn are determined by values and beliefs and subjective norms (Aertsens et al., 2009). The second highlights the crucial influence of household members on food choices (Devine, 2005).

Following the actual choice for or against organic food, the point of sale interviews with the young Danish respondents showed that consumers engage in elaborations on the action as well as its consequences. Interestingly, especially prominent was the argument that organic food will be purchased at a later stage in life when economic resources are better. The results highlight the crucial role consumers give to price and income as a facilitator or constraint, when reporting on the choice for or against organic.

Conclusion and implication

We conclude that a young Danish consumer in store choice for or against organic food is influenced by point of sale observations of price premiums and quality as well as their moral beliefs and household members' preferences. The results indicate that young Danish consumers perceive little lack in ability to identify organic in store and primarily report on economic arguments not to buy organic. Given that economic reasons and the high price are major barriers according to the young Danish consumers interviewed, we argue that the implication for the organic sector is to engage in further efforts to reduce the high price image of organic. It should be emphasized in communication which organic products are on offer, and under which circumstances an organic food basket might not necessarily be more expensive. It might also be considered whether especially young consumers could be triggered to consider acting upon beliefs already today. This could be done by appealing to the ethical motivations in communication and the contradiction consumers are in when they 'postpone' acting upon these.

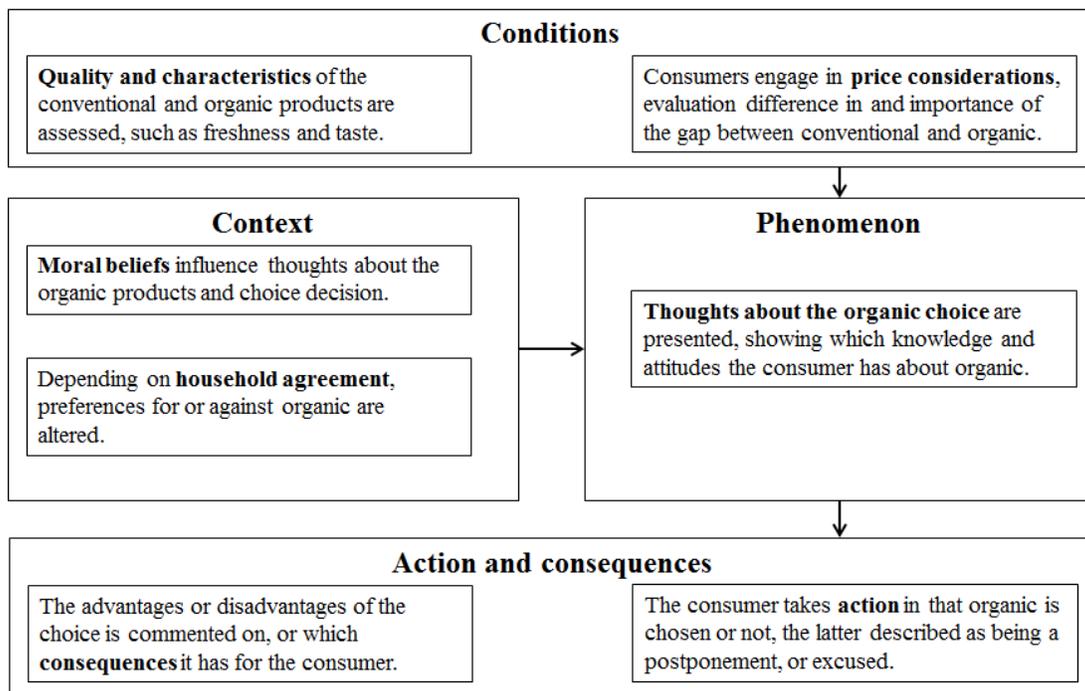


Figure 1. Model of young Danish consumers' point of purchase elaborations on organic versus non-organic food choice in the supermarket

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The Influence of Search Channels and Variety Seeking on Channel Willingness to Pay

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SUMMARY

Increased global competition forces companies to excel. To do so, companies have to organize their channel strategy. In context of providing consumers with the interaction that best fits their needs, previous research has delineated the importance of a multichannel strategy (Schoenbachler & Gordon, 2002). Venkatesan et al. (2007) showed that a multichannel approach increases a customer's

profitability to the company. By focusing on the customer's perception Schoenbachler and Gordon (2002) developed a conceptual framework of channel buyer behavior while calling for empirical examination. Further, Verhoef et al. (2007) acknowledged the difference between search and purchase channels and introduced the concept of research shopping. Finally, Chui et al. (2009) stressed

that the possibility to switch channels from search to purchase phase decreases customer loyalty. In addition, they call for further research including consumer behavioral factors such as variety seeking.

Previous research has not yet discovered the value that consumers associate with a particular channel choice. Moreover, the effect of personal traits on consumers' value attribution has not been examined in the multichannel literature. In our paper we address this research gap by studying the influence of a chosen search channel (online vs. offline) on a consumer's value attributed to using this channel for later purchase. We introduce the construct channel willingness to pay (CWTP) as a measurement of a consumer's valuation of a specific buying channel. This term expresses the amount a consumer is willing to pay in order to change the chosen buying channel. The higher the CWTP score the lower the assigned value. Further, we include the personal trait variety seeking (VS) as a moderating factor in our research model (see figure 1). We draw on social exchange theory, which states that relationships are formed by interaction between people. The individual evaluates the relationships in terms of resulting benefits (McDonell et al., 2006). We suggest that customers evaluate their relationships with companies in a very similar manner. Specifically, the interactions are more or less valuable for consumers. However, in line with previous research, individuals are heterogeneous with regards to the attitudes towards different channels. Hence, we suggest that the CWTP depends on a customer's general value system. Accordingly, we hypothesize:

H1: Consumers value offline channels more positively than online channels and will therefore have a higher willingness-to-pay for remaining in the channel.

H2: The consumers' tendency to seek for variety negatively affects the CWTP.

H3: The tendency to seek for variety will negatively moderate the effect of the chosen search channel on CWTP.

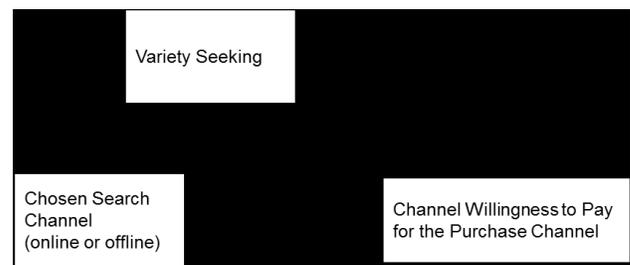


Figure 1: Research Model

Data and Empirical Study

Questionnaire and Sampling

In order to collect the necessary data we conducted an empirical survey. We specifically focused on consumers in the insurance industry. Prior to the large scale survey, we pretested our questionnaire with 589 US respondents to examine clarity of the questions and appropriateness of our items. The questionnaire was translated to the official language of the surveyed country and sent out with an introductory page explaining the purpose of this study. Through this procedure we collected 21740 complete questionnaires.

Items

The participants were asked to choose their search channel, i.e. online or offline. To measure VS, participants had to indicate whether they see themselves more like person A or person B. Person A likes to try new insurance products while person B dislikes doing so. Further, participants had to name the buying channel they used the last time they purchased insurance. Finally, respondents indicated the amount of money they would be willing to pay to change their buying channel from online (offline) to offline (online). For this question also negative value were possible, indicating the compensation amount necessary to consider changing the channel.

Results

To analyze our data we conducted a 2 (search channel: online, offline) x 2 (VS: yes, no) analysis of variance ANOVA. We found both main effects to be highly significant, thereby supporting H1 and H2. The online group associated the buying channel with a smaller value than the respondents who searched offline (Monline= -3.96 vs Moffline = -6.0; $F(3,21538)$;

$p < 0.001$). The negative amount indicates that both groups would ask for a compensation amount to change the channel. Since the online group would be satisfied with a smaller compensation, they attribute less value to their chosen channel and in consequence their CWTP scores are lower. Moreover the interaction between search channel and VS is also highly significant. We found both channel groups exhibiting variety seeking to significantly attribute less value to subsequent buying channel compared to respondents who did not like to try new products. These findings support hypothesis 3.

Discussion

We showed that online shoppers, which exhibit variety seeking, attribute the smallest value to the channel they used for purchasing. For multichannel managers this implies a different pricing strategy for customers who search online or offline, in order to get a bigger share of consumer surplus. Such a value based pricing strategy could motivate variety seeking online shoppers to use the online sales channel, since

they attribute a relatively low value to the buying channel. This could be implemented with discounts for online search and purchases, since these consumers are also more cost effective. In addition, variety seeking offline customers should be included in such a strategy. The company can further enhance their valuation by offering loyalty programs or bonus systems to them. Finally, by leading customers to the channel that best fits their needs, companies might evade internal channel conflicts, which manifest in sales agents competing for the most profitable consumers. This will result in more internal synergies.

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Nobody Said Leaving was Easy – How the Number of Search Channels Influences Consumer Purchase Channel Choice

Tobias Schlager - University of St. Gallen

SUMMARY

An increasing number of consumers use different channels to search and purchase (Google 2009). In academic research, this phenomenon, described as "the propensity of consumers to research the product in one channel [...], and then purchase it through another channel", has been dubbed research shopping (Verhoef et al. 2007, p. 129). A seminal article comes from Verhoef et al. (2007). However, the framework calls for further investigations. First, although highly relevant the possibility of searching in multiple channels is precluded (Yahoo! Inc. and OMD 2006). Second, the underlying decision making processes have not been clarified, which presents a tremendous opportunity (Verhoef et al. 2007).

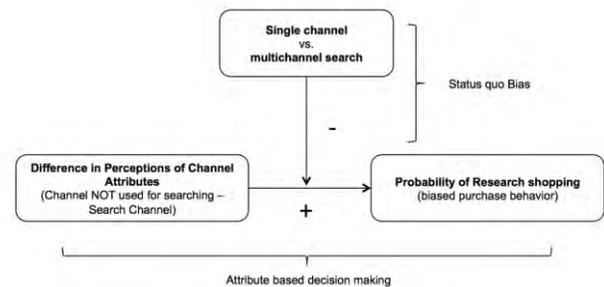
Based on the status quo bias theory, which emphasizes the tendency to retain an option just because it represents the status quo (Samuelson and Zeckhauser 1988), the article addresses these gaps. The main premise of this article is that the consumers' path during the information search determines research shopping; moreover, it is suggested that consumers do not act rational in selecting the channel for making the purchase, i.e., under specific circumstances a channel evaluated inferiorly is chosen.

In the presented study, a simplified 2 x 2 matrix of research shopping is considered. That is, research shopping from an offline to an online channel and vice versa is investigated. It is suggested that those consumers who use one channel are subject to a status quo bias (and do not indicate research shopping unless the channel used for searching is by far inferior), whereas the others are not since they have a more objective view (and display research

shopping immediately when the search channel is slightly inferior). Hence, we propose:

Multichannel consumers switch when they consider an alternative channel slightly superior, however, single channel consumers remain with a channel unless alternative channel is considered superior by far.

The conceptual model is displayed in the following:



We test the idea by data of a large-scale survey (16,276 banking consumers, collected in 2011) and a logistic regression. Whether or not a channel is considered superior for making a purchase is determined by three relative perceptions of the channels for making a purchase (perceived usefulness, perceived risk and perceived ease of use of the channel for making the purchase). Additionally, multiple control variables were used (gender, age, experience with product, product complexity, price):

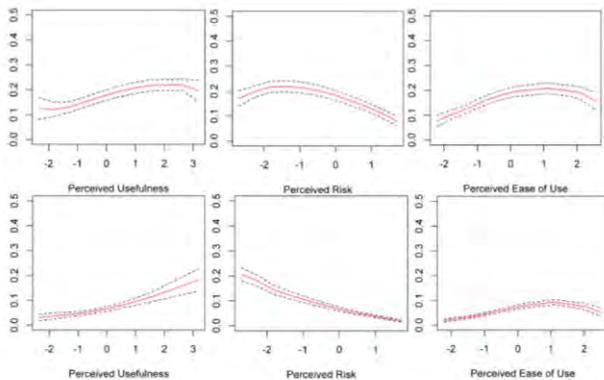
Table 1: Results of Binary Logistic Regression:

Research shopping	Model (1)			Full Model		
	Covariates only			All polynomials		
	β	<i>p</i>	SE	β	<i>p</i>	SE
Search channel (off-, online)	2.402 ***		(.049)	1.876 ***		(.057)
# Search channels used	1.144 ***		(.046)	1.110 ***		(.047)
Δ Buying Usefulness				1.108 ***		(.041)
Δ Buying Risk				-.518 ***		(.038)
Δ Buying Ease				.312 ***		(.027)
Δ Buying Usefulness ²				.149 +		(.034)
Δ Buying Usefulness ³				-.232 ***		(.027)
Δ Buying Risk ²				.076		(.031)
Δ Buying Risk ³				-.183 **		(.026)
Δ Buying Ease ²				-.299 ***		(.028)
Δ Buying Ease ³				-.068		(.027)
Constant		***	(.167)		***	(.175)
<i>HL-Test</i>		.10			.32	
Pseudo <i>R</i> ²		.216			.249	
<i>LL</i>		-6583.7			-6310.2	

Notes: + $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

To interpret the results and account for the influence of the number of search channels used, the difference in the predicted probabilities of research shopping between both situations (multichannel search and single channel search) were simulated, varying the three focal variables.

Figure 2 a-f: The Difference in the Probabilities of Research Shopping between a Multichannel and Single Channel Search (a-c: Online, d-f: Offline Search), with 95 % confidence bounds



Results

For searching online the inversely U-shaped curve was supported for all three explanatory variables (Figs. 2a-c). Hence, the difference between a multichannel and a single channel search is biggest when the alternative search channel is evaluated as slightly better than the primary search channel. When the attributes of the alternative channel for buying are perceived better by far, consumers switch channels for

purchasing, regardless of being multichannel consumer or not.

However, when searching offline (Figs. 2d-f), no inverse U-shape is evident. Additional simulations beyond the range of the focal variables were employed, indicating that also the functional form for offline is an inverted U-shape; the peak was solely not reached, indicating that the status quo bias is substantially more accentuated for searching offline (i.e. consumers do *not* start switching in the offline – single channel search condition).

Discussion

The results demonstrate that having a clearly defined status quo, i.e. one search channel only, makes consumers prone to sticking with it for making the purchase. As suggested, the probability of research shopping increases when complementing information search with a second channel. The status quo bias theory (Samuelson and Zeckhauser 1988) helps interpreting the findings and showing the boundaries of economics theory for consumer channel behavior that was mainly used by previous research (Verhoef et al. 2007).

By explicitly considering how many channels are used for searching, previous research (Verhoef et al. 2007) is extended in a highly practical way, since nowadays most commonly more than one information source is used. Therefore, this proposal does not only provide theoretical contributions, but is also of high practical relevance. Integrating channels throughout the search and purchase phase becomes increasingly more relevant, since most consumers do not rely on a single source of information.

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Drivers of Price Information Search in Brick-and-Mortar and Online Channels

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SUMMARY

Introduction and Theoretical Framework

Customers' price information search behavior influences buying decisions, willingness to pay and as a final consequence price competition in retail markets. With the growth of online retailing, price information search has become even more relevant (Peterson and Merino 2003) and channel-specific pricing strategies have to be developed (Grewal et al. 2010). Therefore, it is very important for retailers to understand which factors influence the customers' price information search behavior in brick-and-mortar and online channels. Understanding price search behavior is also relevant from a public policy perspective, as customers should be encouraged to search for prices in order to make economically better purchase decisions.

