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MASTER'S THESIS

MSc. INTERNATIONAL MARKETING

THE RISE OF CONSUMER-FACING TECHNOLOGY IN PHYSICAL RETAIL STORES:

AN INTERNATIONAL EXPLORATORY STUDY BETWEEN PORTUGAL AND THE UNITED KINGDOM

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Summary

During the last 20 years, the retail sector has witnessed a revolution led by the growing importance of technology. E-commerce has been in a constant rise, all around the globe, showing a yearly increase of 12,4% in Europe, from 2016 to 2017 (Centre for Retail Research, 2017). With this trend, physical stores suffer a decrease in the number of visits from consumers and in sales, which forces retailers to adapt to the new scenario and redefine the role of their physical channels.

In Portugal, sports and apparel retailers are only now starting to include new consumer-facing technologies in physical stores which, compared to other countries in Europe, seems to be a late development of the sector. Contrastingly, in the UK, considered by many researchers and retail experts (Piotrowicz and Cuthbertson, 2014), as a European reference market for innovation in retail, these technologies have been present for a long time and are now implemented across an immense diversity of retail brands. Intrigued by the differences between the two markets, questions emerged regarding: the motivations for retailers to invest on consumer-facing in-store technologies; the technologies available for retailers to choose from and the specific purposes and benefits generated by each of them; and the challenges faced by retailer throughout the conduction of these retail strategies. Furthermore, acknowledging the apparent higher level of development of the UK market, opportunities for Portugal to learn from a further investigation of its reality were also considered. However, when looking for marketing literature which addressed the issues presented, research gaps were found regarding sports apparel and footwear industry specific research; qualitative analysis of perspectives and challenges shared by retail managers; a collection of the in-store technologies currently adopted in fashion and sports apparel physical stores and a further interpretation of its integration in the store experience; and investigations regarding the phenomenon of integrating technology in physical stores, in Portugal.

Therefore, an exploratory approach was taken and a qualitative research, including data from interviews to retail managers in Portugal and in the United Kingdom, aimed at comparing the strategic motivations, the technologies used and the challenges faced by retailers from the two markets, in order to build a better understanding of the reality of in-store technology, in physical stores, in both countries, and identify critical areas for future international marketing research.

This thesis starts by reviewing relevant marketing literature for the development of knowledge surrounding the topic and the identification of different perspectives and approaches explored.

Furthermore, six interviews to retail managers are conducted – four of them at the leading sports retailer, in Portugal, one at an award-winning store of a sports retailer in London, and the other one at Snapchat, with a Business Specialist which helps retailers find solutions to create differentiated shopping experiences. Subsequently, the results of the data analysis are discussed in connection with the theoretical foundation of the research, in order to address the research questions and to identify the critical areas of future research.

The results of this research suggest that the motivations of retailers in both countries, when it comes to integrating technology in physical stores, is to improve the shopping experience; however, in Portugal this improvement seems to be more related to utilitarian value, while in the UK, retailers focus on the hedonic value, aiming at strengthening the emotional connection with the consumer through a unique and differentiated shopping experience. The strategic direction of omnichannel shopping is shared by retailers in both countries, as all the interviewees recognize the importance of delivering an integrated shopping experience across all channels, enabling consumers to access to online channels while in the physical store. In what retailers from both countries differ is in the strategies used for connecting the online with the offline channels. Whilst in Portugal, this seems to refer only to making the purchase process easier, the UK managers seem to be at a further level of development, focusing their investments on mobile technology: to connect directly and in a personalized way with consumer while in the store; to associate the store with consumer's social platforms, aiming at benefiting from word-of-mouth; and to take advantage of mobile tracking features, which allow retailers to get an insight on the shopping journey of each consumer and to obtain valuable data used for marketing analytics relating online and offline channels, providing holistic measures and results for omnichannel strategies. Additionally, the profile of the Portuguese consumer seems to be more traditional when it comes to shopping, not adopting the online and mobile shopping trends as fast as in the UK and still showing preference for shopping at a physical store. Furthermore, the main in-store technology used in both countries is digital signage; however, there is a significant difference in the content transmitted in the screens. Whilst in Portugal the focus seems to be on communicating prices and sales, in the UK none of the stores had that type of information and, instead, emotional and aspirational content was present.

Future research should investigate the differences highlighted above, to allow better evaluation of physical store strategies and to provide valuable knowledge which sports and apparel retailers can use to decide new technologies to invest on and to formulate innovative strategies.

Abstract

Technology is changing the retail landscape around the globe and, with the rise of online shopping, physical stores have seen a decrease in shoppers' visits and sales, leading retailers to redefine the role of this channel in order to contradict the growing trend of its extinction. While in the United Kingdom, the increase of consumer-facing technology in physical stores of sports apparel and footwear retailers is not a new phenomenon, in Portugal this trend is only starting. Therefore, it emerges the need to fill the gap in international marketing research regarding retailers' motivations for the implementation of these new elements in stores, the strategies behind it, the technologies and the results obtained. Consequently, this investigation explores the strategic perspectives of retail managers, from both markets, and presents an inventory of consumer-facing in-store technologies which results from the visit of flagship stores in the United Kingdom. The results of the research provide an understanding of the present retail scenario in both countries, identifying similarities and differences, discussing learning points for the country which presents a lower level of development – Portugal -, and also highlighting the opportunities of future research that could enrich international marketing literature and also help retailers in the development of innovative, physical store strategies.

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CHAPTER 1 - INTRODUCTION

1.1. Introduction to the thesis

The present thesis conducts an exploratory investigation of retail strategies related to the integration of consumer-facing in-store technology in physical stores of sports and apparel retailers, in Portugal and in the United Kingdom. Acknowledging the different levels of development of the retail sector in both countries, it is intended to build an understanding of the research area in both countries and identify crucial areas of future research in international marketing.

Therefore, it is first conducted a review of relevant academic literature to provide a theoretical foundation for the research. Furthermore, it is collected data from interviews to managers working in retail, both in Portugal and in the United Kingdom, and from visits of sports apparel and footwear stores in both countries. The analysis of the data collected is further discussed and linked with the theoretical framework of the research in order to respond to the research questions defined and to meet the objectives of the research. Finally, conclusions are drawn from the investigation and opportunities of future international marketing research are presented.

This introductory chapter sets the background for the research, explains the problem formulated, defines the research questions and the objectives of the investigation, ending with an illustration of the structure of the thesis.

1.2. Background of the Research Area

1.2.1. Technology is changing the global retail landscape

Technology has been the central driver of innovation in retail for the past two decades, triggering the attention of a growing number of marketing researchers and business managers (Blázquez, 2014). The rising importance of technology is first noticed by the continuous increase of yearly online retail sales, at an average of 20%, in the US market, (Willems *et al.*, 2016), against a very stable performance from the so-called brick-and-mortar stores (Willems *et al.*, 2016). In Europe, the Centre for Retail Research calculates an average growth of 14.2€ of online sales from 2016 to 2017 and identifies the UK, followed by Germany and France, as leading this retail revolution, being responsible for 75% of this increase 2017 (Centre for Retail Research, 2017a). Furthermore, the Organization predicts that this trend will lead to the extinction of 22% of physical stores, in the United Kingdom, by 2018 (Centre for Retail Research, 2017b). The competitiveness of the retail landscape motivates many retailers to invest on e-commerce as a more profitable channel, expected to be responsible for even higher sales volumes in the future (Blázquez, 2014). Marketing researchers believe that this change in the retail landscape does not mean, however, a decrease in the relevance of physical stores but, instead, it raises strategic questions regarding the changing role of this channel (Willems *et al.*, 2016, Blázquez, 2014; Piotrowicz and Cuthbertson, 2014; Dennis *et al*., 2012).

Technology enables consumers to contact with brands, and to shop, across multiple channels – multichannel retailing – but the evolution of mobile technologies, and the increasing use of smart mobile devices when shopping on physical stores lead to the emerging concept of omnichannel retailing (Willems *et al*., 2016; Piotrowicz and Cuthbertson, 2014). This concept, object of investigation from both academics and retail managers, reflects the fluency between channels and the need for retailers to eliminate the barriers between physical and online channels, allowing consumers to easily move from one to the other in a "seamless, unified customer experience" (Piotrowicz and Cuthbertson, 2014, p.6). Consumers might search and try on the product in-store and then buy it online or look for information in the online store and then decide to purchase at the physical store (Dennis *et al.,* 2012). As the online world blends with the offline, retailers should follow and facilitate the path of their consumers and take both channels as complementary for an integrated shopping experience (Willems *et al*., 2016).

For retailers, the integration of both challenges has been a challenge mainly due to the uncertainty of what the future of digital channels will be and to the absence of a unified view of the journey of the consumer across channels (Piotrowicz and Cuthbertson, 2014). To this regard, marketing researchers agree that retailers should provide cross-channel services, which is facilitated by the integration and utilization of technology in physical stores (Willems *et al*., 2016; Piotrowicz and Cuthbertson, 2014; Dennis *et al.,* 2012). The recent development of new in-store technologies and its proper utilization has been associated with influencing the behavior of the consumer, increasing store appeal and, consequently consumer satisfaction (Willems et al., 2016). However, the number of retailers adopting these new technologies is still very limited (Willems *et al.,* 2016; Blázquez, 2014; Piotrowicz and Cuthbertson, 2014) due to uncertainty regarding consumer's acceptance (Kim, Mun and Johnson, 2017; Willems *et al.,* 2016; Blázquez, 2014) and the high investment associated with these strategies (Willems *et al.,* 2016; Piotrowicz and Cuthbertson, 2014).

1.2.2. The changing role of the physical store

The changes in the retail landscape, motivate by the integration of technologies and the emergence of the omnichannel, do not lead to the irrelevance of the physical store but demand, however, a redefinition of its role (Willems *et al.,* 2016; Blázquez, 2014; Piotrowicz and Cuthbertson, 2014; Dennis *et al.,* 2012). Although consumers want to easily navigate through different channels, the physical store is still the only one that allows them to "see, feel touch and try" the product before deciding to purchase (Piotrowicz and Cuthbertson, 2014). Additionally, research suggests that the atmospheric elements of the store stimulate consumer's senses and can be manipulated by retailers in order to influence consumer's behavior (Dennis *et al.,* 2012). Moreover, the personal contact with the brand might lead to a positive personal experience, influencing purchase and loyalty behavior (Piotrowicz and Cuthbertson, 2014).

1.2.3. Consumer-Facing In-Store Technologies

To optimize customer's experience in the physical store through the integration of technologies, brands have a significant number of different options to consider. Having tablets and smartphones in the store for the consumer to access or providing free Wi-Fi to allow consumers to better take advantage of their own devices (Willems *et al*., 2016; Piotrowicz and Cuthbertson, 2014), developing apps for smart mobile devices such as apps, e-coupons, e-catalogues and location based services (Piotrowicz and Cuthbertson, 2014), and integrating new smart in-store technologies such as virtual screens, digital signage, interactive fitting rooms, self-service kiosks, QR codes, etc (Willems *et al.,* 2016; Piotrowicz and Cuthbertson, 2014).

Even though there is a common belief regarding the competitive benefits of using these technologies (Kim, Mun and Johnson, 2017; Willems *et al.,* 2016; Blázquez, 2014; Dennis *et al*., 2014; Piotrowicz and Cuthbertson, 2014; Dennis *et al*., 2012), the use of technology per se does not constitute an advantage (Willems *et al.,* 2016, Blázquez, 2014; Piotrowicz and Cuthbertson, 2014). Technology should have a reason for its presence in-store (Willems *et al*., 2016; Piotrowicz and Cuthbertson, 2014), be "invisible" (Piotrowicz and Cuthbertson, 2014, p.7) to consumers in regards to being implemented in a way that makes their experience effortless without noticing their presence but instead the new possibilities it allows them (Piotrowicz and Cuthbertson, 2014), and, most of all, technology should be aligned with the preferences of the consumer and with the identity of the brand and the product (Piotrowicz and Cuthbertson, 2014). Researchers defend that the relevance is in the use of technology to create value for the consumer and that "retailers are to leverage technology in function of specific types of customer value" (Willems *et al.,* 2016, p.3).

1.3. Defining the scope of the Research

1. 3.1 The Sports Apparel & Footwear Industry

The Sports Apparel industry, which consists of sports equipment to wear during the practice of sports, is expected to achieve 184.6 billion USD by the year of 2020 (Bisht, 2015) and it is considered to be the highest performing segment of the Fashion Industry for the past years (Bain, 2017). Additionally, according to a report from Statista (2017a), the expected revenue of the global sports apparel industry for 2017 is 165 billion US dollars, which constitutes a continuous increase of, approximately, 30% since 2011 (Statista, 2017a). The fashion and apparel industry did not embrace e-commerce as fast as other sectors, due to the importance conceived by the consumer to visiting the physical store. As previously stated, experiencing the store atmospherics, touching and trying the product are still determinant to consumer behavior. For both business managers and marketing researchers, this is still the "primary point of contact with the consumer" (Blázquez, 2014, p.98) and the preferred channel for the majority of purchases. Nonetheless, the explosion of e-commerce had an impact, decreasing not only the visits to physical store but also the time spent in-store per visit, demanding retailers to provide better and differentiated customer experiences (Blázquez, 2014).

Additionally, Sachdeva and Goel (2015) argue that the fashion consumers' behavior is influenced by its mood, as they value entertainment when shopping and choose physical stores because of opportunities of social interaction. For these reasons, this consumer is extremely receptive to technologies that facilitate the connection with social networks (Blázquez, 2014). Furthermore, Blázquez (2014) study also acknowledges that the constant presence on social networks is incorporated in the physical store experience through a direct contact with consumer's network, sometimes to ask for advice when deciding purchase (Blázquez, 2014, Piotrowicz and

Cuthbertson, 2014), to share pictures and videos in-store (Piotrowicz and Cuthbertson, 2014) and rate or share their opinion about the experience (Blázquez, 2014; Piotrowicz and Cuthbertson, 2014). As previously mention, the retailer loses control over the information circulating regarding its store; however, especially in the case of the fashion consumer, the opportunities of building brand advocates, of showing an interactive experience through the access to a wider network of consumers and of being able to listen to their opinions and desires regarding the store experience and its products are of great potential.

1.4. Problem Formulation

As mentioned in the previous sections, the recent marketing literature regarding the current challenges retailers face in regard to physical stores, especially in what refers to the fashion and apparel industry, shows a strong emphasis on the integration of in-store technology to improve consumer's experience.

Looking at the current Portuguese retail scenario, it is possible to verify that the investment on in-store technology and innovative and creative store concepts through the integration of technology is increasing, even though it is still reduced when compared to the refence market in Europe, the United Kingdom. The motivation behind this thesis is rooted in the identification of a gap in the marketing literature regarding retail studies which address the phenomenon of in-store technologies in the Portuguese market and studies which compare the state of development and evolution of both markets. Therefore, this thesis aims at building a better understanding of this area of research by identifying main differences between the markets and developing potential avenues of future research regarding the international evolution of the retail sector.

1.5. Research Questions

RQ1: What are the reasons behind retailer's adoption of consumer-facing in-store technology?

RQ2: Which are the main in-store technologies currently adopted by sports retailers?

RQ3: Which challenges do retailers face regarding in-store technology?

RQ4**:** What can a Portuguese sports retailer learn from the state of development of the retail sector in the UK?

1.6. Research Objectives

The above research questions lead the investigation as this thesis aims at developing an understanding of the phenomenon identified through the presence of new consumer-facing technologies in physical stores of sports retailers. Therefore, this investigation explores the strategic antecedents of in-store technology adoption, confronting the perspectives of retail managers with knowledge acquired from previous academic studies to identify potential differences between the retail sector in Portugal and in the United Kingdom and discover crucial areas of future research in international marketing.

1.7. Structure of the Thesis

This thesis is organized in six chapters. The present 'Chapter 1 – Introduction' aims at providing the context for the research area in analysis, introducing the theoretical background and identifying current gaps in marketing literature which justify the relevance of this investigation. The chapter also includes specific sections which present the problem formulation, the research questions defined and the objectives of this research.

'Chapter 2 – Literature Review' presents the results of previous academic studies related to the topic of this investigation, covering three main areas of research – the shopping experience, the omnichannel retail strategy and the physical store experience – and their connection to the topic of consumer-facing in-store technology. Upon a reflection of the marketing literature selected, it is constructed a theoretical framework which intends to easily represent the main discoveries obtained from the work of previous researchers and provide a conceptual understanding of the research.

'Chapter 3 – Methodology' introduces the underlying Philosophy of Science paradigm of this investigation, explains the choices made in regard to the methodological approach taken and the research methods used and also reflects upon the criteria considered to ensure the quality of this scientific research.

'Chapter 4 – Analysis' introduces the data collected from the interviews and the store visits conducted. This data is further analysed and summarized in order to present the relevant findings for the research.

Moreover, in 'Chapter 5 – Discussion' is presented a critical reflection upon the findings identified throughout the analysis of the data collected, in the light of the theoretical framework of the research. From this reflection are extracted the results to answer the research questions proposed at the launch of this investigation, as well as the objectives which motivated it.

To conclude, in 'Chapter 6 – Conclusion', the knowledge built throughout the process of developing this thesis is conferred in the sections conclusion and contributions of the research.

The opportunities of future research in international marketing are also presented as well as the acknowledge limitations of this thesis.

CHAPTER 2 - LITERATURE REVIEW

The present chapter aims at providing an overview of relevant academic research surrounding the topic in study and it is divided into five main sections, referring to main research areas: shopping experience, addresses the evolution of concepts of customer value and experience associated with shopping; omnichannel retail, addresses the evolution of the concept and strategies; technology in physical stores, refers to the influence of technology in physical stores and presents in-store technologies studied by previous authors; consumer acceptance of technology, reflects upon studies using the Technology Acceptance Model or related models; and methods & measures emphasizes studies which explored innovative methods and measures to evaluate the effects of specific technologies.

2.1. Shopping Experience

2.1.1 Shopping Value

In marketing research, there is a common consideration that the <u>shopping value</u> generated from the shopping experience can be of two different types: hedonic and utilitarian. According to Holbrook and Hirschman (1982) <u>utilitarian</u> value depends on how successful the shopping experience is in satisfying the need that motivated the consumer to shop and this satisfaction is judged through an operative logic, linked with economic benefits. Other researchers, such as Blackwell et al. (2000, cited by Carpenter, Moore and Fairhurst, 2005), add the idea that consumers seek utilitarian value in a "task-oriented, rational manner" (Carpenter, Moore and Fairhurst, 2005, p. 45). <u>Hedonic</u> value, on the contrary, derives from the emotional outcome of the shopping experience. Joy and excitement are the feelings most commonly associated with an experience that generates hedonic value, which makes it more subjective to the individual's own consideration than the utilitarian value (Holbrook and Hirschman, 1982). The study of hedonic value has received increasing attention, as both academics and practitioners understand its importance in responding to consumer's growing desire for excitement and fun while shopping (Carpenter, Moore and Fairhurst, 2005).

Although most academics define only two types of shopping value, Willems *et al.* (2006) introduce a different one. In a study which collects an inventory of in-store technologies and establishes a correspondence between them and the type of value generated and stage of the shopping experience in which they are most influential, the researchers identify the following three types of value: cost/effort reduction, utilitarian and hedonic or symbolic. The difference in this classification is the separation of the cost and effort benefits from the functional benefits, which other researchers include in the concept of utilitarian value, as noted from the economic focus mentioned above. Furthermore, and similarly to previous studies, hedonic or symbolic value is associated with fun (Willems *et al.*, 2016). The study conducted by these researchers is presented and analysed further in this chapter, under the heading "Classification of In-Store Technologies".

2.1.2. Consumer Experience and the shift in the shopping paradigm

Sachdeva and Goel (2015) find a shift in the shopping paradigm, following the introduction of the concept of consumer experience by Holbrook and Hirschman (1982), who defend that the success of retail lies not in the product to sell but in the ability of conveying an emotionally rich experience to the consumer while shopping. Different researchers present distinct definitions of consumer experience, although describing the concept in a similar way. Same and Larimo (2012) describe experience as "an interaction between a company (brand/product/service) and a customer, being shaped by the characteristics of the customer and those of the product, company or brand, and always influenced by the context or environment in which the interaction takes place" (Sachdeva and Goel, 2015, p. 292). Walls *et al*. (2011a, b) use the term "consumer experience" and emphasize its multidimensional character and the predisposition of the consumer to be influenced by physical and human interaction while shopping. Schmitt (2010, cited by Sachdeva and Goel 2015) describes customer experience with a temporal perspective, as perceptions and feelings that are triggered during the shopping process as well as the memory that stays from that experience. Furthermore, a related concept, addressed in this paper, is "shopping experience", with which researchers describe the experience that is provided to the consumer during the act of shopping (Sachdeva and Goel, 2015). The outcome of the shopping experience is then referred to as shopping value (Sachdeva and Goel, 2015), as previously described in the section above.

Hence, Sachdeva and Goel (2015) defend that experience is what is most valued by the consumer today and, therefore, this should change the way retailers see their role, not just as product suppliers but, and essentially, as experiences providers. Varshneya, Das and Khare (2017) conduct an extensive review of marketing literature to understand a concept which can be associated with consumer experience and shopping value – experiential value. The researchers believe that this concept is especially important for fashion and apparel retailers due to consumer's necessity to see, feel and try the product. From studies of previous authors, Varshneya, Das and Khare (2017) identify atmospherics as the main antecedent of experiential value, followed by: emotions, interaction, brand related factors, such as awareness, equity and identity and perceived quality and price; furthermore, the effects of those determinants might be moderated by age, gender, income and personality, however it is still necessary further research in this regard. Experiential value effects are, subsequently, demonstrated through consumer's "intention, satisfaction, willingness to pay, attitude and loyalty" (Varshneya, Das and Khare, 2017, p. 13), which, according to the research, might also lead to word-of-mouth (Varshneya, Das and Khare, 2017).

2.1.3. Consumer's Perception of Shopping Value

In 2005, Carpenter, Moore and Fairhurst (2005) conducted a study to better understand consumer's perception of value in shopping experiences provided by apparel brands. The researchers launched a questionnaire to college students regarding their experiences while shopping at 3 apparel brands where they most frequently shop. The results indicate that <u>consumers perceive their favourite in-store shopping experiences as unique and differentiated</u> from the ones of competitor brands. Furthermore, Carpenter, Moore and Fairhurst (2005) suggest that <u>hedonic value is the type of value mostly responsible for creating a differentiated experience</u> and that it is best created when brands cater to a more precise target consumer, rather than to a broader. According to the investigation, consumers seem to <u>expect a certain level of utility</u> when shopping so retailers should not overlook the importance of delivering the product that the consumer wants, at the right time, in an easy and convenient way. Once that is guaranteed, the <u>emotional side of the experience is more likely to constitute a competitive advantage</u> of the retailer (Carpenter, Moore and Fairhurst, 2005).

Although the findings of this study should not be generalized, due to a small sized sample and the not consideration of the impact of relevant demographic factors such as gender and income, the work of the researchers is interesting as it suggests that despite the shopping experience in the apparel industry being saturated with highly stimuli, hedonic value is still perceived as the most important for the consumer. <u>Further research</u> could investigate the scenarios in which utilitarian value loses its importance for the consumer due to the presence of high levels of hedonic value, understanding which factors are determinant for a successful balance that appeals to specific target consumers (Carpenter, Moore and Fairhurst, 2005).

2.1.4. The Physical Store Experience

Sachdeva and Goel (2015) conducted an extensive review of work from previous researchers, in the fields of marketing and psychology, regarding the <u>influence of the store environment in the experience of the consumer</u> with a brand. The researchers suggest that although consumers are first lead into a store by a utilitarian or hedonic need, what makes them stay and shop is their emotional reaction.

Therefore, in order to influence consumer behavioural response, retailers should think their store experience as unique in triggering both the cognitive and the emotional dimensions of the consumer (Sachdeva and Goel, 2015). The author's advocate, after reviewing previous studies, that to create a unique and competitive experience it is important to look at it in a holistic way and consider visual and sensory stimuli, store atmospherics and emotional elements. Consumers fantasies and feelings, excitement, should not be neglected as higher levels of enjoyment felt while shopping are likely to lead the consumer to spend more time in the store and, subsequently, to purchase more (Sachdeva and Goel, 2015).

The extensive review of marketing and psychology studies conducted by Sachdeva and Goel (2015) is extremely relevant to this investigation as it shows an agreement among researchers of both areas regarding the importance of the physical store elements in providing a rich shopping experience that is also able to influence the mood of the consumer and its emotional perception about a brand. Nevertheless, it is important to acknowledge that this does not reflect a decrease in the importance of rational and cognitive attributes but rather a shift in the shopping paradigm towards consumer's higher appreciation of the experiential dimension of the store.

Blázquez (2014) defends that the reason why the fashion industry was relatively slower to adapt to e-commerce was because of the importance of the physical store experience and the difficulty in translating it to the online channel. However, the researcher notes that the emergence of new technologies, in the recent years, brought new creative and distinct ways for online stores to captivate the consumer through a more interactive and dynamic experience and by introducing technologies that try to minimize the need for the consumer to go to a physical store to try the product before purchasing. This evolution of the online store asks for a redefinition of the brick-and-mortar stores' strategies to guarantee their relevance and, in this regard, Blázquez (2014) defends that it is important to first understand how the fashion consumer perceives the value of shopping experiences across multiple channels, and the influence of technology in its perception.

The physical store is still essential for a rich customer experience as it allows consumer to physically see products and contact with a brand, ultimately enhancing the relationship between brands and consumers (Piotrowicz and Cuthbertson, 2014). Especially when it comes to fashion, this is considered the main channel of contact with the consumer; nonetheless, previous studies show that the average time that a consumer spends inside a store is decreasing (Blázquez, 2014). Grounded in the work of previous authors who defend that the shopping value, hedonic and utilitarian, refer to not only the act of purchase but also to the whole shopping experience (Carpenter, Moore and Fairhurst, 2005; Holbrook and Hirschman, 1982), Blázquez (2014) conducted a survey that tested consumer's perceptions and behaviours while shopping online and in a physical store and analysed the utilitarian and hedonic motivations across the multiple channels.

2.1.5. Dimensions of Experience and Consumer Engagement

Antéblian, Filser and Roeder (2014) construct an analytical framework of shopping experience, in the context of physical and virtual stores to identify the dimensions of the phenomenon, its antecedents and outcomes. The authors identify three dimensions of experience: a hedonic-sensory dimension, connected to the pleasure felt during the experience; a 'relation to time' dimension, which regards to consumer's control over the duration of the shopping experience; and a 'praxeological' dimension, which relates to the actions of the consumer during the experience. For the analysis of the antecedents of experience, Antéblian, Filser and Roeder (2014) believe that retailers should group antecedents in four dimensions, reflecting what the consumer seeks in the shopping experience: if seeking economic performance, convenience, hedonic gratification or social interaction. In terms of results from a positive experience, retailers should expect satisfaction, this being connected with the value attributed to the in-store experience, and the strengthening of the relationship of the consumer with the store and the retailers (Antéblian, Filser and Roeder, 2014). Mollen and Wilson (2010) state that "engagement is the outcome of repeated interactions that strengthen the emotional, psychological or physical investment a customer has in a brand" (Mollen and Wilson, 2010, p. 919) and, similarly to other researchers, emphasize the importance of creating interactive experiences to enhance consumer's engagement with a brand (Merrilees, 2016). Merrilees (2016) investigates interactive experiences to better understand their influence in consumer engagement, using principles of the four dimensions of brand experience introduced by Brakus *et al.* (2009, cited by Merrilees 2016): cognition, action, sensory and emotion. These four dimensions receive the broadest acceptance among marketing researchers; however, Merrilees (2016) argues that the fact that brands can be predominantly hedonic or predominantly functional, this characteristic will lead to different pathways of interactive experiences. Presenting a reasoning that functional brands are "likely to be simpler, information-dominant" (Merrilees, 2016, p. 404), the author builds a framework that associates two of Brakus *et al.* (2009, cited by Merrilees 2016) experiential dimensions - cognition and action - with this type of brand and defends that the other two dimensions – sensory and emotion – should be associated to hedonic brands. The framework presented by Merrilees (2016) integrates brand experience dimensions and interactivity functions with engagement and co-creation and, for this, the author considers the interactivity functions, introduced by Ghose and Dou (1998, cited by Merrilees 2016), to be the most useful. In line with what the author proposed regarding the brand experience dimensions, Merrilees (2016) also establishes an association between those and the functional or hedonic predominance of brands. Choice help (search), online deals and digital ordering are interactivity functions predominant with functional brands; multi-media, entertainment and customer support are dominant with hedonic brands (Merrilees, 2016). The framework built by the author is represented below:

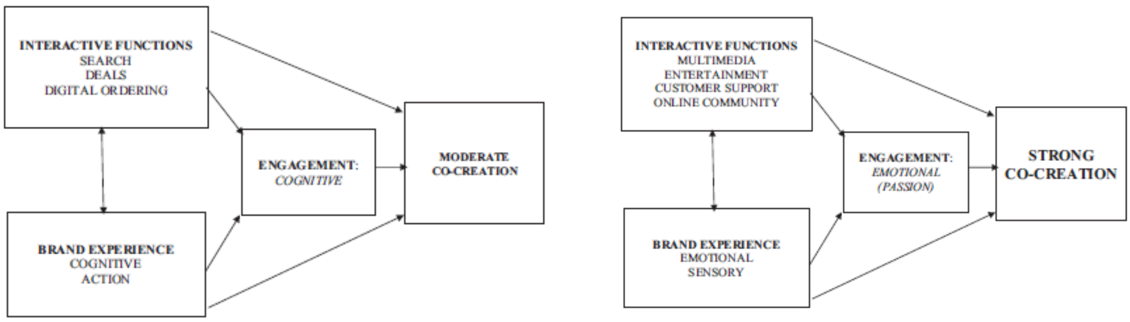

Figure 2.1.5.1 – Interactive experience pathways for functional and hedonic brands (Merrilees, 2016)

The framework illustrated above reflects the combination of brand experience dimensions and interactive functions for both functional and hedonic brands. A particularity regarding hedonic brands is that multimedia and entertainment are able to build multi-sensory stimuli (Merrilees, 2016). The author suggests cognitive engagement as the outcome of an interactive experience with a functional brand, which further leads to moderate co-creation; in the case of a hedonic brand, the outcome of interactivity is passion, an emotional engagement, which leads to strong co-creation. Merrilees (2016) explains the two different levels of co-creation from paper - with the fact that a <u>consumer who feels a strong emotional connection with a brand is presumably more active in its involvement and creation</u> with a brand than a consumer who establishes a cognitive connection. The importance of co-creation for consumer’s perception of experiential value is emphasized by Varshneya, Das and Khare (2017), who recognize the recent investment of retailers in allowing consumers to influence their own experience, generating value together with the brand.

