

Abstract

While customer journeys increasingly shift online, research suggests that offline interaction between clients and companies is decreasing. However, a literature review indicates that due to a lower amount of physical experiences, offline touchpoints regain importance. To investigate this issue, the role of physical retail spaces is discussed and the impact of offline-created, non-financial value is elaborated. The author argues that the store-end provides significant opportunities for added-value creation within the customer journey. Likewise it is found, that experience-based retail marketing generates additional non-financial value which in turn increases perceived price and improves price acceptance among customers. The author develops first managerial implications for a strategic use of retail space. She further provides theoretical grounds for analyzing the impact of experience-based retail marketing on price acceptance in large qualitative and quantitative data sets.

Extended Abstract

„The continuously changing retail practices and consumer behavioural patterns mainly attributed to the wide diffusion and adoption of innovative technologies and applications for retail purposes, call for research initiatives that should investigate this topic through multiple perspectives and approaches.“

Lazaris & Vrechopoulos, 2014, p. 18

Throughout digitalization, physical touchpoints between consumer and product or service are decreasing. For the customer journey is increasingly digitalised, physical experiences diminish (Kannan, 2017; Wallström, Salehi-Sangari, Foster, Styvén & Strandberg, 2017). At the same time, offline experiences regain importance in the decision-making process. Although consumer habits change, the importance of customer experiences remains unchanged (Brynjolfsson, Hu & Rahman 2013; Verhoef, Kannan & Inman 2015, Yap, 2018). In this context, the role of the retail space is challenged. Initially, the question arises, how a strategic use of retail stores can be implemented.

Current research shows that omnichannel retail marketing presents managers with profound challenges, especially against the backdrop of technologised and internationalised businesses as well as growing amounts of data and intensified competition (i.a. Lazaris & Vrechopoulos, 2014; Wallström et al., 2017). In other words, retailers must assure seamless integration of on- and offline channels in increasingly complex surroundings (Kim & Im, 2017; Wallström et al.,

2017). Lazaris & Vrechopoulos (2014) go so far as to declare a „new retailing agenda“ (p. 20) and call for multi- perspective research. On this ground, the paper assumes a theoretical perspective: It analyses hypothetical effects of in-store customer experiences on pricing issues and thus provides the basis for quantitative and qualitative data analyses of improved price acceptance through offline retail.

Looking at prior research in the field, a large amount of studies deal with the integration of different marketing channels into one seamless customer experience while other researchers focus on the online channel and investigate the rather transactional nature of digital integration (Bernon, Cullen & Gorst, 2016; von Briel, 2018; Dörner & Edelman, 2015; Kannan, 2017; Moorhouse, Dieck & Jung, 2018). Overall, the attention is focused more on the general or digital level of seamless integration than on the role of the offline channel.

Yet another research stream is dedicated to the importance of experiences to the customer journey (e.g. Lemon, 2016; Lemon & Verhoef, 2016; McColl-Kennedy et al, 2015). For instance are researchers trying to understand the drivers of customer satisfaction or customer value in experience management (i.e. Baker, Parasuraman & Voss, 2002; Hunneman, Verhoef & Sloat, 2015, Isaksson, & Wennberg, 2016). However, a research gap is identified with regards to the commercial effects of physical experiences in retail stores. And as “physical stores will become key destinations for unique sensory shopping experiences“ (von Briel, 2017, p. 217), it seems crucial to assess the impact of experience-based marketing in retail.

In this endeavour, the paper analyses to what extent experience-based retail marketing can add non-financial value to a product or service. First, the state of the art in experience marketing is discussed (i.e. Homburg, Jozić & Kuehnl, 2017; Parkinson, Russell-Bennett & Previte, 2018; Pencarelli & Forlani, 2018; Tynan & McKechnie, 2009). On this basis, the capital theory by French sociologist Pierre Bourdieu (1998) is introduced and alternative, non-financial value forms such as social, cultural or symbolic value are elaborated (e.g. Bourdieu, 2018a & 2018b; Dubos, 2017; Jenkins, 2014; Lin, 2017). It is then outlined how physical experiences can generate non-financial values and how these added-values – from the perspective of retailers – are transformed to financial capital. The resulting hypothesis implies, that a strategic use of retail space for experience-based marketing can strongly affect consumer behaviour.

The findings indicate first and foremost, how experience-based retail marketing improves the foundation of pricing. To be more precise, the great potential of the retail store in the value creation process is uncovered: Not only can physical interaction in-store increase product or

service appeal, it can also improve perceived value and price acceptance. Concluding, the paper introduces first managerial implications and provides the basis for subsequent data-collection in the fields of value perception and price acceptance in retail marketing.

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