From an economics of information perspective (Stigler 1961), the amount of price information search depends on its expected benefits in relation to the expected search costs. Previous research mostly analyzed the impact of different variables related to benefits and search costs on price information search in brick-and-mortar grocery retailing (Berné et al. 2001; Talukdar 2008; Urbany et al. 1996), but also some studies on price search behavior for durable goods (Grewal and Marmorstein 1994; Marmorstein, Grewal and Fishe 1992) and in online channels exist (Jiang 2002). In particular Urbany et al. (1996) analyzed the impact of a very comprehensive set of antecedents on price search for groceries. These include drivers related to economic returns (e. g., perceived price dispersion and budget constraints), psychosocial returns (e. g., market maven motives, shopping enjoyment), search costs (e. g., difficulty of store comparison, search constraints), human capital (e. g., price knowledge) and demographic surrogates.

However, the impact of these drivers may differ between product categories and channels.

Economic benefits might be more important in high price categories, while psychosocial benefits might be more important in hedonic categories. Time and mobility constraints might be more relevant in brick-and-mortar shopping while internet experience might be a relevant driver of online price search. Furthermore, we can expect different levels of price search between product groups. Price search behavior should be stronger for more expensive and more functional versus less expensive and/or more hedonic products. Price search in the internet should be stronger than price search in brick-and-mortar, as price dispersion is expected to be higher, price comparisons should be more easy and time and mobility constraints may be lower (Noble et al. 2005).

Research Approach and Methodology

We extend previous research by analyzing the impact of different influencing factors on brick-and-mortar and online price search in three different product groups. We selected groceries (low price level and high purchase frequency), household electronics (higher price level, more functional) and fashion (high price level, more hedonic). Then, we created three versions of a questionnaire, one for each product group. We measured different influencing factors of price search using multi-item scales, mostly based on Urbany et al. (1996). Furthermore, we measured different forms of price search behavior, such as brick-and-mortar price search, pure online price search and price search focusing on comparisons between online and brick-and-mortar channels.

Questionnaires were distributed by students participating in a market research course, taking care of quotas for gender, age and income. In total, we collected 808 completed questionnaires.

Results (Key Findings)

Results show firstly that pure online price search and price search focusing on comparisons between online and brick-and-mortar channels are closely related and therefore summarized as online price search. Regarding brick-and-mortar price search, we concentrate on price comparisons between stores.

Results show in both channels the highest amount of price search for high-price functional products (electronics), followed by high-price hedonic products (fashion) and low-price products (groceries). Surprisingly, the amount of brick-and-mortar price search is stronger than the amount of online search, however this difference is moderated by product groups. While the difference is small for electronics, it is especially large for groceries. For groceries, customers perceive the price dispersion in the internet lower and search effort as higher, which might explain the small amount of price search for groceries in the online channel.

Regarding drivers of price search in brick-and-mortar channels, we observed positive effects of price dispersion and budget constraints on price search behavior. Both variables related to economic benefits show the strongest impact on price search for high-price functional products (electronics). Regarding search costs, the perceived effort reduces price search behavior (with the exception of electronics), while time and mobility constraints are completely irrelevant. Price mavenism only influences search behavior for groceries positively, while shopping enjoyment only influences price search for electronics positively and for groceries negatively.

For online search, results show again positive effects of price dispersion that are higher compared to brick-and-mortar retailing. Again, price dispersion has the strongest effect for

electronics. Interestingly, budget constraints do not influence online price search. The perceived effort has a much stronger effect on online compared to brick-and-mortar price search and also internet experience shows up as an important constraint. Price mavenism has positive effects on online search behavior for groceries and fashion, while shopping enjoyment seems to be less relevant.

Summary and Implications

The results extend existing research on price information search behavior by analyzing the impact of a comprehensive set of drivers on price search in different channels and product groups. Observed differences indicate a need for more channel- and product-group specific research. The results have also important managerial implications. The higher level of price search in brick-and-mortar channels indicates that retailers should be careful with shifting their competitive focus from brick-and-mortar to online channels. Also the understanding of price search drivers is important from a managerial perspective. The irrelevance of budget constraints for internet search indicates for example that products targeted at higher income customers are subject to price search in online channels. Results regarding shopping enjoyment indicate that in brick-and-mortar retailing, grocery stores can reduce price information search by addressing shopping enjoyment, while electronics stores may increase it by the same means. From a public policy perspective, results are interesting, as they show that perceived effort and limited experience with the internet limits price information search in online channels.

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Give and Thou Shall Receive: Consumer Reciprocity in a Retail Setting

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SUMMARY

The retail environment is exposed to tremendous competition, and managers are continually forced to come up with strategies to increase satisfaction, sales, and profits (Bolton and Shankar 2003; Wallace et al. 2004). The challenge of retail stores is to make the shopping experience satisfying to ensure that customers not only spend money but also return. Many managerial strategies influence consumer decisions to patronize a store, including mass media advertising, loyalty cards, coupons, and price discounts. These strategies are often costly and thus erode stores' profit margins. In 2003 17.4% of the store sales was spent on in-store marketing (Ball 2005). The idea behind this is to trigger customers' unrecognized needs and lead to increased purchasing (Inman et al. 2009). With increasing pressure and competition, many retail stores are using gifts as a marketing tactic to influence consumer behavior. However, does giving gifts to consumers really influence their behavior? Two important issues are whether the value of the gift matters and whether a voucher has the same effect as an actual gift. In this study, we examine the effect of gift-giving in an actual retail environment with both attitudinal measures and actual consumer spending.

Our field experiment used four different conditions to test our hypotheses related to gift-giving, the value of gifts, and the use of vouchers. The first group was a control group, which did not receive any gift (no treatment). The second group was given a small gift in person. The third group was given a voucher for a larger gift, and the fourth group was given a larger gift (the same gift as in condition three) in person. The smaller gift was a key chain, and the larger gift was a can of Pringles chips. All

gifts were given at the entrance of the store. In the case of the voucher the gift was picked up by the customer inside the store during the same shopping trip as the voucher was administered. For each condition, 500 gifts/vouchers were given out, and 100 surveys were collected after the consumers had finished their shopping.

The results show that though gift-giving has a positive effect on satisfaction. However, the value of the gift does not matter; that is, a more expensive gift does not translate into higher satisfaction scores than a less expensive gift. Interestingly, our research supports that the value of the gift is directly related to the amount the consumer spends. We also find that giving a voucher for a consumer to redeem a gift does not create the same reciprocal return as giving a gift directly. These findings support the decision of many managers to give gifts to their customers. So, the question for retailers is whether the value of the gift really matters. Unfortunately, the value of the gift does matter. Therefore, to generate a larger positive effect, the firm should invest in more expensive gifts. The results from this study show that retailers are not wasting precious resources by increasing the value of the gifts provided to customers. Although giving extravagant gifts on a regular basis might not be feasible, a simple upgrade from cheap gimmicks and valueless gifts to a moderate-value gift may confer positive effects to the company's bottom line.

An additional key issue for managers is that though the effect of vouchers seems to create more satisfied consumers, it does not translate into higher consumer spending. This means that a change from vouchers to gift-giving in person would be a more effective sales strategy to increase the sales of a product in a

certain campaign. Consequently, managers should focus more on investigating the financial outcomes of the different sales strategies and reduce the emphasis on consumer satisfaction to track the direct results of a campaign. It should be noted that our research focused on a

particular visit to a retail store. Consumer satisfaction might have long-term effects, such as bringing the consumer back to the store or increasing the share of wallet spent in a particular store.

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SHOPPER MARKETING AND THE POST CRISIS CONSUMER

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SUMMARY

Today, retailers and manufacturers strive to influence consumers “in shopping mode”, when they are prepared to make a choice, along and beyond the entire path-to-purchase. Marketing activities designed for this purpose are referred to as “shopper marketing” (Grewal et al. 2011). Retailers and manufacturers regard shopper marketing as a priority (GMA 2009).

In recent years significant changes in shopper behaviour have taken place: consumers are now shopping for the best offering at the best price, and rely on a variety of information sources at all stages of the process (Shankar et al, 2011). These changes have been driven by powerful environmental factors among which technology and the economy – the economic crisis in particular - have a prominent place. A new scenario seems to be opening up where more planning and preparation for shopping is carried out before the customer enter the store (Shankar and Yadav, 2011).

Traditionally, shopper marketing research has emphasised the fact that around two thirds of consumer decisions are taken in-store: hence the relevance of investing on in-store marketing levers; some authors however stress one lever above the others (POPAI 2012).

In the new context, what is the relationship between pre-shopping behaviour and in-store marketing levers? Can in-store marketing still influence post crisis consumers as before or their new planning attitudes limit the impact of in-store shopper marketing? These questions are relevant from an academic viewpoint (see new research solicited by Grewal et al, 2011 and Shankar and Yadav, 2011) and a managerial one. On the latter point, the answer can guide decisions as to how to allocate marketing budget to out-of-store vs. in-store marketing activities. In times when marketing budgets are rigid if not in decline, and when new channels appear every day, grounding budget allocation decisions on sound findings on the relative effectiveness of in-store vs. out-of-store levers is of paramount importance.

The overall hypotheses are that: a) pre-trip activities have increased in importance and diffusion; b) these activities have an impact on in-store shopping behaviour, specifically they negatively impact impulse buying. We expect both pre-trip activities’ influence and the reduced relevance of impulse buying be different by category and by store format.

To test the increase in pre-trip planning activities we measure: a) the amount of time consumers devote to a list of pre-trip activities (as seen in literature: reading flyers and FSI, writing shopping lists, checking websites, downloading coupons and generally price information collection); b) the number of diverse activities carried out by consumers.

To measure impulse buying we combined two methodologies: a) in-store observation of shoppers facing the in-aisle display (to measure time employed for in-category choice activity) and b) subsequent survey of 1050 shoppers with the aid of a structured questionnaire. Respondents were also asked to leave their shopping list with the researchers who subsequently analysed them to enrich knowledge of list preparation as one pre-trip activity.

The study focused on three retail banners operating the EDLP supermarket, hi-low supermarket and hypermarket format in one major geographical market. The choice of these formats is based on different levels of promotional pressure and different behaviour displayed by format shoppers as documented by syndicated analysis (Nielsen 2012). Similarly, a broad set of categories was selected to cover planned vs. impulse shopping categories and high and low involvement categories as defined by literature, on the ground that shopper behaviour is different in the different contexts.

Our study found that pre-trip activities are common and span a variety of online and offline tasks and customers see these activities as having an influence on their choice of store, category and brands. In-store behaviour seems to be more directed by pre-trip activities than generally assumed.

A major contribution for management is the finding that shoppers differ as for the effort

put in pre-trip activities, ability to recall price, time in front of display and impulse/planned purchase ratio. A cluster analysis revealed three segments. 62% of shoppers (labelled “grab & go”) display the fastest in-store shopping process. Possibly as a consequence, their impulse buying is reduced to a minimum. A second cluster (29%) is driven by impulse buying and has been little influenced by pre-trip activities, as testified by low accuracy in price recall. Only 9% of shoppers are “professional shoppers” characterised by engagement in all pre-trip activities, long time spent in front of the display, great price recall accuracy. An interesting finding is that these professional shoppers indulge in some impulse buying – possibly driving their confidence from the amount of preparatory work they do.

Store format pricing policy seem to be relevant in mediating pre-trip activity, price recall, impulse buying: more research is needed into the impact of EDLP pricing vs. hi-lo pricing on pre-trip activity and in-store shopping behaviour.

Surveyed consumers agreed to provide their loyalty card numbers. Currently the research group is working in testing the moderating role of variables in the loyalty database, such as spending, frequency and demographics on the shopping style clusters outlined above.

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Beyond Charitable Giving: A Cross-national Investigation of Psychological Distance in Cause-related Product Buying Decisions

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SUMMARY

Cause-related marketing (CRM) is now increasingly gaining prominence as a global form of promotion to support an organisation's corporate social responsibility aims and to increase market share (Barone, Norman, & Miyazaki, 2007). While prior research has focused on charitable donations and other methods of helping causes and constituents, less attention has been directed to the perceived distance/closeness of a social cause in driving consumers' cause-related product (CRP) buying decisions. For example, even though research has often called attention to personal relevance and presentation of cause-related cues in CRM promotion (Pracejus & Olsen, 2004), psychological distance has not obtained the attention it deserves. It cannot be denied that psychological distance is a key antecedent to pro-social and inter-temporal decision-making among consumers. Moreover, perceptions of psychological distance may vary widely in different cultural contexts. We contribute to the emerging literature on cause-related shopping by demonstrating the impacts of various psychological distance constructs on cause-related shopping among consumers in the UK and China.

From two studies conducted both in the UK and China, we first demonstrate that individual consumers are more likely to purchase cause-related products when they experience the closeness of temporal factors and a low level of uncertain distance, compared to social and physical distance. This result suggests that the immediate effect and the outcome of the campaign are more important to consumers when purchasing products promoted as cause-related.

Second, we illustrate that a stronger emotional response introduces greater buying intention of a product associated with a psychologically distant cause. Additionally, psychological distance generates lower levels of effort and cost towards motivating a CRP, which in turn reduces likelihood to buy.

Third, we find significant differences between Chinese and British consumers in psychological distance and CRP buying behaviors. For Chinese consumers, the more social closeness an individual feels toward a good cause, the more likely they will purchase the product. Consumer avoidance of purchase is easily generated by the sense of doubt in company's motivations and charitable reputation. In the UK market, the more a consumer feels physically close to the CRP, the more likely they will buy it. Additionally, British consumers were more likely to buy cause-related products even if the required costs and efforts were high. Finally, the effects of psychological distance vary under different product types. The willingness to pay a higher price is also varies with psychological distance.

Taken together, these studies demonstrate that people's perceived immediate affect plays an important role in shaping cause-related product buying and the likelihood of their paying a higher price. For Chinese consumers, the outcome of the company's corporate social responsibility aims is also important in shaping whether individuals buy cause-related products, but if the experience includes a heavy cost of obtaining it, then they may be more reluctant to purchase such products.

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CONSUMER BEHAVIOR ANALYSIS IN THE DIGITAL WORLD

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SUMMARY

ABSTRACT: A conjoint and subsequent eye-tracking experiment were conducted to understand how different attributes presented in an online environment affect consumer behavior. The first study assessed the motivating impact of antecedent stimuli such as price, ordering type, shipping, size, pictures, donation to charity and guarantee. The second study was an eye-tracking experiment that examined the total time spent on a social media page and the fixation time on price labels. Results from the conjoint study showed that price had the highest impact on the participant's likelihood of an online purchase. Nevertheless, the fixation on price was dictated by direct and indirect manipulations of price such as size, positioning of the label, and type of model.

Keywords: Digital marketing, consumer behavior analysis, Facebook marketing, eye-tracking

1. INTRODUCTION

New technologies and interactive shopping media are altering the face of retail landscape. Consumers are now able to exploit opportunities online for information exchange and price/product comparison. Undoubtedly, the process of product search, selection and purchases is moving from an offline to an online environment at a staggering pace. Therefore, possibilities exist for both field and laboratory experiments through controlled manipulations of the online environment. We conducted two studies to understand how different attributes, presented in the online social media environment, affect consumers' behavior, such as observations, behavioral routes, click through rates and fixation time. The first study identified the salient stimuli used in online web pages using an unstructured interview with

online shoppers and then analysed the motivating impact of these stimuli on online purchase behavior using conjoint analysis. The second study utilised an eye-tracking device to assess real-time behavior that consumers display when making online purchases. The main stimuli obtained from conjoint analysis were tested in this study.

2. METHOD

2.1. Conjoint Analysis

Participants. The current research was conducted in collaboration with Mania, an Icelandic fashion store who has a strong presence on Facebook. Participants were randomly selected from the student population, as they are a key target market for Internet retailers and also for the products (dress and shoes) used in the study. (Sample size - 84; 16 men, 68 women; age categories <20, 21-30, 31-40, 41-50 and >50)

Procedure. Prior to study design, an unstructured interview with online shoppers helped identify the salient stimuli associated with online shopping. Table 1 shows main attributes identified and levels used to generate a factorial design. The study assumed participants would purchase a dress through a Facebook page. 18 visual pictures of stimulus cards (online shopping situations) were presented and they were instructed to evaluate them in relation to how likely they were to purchase the item. The cards were prepared using levels from the fractional factorial design (see Table 2) and were administered using Microsoft Power Point™ presentation and a questionnaire. The dependent variable was defined by measuring participants' likelihood of purchasing through Facebook. The descriptive anchors were measured using a Likert scale from "not at all likely to purchase" (code 1) to "most likely to purchase" (code 5).