With this study, Merrilees (2016) contributes to marketing research and practice not only through addressing the concept of interactive brand experiences in the context of enhancing consumer engagement and generating co-creation between consumer and brand, but also by exploring relevant differences between investigating a functional or a hedonic brand. As the researcher states, and as a common belief in the literature, brands are currently allocating significant resources to delivering a "unique interactive brand experience" (Merrilees, 2016, p. 406), which justifies the need to understand this concept in its multiple dimensions and functions. Furthermore, Merrilees (2016) suggests that, in a context of omnichannel or multichannel interactive experiences, the framework should be adapted by including it as a third dimension of brand experience. However, the author does not elaborate on the explanation of this extension of the framework, which raises questions in regard to the combination of the third dimension with the previous ones and possible differences in a case of multi-channel or omni-channel.

2.2. Omnichannel Retail

2.2.1. Multichannel Behaviour and Shopping Value

Blázquez (2014) supports the existence of a multichannel shopping behaviour as, prior to shopping at a physical store: 38% of the respondents had searched for information online, 26% had compared prices online and 23% had looked for inspiration in social networks. Furthermore, consumers also use the offline channel prior to shopping at an online store, as the study shows that 38% of respondents had previously visited the physical store to see the product and 26% to try it (Blázquez, 2014). Furthermore, the measures used in this study showed utilitarian value of the shopping experience being significantly higher than hedonic value in both online and physical stores. Although for online, this result is aligned with previous studies, for brick-and-mortar stores, this might seem to be a contradiction to previous work, such as from Carpenter, Moore and Fairhurst (2005). Blázquez (2014) explains this result with the fact that the United Kingdom consumer, the object of this study, is very experienced with online shopping so it demands superior experiences when shopping through this channel; it expects a more enjoyable and interactive experience and consistency across channels to rate the hedonic value at a higher level. An important result from this study is the support to the idea that consumer moves from one channel to the other, in no specific order while shopping. According to Blázquez (2014), integrating technologies in the physical stores is therefore essential to facilitate the journey of the consumer across channels and to take advantage of mobile technologies, especially location-based and social networks.

2.2.2. New Technologies Shape the Retail Landscape

In 2012, the academic Oxford Retail Futures Conference: New Technologies, Business Models and Customer Experience, propelled the debate about the role of new technologies in the retail landscape and its implications for retailers, consumers and brick-and-mortar stores. In 2014, Piotrowicz and Cuthbertson (2014) revised the work presented at the conference and identified the most important trends addressed by both academics and practitioners.

In their analysis, Piotrowicz and Cuthbertson (2014) identified seven main themes debated: “channel integration, impact of mobile technologies, influential role of social media, changing role of the physical brick-and-mortar store, diversity in customer requirements, balance between personalization and privacy, need for supply chain redesign” (Piotrowicz and Cuthbertson, 2014, p. 5-6). These topics were discussed in focus groups with carefully selected members, both experts in the related fields and representatives of large retail organizations, in the United Kingdom – considered the stage of some of the most advanced practices in retail.

In what concerns to the impact of mobile technologies, in the UK, Stone (2012) refers that consumers are increasingly using mobile devices to search for information about products and to purchase. Furthermore, the author adds that the ability of consumers to search for other retailer’s offers while in-store and the possibilities that this technology presents for a direct contact to the consumer justifies the importance of implementing of holistic strategies is, therefore, important (Stone, 2012). Nonetheless, the researcher suggests that trust is an important determinant of consumers’ use of mobile technology and that brands should communicate the benefits of using this form of contact and guide them through the possibilities available (Stone, 2012).

2.2.3. The Emergence of Omnichannel Retail

According to Piotrowicz and Cuthbertson (2014) the emergence of the omnichannel concept is an evolution from the previous multichannel strategy, in response to the consumer’s desire for an integrated retail experience, seamless across all channels. To clarify the distinction between the concepts of omnichannel and multichannel, Juaneda-Ayensa, Mosquera and Murillo (2016) present the following comparative table:

	Multichannel strategy	Omnichannel strategy
Concept	Division between the channels	Integration of all widespread channels
Degree of integration	Partial	Total
Channel scope	Retail channels: store, website, and mobile channel	Retail channels: store, website, mobile channel, social media, customer touchpoints
Customer relationship focus: brand vs. channel	Customer-retail channel focus	Customer-retail channel-brand focus
Objectives	Channel objectives (sales per channel, experience per channel)	All channels work together to offer a holistic customer experience
Channel management	Per channel	Cross-channel
	Management of channels and customer touchpoints geared toward optimizing the experience with each one	Synergetic management of the channels and customer touchpoints geared toward optimizing the holistic experience
	Perceived interaction with the channel	Perceived interaction with the brand
Customers	No possibility of triggering interaction	Can trigger full interaction
	Use channels in parallel	Use channels simultaneously
Retailers	No possibility of controlling integration of all channels	Control full integration of all channels
Sales people	Do not adapt selling behavior	Adapt selling behavior using different arguments depending on each customer's needs and knowledge of the product

*Figure 2.2.3.1 – Multichannel Strategy vs Omnichannel Strateg*y (Juaneda-Ayensa, Mosquera and Murillo, 2016)

Furthermore, even though not referring directly the term omnichannel, Poncin and Mimoun (2014) reinforce that it is important for retailers to deliver a holistic multichannel shopping. The term holistic confers the idea of integrating the experience of the multiple channels, corresponding to what is defined as omnichannel.

2.2.4. Omnichannel and the importance of the physical store

As physical stores are still considered important for a physical contact with the consumer and as a means for consumers to better experience both brands and products (Blázquez, 2014; Piotrowicz and Cuthbertson 2014) new in-store technologies should therefore be integrated to improve the shopping experience, according to the specific requirements and preferences of the target consumer (Piotrowicz and Cuthbertson 2014). The authors also report that both academics and practitioners emphasize that technology should be easy to use, well integrated in the whole store experience and have a clear purpose behind its presence.

Piotrowicz and Cuthbertson (2014) refer that, especially in the fashion industry, retailers should delineate strategies that maximize the benefits of mobile technologies and social media. As consumers use their smartphones while in the physical store, this is a powerful tool to deliver personalized and desired information to the consumer. Additionally, by using them to access their social networks, the consumer has access to others' opinions about products, is influenced by other people's suggestions and also has the power to influence their own network, serving as brand ambassadors of products or brands. In line with what was previously mentioned, this behaviour is especially noticed in the Generation Y, for which retailers should empower their desire to connect with their Reference Group (Kinley, Josiam and Lockett, 2010) while shopping.

In this regard, practitioners and academics seem to agree on the importance of using the physical store experience to build stronger customer relationships and to understand the opportunities that can emerge from the mediating role of an individual consumer in the relationship between the retailer and a larger network (Piotrowicz and Cuthbertson, 2014).

2.3. Technology in Physical Stores

2.3.1. Physical Store Atmospherics

Acknowledging retailers' investments in redesign of physical stores, with the belief that through manipulating the stimuli provided by its atmosphere, they can have an impact on consumer approach and behaviour, Ballantine, Parsons and Comeskey (2015) outline the store atmospheric elements that have more potential to influence behaviour during fashion shopping.

Ballantine, Parsons and Comeskey (2015) identify store congruency as the primary predictor of intention to shop at a store, advising retailers to design the atmospherics of the store in-line with their target's self-image and suggesting that if a store's image does not reflect the consumer's image, the last one is likely to avoid walking in. Additionally, the authors highlight the importance of atmospherics in delivering a comfortable shopping experience, suggesting that when consumers feel comfortable in a store they are more likely to spend more time there and be more active in browsing through the merchandise, which increases the chances of finding items that appeal to them (Ballantine, Parsons and Comeskey, 2015). As a result, (Ballantine, Parsons and Comeskey, 2015)'s study showed a strong positive effect of store atmospherics on the ultimate stages of the shopping experience: intention to try on the products which, subsequently, increases the likelihood of a higher intention to purchase.

Gil-Saura, Molina and Berenguer-Contri (2016) further suggest that creating a store atmosphere that propels value co-creation can enhance consumer's perception of product quality and value of a store. Furthermore, according to the researchers, this type of store atmosphere is potentially created by "last, interactive, immersive and pervasive ICT" (Gil-Saura, Molina and Berenguer-Contri, 2016, p. 648). ICT is defined as Information and Communication Technologies.

Additionally, Poncin and Mimoun (2014) use the term e-atmospherics to refer to the atmospherics of a store which integrates technology, emphasizing the importance of this element. Their research, conducted at toys stores, finds significant results of positive influence of technologies on consumer's perception of store atmosphere, shopping value and positive emotions.

2.3.2. Integrating Technology in Physical Stores

Once seen as a threat to physical stores, the digital revolution of retail reveals now valuable opportunities to physical stores if retailers define strategies that respond to consumer's journey across multiple channels and potentialize each channel as a complement to the others, maximizing the benefits of a holistic experience (Blázquez, 2014). Blázquez (2014) further supports the importance of increasing technology in physical stores as it allows brands to create a bridge that links all channels. Additionally, Burke (2002) suggests that even though retailers acknowledge technology as a crucial tool to improve the shopping experience, many still struggle with integrating new technologies, in physical and online stores, because they fail to adjust them to consumer's "shopping style, the stages in the decision process, and the type of product being purchased" (Burke, 2002, p. 430).

Hence, technological innovation should be looked at as a provider of value to the consumer instead of considered only for its modernity and technicity (Burke, 2002). Blázquez (2014) emphasizes that "the most important thing is that technology must not be an end, but a medium to enhance high-quality customer experience" (Blázquez, 2014, p. 110). Furthermore, Burke (2002) adds that the evaluation of the balance between costs and benefits is especially sensitive in this case, as in-store technology investments are usually of high amounts (Burke, 2002).

Furthermore, Gil-Saura, Molina and Berenguer-Contri (2016) suggest that technology also brings benefits to retailers' physical stores through its impact on store equity. The researchers argue that store equity originates from loyalty, service quality, product quality and perceived value and that it constitutes a valuable competitive differentiator. Subsequently, Gil-Saura, Molina and Berenguer-Contri (2016) defend that store equity positively influences customer behavioural intentions. Technology is tested as a moderator of this relationship and the results demonstrate that if retailers integrate more advanced in-store technologies, the effect of store equity on customer behavioural intentions is heightened (Gil-Saura, Molina and Berenguer-Contri, 2016). The researchers conclude by advising retailers to implement technologies with the highest potential to improve customer's experience. Additionally, the work developed by Poncin and Mimoun (2014) identify satisfaction, positive patronage and intentions to recommend a store as outcomes of the presence of advanced interactive technologies in a physical store, through its influence on the store atmospherics.

2.3.3. Classification of In-store Technologies

Willems *et al.* (2016) aimed at constructing a comprehensive classification of retail technologies, responsible for bringing innovation of brick-and-mortar stores, shaping a digital retail landscape.

For this, they build an inventory of technologies that are currently available or in the process of being developed and present them in both an IT and a marketing perspective. For the scope of this study, the technologies included "targeted in-store shopper marketing objectives" (Willems *et al.*, 2016 p.4) and which the researchers present in a <u>two-dimensional classification</u>. The first dimension regards to the type of value that the technologies bring to the shopper and the second one matches the technologies to the stages of the customer's path to purchase in which they directly create value.

In what regards to the <u>shopping value</u> that is generated by the in-store technologies, Willems *et al.* (2016), in accordance with what is previously explained in this chapter, identify three main categories - cost/effort reduction, utilitarian and hedonic or symbolic - which subsequently comprise eleven different types of value. Figure 2.3.3.1 (Willems et al., 2016) <u>below</u> is a representation of the guidelines that Willems *et al.* (2016) used to classify the technologies according to the added value for the consumer. This image is an adaptation from the representation of the researchers work, with the only edit of eliminating a fourth column which presents examples of technologies. This change was made to simplify the analysis of the content and no relevant information is missed as further is presented another image which includes the author's whole inventory of technologies.

Shopping value type		Classification guidelines
Cost/effort reduction (cost)	*a. Convenience at home*	- Saving time or effort for the shopper at home - Shopping lists
	b. Convenience in-store	- Saving time or effort for the shopper in-store - In-store navigation or product finding - Convenience in payment - Personalized check-out services (e.g., saving personal data/-recognizing the customer with a smart interface so that an extended log-in procedure can be avoided)
	c. Money savings	- Offering monetary savings - Price comparison apps - Personalized coupons/promotions
Utilitarian benefits (function)	*d. Product information and comparison by mobile phone*	- Product comparison in function of optimizing one's choice by means of mobile phones - Information pull - NOT: receiving coupons (=c), local event information (=g), price comparison apps (=c), etc. by mobile phones
	e. Product information and comparison by in-store fixtures	- Product comparison in function of optimizing one's choice by aid of in-store fixtures - Information pull
	f. Personalized recommendation	- Using customer profile or in-store location information to push or pull customized information
	g. Customization	- Adapting to the consumer - Providing answers to questions such as 'how do I look in this product, what color suits me best, what are my sizes, ...?' - Producing or displaying customized products
Hedonic or symbolic benefits (fun)	*h. Inspiration/education*	- Inspiring or educating the shopper - Providing attention to certain products (e.g., via lighting) - Information push
	i. Aesthetics	- Providing aesthetics or a nice ambient atmosphere - Not focused on one particular product
	j. Social value	- Offering social value in terms of connecting people - Sharing and reviewing products via social media
	k. Play	- Generating a playful dimension in the shopping experience

Figure 2.3.3.1 – Shopping value classification of in-store technologies (Willems et al., 2016)

The second dimension of the classification reflects the six stages that constitute the consumer's journey during a shopping experience: need recognition, information research, evaluating alternatives, purchase and post-purchase (Willems *et al.*, 2016). As with the previous dimension, the following Figure 2.3.3.2 (Willems et al., 2016) represents the guidelines, defined by the researchers, for each stage of the shopping cycle:

Path-to-purchase	Classification guidelines
a. Need recognition	- informing consumers about the new arrivals in the stores or suggesting products to customers - shopping lists
b. Information search	- allowing customers to achieve fast and detailed information about products in the store - allowing customers to *indirectly* compare options
c. Evaluating alternatives	allowing customers to *directly* compare alternatives
d. Purchase	helping shoppers with the actual purchase of a product or service, for instance by making the payment process easier
e. Post-purchase	allowing customers to share reviews

Figure 2.3.3.2 - Shopping stage classification of in-store technologies (Willems et al., 2016)

The researchers further present an overview of the stages and types of value in which retailers have been and are investing more heavily and conclude that the stage that comprises more technologies is the one of the purchase (Willems *et al.*, 2016). Furthermore, the authors verify that the early stages of the customer journey comprise 65.91% of the in-store technologies evaluated, compared to the stage of post-purchase, which only refers to 1.14% (Willems *et al.*, 2016). Notwithstanding, this significant disparity might rise from the fact that the present study left out of its scope the emerging mobile and location-based technologies (mobile marketing) and the interaction with social media, which could have a relevant impact in this last stage. Furthermore, Willems *et al.* (2016) recognize that by missing to consider them, the study also fails to acknowledge the potential benefits that retailers might obtain from the gathering of consumer insights, the opportunities of building customer loyalty and the possibility of enabling e-word-of-mouth through customer's social media platforms.

Equally important, and regarding the type of shopping value generated, Willems *et al.* (2016) suggest that retailers are targeting efficiency as the main type of value that technology can bring, as 55.11% of the technologies adopted and in development belong to this category. This weights in the balance between utilitarian and hedonic shopping value, with the first type of value referring to 65.91% of the technologies and the second one to only 45.45% (Willems *et al.*, 2016). Willems *et al.* (2016) interpret these findings stating that retailers are putting more emphasis in improving the shopping experience through the increase of utilitarian value and neglecting the creation of hedonic value, which seems to contradict studies previously reviewed in this chapter, which defend that hedonic value is in the focus of retailers. Nevertheless, the number of technologies existing or in development should not lead to considerations regarding the importance of the value that they are aimed to generate. Even more given the suggestions of researchers that what is crucial to enhance hedonic value is a correct implementation of technologies which appeal to the preferences of the target consumer and strengthen the emotional connection of the consumer with the brand or retailer. Therefore, a quantification of technology does not reflect the impact of this technologies in the shopping experience nor the focus of retailers' investments.

The present study contributes to the marketing literature by the overview of the classification of in-store technologies according to the value created and the stage in which their presence influences the customer's journey, is subject to two significant critiques. However, the inventory of technologies and the results obtained should be taken merely as a reflection point for the present research since it does not focus on technologies for apparel retailers and, as previous mentioned, ignores relevant technologies for this industry.

2.3.4. Digital Signage

Digital Signage consists mainly of LCD or plasma screens that transmit digital content and, although its adoption in retail is relatively recent, it has spread quickly through individual stores, high-street shopping areas and shopping malls around the globe (Dennis *et al*., 2014). Even though the number of studies focused on evaluating the effects of digital signage are still very limited, many are the researchers who link this in-store technology to <u>increasing customer's affect and spending</u> (Dennis *et al*., 2012). Nevertheless, digital signage is the in-store technology which has motivated a superior amount of research, especially due to its increasing importance as an additional element of the store atmospherics, and according to Dennis *et al*. (2012) it has two main <u>purposes</u>: providing information and entertain the consumer. Dennis *et al*. (2014, 2013, 2012) is the main reference for the study of the effects of Digital Signage, in the UK, and the following sections reflect on some of their/his investigations.

<u>Digital Signage Effects:</u>

Even though consumers demonstrate low levels of recall towards DS, researchers believe in its ability to "trigger not only deliberative process and brand attitudes, but they also evoke experiences that stimulate senses, evoke feelings, and elicit approach behaviour" (Dennis *et al*., 2013, p.351). Dennis *et al*. (2012) cite the work for Turley and Milliman (2000) who suggest that the environmental psychology paradigm has been used by previous researchers to analyse consumer's retail behaviour and the studies support the idea that both <u>cognition and emotion can be influenced by a store's environment, which subsequently trigger consumer's behaviour</u>. Additionally, the Limited Capacity Model of Mediated Message Processing (LCM), first introduced by Lang (2000, cited by Dennis *et al*., 2012), suggests that <u>vivid moving images are</u>

more effective at capturing the attention of the consumer, improving their perception of atmospheric stimuli and enabling them of retaining messages more easily. Additionally, it refers that emotional content generates higher levels of attention from the consumer than informational content (Dennis *et al*., 2012). Its foundation lies in the limited capacity of people to process information and in the belief that vivid moving images are easier to interpret and more effective at captivating consumer's attention Dennis *et al*., 2012). The researchers contribute to the marketing investigation by studying the stimulus derived from a specific element of a store – digital signage – at the light of this paradigm.

Thereupon, Dennis *et al*. (2012) develop a model to ascertain the influence of digital signage on consumer's perception of a shopping mall and the subsequent effect on consumer's affect. This model has a stimulus-perception-emotion-response flow, composed by the following three scales: perception of mall environment, affect and approach behaviour. For each of these scales, the researchers define the following measures, the first to be rated by consumers on a 5-item scale: welcoming atmosphere, layout, in-place/stylish and nice place to be (for perception of mall environment); happiness, satisfaction, content and stimulation (for affect); and spending, items bought, time shopping and frequency of visits (for approach behaviour). The empirical test of Dennis *et al*. (2012)'s model suggests that digital signage is effective in creating stimuli, in the consumer, that lead to a positive perception of the retail environment. This positive perception subsequently causes enhanced emotion, which further influences positive behaviour, which potentially translates into increasing purchases.

Additionally, the study refers an increase of 6% on the yearly traffic of the shopping mall where the experience was conducted, after the installation of digital signage. One limitation of this study, however, and as appointed by the authors, is that it only tested digital signage that had informative and utilitarian content, neglecting the importance of hedonic content, which as previously mentioned, in the light of LCM is able to capture consumer's attention to a higher extent. It is also important to reflect upon the fact that this experiment refers to the context of a shopping mall, which differs from the scope of the present thesis – individual stores. Therefore, even though the model developed is valuable as a representation of the influence of digital signage, the results obtained might not be transferable.

Digital Signage and the Primacy of Affect:

After the study presented above, which tested merely utilitarian digital signage content, Dennis *et al*. (2013) conduct an experience, at Harrods - one of the main department stores in the UK, to test the effects of sensory-affective digital signage in retail atmospherics.

The researchers emphasize the value of digital signage to create stimulus that enrich customer's experience and approach behaviour and suggest that adds that evoke affective experience through inducing pleasure seem to positively influence consumer's attitudes and behaviours at an even higher extent than cognitive content (Dennis *et al*., 2013). Therefore, Dennis *et al*. (2013) state that evoked affective experience seems to be a stronger antecedent of positive attitude and behaviour than evoked intellectual experience.

Furthermore, the researchers introduce the concept of "primacy of affect" (Pham, 2004), used in marketing literature, which means that in activities where consumers allocate low levels of functional and deliberative reasoning, there is a higher propensity for their decisions to be led by their emotions rather than by their intellect, without them realising that their hearts are manipulating their minds (Dennis *et al*., 2013; Pham, 2004).

The empirical study conducted at Harrods proposes a trace from the content viewed in the digital screens to consumer approach and behaviour as follows: digital signage produces communication effects, through the effective spread of messages, which then affect positively consumer's attitude towards the retailer and its approach behaviour; moreover, digital signage provides a heightened consumer experience, which precedes an increased intention to spend, a desire for spending more time in-store and a propensity to visit the store more often and be loyal to the retailer (Dennis *et al*., 2013).

Digital Signage and Evoked Experience:

In 2014, Dennis *et al*. (2014) publish a research which took them further on the understanding of the benefits of digital signage to retail, towards its connection with evoked experience. The authors observe digital screens, integrated in-store with the purpose of providing both affective and intellectual experiences, to build an understanding of how this technology affects consumer's experiences, potentially influencing their judgement and purchase behaviour.

Therefore, Dennis *et al*. (2014) test cognitive and emotional content featured on the screens and suggest that most consumers demonstrate a positive attitude towards both types of content and that both produce positive effects on consumer behaviour. According to the study, cognitive content induces an intellectual experience, through delivering information that is useful for the shopping process; whilst emotional content stimulates the consumer into feeling entertained and induces an affective, pleasurable experience.

An interesting result of this study is that emotional content is more highly rated by consumers than cognitive content, which subsequently suggests that affective experiences producing a higher impact on attitude and behaviour (Dennis *et al*., 2014). This finding is aligned with previous studies, reviewed in this chapter, which refer a higher importance of hedonic value in the shopping experience. Therefore, this study supports the importance of digital signage aesthetic content in providing a pleasurable in-store experience and the idea that retailers can use digital signage to manipulate purchase intentions and time spent in-store (Dennis *et al*., 2014).

2.4. Consumer Acceptance of Technology

2.4.1. Technology Acceptance in an Omnichannel Context

The necessity of understanding consumer's acceptance of technologies and its influence in behaviour and intention to purchase, in the context of omnichannel shopping, motivates Juaneda-Ayensa, Mosquera and Murillo (2016) to build a new model of omnichannel customer behaviour which identifies main drivers of technology acceptance. The proposed model is an adaptation of the Unified Theory of Acceptance and Use of Technology (UTAUT2) model and tests two additional antecedents of omnishoppers' acceptance of technology in the stages of pre-purchase collection of information and purchase, in the fashion industry.

Hence, Juaneda-Ayensa, Mosquera and Murillo (2016) construct an extended version of the UTAUT2 model by introducing perceived safety and personal innovativeness as antecedents of purchase intention in order to test the effect of all the variables in omnichannel purchase intention. *Performance expectancy* represents the benefits that the consumer expects from using multiple channels throughout the shopping journey and is commonly appointed by previous researchers as the main predictor of behavioural intention (Juaneda-Ayensa, Mosquera and Murillo, 2016). *Effort expectancy* emerges from the concepts of perceived ease of use, from the TAM model (Davis, Bagozzi and Warshaw, 1989), and ease of use, from the Innovation Diffusion Theory introduced by Moore and Benbasat (1991, cited by Juaneda-Ayensa, Mosquera and Murillo 2016) and relates to how easily it is for the consumer to navigate through the different channels during shopping (Juaneda-Ayensa, Mosquera and Murillo, 2016). Furthermore, consumer's consideration of other people's opinion regarding their use of different channels when shopping is considered in the *social influence* variable and, similar to the concept of subjective norm in the TAM model, emerges from the belief that the individual is influenced by its own belief of other's opinions (Juaneda-Ayensa, Mosquera and Murillo, 2016). *Habit* is the "extent to which people tend to perform behaviours automatically because of learning" (Juaneda-Ayensa, Mosquera and Murillo, 2016, p.4). *Hedonic motivations* relate to the pleasure that the consumer experiences from using technology while shopping. Juaneda-Ayensa, Mosquera and Murillo (2016) include this in their model since hedonic motivations have been suggested by previous studies as an important predictor of technology use in the UTAUT2 model and, combined with the multiple studies that also support the importance of the hedonic value of the shopping experience.

The reasons for including the two additional antecedents in the model is explained by previous studies which, according to the researchers, suggest their influence in consumer behaviour in a context of adopting new technologies (Juaneda-Ayensa, Mosquera and Murillo, 2016). *Personal innovativeness* represents the predilection for experimenting and seeking information about products through different, innovative channels and, according to (Juaneda-Ayensa, Mosquera and Sierra Murillo, 2016) this desire for newness has been identified by previous studies as a determinant of technology adoption and intention to consume. *Perceived security*, defined in this model as the consumer's perception of security, across all channels and throughout the whole shopping experience, becomes especially important when considering the online channels, as they raise questions regarding "information security, such as authentication, protection, verification or encryption" (Juaneda-Ayensa, Mosquera and Murillo, 2016, p. 5).

The authors tested the model and believe and verify that 81% of consumers used two channels in their most recent shopping process, 11.8% used three and the remaining 7.2% used four channels (Juaneda-Ayensa, Mosquera and Murillo, 2016). The findings of this study suggest that the main driver of omnichannel purchase intention is personal innovativeness, followed by effort expectancy and performance expectancy (Juaneda-Ayensa, Mosquera and Murillo, 2016). According to the researchers, this means that the consumer's desire to be up to date with the new technologies and experiment them before others have is what mostly attracts them to navigate through the multiple channels, which suggests that managers should keep innovation and differentiation as priorities to appeal to omnishoppers (Juaneda-Ayensa, Mosquera and Murillo, 2016). Additionally, Juaneda-Ayensa, Mosquera and Murillo (2016) speculate that the other two drivers – effort and performance expectancy – might be justified by a task-oriented profile of consumer. Contrasting with previous marketing literature, social influence, habit and perceived security produced no effects and hedonic motivations showed a very low influence on omnichannel behaviour intention. Regarding perceived security, the varied options that an omnichannel purchase presents, such as ordering online and paying in the physical store, allow a more conservative consumer to minimize its perception of risk (Juaneda-Ayensa, Mosquera and Murillo, 2016). Additionally, the fact that the sample used regards to only shopping at Zara, which is a well-reputed in Spain, might have also influenced this result. The results of hedonic motivations were surprising in the light of previous studies which suggest the supremacy of hedonic value in the omnichannel experience, as previously presented in this paper. Juaneda-Ayensa, Mosquera and Murillo (2016) address this apparent contradiction with the fact that an omnishopper expects an integrated experience across channels that delivers both utilitarian and hedonic value, which makes it difficult to measure each of them separately. Furthermore, the researchers add that "technology acceptance and use is more of a new experience related to the innovativeness profile than a hedonic one, i.e., excitement over discovering how something will work rather than expected enjoyment based on prior experience." (Juaneda-Ayensa, Mosquera and Murillo, 2016, p.9).

2.4.2. Technology Acceptance in the Physical Store Context

Immersed in the context of physical stores, Kim, Mun and Johnson (2017) consider in-store technologies (SIST) as providers of "innovative and intelligent shopping experiences" (Kim, Mun and Johnson, 2017, p.27) and, similarly previously-mentioned researchers, state its increasing importance in the transformation of the shopping experience by creating new ways for consumers to interact with brands (Kim, Mun and Johnson, 2017). For fashion retailers, in-store technologies have proven to create competitive advantages for brands; however, Kim, Mun and Johnson (2017) believe that this is still an overwhelming field and that more research regarding consumer's acceptance of these technologies is necessary.

To overcome this gap, Kim, Mun and Johnson (2017) apply the Technology Acceptance Model (TAM), to fashion specific in-store technologies. The TAM, first introduced by Davis, Bagozzi and Warshaw (1989), is rooted in the Theory of Reasoned Action, which aims at explaining and predicting user's adoption of technology through a paradigm that suggests the consumer's path from belief to attitude, to behaviour intention and finally actual behaviour (Davis, Bagozzi and Warshaw, 1989). The TAM respects the same paradigm but theorises three particular beliefs: perceived ease of use and perceived usefulness (Davis, Bagozzi and Warshaw, 1989), and the perceived enjoyment (Kim, Mun and Johnson, 2017)

Therefore, Kim, Mun and Johnson (2017) conduct an online questionnaire, regarding the following three fashion specific SIST: the virtual mirror, the socially interactive dressing room and the RFID music tag. The authors' study arrives at similar results to ones of other authors in different industries regarding the importance of perceived usefulness in predicting intention of using virtual mirrors and socially interactive dressing rooms; however, when it comes to the RFID music tag, perceived enjoyment was determinant to behaviour intention (Kim, Mun and

Johnson, 2017). According to the interpretation of the authors, this suggests that different in-store technologies are differently influenced by the TAM.

Overall, the study proposes that perceived enjoyment is a stronger predictor of consumer behaviour, towards in-store technologies, than perceived usefulness, which might be a particular characteristic of the fashion industry, and to which the authors add a logical extension of "usefulness alone may not be able to compensate for a SIST that does not provide enjoyment" (Kim, Mun and Johnson, 2017, p. 34). Moreover, perceived ease of use did not generate significant results (Kim, Mun and Johnson (2017).

The work of Kim, Mun and Johnson (2017) is also relevant as it considers how consumer's belief and attitude towards technology affect its intention to interact with in-store technologies, in physical stores; nevertheless, when reflecting on the results of the study, it is important to acknowledge that perceptions of ease of use, usefulness and enjoyment might differ significantly among different regions and demographic features in the context of a global market. Furthermore, Kim, Mun and Johnson (2017) mention that the role of attitude in the path from belief to intention, applying the TAM to fashion retail, is still unclear and would be a pertinent object of future studies.

2.5. Methods & Measures

2.5.1. Store Atmospherics

Ballantine, Parsons and Comeskey (2015) study the effect of store atmospherics in consumer's approach and behaviour and draw a comparison between some of the most commonly adopted methods of measuring consumer's arousal in-store. At the moment, according to Ballantine, Parsons and Comeskey (2015), an increasing number of marketing researchers defend the use of the electrodermal reaction (EDR) measure. An alternative method has been the approach introduced by Kent and Kirby (2009) (cited by Ballantine, Parsons and Comeskey, 2015) of photo-elicitation. Nevertheless, the researchers still defend the use of in-depth interviews, as long as they are conducted with a sole focus on the physical elements that are visually observable, avoiding misconception by the interference of others; and an interview protocol designed to overcome the risks of error due to time-lag, and that is able to determine the correct direction of the arousal emotion.