2.2. Eye-tracking Study

Participants. 34 students (16 men, 18 women; age categories: <20, 21-30, 31-40, 41-50 and >50), both foreign and Icelandic were randomly divided into two groups with different order of interventions. The target products were fashion dresses displayed on Mania's Facebook page.

Procedure. Each participant received 90 pictures, 45 in the first session and 45 in the second.

Independent variables for the study were the attributes obtained from the conjoint study in order of their importance and dependent variables included time to first fixation and fixation length. Tobii Studio 1.3 application and Tobii Eye-Trackers were used to analyze the behavioral process of respondents, selectively noticing one aspect over the other.

3. RESULTS

Table 3 shows the impact estimate and relative importance of attributes. The first column displays attributes and levels, the second represents utility estimate, and the third shows the importance ranking of the seven stimuli. Base impact is the constant, and other attributes values contrast with it (5.4.) in either positive or negative direction. Correlation is found between observed and estimated preferences (Pearson's $r = .96$, $p = .00$).

Attributes	Utility estimate	Importance value	Importance ranking	Std. Error
Color		15.21	3	.108
Through aerial	185			1.08
Through online website	284			1.08
Through phone	-212			1.08
Price		21.9	1	.099
9,000 kr	-1.501			1.91
13,000 kr	-1.061			1.91
17,000 kr	-1.502			1.91
Shipping		11.94	5	.290
Free shipping	-2.07			0.99
Price non-members	4.88			1.01
1,200 kr	-4.21			1.01
Size		9.98	6	.164
Available sizes mentioned	-285			3.07
Sizes not mentioned	671			3.07
Photos		13.25	4	.090
Face picture	278			1.01
Front and back picture	308			1.01
360 degree view	324			1.01
Charity		8.74	7	.168
Yes	272			3.07
No	549			3.07
Guarantee		18.85	2	.164
With guarantee	-1.801			1.01
No guarantee	3.401			1.01
Constant				5.4

Table 3. Conjoint impact estimate and relative importance of attributes

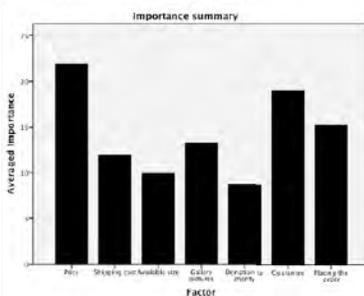


Figure 1. Impact score for attributes

Figure 1 shows the average impact for all seven attributes and their relative impact when participants rated the likelihood of purchasing a dress. Price was the most important attribute with average impact score of 21.9%, followed by guarantee, order placement, gallery pictures,

and shipping cost, respectively, with 19%, 15.21%, 13.28% and 11.94%. The two least important attributes were available sizes (9.98%) and donation to charity (8.74%). Three participants were excluded from the eye-tracking study due to incomplete data. Data for 31 participants were analyzed yielding a total of 2790 observations. Figure 3 provides total fixation time and fixation time on price for pictures with model and mannequin. Evidently from the figure, the fixation time on price is higher when the item is worn by a mannequin rather than by a model. Conversely, total fixation time on the picture is higher with the model.

Figure 4 shows that, on a Facebook page, price fixation time is higher when it is added to the picture as opposed to being mentioned on the right side, below the company details.

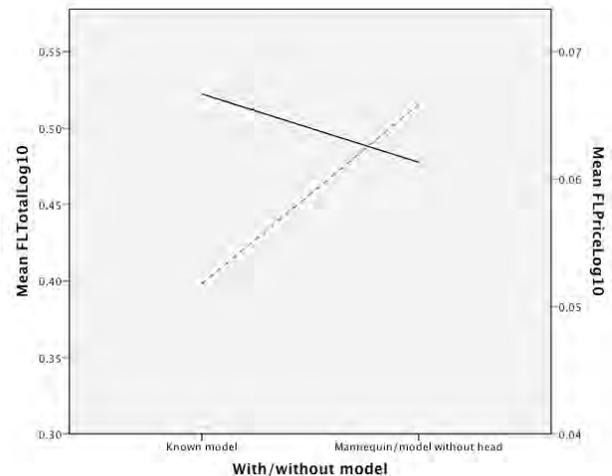


Figure 3. Total fixation time and fixation time on price for pictures with model and mannequin

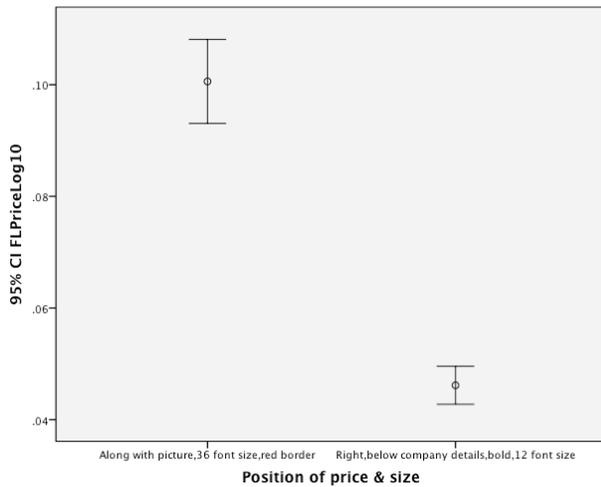


Figure 4. Fixation time on price with different positions of price and size

3. DISCUSSION

Conjoint analysis studied the impact of the most important attributes in a social media setting. Price was deemed the most important stimuli in an online shopping environment and therefore was focused on in the eye-tracking study. Results from the latter showed that price

receives more attention when the product is worn by a mannequin. Conversely, attention span on the item as a whole is increased in the presence of a known model. We aimed at manipulating the eye fixation (or observational behavior) directly and indirectly from a behavioral economic point of view, i.e., taking observational behavior as scarce resources where different stimuli compete for attention and influence one other. Therefore, by decreasing the response cost for viewing the price labels i.e., moving it from baseline placement (top right where it is often placed in social media marketing) to the left centre (juxtaposed to the product), and by increasing font size, we could augment fixation on price. Both these studies emphasize the importance of experimental analysis of online behavior.

Attributes	Levels
Placing the order	1. Through e-mail
	2. Through online website
	3. Through phone
Price	1. 9.000 kg
	2. 13.000 kg
	3. 17.000 kg
Shipping cost	1. Free shipping
	2. Pick up from store
	3. 1.200 kg
Available sizes	1. Available sizes mentioned
	2. Available sizes not mentioned
Gallery pictures	1. Front picture
	2. Front and back picture
	3. 360 degree view
Donation to charity	1. Yes
	2. No
Guarantee	1. With guarantee
	2. Without guarantee

Table 1: Attributes and levels

Stimulus cards	Price	Shipping cost	Attributes and levels for the 18 cards					
			Available size	Gallery pictures	Donation to charity	Guarantee	Placing the order	
1	1	1	2	1	2	1	1	
2	1	1	2	2	1	2	3	
3	1	2	2	1	1	2	1	
4	2	3	2	2	2	2	3	
5	1	3	1	1	2	2	1	
6	3	2	2	1	2	1	3	
7	2	2	1	2	2	2	1	
8	2	1	2	1	1	2	2	
9	3	3	2	2	2	1	2	
10	2	1	2	3	2	1	1	
11	3	1	1	2	1	1	1	
12	1	2	1	3	1	1	2	
13	3	3	2	3	1	2	1	
14	1	1	1	3	2	2	3	
15	1	1	1	1	1	1	1	
16	3	1	1	1	2	2	2	
17	3	1	2	3	2	2	3	
18	3	2	2	3	1	1	1	

Table 2: Factorial design used to generate stimulus cards

MOBILE MEDIA AND IN-STORE SHOPPING EXPERIENCES: PROFILING APP USAGE IN FOOD RETAILING

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SUMMARY

Introduction

There is no doubt that mobile media will play an increasingly important role for in-store shopping, shifting customer behavior as well as retail business models (Hennig Thureau et al., 2010). The role of mobile marketing innovations for customer's in-store experiences has been noted as an area of particular interest in academic research (Shankar et al., 2010) and IBM recently predicted that the integration of physical store environments and mobile technologies may well be one of the biggest innovations in the coming five years (Takahashi, 2013). For the in-store customer, the mobile device becomes an extension of the store where the shopping experience is intertwined with the augmented functionality and experiences offered by the digital services. This functionality is not limited to price promotions but rather a range of services aimed at facilitating and supporting customers' shopping experiences.

In recent years, Sweden has seen a dramatic increase in the use of smartphones. 73 % of consumers currently own a smartphone, of which 17 % have used it in their shopping during the past year (e-Survey, 2013). Shoppers use their smartphones for a variety of activities such as creating shopping lists, search for products and prices, ask questions to retailers, compare products, receive coupons, make purchases, or to immerse yourself in expanded services and experiences after the purchase is completed (Im and Ha, 2013; Shankar et al., 2010; Dickinger and Kleijnen, 2008; Kim and Forsythe, 2008). Shoppers are thus today not only recipients of information up companies but very much active in how they ask questions and seek information from retailers.

Specifically smartphone applications (apps) are generally regarded as demand-driven

as they are based on the client's active decisions about the download and installation (Im and Ha, 2013).

Previous research shows that grocery stores have an opportunity to influence consumer buying process (Rudolph and Emrich, 2009), but also that retailers largely underestimated their ability to influence the shopping experience through mobile technologies (Saarijärvi et al., 2013).

The research project

This paper is part of a larger research project conducted in collaboration with Sweden's largest food retailer, ICA, which aims to explore how the use of retailers' mobile applications influences the in-store shopping experience and how those experiences change over time. The project combines longitudinal evidence with qualitative shopper insights.

As a first step in this effort the paper aims to describe the use of retailers' app functions and their perceived benefits among different groups of grocery shoppers. Thereby it touches upon several core areas suggested by the *In-store marketing conference*, including app usage, engagement activities, and technology integration. It is based on a recent in-store survey, carried out in November/December 2013, of potential app users (retail customers who currently owns a smart phone). The survey employs established variables for measuring media usage and new technology acceptance (Venkatesh & Davis 2000; Venkatesh & Bala 2008).

Method

This paper is based on a random representative sample of 499 Swedish shoppers. The data collection is part of an annual survey tailored for the research project, and carried out by a marketing research agency. Content validity of

the instrument was established by grounding it in existing literature on technology acceptance using a total of 25 questions.

Preliminary Findings

In our presentation we report on exclusive preliminary findings from this first dataset, which elucidate the role of apps in shopping practice and resulting experiences for shoppers. Thus our preliminary findings profile app usage in food retailing. Specifically, we report on the perceived usefulness, perceived enjoyment, perceived ease of app use, intention to use apps

for shopping and also contextualize app use vis-à-vis other traditional and digital media in food retailing. These findings offer various implications for retailers and marketers. Thus, our preliminary findings constitute a first effort to deeper understanding how the use of smartphones in the buying process affects the shopping experience and how the current app profiling holds relevant opportunities for retailers to further engage in actively shaping desirable and valuable shopper experiences.

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Tracking mall's shopper behavior using intelligent positioning systems

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SUMMARY

This study looks at the metrics and strategic information potentially obtained by geographical mobile-phone shopper tracking in a shopping mall environment. In a recent technology refinement, the ubiquity and the marketing relevance of the mobile phone can be accurately used to generate data feeding forecast and performance models. Building on the concept of consumer's repertoire of stores, we measure their size and analyze the repeated behaviors and shopping patterns of mall's shopper in response to retail marketing activities such as sales promotion.

Shopper tracking in shopping mall

Before discussing the relevance of tracking shopper it is useful to understand the specific nature of the setting where the shopper walks: shopping mall. The following definitions pinpoint their main features:

“a mall is taken to mean a coherent and controlled group of retail outlets, rather than a more random grouping of outlets under individual control” (McGoldrick&Thompson, 1992-a, p.8). “The synergistic effects of multiple retail establishments located in proximity to one-another,...” (Howell&Rogers, 1981, p.671). “Not only can visitors consume products and services in a variety of ways within the malls, the mall itself offers experiences that are consumable. From their inception, enclosed malls have offered patrons the advantage of climatic comfort and freedom from the noise and traffic which characterizes other shopping venues” (Block et al., 1994, p.24).

To purchase is not the only motivation that causes people to visit a mall. The social atmosphere, social interaction (Feinberg, et al., 1989) and the browsing enjoyment

(Jarboe&McDaniel, 1987) also play an important role in the mall's consumer attraction. In turn, functional or economic motivation variables, deal proneness variables, recreational shopping motivation variables and demographic variables are some of a group of variables describing shopper characteristics that correlate with mall visit frequency (Roy, 1994). Mall repatronage intentions are directly connected to the mall atmosphere of excitement. In turn, the latter also influences the desire to stay and it is a function of the tenant variety, the physical environment and the involvement with the mall (Wakefield& Baker, 1998).

Mall's managers need to measure the traffic and its evolution over time. It allows them to assess the impact of their own or competitors' promotional activities whether based on price or entertaining events. Another advantage of learning the shopper's circulation pattern is to adjust the tenant mix (Brown, 1991; 1992) and consequently improve the profitability. Apparently old-fashioned, this topic is still demanding innovative contributions both conceptually and technologically (Shankar et al., 2011). In the point of view of the consumers, the mall allows them to conveniently visit several stores and fulfill a variety of purchasing needs or just explorations (browsing). Regardless, the nature of customer relationship with the store brand – loyal or switcher – their behavior shows that they interact with several places both physically and virtually sometimes depending on the promotional incentives (Gijsbrechts et al., 2008; Leszczyc et al., 2004; Verhoef et al., 2007). The current literature stresses the competition among stores and the switching behavior versus loyalty. However, consumer may visit and purchase in several stores in a consistent manner. Loyalty does not mean exclusivity. By labeling the set of stores consumers consistently visit in a specific shopping mall as the consumers' repertoire of stores we are focusing on the whole and not on the individual stores. The research methods currently used do not allow to accurately measuring the size and composition of that repertoire. It would be useful to assess its

stability over time as well as how it affected to mall events and promotions.

Research questions

What is the size and composition of consumers' repertoire of stores?

What is the dynamic (repeated store visits vs. new ones) of shoppers?

In what extent consumers' repertoire of stores changes in response to a promotional activity?

Are there some synergistic effect among major tenant anchors' promotions and the other small retailers? In the sense when a store anchor initiates a sales promotion (price-based) and/or events other non-anchors may also benefit.

Mobile phone-based shopping tracker

The traditional tools – such as the footfall – give an instant account of incoming traffic in the different malls' doors. In this millennium, new tracking sensor systems were developed allowing an automatic data collection: visual (infra-red), sonar and electromagnetic waves (Kung and Vlah, 2003; Alreck and Settle, 2007; Leykin and Tuceryan, 2007). Those networks of sensors (nodes) capture the signal emitted by radio frequency devices – gsm, wi-fi and bluetooth – such as mobile phones. Depending on the differing signal intensity and distance between nodes it is possible to estimate the position of that device (Giaglis, 2002; Kamvar et al., 2009; Varshney, 2002). The implicit link between one device and the owner/shopper only makes this tracking procedure reliable if we assume that everybody has access to a mobile phone and it is online.