2.5.2. Digital Signage

Ravnik and Solina (2013) conduct a one of a kind, quantitative study to analyse the ability of digital signage to capture the attention of the consumer. The researchers assume that the probability of a consumer seeing a digital screen is higher when the screen stays in its field of vision for a longer period of time and when the consumer spends more time inside the store, in which digital signage is installed. This assumption is then applied to a computer based audience measurement system which includes the main variables: attention time, in-view time and dwell-time. Furthermore, variables of age, gender and type of content displayed can also be account for through this method. Ravnik and Solina (2013) describe the real-time audience measurement system used in context of digital signage as a system "based on computer vision methods for detecting and tracking persons' faces from video. The video is captured by a digital camera that accompanies the digital signage screen. From the video, the system automatically computes various metrics and generates quantitative statistics of detected persons." (Ravnik and Solina, 2013, p. 219).

Even though the results produced by this experiment do not contribute directly to the scope of this thesis - since the market, brand, store category and target consumer analysed differ - it is interesting to reflect upon them to understand the precision that this method allows and to possibly consider its application for future studies in the field. Therefore, the results registered for the variable attention time, which refers to whether the consumer looked at the screen or not, registered that "35% of all people entering the store looked at the display at least once, 12% looked at the display at least twice and 6% three times or more." (Ravnik and Solina, 2013, p.222); in-view time, representative of how many times the screen is in the field of vision of the consumer, in this study, registered that, in average, the screen appeared in the consumer's field of view 4.9 times; finally, the time spent facing the screen corresponds to 12% of the time during which the screen in consumer's field of vision (Ravnik and Solina, 2013).

Further results achieved in this study suggest that men are more attracted by digital signage than women, registering higher averages in all three variables measured; children show the highest attention time, whilst the lowest belongs to consumers between the ages of 35 and 44; the type of content did not produce relevant effects on either in-view time or dwell-time but dynamic content generates 43% more attention time than static content (Ravnik and Solina, 2013). Additionally, by also including the day of the week in which the measures were taken, the researchers believe that this variable does not affect consumers' receptivity towards digital signage.

An important note to this study, and this method of measuring the how much attention consumer payed to digital signage, is that, if the aim of a retailer is to understand the efficacy of this in-store technology in enhancing shopping experience and strengthening its relationship with the consumer, the measures observed in this method are not sufficient as they do not consider the perception of the consumer regarding the content viewed. Nevertheless, this is method still provides valuable information that can help retailers adjust their use of digital signage towards the behaviour and preferences of its target consumer. As an example, it might help decide between static and dynamic content and the location of the screens in the store.

2.6. Conceptual Framework

The present section of this thesis aims at presenting the most relevant findings and discussions from the literature reviewed in order to improve the understanding of the research area, respond to the research questions and prepare a foundation for the data collection and analysis. Three main topics are explored: shopping and customer experience, linking the three concepts customer value, shopping value and experiential value; omnichannel retail and in-store technology.

Previous marketing literature links three concepts which were found important to the understanding of the core of the topic studied in this thesis: customer value, experience value and shopping value. Shopping value is defined, by the main body of academic research, as consisting of two types: hedonic and utilitarian (Carpenter, Moore and Fairhurst, 2005; Blackwell *et al.* 2000, cited by Carpenter, Moore and Fairhurst, 2005; Holbrook and Hirschman, 1982). Willems *et al.* (2016), however, distinguishes functional value from cost and effort saving value and presents them as types of shopping value associated with in-store technologies. Furthermore, Kinley, Josiam and Lockett (2010) mentions that the shopping experience can be also associated with social dimension and, even though the concept of social value is not utilized by any other author reviewed in this study, many seem to share the importance of consumer associating a social dimension to this experience, apart from the emotional connection established with the brand. Especially considering the rising importance of social media for the physical store experience, investigating the social value and its antecedents, moderators and outcomes might identify new opportunities for retailers.

Holbrook and Hirschman (1982) became a reference for marketing literature when they introduced the new concept of consumer experience as a result of consumer's change from attributing value mainly to the product to valuing experience. This change does not mean a decrease in the importance of the value attributed to the products but it reflects an increasing importance of the experiential dimension for the consumer. This concept is further linked with the concept of shopping experience, as a result of this shift in the shopping paradigm (Sachdeva and Goel, 2015) which propelled the discussion around the importance of delivering a shopping experience which appealed to the target consumer. The concepts of consumer experience and shopping experience are central to this research and their importance has motivated a significant volume of academic research (Sachdeva and Goel, 2015; Same and Larimo, 2012; Walls *et al*., 2011a, b; Holbrook and Hirschman, 1982). Furthermore, Carpenter, Moore and Fairhurst (2005) and Holbrook and Hirschman (1982) also introduce the idea that the value consumer attributes to the shopping experience being not limited to the purchase but to the whole shopping journey.

The concepts of shopping and consumer experience have been linked by many researchers who have tried to deepen the understanding revolving their dimensions and outcomes. Throughout this research, it was verified also the use of the concept of experience when describing the phenomenon valued by both the consumer and the shopper. Both Brakus and Merrilees (2016) present experience as comprising four dimensions: cognition, action, sensory and emotion. The main difference between the researchers' work is, however, that Merrilees (2016) distinguishes brands which exhibit a predominantly utilitarian profile from brands which demonstrate being predominantly hedonic. This distinction leads to two different paths and outcomes of engagement as specific interactive functions of each type of brand lead to: cognitive engagement, and a subsequent moderate level of co-creation, for a predominantly utilitarian brand; and to emotional engagement and subsequent strong levels of co-creation for a predominantly hedonic brand (Merrilees, 2016). Co-creation is associated with consumer's level of involvement with the brand (Merrilees, 2016). Kinley, Josiam and Lockett (2010) goes a step further and suggests that if a consumer establishes a strong level of involvement, or co-creation, with a brand, it is likely to purchase more. Additionally, Mollen and Merrilees (2016) also suggest that an interactive experience leads to engagement. Thereupon, the review of previous marketing literature seems to indicate that the main outcome of experience, is engagement.

Blázquez (2014) and Piotrowicz and Cuthbertson (2014) link the previous concepts to the delivery of a unique and differentiated shopping experience, and, when it comes to the fashion and apparel industry, the studies conducted by the researchers suggest the importance of the experience of the consumer in the physical store. Piotrowicz and Cuthbertson (2014) even consider this channel as the most important one as the fashion consumer values the ability of seeing and testing the product but also of having a personal contact with the brand. Furthermore, Sachdeva and Goel (2015) and Carpenter, Moore and Fairhurst (2005) argue that this type of experience consists of a competitive advantage for a retailer, in which hedonic value is dominant. However, both also state that the supremacy of the emotional value only exists if the physical store is able to respond to the level of utility that is expected by the consumer. The study conducted by Sachdeva and Goel (2015) agrees with this view by suggesting that even though consumers might be lead into a store by a hedonic or a utilitarian need, what has a prevailing influence on the time spent in-store and, subsequently, on an increase in purchase behaviour, is the hedonic value of the experience. Nonetheless, the author also argues for the ability of the store experience to deliver cognitive and emotional stimuli in a holistic way, as store elements and especially, the store atmosphere is able to influence the mood of the consumer and create an emotional connection between consumer and brands (Sachdeva and Goel, 2015), to which Piotrowicz and Cuthbertson (2014) further associates the strengthening of the relationship with the brand or specific retailer.

Ballantine, Parsons and Comeskey (2015) connects the store experience with the technology adopted by retailers, by reinforcing the importance of technology, as an element of the store atmospherics, in the creation of the stimuli, congruency and comfort delivered, in order to improve consumer approach and behaviour, by spending more time in store and increasing its desire to try the products, which ultimately leads more purchases. On a different side, Juaneda-Ayensa, Mosquera and Murillo (2016), Blázquez (2014), Piotrowicz and Cuthbertson (2014) and Poncin and Mimoun (2014) identify an omnichannel shopping behaviour, which refers to the desire of the consumer to be able to easily navigate through the multiple channels of a brand during the shopping journey, creating the challenge for retailers to integrate all their channels in order to deliver an easy and seamless experience to the consumer (Juaneda-Ayensa, Mosquera and Murillo, 2016; Piotrowicz and Cuthbertson, 2014). In this regard, the marketing literature reviewed suggests that the integration of consumer-facing in-store technology is essential for the delivery of a holistic shopping experience, integrating every channel to overcome the above-mentioned challenge (Blázquez, 2014).

Blázquez (2014), sharing the opinion of previous researchers, believes that this integration of technology in physical stores, as a consequence of the omnichannel behaviour of the consumer, leads to a redefinition of the role of physical stores. The investigation conducted by the researcher suggests that this new behaviour leads to a decrease in the time that consumers spend in stores, suggesting that retailers should use technology to also bring creativity and dynamism to the shopping experience (Blázquez, 2014). Furthermore, Stone (2012) presents a study which shows the increasing importance of mobile technology for the shopping experience, as consumers use its ability not only to purchase through online channels but also to search information, even when they are at the physical store. Additionally, Blázquez (2014) and Piotrowicz and Cuthbertson (2014) share the increasing relevance and benefits of social networks and location-based, mobile technology, to which Piotrowicz and Cuthbertson (2014) associate the advantages that retailers can obtain from using social networks as mediators of the relationship between the retailer and the wide network of each consumer who visits the store. Nonetheless, Blázquez (2014) and Burke (2002) raise the concern that retailers should look at technology as a vehicle to improve omnichannel shopping experience, considering its benefits aligned with the preferences of the consumer. Willems *et al.* (2016) also suggests that its presence should be maximized throughout the whole shopping journey, and not only at the moment of purchase, and that it should be connected to both economic and emotional types of value. Furthermore, Juaneda-Ayensa, Mosquera and Murillo (2016) introduces a study which accounts the influence of consumer technology acceptance on its intention to purchase through an omnichannel experience and suggests that the strongest antecedents are the desire for personal innovativeness, the minimization of expected effort and performance expectancy.

Regarding the presence of technology in physical stores, Piotrowicz and Cuthbertson (2014) recommends that if the retailer aims at building a stronger relationship with the consumer through an improved in-store experience, it is important to decide which technologies to adopt based on the requirements of the specific target consumer and the ease of use of the technology. Moreover, Gil-Saura, Molina and Berenguer-Contri (2016) suggest that adopting more advanced technologies improves the sense of interactivity of the store atmosphere, increasing consumer involvement, which has a positive impact on consumer's perception of product quality and store value; furthermore, store value, associated with store equity, improves consumer behavioural intention (Gil-Saura, Molina and Berenguer-Contri, 2016). Similarly, Varshneya, Das and Khare (2017) and Poncin and Mimoun (2014) refer technology as the most important element of store atmospherics and Poncin and Mimoun (2014) agree that the more advanced they are perceived to be, the stronger its positive influence on consumer perception of store atmosphere, positive emotions and shopping value, which further has an impact on satisfaction, positive patronage and intention to recommend the store. Consumer technology acceptance is also important to consider regarding the implementation of technology in a physical store and Kim, Mun and Johnson (2017) contributes to the research area by identifying perceived usefulness and perceived enjoyment as predictors of consumer approach behaviour. Furthermore, the researcher suggests that, between these two, the strongest predictor varies depending on the type of technology.

To conclude, this conceptual framework links the three main areas of marketing research which were found to be influential in the topic investigated in this thesis, providing knowledge of different views, findings suggested by the work of previous researchers and building the theoretical foundation for the development of further knowledge surrounding the complexity of the topic. From the revision of previous studies, it seems that the presence of technology in physical stores has its roots in the desire to deliver a unique and differentiated experience to the consumer as well as in the increasing importance of the emerging behaviour of omnichannel shopping.

CHAPTER 3 - METHODOLOGY

To ensure the quality of a scientific research, it is important to reflect and decide upon four levels of methodological discussion: ontology, epistemology, methodological approach and methods and techniques. This chapter explains the paradigmatic position taken by the researcher and presents the research design of the thesis.

3.1. Paradigms in Social Science

The philosophic views of a researcher influence the methodological direction of an investigation and the subsequent choice of research methods, the conduction of the research and the interpretation and analysis of the data collected (Bryman and Bell, 2011; Kuada, 2010). Therefore, it is essential for a researcher to reflect upon its own views and to communicate the values underlying its study. Most researchers use Paradigms of Philosophy of Science to communicate the underlying ontological and epistemological views and the assumptions made in regard to methodology and human nature (Kuada, 2010). Bryman and Bell (2011) also defines a paradigm as a set of beliefs which affect the core decisions throughout a research process.

3.1.1. Ontology and Epistemology Views - The Interpretive Paradigm

Kuada (2010) suggests the importance of, primarily, reflect on the researcher's conception of reality, of what is real and therefore can be studied to create knowledge. This leads to a discussion regarding ontological views, which refer to the nature of the social world and, according to the classification of Bryman and Bell (2011) can stand either on objectivism or constructionism. Objectivism defends that the reality in study exists independently of the social actors and so the nature of culture and organizations is external to them (Bryman and Bell, 2011). Contrastingly, the authors present the opposite view of constructionism, which defines social reality as dependent of the interaction of the social actors and, therefore, sees the phenomenon in study as a result of those interactions and acknowledges the intrinsic evolving dynamic conferred to it (Bryman and Bell, 2011). The present research follows a constructionism perspective as the aim of the study is building an understanding of a social phenomenon which is considered to be influenced by people's interactions. The researcher takes a moderate stand on constructionism as it is considered that "culture has a reality that 'persists and antedates the participation of particular people' and shapes their perspectives, but it is not an inert objective reality that possesses only a sense of constraint: it acts as a point of reference but is always in the process of being formed" (Bryman and Bell, 2011, p. 22).

Epistemology refers to the view, taken by the researcher, regarding the creation of knowledge (Kuada, 2010). Aligned with the conception of reality previously presented, this investigation follows the interpretive view as it perceives the development of knowledge as the process through which the researcher creates subjective interpretations from the phenomenon in study (Bryman and Bell, 2011). Both Kuada (2010) and Bryman and Bell (2011) identify the interpretive paradigm of Burrell and Morgan (1979) to contribute especially for a qualitative, subjective research as it allows the discussion surrounding the complexity of a phenomenon through the reflections of experiences and perspectives of individuals. Thereupon, this thesis intends to explore the presence of in-store technology in physical stores of sports retailers through the researcher's own interpretation of the experiences of interviewed managers regarding the implementation of strategies, valuing the understanding of processes and perspectives instead of conclusive results.

3.2. Research Design

The research design is an essential element of scientific research as it provides an "action plan" for the investigation process, connecting the paradigmatic position of the researcher with the research strategy and methods selected, informing the necessary steps in order to achieve answers to the research questions and achieve the proposed objectives (Kuada, 2010).

3.2.1. Exploratory Research

At the start of this investigation, during the stage of defining the research opportunities and the gaps to be addressed, many of the challenges encountered were due to the lack of previous studies that could provide a better understanding about the technologies present in the physical stores of sports retailers, both in Portugal and in the United Kingdom; the way consumers are interacting with them and the strategic expectations of the retailers regarding the adoption of these technologies.

More specifically, in order to identify potential research areas and define research questions, it is important to investigate what are the technologies that sports apparel and footwear brands are currently using in their physical stores, not only in the sports industry but also in other industries, and to understand the perspective of both business and consumers in order to assess key issues to motivate further research.

Considering this, the research design believed to best contribute to the development of this thesis is the exploratory research design as its main purpose is to build a better understanding of the problem in study to inform more precise, future investigation (Sreejesh, Mohapatra and

Anusree, 2014). According to Sreejesh, Mohapatra and Anusree (2014), exploratory research should be conducted at the beginning of the research process to help define the focus area of the investigation, lead the researcher to existing gaps and inform the further steps of the research process.

The authors refer three main reasons for conducting na exploratory study: "to analyse a problem situation, to evaluate alternatives and to discover new ideas" (Sreejesh, Mohapatra and Anusree, 2014 p.31), which aligns with the aim of this thesis of exploring the adoption of in-store technologies, that increase consumer engagement, by athletic apparel brands and retailers to identify opportunities for improvement and innovation. It is not intended to arrive at a conclusive result but to collect useful data for subsequent studies (Sreejesh, Mohapatra and Anusree, 2014).

3.2.2. Research Approach & Data Collection

3.2.2.1. Qualitative vs Quantitative Debate

Business research approaches are currently qualified as either qualitative or quantitative and researchers have the possibility of choosing one of them or of following a triangulation research method which combines both within the same investigation (Kuada, 2010). According to Kuada (2010), the choice of research approach is influenced by three main elements: the research questions, the timeframe for conducting the research and the resources available to the researcher. Quantitative data "refers to measurements in which numbers are used directly to represent the characteristics of something" (Joseph *et al*., 2015, p.145) and it leads to the methods of statistical analysis. According to Kuada (2010), this approach is preferred when the researcher wants to arrive at a precise outcome. On the other hand, qualitative data "represents descriptions of things made without assigning numbers directly" (Joseph *et al*., 2015, p.145) and comes in forms of words, sentences or even pictures from which the researcher than creates meaning (Joseph *et al*., 2015). Kuada (2010) defends the use of a qualitative approach when the "richness of detail" (Kuada, 2010, p. 70) and the constant debate of new ideas and perspectives is present throughout the investigation.

3.2.2.2. Choosing a Qualitative Research Approach

This <u>thesis was conducted under a qualitative approach</u> and the collection of qualitative data undertaken has its roots in the exploratory character of the investigation, supported by the view of Joseph *et al*. (2015) and Sreejesh, Mohapatra and Anusree (2014) who indicate this type of data as especially valuable for exploratory research. Instead of aiming at developing and testing hypothesis, as it is usually the case with quantitative data, qualitative data serves the purposes of identifying concepts, ideas, common themes and patterns, that influence the direction of the study (Joseph *et al*., 2015).

Considering that the research questions and the objectives of this research are to build a deeper understanding of the phenomenon of integrating consumer facing technology in physical stores through an investigation of different perspectives regarding the strategic motivations associated with, qualitative data brings higher value as it allows the discovery of underlying issues which would not be exposed by quantitative analysis (Joseph *et al*., 2015) and does not limit the respondent to a specific set of responses (Sreejesh, Mohapatra and Anusree, 2014). Furthermore, it allows the representation of human perspective and richer feedback, which is crucial to truly understand the opinions, feelings and experiences of consumers and managers (Sreejesh, Mohapatra and Anusree, 2014; Kuada, 2010).

3.2.2.3. Challenges of Qualitative Research

Nonetheless, qualitative research presents challenges that should be carefully considered before launching the investigation. It requires the interpretation of concepts and ideas that might be ambiguous and so the researcher needs to use its own judgment to solve and make sense of some data (Joseph *et al*., 2015). For this reason, studies which use qualitative data are less likely to be replicable and might be object of criticism related to subjectivity (Joseph *et al*., 2015; Sreejesh, Mohapatra and Anusree, 2014). Nevertheless, Joseph *et al*. (2015) defend that "subjectivity becomes a weakness only when researchers try to generalize based on a single researcher's opinion" (Joseph *et al*., 2015, p.146) which is avoided as the purpose of the exploratory research conducted in this thesis is to better understand the area in study and to discuss opportunities for future research in improving consumer experience, through the integration of in-store technology and not to formulate conclusions based on personal interpretation or opinion.

3.2.2.4. Qualitative Research Methods - Interviews

Sreejesh, Mohapatra and Anusree (2014) and Joseph *et al*. (2015) indicate that one of the main qualitative research <u>methods</u> is the depth interview, which is the method chosen to generate the primary data collected throughout this investigation. Sreejesh, Mohapatra and Anusree (2014) distinguishes three types of depth interviews, according to the level of flexibility in the conduction of the questionnaire: unstructured or non-directive, semi-structured and standardized. For this thesis, s<u>emi-structured</u> interviews were adopted due to its moderate approach which allows the adaptation to the responses of the interviewees without drifting away from the core of the topic discussed. An <u>unstructured</u> interview would likely lead to less systematic data that would be more difficult and time consuming to analyse, as it allows complete freedom to the interviewee to decide the course of the interview, in an absence of pre-determined questions to be asked that confer to the interviewer only the role of bringing up topics to be discussed, in the form of a natural conversation (Sreejesh, Mohapatra and Anusree, 2014). On the opposite extreme, a standardized interview limits a richer understanding of the views of the interviewee and the identification of new ideas, as it is strict to a prepared set of questions, organized in a specific order, not allowing the interviewer to adapt to the answers being given (Sreejesh, Mohapatra and Anusree, 2014). Additionally, Kuada (2010) suggests the use of semi-structured interviews especially in qualitative, exploratory research as this method allows enough flexibility for the researcher to identify and explore ideas and perspectives which would not be possible to discover through the analysis of previously acquired theoretical knowledge.

3.2.2.5. Semi-structured interviews

According to Sreejesh, Mohapatra and Anusree (2014), to conduct semi-structured interviews the interviewer should possess a prior knowledge about the area of research and of current market trends to be able to generate a good interaction with the interviewee. Furthermore, the attitude and skills of the interviewer can have a significant impact on the quality of the interview as, even though the researcher should allow flexibility to the interviewee, it should also be able to adapt the course of the conversation within the essential themes of the research. Similarly, Kuada (2010, p.78) refers that "interviewers with limited experience can create situations that produce biases in the interview process". In order to minimize the above-mentioned risks, it was conducted a pilot interview which served as a primary contact with one of the representatives of the main company in study and tested the ability of the interviewer to propel an interactive, informal conversation and to identify concepts and ideas to further inform the direction of the research.

3.2.2.6. Sample of this research

Throughout this investigation, six interviews were conducted and the interviewees were selected according to their potential contribution to the research and their own willingness to participate. All five managers are representatives of a company, as the aim of the interviews was to extend the knowledge of the strategic process undertake by retailers regarding the adoption of in-store technologies. The companies involved in the study are: Sport Zone, ProDirect and Snap Inc.

Sport Zone:

Sport Zone is the leading sports retailer in Portugal, with more than 70 physical stores, the biggest sports online store in the country and a level of awareness superior then 95%; furthermore, the brand is aiming at expanding its presence also in Spain, the second territory where it is operating, and where it currently has more than 30 physical stores (Sportzone.pt, n.d.). Sport Zone belongs to the Sonae SR company, which is part of the Sonae Group. Sonae Group is a reference in innovation in the country, with a cumulative investment of over 600 million euros, throughout the past 10 years, in Research, Development and Innovation in its retail businesses (Sonae, 2017). Apart from being a representation of the most innovative practices in the Portuguese retail sector, Sonae has a strong international connection through the establishment of innovation partnerships across 26 countries (Sonae, 2017). Moreover, what Sport Zone constituted a valuable motivator for this thesis due to the recent integration of new consumer-facing in-store technologies: digital screens and in-store sales. These new elements integrate the physical stores of Sport Zone across the country and constitute a differentiation from what is the physical stores of the competitors. Therefore, understanding the motivations behind this strategic direction, the challenges faced by the retailer throughout the process of formulation an innovative physical store strategy and the feedback of the target consumer is an extremely valuable contribution to this exploratory investigation. Additionally, it is also relevant to mention that Sport Zone's target consumer is vast, from the elite athlete to the regular fitness enthusiast, comprising of men, women and children of a wide age group. For this reason, the perspective of this retailer is considered to provide an insight into a significant volume of the Portuguese sports apparel and footwear consumer.

Pro-Direct:

Pro-Direct is the world's largest online sports store (Prodirectsport.com, n.d.) and even though the business of the retailer continues to be mainly focused on the online channels, through the website of each sport and with a significant reputation on social media, the retailer found the need to open a physical store, in London, three years ago. Although the physical store is mainly focused on football products, this store constitutes a reference of integration of consumer-facing technology in retail, delivering an innovative, digital experience to the consumer, making this a reference to retail experts and retail managers across Europe. Pro-Direct online store serves 250 countries and its flagship store in London – LDN19 – meets the ambition of the brand of delivering an extraordinary experience to the consumer. This strategic direction leads the

LDN19 store to be awarded, in June 2016, a RetailWeek Customer Experience Award, in the category of Retail Theatre (Retail Week Customer Experience Awards, 2016).

Snap Inc.:

Snap Inc., the camera company which owns the social platform Snapchat, registered 166 million daily active users during the first quarter of 2017, putting it right next to Facebook, at the top platforms in regard to daily user engagement content (Statista, 2017b). Furthermore, a recent article suggests it importance for physical retail stores in the UK, as "72 percent of Snapchat users send snaps while shopping, and 60 percent send snaps of items they've just purchased" (Chamberlain, 2017). The geo-location technology that this app features, combined with the advertising ones, increases its potential as a valuable tool for retailers to connect the mobile with the physical channels during the shopping experience.

3.2.2.7. Overview of the Interviews Conducted

The following table provides information regarding the roles of the managers interviewed and the respective companies, and the date and location of the interview. The personal identification of the managers is preserved as anonymous, therefore it is attributed, to each of them, an identifying reference throughout this thesis.

Table 3.2.2.7.1 - Overview of the Interview Process

Identifying Reference of the Interviewee	Company	Role of the Interviewees	Date and Location
SZ1 - *Pilot Interview*	Sport Zone	E-commerce & Omnichannel Manager	10th April, 2017, Sport Zone HQ, Maia, Portugal
SZ1	Sport Zone	E-commerce & Omnichannel Manager	13th April, 2017, Sport Zone HQ, Maia, Portugal
SZ2	Sport Zone	Portugal & Spain Store Communication Coordinator	21st April, 2017, Sport Zone HQ, Maia, Portugal
SZ3	Sonae	Future Tech Area Manager	24th April, 2017, Sonae HQ, Matosinhos, Portugal
PD	Pro-Direct	LDN19 Store Manager	28th April, 2017, LDN19 Store, London, UK
SN	Snap Inc.	Business Specialist EMEA Lead	26th April, 2017, Snap Inc. HQ, London, UK

Prior to each interview, the interviewees were informed of the objectives of the research, the research questions defined, the methods of data collection chosen in this thesis and the aimed contributions of the investigation for marketing literature and for companies acting in the retail sector. The interview guides and transcripts can be found in Appendices B to F.

3.2.2.8. Analysis of Interviews - Coding

Sinkovics, Penz and Ghauri (2008, p.704) state that "The coding process is an ongoing interpretation and examination of textual data from different perspectives" and it is recommended to conduct the following three types of coding, in the respective order: open coding, axial coding and selective coding. Furthermore, Bryman and Bell (2011) add that these should not be seen as different types of coding but instead as different steps within the coding process. Open coding refers to the process of looking through the data collected, and organized, from each interview, and attributing codes, to ideas and concepts discovered (Sinkovics, Penz and Ghauri, 2008). Within the list of codes produced, it was identified categories, consisting of the combination of codes which expressed similar and related concepts or ideas. This process, described by Sinkovics, Penz and Ghauri (2008), is denominated axial coding. Finally, the selective coding consisted of identifying 4 core categories and link them with respective sub-categories; the relationships established between them are then explored in a storyline in which all the sub-categories revolve around the main one (Bryman and Bell, 2011). The codes identified throughout this process are included in Appendix G. The final categories and sub-categories defined through the process of axial coding are represented in *Table 4.1.1, Results from the coding process of the data collected through interviews*, page 50.

3.2.3. Purpose of Literature to Review

The objective established for the development of the Literature Review chapter of this thesis follows Bryman and Bell (2011) suggestion, who states that the researcher should aim at responding to the following questions:

- "What is already known about this area?
- What concepts and theories are relevant to this area?
- What research methods and research strategies have been employed in studying this area?
- Are there any significant controversies?
- Are there any inconsistencies in findings relating to this area?
- Are there any unanswered research questions in this area?" (Bryman and Bell, 2011, p. 92)

Furthermore, connected to the choice of the interpretative paradigm, previously explained, the Literature Review Chapter is built according to the rules of narrative review, as recommended by interpretative researchers (Bryman and Bell, 2011). Therefore, the evaluation of the research selected and analysed is based on the insight it provides regarding the topic and on the understanding of the concepts and theories surrounding of the area of research. Even though some interpretative researchers deny the selection of key-words and the definition of criteria for the search and selection of the studies to include in an investigation, in order to ensure the quality and relevance of this thesis, it is assumed a moderate position and defined key-words for the search of the academic papers and journals consulted and also criteria for the selection of the 20 papers analysed in Chapter 2 – Literature Review.

3.2.3.1. Criteria for search and selection of literature

The search of the academic papers was conducted on the search engine of Aalborg University library, Primo, and using the following data bases: Emerald Insight, EbscoHost and JSTOR. Initially, it was defined a time-frame for the date of publication of the papers from 2010 to 2017, due to the fast-evolving character of the area in research; however, further in the process, this time-frame was expanded due to the relevance found in researches prior to 2010. Furthermore, also at an early stage of the process, the region where the study was conducted was also selected to Europe, England and Portugal, but unfortunately, no academic studies from Portugal were found and, due to the paradigm underlying this investigation, other regions were considered, even though the results were critically analysed, acknowledging the potential existence of results that reflected a reality distance to the ones in focus.

The main key-words and expressions used, isolated and in combination, were: in-store technology, physical store experience, shopping experience, technology in retail, retail innovation, omnichannel retail, brick and mortar store. Some industry-specific key-words and expressions used were: sports apparel and footwear, sports apparel, apparel and fashion.

Once a paper was found, the year of publication and the region were considered and the abstract was read. After reading the abstract, if mutual concepts or research areas were found, the next step would be reading the introduction and conclusion before finally deciding if the paper added value to the thesis. The process of selecting literature to review resulted in 20 academic papers, which are presented in Appendix A – Overview of Literature Reviewed.

3.3. Assessing the Quality of the Research

According to Bryman and Bell (2011), some researchers argue that qualitative studies seem to receive a lower consideration in social science because its quality presents a higher difficulty of assessment. While quantitative research is judged based on reliability and validity, the unique nature of qualitative research leads to a necessity of different evaluative criteria. Some researchers, such as Lincoln and Guba (1994, cited by Bryman and Bell, 2011, p.395), defend the criteria of trustworthiness and authenticity as equivalent to the quantitative research criteria. However, this equivalence has been contested and most recent developments seem to favour Yardley (2000) (cited by Bryman and Bell, 2011) standards: sensitivity to context, commitment and rigour, transparency and coherence, and impact and importance.

Throughout the conduction of this research the researcher followed the principle of **sensitivity to the context** by adapting to the social setting of each interviewee and each store visited. In Portugal, the interviews were longer and the interviewees were more open to discuss issues and engage in informal conversation regarding topics out of the scope of the research; while the interviews conducted in the UK were shorter and the interviewees responded better to a more structured approach. As this was considered, the researcher adapted her profile to the one preferred by each interviewee. Furthermore, while visiting stores, the researcher also identified different attitudes from the sales assistants and stores managers and responded accordingly by sometimes engaging in conversation which could add value to the research (mainly regarding the use of technologies and the interaction of the consumer), while adopting a passive presence in others.

Commitment and rigour:

Throughout the four months of conduction of this thesis, the researcher was committed to get immersed in the global retail reality and, especially, in the ones of both countries in study. Contacts with retail experts were established, even though not featuring this investigation and helped to guide or confirm the direction the study was going and upheld the necessity to investigate the outlined research questions. The lack of previous experience of the researcher in the conduction of interviews, was minimized by the conduction of a pilot interview, which allowed the identification of improvement points for the subsequent ones. A prior research regarding the companies in study and the interviewees' profile, as well as the previous knowledge of the retail scenario in Portugal and in the UK. The collection and analysis of data, in two different languages, obliged a careful and rigorous process of translating ideas and concepts and the translation of some ideas and concepts exposed by the Portuguese managers were posteriorly confirmed.

Transparency and coherence:

The methods and techniques used to collect and analyse data are detailed in previous sections of this chapter, as well as the underlying paradigms to which they are related. Transcripts of interviews, interview guides and steps of the coding process are included in appendices B to G, to assure transparency to the reader. Furthermore, the analysis and interpretation of data, and the discussions generated throughout this thesis were written considering the principles of coherency and clarity, with explicit connections to the origin of the information used.

Impact and importance:

The premise is founded on the necessity of filling the research gap related with the understanding of retail managers' motivations for implementing new technologies in physical stores and the strategic process conducted in retail companies in Portugal and in the UK. All the managers interviewed, and previous marketing researchers, agree that this is a fundamental research topic to be further explored by academic researchers, as retail strategies in Portugal have been based on "intuition" and "trial and error", posing several challenges to retail managers. The discussions generated throughout this thesis and the conclusions arrived at provide not only a valuable comparison between the two countries, but also identify issues that should be further investigated in order to help retail managers delineate and implement innovative strategies for their physical stores. Additionally, the conceptual framework designed provides a rich understanding of the topic. Therefore, this thesis is relevant and impactful for the community in which it was developed and also for practitioners.

CHAPTER 4 – DATA ANALYSIS

This chapter presents the results obtained from data collected through interviews (transcripts available in Appendices B to F) and store visits. First, the data resulting from the interviews is analysed by introducing a table of categories generated by a coding process, further detailed in appendices 6 and previously explained in CHAPTER 3 – METHODOLOGY; each category is explored, relating it to data associated with respective sub-categories. Subsequently, the results from the visits to 11 retail stores are introduced and, finally, the chapter ends with a summary of the main results from each method, combined to allow a richer interpretation towards the objectives of the research.

4.1. ANALYSIS OF INTERVIEWS

Table 4.1.1, Results from the coding process of the data collected through interviews

Categories	Sub-Categories
Omnichannel Retail	- Omnichannel Retail Strategy - Relevance of multiple channels - Online and Offline Connection - Challenges of Omnichannel Retail - Results of Omnichannel Strategies
Physical Store Experience	- Role of the Physical Store - Shopping value delivered by the physical store - Store Concept Strategy - Challenges of Physical Stores - Measures to Evaluate Store Concept Strategy - The Future of the Physical Store
In-store Technology	- Strategy (choice and selection of technologies) - Purpose of in-store technology - Implementation of in-store technology - Benefits of in-store technology strategies - Challenges of in-store technology strategies
International Comparison	- Leading Markets in Retail Innovation - Factors that stimulate retail innovation - Consumer acceptance of technology - Retail market competition - International Strategy

4.1.1. Category - Omnichannel Retail

The strategic focus of delivering an omnichannel retail experience seems to have only been recently introduced in the Portuguese market, at the level of mass consumption sports brands. The leading brand in the country, in regard to both market share and retail innovation, revolutionized its strategy in 2011 by launching an e-commerce platform and creating an E-Commerce & Omnichannel department. This department is responsible for the strategy of the three main distribution channels of the company: online, mobile and physical stores. In 2016, only less than one year ago, Sport Zone launched a mobile friendly website and mobile store due to the realization of the great importance of this channel for the consumer and the opportunities of its integration with the physical store experience.

The main challenge Sport Zone faced when creating an online shop was related to the exhibition of the range of products available, which created a false perception of a diminished offer of products compared to the physical store. The manager explained that whilst in the physical store, one product can take over a whole gondola due to the existence of multiple colours and sizes, on the online shop, that same product is reduced to a single picture, which might provide a sense of lack of choice and reduced offer to the consumer.

On the other hand, some of the physical stores of the brand were facing a challenge also related to the showcase of the items available but, in this case, managers were struggling to present a broad offer of products due to the small size of some stores, which subsequently raised questions regarding the selection of product to offer to the consumer.

While managers understand that the solution to both challenges was in taking advantage of the integration of both channels, building a strategy that would maximize each's benefits and delivering an experience that would please the consumer required the E-commerce and Omnichannel team to spend a lot of time in-store, observing and interacting with the customer throughout its journey to understand its opinion and collect feedback. Furthermore, the team also analysed questionnaires filled in by customers, conducted focus groups with sales assistants and keeps a strong communication flow with sales assistants and store managers to ensure that the opinions and feedback of the ones who are in direct contact with the consumer are heard and taken into account. Additionally, the managers of Sport Zone consistently look for best practices abroad, travel to visit innovative stores in cities such as London, Barcelona and Madrid, and analyse what other companies are doing in a search for inspiration to surpass challenges and bring creative solutions to the Portuguese market.

A different perspective was presented by the UK retailer Pro-Direct, which main business is online, via social media and its own website and online shop, but found significant benefits in opening a physical store, located in the heart of London, in July 2014. While online the offer extends through multiple sports, the physical store is mainly focused on football. Its prior reputation as a football boots specialist combined with the acknowledgment of two challenges that the consumer faces when shopping for this product, were the motivators for opening a physical destination. The two challenges were the impossibility of seeing and trying the product that was offered online and the lack of physical retailers in the centre of London recognized as a professionals' choice in selling high quality football boots. The LDN19 store responded to both by allowing the consumer to try on a wide range of products, from multiple brands, eliminating the consumer's need of travelling to different brand owned stores (Nike, Adidas, Puma, etc.) when wanting to try their different products. Additionally, this opportunity gains even higher importance due to the fact that Pro-Direct sells niche brands that do not possess a physical store in London, or even in the UK.

Pro-Direct has a strong online presence, across multiple social media platforms, and part of the strategy behind its physical store was the maximization and extension of the relationships created in the virtual world to the physical one. Not only by strengthening its relationship with customers through the personal contact but also by building relationships with local business, Pro-Direct believes that its physical presence is key to its growing influence in the community. Furthermore, it is noted the strategic use of the connection between the online and the offline channels, delivering an integrated experience, especially when covering the events that happen in-store. The store manager of the LDN19 reinforced the importance of teasing the future store events across all relevant social media platforms – LDN19 Instagram account, Pro-Direct's sports specific Instagram accounts and Pro-Direct's general Instagram, Snapchat and Facebook channels. Moreover, during the events, two elements of the team are responsible for creating and distributing live content on Instagram and snapchat to "create buzz locally and to allow people to relate to where we are" (Interviewee PD).

From the interview conducted at Snapchat, it was possible to understand that the concept of omnichannel retail and its growing importance is also influencing the evolution of online media platforms such as Facebook, Google and Snapchat itself. Although for Snapchat, the development of solutions for businesses is still relatively recent, having started only a year ago, Facebook and Google are already established as an indispensable presence in marketing strategies and companies allocate significant part of their marketing or advertising budgets to these solutions. Snapchat is still seen as simply a social media platform by some retailers, even though it aims at positioning itself as a camera company. This misconception makes it difficult to understand how to fit snapchat expend within retailer's strategy: in "only social media, with display budget, out-of-home budget?" (*Interviewee SN*). Nevertheless, the company has seen a stable increase in the investments from retailers in the UK and has established a strong focus in developing features that can help them "bring the offline online and the online offline" (*Interviewee SN*). This, according to the interviewee, is an extremely interesting concept that Snapchat, along with Facebook and Google, has been exploring, in an effort to help businesses better quantify the value of their digital spend as well as understand if a digital add influenced consumers to walk into a physical store, through solutions such as "geo-filters, geo-fences or polygons, that map out the world" Interviewee SN. A recent article published by Chamberlain (2017) and mentioned by the *interviewee SN* during the interview, states that 60% of Snapchat users snap while they are in a store and by carefully observing the <u>new shopping habits</u> and realizing opportunities that can come along with them, Snapchat seems to offer two main <u>online-offline matches</u>: the use of the platform as a retargeting tool for future shopping, by presenting content, from a retailer, to a consumer who previously visited its physical store; and the use of the platform as a measurement tool to quantify how many consumers visited a store after viewing a Snap Add from the respective retailer on snapchat. Besides this, the social platform offers a unique feature – Snapchat Lenses - that allows consumers to identify the store where they are at when sharing pictures and videos. On one side, an enhancer of consumer and user experience for the demographics who currently share this type of content to share their activities, project a desirable self-image to their followers or ask for advice; on the other side, an extremely valuable marketing tool of <u>word-of-mouth</u>, this feature has been widely adopted by retailers in the UK, across different industries, and has received high levels of engagement by consumers.

One of the interviewee's perception of the UK market is that, although there are still very successful high street stores, even the most traditional retailers are experiencing a <u>shift of their sales from the physical channel to the online</u>. "The physical stores, you could argue, are becoming more and more of show rooms and experiential spaces Interviewee SN), and the increase of mobile and online shopping is not intrinsic to the younger consumer but a phenomenon that is visible across all age groups. According to an article mentioned by the interviewee, "30% of retailers are expected to close their physical shops, in the UK, by 2020" and, in his opinion, this asks for a redefinition of the role of the physical store (Interviewee SN). "This might change in the next 5 years but, for me, right now, it is interesting this area of how you can merge online and offline and this seems to be how traditional retailers perform really well.” (Interviewee SN) Referring to the failure of Toys’R us in Ireland, and the fact that company’s managers appointed the undermining of the online channels as the main reason behind it due to the country being extremely technology savvy, the interviewee adds that “this sort of cases show the importance of having an online presence, almost as if in some cases you need to have an online presence to have an offline presence” (*Interviewee SN*).

Another interesting idea explored during the interview at Snapchat was how digital has revolutionized <u>marketing analytics</u> and the <u>requirements of marketing managers</u>. The interview emphasizes that with digital media managers expect to be able to determine, with a high level of accuracy, the return on their investments, which 5 to 10 years ago was unthinkable for marketers. Traditional advertising, on newspapers, TV, billboards, did not raise questions of how many people had seen the add, how many were influenced to buy because of it or how many visited the website or walked into a store after seeing it. Nowadays, the main focus of retailers when approaching Snapchat is knowing how much value the investment on the platform’s solutions is going to generate. “ROI is the biggest, biggest thing on any advertiser’s mind because they want to know, if they spend their money with us, how much they are going to get in return, compared to any other media channel out there” (Interviewee SN). The interviewee also adds that although managers want to be innovative, to appear to ahead of their competitors and use exciting buzz words when discussing ideas at a meeting, the reality is that they are investing because they believe that this is the path to achieve better ROI.

When it comes to <u>successful cases</u> of the implementation of an omnichannel retail <u>strategy</u>, all the interviewees mentioned very diverse companies of different sizes, with distinct identities and target consumers and belonging to different industries. From mass fashion to luxury, sports nutrition and even tax, what the Snapchat manager emphasized was the importance of possessing a strong online presence, with an appealing, easy to navigate and mobile friendly website and online shop.

A <u>threat of omnichannel retail strategies</u>, acknowledged by both the Snapchat manager and the E-Commerce and Omnichannel manager at Sport Zone was the saturation of the consumer, who might feel overwhelmed with constant information from a specific brand, or branded content in general, and react by disconnecting from the channels or by blocking this type of content. Even though Snapchat recognizes a fine balance between enhancing customer experience and saturating the user with content that can jeopardize it, the careful consideration of creating only features which are aligned with the nature of the app and are an extension of it instead of re-directing users to other channels, leads, according to the manager interviewed, to an effective minimization of this risk. Additionally, the fact that Snapchat's inventory of user generated content – which registered an astonishing record of 10 billion video views daily by the end of last year, according to interviewee SN – is seen as a guarantee of an extended enough offer of content that will not allow users to feel saturated with branded content. Finally, the media platform is also able to profile users according to its engagement and reaction to branded content, to which is then possible to cater the content that each user accesses to accordingly.

4.1.2. Category - Physical Store Experience

Sport Zone revolutionized its store concept four years ago, introducing the 4G store concept. According to *interviewee SZ1*, this consisted of an evolution towards a physical store which was focused on improving the journey of the consumer through changes in the layout and functionality of the store. Mentioned by *interviewee SZ2*, this store concept evolution introduced the technological elements of Digital Signage and In-Store Sales.

The data collected from the interview at ProDirect brings a different perspective, showing a prioritization of the experiential dimension that the physical store delivers. This retailer, with a prior established position in the online world, felt the need to create a physical destination for the consumer in order to enhance its relationship with consumers and with other local businesses. The concept of the store is "to be an extension of the online so as soon as you walk through the doors of the shop, it is as if you are walking into a live version of the website" (*interviewee PD*). This perspective shows a very clear concept for the store, focused on what the retailer wants the consumer to feel when walking in; instead of a focus on specific elements to improve functionality. The role of the LDN19 store goes beyond a physical destination where consumers can test the product to place where consumers can connect with like-minded people and take part in events organized by the retailer – mainly events with top athletes and product launch events. *Interviewee PD* also emphasizes the importance of always making sure that "the walls of the store are dressed correctly, aligning the graphical images, magnets, floor and the outside windows". His use of the term "dressing" is curious as it perfectly matches the impression triggered when walking in the store. Every element and every inch of the walls is tailored to combine the whole. The interviewee also adds that Pro-Direct management keeps a strong focus on "always having something different and different ways to interact with the consumer in the store".

What is surprising to realise from the interviews at Sport Zone, is that the methods used in the redefinition of the store concept and the strategic direction for the physical store seem to rely mainly on "intuition" (*interviewee SZ1* and *SZ2*), consulting the sales assistants, spending time in the store observing the consumer and analysing cases of successful brands which already innovated in more advanced markets. From a company with its dimension and reputation as leading retail innovation in the Portuguese market, it would be expected more advanced methods to analyse market opportunities and formulate strategies.

Both managers from Sport Zone emphasize the layout of the entrance of the main stores, designed to transport the consumer to a live sports events. The digital screens are positioned in a rounded shape, surrounding the whole seasonal area and there are sports elements such as tracks to replicate a sports arena and trigger an emotional response from the consumer. Nevertheless, when questioned about the prioritization of emotional and functional value in the shopping experience, *interviewee SZ2* said that, especially with the digital screens, there is a clear supremacy of communicating price and campaign information, apart from the football area. The reason for this is the belief that consumer is attracted to the low price and the product in the areas of higher external visibility and that that type of content is the one found to be most interesting; the strategy for the football area is different because, according to the interviewee, there is no regular information to deliver about price and campaigns and the consumer has a very strong emotional connection with the sport so is more receptive to aspirational content.

The 4G concept is considered a success by the interviewees, producing favourable results reflected by an increase of sales and positive feedback from the consumer. *Interviewee SZ2* believes that integrating technology is “the way to the future, it’s the right way to go”; however, this is rooted in the sales increase and not in specific feedback collected from the consumer.

Pro-Direct, on the other hand, measures the success of the store mainly by the improvements in the sense of community around the brand, the success of the events – which brought some of the world’s most recognized athletes to the store -, and by the feedback of the consumer regarding the selection of products that they can try on and the whole experience and atmosphere of the store.

When asked about the challenges that the new concept of store raised to Sport Zone, mainly regarding consumer’s perception and sales assistants’ acceptance, *interviewee SZ2* refers that some consumers perceive the store as more expensive since the integration of the in-store technologies due to the association of a modern, high quality look to high price; furthermore, she shares a concern about creating too many stimuli in-store, which might generate confusion or make the consumer feel tired and saturated during its shopping experience. Besides these, *interviewee SZ1* mentioned that in the early stages of the strategy of bringing technology to the store, the sales assistants showed some resistance as they feared that it would jeopardize their importance and because it was something considered to be pioneer in the Portuguese market. Nonetheless, they soon realised the benefits of in-store technology, especially in what regards to an omnichannel strategy that positions the online channels as generators of traffic to the physical store. Moreover, establishing the core value of delivering an assisted sale in the store and include technologies which help the assistance to the consumer instead of substituting the role of the staff was also crucial to their acceptance and contribution. In what regards to Pro-Direct, the manager mentioned that although the majority of the feedback collected by consumers is very positive, since the store opened, the company strives to always improve every element of the store. The main focus has been on having advanced technology that allows higher quality of visuals and improves the possibilities of consumer interaction.

Regarding the future of the physical store, *interviewee SZ1* believes that there will always exist a need for it to exist and that the growth of digital does not compromise its importance but it does change its role – "There will always be physical stores as long as there is people, but its role is going to change." (*interviewee SZ1*). The manager believes that this on-going transformation leads to a space of experience and emotional connection, where "consumers look for something more than product, a human interaction, a good, enjoyable atmosphere" (*interviewee SZ1*). The interviewee continues by saying that the physical store will remain important also as the place to try the product and, as consumers become ever more educated, sales assistants will need to offer differentiated, expert level service.

4.1.3. Category - In-Store Technology

Understanding the methods used by companies to research and choose the technologies to adopt in physical stores brings some of the most interesting results of this investigation. Sport Zone belongs to the biggest non-financial Group in Portugal (*interviewee SZ1*), and the focus of the Group on innovation through new technologies is reflected by the existence of the Future Tech department, which aims at investigating and selecting emerging technologies across markets and analysing its potential relevance for the companies which constitute the Sonae Group. *interviewee SZ3*, who manages the department, reveals that the department supports each company by identifying technologies that can bring value to them and assisting on the conduction of pilot studies that test its implementation. From that point on, each business takes ownership of the project and autonomously conducts the roll out to the remaining stores. Nevertheless, this department is not always involved in the process of integrating new technologies in stores as Sport Zone has the autonomy to go through the process of identifying, learning, testing and implementing in-store technologies without any involvement of the Future Tech department, whilst still having the option of asking for support at any stage of the process. What is surprising to realize is that this was the case for all the in-store technologies currently found in Sport Zone physical stores at the time. Equally interesting is the fact that this kind of innovation can occur without any contact of the Sport Zone management with Sonae's department of Future Tech, enabling situations in which new technologies might be implemented without the department having received any information about it. Regarding the process of researching and choosing technologies to implement in the different retail companies of the Group, *interviewee SZ3* refers that the department identifies new technologies by constantly keeping updated with the relevant media; with conferences such as the CES, ISPO, EuroShop and NRF; with media platforms such as Kickstarter and TechRadar; through the use of a platform which allows an easy exchange of information within the team such as articles, studies; and by collaborating closely with top Universities across the world in pioneer projects, obtaining privilege access to innovative technologies and studies. Moreover, the interviewee reveals that, for the present year, Sonae has selected 20 new technologies, which could be applied transversally in many of the companies of the Group, to further investigate. According to *interviewee SZ3*, the main criteria used in their selection were: time necessary to study, develop and test the technology; high singularity, which refers to the perceived differentiation of this technology compared to others already in the market; low resource effort; and potential positive impact.

On a different side, from the view of the management of Sport Zone, is it possible to obtain a further insight on the strategic process undertaken for the adoption of the current in-store technologies. *interviewee SZ1* reveals that first and foremost Sport Zone investigates its target consumer and, when considering technology, always has the primary goal of "making the life of the consumer easy, its experience easier and more comfortable, effortless" (*interviewee SZ1*). From there, the Sport Zone team uses as primary method for identifying new technologies, the observation of what companies in more developed markets are doing - being the UK their main reference – organizing trips to visit stores and establishing close relationships with companies to exchange practices and learn from their experience. If spotted technologies which Sport Zone believes that can bring value for the consumer, the following step in the strategic process is the consideration of its influence in the role of the sales assistants and the learning time necessary for their adaptation. Furthermore, *interviewee SZ1* raises questions such as: how to install the technology, which hardware to use, in which stores should it be implemented, how should it be displayed in the store, among others. This process leads to the testing stage, also referred to as the pilot stage, and from there are made continuous adjustments, on a basis of trial and error (*interviewee SZ1*). During and after the implementation phase, an essential characteristic of the management team at Sport Zone, emphasized by *interviewee SZ1*, is the constant contact with the reality of the physical store, to be able to identify improvement opportunities. *interviewee SZ1* concludes by adding that it is important to react quickly when it comes to innovation in physical stores and that, even though consumer satisfaction cannot be jeopardize, the company should not fall into the trap of stagnating waiting for the perfect technology or the perfect development to come in the market.

Since the moment of defining the scope of this research that identifying the main technologies that are currently being adopted by fashion retailers, for their physical stores, and understanding the strategic process that supports its adoption and implementation became a central issue of the investigation. The in-store technologies mentioned by the five managers interviewed were the following:

- in-store sales (ISS);
- digital signage (DS);
- mobile tracking technologies, such as beacons and other solutions as offered by Google and Snapchat;
- shopping assistance robots
- intelligent dressing rooms and socially interactive dressing rooms;
- virtual mirrors, smart mirrors and augmented reality
- social tags
- snapchat features: geo-filters, geo-lenses, snap codes and snap adds

Below, are presented the findings regarding the strategic perspectives associated with these technologies. The codes identified in the data collected refer to the objectives, purpose, attributed to the technology, to the process of implementing it and the tactics used, to the outcome of the integration of the technology in the physical store experience and to the challenges faced throughout the whole process. Aiming at a clear and accurate illustration of the ideas discussed during the interviews, each technology is analysed separately with findings correspondent to the multiple codes.

In-Store Sales (ISS):

This technology was mentioned by the three managers interviewed at Sport Zone, as it is one of the in-store technologies currently adopted. It consists of vertical screens that allow the customer to access the whole catalogue and buy through the online shop while in the store. The purpose of this technology was to overcome the challenge, which was worrying especially for small size stores, of not being possible to have the whole range of products, or all the sizes and colours, physically available. With the screens, the managers expected to still provide an assisted sale extended to stock that was not in-store. During the testing stage the two main issues faced were regarded to the hardware and the platform to choose, having been tested multiple ones, in stores selected for the pilot project, that ran through four months. In the end, the E-Commerce and Omnichannel department decided for vertical one-piece touchscreens as they generated more sales during the testing phase and collected a higher level of acceptance and feedback from the sales assistants; the platform that they integrate is the website to allow an easy navigation of the consumer who is already familiar with it and can replicate an at-home search and "recreate the journey he had at home" (*interviewee SZ1*), and because it required less resources, avoiding the creation of a new platform and the learning process of the sales assistants. As soon as during the testing phase, *interviewee SZ1* could realize how many potential sales were being lost prior to the ISS, which motivated a fast process of integration through all the stores of the retailer. Today, ISS is an essential element of all 135 stores, in Portugal and in Spain, and 80% of the sales generated through it, would, in its absence, not occur. It is particularly important for small sized stores which now advertise it as offering "every product inside the store" (*interviewee SZ1*). The consumer was fast to accept it and, according to *interviewee SZ2*, fast to recognize its benefits too, which was illustrated through the results of a survey. Nonetheless, its acceptance was slightly smoother in Spain than in Portugal. The Portuguese sales assistants were slightly reluctant to use it at the beginning but they soon realized its importance for their individual sales and the sales of the store and are a valuable source of feedback and suggestions for the E-commerce and Omnichannel direction.

Digital Signage (DS):

Digital Signage is, according to prior mention in this study, the display of digital screens in stores. This technology was referred by four of the interviewees – *interviewee SZ1*, *SZ2 interviewee SZ3* and *interviewee PD* – as they integrate the stores of the two retailers Sport Zone and Pro-Direct. At Sport Zone, DS fall into the responsibility of the Store Communication Department and its coordinator, *interviewee SZ2*, states that the purpose behind the adoption of the digital screens is bringing dynamism to the store, which "looked like it had stopped in time, with very static elements, as many others in Portugal" (*interviewee SZ2*), and making the façade of the store, and the whole atmospherics, more attractive. Furthermore, the interviewee also emphasizes the importance of allowing more lively communication with a higher rotation of content, which can be sports related, inspirational, campaign and promotions specific, informative or institutional. A slightly different strategic objective of the DS is mentioned by *interviewee SZ1*, who shares a vision more focused on utility and resources saving by identifying the motivation for adopting the screens as these being a better substitute of papers boards, that quickly got outdated by the fast reaction of the competitors to the prices communicated, leading to a constant need of changing them followed by a time and resources consuming process to create new ones. The interviewee adds that the necessary investment was high but lead to cost reduction in the long term and improved the communication in-store by allowing immediate updates, in all stores, made from the team in the HQ. Even though he emphasizes the utility value of DS, the interviewee also acknowledges that they make the store more appealing to the consumer by conferring a modern, interesting, innovative and interactive look to the store.

For *interviewee PD*, manager of the LDN19 store, the adoption of DS also allows an easier and frequent change of content but it's main purpose is conferring a digital look to the store, with an innovative and extremely dynamic atmospherics that aims to transmit the feeling of being in a live online platforms.

According to *interviewee SZ2*, the screens <u>were first introduced</u> in Sport Zone stores, in Portugal, three or four years ago and, although they are not part of every store yet, they can be found in the majority of the retailer's stores in both countries – Portugal and Spain. In the main stores, the screens are spread out across four areas: entrance video wall, seasonal area, football area and check-out. The content displayed in the screens of the entrance video wall and the seasonal area contains information regarding prices, special offers and campaigns, aims at showing that the store offers a wide range of products, across multiple sports, is directed to the mass consumer and the extended target consumer - "of all ages, ranging from the top athlete to the regular fitness enthusiast who goes to the gym 2-3 times a week" (*interviewee SZ2*). The football area, serving a much more specific target, displays mostly emotional, aspirational content created by the top selling brands (Nike and Adidas) and institutional content related to the sport, created by Sport Zone, and that shows the support of the retailer to the development of the "king sport" in Portugal. In the check-out areas, the content is informative, regarding post-sale customer service, payment methods, omnichannel purchase options (ex: buy online and pay in-store, purchase in-store with home delivery), and, sporadically, also institutional. According to the interviewee, when choosing the <u>content</u> to use in each area, the department aims for a harmonious alignment of the content in all screens and considers the type of information that is more valuable to the consumer in each part of the store, as well as the type of content to which the consumer might be more receptive, might captivate its attention and influence the purchase. The main challenges identified by *interviewee SZ2* are defining the frequency of updating and changing the content of the screens, especially in the entrance video walls, as this is the area of higher visibility, and evaluating the efficacy of DS. Although the general feedback of the consumer is positive, as it acknowledges its importance in creating a more interactive and enjoyable look and feel to the store, the interviewee states that it is difficult to understand its influence in consumer's behaviour as questioning their perception during shopping would increase the risk of biased responses and the consumer would have a difficult time understanding which in-store stimuli influences its perception. A curious feedback that the manager received was that some consumers perceived the store as more expensive since it incorporated the screens. *interviewee SZ2* believes that this is still a reflexion of the late development of Portuguese physical stores which lead to consumers who associate the technological elements with luxury brands; the Spanish consumer, on the contrary, is already used to this elements across all types of retailers.

Pro-Direct shows a different approach to the content showcased in the screens. According to *interviewee PD*, the content for the top floor of the store is as similar as possible to the content in the main page of the website – which changes regularly, every week and a half, and highlights the new product releases. Additional aspirational content is also included, such as videos focused on the features of the product and videos with athletes. In the bottom floor the screens show images of live mannequins which move in and out of the screen, exhibiting full football kits, and there is one screen that transmits sports news and events live, to enhance the atmospherics of the store. When questioned about the feedback of the consumer regarding the DS, *interviewee PD* said that Pro-Direct is currently collecting feedback through questionnaires, which aim to evaluate all the whole experience across channels so it is difficult to elaborate on individual elements.

Mobile tracking and social platforms integration technologies:

At Sport Zone, the integration with social media occurs only within the online platforms (website-facebook mainly and website-instagram). The only activation, mentioned by the Sport Zone managers, which linked physical store with the online and mobile channels was the PokeZone – a contest, covered on Sport Zone's Facebook and Instagram, which rewarded the consumer who caught more Pokémon's in-store, using the virtual reality game. Although there was a satisfying number of contestants, *interviewee SZ1* is very critical of this initiative as, even though it appealed to the young target audience of the brand, it showed infrastructure weaknesses of the stores, such as a fragile wifi connection, and the fact that sales assistants did not take a role as active as it would be desirable.

A contrasting perspective is the one of ProDirect, which, as previously mentioned, maintains a strong connection between the physical store and online channels. In addition to having an Instagram account – @prodirect_ldn – specifically for the store, to share content mainly about events, products and daily operations, *interviewee PD* also refers to the socially interactive screen placed in the store. This screen allows consumers to scroll through content posted on several of the retailer's social media accounts constitutes also an incentive for consumers to share content related to the store, tagging the respective accounts, as it might be featured on the screen.

In regard to tracking technologies, *interviewee SZ3* refers that Sonae is currently testing, in its supermarket chain, a technology that uses the sensor on consumer's smartphones and, by using GPS to infer its location, is capable of calculating the trajectory of the consumer through the physical store, with a very reduced margin of error. In the opinion of the interviewee, this technology is an impressive advance for marketing of proximity and it will allow retailers to deliver relevant content to the consumer in real time. Although this technology has only been studied for the supermarket chain, the interviewee refers that it could be valuable to expand its use to Sport Zone, in the future.

Snapchat Features:

During the interview at Snapchat, the manager revealed that the main features of the app used by retailers are Geo-filters and Snap adds, followed by lenses and snap codes. <u>Geo-filters</u> are creative and fun overlays that associate to a picture or video the location where it is taken and, according to *interviewee SN*, in its core is the idea of creating a fun feature which makes the consumer feel excited and even conveys the feeling of being rewarded when it finds an exclusive geo-filter, at the same time as it helps retailers achieve exposure of their physical stores. When a consumer shares a picture using a geo-filter, on Snapchat, the user in its network do not receive it as a marketing activity but as a fun message shared by a friend. According the interviewee, this is the key to this feature's success as a powerful marketing tool for physical stores at the same time as it brings excitement to the consumer. <u>Snap adds,</u> according to the manager, this is the feature that mostly impacts purchase because it not only builds awareness but also drives traffic to physical stores and is successful in generating a growth of sales. <u>Snapchat Lenses</u> are augmented reality filters, which allow the user to alter elements of the image captured by the camera and are only available to use nationwide, in the UK, and not linked to one specific physical store, consisting mainly of a tool of brand awareness. Snap codes are codes inserted in products that consumers can read using the app on their smartphones and access information about a product, link to a website or online store, enter a competition or receive special discounts. The use of this free to use feature is increasing in the UK, with retailers using it in their window shops, to direct the consumer to a website, or in products and inside the stores.

Sales Assistance Robots:

During the interview with *interviewee SZ3*, the Future Tech Area Manager of Sonae revealed that the company has tested robots that followed consumers during their shopping trip and transported the shopping car with the items to purchase. The pilot was conducted at the retailer's supermarket chain Continente and the purpose of this technology was to help customers with disabilities and parents who needed to carry a child's car. In the opinion of the interviewee, this format does not make sense for Sport Zone; nevertheless, the manager states that, in the long-term future, it can be thought for the sports retailer not in a logic of transporting items but of assisting the consumer by answering questions, delivering technical advice and suggestions.

Intelligent dressing room:

The adoption of an intelligent dressing room was discussed in two of the interviews about Sport Zone and it is interesting to identify a different opinion and maybe even a gap in the communication between the department responsible for identifying future technologies and the department of E-commerce and Omnichannel. *interviewee SZ1's* opinion about this technology is that it the value it brings to the consumer is not significant enough to justify the investment. Nevertheless, the manager sees a relevance in trying to improve the assistance in the dressing room but his view seems to be that the potential value of utility is low.