Methodology

The scope and limits of this technology determines the quality and quantity of the automatic, real time streaming data we can collect. The Business Indoor Positioning System (BIPS) detects any change in temporal-spatial coordinates in less than 15 seconds and as long as the distance between two mobile phones is greater than 10 centimeters their signal is processed separately. Every device has a unique identification code therefore it is possible to monitor and track the same shopper every time she/he visits the mall and get the following data:

shopper trails, routing movement trajectories and directions, areas where she/he stays; indoor activity – if he/she stops near the information desk or the digital info display; in which store she/he stops and eventually get in; navigation time, time spent walking, stopping and staying in the store; how many times does she/he visit the mall per week/month/year? frequency and inter-visit span to each store.

There are several applications of the phone-based shopping tracker; most of them were sample-frame dependent within a limited time frame (Chuang-Wen et al.2011). BIPS algorithm processes all signals, self-corrects interferences, and removes bottlenecks thus providing more accurate data (see the appendix).

The shopper tracking data collection started in October 2013 as well as the information related to all mall/store activities including store events and price promotions. Most of those retail activities were announced by email and sms through their own CRM, mall and store official website and by advertisements – leaflets, shop windows posters and electronic displays.

This approach is phenomenological since it only allows analyzing behavioral data. We can understand the impact of specific retail marketing activities on shopper spatial, temporal and repertoire of stores profile. We cannot know who is the shopper: their demographic, psychographic profiles or their motivations to visit a specific store. Therefore, this study operates at an aggregate or macro level.

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Eye-tracking Customers' In-store Search Behavior: The Effect of Store Familiarity on Visual Attention at Different Stages of The Search Process

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SUMMARY

Several studies have investigated customers' in-store search behavior and some of the basic mechanisms of the search process. Research objectives have included customers' search strategies and product-locating behavior (Titus & Everett, 1995; 1996), the effect of signage on navigational ease (Dogu & Erkip, 2000), and the influence of familiarity with the shopping environment on way-finding abilities (Chebat et al., 2005). However, few studies have explicitly measured customers' visual

attention during the in-store search process. The general lack of research on this topic is surprising, since vision, by definition, is central in most search tasks.

The purpose of this field study is to provide more explicit measures of customers' visual attention during the in-store search process. More precisely, given that 80 percent of shoppers' in-store time is spent navigating and that the remaining 20 percent is spent deciding which items to purchase (Sorensen,

2009), the aim is to investigate customers' visual attention during these two stages of the search process (i.e., navigation and decision making). This is particularly important since a key focus of shopper marketing is to influence customers throughout the entire shopping cycle (Shankar, 2011), and therefore during both the in-store navigational stage and the subsequent decision-making stage.

A total of 101 customers (62 male) participated in the present study, which was conducted at a grocery store. At the store entrance, each subject received a pre-prepared shopping list and was instructed to collect the products on the list as a fill-in shopping trip (i.e., a specific trip just for those items; cf. Nordfält, 2005). To collect the products on the list, participants had to walk past 30 in-store signs located either on the way to (16 signs) or at the actual products (14 signs). Thus, approximately half of the in-store signs could be visually perceived during the navigational search stage, whereas the remaining signs could be perceived during the decision-making stage. Since signage stimuli facilitate navigation (e.g., O'Neill, 1991) and positively influence unplanned purchases (e.g., Chevalier, 1975), the number of eye-fixations toward the in-store signs was used as a measure of customers' visual attention during navigation and decision making, respectively.

A head-mounted eye-tracking system (Tobii Glasses) similar to a regular pair of glasses recorded participants' eye fixations (the points at which the eye fixates upon an object and acquires information; Russo, 2011) at a sampling frequency of 30 Hz. Eye-tracking enables more precise measures of consumer responses (Grewal et al., 2011) and is one way in which in situ ongoing search behavior can be studied on a second-by-second basis (Shankar et al., 2011; Spiers & Magurie, 2008). In addition to the eye-tracking measures, data were obtained through post-study questionnaires. Since previous studies (e.g., Chebat et al., 2005; Otterbring et al., 2014) have found that familiarity with the shopping environment and navigational fluency (the subjective ease of

navigating in a particular area) are important factors when investigating search behavior and visual attention in retail settings, measures of customers' levels of store familiarity and navigational fluency was collected after the participants had completed their task.

A 2 (store familiarity: unfamiliar, familiar) \times 2 (search stage: navigation, decision making) mixed ANCOVA with navigational fluency as the covariate and visual attention toward in-store signage as the dependent variable revealed a statistically significant ($p = .030$) effect of the covariate. Navigational fluency was positively associated with visual attention toward in-store signage. The main effect of search stage was marginally significant ($p = .078$). Customers had a slightly larger number of eye-fixations toward the signage stimuli at the decision-making stage ($M = 11.11$) compared to the navigational stage ($M = 8.86$). The main effect of store familiarity on visual attention was non-significant ($p > .37$). However, the analysis revealed a statistically significant ($p = .049$) store familiarity \times search stage interaction. Store-unfamiliar customers ($M = 9.94$) had a larger number of eye-fixations toward the signage stimuli than store-familiar customers ($M = 7.32$) during the navigational stage of the search process. On the contrary, store-familiar customers ($M = 12.26$) had a larger number of eye-fixations toward the signage stimuli than store-unfamiliar customers ($M = 10.30$) during the decision-making stage (see Figure 1).

This finding suggests that in-store signs, and presumably other visual in-store stimuli, are prioritized during different stages of the search process depending on customers' levels of store familiarity. Store-unfamiliar customers direct more of their visual attention toward in-store signs at an earlier stage of the search process (during navigation), and may therefore use these stimuli primarily as a way-finding tool. Conversely, store-familiar customers direct more of their visual attention toward in-store signs at a later stage of the search process (during decision making), and may consequently use these stimuli more as a guide for their shopping needs. Such an interpretation

also implies that store-familiar customers should be more easily influenced by the viewing of various visual in-store marketing cues. Additionally, this may partly help to explain the

results by Inman et al. (2009), who found that store-familiar customers are more likely to make unplanned purchases.

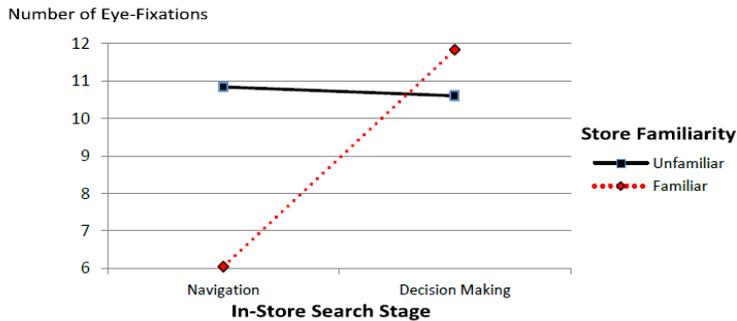


Figure 1: Store-unfamiliar and store-familiar customers’ total number of eye-fixations toward in-store signage during navigation and decision making, after controlling for navigational fluency.

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IDENTIFYING SHOPPING MISSIONS BY MINING POINT OF SALE DATA

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SUMMARY

Introduction

Understanding the reasons consumers enter stores for has always been among retailers’ greatest aspirations. The economic hardship, under which retailers in many countries operate, challenges previously held beliefs that consumers enter stores with loosely defined shopping goals (Kahn & Schmittlein, 1989; Lee & Ariely, 2006) and budgets (Stilley, Inman, & Wakefield, 2010) and with the intention to interact with as many products as possible. Nowadays, consumers plan their groceries well

ahead and visit stores more frequently and for fewer items at each time.

Previous empirical work (Bell, Corsten, & Knox, 2011; Nordfalt, 2009) has utilized measures of descriptive nature such as the basket size and value to figure out what consumers “bring to store” (Bell et al., 2011) and how consumers assume the “shopper’s role” (Shankar, Inman, Mantrala, Kelley, & Rizley, 2011). The overall shopping trip goal (Bell et al., 2011; Lee & Ariely, 2006) characterizes store visits based on their abstractness. In this

framework, store visits range from the very precise and concrete (e.g., to take advantage of a specific promotion) to relatively abstract (e.g., to fill up on weekly needs). However such approaches provide limited, if any, information with respect to the specific reasons consumers enter the store for, i.e., the actual products to be purchased.

The aim of this paper is to contribute to the literature by introducing the shopping mission concept. We define shopping mission as: *the underlying consumption need(s) of a single store visit, which results in purchasing products that reflect this need.* For instance, consumers may enter the store to buy products for breakfast such as milk, toast, eggs etc. and/or to prepare a meal, e.g. meat, pasta, vegetables etc. This means that they have two different shopping missions when entering the store. Firstly, we use cluster analysis to identify shopping missions based on the sales affinity (Bezawada, Balachander, Kannan, & Shankar, 2009) and logical complementarity (Voss, Godfrey, & Seiders, 2010) of the product categories purchased. We then investigate the relationship between shopping missions and store size.

Method

We employ the k-means clustering algorithm to identify the shopping missions from a point-of-sale (POS) data set comprised of 18 million baskets from 8 stores of a major supermarket chain in Greece. All stores selected are situated in the larger Athens metropolitan area. Our analysis includes 2 small-sized convenience stores, 2 medium-sized supermarkets, 2 “mini-hypermarkets”, and 2 “flag-hypermarkets” with 220, 1000, 2750, and 12000 m² of selling space respectively. To cancel out any seasonality effects, while at the same time ensure the analysis timespan does not go far in the past where market conditions may have altered, we utilize POS data from 17 consecutive months, namely from January 2012 to May 2013.

Baskets are the clustering objects because they represent the collection of product items purchased by a single customer, during a single store visit. The product categories

included in each basket serve as the clustering variables. Prior studies confirm that shopping trip planning takes place on a category rather than on a brand or stock-keeping unit (SKU) level (Bell et al., 2011; Block & Morwitz, 1999; Inman, Winer, & Ferraro, 2009). The k-means partitioning algorithm is employed as is well suited for data set segmentation tasks (Everitt, Landau, Leese, & Stahl, 2011) with the number of clusters to be optimally selected by the algorithm itself. A data transformation is performed to represent the case in which a product category is included in a basket or not with a binary value of (1) or (0) respectively. Finally, no weighting of variables is implemented as we assume all product categories are of equal importance.

Results

Separate cluster analyses, for each of the 8 stores, reveal shopping missions that relate to a number of underlying consumption needs. The “breakfast” shopping mission refers to baskets in which milk, baked goods, juice, coffee, tea, and cereals categories persist, while the “main course” shopping mission is apparent in baskets dominated by categories such as meat, chicken, vegetables, fish, cheese, and olive oil. Similarly, biscuits, chocolates, soft drinks, and chips recur in “snack” shopping mission baskets, while categories such as washing powders, dish washing liquids, bathroom cleaners, and paper rolls are found in baskets clustered around the “household and cleaning” shopping mission. The percentage of baskets assigned to each shopping mission relates to the size of the store. The “main course” and “household and cleaning” shopping missions jointly account for the 70% of baskets in flag- and mini-hypermarkets, while the “snack” and “breakfast” shopping missions combined make up the 80% and 55% of baskets in convenience and supermarket stores respectively.

We provide evidence that support both the replicability and validity of our results (Pastor, 2010). Replicability is attested by identifying the very same shopping missions when independently analyzing data from each of the two stores with the same size and

geodemographic properties. Validity is demonstrated by the fact that variables exogenous to the cluster model relate to our results in ways anticipated by theory, logic and previous research (Breckenridge, 1989). Shopping missions identified in smaller stores are of significantly smaller size and value compared to those of larger stores. As expected, smaller stores preferred by consumers for smaller shopping trips predominately serve shopping missions of daily essentials such as “snack” and “breakfast”. Contrarily, larger stores with extensive product assortments, better prices and parking facilities, attract larger shares of the “main course” and “household cleaning” shopping missions, associated with expensive and voluminous products. Using the same approach with the data set of another retailer has revealed similar results.

Discussion

This paper contributes to the literature by defining the concept of shopping mission. We show that consumers enter the store with different shopping missions in mind, we identify

the underlying shopping missions using cluster analysis, and we demonstrate that shopping missions are related to the size of the store. The uncertainty consumers undergo in this part of the world has given rise to targeted, concretized shopping. Our analysis confirms that shopping trips of single or at most two shopping missions overcome abstract trips of multiple shopping missions, and that consumers carry out each mission in different stores. In this context, it is important for retailers and manufacturers to identify the shopping missions that each store, or channel, serves. This way they can devise ways to gain a larger share of consumers’ shopping missions and wallet. Practitioners may further exploit such results when designing stores, i.e., by adjusting product categories that address specific shopping missions, when devising promotions by distinguishing groups of interrelated products, and also when profiling their clientele by tying shopping missions to customer demographic data from loyalty programs.

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Consumers across a range of platforms

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SUMMARY

Extended abstract

The article discusses the problem of consumers' purchasing behavior and consumer purchasing process in the context of access to many multiple platforms. Dissemination of technology with internet access, conditioning quick access to information affects consumers' awareness and their decisions. Comparing the in-store offers

without the use of network connections requires the consumer time. Internet as a channel of communication has revolutionized the way of gaining and processing information. The main objective of this article is to verify the following hypothesis: Consumers tend to separate the place of actual purchase of chosen product from the place of making the final decision about this

purchase. The hypothesis assumes that customer chooses where to purchase the product across multiple platforms deliberately regardless of the place of choosing the product itself. The article can be divided into three different parts. Author starts his consideration of the problem with literature research connected to consumer and e-consumer terminology. He analyzed secondary quantitative data of Internet users in general population and the share of users who buy online in 28 countries of the European Union. The quantitative data from 2013 show that the dilemma of separating e-consumers from total consumer group is groundless. The next step was to run the quantitative research. In-depth interviews were conducted on 27 people. The sample selection was deliberate and all of participants had internet access at home as well as owned a phone with internet access operating system (smartphone). The group was diversified due to age, education, place of residence, sex and income. The purpose of the interviews was the preliminary identification of retail customers buying process and formulation of research problems and hypotheses. Those were later subjected to further primary quantitative research verification. Qualitative research showed that consumers are very pragmatic and they treat instrumentally shops both in-store and online. Consumers use different attributes of the brick and mortar stores, online stores, mobile applications as a source of a particular product selection. The place of making the final decision about this purchase is often not the same as the place of actual purchase of chosen product. This situation refers to both: the use of different platforms within the same company, as well as the change of platform is related to change of the company, which derives financial benefit from the transaction. The study also made it possible to observe separate groups of determinants that have contributed to make aware decision to change platforms of purchase and group of determinants conditioning the place of choosing a product. Interviews were based on detailed descriptions of the decision-making process and purchasing products differentiated due to the frequency of purchase.

Customers discussed the situation taking into account the 3 areas: product, source of information, place of purchase. Within these areas obtained information about the reasons for the desire to purchase a particular product, the consumer previous experience, the frequency of purchase a specific product, searching alternatives, the determinants of choice of a specific product, place the decision to purchase a product, place of purchase and finalize the transaction and the of determinants the choice of place of purchase. Based on in-depth interviews the author formulated specific hypotheses. The last phase of the research concerned the quantitative research. Survey was conducted online access. 1,430 people were invited to participate, the survey started complement 326 people. From this group after eliminating questionnaires completed from one IP and not fully complemented in further analysis included 234 survey. The study was carried out in the age-group differentiation. Age structure - 53 percent women, 47 percent men. Analysis of the results allowed to verify the hypotheses. The data show that with the decrease the frequency of purchase and increase the relevance of a product to the buyer, it significantly increases the use of different platforms in order to make the right decision. It should be noted that the choice of product platform is often not identical with the place of purchase. It is important that the consumers two-way movement identified. Some consumers have decided in store and made a of purchase in the online shop. Some whereas decided to choose a product in the online shop, and purchase made in a brick and mortar store. The study also took into account the use of mobile applications and mobile access to the Internet as a source of seeking competitive offers being in store. This tool allows you to quickly obtain additional information about the opinions of other users of the product, and obtain information about lower priced a product available on the internet. This may be one of the causes of intentional change platform. The study also allowed the pre-define the characteristics of the products for which takes place this situation. Conducted primary

research identify the perception of different platforms for consumers in an instrumental way, using the values generated by different sales channels. From the perspective of the seller, it can be described as "robbing the service element in the trade." This is particularly important if you change the platform will also involve a change the retailer from which the consumer buys. Seller, in which the consumer decided to

purchase a particular product, thus bears the indirect costs, which in a given situation does not generate revenue. It seems reasonable, therefore, to undertake further studies related to the identification of factors that may mitigate such behavior, and make a deeper analysis and customer segmentation based on a representative sample.