What was surprising to learn during the interview with *interviewee SZ3* was that this technology is already starting to be implemented in some of the 'mo' stores – the casual fashion chain of Sonae SR Group – and the opinion of the manager is that this technology would bring value to Sport Zone so a pilot testing should be conducted in the stores in the near future. The intelligent dressing room adopted at 'mo' allows consumers to scan the barcode of a product, access all the available sizes and colours and then ask a sales assistant to bring the options it wishes to try. According to the interviewee, this is an element that brings ease and comfort to the shopping experience, generated good feedback from both consumers and sales assistants during the testing phase and is now being rolled out to stores across the country (Portugal). *interviewee SZ3* mentioned a possible evolution of the dressing room experience with the smart mirrors, with augmented reality, as already seen in some reference stores in London; however, she defends that that is a reality very far away from the one of Sonae in Portugal due to the fact that the target consumer is not willing to support the necessary increase in the price of the products for the joy of a more interactive experience.

Social Tags:

This technology was mentioned only by *interviewee SZ1* and it consists of a QR code inserted in the product tag which the consumer can read on its smartphone and access reviews of other consumers regarding the respective product. The interviewee reveals that this technology has been implemented in the UK by many retailers and that it seems to generate positive feedback from the consumer. He concludes by adding that this could be an interesting technology to adopt at Sport Zone in the future.

4.1.4. Category - International Comparison

Although integrating technologies in physical stores to enhance the customer experience is a global phenomenon, four of the five interviewees defend that the markets leading this retail revolution are the US and the UK (*interviewees SN, SZ1*, *SZ2* and SZ3). From his experience at Google and Snapchat, the perspective of *interviewee SN* is that, in the UK, retail innovation through technology has "exploded" in the recent years, with budgets allocated to the investment in new technologies increasing at a far greater pace than in any other region in Europe. According to the interviewee, the main reason for this is the higher level of competition in the market, which leads to the sense of retailers having to follow this trend, and to do it fast and in differentiated ways, to stay relevant to the consumer. When questioned about his perception of the Portuguese market, *interviewee SN* stated that, especially in what concerns to technologies that improve the online/offline connection, the main difference between the markets is that "in the UK you have to do it, whilst in Portugal, if you do it you are seen as more innovative and ahead of your competitors". He proceeded saying that the UK consumer is much more digital focused, the levels of mobile use and engagement are much higher in the country and that possessing a better infrastructure for technology are also propelling of a faster and wider adoption of innovative technologies. It is interesting to contrast this view of the technology savy UK consumer with the one of the Portuguese consumer revealed by *interviewee SZ1* by stating that there is still a big preference for traditional payment methods when purchasing and that the average consumer is still not comfortable with the idea of buying through an online channel.

Furthermore, the *interviewee SN* revealed that the fact that a company like Snapchat, in Europe, only offers the latest features for integrating the online channels with the in-store experience (geo-filters, snap adds) in the UK, might also contribute to the market's faster growth; nonetheless, the interviewee justifies it with the fact that the UK consumer shows signs of being more receptive to these innovations, making the UK the country where the app is most popular.

From the interviews at Sport Zone, all three managers shared a similar view regarding the late development of the Portuguese market compared to the more advanced European ones, such as the commonly mentioned: UK, Germany and Spain. I*nterviewee SZ1,* interestingly, mentions that he thinks of it as an advantage for Sport Zone, which can observe the experiences of other retailers, gather information and inspiration and learn from their mistakes. Operating in two markets at different levels of development in the retail sector, *interviewee SZ2* states that it is key to realise the different positioning of the retailer in both markets and be realistic by adopting an adequate strategy. With this, the manager refers to understanding that in Spain Sport Zone is not prepared to compete for the top positions of the market so its strategy is to adopt a moderate position instead of an aggressive. Both *interviewee SZ1* and *interviewee SZ2* refer that the main struggle in the Spanish market is the low recognition of the brand, since its presence is relatively new and the market is extremely competitive. On the contrary, in Portugal, the retailer is the market leader and has a very established reputation of high quality and trustworthiness, as well as high level of brand awareness. When what regards to the integration of new retail technologies, *interviewee SZ1* states that in Spain, from the bigger players in the market to the small street boutiques, the investment in digital elements and in improving the omnichannel experience is transversal; which is very far from what happens in Portugal. In the specific case of the In-Store Sales system, *interviewee SZ1* reveals that Sport Zone was pioneer in the Portuguese market but in Spain this installation was considered very late compared to the average sports retailer, which leads to a very different perception of the experience provided by the brand in the two markets – while in Portugal it is perceived as leading in innovation and differentiated from the competitors, in Spain it is viewed as a late adopter. Nevertheless, Sport Zone's 4G store concept is equally implemented in both markets and the communication only suffers small changes such as translations because the target consumer is believed to be very similar (*interviewee SZ2*). Even though the Spanish market now asks for something different, the Sport Zone managers (*interviewee SZ1 and SZ2*) defend that, for now, the retailer continues a parallel strategy in both markets, prioritizing innovation that improves the functional and utility value of the store. What is surprising to learn is that Sport Zone does not allocate human resources within the company to the investigation of the main differences between the two countries, which leads to decisions highly based on intuition and "trial and error" (*interviewee SZ1*). Furthermore, *interviewee SZ1* adds that the fact that the Spanish market is more advanced and the consumer is more demanding, pushes Sport Zone to meet higher standards of quality and service globally to gradually improve its reputation.

4.2. STORES VISITS ANALYSIS

From the aim of building a deeper understanding of the experience of the consumer in physical stores it emerged the need of visiting the main store in study – Sport Zone – and also stores that are referenced as cases of inspiration for innovation in retail and which are presenting creative and differentiated experiences through the integration of in-store technologies. In this regard, 10 stores, located in the heart of London, were identified as potential contributors to the case. Apart from the previously mentioned, the criteria for this selection prioritized flagship stores of sports apparel and footwear retailers. In this section, the findings obtained from the data collected are presented through a brief elaboration on the in-store technology elements found, its display in the store, its impact in the atmospherics and its contribution to the customer experience. The following table provides an overview of the stores visited and the technologies found:

Table 4.2.1, Overview of In-Store Technologies found during the Store Visits

Stores	**Consumer-Facing In-Store Technologies**
Sport Zone, Norteshopping	- Digital Signage - In-Store Sales Terminal
Pro-Direct, LDN19, Carnaby	- Digital Signage - In-Store Sales Terminal - Socially Interactive Screen - Virtual Manequins Screen - Interactive Tablets
Nike Town, Oxford St.	- Digital Signage - In-Store Sales Terminal - Screens to Personalize Products - Socially Interactive Screen
JD Sports, Oxford St.	- Digital Signage - In-Store Sales Terminal - Socially Interactive Screen
Adidas, Oxford St.	- Digital Signage - In-Store Sales Terminal

Adidas Originals, Carnaby	- Digital Signage
Puma, Carnaby	- Digital Signage
New Balance, Oxford St.	- Digital Signage - In-Store Sales Terminal - Socially Interactive Screen - Screens to Personalize Products
Lululemon, Regent St.	- Digital Signage - In-Store Sales Terminal - Socially Interactive Screen - 'Magic Mirror' - Photobooth connect to Social Media platforms
Hollister, Regent St.	- Digital Signage
Burberry, Regent St.	- Digital Signage

4.2.1. Sport Zone

Sport Zone's main store in Portugal is located in Porto, in one of the biggest and busiest shopping malls in the country – Norteshopping. It benefits from very good visibility due to its wide entrance. From afar it is possible to see the entrance video walls, with two vertical digital screens and the digital screens in the seasonal area due to its round disposition, which makes them more visible from different angles on the outside of the store. The content on the screens of both elements was, at the time of the visit, similar and, in the case of some videos, the same. Campaign videos and images, very product focused and with a lot of price communication. These screens also share emotional and inspirational imagery but there is always information about price or discount opportunities. Furthermore, it was also communicated the opportunities of the omnichannel purchase such as ordering online and having the product delivered shortly after or paying the product in-store and receiving it at home. When compared to the content seen in the majority of the screens of the stores visited in London, it emerges a perception of a difference in the vibrancy, created by the colours and the dynamics of the videos and images. It appears that in the other stores, the content has the purpose of being less informative but more impactful and effective in capturing the attention of the consumer who is walking on very busy streets, full of other stimuli and distractions. Nevertheless, the reality is that the shopping mall where the store is located and the closest stores to Sport Zone's do not offer such a high level of stimuli, which still makes the content of the screens capable of attracting the attention of the consumer. Walking through the store, it is possible to find three points of In-Store Sales, one in each of the sports areas for football, running and fitness. This consists of assistance stands equipped with one vertical screen which allows the consumer to access the website of the retailer, look for products, obtain information and purchase. The payment of this purchase can be done through the online platform or using the traditional payment methods in-store. This is relevant to mention, due to the fact that the Portuguese consumer is still very reluctant when it comes to online payment, according to what the three managers of the company (*interviewees SZ1, SZ2, SZ3*) stated in their interviews. The football area of the store is the only area which has an additional digital screen. The video content diffused is the most emotional and aspirational, combining both content created by the top selling brands and content created by Sport Zone to show the support and the importance of the retailer to the development of the sport in Portugal.

Overall, the store transmits a digital atmosphere in the entrance area, due to the circle disposition of the digital screens and the video walls which convey a sense of a sports arena at the same time as interactivity and innovation. In the context of the Portuguese market, this is an experience that still feels new and fresh to the consumer and Sport Zone is in the lead of the integration of technologies in physical stores for brands which serve a broad target consumer. Passing through the entrance of the store and continuing the shopping journey the presence of technology loses the impact and the store does not feel as interactive and exciting as in the main area - entrance. Nevertheless, the location of the In-Store Sales screens covers the key sports areas of the store and have good visibility, making it easier for the consumer to notice them. Overall, Sport Zone store does not come across as being as digital as other stores analysed; however, technology seems to be well integrated to efficiently respond to the necessities of the consumer when it comes to finding good price opportunities and understanding the alternative ways of purchasing products across channels and of finding products that might be difficult to locate in the store or that might not be available. This translates a higher focus on creating utility value for the consumer than hedonic one.

4.2.2. LDN 19

Pro-Direct's football store LDN19, located right on the side of Carnaby Street, in London, is mentioned by all the Sport Zone managers interviewed, and by other retail experts, as an indispensable store to visit when looking for examples of successful integration of technologies in physical stores, with the underlying concept of a seamless omnichannel shopping experience. From all the stores visited, this is the only one belonging to a retailer which was first online and which maintains its main focus on the online channel for generating sales. This characteristic is reflected through what it feels like a very organic implementation of a strong digital concept. The window shop of the store does not have digital signage; however, from the outside, it is already possible to see the movement of the screens inside the store, already realising the technological environment of the store. Walking in, the three walls of the store include medium sized digital screens, which transmit video content focused on product features, emotional and inspirational campaign videos and aspirational content with athletes. Additionally, there are tablets that allow the consumer to obtain more information about the product, informing the price and connecting to the online platform for the purchase. All the elements in this main floor are aligned around one single product that the retailer defines as key item to promote during periods of time of usually one and a half to two weeks, so the content on every screen, the imagery covering the walls, the window shop and the material covering the floor is all aligned in terms of colours and message, creating an extremely impactful experience and the feeling of being transported to a different dimension when walking in the store. It is particularly interesting to understand that Pro-Direct, as mentioned in the previous chapter of this thesis, has the concept of present an extension of the online in the physical store, with the main floor representing a live version of the home page of the website. Going down the stairs to the bottom floor, a lighted wall filled with football products combined with a mirror and the black floor, even though not including any technology, still enhances the interactivity of the digital elements. The atmospherics in the bottom floor is contrasting to the light and the bright colours that cover the main floor and gives a sense of a more private, luxurious room – as mentioned from the store manager, *interviewee PD*, consumers give the feedback of feeling like they are entering the VIP area of a club. The dark lighting and the black walls, floor and sofa, contrast with the very bright and colourful product wall, making it stand out even more. There is a digital screen in one of the walls, streaming live sports events and other sports related news content and two more tablets. One of the main technology elements of the store is the screens with virtual mannequins, which move in and out of the panel Furthermore, in one of the walls of the store, there is also a socially interactive digital screen, which connects with Pro-Direct's social media accounts, letting the consumer scroll through the content published. This screen also establishes a connection between the products in-store and the top athletes who use them by highlighting the best football performances of the previous week and leading consumer's attention to the performances to watch for in the following. The overall impression after walking through this store is that the atmospherics are able to create an involving experience and transport the consumer to something that is differentiated from other stores of the same category of product. LDN19 appeals to its technology savvy target consumer who wishes to still interact with relatable, peer like, sales assistants in an environment that sets apart from the traditional sales oriented retail store and evolves in the direction of a place to appreciate the sport, try on product and strengthen the personal relationship with the brand.

4.2.3. NikeTown

NikeTown is a reference store due to the importance of Nike as a leading brand in sports industry and because it has also been in the lead of innovative technological elements in-store. Located right in Oxford Circus, one of the busiest places in London, the façade of NikeTown is composed of big digital screens, which transmit video with energetic dynamics and imagery of bright colours, also featuring the brand's most famous ambassadors associated with the specific on-going campaigns. During the day or at night, it is difficult to miss this store due to the high visibility of the screens and lights of the building. Walking into the store, a big screen is the very first thing to notice, whose content relates to the main item promoted at the time – Nike Air Max. Inside the store, it is possible to find a diversity of digital screens of different shapes and sizes; the biggest ones in each floor have content of the main item exposed, the screens in the product walls emphasize technical and aesthetic features of the product and other screens show more aspirational content, featuring renowned athletes and artists. NikeTown also includes tablets which allow consumers to obtain more information about products and purchase through the brand's website (ISS). In regard to social platforms, the store has socially interactive screens which not only incentivise consumers to visit the social media platforms of the brand but also to connect with Nike's apps.

Additional technological elements allow the consumer to personalize products, evaluate its running profile, test its football skills, offering a full educational as well as entertaining shopping journey. The atmospherics of the store is catered to the young audience it targets and can be considered a loyal representation of the brand's identity – vibrant colours; differentiated design elements, such as lamps made of shoes, which show the brand's attention to every detail of the store; loud live DJ music; balance of bright and soft lighting which creates distinct ambience aligned with the sports categories and products exposed.

4.2.4. JD Sports

JD Sports' product in-store is very similar to Sport Zone's. A multiplicity of sports categories and a range of fitness, sports casual wear raises the same challenges of having a broad audience to appeal. Located in the main shopping street of London, the façade of this store is difficult to ignore due to its length and the dynamic conferred by the digital screens with content that easily captures the attention of the consumer due to its dynamic movement and contrasting colours.

Right when entering the store, as well as when stepping into each floor of the store, the first element to notice is a big digital screen which typically shows video content, related to a key item in-store. This content is mainly emotional, aspirational or focused on the technical and aesthetic features of the product. Furthermore, it is interesting to realise that no price information is ever present in the digital screens. In the centre of the main floor of the store, there is a wide screen which links with JD Sports Instagram account and shows the retailers post as well as related posts of customers. This socially interactive screen incentivises shoppers to share content on their own Instagram accounts, tagging the retailer's account, and which can further be visible in the screen, in the store. This element appeals to the desire of being recognised by the brand and to use the brand to leverage the individual's social image, which, according to marketing literature leads to an emotional connection with the brand, more time spent in-store, potentially, increasing sales (Ballantine, Parsons and Comeskey, 2015). JD Sports store also includes interactive screens, of small dimension, user friendly, which allow the consumer to access a platform similar to the website, obtain more information about the products and purchase.

4.2.5. Adidas

From Adidas' store, it was interesting to verify that the presence of technology is very limited, especially when compared to its the main competitors Nike and Puma. A very clean window shop, with black and white imagery and no digital elements, leads then the consumer to a similarly clean and simple inside of the store, which might feel like a breath of fresh air after walking through so many crowded, loud and extremely stimulating stores. There is one digital screen on each area, which refers to a specific line of the brand – women fitness, running, football, basketball, among others. The screen shows the campaign video and visuals and also integrates with the respective Instagram account, allowing the consumer to scroll through the latest posts. Overall, Adidas stood out from the other stores analysed due to the simplicity of the atmospheric elements of the store, which could be justified by a unique identity of the brand or a strategic preference of distinguishing the experience from the competitors by not following the trend of integrating as many technological elements as other retailers. Similarly, Adidas Originals' Carnaby street store also does not include a technological atmospheric or significant in-store technology. There was only one digital screen, in the main product wall, with a campaign video for the key selling item in-store.

4.2.6. Puma

Turning the corner of Carnaby Street the big digital screen in the window shop of Puma store video content with appealing colours and vibrant dynamics to capture the attention of the consumer, similarly to what other brands analysed in this section adopt. Inside the store, the main technology elements found are digital screens, one on each collection area, showing video content related to the main products and, in the area reserved to a Special Collection, a digital screen with video coverage of the runway show. The number of digital screens in the store is relatively low, which could lead to the perception of the store not being as technologically innovative as other competitors. However, this could be also due to smaller size of the store when compared to others previously mentioned in this section, such as Nike, New Balance, JD Sports.

4.2.7. New Balance

New Balance store on Oxford Street has a refreshingly less busy atmosphere than most of the other brand, even though it includes many technological elements. Considered to be the most interesting element is the wall, on the right side of the stairs, dressed with six big digital screens, that accompanies the three floors of the store. Furthermore, the store includes tablets which allow the consumer to personalize some of the shoes and order them in-store. In the running area, there is a socially interactive screen which not only allows the consumer to scroll through the brand’s Instagram account but also to connect with an app that connects them with other consumers and shows a schedule with locations where running events and training sessions, promoted by the brand, take place.

4.2.8. Lululemon

Although the attitude of the sales assistants was not mentioned in the analysis of other stores, the welcoming posture and the way sales assistants at lululemon engage with consumers and incentivise them to interact with the in-store technology made a significant impression. Having visited this store after all of the above mentioned, this lead to the realisation of how important the human interaction is in order for the consumer to first notice the presence of technologies; second, do not feel intimidated to try them even when they are not familiar with it; and, third, to incentivise their use by the sense of having a peer and someone with who the consumer identifies with also engaging in the experience and, risking going even further, providing a certain sense of social approval. Inside Lululemon’s Regent Street store there are digital screens, which show video content of models wearing the clothing of the brand while training. Matching the identity of the brand, the content, as well as the whole atmospherics of the store, is very clean, with soothing colours and a modern design. In the bottom floor, there is a "magic mirror" which detects people's energy and reflects their movement through different colours according to its dynamic. In the top floor, which includes a lounge area and a bar, there are a socially interactive photo booth and a socially interactive mirror. The socially interactive photo booth is located at the beginning of the dressing rooms area and consists of a photo booth where consumers can take pictures wearing outfits that they tried in-store and share those pictures on their own Instagram accounts or print the pictures and post them on a physical wall of the store. On the top of the pictures shared, consumers are incentivised to write a health, fitness and well-being goal that they commit to accomplish, making this in-store wall a representation of positivity and community around the brand. The socially interactive mirror is an element similar to the socially interactive screen found at New Balance, and consists of a screen which consumers can use as a normal mirror or connect to the brand's Instagram account and see previous posts, find brand ambassadors and also connect with their social media accounts and look for running, yoga and training events promoted by Lululemon through the city of London or take a look at the schedule of classes that occur in the store. The store experience delivered by Lululemon is interesting to study as the brand was able to introduce innovative technological elements with which consumers regularly interact and that transmit above all a sense of positivity and support in a community created by the brand, while at the same time the presence of in-store technology does not distract from the product or the relaxing look and feel of the store. While walking through this store, it emerged a realisation of how important it is for brands to align its in-store technologies with the values, mission and identity of the brand for them to feel genuine to the consumer.

4.2.9. Hollister

Hollister is a clothing brand that, although not related to the fitness and sports industry, is relevant to mention in this research because of its installation of digital signage. The brand which has a strong Californian identity and aims at transporting the consumer to a beach in California as soon as it enters the store, uses the screens in a very distinct way, not showing campaign content, videos with famous ambassadors, product features, prices. Instead, the content displayed in the wide screens of the window shop and across each floor of the store consists merely of video imagery of the ocean. The dimension of the screens, their display in the store can be considered a reflection of the aspirational Californian lifestyle, making the shopping journey of the consumer enjoyable and enhancing the emotional connection with the brand by strengthening its association with a desirable lifestyle.

4.2.10. Burberry

Burberry was pioneer in the technological revolution of physical stores, in the UK with the opening of its flagship store, in Regent Street, five years ago. The luxurious yet welcoming and soothing atmospheric of the store represent the simplicity of a brand that represents elegance and refinement. Walking into the store, the central element is a gigantic digital screen which shows aspirational content, with elements of nature and an appeal to emotional connection with images of happy and loving families and couples. This screen is visible from every point of the store. Additionally, in the second floor there are four vertical screens, aligned, behind the main products exhibited on each side of the store, which transmit subtle, harmonious video content and its disposition creates a fluid dynamic for the consumer passing by.

4.3. Summary of Findings from Data Collection

This section intends to present a summary of the main results obtained from the data collected in the scope of this investigation and previously analysed in this chapter. Therefore, here are combined findings from both interviews and store visits, highlighting their contribution to the objectives of this research.

The perspectives of the managers interviewed, denoted that the reasons which lead retailers to adopt in-store technologies are related to the objective of delivering a more interactive and differentiated omnichannel consumer experience. However, it is possible to identify two different strategic approaches. The first one, presented by Sport Zone, seems to focus on improving in-store experience through the utility dimension of technology. Therefore, in-store technology is chosen depending on their ability to make the shopping experience easier and to deliver information more efficiently. There is a focus on communicating prices and special campaign offers and the success of the strategies is evaluated mainly on sales growth. Contrastingly, a perspective shared by Pro-Direct and the Snapchat manager interviewed, and which was also perceived during the store visits conducted, is a strategic direction towards favouring the emotional connection established by the consumer and the retailer while shopping in-store, through delivering a creative and entertaining experience. There is no focus on communicating prices, instead aspirational content and interactive technologies which enable consumer to connect with their own social platforms, with social media channels of the retailers and which strengthen the sense of community revolving the retailer through the access to events and the proximity to the brand's ambassadors are the main priorities identified. The evaluation of success seems to be related with the feelings of fun and excitement triggered in the consumer and its emotional connection with the store and the retailer.

Furthermore, this investigation identified eight in-store technologies currently adopted by sports apparel & footwear retailers. The two most broadly implemented are digital signage and in-store sales terminals. Regarding the first one, it is interesting to identify two different types of content, to stream in the screens, preferred by retailers, the choice of its display inside the store and its influence on the store atmosphere. Whilst Sport Zone uses it as a tool of more effective communication of campaigns, prices, range of products and omnichannel purchase options, Pro-Direct and the other retailers favour the dissemination of emotional and aspirational content and use vibrant colours and dynamics to capture the attention of the consumer. Nonetheless, when it comes to decisions regarding its display in the store, all the retailers seem to consider visibility and its integration in the whole store concept, in order to amplify the experience that the retailer wants to recreate in the store or in specific parts of the store. The in-store sales was also present in seven of the stores and the differences found between retailers regard the hardware devices chosen and the platforms created for the use. Additionally, some also offered personalization options for the product, and were placed in-store in a specific area which highlighted the respective key item, instead of only offering access to the common product catalogue and online purchase. Some of the stores also included a socially interactive screen. The simplest version of this technology connects the store with the social platforms of the retailer and of the consumer. Some retailers, however, add other features such as sharing the pictures that consumers share on their own social platforms in which they tag the retailer, giving a stage for the consumer inside the store; featuring images and social platforms of influencers and brand ambassadors, connecting them with the brand and the store; allow consumer to keep updated on events promoted and organized by the retailer also allowing consumers to connect with other consumers, strengthening the sense of community around the brand. Finally, retailers in the UK seem to be investing significantly into in-store technology which enables a connection with consumers' mobile devices. Retailers can use this type of technology to send direct and personalized information, such as special offers, launch challenges and contests, make the consumer experience more fun through functionalities such as Snapchat geo-filters or lenses, among others. On the other side, this technology brings enormous value for retailers as it allows them to collect data regarding the behaviour of the consumer inside the store and across channels (journey from online to offline to online), to target personalized communication and to use consumer's social platforms as a powerful tool of word-of-mouth.

Overall, the technologies used seem to offer benefits mainly regarding communication effectiveness, emotional connection and community sense reinforcement, while adding fun and excitement to the shopping experience, at the same time as allowing retailers to use consumers' influence in their own network to promote the retailer through word-of-mouth and to collect value data regarding their preferences and customer journey.

To conclude, the main challenges retailers currently face, related to including technology in their physical store experience, seem to be transversal in what regards to finding methods and measure to evaluate the impact of each technology on consumer behaviour, as it is shared the difficulty isolating the effects of stimuli provided by specific technologies. Furthermore, it is also acknowledged the risk of the consumer feeling saturated of a constant connect with brands through their mobile devices and social platforms. This risk is, however, minimized, according to the Snapchat manager interviewed by a careful choice of features which feel organic to the consumer and to the experience it is looking for when using social platforms.

The main differences identified between the Portuguese retailer strategy and the UK retailers analysed is regarded to the focus on utility versus the focus on emotional experience and connection. The reasons behind it seem to be rooted on a different profile of consumer, a different level of competition in the market and to country-specific factors which are external to the retailer. Regarding the first reason, according to the interviews conducted, the Portuguese consumer seems to be more conservative when it comes to the use of technology to shop. This belief is founded on the fact that online purchase is still reduced and many consumers still feel uncomfortable about online payment methods. On the contrary, the UK consumer was fast to create new online shopping habits and is considered to be much more digital savvy and more accepting of the presence of brands on their social platforms. As UK retailers followed the new preferences of the consumer, the high level of competition lead to a fast spread of in-store technologies across retailers in an effort to maintain their physical stores relevant. In this sense, the main different observed between the two markets seems to indicate that while in the UK the digitalization of physical stores is a necessity to compete in the market, in Portugal, it consists in a competitive advantage which differentiates the retailer, making it perceived by the consumer as more innovative and modern. The external variables mentioned in some of the interviews are related with the wider range of opportunities for UK retailers in regard to in-store technologies and features, as, for instance in the case of Snapchat, some of the latest functionalities are only available in this market. Furthermore, the infrastructures available in this country are, according to one of the interviewees, more developed, enabling better online connections and allowing retailers to offer a better online purchase service, for example, with shorter delivery times.

To conclude, it is generally accepted that the UK is at a more developed state than Portugal when it comes to in-store technology; however, Portugal seems to be evolving in a similar trajectory. For this reason, it is valuable to look at this market for learnings of best practices and for information about the innovative offers available for retailers but it is crucial to analyse each technology in the light of the Portuguese consumer specific preferences, which, according to the data collected, are still relatively conservative, in favour of a more traditional store experience.

The above results are discussed in the following Chapter 5 – Discussion, combined with the knowledge developed through the review of previous marketing literature and in order to provide answers to the research questions presented in Chapter 1 – Introduction.

CHAPTER 5 - DISCUSSION

This chapter addresses the research questions in the foundation of this investigation by discussing the findings achieved through the review of previous academic literature and the analysis of data collected. Furthermore, the chapter concludes with a reflection upon some limitations of the research.

The present investigation aims at providing a further understanding surrounding the, relatively, recent retail trend of integrating consumer-facing technology in physical stores. For this matter, four main areas of research were chosen and they regard to: the reasons which lead retailers to reformulate their physical store concepts through the integration of technology; the in-store technologies which are currently being used and their respective benefits; the main challenges that retailers currently face regarding the integration of technologies in the physical store shopping experience; and, finally, the main differences and similarities between two markets at different levels of retail development – Portugal and the United Kingdom. Through the knowledge acquired, this section of the thesis discusses the path which lead to the fast expansion of this phenomenon, from both theoretical and managerial points of view; analyses the current state of marketing research, the market situation in both countries and identifies the emerging crucial areas which should be object of research of International Marketing, in order to respond to the theoretical and practical challenges associated with the topic.

As the purpose of this research is to explore the phenomenon by observing and establishing links between perspectives from both academic researchers and retail managers, it was followed an iterative process consisting of analysis of marketing literature and of data collected through interviews and store visits. The 6 interviews represent the perspectives of: three managers of the leading sports retailer in Portugal – Sport Zone – as a reference of the most innovative practices in the market; one store manager from Pro-Direct, whose store LDN19 is, for managers and experts (*interviewees SZ1*, *SZ3*, *SZ2* and *SN*), a successful case of bridging the online channels with the offline through a digital store concept which improves consumer experience; and, a Snapchat manager responsible for the EMEA territory, who adds an international perspective about the connection between online channels and physical stores and provides insight on the opportunities currently available for retailers to improve this connection through mobile technology. Furthermore, visiting 11 stores allows the collection of in-store technologies currently adopted and the observation of their integration within the store atmosphere, as well as the opportunities of consumer engagement they generate. Within the group of selected stores to visit, it figures: the main store of the Portuguese sports retailer Sport

Zone previously mentioned; 8 flagship stores, located in London, of leading sports brands in Europe; and 2 flagship stores, also located in London, of fashion brands that are also references of shopping experience with in-store technology innovation.

This chapter proceeds with a discussion which confronts the results from the data collected with perspectives of marketing researchers, aiming at building new knowledge and identifying critical points which still need further investigation. Therefore, and in an effort of presenting the value of this research by clearly addressing the research areas investigated, the chapter is structure according to the research questions previously defined in Chapter 1 – Introduction.

5.1. Motivations behind retailer's adoption of consumer-facing in-store technology

From the analysis of the data collected through the interviews conducted, it is possible to identify that the common objective behind the strategies outlined for physical stores is the improvement of consumer experience. The establishment of this objective is aligned with academic studies which suggest a change in the shopping paradigm as consumers increasingly value to a higher extent the experience provided by a brand rather than the product (Sachdeva and Goel, 2015; Same and Larimo, 2012; Walls *et al*., 2011a, b; Hollbrook and Hirschman, 1982).

Additionally, the managers interviewed refer to improving consumer experience not only in the store but across all channels and, associated with this notion, emerges the concept of omnichannel retail, transversal to all the retailers investigated, which denote the importance of facilitating an integrated consumer experience across the multiple channels of the brand. Interestingly, marketing researchers identify similar antecedents of omnichannel retail strategy, referring to it as appealing to consumer's preference for a seamless journey across channels, throughout the whole shopping experience (Juaneda-Ayensa, Mosquera and Murillo, 2016; Piotrowicz and Cuthbertson, 2014; Blázquez, 2014).

Where retailers seem to differ is in the type of shopping or consumer value they choose to focus on in order to achieve a better consumer experience. The differences become easier to identify through the analysis of marketing literature as, according to previous studies, the majority of marketing researchers agree to the consideration of two main types of consumer experience, associated with equivalent types of value produced during the shopping experience: utilitarian value and hedonic value (Carpenter, Moore and Fairhurst, 2005; Blackwell *et al.* 2000, cited by Carpenter, Moore and Fairhurst, 2005; Hollbrook and Hirschman, 1982). This thesis collects the managerial views of the companies Sport Zone and ProDirect, which, interestingly, provide a perspective of both types of value.