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Social Exclusion, Shopping and Well Being: A three - shopping channel approach

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SUMMARY

Introduction

Social exclusion has a wide range of negative effects on individuals' happiness, wellbeing, and health (Baumeister et al., 2005). Previous studies have linked social exclusion with mobility and disability (Stanley et al., 2011) and they have discussed the negative relationship between access to transportation and accessibility to several resources such as shopping outlets (Wrigley et al., 2002). Such negative relationships can have important effects on an individual's wellbeing (Currie and Delbosc, 2010).

Shopping can elicit both cognitive and affective responses (Lang and Hooker, 2013) and can provide both utilitarian and hedonic value to consumers. Older people and those with disabilities are often excluded from the benefits of shopping and socializing due to mobility issues (Jones et al., 2009). Access to retail stores is a particularly acute issue for people with mobility difficulties. Online retailing has the

potential to offset physical access difficulties, playing an important role in providing housebound shoppers with social benefits (Parsons, 2002). On the other hand, the characteristics of consumers have a significant effect on their behavior towards the use of technology (Dabholkar and Bagozzi, 2002) and ageing and disabilities may negatively impact on attitudes and technology efficacy. Previous literature has found that technology efficacy and level of experience (Yang, 2012; Yang et al., 2011) also influence the adoption of electronic shopping in general and mobile shopping in particular. Therefore, self-efficacy and experience with technology or the perceived behavioral control (Ajzen, 1991) of using technology are still important factors when examining consumer attitudes and consumer behavior despite the fact that nowadays consumers are increasingly more competent at using technology (Olson et al., 2011). This particularly applies to older consumers (Teller et

al., 2013) or those who live in rural areas (Schuetz et al., 2012) for whom online shopping can potentially address one of the main problems faced, i.e. access to the shops.

The objective of this paper is to study how multiple shopping channels (namely mall, web-based retailing using a computer or a cell phone) may affect consumer behavior and subsequently how shopping behavior may affect consumers' wellbeing by offsetting the negative impact of social exclusion.

Methodology

The project was carried out in the United States of America based on an online survey with 1368 consumers. The constructs related to shopping with a computer, a cell phone or at the mall were: Hedonic and utilitarian value (Babin et al., 1994), subjective norms for shopping using a channel, attitude towards shopping using a channel (Ajzen, 1991; Yang, 2012) perceived behavioral control when it came to each channel (Yang, 2012), the time spent shopping using a channel, the proportion of disposable income spent on a channel shopping online (Liu and Forsythe, 2011), social exclusion (Lim and Kim, 2011), and the contribution of shopping using a channel to an individual's wellbeing (Hedhli et al., 2013). Respondents were grouped according to mobility/disability (Shepherd, 1999), age, and area of residence (US Census Bureau, 1995). Independent t-tests were used in order to examine the differences between the respondents in terms of these variables (Field, 2005). Structural Equation Modeling was employed to examine the influence of social exclusion, hours per week shopping in each shopping channel on shoppers' connection with the community, happiness and wellbeing from a multi-channel vantage point.

Findings

Our findings suggest that the perceived hedonic value from shopping online using either a computer or a cell phone and the utilitarian value of shopping using a cell phone is significantly higher for consumers who suffer from mobility/disability problems. The effect of subjective norms for shopping online using either a computer or a cell phone, or for

shopping at the mall is also stronger on the same consumer segment.

The results also suggest that the perceived hedonic value and the subjective norms for shopping online using a computer and a cell phone or shopping at the mall were greater for younger consumers. In addition, the perceived utilitarian value and the attitude towards either shopping online using a cell phone or shopping at the mall were also stronger amongst the younger consumers. In contrast, attitude and perceived behavioral control of shopping online using a computer was greater for older consumers.

The area of residence has a statistically significant effect on the variables associated with shopping. The perceived hedonic value and the subjective norms for online shopping either using a computer or a cell phone and shopping at the mall were stronger for consumers who live in urban areas. In addition, the attitude towards shopping online using a computer and a cell phone, the perceived utilitarian value of shopping online using a cell phone and shopping at the mall, and the perceived behavioral control of shopping online using a cell phone and of shopping at the mall were also stronger amongst the consumers who live in urban areas.

The results from SEM illustrate that people who report social exclusion tend to shop more by all three channels but significantly more by cell phone than in the mall or by computer. Time spent shopping in the mall and by cell phone both have a significant positive effect on connection with the community and happiness and wellbeing. Shopping by cell phone has the strongest effect on happiness and well-being, compared to shopping in the mall and shopping by computer.

Conclusions

Our findings contribute to theory by showing the importance of shopping to consumers' wellbeing. The results also indicate a significant effect of online shopping on happiness and wellbeing, in particular for socially excluded consumers. The findings highlight the importance of online shopping and therefore

provide evidence for retailers of the importance of the online shopping experience, which could

enhance the wellbeing of socially excluded consumers.

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Touchpoint usage in a shoppers' path-to-purchase

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SUMMARY

As preferences for touchpoints have changed since the advent of the Internet (Burke 2002) knowledge about shoppers' path-to-purchase is increasingly important (MSI 2012) and challenges retail managers to reallocate their marketing budgets.

In order to gain a deeper insight into the shoppers' path-to-purchase, we analyze how touchpoint usage is influenced by utilitarian (task oriented) or hedonic (recreational) product category characteristics and purchase risk (high/low uncertainty) – a framework recently used by Kushwaha and Shankar (2013). Unlike past research (see Neslin and Shankar 2009) we also consider channels which are not owned by the retailer.

In H1-H3, we will replicate and further extend Kushwaha and Shankar's (2013) research. In addition, we will investigate the role of evaluation portals, search engines and social media in H4-H5, which has not been covered in Kushwaha and Shankar's (2013) research.

Shoppers more strongly plan their purchases and more likely engage in extensive information search in task oriented product categories compared with recreational oriented product categories which are characterized by impulsive and unplanned purchases (Kushwaha and Shankar 2013). As the use of multiple

touchpoints supports a deliberative and extensive search process, we propose the following hypotheses.

H1: Shoppers in task oriented product categories will visit a higher number of touchpoints than shoppers in recreational product categories.

Previous research found that shoppers spend more in task oriented product categories when using only a single-channel but consumers' spending for recreational product categories increases if they visit multiple channels (Kushwaha and Shankar 2013). As the physical stores better satisfies urgent purchase needs due to the immediate availability of products, it will play a stronger role for task-oriented purchases. In contrast, purchases in categories with a recreational orientation will increasingly take place at home, using the online shop as an initial touchpoint.

H2: Categories characterized by a high task orientation will have a higher share of physical store visits and a lower share of online shop visits than categories with recreational orientation.

The need to gather additional information for task oriented purchases is lower if uncertainty is low, supporting efficient and habitualized

shopping behavior through a single channel (Kushawa and Shankar 2013).

H3: The share of online shop visits will be particularly low if categories with high task orientation are also characterized by low uncertainty.

However, if uncertainty is high for task oriented purchases, shoppers will more likely gather additional information at independent online touchpoints.

H4: The share of evaluation portal visits and price comparison portal visits will be particularly high if categories with high task orientation are characterized by high uncertainty.

As recreational product categories are associated with hedonic benefits (Holbrook and Hirschman 1982), customers will more likely visit social media touchpoints for recreational purchases compared to task oriented purchases because social media emphasize experiential facets.

H5: The share of online social media visits will be higher for categories with high recreational orientation than for categories with high task orientation.

Survey

We conducted an online survey with 2.809 cross-channel shoppers from Austria, Switzerland and Germany in October 2013. Respondents were asked to remember their last shopping experience at a cross-channel retailer. For this specific shopping occasion they should indicate touchpoints they had used, beginning from the first thoughts about buying the product and ending with the actual purchase at their chosen cross-channel retailer. Among other variables, we measured shoppers' assessment of task and recreational orientation (Kaltcheva and Weitz 2006) and a measure related to purchase risk (Urbany, Joel, Dickson and Wilkie 1989) shoppers associated to the retail category from which they bought at their last shopping experience.

Results

To replicate Kushwaha and Shankar's (2013) classification of retail categories, we first assessed the most often mentioned retail categories based on customers' task-/recreational orientations and uncertainty perceptions. In line with Kushwaha and Shankar (2013; see Table 1) clothing (N=832), entertainment media (N=390), electronics (N=634), and food (N=274) were categorized. Electronics and food were categorized as task oriented product categories and clothing and entertainment media as recreational oriented product categories.

Figure 1 shows the touchpoints, consumers used in their path-to-purchase at their last shopping occasion at a cross-channel retailer. Results show that the online shop and the physical store are the most often used touchpoints; surprisingly, the online shop is used most often. Although social media and mobile apps are often discussed as rising trends, they are still used rather seldom in the path-to-purchase.

INSERT TABLE 1

INSERT FIGURE 1

Hypothesis 1 is confirmed because shoppers in the task oriented product categories visited significantly more touchpoints (\bar{X} 4.06) than shoppers in the recreational product categories (\bar{X} 3.39), ($t=7.10$, $p<.001$).

Regarding **hypothesis 2**, a pairwise chi-square test confirms that task oriented product categories show a higher share of physical store visits than recreational oriented product categories ($\chi^2(1)=32.01$, $p<.001$) and recreational product categories reveal a higher share of online shop visits than task oriented product categories ($\chi^2(1)= 35.35$, $p<.001$).

INSERT TABLE 2

In support of **hypothesis 3**, a chi-square test further confirmed that categories with a high task orientation and low uncertainty have a significant lower share of online shop visits compared with the category that has the second lowest share (electronics) ($\chi^2(1)=62.75$, $p<.001$).

Confirming **hypothesis 4**, categories with high task orientation and high uncertainty have a significantly higher share of evaluation portal visits ($\chi^2(1)=25.358, p<.001$) and price comparison portal visits ($\chi^2(1)=93.394, p<.001$), compared to the category that has the second highest shares, respectively (food; entertainment media).

Hypothesis 5 cannot be confirmed.

Surprisingly, task oriented product categories have a significant higher share of social media visits than the recreational product categories ($\chi^2(1)=10.840, p<.01$) – showing a significant difference in the opposite direction as hypothesized. We are looking forward to

discussing this counterintuitive finding at the conference using a moderation analysis of customer traits to provide better explanations for this phenomenon. That is, we also collected data concerning the shoppers shopping orientation (e.g. convenience, uniqueness or assortment shopper) which our research project will use to identify the moderating conditions of customer touchpoint use.

	Recreational orientation score	Task orientation score	Uncertainty score
Clothing	3.4	5.3	2.8
Food	2.8	6	2.3
Electronics	2.9	5.8	2.7
Entertainment media	3.7	5.4	2.4
Average Score	3.2	5.6	2.6

Table 1: Recreational-/ task orientation and uncertainty scores

		Task oriented product categories		Recreational oriented product categories		
		High Uncertainty	Low Uncertainty	High Uncertainty	Low Uncertainty	
		Electronics (N=634)	Food (N=274)	Clothing (N=832)	Entertainment Media (N=390)	Pearson χ^2 -Significance
Physical store of the chosen cross-channel retailer	Visits in total	424	223	522	204	p<.001
	In Percentage	66.9%	81.1%	62.7%	52.2%	
Evaluation portal	Visits in total	86	7	13	7	p<.001
	In Percentage	13.6%	2.5%	1.6%	1.8%	
Price comparison portal	Visits in total	245	19	56	42	p<.001
	In Percentage	38.6%	6.9%	6.7%	10.7%	
Online Shop of the chosen cross-channel retailer	Visits in total	404	97	554	275	p<.001
	In Percentage	63.7%	35.3%	66.5%	70.3%	
Social Media (e.g. Facebook, Youtube, Pinterest)	Visits in total	76	34	68	28	p<.05
	In Percentage	12.0%	12.4%	8.2%	7.2%	

Table 2: Touchpoint usage in the different product categories (multiple answers were possible)

**Selected touchpoints across all sectors (N=2.809)
Frequency in percent (multiple answers possible)**

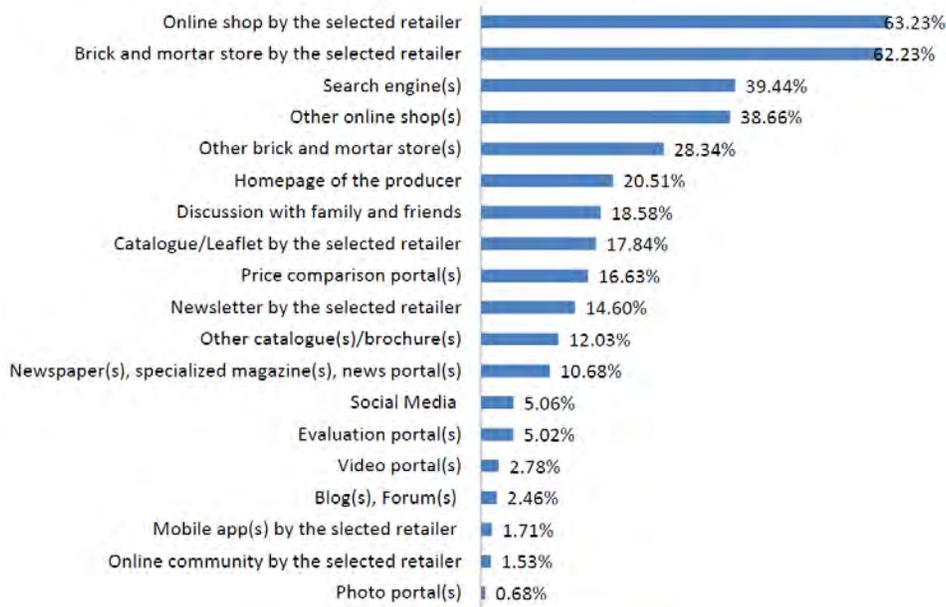


Figure 1: Frequency of touchpoint usage during the path-to-purchase

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Online buying behavior in Technological and Office Products

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SUMMARY

The growing interest in the Internet as a research and shopping mean, as well as the increase amount of businesses being conducted online, by both consumers and firms, have been fascinating practitioners and researchers alike, with the topic of online consumers behavior (Teo, 2002). This growing interest has to do with the awareness that the analysis of consumer behavior is a key aspect for the success of an online business (Hernández *et al.*, 2010). Understanding what makes an individual shop or not shop online is one of the main wishes of companies with an online presence.

The main aim of the current paper is to develop empirical knowledge regarding the role of the internet, in the context of the product purchases. The focus is on the relationship between companies and their customers, namely regarding the maintenance of long term relationships. We specifically aim to understand the Portuguese online search and buying behavior regarding Technological and Office Products (TOP), including computer Software (excluding video games), Hardware, Office material and Electronics and mobile phones (e.g., digital cameras and Hi-Fi).

First, the analysis refers to 800 respondents of a face-to-face questionnaire addressing the general behavior towards online consumption: the main objective was to better understand the use of internet as a research tool and/or purchase of products. The questionnaire was divided in 3 main parts: 1) In the first part the respondents were asked about the tools they used for the access to the Internet, what was the frequency, the places (home, working place, among others) where they used it more frequently (and which one was the most relevant) and also, the importance of each used tool; 2) In the second part, a list was presented with various products/services and a first question concerned search for information and whether it was conducted online or offline; the other questions referred to the purchase of products. 3) Finally, a socio-demographic characterization of the respondents, was included. The average age of respondents to the face-to-face questionnaire was 42 years (standard deviation was 16 years) and there were slightly more women than men.