Sport Zone managers share that the strategic change towards an omnichannel consumer experience was essentially motivated by two challenges the retailer was facing: the difficulty of representing all the features of a product in the online shop and the impossibility of the consumer to try the product, and the fact that some of the physical stores do not have enough space to allocate the whole range of products. These motivations have a functional, economic character, which if aligned with the distinctions between the types of shopping value to provide to the consumer, could be considered as utilitarian motivations. The E-Commerce & Omnichannel team further realised that by delivering an integrated shopping experience it was possible for consumers to benefit from the advantages of both channels and expand their options of search and purchasing procedures. In this sense, the retailer adopts in-store technologies which improve the customer journey on a functionality level (*interviewee SZ1*) and chooses technologies which allow the consumer an easy navigation through online and offline channels during stages of searching for products and purchasing, and technologies that offer higher communication efficiency.

On the other hand, even though Pro-Direct shares the need of connecting the online shop with a physical destination to allow consumers to test and see the product, the main reason behind their omnichannel direction seems to be to make the physical store an extension of the relationships established in the online channels. *Interviewee PD*, Pro-Direct's store manager, emphasizes that connecting the online with the offline is essential to the growth of the brand through strengthening the sense of community around it. Consequently, the technologies found in the Pro-Direct store have the aim of transporting the consumer to the digital world, with an atmosphere which resembles a "live version of the website" (*interviewee PD*), at the same time as a place for the consumer to connect with like-minded people and to enjoy regular events organized by the brand. Parallel to the classification previously presented regarding Sport Zone motivations for adopting in-store technologies, the motivations referred by Pro-Direct could be classified as hedonic / experiential / social.

Thereupon, it is perceivable a contrast in both retailers. Sport Zone representing a strategic omnichannel direction that prioritizes utilitarian value, by focusing on improving functionality and utility, and ProDirect following a strategic trajectory towards the enhancement of hedonic value, through the increase of the emotional dimension of the shopping experience. The identification of these two contrasting perspectives leads the discussion to some of the studies previously reviewed in Chapter 3 – Literature Review. First, it seems to provide support to the investigation of Merrilees (2016) which suggests that a predominantly utilitarian brand – Sport Zone – focuses mainly on two dimensions of experience: cognition and action; whilst a predominantly hedonic brand – Pro-Direct - develops strategies towards two other dimensions: emotion and sensory. According to the researcher, this would lead to cognitive engagement in the case of Sport Zone and emotional engagement in the case of Pro-Direct, further resulting in higher levels of consumer involvement in the shopping experience provided by Pro-Direct, which increases consumer's purchase intention.

Furthermore, the overview of the United Kingdom market, obtained from the interview at Snapchat, suggests that retailers are currently increasing their investments on in-store technology that improves the connection of the online with the offline channels, also to take advantage of the opportunities of connecting with consumer's mobile devices to track their visits to the stores and observe their journey across channels and to improve the direct communication. According to the interviewee, Return on Investment (ROI) is the main concern of these retailers, which find mobile technology to enable more advanced marketing analytics that quantify the value of their investment on online marketing by analysing the traffic generated from these channels to the store, and to provide the opportunity of re-targeting consumers who previously were in the store. Additionally, the manager also refers that retailers acknowledge that mobile technology can make the shopping experience more exciting and interactive, as well as it can be a powerful tool of word-of-mouth when connected with consumer's social networks. This perspective resonates with the investigation of Blázquez (2014), Piotrowicz and Cuthbertson (2014) and Stone (2012) who emphasize the importance of using mobile and location-based technology and technology which incentivizes the connection with social media not only to offer a more interactive experience but also as consumer potentially assumes a mediating role between the retailer and its personal network (Piotrowicz and Cuthbertson (2014).

When it comes to evaluating the benefits of adopting in-store technologies, Sport Zone managers, the predominantly utilitarian brand, mention their influence in the growth of sales, whereas ProDirect, fitting the profile of a predominantly hedonic brand, measures their impact by the feedback of the consumer regarding the way they feel in the store and by the importance of technology for the success of the events promoted by the retailer, as a means of bringing people from the online channels to the physical store and also as facilitators of the streaming of the events across the online channels, especially social media.

Overall, this investigation finds an agreement between the strategies implemented by retail managers and the results of academic studies regarding the importance of in-store technology in delivering a holistic, omnichannel shopping experience (Juaneda-Ayensa, Mosquera and Sierra Murillo, 2016; Blázquez, 2014) and to its influence on store atmospherics (Varshneya, Das and Khare, 2017; Ballantine, Parsons and Comeskey, 2015; Piotrowicz and Cuthbertson, 2014; Poncin and Mimoun, 2014). The effects of in-store technology mentioned by marketing researchers correspond to the motivations of retailers, which by improving consumer shopping experience can expect potential results of consumer higher propensity to purchase (Piotrowicz and Cuthbertson, 2014; Ballantine, Parsons and Comeskey, 2015) as well as of enhanced relationship with retailer (Piotrowicz and Cuthbertson, 2014) and word-of-mouth (Blázquez, 2014; Poncin and Mimoun, 2014).

5.2. Consumer-facing In-store technologies adopted by sports apparel and footwear retailers

From the findings collected from all the interviews and all the stores visits, it is possible to identify <u>four main in-store technologies</u>: digital signage, in-store sales terminal, socially interactive screens and mobile tracking technologies. The number one technology referred in the interviews and adopted across all retailers is – Digital Signage. Furthermore, this is also the technology which was most studied by marketing researchers, especially in what regards to understanding and evaluating its effects on the shopping experience, mainly through its influence on store atmospherics (Dennis *et al*., 2014, 2013, 2012; Ravnik and Solina, 2013).

The analysis of the data collected throughout this investigation suggests <u>four main topics</u> of discussion when it comes to <u>digital signage</u> adoption: first of all, its purpose as an element of store atmospherics; secondly, the type of content that should be transmitted; thirdly, the display of the screens in the store; and, finally, the evaluation of its influence on consumer behaviour. Regarding the <u>purpose</u> of this technology, it is possible to identify two different strategies, which can be associated with the previously mentioned focus on hedonic or utilitarian values. Sport Zone managers (utilitarian focused) refer that the screens were primarily introduced as a more effective and less resource consuming tool of in-store communication, even though the managers acknowledge its contribution to a more modern, dynamic and innovative store atmosphere. Even though marketing research acknowledges the benefits of this technology as an effective communication tool (Dennis *et al*., 2013), surprisingly it was not found a reference to the benefits regarding the reduced intensity of resources consumption and the advantages of quicker response to competitors' communication. Contrastingly, for Pro-Direct (hedonic focused), the main purpose for the adoption of digital signage is the ability to confer a digital look and feel to the store, transporting the consumer to a live version of the website and delivering and triggering the emotional stimuli of dynamism and innovation. This strategy is studied by previous researchers, who found significant results suggesting its positive influence on consumer spending (Dennis *et al*.,2012), attitude and purchase behaviour (Dennis *et al*., 2014). Aligned with what is suggested by previous researchers, Dennis *et al*. (2014), the retailers choose the <u>type of content of the screens according to the respective purposes</u> and the objectives of shopping value. In this sense, Sport Zone delivers mainly informative content, regarding prices, special campaigns, payment and delivering options of an omnichannel purchase, in video form; whereas Pro-Direct, uses the digital screens to transmit mainly emotional and as aspirational video content. Interestingly, Pro-Direct's approach is common to all the other stores visited in the UK.

In what regards to the display of the screens in the store, it seems that, across all the retailers there is a balance between visibility and a harmonious integration within the store concept. This is interpreted from both Sport Zone and Pro-Direct which choose to place the screens in order to maximize visibility, from consumers both inside and outside of the store and use them to appeal to an emotional connection with the consumer. At Sport Zone, this is noted by the display of the screens which aim to resemble a sports arena; at Pro-Direct, the screens are displayed all around the store, with the aim of involving consumer and making them feel transported to a different dimension, as if they were walking into a digital platform. Even though it was not find a study which addressed the display of the digital screens connected to this specific purpose, Ballantine, Parsons and Comeskey (2015) refers the importance of the store atmosphere to be congruent with the target consumer, which in this case is a sports and fitness fan for both retailers and, as well as a digital savvy, in the case of Pro-Direct (this is concluded based on the study of Stone (2012) and the information obtained from the interviews at Pro-Direct and Snapchat, regarding the profile of the UK consumer).

Additionally, Sport Zone managers shared the <u>difficulty of measuring</u> the impact of digital signage on consumer's behaviour and of deciding the frequency for rotating content in the screens. In regard to consumer behaviour, academic research suggests the positive influence of digital signage on purchase intention and time spent in-store (Dennis *et al*., 2014), even though hedonic content is believed to produce stronger effects (Dennis *et al*., 2014). The methods used in these researches consist of questionnaires; however, Ravnik and Solina (2013) conducted an innovative study which allows the measuring of consumer observation of the screens through a video tracking software, which might be an interesting method to use in order to understand which display is capable of capturing more attention form the consumer; however, this study is not able to identify the influence provoked on the consume. An interesting research to develop would combine questionnaires with eye-tracking technology to provide more conclusive results and to verify if the time spent looking at the screen is an antecedent of a positive influence on consumer behaviour. When it comes to the frequency of content rotation, it is interesting to learn that, according to (Dennis *et al*., 2013), consumers show significantly low levels of recall regarding the content viewed on digital screens. Further research is also necessary in order to develop methods that could advise retailers on this matter.

The second in-store technology that is important to mention in this study is the <u>In-Store Sales</u> terminal. What is curious to verify is that, even though this technology is present in seven of the stores visited, it is not directly addressed in the marketing literature reviewed. The shopping value associated with this technology, transversally to all the retailers investigated, is <u>utilitarian</u> as its <u>purpose</u> is to improve the purchase process by allowing consumers to access the online store of the retailer while inside the physical store, to easily find all the products, even if not available at the store, try them and buy via In-Store Sales or through the traditional physical store channel. The findings of this research suggest that the differences in the implementation of this in-store technology are minor, regarding only the hardware and the digital platform chosen by the retailers. On one side, there is the example of Sport Zone which chooses to integrate the already existent website; on the other side, retailers such as Nike and New Balance prefer to develop a specific platform for the terminal, which in some cases allows the consumer to navigate through content and interactive features not available on the website and to even personalize specific products.

The <u>evaluation</u> of the impact of this technology does not seem to constitute a challenge for managers as it automatically registers the sales generated through it and, even though these figures are not a complete representation of its value as they do not reflect the potential influence it might have had in sales generated through other channels, the managers interviewed seem confident to evaluate its success by the sales growth generated and the feedback of the consumer who generally perceives this in-store technology as delivering a high level of utilitarian value, through functionality and ease of use.

Another technology worth highlighting, due to its presence in five of the stores visited, is the <u>socially interactive screen.</u> Even though this technology is not directly addressed in marketing literature, the importance of providing in-store technologies which connect the physical store with social platforms is defended by many researchers (Blázquez, 2014; Piotrowicz and Cuthbertson, 2014; Stone, 2012), especially for their potential to generate word-of-mouth (Piotrowicz and Cuthbertson, 2014).

In regard to the implementation of this technology, there are some differences among retailers. In some stores, this screen only allows consumers to scroll through content on the retailer's social media profiles (Pro-Direct); on others (JD Sports), it incentivises consumers to share pictures with products of the store and/or pictures in the store which will then be featured on the screen, appealing to the desire of exposure and recognition of the consumer; furthermore, (Nike, New Balance and Lululemon) add their own brand apps to these screens, allowing consumers to obtain information about the ambassadors of the brand and events promoted by the brand, enhancing the sense of community surrounding the brand by also serving a means for the consumers to connect with influencers they admire and with other consumers, creating relationships through the brand. According to Kinley, Josiam and Lockett (2010), these possibilities are especially valued by the consumer belonging to the Generation Y, who typically demonstrates a strong group orientation, valuing relationships and the opinion of others at the same time as exhibiting a desire to feel special and recognized within their network (Kinley, Josiam and Lockett, 2010).

Finally, in-store technology that enables the <u>connection with consumer's mobile devices</u> seems to be currently gaining increasing importance in the United Kingdom, which is demonstrated not only in the findings from the data collected but also in previous academic studies (Blázquez, 2014; Piotrowicz and Cuthbertson, 2014; Stone, 2012). The Snapchat manager interviewed emphasizes the importance of these type of technology as he defends that bringing the online world to the physical store opens the door to an infinity of interactive opportunities. As already mentioned in the previous section of this chapter, the manager refers thre <u>main purposes</u> of this technology as: tracking the consumer's journey across channels, re-targeting personalized communication to consumers who previously visited the physical store and using features of social platforms to make the experience of the consumer more interactive and fun, at the same time as taking advantage of their use as a word-of-mouth tool. What is curious to find is an absence of mentions of the first two purposes in the marketing literature. Researchers identify the benefits of allowing an easy, seamless journey across channels to the consumer (Blázquez, 2014; Piotrowicz and Cuthbertson, 2014; Stone, 2012) as well as the advantages of potential word-of-mouth behaviour (Piotrowicz and Cuthbertson, 2014); however, there were not found studies which analysed the potential benefits for the analysis of the journey of the consumer. Nonetheless, Blázquez (2014) refers that using location-based technology to deliver personalized communication to the consumer might have a positive influence on consumer behaviour.

The view regarding the benefits of using mobile technology to track the journey of the consumer is shared by *interviewee SZ3*, who refers the development of a revolutionary tool which enables the retailer to observe the path of the consumer inside the store, allowing it to send information according to what might be useful for the consumer at any moment, according to its location. The manager shares a utilitarian focus when it comes to this type of technology, which matches other findings collected from the other interviews at Sport Zone, previously discussed. Furthermore, the retailer shows a reluctant attitude when it comes to connecting social media with the physical store experience, as the managers are not certain of the desire of the consumer to have a contact with the brand in their social network and show uncertainty regarding the value to offer, by the brand, through those platforms. Therefore, it seems to exist a necessary to better understand the preferences of the Portuguese consumer regarding the relationship with brands on social media and the value they seek on this type of interaction.

Nevertheless, before considering the adoption of mobile technologies and the integration with social platforms, the retailer should build a strong online and mobile presence and the store should meet the infrastructure requirements to provide an easy, seamless connection with the mobile devices. This idea is supported by the Snapchat manager interviewed and also resonates with Piotrowicz and Cuthbertson (2014). Blázquez (2014) and Burke (2002) add the consideration of each in-store technology should be rooted on the value aimed to add to the consumer experience, which seems to be the case with the strategic direction followed by the retailers analysed.

5.3. Challenges associated with the adoption of in-store technologies

Within the scope of this research, the main challenges shared by retailers through the course of the interviews regard <u>three main areas</u>: methods and measures to evaluate the influence of in-store technologies on consumer behaviour and, ultimately, omnichannel purchase; the desire of the consumer to connect with brands on their own social platforms versus the risk of saturation; and, finally, the level of technology acceptance of the consumer and its influence on attitude and behaviour.

Regarding the <u>first challenge</u>, it is shared by both Sport Zone and Pro-Direct, a difficulty in evaluating consumer's feedback, even when analysing questionnaires regarding their experience at the store. This difficulty, according to the manager, emerges mainly from the inability of isolating the effects produced by each technology or even by in-store technology as a whole, due to the fact that consumer reacts to multiple stimuli from all the store atmospheric elements. Even though marketing literature refers technology as the most important store atmospheric element (Varshneya, Das and Khare, 2017; Poncin and Mimoun, 2014) and digital signage as a powerful tool for retailers to manipulate consumer behaviour (Dennis *et al*., 2014), it was not found, in the studies reviewed, methods which guaranteed an isolation of its effects from other technologies or other elements of the store. Studies share, however, the difficulties of identifying the right time to question consumer about its experience in-store and the low recall demonstrated by the consumer in what regards to digital signage and which increases the difficulty of obtaining accurate responses regarding the influence on consumer behaviour. Even further, Dennis *et al*. (2014) adds the possibility of consumers being influenced by emotional triggers without even realising, when in activities connected with primacy of affect (Pham, 2004).

Furthermore, it is important to reflect upon the measures that retailers wish to quantify when evaluating the impact of in-store technologies. As already mentioned, retailers might be focused on utilitarian measures, such as sales (Sport Zone), or on hedonic measures, such as feelings and emotions (Pro-Direct). In a reality of omnichannel purchase, and considering its influence on the role of physical stores, as supported by marketing literature (Blázquez, 2014), and suggested by the Snapchat manager interviewed (*interviewee SN*), which, at least in the UK, seems to be shifting from being the main channel of purchase to being a place of experience and testing of products, sales growth seems to be an inadequate measure of in-store stimuli, or an accurate representation of the physical store importance. As consumers move freely across channels, throughout the whole shopping journey (Juaneda-Ayensa, Mosquera and Murillo, 2016; Blázquez, 2014; Piotrowicz and Cuthbertson, 2014), it seems that the results of each channel should not continue to be looked at separately but measures and methods should be developed to better quantify the holistic results. As an illustration, a consumer might prefer to buy at the physical store even though this decision was triggered by stimuli provided through online channels. Related to this, data collected through mobile technology, as referred by the Snapchat manager and *interviewee SZ3* seems to be extremely valuable to analyse as it will allow retailers to track, with significant accuracy, the journey of the consumer across channels and in each channel, making it easier to understand the path from stimuli to behaviour, from online, to offline, to online channels, as well as post-purchase behaviour.

The remaining challenges mentioned regard the consumer profile, which seems to differ between the two markets in study – Portugal and the UK. Even though further studies of each market are necessary to respond to these challenges, marketing literature refers to the importance of catering to the specificities of the target consumer (Piotrowicz and Cuthbertson, 2014) as relevant differences might be found depending on the country, product category, store format (Varshneya, Das and Khare, 2017).

5.4. Comparison between Portugal and the UK and learning opportunities

Walking through the streets of London, a city which is referenced as a representation of the latest innovation and the highest competition in the European retail market (Centre for Retail Research, 2017a; *interviewees SZ1, SZ2, SN*), and visiting flagship stores of sports retailers, it is observable the advance of this market in comparison to the Portuguese one. Throughout this investigation, this difference, in what regards to in-store technology, refers mainly to the amount of consumer-facing technology found inside the stores, the shopping value which retailers seem to focus on delivering and the importance given to mobile technology.

Nonetheless, the views collected from the Portuguese managers interviewed, suggest that Portugal is following a similar trajectory of development, even though it is still a few years behind (*interviewees SZ1* and *SZ2*). Furthermore, even though it is not possible to affirm that this is the case, as it would be needed an in-depth analysis of specific elements of each market, the truth is that this investigation identifies an increasing importance of the omnichannel experience in the Portuguese market, accompanied by the need to offer a more interactive shopping experience through the adoption of in-store technologies and, recently, the investments in tracking technologies for brands to be able to reach the consumer through its mobile devices. These developments seem to approximate the markets in terms of the strategic directions followed by retailers. Additionally, it is important to make reference to the fact that the Portuguese managers interviewed do take the United Kingdom as a reference when delineating new strategies and frequently visit this market to observe new innovations which potentially can benefit future strategies.

In this sense, to better understand if and how the Portuguese market can learn from the current state of development of the UK market, these findings are analysed in the context of three elements: the competition of the market, the profile of the consumer and country specific characteristics.

What it seems to be the most important differentiating factor between the two markets is the level of competition. Both the interviews conducted, the observations of the stores and marketing literature, suggest a higher level of competition in the UK. According to one of the interviewees (*interviewee SN)*, and supported by (Piotrowicz and Cuthbertson, 2014), this level of competition leads to higher investments to deliver differentiated shopping experiences through in-store technology. Subsequently, the fierce competition leads to a fast spread of this trend across retailers. Therefore, while in the UK in-store technology seems to be a necessity for a store to stay relevant, in Portugal, for the retailers which are still pioneering in this area, this is seen as a competitive advantage for the shopping experience, that makes the consumer perceive the retailer as more innovative and ahead of the competitors. In the case of Sport Zone, as the retailer has a presence in two markets – Portugal and Spain – it is also interesting to verify that the Spanish market, even though not considered to be at the level of the UK (*interviewee SZ1*), shows signs of being at a more developed stage than the Portuguese one. For instance, in the adoption of In-Store Sales technology, the retailer was the pioneer in Portugal, whereas in Spain it was considered a late adopter (*interviewee SZ1*). Therefore, investigating the UK market and studying the evolution of other sports retailers is valuable for Sport Zone to maintain its dominant position in Portugal by delivering differentiated store experiences, associated with innovation and quality, and to be able to compete in the Spanish market and maintaining or even improve its position. Furthermore, as a late developed country in this area, Portugal might benefit from the advantage of learning from the trajectory of other retailers. This view is taken by one of the managers of the company, *interviewee SZ1*.

On a different side, it should be considered that retailers define strategies to appeal to their target consumer and so it is crucial to acknowledge the different preferences of the consumer in both markets, mainly regarding the value of the in-store experience and the acceptance of technology, in order to evaluate the potential of each technology. What is interesting to observe from this research is that the Portuguese consumer seems to demonstrate a relatively conservative profile when it comes to online shopping, which then influences its omnichannel behaviour. The analysis of the interviews conducted suggests that the Portuguese consumer is still reluctant towards online payment and that its desire for mobile shopping is still reduced when compared to the UK. In contrast, the UK consumer is much more digital savvy and online and mobile shopping behaviours are already a habit, transversal to different age groups (*interviewee SN*). Thereupon, this behaviour seems to push retailers towards a more digital in-store experience, which leads to an increase in the in-store technology (Blázquez, 2014; Piotrowicz and Cuthbertson, 2014). For this reason, it is justifiable the apparent underdevelopment of the Portuguese market with the fact that retailers do not find in these innovations significant benefits since the consumer does not respond in the same way, still preferring the traditional shopping methods. What is curious to observe, however, is that one of the leading sports apparel and footwear brands in the UK – Adidas - seems to contradict this trend, showing a significantly lower presence of technology in its physical store. This could be an interesting case to further analyse and understand if this is a strategic position of the retailer to differentiate its store experience from what it seems to be a generalized technology intensive experience of the competitors, if it is rooted in the profile of target consumer and the identity of the brand or if it reflects late development of the brand in that market.

Furthermore, according to Sport Zone managers, the retailer favours the delivery of utilitarian value since this is believed to the type of value that the Portuguese consumer values to a higher extent. This is an interesting and essential area to investigate, in order to understand if Portugal is indeed a country where consumers have a higher preference for utility or if this is a characteristic of late development of the market and retailers should prepare their future strategies with investments in more hedonic experiences.

Furthermore, regarding social platforms and social media integration in the shopping experience, Sport Zone managers refer that the desire of the consumer to establish a connection with brands in their social networks is still unclear. As this type of technology is currently the main focus of retailers in the UK (*interviewees SN and PD*), and considered one of the most important areas for future retail developments (Blázquez, 2014; Piotrowicz and Cuthbertson, 2014; Stone, 2012), the preferences of the Portuguese consumer should be object of further research, to inform retailers of innovation opportunities and advantages from mobile technology.

5.5. Limitations of the Research

This study aims at exploring the current retail trend of integrating consumer-facing technology in physical stores in Portugal and in the UK and, even though the main objective consisted of understanding differences between strategic perspectives of managers, the perspective of the consumer who interacts with the technologies would bring value to the research. This is especially important as retailers mention the difficulty of collecting feedback from the consumers. In this regard, this is considered a limitation of this thesis, existent due to the time limit and the resources available, and which is encouraged to be taken as a starting point of future research.

Furthermore, the discussion generated in this thesis and the analysis of the findings is limited by the absence of previous research available regarding the Portuguese retail reality and the Portuguese consumer profile regarding the use of technology, especially relating to the shopping experience. This presents a relevant are of future research, which would bring value to retail managers in Portugal.

Although the intent behind a qualitative research is not to collect data from an extended sample but rather to conduct a rich interpretation and discussion of the data collected, considering the explorative design of this research, it would be valuable to understand perspective from more companies, as well as retail experts and retail consultants. This limitation also emerges from the restricted period of time for conducting this research.

Furthermore, the UK retailer interviewed presents a different business concept than the one of Sport Zone, being a mainly online retailer, with a strong online presence, which contrasts with Sport Zone traditional positioning as a mainly physical retailer. This difference is interesting as it allows the observation of distinct perspectives; however, it would be interesting to investigate a UK retailer with a similar positioning to the one of Spot Zone in order to better understand the differences and similarities in the trajectory evolution.

To conclude, due to the subjective character of this research and, even though the investigation followed strict quality criteria, it is acknowledged the risk of subjective interpretations associated with self-reported data and the impossibility of independently confirm the data collected throughout the interviews.

CHAPTER 6 - CONCLUSION

6.1. Conclusion of the thesis

The present research aimed at building a better understanding of this retail phenomenon in two countries with apparent different levels of retail development, Portugal and the United Kingdom in order to identify new avenues of future international marketing research. To achieve this objective, the investigation analysed the main reasons which lead retailers to invest in consumer-facing in-store technology, the main challenges associated with the strategic process and the main technologies implemented. The objective of the analysis is to identify the significant differences between the two markets, consider them in the light of existent academic literature and further discover research areas in need of future developments.

This thesis starts by presenting a review of relevant academic research surrounding the concepts of shopping experience, omnichannel retail and in-store technology. The knowledge obtained is interpreted and summarized in a conceptual framework which discusses the evolution, antecedents, dimensions and outcomes of the concept of shopping experience and its importance in the present scenario of a physical store experience enhanced by technology. Furthermore, the links between the concepts are also explored, as previous studies suggest that in-store technology responds to the desire of consumers of having an omnichannel shopping experience.

Moreover, the intention of understanding the reality of the retail landscape, in both countries, leads to the collection of data in the form of: interviews with retail managers, in Portugal and in the United Kingdom, and a Snapchat Business Specialist, EMEA Lead; as well as through visits of flagship stores of sports retailers, in the United Kingdom. The results of the analysis of the data collected suggest that the main objective behind the strategies of implementing in-store technology is the intention of improving consumer experience, which is aligned with the work of previous researchers. Where retailers seem to differ is in terms of the value they choose to deliver through the shopping experience and which, according to marketing research, can be classified as utilitarian and hedonic. This suggests that further investigations should address the different preferences of the consumer, of both countries, in regard to the value of the shopping experience. Additionally, the classification of a social dimension to the shopping experience is only presented by Kinley, Josiam and Lockett (2010), even though it seems to be relevant to further analyse, as retailers increase the investments on mobile technology to benefit from consumer’s constant presence on social platforms and redefine the role of the physical store to a place of personal contact with the brand, connecting with a like-minded community and establishing relationships with the brand and with other consumers. The increasing importance of mobile technology originates opportunities for retailers to track the journey of the consumer across channels and obtain valuable data of marketing analytics, which should be further explored. Additionally, it is also presented a list of consumer-facing in-store technology which includes technologies mentioned by the interviewees and technologies found in the stores visited, in order to provide an overview of the in-store technology that retailers are currently implementing and the respective purposes.

To conclude, the results of the data collected are discussed, in connection to previous studies' findings, to identify main avenues of future marketing research.

6.2. Contribution of the Research

This research contributes to the understanding of the recent retail trend, across the globe, of integrating new consumer-facing technologies in physical stores. In this sense, this thesis adds value to previous academic research by presenting a conceptual framework which connects the concepts of shopping experience, shopping value, omnichannel retail and in-store technology, exploring each individually as well as identifying the main determinants, moderators and outcomes of the relations established between them, through the lens of reviewed studies.

Furthermore, through the analysis of interviews with sports retail managers, both in Portugal and in the United Kingdom, and of data collected during visits to flagship stores, of sports apparel and footwear, in the most advanced retail market in Europe, the United Kingdom (Centre for Retail Research, 2017a), it is possible to identify: the main strategic motivations for retailers to implement new consumer-facing technology in physical stores; the challenges faced during the process of defining the in-store technologies to integrate in the store experience; the main technologies currently adopted; and the significant differences between the two markets in study – Portugal and United Kingdom.

Confronting the knowledge developed by previous marketing researchers with the empirical results of the present investigation, this thesis contributes to the discussion of the main concepts surrounding the topic and formulates an analysis of the reality of retailers in the two markets. Through this analysis this research leads to a further understanding of retail strategies of consumer facing in-store technologies and identifies significant opportunities of future international marketing investigation.

6.3. Future Research of International Marketing

This investigation suggests that the main objective of retailers when implementing consumer facing technology in physical stores is the improvement of consumer experience, which they expect to be achieved through an enhanced omnichannel shopping experience. This reasoning was found to be similar in both channels; however, further International Marketing research is still necessary to describe and analyse the areas in which were found significant differences.

The main opportunities of future research identified are related to: the way consumers value the shopping experience; the technology acceptance profile of the consumer; and the use of mobile technology during the shopping experience. By showing two retailers which show a different focus when it comes to the shopping value they want to deliver through their shopping experience, this study identifies the necessity to understand if the preferences for shopping value, and its subsequently effects on consumer behaviour, differ among countries and which are the main reasons for those differences. Furthermore, from the data collected also emerged distinct preferences regarding the use of online and mobile shopping, which might lead to different strategic directions in terms of evolution of the omnichannel shopping experience. Moreover, the fact that the Portuguese retail market is still at its early stages in terms of integration of technology and the perception of Portuguese retail managers of a more conservative profile of consumer regarding technology, leads to the consideration of further studies which compare the level of technology acceptance, considering its respective determinants, moderators and outcomes to the shopping experience, in the different markets.

Furthermore, future marketing research should also develop more advanced methods and metrics for evaluating the effects on technology in the shopping experience in a holistic, omnichannel perspective. In this regard, it is suggested the study of marketing analytics that mobile technologies allow, especially in terms of tracking the journey of the consumer, observing the effects of online communication on offline behaviour, physical store elements on online behaviour and the impact of word-of-mouth through social platforms. Associated with this area of research, however, it is necessary to investigate the acceptance of consumer towards tracking technology, especially in order to understand if consumers are accepting of enabling their mobile devices technology to share their location.

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Appendices

Appendix A – Overview of the Literature Reviewed

	Authors (year)	Title	Journal	Main Contributions
1	Carpenter, Moore and Fairhurst (2005)	Consumer shopping value for retail brands	Journal of Fashion Marketing and Management: An International Journal	Consumers associate value with the in-store shopping experience. Even though hedonic value leads to competitive advantages through differentiation, its importance is only superior once retailers have delivered the level of utilitarian value expected by the consumer.
2	Blázquez (2014)	Fashion Shopping in Multichannel Retail: The Role of Technology in Enhancing the Customer Experience	International Journal of Electronic Commerce	Consumers value a holistic multichannel journey when shopping. The integration of technology in the physical store should enable retailers to deliver a more interactive, enhanced customer experience.
3	Merrilees (2016)	Interactive brand experience pathways to customer-brand engagement and value co-creation	Journal of Product & Brand Management	Framework that explains dimensions and functions of interactive brand experiences and its pathway to consumer engagement and co-creation.
4	Sachdeva and Goel, 2015)	Retail store environment and customer experience: a paradigm	Journal of Fashion Marketing and Management	The shopping paradigm changed to give superior value to the store experience. The elements of the physical store are crucial tools that retailers can use to influence consumer behaviour through providing a unique, emotional experience.