A second questionnaire was conducted online and referred specifically to TOp. It reached 430 Internet users with an age superior to 15 years old – mostly young and males (68,5%) - and enabled to further explore the characteristics of online buying of TOp. This questionnaire referred to a specific site the respondents selected as the most used for

purchasing TOp online - the most referred websites were Pixmania (22,8%) and Fnac (17,6%); other websites also referred were Chiptec, Kunto Kusta, Dealextrême and Staples. When asked about the main reason to visit the website the majority of respondents chose leisure, followed by work; other reasons were commodity, lower prices, suggestion by friends, etc. Purchasing online was a quite recent activity for respondents - the average number of years of online purchase experience was around three. Most respondents bought Electronics (43%) and Hardware (40,8%); Software and Office material accounted for around 8% each.

The average value spent on Office material was 710€, Hardware 401€, Software 397€ and Electronic Material 242€. Generally, digital purchases occurred in National websites - more and more people trust national websites, believe they are of good quality and offer a good service. However, for Software purchases, international websites were the most used. Even though people were generally satisfied with their online store it seems loyalty is never granted - most admitted visiting other websites for the TOp category, although almost 45% said they didn't visit other websites. Most of the respondents said they started online purchase by their own initiative although the advices of friends, colleagues or family were considered important.

A Principal Components Analysis was conducted to improve the understanding of TOp related online purchasing behavior. The main dimensions extracted are exhibited in Table 1.

Table 1 – The determinants of online behavior regarding TOp

Principal Components	Explained Variance
<i>Interactive Marketing</i>	
The website takes into account the views of customers	39,22%
The website encourages suggestions for changes to service	30,51%
<i>Personalization of services</i>	
The website provides personalized service and treatment	60,02%
<i>Satisfaction</i>	

The website provides satisfaction referred to online purchases	78,91%
<i>Loyalty</i>	
The client prefers and recommends the website	59,99%
The client will probably use a competing website	25,09%
<i>Trust</i>	
The website is trustworthy	60,16%
<i>Experience of Purchase</i>	
The website entertains and matches the lifestyle of the client	65,39%

The dimensions extracted using PCA enabled to evaluate the presence of some hypothesized relationships.

- If the client felt that the website valued his opinion (Interactivity), provided a personalized service and treatment (Personalization), entertained and matched his lifestyle (Experience) a positive impact on the overall satisfaction was observed.
- No relationship was found between the overall satisfaction and the possibility/encouragement to make suggestions for service change.
- If the client was satisfied with the purchases, he tended to feel the website was trustworthy.
- If the buyer felt the website was trustworthy he preferred and recommended it. Nevertheless, it was also likely for him to use a competition website, meaning that the TOp clients are difficult to keep.

The main limitations of this study regard the samples used – quota sampling was used for the face-to-face questionnaire and respondents were selected by convenience in the online questionnaire (a mixed snowball sampling process was also involved). Therefore, the conclusions are referred to the respondents only.

Future studies should also address the factors influencing a person to change for the competition, despite being satisfied - better deals and better service factors should be considered. The absence of relationship between satisfaction and the possibility/encouragement to make suggestions for service changes is also a subject that can be further explored in the future.

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Analysis of consumers' interactions of eWOM behaviour in microblog

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SUMMARY

A growing reliance on the Internet as an information source when making choices about products or services raises the need for more research into electronic word of mouth (eWOM). Social media (e.g. Facebook) have revolutionized communications and consequently the marketing of products or services without boundaries (Jansen et al., 2009; Lueg, et al., 2006). Recently, industry research reports have showed that microblog is now the second only to Facebook in the social networking category (CINIC, 2013; Nielsen Report, 2012a). Microblogging sites have grown explosively which have intrinsic value for disseminating, collecting, and sharing rich and timely data because of its connectivity, rapidity, and accessibility without original author's permission (Tapia et al., 2011; Vieweg et al., 2009). In recent years, Chinese microblogging Sina Weibo, a hybrid of Twitter and Facebook, providing a primary channel for eWOM to take place has greatly empowered people themselves to act as sensors or sources of information that could impact on consumer choice. Particularly, the informants, reviews, and recommenders from online blogs are critical for interacting social activities and influencing consumers purchasing intentions (Godes and Mayzlin, 2004; Hus and Tsou, 2011; Litvin et al., 2008; Park et al., 2007).

Microblog in China reached 97% of all mainstream social media users (Chiu et al., 2012). Past research indicated that the majority

of Chinese customers preferred peer-to-peer conversations and recommendations in the social media world, and they tended to use Sina Weibo as the informal channel for collecting product-related information (Bao et al., 2013; Liu et al., 2012). Those social interactions

(Godes et al., 2005) may lead to the establishment of new social issues and substantial changes in values and ideas (Thorson and Rodgers, 2006). With over 46 million messages were posted each day on Sina Weibo (Lam, 2013), Chinese social media users like to talk about their experiences with products; in particular, they place greater trust in companies that have microblogging sites (Deans and Miles, 2011). By analysing 150,000 microblog postings, Jansen et al. (2009) found that 19% of microblogs mentioned of a brand and nearly 20% contained some expression of brand sentiments.

Prior research indicates that eWOM has a strong impact on consumer choice (Jasen et al., 2009, organisation's operation (Dellarocas, 2003), and consumer decision making process (Chatterjee, 2001; Prak and Lee, 2009). Given the high level of social presence (Dunlap and Lowenthal, 2009; Kaplan and Henlein, 2010; Yoo and Alavi, 2001), both academics and practitioners need to understand how social interactions impact on eWOM behaviour in microblogging sites. Prior research focuses on Western microblog, primarily the United States (e.g. Ellison et al., 2007; Fischera and Reuberb, 2011, Jansen et al., 2009; Pempek et al., 2009), little is published to understand what factors from the Sina Weibo play critical roles in predicting user's behaviour. In light of this observation, this paper proposes a theoretical framework for examining relationships between social interaction-based antecedents, eWOM consumers' engagement behaviour, purchase intentions, and the moderating role of consumer experience in Chinese Sina Weibo.

Based on survey data from 323 Sina Weibo's users, the Multiple Regression tests indicated that six social relationship factors tie strength, attitude homophily, background homophily, trust, normative influence, and informational influence had positively impact

on eWOM behaviour. Particularly, while tie strength and attitude homophily had strongly positive correlations with eWOM opinion-seeking behaviour, trust however showed a weak degree of positive association with opinion-passing behaviour. Both normative and informational influences had strong corrections with opinion-seeking, giving and passing behaviours. In the effect of eWOM engagement behaviour, the results revealed that opinion-seeking and opinion-giving had positive relationships with purchase intentions, in which opinion-seeking made the strongest unique contribution to purchase intentions. Surprisingly, opinion-passing did not significantly predict purchase intentions. Furthermore, the Hierarchical Multiple Regression showed that customer experience with Sina Weibo can strengthen the relationship between eWOM engagement and purchase intentions.

The primary value of this paper lies in providing a better understanding of

microblogging service as the communication platform for organisations. On the theoretical side, this paper synthesises a number of relatively unexplored constructs in the microblogging context to provide a framework of the antecedents and consequences of eWOM. On the practical side, this study uses social capital and marketing theories to provide companies with compelling answers about the factors that provoke eWOM behaviour and purchase intentions. The future research could examine specific product or brand on the effects of eWOM to test purchase intentions.

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SUSTAINABILITY INFLUENCES ON PRICE AND PROFIT – THE CASE OF THE INDUSTRIAL SHOPPER IN THE FISHING INDUSTRY

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SUMMARY

Context

Shoppers' response to sustainability of products and production processes has been widely discussed, and research suggests that shoppers have more positive attitudes and ultimately increased willingness to pay (WTP) for sustainability (e.g. Moosmayer 2012:198-200). However, the neglected intention-behavior gap of experimental and survey research has recently been criticized (Chatzidakis et al. 2007, Devinney et al. 2010). We aim to address this concern by using real transactional data. A second characteristic of existing studies is their focus on private shoppers. The question of how sustainability affects prices paid in industrial relationships and ultimately sellers' product profitability has remained underexplored. We address this gap and investigate whether suppliers can generate a sustainability price premium when selling to industrial shoppers.

Conceptually, we focus on three aspects. First, we distinguish the influence of an industry-specific sustainability label (MSC – Marine Stewardship Council; dummy *msc* in regression) from a general organic label (BIO label; dummy *bio* in regression). We expect that both provide added value by increasing legitimacy and – assuming that consumers may be willing to pay a price premium – that industrial shoppers are willing to anticipate such a price premium. However, we also argue that an industry-specific label should have a stronger positive impact.

Second, we consider the shopper's sector and distinguish between industrial shoppers from the grocery sector and those from the gastronomy sector (dummy *grocery* in regression). In this context we see a structural difference between distribution channels. In the grocery sector, packaged products are sold to consumers and labels are thus displayed and are

more likely to influence brand and price perceptions. Accordingly, because of the increased visibility of sustainability labels in the grocery sector, we expect grocery to moderate the influence of MSC labels on profitability; i.e. we expect the sustainability label to have a stronger impact on grocery than on gastronomy shoppers.

Third, we consider the pricing authority on the supplier side. For those products for which price setting authority is centralized (dummy *central* in regression), we expect pricing to be more professional and thus to result in higher profit margins. We also expect that sustainability labels are more likely to be presented as value added and thus to positively influence profitability when product prices are set centrally. We thus theorize the following model (β_i X_i represent a set of controls):

$$\beta_0 + \beta_1 \text{ msc} + \beta_2 \text{ bio} + \beta_3 \text{ grocery} + \beta_4 \text{ msc} \times \text{ grocery} + \beta_5 \text{ central} + \beta_6 \text{ msc} \times \text{ central} + \beta_i X_i + \varepsilon_0 = \text{profitability}$$

Data and Method

We analyze aggregated transaction data from a European Fishing SME. The company buys fresh fish from vessels, processes it, and sells it to major retailers in the grocery sector and to restaurants and catering services in the gastronomy sector. We analyze 5,685 different products that the company sells and aim to understand which characteristics drive a product's profitability (sales price / purchase price – 1). 7.8 % of the products carried the Marine Stewardship Council (MSC) label and 4.4 % the BIO label. We used multiple regressions with interaction terms to assess moderating effects. A wide array of other factors, such as

producer versus retail brand, number of transactions for each product, and fish species, were included as controls.

Findings and Discussion

Analyses result in the following model:

$$.216^{***} + .050^{***} msc - .029^{***} bio + .021^{***} grocery + .004n.s. msc \times grocery + .069^{***} central - .054^{***} msc \times central + \beta_i X_i = \text{profitability}$$

Results indicate that MSC labels increase product profitability by 5.0%. By contrast, BIO labeled products are associated with a 2.9 % decrease in profitability. Profitability when selling to the grocery sector is 2.1 % higher compared to gastronomy, and customer sector does not influence the impact of labeling (i.e. the MSC x GROCERY and BIO x GROCERY moderation is insignificant). Products that are priced by a central pricing authority have 6.9 % increased profitability. It is interesting that the MSC x CENTRAL moderation is significant with a -5.4 % weight. This indicates that the positive profit impact of MSC exists only when price setting is not managed centrally. Adjusted R2 is .299 (Rad2 = .296) when including the four direct effects of MSC label, BIO label, customer sector, two interactions, 10 variables describing product characteristics (e.g. brand and level of processing) and scale of business (e.g. number of customers and transactions). 9 dummies were included to account for groups of fish species with differing profitability.

First, our results suggest that industrial shoppers are willing to pay for the industry-specific MSC label, but that the generic BIO label, unexpectedly, negatively influences

shopper WTP and supplier profitability. Second, while the grocery business generates higher profitability for suppliers, shopper sector did not moderate the profitability of labels. Third, we found that centralized price authority increases seller's profitability. However, surprisingly, central pricing authority negatively interacted with the profitability impact of the MSC label, and further analysis showed that MSC label's influence is insignificant for products with central pricing authority; hence a sustainability surplus can be harvested only when decentralizing pricing authority.

Implications and Outlook

Our findings may suggest that suppliers focus on industry-specific sustainability labels because industrial shoppers are willing to pay for these while generic organic labels are seen as a cost factor. Moreover, centralized price authority may be more effective, but training central sellers to sell product sustainability as an added value might further increase industrial shoppers' willingness to pay. To improve our understanding of the results, we will contextualize the results with further company interviews, and we look forward to presenting them during the conference.

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Unconscious Price Perception and Information Transfer in Consumer Choice

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SUMMARY

During the regular supermarket shopping trip, consumers go through a sequence of product evaluation and decision tasks. Generally, these tasks are fulfilled in conditions of low involvement and time pressure. Taking these setting characteristics and the vast amount of information that consumers could potentially use to evaluate a product alternative into account, automatic processing is considered to play an important role (Dijksterhuis, Smith, van Baaren, & Wigboldus, 2005). The main question addressed in this paper is whether each product evaluation is seen as closed process or whether, price information from one category is transferred to another one. Research showed that by simply recalling two low priced or high priced products from a specific store, participants generated a corresponding price image of that store (Ofir, Raghurir, Brosh, Monroe, & Heiman, 2008). Contrary, research on price recall repeatedly found that consumers were not able to recall the price of the product they had just chosen (e.g. Gabor & Granger, 1993; Monroe & Lee, 1999). Since explicit recall relies on deliberate processing and encoding of the given information, this procedure might not capture information which was processed, encoded and stored unconsciously (Cheng & Monroe, 2013). Moreover, studies using subliminal stimuli exposure suggest that information which is perceived without awareness during some primary task enhances accessibility of that information and with that performance in a subsequent task (Bargh & Chartrand, 2000). So what happens with the information that was gathered to pursue one choice?

Previous research on cross-category information transfer suggests that similarity features of categories determine information transfer, but the evidence is mixed concerning

the role of conscious and unconscious processing (Adaval & Wyer, 2011; Krishna, Wagner, Yoon, & Adaval, 2006; Nunes & Boatwright, 2004). In addition, several differentiations need to be made with regards to the applicability of these findings to the supermarket setting. All of these studies use extreme price differences which would not be found in the supermarket. Moreover, the products used in these settings were often highly unrelated which is not the case in the supermarkets where usually all products on the list are food related products. Additionally all three studies rely on numeric price evaluation which is in contrast to previous findings from behavioural pricing research indicating that price information is encoded and stored as magnitude representation (Cheng & Monroe, 2013). Willingness to pay estimates might not be the natural way of consumers to evaluate the product and therefore reduces the applicability of their results to a consumer choice situation. We will address these limitations in our study with a special focus on the judgment and evaluation process of price information.

Judgments and evaluation are not made in isolation but rely on a comparison of a target to a standard. This standard can be spontaneously activated via implicit or explicit mechanisms or routinely rehearsed (Mussweiler, 2003). If standard and target are similar enough, assimilation occurs; if standard and target are dissimilar, contrast occurs (Sherif & Hovland, 1961). The selection of the standard against which the target is compared however depends on several factors which can lead to different evaluative outcomes of the same task (Mussweiler, 2003). According to Mussweiler (2003) the default judgment strategy seems to be testing for similarities between standard and target which should result in assimilation.

However, when a certain reference point was previously activated, dissimilarity testing is more likely to occur which should result in a contrasting judgment of target and standard.

Combining the results obtained from literature and relating these to the shopping scenario, it is likely that price information which was obtained with or without awareness while evaluating the assortment of product category A should influence the price judgments of a related product category B due to several similarity features (position in the store, product category, packaging, and price level) which were activated during the evaluation of product A. This leads to the formulation of

H1: If no reference point is given price level information is transferred, however if a specific reference point is suggested, such as an average price for the specific product category, contrasting price judgments occur.

Following Adaval & Wyer (2011), depth of processing should not matter for cross-category price information transfer between similar product categories:

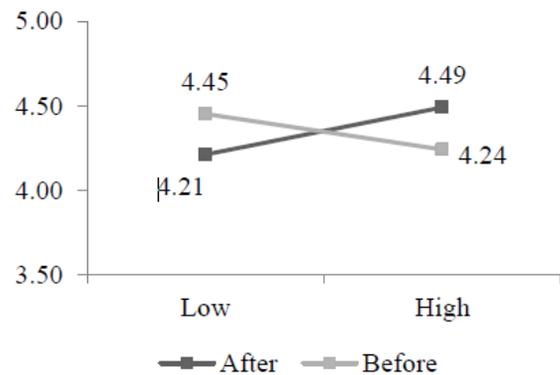
H2: Cross-category price information does not differ between conscious and unconscious perception of price information.

We tested these hypotheses with a 2(price level) x 2(reference price assessment) x 3(price exposure) between subjects design. Participants were exposed to a range of milk alternatives at either above or below average market prices while being instructed to perform a distraction task involving the milk alternatives. During that task milk priced were either shown for 16.7ms, 300ms or permanently. Afterwards participants were shown a medium priced yoghurt assortment and were asked to indicate their perceived average price level. Reference price was assessed either before or after the experimental task as externally suggested reference point.

The results from 315 paid volunteers, support hypothesis 1 that standard selection determines the judgment outcome as shown in

Figure 1. When no external reference point such as the reference price was suggested, yoghurt was judged according to the price level of the previously shown milk. When reference price was assessed before the experimental task, the results hint in the opposite direction. Planned contrasts revealed no significant difference between exposure times, thus supporting hypothesis 2

Figure1. Yoghurt price judgment by price level and reference price assessment



Note: n=315, significant interaction at $p < 0.05$

The results of this study show that standard selection determines judgment outcomes even in consumer choice situations for low priced fast moving consumer goods. Depth of processing does not play a role for price information transfer across similar product categories as previously observed, indicating that price information which is perceived automatically during the shopping situation might still influence price judgments later on in the shopping task. Retailers might benefit from these results in terms of pricing policy and assortment decisions.

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The shopper's path-to-purchase is paved with digital opportunities: An overview of technologies to augment the shopping experience

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SUMMARY

Retailing, and especially grocery retailing, is a self-service business context par excellence. In order for the customer's service experience to be successful, the main prerequisite is that the store enables the customer to get his/her goal accomplished (i.e., shopping as 'work' and/or for 'fun' – extrinsic, utilitarian versus intrinsic, more hedonic shopping motives; cf. Babin, Darden, & Griffin, 1994). There is however more needed to survive in today's competitive and rather mature retail context. Retailers, manufacturers and scholars focus ever more on shopper marketing (Shankar, 2011), targeting the shopper ubiquitously, along and beyond the entire path-to-purchase, in a multichannel, multimedia environment (cf. Journal of Interactive Marketing, 2010, 24 (2), special issue).

Despite the merits of electronic and mobile commerce, it is however unlikely that traditional bricks-and-mortar retail settings will disappear; rather both channels will complement each other in satisfying shopper needs (Zhang *et al.*, 2010). Nevertheless, a proper strategic response is needed in order for offline retailing to sustain its role. In comparison to the wealth of data on which online retailers can rely, things are generally quite different for traditional retailers. As such, the creation and management of marketing intelligence in function of shopper marketing initiatives can be considered a top strategic priority for the latter.

In this vein, the present study focuses in particular on innovative ways to digitally augment the *servicescape* (Bitner, 1992) offered by the bricks-and-mortar retailer. In the present digital era, technological developments allow on the one hand for **augmenting and optimizing the shopping experience** by amplifying the interactivity of customer relationships (cf. e.g.,

Krüger, Schöning, & Olivier, 2011). *Instrumented servicescapes*, on the other hand, also have the potential of **capturing moments-of-truth along the shopper's path-to-purchase**. Our literature review reveals that there is a lack of a conceptual reference framework for identifying and verifying the suitability new technologies to in-store marketing, leading to (1) missed opportunities to set up communication with the customer and (2) a mismatch of technologies used and the marketing goals that are in need of support (e.g., other shopper objectives are to be supported in a grocery store than in a rather hedonic oriented store).

In particular, this article provides an encompassing inventory of cutting-edge technologies being devised over the past few years that allow for retailers to succeed in their quest to capture the consumer's interest. This inventory is drawn up by combining the (shopper) marketing literature with publications and achievements in the field of ICT for retailing. Our study considers publications that stem from the intersection of marketing sciences and computer science as well as working papers from applied retail labs and retail R&D departments.

Two perspectives will prevail in the presentation of this in-store technologies inventory. First, to optimize managerial relevance of the overview, the existing **technological possibilities** and innovations in development for pervasive computing in retailing are **mapped systematically onto the different composing stages in the shopping cycle** (Shankar, 2011), reflecting (1) the stage in which they are most powerful to be of influence and (2) the type(s) of customer value that they contribute to (Holbrook, 1999; Salo, Olsson, Makkonen, Hautamäki, & Frank, 2013). For

example, while face recognition technology may serve in creating appropriate **need recognition** (e.g., OptimEyes applied by the UK grocery retail chain Tesco), QR codes can be argued to rather target the customer engaged in the **information search** process (Atkinson, 2013), and location-based mobile ads can be expected to primarily activate a certain brand **consideration set** (Shankar, Venkatesh, Hofacker, & Naik, 2010). As such, this informed inventory aims to serve well-formulated shopper marketing objectives.

Second, in the benefit of advancing shopper marketing research, this study adds to the existing knowhow on the use of (some of) these technologies in order to **gain shopper**

insights at the point-of-sale. For example, what is the current state of (knowledge in the) application of observation techniques like eye-tracking (cf. e.g., Hui, Huang, Suher, & Inman, 2013) and what about using shoppers' mobile phones as sensing platform for emotions, activities and interactions along and beyond the path-to-purchase (cf. e.g., Rachuri *et al.*, 2010)? The article concludes with a **research agenda**, comprising both conceptual questions to inspire future shopper marketing research as well as methodological considerations and best practices in researching the topic of digitally augmented shopping experiences.

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Online vs. offline channels?

Testing the effect of promotional communication on shopper behavior

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SUMMARY

The retail landscape has changed dramatically in recent years. The growth and importance of the online channel has created different shopping patterns, varied customer experiences, and has impacted on customer decision making in significant ways. New digital channels and customer touch points continue to have a strong impact on retailers, brand manufacturers and customers. Consumers increasingly use multiple channels (Kushwaha and Shankar, 2008). Retailers are called to review their strategies in a multichannel perspective, including communication and promotional strategies. New questions arise, such as: How can firms influence the buying process of customers through multiple

channels? How does the use of multiple communication channels affect customer experiences?

Answers to these questions require insight into the comparative effects of traditional and new channels, as more and more retail activities are moved online. Such is the case of the promotional flyer that is quickly turning digital. The promotional flyer is a printed means of weekly/monthly communication for retailers, distributed both in store and out of store and employed to communicate deals and retailer image (Miranda and Kónya, 2007, Urbany *et al.*, 2000). Manufacturers advertise in store flyers to achieve point-of-sale communications and a

good in-store promotion (e.g., aisle-end displays, product displays) (Chaabane *et al.*, 2010). In addition, featuring on store flyers enhances manufacturers' brand sales and increases their choice rates (Moriarty, 1983). The flyer commands a substantial part of a retailer's budget in many countries: in 2012, flyers accounted for 50% of the average retail marketing budget in Italy, while in France they accounted for 60% and in the US 65% (Nielsen 2012).

Grocery retail planners across competing stores expend considerable thought on what items to advertise each week and at what levels of prominence (Bodapati and Srinivansan, 2006). Managers in the grocery industry seek a better understanding of the impact of store flyers on sales and store-related decisions.

Recently, retailers are managing flyers more "actively" due to competitive pressure, search for ROI, availability of insight. Hence, their interest in moving flyers from print to digital channels. Research has found that retailers are increasingly introducing digital flyers, but know little about their impact and customer reference. Today store flyers are accessible online across several digital platforms (e.g. web, app), can be push or pull, require or not a login and password (hence can be customized), and are made available by the retailer directly, and by third parties (Ziliani, 2013). Substitution of print with digital, on the one hand looks desirable for cost and marketing reasons: digital flyers cost less to produce and customize for specific audiences; are measurable; could be changed on the fly; have no environmental impact. More brands could be featured with an increase in manufacturer investment and a digital flyer drives traffic to the retailer's digital assets. There is risk, however, in undertaking substitution with no questioning of the assumption that print and digital have the same effect.

In this context, this work in progress aims to make the following contributions:

- To be the first academic study of the short-term effect of digital flyer compared to print flyer in the FMCG industry;

- To develop a field experiment based on customer level data, not aggregate, and multiple sources, i.e. CATI questionnaire and loyalty program databases;

- To provide relevant managerial implications for communication mix and budget allocation decisions across different channels.

Literature suggests that each type of medium implies a unique way to communicate the same promotional offer to customers (Jones et al. 2005). Our central hypothesis is that the online medium of delivery of promotional communication differs from print as far as the following outcomes are concerned:

- Attention, measured by means of memory measures (Sundar et al., 1998) such as free and cued recall.

- Intention to visit the store and intention to buy (Chaabane et al., 2010).

- Shopping behavior measures, such as store visits, amount spent and number of products bought on promotion and overall.

In addition, the moderating role of several constructs assessed by prior research will be explored (for a review, see Gazquez-Abad, 2012).

Previous research (Sundar et al., 1998; Magee, 2013) suggests that recall is higher with reference to the print version of a publication. Hence, we expect a greater effect of print on recall compared to the online medium. On the other hand, it is still unclear if print and online medium have different impact on recognition, so more research is needed (Jones et al. 2005). To our knowledge, there is no study addressing the impact of delivery medium for flyers on attitudinal variables such as intention to buy/visit and shopping behavior. Our hypothesis is that the print and online flyer lead to different outcomes in terms of store visit and spending.

A 37-supermarket retail chain, currently targeting its customer base with a 2-week print flyer and its online version, available on the retailer website, is the setting for the field experiment. We believe that alongside lab experiments, that abound when print/digital marketing communication comparison research is carried out (Suri, Swaminathan and Monroe,

2004), retailers can benefit from research in the field, testing “real flyers” with “real customers” in daily life settings. The study employs a basic randomized design comparing three treatments with control group (Churchill and Iacobucci, 2008) to measure print/digital flyer impact on behavioral variables based on customer database records (with pre-test) and on self-reported variables based on a CATI questionnaire (without pre-test). The groups will receive the following treatments: online flyer only; print

flyer only; online and print flyer; no treatment for control group.

The research team is currently carrying out a pretest, i.e. a small scale version of the full experiment, in order to be prepared to address the feasibility issues typical of field experiments, that require cooperation on the side of the retail organization (Aronson, Wilson and Brewer, 1998). The full scale field experiment is scheduled for March 2014.

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Used Car Markets: The Influence of Online and Offline Word-of-Mouth on Consumer Channel Choice

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SUMMARY

In *new* car markets, offline word-of-mouth (WOM) plays an important role in gathering information about makes/models (Furse *et al.*, 1984; Urban *et al.*, 1990) and negotiating with dealers. Different from the new car market, in which cars of a given make/model are all the same, in the *used* car market each car is unique because its quality is dependent on the conditions to which it has been exposed, i.e., ownership, maintenance, and usage history. Consequently, in addition to deciding on make/model, consumers need to locate and evaluate specific cars before making a purchase.

While extant research examines the impact of online WOM on purchase decisions for low cost items such as books and movies, little research exists on online WOM in markets for expensive items where consumers traditionally rely on offline WOM. Both online and offline WOM are important in consumer purchase decisions and firms seek to influence

both. In this study we investigate the influence of WOM on usage and subsequent purchase from three channels: (1) dealer websites, (2) dealer lots, and (3) independent channels. Independent channels include both dealers and non-dealers, i.e., individual sellers, who mainly offer cars in online market spaces with only a small proportion still using print media. These online spaces include newspaper websites, resale websites such as *craigslist* and *eBay*, and third party websites such as *cars.com* and *KBB.com*. Although dealers offer cars in independent channels as well as their own controlled channels, in independent channels they face competition.

In this context we provide a unique view of the role played by online WOM as compared to offline WOM. Offline WOM relies on strong-tie sources (close others), who are able to evaluate both the buyer and the alternatives, and therefore provide tailored recommendations (Brown and Reingen, 1987; Coulter and

Roggeveen, 2012). Close others are not likely to be experts but may provide information on previous car purchases, experience with a dealer, and help in price negotiation. Therefore, offline WOM is expected to increase the usage of dealer channels.

While similar to offline WOM, online WOM has its particularities (Chen and Xie, 2008; Klein and Ford, 2003). One key difference is that online WOM facilitates information gathering from weak-tie sources (people with whom a person does not have direct contact), which tend to be numerous and varied, hence easing the path to finding more expert sources (Duhan *et al.*, 1997). Recommendations from weak-ties are likely to have significant impact on used car buyers as, the higher a source's expertise, the more the advice influences people (Bansal and Voyer, 2000; Bonaccio and Dalal, 2006; Sweeney *et al.*, 2008). Therefore, in contrast to offline WOM, it is expected that online WOM provides additional, more varied knowledge to allow consumers to search for cars on dealer websites and new independent channels that they might not have otherwise considered.

As use of a particular channel is likely to increase the likelihood of finding a more appropriate car through that channel, it is expected that channel usage influences channel choice. For example, use of dealer websites leads to purchases from dealer websites vis-à-vis other channels.

Empirical Study

Our study is based on survey data of used car buyers in the US. To obtain data on purchases from different seller types, the survey was conducted at auto repair outlets. Following previous research (Punj and Staelin, 1983), from the 250 responses obtained, eleven were discarded as the reported total time spent searching for information exceeded 60 hours. Kruskal Wallis tests showed that there were no systematic variations in the means of the variables, ruling out the possibility of recall issues.

WOM is measured as the amount of time spent consulting each source to acquire

make/model information. Offline WOM is defined as talking to friends and/or spouse. Online WOM refers to consulting bulletin boards/chat rooms, blogs, and auto magazine websites. Channel usage is measured by depth of search in a channel, i.e., the total number of sources visited in a specific channel (Klein and Ford, 2003). Hence, we investigate channel usage as the disaggregate: (1) number of dealer websites visited, (2) number of dealer lots visited, and (3) number of independent channels visited. We operationalize choice as purchasing a car that was found through one of these channels.

In the first stage, we analyze WOM as a determinant of usage of dealer websites, dealer lots, and independent channels using a multivariate Tobit structure. In the second stage, we examine channel choice using a multinomial logit model as a function of WOM and channel usage. The key findings of first stage estimation are as follows: First, online WOM negatively influences usage of dealer websites ($\beta = -.7$) while offline WOM has a positive impact ($\beta = .45$). Second, offline WOM positively influences usage of dealer lots ($\beta = .23$), and negatively influences usage of independent channels ($\beta = -.5$). The main findings of the second stage estimation reveal that a unit increase in time spent consulting online WOM decreases the odds of purchasing in dealer lots by 21% as compared to independent channels. A unit increase in dealer lot visits increases the odds of buying in dealer lots by 14% as compared to independent channels. In contrast, a unit increase in use of independent channels reduces the odds of purchase in dealer lots as well as dealer websites by 6% each as compared to independent channels.

Conclusions

Our research provides new insights on how online WOM adds to online market spaces as technological developments change the dynamics in used car markets. Contrary to expected, online WOM reduces dealer visits and use of dealer websites to locate used cars. This may be explained by the positive relationship between online WOM and use of independent

channels, although not significantly so. Online WOM also leads to significantly less purchase from dealer lots. In conclusion, online WOM drives consumer purchase in competing

independent channels whereas offline WOM drives the use of and purchase at dealer direct channels.