5	(Kinley, Josiam and Lockett, 2010)	Shopping behavior and the involvement construct	Journal of Fashion Marketing and Management: An International Journal	Generation Y consumer's high involvement in shopping for apparel has a positive influence in the frequency of purchase. This consumer associates shopping with fun and sees it as a social activity.
6	(Piotrowicz and Cuthbertson, 2014)	Introduction to the Special Issue Information Technology in Retail: Toward Omnichannel Retailing	International Journal of Electronic Commerce	Omnichannel retail emerges from the rise of new in-store technologies and brings challenges and opportunities to retailers especially in regards to social media and mobile technology; the role of the physical store is changing; retailers should deliver an integrated experience across channels and respond to the preferences of the target consumer.
7	(Willems, K., et al., 2016)	The path-to-purchase is paved with digital opportunities: An inventory of shopper-oriented retail technologies	Technological Forecasting & Social Change: Na International Journal	Inventory of in-store technologies and classification. The early stages of the shopping journey are heavier in technology and the majority of technologies refer to utilitarian value.
8	Burke (2002)	Technology and the Customer Interface: What Consumers Want in the Physical and Virtual Store	Journal of the Academy of Marketing Science	Technology generates opportunities to improve the shopping experience if retailers consider the preferences and requirements of specific target consumer and product category.
9	(Ballantine, Parsons and Comeskey, 2015)	A conceptual model of the holistic effects of atmospheric cues in fashion retailing	International Journal of Retail & Distribution Management	Store atmospherics influences consumer's mood and intention to purchase. Store congruency is the primary precedent of intention to shop.

10	(Ravnik and Solina, 2013)	Audience Measurement of Digital Signage: Quantitative Study in Real-World Environment Using Computer Vision	Oxford University Press	Method of measuring the attention that digital signage is able to capture from the consumer.
11	(Dennis et al., 2012)	New insights into the impact of digital signage as a retail atmospheric tool.	Journal of Consumer Behaviour	Digital Signage has a positive influence on consumer's behaviour such as purchasing, through enhancing perception of the retail environment and emotion.
12	(Dennis et al., 2014)	The effect of digital signage on shoppers' behavior: The role of the evoked experience.	Journal of Business Research	Cognitive and emotional content on digital signage influence consumer's approach through the creating of intellectual and affective experiences, respectively; nonetheless, affective experiences produce stronger results.
13	(Dennis, Joško Brakus and Alamanos, 2013)	The wallpaper matters: Digital signage as customer-experience provider at the Harrods (London, UK) department store	Journal of Marketing Management	Sensory-affective digital signage influence consumer's attitude and approach behaviour and increases intention to spend, desire for spending more time in-store and the frequency of visits to the store (loyalty).
14	Kim et al. (2017)	Consumer adoption of smart in-store technology: assessing the predictive value of attitude versus beliefs in the technology acceptance model	International Journal of Fashion Design, Technology and Education	Perceived usefulnes and perceived ease of use are determinants of consumer acceptance of in-store technology. Perceived enjoyment is a stronger predictor of consumer behaviour, in the fashion industry.

15	Juaneda-Ayensa, Mosquera and Sierra Murillo (2016)	Omnichannel Customer Behavior: Key Drivers of Technology Acceptance and Use and Their Effects on Purchase Intention.	Frontiers in Psychology	The main antecedent of purchase intention in na omnichannel context is personal innovativeness, followed by effort expectancy and performance expectancy, according to the test of a new theoretical model.
16	Gil-Saura, Molina and Berenguer-Contri (2016)	Store equity and behavioral intentions: the moderating role of the retailer's technology	Journal of Product & Brand Management	Perceived advanced in-store technology amplifies the positive effect of store equity on customer behavioural intentions.
17	Poncin and Mimoun (2014)	The impact of "e-atmospherics" on physical stores	Journal of Retailing and Consumer Services.	Technology is na important element of store atmospherics as it influences consumer emotions and shopping value, further leading to satisfaction, positive patronage and recommendations intentions.
18	Varshneya, Das and Khare (2017)	Experiential value: a review and future research directions	Marketing Intelligence & Planning	Atmospherics is found to be the main antecedent of experiential value, within a conceptual framework which identifies further antecedents, moderators and outcomes.
19	Antéblian, Filser and Roeder (2014)	Consumption experience in retail environments: A literature review	Recherche et Applications en Marketing	Analytical framework of shopping experience, with the definition of its dimensions, antecedents and results, in a context of online and physical stores.

20	Stone (2012)	Mobile — More than a magic moment for marketers ?	Journal of Direct, Data and Digital Marketing Practice	Consumers are using mobile devices to search and purchase, which raises challenges and opportunities for retailers.

Appendix B – Interview 1, Sport Zone

Company: Sport Zone

Interviewee Identification: SZ1

Role of the Interviewee: Head of E-Commerce & Omnichannel of Sport Zone

Location: Sport Zone HQ, Maia, Portugal

Date: 13th of April, 2017

Time: from 17h to 19h   Duration: 2h

Purpose of the meeting

Understanding the views of the interviewee in what regards to four main areas: the strategic direction of an omnichannel customer experience, the current store experience of sport zone and the ambition of the store of the future, the profile of consumer of Sport Zone and the main differences between the two markets where the company operates and subsequent challenges.

- Omnichannel
- Store experience
- Customer profile
- Portugal vs Spain for Sport Zone + Portugal vs World regarding technology integration in physical stores

Set of questions/topics prepared

Omnichannel

- Role of the interviewee in the company and the role of the e-commerce & omnichannel department.
    - When did it started and what motivated it?
- Importance of the omnichannel strategy. What did it bring to the stores?
- How does the strategic process work and how do they formulate omnichannel strategies?
- Which outcomes has this strategy generated?

Store Experience

- How would you describe the current store experience at Sport Zone?
- Which priorities are considered in the definition of strategies?
- What is the ambition of future developments of the store experience? How would you imagine Sport Zone's store of the future?

Consumer Profile

- Who is the target consumer of Sport Zone?
- Does Sport Zone collect any information/data about the consumer in-store experience?

- What does the consumer think about the new technologies adopted?
- Which are the main differences between the Portuguese and the Spanish consumer in regard to in-store technology?

<u>Interview notes</u>

Role of the interviewee and the department:

- Responsibility for the digital business – "only business (sales)"
- E-commerce & omnichannel department started in 2011, reformulating Sport Zone's value proposition
- Sport Zone started in 1999 but didn't have website until 2011; in 2010, they had a webpage but very weak, lacking products. A new executive manager brought the challenge of creating an online store.

Many <u>challenges related to the new online shop</u>: showing range of products (in the physical store one 'gondola' is filled with multiple sizes and colours, while on the website is only one image – same offer but to the consumer it looks like there is less offer.

- The online store is top 10 of sales of the retailer; if added the in-store sales technology, it becomes is top 3
- Only in 2016 Sport Zone launched a mobile friendly website/online store and introduced the in-store sales technology
- The online store has more than 18000 products (sport zone line)

<u>Challenge in the physical store</u> – lack of space to have all products; the challenge was launched to the e-commerce department, which came up with the solution of the → **in-store sales technology**

- The managers went to the store, tried to understand the perspectives of the store managers and sales assistants through informal talks and focus group (because they are the ones in direct contact with customer). Moreover, Sport Zone launched questionnaires to customers and looked abroad to analyse what other companies were doing
- The interviewee shares that there is an advantage in the late development of Portugal compared to the rest of Europe (a delay of around 4, 5 years) because it allows Sport Zone to learn from other retailer's mistakes and experiences – especially from countries such as the UK, Germany and Spain
- From this research process, the managers decided to build something that would allow sales assistants to perform an assisted sale with stock that is not in-store, which lead to the following questions:
    - Which hardware to choose?
        - The sales managers and assistants one single piece, touchscreen and an adequate size;
        - Conducted tests to multiple ones for 4 months and decided for the one that generated more sales and received the higher acceptance and feedback from sales assistants
        - The hardware chosen was a vertical screen, 27 inches, which only needs wifi & electricity

- Which online platform to use?
  - Questioned if they should use the existent website or build a new platform;
  - Decided for the website just with a few adaptations because the customer is already familiarized with it: looks for a product at home, easily finds it in platform at the store and the sales assistants can recreate the journey that the consumer had at home. Furthermore, it minimizes the risk of making changes in two platforms, doubling the amount of work, and it is faster to launch as the team was already familiar with it, its challenges and opportunities, which leads to the consume of less resources. Moreover, it also creates one single place where to analyse all the digital sales.
- During the testing phase, it was realized how much Sport Zone was losing in sales for not having that technology

The In-Store Sales technology is now in 100% of stores PT (105) and ES (30), the number per store depends on size of the store (bigger, more)

- First different between PT and ES – the sales assistants in Spain accepted it way faster, were more active and it was also much more common for (easier, natural, accepted) for a Spanish sales assistant to sell via that technology than for the Portuguese;
- The ISS sells a lot of sizes that are not available in-store and sells products from 5€ to 900€, all type of products;
- Sport Zone conducted studies to understand if the ISS was "damaging" the sales of the traditional store channel but realised that it was not – the ISS is selling what is not available in-store. 80% of the sales through ISS are sales that would not have happen if the technology was not installed; the remaining 20% is mostly product that was hidden or misplaced in the store, or the customer or sales assistant preferred to do it through that channel
- In Spain, ISS sells a lot to cities that do not have stores – as there are very few stores in spain, contrastingly to Portugal, in which there are store across the whole country

- <u>Pop up stores</u> – open during holidays (summer) in popular locations with the concept of people buying things that they could have missed
  - The managers thought they did not need ISS but were positively surprised by a test conducted, with a few screens which sold a lot. Therefore, now ISS is also integrated in these type of store

The Interviewer asked regarding the <u>sales assistant's attitude towards ISS</u>: were they worried about their role losing relevance?

- Interviewee: "No, they were worried about sales not being attributed to them but that was solved and they do count. They realized the importance, were active in giving feedback and suggestions and gave a lot importance to the visibility of the ISS in-store". One of the store managers gave the idea to write in the window-shop "every product inside the store", which was then applied across the country

The interviewer asked regarding the customer's attitude towards the ISS

- Interviewee stated that the consumer accepts well the option of paying in the physical store and trusts the home-delivery service.

The interviewer introduced the topic regarding the store experience, however the manager said that this topic would be most valuable to discuss with the manager responsible for the Store Communication Area. Nonetheless, the interviewee added that Sport Zone created the project 4G, which regards to a change in layout and in functionality of the store; it focus on the journey of the consumer and has been very successful because it generated more sales and the consumer feels better in the store.

The interviewer asked if the digital panels were part of the new concept and the interviewee said that they are and that they are displayed in a way of transporting the customer to the sports arena – all around the store – enabling an emotional connection to the live sports experience. The interviewee further added that this technology is very good for "time to market", using less resources (of money and time) to react to the competitors' sales, changing the information fast.

The interviewer asked the interview about his view of the Sport Zone store in the future and the interviewee state "honestly, I don't know. I don't think the physical store will ever be over and that all will be digital. There will always be physical stores as long as there is people, but the role will change. The sales assistants must be very well informed to help a costumer who enters the store already as an expert. The store will be a place to try the product, receive assistance from an expert and of emotional experience, of finding people with who the consumer identifies himself." The manager continued saying "You go to the store looking for something more than the product, looking for a human interaction, a good, enjoyable atmosphere". Furthermore, he added that there are already many successful cases, especially London and new York, of stores that are only experience and he believes the future is in that direction – "in building a space of experience and experimenting".

The interviewer asked regarding the main differences between the two markets where the retailer operates, Portugal and Spain, and the challenges of defining a strategy for the physical stores in both countries.

The interviewee responded that the main difference is that in Portugal the level of awareness is very high, "the brand is very well-known and everyone associates it with the group behind it-Sonae, the biggest non-financial one in the country and that is associated with notoriety, trustworthiness, quality, innovation". He further added that "In Spain no one knows the brand or Sonae, so we need to still conquer the trust of the consumer, need to show that we are serious, try to show a bit of who we already are in Portugal and of what Sonae represents". Furthermore, the interviewee said that one of the strategies used in Spain is to partner with SEUR for home deliveries because this is very well-known company in the market, which has a good reputation and trust from the Spanish consumer. The interviewee proceeded by adding that "The Portuguese market is smaller and sport zone dominates. In Spain there are more and bigger players: 1st decathlon, 2nd el corte ingles, then many others. Small boutiques have also evolved and invested a lot in the digital channel. Then there is very fierce competition online, especially with Amazon. Additionally, Spain is many different markets within one. Different regions have slightly different cultures and have many differences in terms of legislation which causes challenges with logistics, different sales timings, and others. It is necessity to communicate different things to different regions."

The interviewer asked which strategies were used to culminate this challenge, to which the interview replied that the answer is "having a good team, good systems and making some compromises, for instance, the sales start early to all regions because of Madrid; sometimes we need to take products out of the online store, other times we need logistic adjustments, etc.". Furthermore, the interviewee added that "In Spain, more competitors have technology in the store and that makes it look more innovative, dynamic, interesting, so the difference of experience provided by Sport Zone there, compared to competitors is perceived differently than in Portugal. In Portugal, we are pioneers in ISS; in Spain, we were very late compared to other big companies so it was nothing new when we implemented it."

Interviewer: "Does that affect the strategic direction of Sport Zone in both markets?"

Interviewee: "That doesn't change the direction. The focus is still on facilitating the experience by innovating in utility but the standards are different. The quality standards are established at the level of Spain or London, and not at the level of Portugal. We don't do anything to be the best in Porto. We work in a way that, if we were to open, tomorrow, a store in London, the store would meet what the customer there wants, and requires, in terms of utility."

Furthermore, the interviewer asked the opinion of the manager regarding social media integration, if it was something considered for the future strategies. The interviewee responded that "Sport zone is not there yet. We are not even thinking about it. We are creating an area on the website to integrate with Instagram through the #sportlook but in Portugal there's nothing like that yet, only in the mature markets. What is working well in the UK is the tags with social ranking – the customer can read the product tag and see the reviews of others about the product - and geolocated promotions – with beacons, when you receive a discount if you get to the store in x amount of time, as what puma already did. My personal opinion is that the customer still wants to separate the brands from the friends on social media and that the Portuguese consumer is not ready for it yet". He further added that "we don't do it for the market, or because other brands are doing it; we do it to add real value to the consumer and we believe that is through utility.".

Conclusion:

Subsequently, the interview was concluded. The interviewer acknowledged the collaboration of the interviewee, who stated once more the importance and the value of the topic for the current retail scenario.

Appendix C – Interview 2, Sport Zone

Company: Sport Zone

Interviewee: SZ2

Role of the Interviewee: Coordinator of Store Communication PT & ES of Sport Zone

Location: Sport Zone HQ, Maia, Portugal

Date: 21th of April, 2017

Time: from 10h to 1130h   Duration: 1h30

Purpose of the meeting

Understand the strategic direction and main challenges of store communication at Sport Zone, especially in regard to the recent integration of digital signage. Throughout the interview the following main areas were discussed:

- Role of the store communication department
- Current store experience and the concept behind the 4G store
- Adoption of digital signage
- Content strategy for video walls
- Main differences between the Portuguese and the Spanish market regarding store concept and digital signage

Interview Notes

Interviewer: "Could you briefly explain your role at Sport Zone, your responsibilities, and the role of the department of Store Communication?"

Interviewee:" The store communication department is responsible for all communication of campaigns in physical and online stores, being this promotional and institutional. We work closely with the visuals department, which is in charge of the display of the products and it is also important to align all communication teams – digitals, store activation, tv, radio, social media. The department is only composed by 2 people - one who focus more in Portugal and the other in Spain. Furthermore, we also supervise and make sure the songs are matching the rest of the store environment and that depending on what is communicated in the store, at that moment, we have music that matches."

Interviewer: "I have heard and read about the new store concept 4G. Could you explain the motivations behind the creation of this new concept and what it means for Sport Zone stores?"

Interviewee: "Sport Zone recently revolutionized its store concept, going from no online presence, 4, 5 years ago, to a concept of 4G store, which is an evolving concept, and refers mainly to the inclusion of the video walls, at the entrance of the store, making its façade much more attractive. We felt that our store, like many others, had "stopped in time", with very static materials, and the video wall allows much more dynamism in terms of content, both sports related, inspirational, and campaign related."

Interviewer: "In terms of the content you referred to, what is the strategic direction behind it? How do you find the balance between the emotional and the informative content?"

Interviewee: "The store is the space to sell, so that is the main foundation for the decisions in terms of content. The video walls are distributed throughout the store in 4 spaces: entrance wall, in the "seasonal area", with the main items in highlight, the check-out area and the football area. The main benefit is that it allows to communicate with the client in a more dynamic way and it also allows more rotation of contents, depending on what is interesting for the consumer at each stage of the store. At the entrance video wall and the seasonal area there is more campaign content, directed to the mass consumer (ex: 50€ shoe). We want to capitalize the attention of the consumer to an item that he can actually afford and in which he is interested. Furthermore, we also want to show Sport Zone as a provider of a wide range of products and of a wide range of products from different brands. The screens in the football area, targeting a much more specific audience, like the man who practices the sport or the woman who buys the product to offer, the content varies from content of top brands like Nike and Adidas, to institutional videos like the one we have now for Futsal, which communicates campaign but is more aspirational and emotional content. In the check-out screen, for the client when is paying, although other content might sporadically be included, the focus is on content regarding payment methods, post-sale service, options of omnichannel shopping (pay in-store to receive at home, order online to pick up at store) and also institutional content like the partnerships with designers like Miguel Vieira. Content that is less promotional and more informative. The aim for the content across all screens to "go well together" and for it not to be static, changing regularly. We currently face a challenge of not knowing how often the content should be changed and we have not discovered yet how to even ask the consumer about these questions: how often to change, how much time it is watched, etc.

Interviewer: "Have you ever conducted any questionnaires to ask consumer for feedback regarding the adoption of the screens?"

Interviewee: "No, we never had any questionnaire regarding the screens and we face this challenge of not knowing how to measure the effects. We have weekend campaigns but wecan only measure sales against last year's, so how to quantify the effect that came from the screen?; how can we know if the client bought the product because he saw it on the screen? We know that the average consumer goes to the store once every month or every two months, so when we update the content every week, the average consumer does not notice that. He does not realise there were 4 different campaigns in that month, so if the content is showing to different consumers, is it really advantageous to change it every week? Each consumer only sees one campaign so does this strategy pay a return or is it just a matter of wanting to bring dynamism to the store?"

Interviewer: "What is interesting about the Sport Zona stores is that they have a very good exposure, in privileged locations of the biggest shopping malls, so even though the consumer does not enter the store, it might be able to see the screen."

Interviewee: "Yes, that is a very good observation; however, unfortunately, that is not the case of the majority of the stores, where the screens don't have so much visibility from the outside."

Interviewer: "When were the screens first implemented and in how many stores are they now?"

Interviewee: "The screens started being implemented 3 years ago and have been increasing since then. They are in all renewed stores to the 4G concept the screens are included, which are the main stores. The shared stores between sport zone and mo, which are more convenience stores, in secondary locations and in small sizes shopping areas do not have screens."

Interviewee: "The other element of the 4G concept in the In-store Sales (ISS), which has been very successful in augmenting sales and allows to offer the whole range of product even in a very reduced store. We have conducted studies which show that the consumer realises the benefits of this technology, which is much easier to inquiry about than the screens."

Interviewer: "When talking about the customer experience, we can usually talk about creating value through utility or emotion. How is the balance between these two defined in terms of the 4G store concept? And which one is in focus regarding the screens?"

Interviewee: "The focus is in communicating the campaigns – promotions, sales; apart from football, which is mainly emotional because there is not regular sales to be communicated and because of the strong emotional connection that the consumer has with the sport. The video walls, for external visibility, occasionally might have emotional content; however, there is a very strong priority for communicating price and special offers. The consumer walks by, does not have the time or openness to pay attention to emotional image, which is even weaker without sound."

Interviewer: "SZ1 mentioned the display of the digital screens as an element which is also important for the 4G concept strategy."

Interviewee: "Yes. The display of the screens in-store simulates a sports arena, as other elements of the store also contribute to that, such as the Sport Zone sign, the running tracks and then the round lateral screens, mimicking American football or NBA stadiums."

Interviewer: "Regarding the target consumer of Sport Zone, which is the one considered in the 4G concept?"

Interviewee: "The target consumer can range from the top athlete to the regular fitness enthusiast who goes to the gym 2-3 times a week. The 4G store concept also includes a definition of Sport Zone as a provider of a wide range of sports items, but focused on the following core sports: Football, running, cycling and fitness; and so these should be highlighted in the store, with specific areas and lighted signs. This makes the consumer feel like its journey is easier and that it can better identify the distinct areas in-store, which is crucial in big sized stores, like some that are 3000m^2. It also makes the store look cleaner and better organized".

Interviewer: "How do you see the Sport Zone store evolving in the future? Do you have any idea or ambition for how the 4G concept might evolve?"

Interviewee: "I believe that the strategic direction of the 4G store is the way to the future. It is the right way to go, but this is a belief not rooted on specific feedback from consumer regarding the stimuli in-store that lead to sale, but more a reflection from the increase in sales that happened since the concept was implemented. There was actually a curious opinion from a consumer which perceived the store as having increased the prices since the screens were implemented. He though it gave a more premium look to the store and made that also intimidated him to enter the store as the high-quality look provides a sense of high price. This is also why we need to communicate that we are competitive in price."

Interviewer: "Is this a characteristic of the Portuguese consumer? Especially comparing to Spain, is our consumer less used to this store look and more hesitant towards it? Do you feel a different reaction from the Spanish consumer?"

Interviewee: "Maybe, to some extent… but it is evolving. The mindset of the consumer, because other low-medium price brands are now also including this type of technology, like Primark, Sephora, Zara, etc, and the consumer is starting to get used to it. A few years ago it was only associated with premium, high price brands. But then, we also face a risk that is of getting the consumer confused due to so many stimuli in-store, added to such a wide range of products and sports."

Interviewer: "Does that affect the strategic position in both markets? Are there any differences in the strategic direction between Portugal and Spain?"

Interviewee: "Yes. There is a very different positioning in both markets. In Portugal Sport Zone is very well known, has a strong reputation. In Spain, the process of expansion is going well but our positioning that does not put Sport Zone at the level of the biggest players. In Spain, the strategy was to start to enter the market, test it and see how it would go, how the consumer would react, but always very conscious of the high competition and very careful considering the costs of the physical stores. The 4G concept is implemented in the same way, there are no significant differences apart from translations. In general, the target consumer is the same, is very similar."

Interviewer: "Considering the whole store experience currently provided by Sport Zone, which are the elements that you consider to be a priority. Do you see this evolving in the future?"

Interviewee: "I believe the screens will stay and are always the focus. The main priority now is rethinking the range of product to offer in the store, maybe moving away from the idea of a store that has everything to a store that has everything of a specific sport. Evolving in a direction of a more casual store, opposed to sport performance. Sport Zone is not a specialist, is a brand for the mass consumer, who is a casual runner, gym goer, fitness enthusiast, instead of the elite athlete. Moving towards the trend of the athleisure and athluxury, the trend of the consumer who blends the sporty/fitness style in their casual wear".

Interviewer: "What would you say that is the biggest challenge faced at the moment regarding the strategy of the store?

Interviewee: "In general, I would say, evaluate the efficacy of the elements in the store and, especially of the video walls. An interesting aspect is, as you said, that the main stores do not have the traditional window shop, the wall is open, the entrance of the store."

Interviewer: "How do you try to resolve this challenge? Is there any research or investigation currently being considered within the company?

Interviewee: "No, and it is also difficult to find good literature in this area. We pay a lot of attention to a lot of information on Linkedin, magazines, etc, but we are missing studies more significant and benchmark studies to understand what other companies are doing.

Appendix D – Interview 3, Sport Zone

Company: Sonae

Interviewee: SZ3

Role of the interviewee: Future Tech Area Manager

Location: Sonae HQ, Matosinhos, Portugal

Date: 24th of April, 2017

Time: from 17h30 to 18h15 Duration: 45min

Purpose of the interview

The purpose of this interview was to understand how the department of Future Tech, as the main area of the Sonae Group responsible for identifying and investigating trends and innovation opportunities regarding new, emerging technologies, conducts the search and selection of technologies for the Group to invest. In specific regarding Sport Zone, there was the prior intention of understanding how this department influences the strategic process of the retailer and what impact it has on future developments in terms of the adoption of new consumer-facing in-store technologies.

Interview Notes

Interviewer: "Could you tell me a little bit about your role as a Future Tech Area Manager and the work developed by the department?"

Interviewee: "The department looks into the technologies in the market, studies them and then tries to understand if they would make sense on any area of the Sonae Group. Furthermore, how the implementation should be done on a pilot stage and then assists the implementation if needed. There people in the department responsible for each area - Fashion and Sports, for Sport Zone - who make a bridge with the ones implementing the technologies in the field. It also happens that sometimes each business area discovers technologies that are interesting for them and they are autonomous in the process of learning, testing and implementing them. If they wish, they can ask this department for support in the process, but usually only until the moment of experimenting, testing phase."

Interviewer: "And how does the process usually happen with Sport Zone?"

Interviewee: "In general cases, all the teams are very autonomous and this department does not even know which projects are in development or which technologies are being tested."

Intervewer: "How does your department select the relevant technologies to further investigate? Which criteria is usually considered?"

Interviewee: "For instance, this year we selected 20, based on: the time available to study and investigate them; its singularity, so if it is going to bring differentiation; the resource effort associated and the impact for the consumer, we value distinctive technologies which differentiates us from the competitors. Many of these technologies are transversal to many of the companies/brands of the Group."

Interviewer: "Was there any intervention from your department in the new technologies recently introduced in the 4G store concept of SZ (RFID, Digital screens, ISS)?"

Interviewee: "I was not involved. I only visited the pilot testing of RFID because that happened as soon as I arrived at Sonae, 1.5 years ago. I know that now the roll-out of that technology is being operated. The person responsible for Sport Zone in the department is participating in some projects related to the improvement of the consumer's experience in-store, with universities."

Interviewer: "How do you identify emerging technologies? How is the research process conducted?

Interviewee: "Well, there is not a linear way of conducting that process. We pay attention to th media, attend conferences, such as the CES, ISPO, EuroShop, NRF, we visit platform such as kickstarter and TechRadar, and then we have management tool to share the information we find within the team: articles, studies, etc."

Interviewer: "What about beacons and other technologies which engage with mobile devices? Is there any related technology in development, or do you see potential in something like that?

Interviewee: "At Sonae we do not believe in beacons. We do not believe that they will ever make it because they have been around for years and have not been able to massif. They depend on heavy hardware, that requires energy and maintenance, and to work well it needs to be a lot of those installed. Furthermore, they serve the same purpose as flyers handed out and are "bothering" for the consumer, so I believe the value for the consumer is reduced. A good case would be to have a network similar to a google maps, GPS, that could track the exact location of the consumer and integrated adds so he could receive info that was valuable. The case of beacons, as the add would not be so personalized, it would saturate the consumer so he would end up turning it off. I believe that there is something very wrong about the foundation of beacons as a tool to deliver proximity (direct) marketing. What we have found is a new and better technology that delivers the function of beacons without needing any hardware in the store. It uses the sensors already on the mobile and it can calculate, by inferring from the information that the GPS provides, how many steps you take in the store and in which direction, with a margin of error of 1m. With this, we can deliver real value to the consumer, making him want to use the app to receive marketing of proximity that truly delivers value. This technology is currently being tested at Continente (the largest supermarket chain in the country) due to the extended dimension of the stores. I believe it would also be used for Sport Zone in a few years, after being implemented at Continente. We also had a project with robots that assist mainly people with disabilities and parents who go shopping with babies and have to coordinate the car that transports the baby and the car for shopping. This robot is a car which identifies you and follows you around the store. This was also tested for Continente. It can be thought to implement at Sport Zone, not in a logic of transporting the items, as it is usually not a store for big volume purchases, but in a logic of assisting the client with information, technical advice, suggestions, answering questions, etc - like Peper the robot. Moreover, an intelligent dressing room is currently being studied for mo and that can easily be also implemented at Sport Zone in the future. The client enters the dressing room and can scan the barcode of the product on a table that is placed there and that shows the different sizes and colours of that item. Furthermore, it allows the consumer to ask an assistance to bring one of them. It is not as advanced as smart mirrors, with augmented reality, changing colours, letting you see the back, but that is also because the positioning of our brands (not high end) does not justify something like that. Our target consumer is not willing to spend more just to have those functionalities. The pilot study was already conducted and now the roll out stage is being operated. Sport Zone will also be considered for a pilot study soon."

Furthermore, before ending the interview, the interviewee wanted to share that it is essential to think about "the importance of these tools not only to bring customers to the store but also to help selling more, which is the main objective behind these investments".

Appendix E – Interview 4, Snapchat

Company: Snapchat

Interviewee Identification: SN,

Interviewee Role: Business Specialist EMEA Lead

Location: Snapchat HQ, London, UK

Date: 26th of April

Time: from 6pm to 7pm Duration: 45min

Interview Guide:

Prior to the conduction of this interview, the following briefing was sent to the interviewee, in order for him to have a better understanding of the issues to be discussed during the meeting and to also be able to confirm the content of his answers with other managers of the company. The questions sent to the manager are the following:

- "What is your role at Snapchat?
- Are you familiar with the concept of omnichannel marketing?

  Omnichannel marketing refers to a brand's strategy of integrating all its channels (physical stores, online store, social media platforms and others), allowing consumers to easily navigate through them and delivering a seamless consumer experience

- In your opinion, what benefits can a brand expect from integrating mobile and social media strategies, particularly snapchat, in their physical store experience?

  There are already a few brands that understood those benefits and found a successful way of making their physical store experience more interactive by extending their strategies to snapchat, using lenses, geo-filters, physical tags on products. Experts even say that Snapchat has become the "go to app" for retailers as many brands have added it to their campaigns to allow customers to engage with the brand and the store.

- Are brands contacting Snapchat more frequently in order to develop this type of features for their physical stores? Do you agree that there is a general trend of main retailers looking for these solutions to better engage with the consumers?

- What are their main priorities and concerns discussed when they contact you or you contact them?
- How is Snapchat currently working with the retailers? Is it also a focus in the strategy of the company to create and develop innovative features that can be used in the physical channels?
- Can you share any interesting cases of brands that, in your opinion, are integrating Snapchat in the physical store experience in a successful way? What about cases of brands that did not understood how to take advantage of this strategy?

- Which factors do you think are crucial to maximize the advantages of Snapchat, or social media apps in general, in the physical store?
- How do you think this area is going to evolve in the future? Do you think that the importance of integrating social media in the physical experience with the consumer is going to increase or is it going to disappear? Do you think there's a risk that consumers start to feel saturated with constant stimuli from brands and move away from brands that are investing in these strategies? How should brands protect themselves from this risk?"

Interview Transcript

Interviewer: The interview was initiated with an introduction about the thesis: integration of consumer-facing technologies in-stores, also connecting it with the concept of omnichannel, having all the channels integrated to make it easy for the consumer to navigate through them. It is focused on technologies that are placed with the goal of making the experience more interactive and enjoyable for the consumer and to engage with the consumer. "So, to start I would like you to talk a little bit about your role at Snapchat and then go more into your opinion about the integration of technologies in the stores and, especially Snapchat, what you have to offer to retailers and how you are working with retailers right now to improve their customer's experience."