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The Path to Purchase Online is Versatile – An Overview and Classification of E-Channels from a Consumer’s Perspective

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Julian Kellner - University of Gottingen, Germany

SUMMARY

Supported by increasing numbers of online shoppers, more and more e-commerce businesses appear and competition in the online selling market increases. This development is enforced by the soaring use of mobile devices for online shopping activities. Therefore, academic re-searchers describe mobile retailing as “a powerful new channel format” (Zhang et al., 2010, p. 177). Yet other electronic devices, for example Internet-enabled TVs (e.g., a Samsung Smart TV), e-readers (e.g., an Amazon Kindle) or portable media players (e.g., an Apple iPod Touch) are also connected to the Internet and hereby available for online shopping. With every device that allows individuals to visit an online-shop, a wider range of online shopping opportunities is available for consumers.

Following the view of Neslin et al. (2006, p. 96) who define a channel as “a customer contact point, or a medium through which the firm and the customer interact”, we assume that similar Internet-enabled devices constitute an electronic distribution channel (e-channel). For retail management, it is crucial to identify relevant e-channels as well as similarities and differences between alternative devices to fulfil customers’ needs (Monsuwé, Dellaert, & de Ruyter, 2004). For retailers it is

of interest to know which devices are used for online shop-ping to optimally operate these devices and develop appropriate online selling formats. By offering e-channel specific online shopping opportunities, for example mobile shopping ap-plications, retailers are able to provide their customers with additional benefits. From research perspective, a classification in e-commerce and m-commerce might no longer be adequate to categorise the manifold types of devices. A subjective categorisation of devices from the con-sumer’s perspective would help to validate the classification of e-commerce and m-commerce. This study extends knowledge in the field of marketing by categorising Inter-net-enabled devices from a consumer’s point of view. Hence, we use a perceptual mapping approach to capture und illustrate consumers’ unprepossessed perception of Internet-enabled devices in the online shopping context.

First we conducted a preliminary study to evaluate a relevant set of Internet-enabled devices that consumers utilise for online shopping. For this purpose, a group of undergraduate students (N=82) completed a self-administered questionnaire with open-ended questions. Respondents were asked which devices they generally use to access the Internet and, in addition, which of these devices they employ to

search for product information as well as to purchase online. 12 distinct types of devices were found that individuals utilise in the online purchasing process.

For the main study, an anonymous online-survey was conducted over a period of six weeks in spring 2013. All in all, the data of 502 persons is available for further analyses. The results indicate that all 12 types of devices deduced from the preliminary study are utilised for online shopping, while there are huge differences with regard to the frequency and share of users across the diverse devices. More than two-third of the consumers in the sample have already used a laptop (87.3%), PC (75.3%) or smartphone (66.7%) to shop online. These numbers underline the relevance of e-commerce in general, but especially the proceeding diffusion of mobile shoppers. Somewhat important is the utilisation of tablet computers (30.7%), which have been employed by almost one third of the respondents. Nonetheless, the major share of devices (for example Internet-enabled TVs, portable media players, e-readers, in-store kiosks) has been utilised by less than 10% of the sample population.

To analyse the data, we performed two complementary approaches: (1) a visual mapping of consumers' perception space using multidimensional scaling (MDS) combined with a hier-archical cluster analysis and (2) an analysis of consumer's evaluation using the Property Fit-ting approach (not illustrated in abstract). Our findings reveal that the 12 devices can be clas-sified in four categories of e channels.

The first cluster (*A*) encompasses three devices: PC, laptop and netbook. These de-vices are frequently used to shop online and quite similar in handling (i.e. operated with key-board and mouse). Since they are the common way for online shopping, the cluster can be described as the *established e-channel*. The second cluster (*B*) includes smartphone and tablet PC, two hand-held technologies. Both devices are

usually operated via touch screen and are portable. Therefore, we refer to them as the *mobile e-channel*. Three Internet-enabled TV formats (1. integrated online access; 2. online access via game consoles; 3. online access via Internet-TV-box, connected Blu-ray player, etc.) constitute the third cluster (*C*), the *IETV e-channel*. Compared to the *established e-channel* the IETV formats are used in a more pas-sive way in the lean-back atmosphere of the living room. The last cluster (*D*) is less homoge-neous than the other three groups. It includes e-reader, in-store kiosk, portable media player and cellphone. These devices are rarely used for online shopping and rather complement other e-channels (the *complementary e-channel*).

The existence of the four e-channel categories holds implications for research and mar-keting practice. First our findings validate the disjunction of online shopping in e-commerce and m-commerce. Moreover, we can add two other e-channel categories which strive for fur-ther research and consideration of retailers to create optimal online retail strategies. For ex-ample, IETV devices hold yielding new opportunities to combine TV advertising with the option to purchase the advertised goods directly via TV. The *complementary e-channel* com-prises a heterogeneous set of devices which are relevant for retailers to offer additional ser-vices or specific products. Especially the increasing demand for digital goods, for example mp3-music, e-books or video-on-demand, might hold opportunities for retailers to establish new business models in this field.

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Identifying segments in the multichannel retailing environment: A study of British and Spanish apparel retail shoppers

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SUMMARY

Background- Consumers are now using a variety of channels to complete their shopping process; they may use, e.g. the offline channel to research, the online channel to purchase, and finally the offline channel to pick up the products and make exchanges. Faced with this new multichannel environment, several authors state the need to advance our knowledge of the emerging multichannel shopper (Dholakia et al., 2010; Neslin et al., 2006; Kumar and Venkatesan, 2005). Knowledge of the correlates of multichannel shopping behavior would assist managers to better target customers when designing their distribution channels.

Following Coughlan et al. (2006), the design and management of distribution channels requires analyzing the end-user and identifying segments of shoppers that shop in different ways. Neslin and Shankar (2009) argue that segments formed on the basis of channel usage meet the criteria of being measurable, accessible, differentially responsive and actionable. Segmentation of multichannel customers has been identified as a crucial issue in effective multichannel strategy in conceptual papers (e.g. Neslin et al., 2006; Neslin and Shankar, 2009; Zhang et al., 2010; Dholakia et al., 2010) that call for more research to identify the best measure for segmenting customers, to understand the drivers of the different segments, and to assess the influence of marketers' actions. There is a small number of papers that provide empirical evidence on segmentation of multichannel retail shoppers; among those, McGoldrick and Collins (2007) identify segments of retail shoppers based on their use, preference, and expenditure in three different channels, and Konuç et al. (2008) apply as segmentation criteria the perceived utility of channels for searching and purchasing.

Objectives - Based on the above literature review, the purpose of this paper is to explore the existence of segments of multichannel retail shoppers. More specifically: 1) Is it possible to identify meaningful segments based on their different use of the off-and online channel? 2) What are the variables that correlate with a differentiated use of the channels? 3) Do the segments show differences in loyalty?

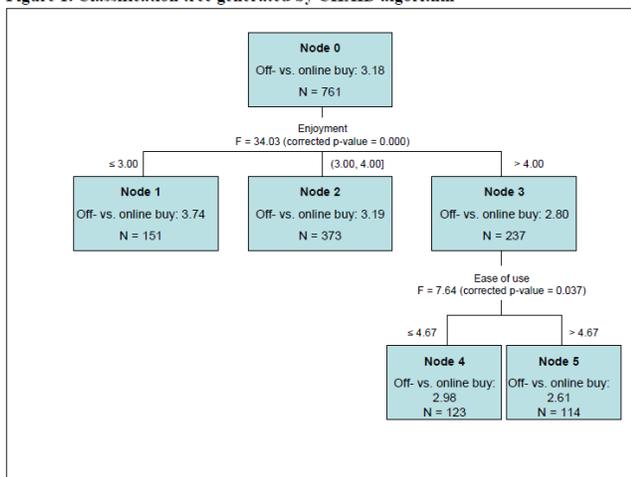
Methodology – We designed an online survey aimed to British and Spanish multichannel customers of apparel retailers. For the purpose of our study we defined multichannel shoppers as those having used both the online and offline shop of a retailer during the shopping process. Our data is collected in November 2013 and integrates 381 British shoppers and 380 Spanish shoppers, members of panels of research agencies in Spain and UK. The variables of interest for this paper are: 1) variables to measure the use of the online and offline channel for different phases of the purchasing process (based on Konuç et al., 2008, and Sousa, 2012), 2) variables to measure the perception of online shopping, such as enjoyment (Sousa, 2012), ease of use (Rose et al., 2012), usefulness (Cha, 2011), and security (Cha, 2011), 3) variables to measure consumer characteristics, such as hedonic orientation (Konus et al., 2008), product involvement (Kressman, 2006), and demographics, and 4) variables to measure loyalty (Mols, 1998). To identify the customer segments, Automatic Interaction Detection (AID) is performed considering the use of online and offline channels to purchase and the perception of shopping online as the key variables in the segmentation process.

Findings – Four final segments of apparel retail customers are identified. Concerning the dependent variable for the CHAID algorithm

(i.e. use of online vs offline channels), it is observed that segment 2, representing 49% of the total sample, shows a balanced use of the channels. In contrast, segment 1 shows a significantly higher use of offline channels, while segment 4 (node 5 in Figure 1) favors online commerce. In this segmentation process, enjoyment and ease of use are identified by the CHAID algorithm as the most relevant variables to explain the different use of online and offline channels between customer segments. Thus, while customers in segment 1 are those least perceiving the online shopping experience as joyful, respondents in segment 4 are those that most perceive online channel as a source of enjoyment and easy to use.

Figure 1. Classification tree generated by CHAID algorithm

Figure 1. Classification tree generated by CHAID algorithm



Risk estimate: 1.167. Standard error: 0.049

Having identified the segments, our second objective is to uncover the correlates of the different use of the channels. We find significant differences across segments in the use of channels for different stages of the purchasing process (e.g. research and exchanges and refunds). Furthermore, shopper characteristics such as product involvement and hedonic orientation show also differentiated

scores across customer segments, showing the highest values for the online channel heavy users. Regarding sociodemographics, differences across customer segments are found for gender and country of residence. Finally, our results indicate that, both online and offline loyalty, measured as the willingness to recommend the store to other and to tell positive comments about the retailer is higher the more intense the use of the online channel by multichannel shoppers.

Conclusions and implications – This study provides preliminary evidence on the existence of differentiated segments of multichannel shoppers and calls for continuing efforts to identify shopping patterns in the multichannel retailing scenario. The value of our paper resides in being targeted to the apparel sector, which shows the highest penetration of online shopping, in two countries with different levels of penetration of e-commerce. Our research approach identifies the use of channels for different stages of the buying process, and distinguishes online and offline loyalty. Use of online and offline channels to purchase and perceptions about the online purchasing experience emerge as two valid criteria for customer segmentation in apparel multichannel retailing. Retailers should particularly take into account the different levels of customer loyalty across the segments to target their marketing efforts.

Acknowledgement: This research has been financed by the Spanish Ministry of Education and Science (Project ref.: ECO2009-08708).

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Luxury Fashion Advertising: Transitioning in the Age of Digital Marketing

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SUMMARY

Purpose of this Study

Globalization of the luxury fashion industry and rapid technological advancements have “presented luxury consumers with many brand choices, leading to fierce competition of firms” (So et al. 403). According to Choo et al., they argue that “increasing competition is evident with the emergence of new luxury and mass prestige brands and it is hard to preserve the original image of prestige luxury brands and control them globally” (81). Moreover, consumers have traditionally attributed the concept of luxury with exclusiveness, status and quality. Studies have shown that marketing in the luxury goods sector has historically relied heavily on traditional mass media to convey these attributes as an important component of their brand image (Fionda & Moore, 2009; Atwal & Williams, 2009). However, the world of marketing has entered today’s digital age; pressuring many luxury goods companies to adopt new digital marketing strategies such as in-store, online, social and mobile. This study has two major purposes: (1) to investigate the various digital marketing strategies within the luxury fashion industry; and (2) to demonstrate that marketers and managers need to ensure they are carefully delivering a compelling and consistent shopping experience that continues to build their customer’s brand loyalty and emotional attachment to the products they purchase through these multiple digital marketing strategies. This study will contribute to new marketing literature by building on previous marketing literature.

Outline of this Study

The literature review will outline concepts such as corporate branding, the role of corporate branding strategy, and brand architecture. An introduction on the advancements in digital technology and digital marketing will also be provided; concepts which

have all strongly impacted the luxury segment of the market. Phase one of the methodology will be to conduct a descriptive analysis on traditional print media. There will be 12 issues of Vogue US (from January to December) for 3 different time periods (1980, 2004 & 2012). In total, 36 issues will be analyzed, compared and contrasted, specifically advertisements. The rationale for selecting these periods is to identify changes and trends in advertising messages before, during and after the arrival of the Internet and social media platforms. Phase two will explore a single fashion luxury brand: Burberry; selected for its strong market position and status as a global company. Burberry states it is “among the quickest to adapt to digital marketing” (*Burberry Group PLC*, 2013, p.36). This study will set out to explore not only Burberry’s current corporate brand strategy but also its implementation of digital marketing strategies such as in-store, online, social and mobile. Some of Burberry’s current in-store digital marketing strategies are highlighted below. By developing a theoretical framework, the connection between the experiential economy and digital marketing will be further explored. Findings from this study will provide managers with a guide to managing their digital branding strategies in order to effectively retain customer brand loyalty and emotional attachment. In other words, this study will set out to bridge the gap between traditional marketing strategies and digital marketing strategies within luxury firms. By strengthening a luxury firm’s traditional marketing strategies, this study will be able to provide solutions that will help lead to more conversion and engagement across all channels. The final research paper will conclude with a discussion of the findings and the implications for luxury fashion marketers and management.

Key Findings of this Study

The growth of social media platforms has caused an exponentially large change in consumer behaviors and expectations (Abrams Research 2011). A major challenge with an online presence is achieving a balance between “the Internet’s ability to be customized and the desire to retain coherence, control and consistency in global marketing strategies” (Melewar and Smith 365). Regardless of the channels consumers use to shop, they expect to experience the same feelings of desire and consistency in their shopping experience. This allows firms to become engaged with the premium consumers during their purchasing decisions; thus, creating a sense of ownership and higher involvement with brands during brand consumption (So et al. 404). The Internet is a platform that also allows corporations to have access to demographic data and the history of previous interactions, which in turn allows them to create tailored experiences for visitors (Melewar and Smith 365). In order to support the consistency of the brand and the experience online, companies are adopting Omni-channel marketing (OMC); ensuring synergy across all channels that remains consistent and conveys the same message. Adopting OMC strategies prevents corporations from relaying inconsistent messages across channels that can lead to a negative brand impact (*Platt Retail Institute*, 2013, p.4). To conclude, in the context of the luxury fashion industry, it is argued that “luxury brands must deliver brand experiences online to see continued success”; and by utilizing the power of social media applications can “directly communicate with their audiences, promote their brands and further their brand equity”

(*Abrams Research*, 2011, p.6). The industry must also understand that the power of social networks differs across the world and the use of social media reflects cultural differences (*Wave 6: A social media tracker*, 2012, p.41).

Burberry’s In-Store Digital Presence

The physical selling location has worked to integrate a digital presence such as digital trunk shows, 24/7 click to chat and the use of iPads in store (*Burberry Group PLC*, 2013, p.36). In 2012, Burberry opened its largest and most technologically advanced store; “a multi-media experience combining the label’s physical and digital achievements” (Alexander, Ella 2012). The 44,000 square-foot space is designed to reflect its online website [www.burberry.com] and divided into rooms such as Bespoke, Acoustic and Experiences. The store is equipped with mirrors that transforms into screens allowing consumers to view Burberry runway shows, such as Womenswear Spring/Summer 2013 and Autumn/Winter 2013 runway shows. It also demonstrated the making of certain Burberry products. The product tags communicate with the store’s WIFI system in order to display product information on screens inside the dressing rooms. There is a total of 160 iPads that are distributed among the employees (*Burberry Group PLC*, 2013, p.36).

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