Interviewee: "I look after small to medium size businesses. My background was Google and Facebook, doing a very similar role. I think for us, at the moment, it is still very early days for the business, we have just recently started supporting businesses of various shapes and sizes, just over a year, and it is a very interesting one compared to google and Facebook, that have a very set budget within business now. People will purposely put aside a marketing spend for PPC or Google spend, they put aside budget for their Facebook and with snapchat we are trying to figure out now how we fit in the mix: are we seen as another social network? We don't see ourselves like that personally, we see ourselves as a camera company more than anything, so then do we maybe seat better with display budgets or out-of-home spend budgets so right now it is about supporting the advertiser who reach out to us and want to get started and then highlight the ones where we know could have best performances.

In-store is a very interesting concept and bringing the offline-online and the online-offline. I can talk a little bit about the other solutions also: google and Facebook because I think that the main thing that online retailers or online advertisers try to do is to prove the value of their digital spend so increasingly what you see is google, Facebook and snap now, we try to map out the world into fundamentally geo-filters or geo-fences or poligons, whatever you want to call them, and try to work out whether and online add has influenced someone to walk into a shop, so in order to work that out, you need to have the shop mapped out.

I think Google did it in a very interesting way: in every shop they now have satellites and software devices to register when mobile phones are coming in and out. Facebook is doing it through GPS and for us, your phone kind of tells us where you are already so we're trying to do some out-of-the-box thinking.

The first solutions that kind of set for this to happen were, before the whole having your phone in your pocket technology were gift cards. These were a great way to match up to customers. If you look at google they have google customer audiences, Facebook customer audiences and at snap we have snap audience match and what that basically is doing is you tell us straight away who your customers are, you upload your database users and we are able to match those to whether or not they saw one of our adds or going more into a customer experience, if you purchase something in the summer sale this year, next year, when you are on your mobile, we can remind that "actually, there is something for a shop you loved before". Traditionally, how it was done was you upload traditionally data and decided, ok, these are my customers and I want to target them or did any of my adds reach out to these customers and made them come in and spend. Now, we moved more and more to not having to do manually uploads of lists and use tracking technology, which has opened up to a whole new world of opportunities and to a lot more advertisers that will hopefully then turn into automated but it is an interesting one because it is really trying to understand how impactful and add can be and, personally, for me, it is interesting because when you're trying to look at something like store uplift you have to consider how long does this experiment need to run in order for it to become a true fact, because we need to know realistically how many people were coming into the store anyway and now what's the uplift. So those kind of stats, for Facebook, are actually still very hard to quantify because we have just started to track where our users are and there is always that question mark of "how much do people really share where they are?", especially in certain markets and that brings the question of how scalable is this solution on the long run. I think that's the main online-offline match is to either 1- use it as a retargeting feature in the future, so you go after customers who have been in the store before; or 2- is it a measurement piece to quantify, from the online activity, who then went to the store. Snap, I think, has done it a step further, coming up with things like on-demand geo-filters or just geo-filters. I think that's something interesting when now something crazy like 60% of Snapchat users now snap while they are in shops. And I think that's the whole thing now, it's amazing that some demographics when they are in stores, they now take a picture of their outfits, their food, they send then all this stuff to their friends to almost brag about it or ask advice on it and what we have done there, which I find very clever, is that we now allow people to put an overlay to show exactly where they are – so now with geo-filters, instead of you're wearing an outfit, you're wearing an outfit from store X and what is very clever on this is that whilst it is fundamentally marketing, people who use it see it as an experience and they think that it is amazing that now they can tell their friends that they're wearing an outfit from a specific brand, and they see it as an added benefit to being in the shop; whilst from a marketing perspective, it is incredible that they are now sharing their photo with 20-30 of their friends, with the name of the brand."

Interviewer: "Yes, it is a very subtle way to do it. Some stores already have some photobooths or other elements to incentivize the consumer to share an outfit there but that maybe seems more like the store is forcing you to communicate that. Whereas if I do it on my snapchat it feels like it's more of my choice."

Interviewee: "Yes, and that's something that I love. It's completely user choice whether you want it or not, and I think that one of the funnest things about snapchat is that every time people turn in the app, they're actually excited to see what geo-filters are there, in that location, so it's kind of like a treasure hunt and you feel rewarded for finding it because it's not being heavily pushed on you. It's kind of a reward for being a true "Snaper", like look now I found this exclusive filter. So it is a different one. From what I have seen, it's the first marketing tool, from all the 3 companies that I've worked at, that really got that balance of being fun, being a marketing tool but also being useful for the user. So the user doesn't feel like they're spamming their friends, their friends don't feel like they're being spammed, they're like "oh, cool! It's my best mate in a video, it's my best mate is what fundamentally should be an add". If you saw your best mate on tv, you want to watch it, you would be like "wow, that's cool" and it's the same kind of effect. It is not in the sense that you're being marketed to but it's also someone wants to send you a message so it is an intimate communication and it is why, for me, it is a different kind of approach in the online-offline world and it will be interesting to see where we go with that."

Interviewer: "I've looked at some snapchat features that retailers are currently using, especially fashion retailers. The main case I found is from Burberry, for which you created lenses, geo-filters and physical tags. Can you tell me about the main features that retailers are using to integrate their digital channels with the stores and possibly new ones that are being developed?"

Interviewee: "The main ones are Snap Adds and Geo-filters. Geo-filters, you can start from 70£ for a year and can filter your store and that's what every retailer should have now, obviously working out space and time because some locations can be more expensive but potentially you'd be looking at potentially a couple 100£ for a store in central London for a year. Snap adds are kind of the next step. You can start at as little or as much as you want and that's more of the traditional marketing type. You're targeting people based on your audience and you're buying reach. Things like lenses or snap codes Are still at the moment only used nationwide, so part of a bigger campaign so actual stores using them, it would be part of a bigger brand awareness campaign that would be doing for a period of time, rather than when people are actually in shop or looking to buy. To influence purchase is where snap adds would fit in the funnel and you could say that geo-filters are like the bottom of it when they are converting and buying. I would say snap codes are a really interesting one. We just unlocked those to be completely free as well for advertisers so basically now you can put them on anything: on your window displays – we had some amazing retailers getting rid of their window displays and just putting on a snap code and when you hover over it, it just takes you to their online shops; we have people increasingly putting them on packaging and it's a great way for when you open the box and take a photo, you can enter a competition, when you're at a store, you can enter a competition there or also have a discount code. So, I think snap codes are probably across the board in use, increasing more and more because it has a low barrier – it's free to set up, you just have to work out where and how to use it. Geo-filters, again, there's been a massive growth in those. It's almost like every business should have one now, you could argue, then snap adds is kind of building awareness and trying to drive more traffic and grow sales for a retailer and then the lenses drive brand awareness, great uplift and recognition but they wouldn't be at the moment the most appropriate solution for a small business or for every shop on the high street. There it should be more kind of a combination of geo-filters, snap adds and snap codes."

Interviewer: "Have you noticed an increase in retailers that want to use these features? That go directly to you or that you also contact because you perceive that they would do well with this kind of technology? Thinking about London, how is it evolving, these new additions to the store experience, how do you see the evolution of the market since the past 1, 2 years, because this is an extremely fast evolving area?."

Interviewee: "As you just said, the UK has exploded, in terms of geo-filters, for instance, we are launching increasingly into other markets but primarily we are only in the UK, US, Canada, Australia, Saudi Arabia and UA currently, so other European countries aren't able to buy them. Snap adds we have increased the number of countries that we are able to target but I'd say that at the moment, the retailers that are on boarded quicker in the UK, 1) because they have the option to but 2) I think because the product itself, snapchat, was originally more popular in the UK, although growing across all markets. Probably as time develops, when and if we do or do not go into other markets we probably would see the same adoption to the products. I think looking away from snapchat, in kind of the bigger marketing picture, I notice, since I was in google, an increase in spend far greater than in other regions in Europe. The main reason being the competition way higher, a lot more brands competing for UK dollar so there was the sense among brands of the need that they had to do it. I think if you compare the Portuguese market to the uk in a wider scape, I think the case in the UK is that you have to do it whilst in Portugal if you do, you're seen as a bit more innovative and if you look into the top performing campaigns, not just talking about snapchat but marketing in general, the UK and the US businesses focus on how to grow in other markets so they actually target the consumers in the Portuguese market, whereas the Portuguese businesses don't target the UK market or the US. So I think it's an interesting one. I think it's just a case, in the UK, people in general are so much more digity focused, like mobile saturation is going to be so much higher, mobile engagement and users is going to be so much higher, the density of 3G and 4G network and activity is going to be higher in the country so those infrastructural reasons are also why you kind of have to have digital while in Portugal, they do have amazing uplifting campaigns.

If you look as well at a lot of traditional retailers, a large majority of their sales are slightly shifting online and the physical stores, you could argue, are becoming more and more kind of show rooms in general. Obviously, there are still amazing high street stores that perform really well but even if you look at some of the more traditional brands in the UK, are not very aggressive on e-commerce because they realised just a change of behaviour and buying habits. My mum five years ago wouldn't have dreamed of shopping online, all of a sudden now every single purchase she does is online and she's got used to that habit, because she didn't have it, very, very quickly. It's really interesting to look at other markets and see if they will or not go down that root because out-of-home advertise in the UK is slowly but shortly on the decline similarly with, as an article going in the press right now about how 30% of retailers are expected to close their shops in the UK by 2020. So looking at crazy facts like, you go "wow", what is the position of a physical shop now in the UK. What a shop should actually be. I think that is a very interesting area that can, again, completely change in the next 5 years and people might want to shop in a different way but for me now it is interesting this area of how you can merge online-offline. It's seems to be how traditional retailers perform now really well rather then -a great case study to look at would be Toys'R us, they tried to break into Ireland 4 years ago, didn't do any digital spend because they didn't believe in it and within 4 months the company went bankrupt and they said that the reason why this happened was because they didn't invest in any digital in a very digital savvy country. Those sorts of things just show the importance of you have to have online presence to have the offline presence almost."

Interviewer: "Which would you say that are the main priorities and concerns of brands when they contact you, in terms of developing features or collaborating with you to improve their consumer experience? And also what kind of challenges do they usually face?"

Interviewee: "It's very kind of high level I'd say, most businesses now. I think the interesting thing about digital is that with digital media people now expect to know their exact return on investment. So if they put pounds on a software, they want to know exactly what that is going to generate on the other side, which is really odd for marketers if you think about it, going back 10 or eve less, 5 years, newspapers, tv, local billboards, they never really were held to this kind of core stats. If you paid for a billboard, you pay it all up front and you have it for a month and there was no asking about "how many people had viewed it? How many converted? How many were directed to the website? How many walked into the shop for more than 2 minutes?". There was no such metrics so I think the initial norm now with digital is – yes, people understand the importance of branding, brand awareness - but what the majority of business mostly care about is "if I put in 50£ or 500£, how much business is that going to bring me?" and ROI is the biggest, biggest thing on any advertiser or any customers' mind because they want to know, if they spend their money with us, how much are they going to get compared to any other media channels out there. So that is the main point and the main thing they challenge us on, they want to know the value they're getting by spending with us, which we can do very easily and they are usually very happy about but that is the main thing they care about when they come to us. It's all good and well, they want to be innovative, to be seen as being ahead of the game, they use all these buzz phrases in the room but then in reality, underneath, what they actually care about is how much all that will bring in, because they understand that by being innovative, creative, different, it'll bring them good ROI. It's not like they just want to do that for brand awareness, they really think that is going to make them achieve return on investment over time. I think that's the big thing and that's across all platforms. That's what advertisers hold you accountable to and it's the thing they care about."

Interviewer: "Do you want to give any reference of brands that could be interesting for me to look into? Very successful cases of Snapchat integration in the stores and cases where the adaptation was not so successful. Especially as I will be visiting a few stores, if you think of any that would be interesting for me to have a look at?"

Interviewee: "I don't say this just because I work here, I don't think any business would have a bad experience working with us, it's more about trying to match them with the right solution. Within snap adds there's many variables and many options which would be maybe not so appropriate for one business but would be appropriate for another. So I think the main thing is finding what works for each business. In terms of good case studies there are plenty on our website, which are great. Actually at the top of my mind at the moment I wouldn't have any but there's plenty from where to seek inspiration. John Lewis did an amazing one at Christmas time, there's a pretty cool one with lush cosmetic shop, a lot of restaurants just using geo-filters. Off retail but my favourites ones are the ones that users love so the West End one, every show should have one now, they all love them. It's hard to say because there's so many so the best place to find is the website, with all the numbers. The best ones are actually not often presented as case studies because brands don't want them to be public, it's funny that some of the best campaigns cannot be talked about because we're under extreme confidentiality because they obviously don't want their competition to do the same thing. But I think that some of the coolest are when there's a great mix of the snapchat features and not just geo-filters or just snap adds, they've done a real mix of the products together so they've done some upfront activity with geo-filters and lenses and then some middle funnel snap adds with some attachments and then further to having geo-filters for when they make purchases and things like that and I think this is really when businesses use snapchat to its optimum. At the end of the day we always argue for full funnel solution because you have got great brand awareness, great reconsideration and now with the new snap adds you can even buy off snapchat (convert) if you want. A great example, again off retail, but one of my favourite ones would be Suicide Squad, when the movie released, they did some great snap adds, with really compelling, loud scenes from the film and the when you swiped up, it took you to one of the cinemas and told you how much the ticket would be and you could even buy a ticket to your local cinema, wherever you were on the UK. That's like a prime push someone through the funnel and base it on where they were located. And now other shops are doing things like that. Uber did also a cool one: whenever you're in an Uber now, you can put a geo-filter on now to tell your friends how far you are from them. So it says like "I'm 20 mins away" and it says Uber on it but it's again a classic like clearly you're going to meet that friend, you're sending him a message to let you know where you are, it's fun and it's just a quick and different way of saying where you are and the brand is there but it's not in main focus."

Interviewer: "Do you think that there's a profile of company that takes the most advantage of these features? Some common characteristics of brands that work best with snapchat and the whole integration of technologies in the physical store. Or do you think, like you said, that it is a matter of matching the appropriate features?"

Interviewee: "So I'd say the vertical is not really necessary. It works in e-commerce, in retail, in fin-tech, gaming, it works across the board. What for me is important is that the brand is mobile first and mobile ready because at the end of the day, if we're doing a brand awareness campaign, we're pushing people to a mobile site, they have to be mobile first as a business. They can't have a campaign that makes users think “oh, look, that’s a great product” and then you can’t open it on a mobile friendly website, so for our advertisers, the main focus should be getting ready for mobile because if someone is on snapchat, they’re on their mobile, it’s the only device we support. So I think it’s less about vertical but more about what stage they are in digital. If they’re just building a website for the first time, maybe snapchat is not the best option. We are very good for companies who have mobile websites and even better for businesses which are a step further and have apps because a great source of opportunities for business is going to be the ability to interact the apps. Our case studies range from Gatorade to Burberry and Mulberry to tax agencies and other bizarre examples like that and it’s luxury companies, next to tax and to Gatorade, it’s such a broad… and it’s because our audience well spread out and it’s not just teenagers on the app anymore, 77% [33.00] of our audience is over the age of 18, 44% of which are parents and people’s interests and target are across the board, which is something that a lot of people still misperceive about snapchat. They think it’s just the teenager.”

Interviewer: “Yes, that was actually something interesting for me to realise through this research. Initially, I looked at snapchat also as very teenage focused still but, especially in a market that mature in terms of mobile as the UK, it makes complete sense that the audience already expanded and the platform became much more than just sending crazy, fun content to friends. Although you already touched a little bit on this, what is your opinion about the evolution of this area in the next few years? Considering the risk of consumers becoming saturated with so much communication from brands, do you believe that it is important for snapchat to acknowledge it and do you try to avoid or minimize it when developing new features?”

Interviewee: “Yes, that’s again a great question. I think that probably there’s a fine balance where adds enhance the customers’ experience and when it takes away from the app so I think at the moment, a great thing about us is that we see a lot of engagement with our adds. People don’t find them intrusive, people enjoy their experience and I think it’s because we’ve made them feel really native to the add and as an extension of snapchat, rather than removing you from it. Hence why with all of our adds, when you swipe up you’re still in the app and we’re not redirecting you anywhere in all stages within snapchat. I think it gets to a point where you need to think, “ok, if there was an add after every single snap you shared or saw, then yes, that would be too much”, the thing is that the inventory pool on snapchat is so big that 1) we would never allow that to happen but 2) it wouldn’t happen. By the end of last year, 10 billion video views were happening every single day on our platform so when you’ve got inventory that big, you’ll be able to sell a lot of adds to fill it up. So, I think the risk of it happening is low. I think that, yes, as the app evolves, our products have to evolve as well. That is something I really like about snap is that we never are the same team who makes the app itself also make our platform and that’s really important because we never would launch something as an app lab, we always make sure that it has an organic use within it so it is an interesting one. There is a fine line and it’s something that you have to find out with different customers, and it’s also about profiling customers. For instance, you as a user may find adds really irritating and don’t like them at all, so for you maybe serving adds is not the best idea, maybe for you we serve you pretty less frequently. Then you could have George next to you who loves adds and he actually enjoys them, he feels like its part of his experience and makes him spend more time on the app so it’s also working out that not every single taste is the same and working out that actually for George, let’s serve him a ton of adds because he enjoys them, however for someone else let’s offer way less. It’s also about finding out the best frequency for each user and what different users feel like. It’s a fine line but because of the nature of the platform, I think it would be hard to saturate it.”

Interviewer: “So, I think we already touched upon the main topics I wanted to discuss. Would you like to add anything else?”

Interviewee: "Yes, I think it's a very interesting area. I think understanding it is very valuable for retail."

Interviewer: "Even from the perspective of Snapchat, understanding new opportunities of integrating the online with the offline. Are there any areas that you feel like are especially interesting to investigate more and understand better?"

Interviewee: "Yes, I think that, something that always excites me is augmented reality. We launched last week the 3D filters and I think that stuff, that is just like wow! What could you do with that? What are the possibilities there for brands? That really excites me, I think that AR is going to be huge for shops and physical retails. It's going to be interesting to see what we're going to do with it. One thing that always baffles me is something like a geo-filter, when you think of actually the mechanics of it, it's actually crazy that by drawing now on a pc a 20.000 square foot radius on the hearth, we can now pinpoint that to someone's mobile phone to serve them a relevant add. It's amazing that we can already do that, with such precision. So I think there's a lot of potential, AR for me is a very big thing, another thing is helping us build our performance metrics would be interesting. I think as we are able to pinpoint people further and further and further, eventually could I even track, if you're in a mall, which floor are you on, could I track that to the store sale, or even track your way through the store. Or if you have your bank cards and you use them to pay, could we even track/ see the physical purchase I don't know… I think there's a lot to be done and think that the biggest developments improving what we already got so stuff like helping us maybe focus on metrics is probably a big one and then 2) greater than that is looking into AR, how we can… the coolest thing is that for us as a camera company, we can see the world through a different lens now and we're able to add that extra bit of excitement so that will be interesting. I don't know how that's going to evolve but that's a big are of interest to research for me. How can we get to that next level of understanding what the customers are doing. So like if you send me a geo-filter, how cool would it be to then see if that lead to me walking into the store, that's not so much as an innovation but more a measurement thing that for an advertiser really shows the importance of word-of-mouth. Historically you were never able to track word-of-mouth, with coupons we could argue that we could do it to some extent but being able to measure the power of visibility of your mate just saying to you "check this out! It's cool" we can now understand if that influenced you to buy more."

Interviewer: "In regard to AR, how do you see that translating to the stores? Are you already trying to develop something with brands?"

Interviewee: "It's still very early. It's a time that we want to test it and see if the customers enjoy it, if the users have fun with it before we look into monetize that kind of thing but I think that eventually, there will be many opportunities for physical stores."

Appendix F – Interview 5, Pro-Direct

Company: Pro-Direct

Interviewee Identification: PD

Role of the Interviewee: Store Manager at Pro-Direct's LDN19 store

Location: Store LDN19, London, UK

Date: 28th of April

Time: 2pm to 2h30pm   Duration: 30min

Purpose of the meeting:

The interview was conducted with the purpose of discussing the following topics:

- The role of the store manager at Pro-Direct;
- The motivations behind the idea of opening a physical store when the main business is online and the benefits from having this physical contact with customer;
- The concept behind this store and the type of experience Pro-Direct aims to create for the consumer;
- How does Pro-Direct manage the integration of the physical store with the online channels: online store and social media?
- What kind of activations does Pro-Direct have in the store?
- How is defined the strategy for the digital signage technology?
- The profile of the consumer, its interaction with the technologies and the feedback from the experience.

Interview Transcript

As the start of the interview, the topic of the thesis was introduced, as well as the research questions guiding the investigation. The importance of having the collaboration of Pro-Direct and better understand its strategic position was also referred.

Interviewer: "To start, could you explain to me a little bit about your role as the Store Manager of LND 19? Especially about what you are in charge of in terms of the store management."

Interviewee: "Yeah, so in terms of the store it'll be: people management, employment of staff, recruitment side and day-to-day running, ensuring that there's staff in for each shift and just be sure that you have a team able to run the store effectively; and then also the bridge with the team in the HQs in terms of: one, the warehouse team so making sure that we have the correct stock in store and enough stock in store, in terms of new releases or if there's any popular models that are selling high, just make sure that we don't miss out on that because we're low on stock; as well as the brand team, so with the nature of the store we always got events, brand events, product launches so I have to meet the team and make sure that the walls are dressed correctly and if they need any help in terms of running the event, to make sure that there's enough staff to help out – dressing the walls in terms of sometimes we need to do graphical images on the wall, the magnets, before some events, we as a team would have to put them up and other times we arrange for an external company to wrap up the whole inside and outside windows; and then also help and build relationships within the local businesses. Sometimes, as we have a pitch not far away from here so we sometimes challenge local stores or invite people to come and play with us because it helps build a relationship."

Interviewer: "What about the motivations behind opening a physical store, could you tell about that? Because your main business is online and also about maintaining the focused just in football. Why did you find that need and that benefit from having a physical contact with the consumer?"

Interviewee: "So, as you just mentioned everything that it was online, via social and via .com, so having a physical destination allows our customers to come in and actually see the product that they would have before just seen online. A lot of the products we have are niche products. We have brands like under armour, new balance, Mizuno, where you can see them online but there's nowhere you can physically go and try them on, see what they're like and what we're also proud ourselves is of being a professional's choice and that we have as well as the niche brands I mentioned, we also have the big brands – nike, adi, puma – but what sets us apart from these other stores is, for instance if you're at niketown, you're limited to see only nike boots and if they don't really suit your foot, because not everyone is going to suit everyone, you're almost limited to purchasing a nike boot or you have to go all the way down to bond street to try on an Adidas boot; however, here we have got all those boots right next to each other so you can try a nike boot and if it doesn't fit you, you can then try an Adidas boot and again it just offers that choice, avoiding the inconvenience to travel elsewhere."

Interviewer: "And what about the concept of the store? All this digital environment… What it because you were mainly digital so then you found the need to also have so much digital and technology in-store?"

Interviewee: "Putting it short and easy, basically we wanted the store to be an extension of the online so as soon as you walk through the doors of the shop, it is as if you are walking into a live version of the website. Upstairs would effectively our home page and this is why it changes very frequently, keeping up with new releases, changes all the time. If you were to come in next week, middle of next week, it would be totally different, again because we are constantly updating the website. So it is to give that physical destination and almost, because of our reputation online, a lot of our consumers will come to the store and purchase from us because of the name, because of Pro-Direct and we have a relationship of always having the best product available so then having this location it gives people that destination to go and again you can meet likeminded people and again it is that benefit to have the launch events."

Interviewer: "You talked about launch events and having some events in the store, what kind of different events do you have and how do you adapt the store for each of them?"

Interviewee: "The events we have are normally around launches of new products but they are not limited to football launches because at Pro-Direct we have different categories we cover online: tennis, rugby, basketball; so we will have those events in-store. We had a rugby take-over with the New Zealand all blacks, we had a tennis take-over for which we had Andy Murray, we had cricket take-overs as well so then again it is getting the brand Pro-Direct out there. In terms of dressing the store normally it will be a vinyl wrap of some sort in the front of the store, to give it that different surface, also vinyl layer on the floor and we might have the magnetic graphics going around the store. What we also have is, there is always a different centre podium – that first main centre piece that you see when you come in. For tennis, for Andy Murray, we had like a big stage constructed where he was sat on for a Q&A. For the all blacks we had a smoke machine, we had goal keeper events where we had the bataks machine where you test your reaction. So, again, is always something different and different ways to interact with our consumers."

Interviewer: "How do you then make a connection to those events on social media? How do you manage the communication of the events on social media so you have coverage of all of them on your online platforms?"

Interviewee: "Yes, we normally tease the event on different channels, so if it is basketball we do it on our basketball Instagram account, if it is football we do it on our soccer but whenever it is happening in here, we also advertise it or promote it in our LDN19 social channel and normal Facebook, Instagram, snapchat. So we have got in London two guys who focus mainly on the social side so they do a lot of Instagram stories and snapchat and they go around and helps almost create buzz locally. People see them doing it and whenever it is filmed, it is in locations that are nearby so it allows people to relate to where we are."

Interviewer: "How would you describe the typical consumer that comes to this store and what kind of experience are they looking for? You already mentioned that you aim for an experience that mimics a live website but what more could you tell about the experience that you aim to provide?"

Interviewer: "I wouldn't say that we have a typical customer because we have such a wide range of customers, from the six-year-old who comes with his dad up to the professional footballer. We actually have professional football players coming to pick up their own boots, just for the fact that not all professional players are signed to a brand so they still have to get their boots somewhere and, again, because of the choice that we offer we do get a lot of players from non-league up to professionals. This is a big variation of customers that we get. We do obviously get a large tourist base also, because of where we are but it is a massive mixture so it is hard to pin point a type of customer."

Interviewer: "When did the store open and since it opened, did it always have this kind of look and feel, the digital concept?"

Interviewee: "We opened just after the World Cup, July 2014 so from then, physically it has not changed much, but visually it has. There are a lot of slight alterations that we have made since opening, in terms of the digital mannequins, the way things are laid down on the screen, the way that the mannequins are dressed when they come out, that has all been twiqued very slightly. Whereas in terms of the podiums being here and the screens being there (pointing at the podiums and screens disposition in-store) not much has changed."

Interviewer: "Do you collect regular feedback from the consumers regarding their opinion and how they feel about the store? Could you give me an idea of what their main perception is and how they interact with the technologies when they are in the store?"

Interviewee: "Recently we have started an online survey that our consumer fill out, so from there are we still trying to collect and understand the average consensus from our consumer but a lot of it varies. We have some consumers that think that we offer too much choice and that it is distracting the way the boots are there (pointing to the main boots wall); others then think the complete opposite. Because of our range of boots, we normally stock just the pro-level boots because when we opened, we had from pro-level down to amateur and as it goes does it becomes cheaper but we realised that most of our consumers don't want the lower end of the boots, they want the professionals so we tailored the product that we get to them but now we the survey we receive the feedback from the consumer that would also like to have the take-down, so that shoes that have some variation. We have some people who find that it is two dark down here (the down floor of the store) but then others who say that it almost feels like the VIP of the club and that it gives a premium look, so we still struggle to find consensus with such a wide variety of opinions and customers."

Interviewer: "Ok, I think we covered the main topics that I wanted to discuss. Do you have anything interesting that you would like to add about the store or about any experience you had here, a story from one of the events, maybe?"

Interviewee: "As I mentioned, we do have a lot of players and athletes coming in and we had the biggest athlete that could ever come in the store - we had Pele in-store, so that was, as you can imagine, massive. The crowd was something I had never witnessed before. We had many busy events when the store has been really, really packed, but when Pele came, all of the outside… We had to have gates outside of the store, a lot of security was in as well. His van parked right on Carnaby street because he couldn't walk that far… That has to be the craziest event and just to see him and meet him… That is someone that growing up, everyone who likes football admires and almost thinks like "is he real? Does he really exist?" and then having him come in, that was probably the biggest, the best one we had so far. I am a little biased but… [laughs]"

Appendix G – Open Coding Results

Pilot Interview	**Interview 1**	**Interview 2**
Relevance of topic	omnichannel strategy	Physical store challenge
Strategic approach	Challenges of online shop	DS benefits
Stores to check	Online shop performance	DS implementation
DS implementation	In-store sales performance	DS content challenges
DS purpose	Methods for innovation	DS measurement challenge
DS benefits	strategy	SZ consumer insight
SZ strategic process	PT vs Europe	DS content
Failure from prev campaigns	Methods for strategy	DS implementation
Store challenge (DS)	ISS Purpose	ISS benefits
Store challenge (RFID)	ISS strategy	ISS customer feedback
RFID	ISS Testing	DS content strategy – hedonic vs
RFID state	ISS benefits	utilitarian
RFID benefits	ISS implementation	DS displaying
RFID inspiration	ISS – pt vs spain	SZ customer insight
Intelligent dressing room	ISS staff feedback	SZ store concept
relevance	ISS consumer feedback	SZ store customer feedback
SZ store strategy	4G store concept	SZ store concept strategy
SZ methods for strategy	4G concept benefits	SZ strategy methods
Consumer insights	DS strategy	DS customer feedback
Omnchannel strategy	DS benefits	DS challenge
Staff challenges	Store of the future	DS strategy PT
ISS benefits	SZ positioning PT	Store challenges
SZ success case/inspiration	SZ positioning ES	Store concept strategy
ES market	ES market challenges	SZ positioning PT vs ES
SZ positioning ES	SZ positioning strategy PT +	SZ strategy ES
PT market	ES	DS implementation ES
SZ positioning PT	SZ strategy social media in-	SZ target ES vs PT
International positioning	store	Future store strategy
strategy (ES+PT)	Social media in-store PT vs	
Future consumer insights	UK	
	Further research	
	Technology opportunities	

Interview 3	**Interview 4**	**Interview 5**
Technology research methods criteria for selection of techs In-Store technology strategy Mobile techs – tracking Mobile tracking tech benefits mobile tracking tech testing Mobile techs – beacons Challenges of in-store tech Robot Technology Intelligent dressing room Intelligent dressing room implementation Implementation process of techs Smart mirrors Consumer insight Stores inspiration	Phys. Store benefits Phys. Store events Phys. Store concept Phys. Store strategy Phys. Store content elements DS logistics DS content strategy Positioning strategy Online positioning Product type On-offline connection strategy Connect on-offline benefits Customer profile Customer feedback tools Customer feedback	Evolution of Snapchat metrics Mobile tracking tech. challenges Snap metrics benefits Snap value for customer experience Snap value for retailer Snapchat main features Lenses and Snap codes – reach + purpose Snap codes – purpose + implementation Snap adds purpose Snap adds worldwide Snap adds strategy Snap adds - user personalization Snap adds – customer feedback Geo filters purpose Geo filters benefits Geo filters worldwide Snap worldwide positioning UK market Phys. Store role - UK UK vs PT market Customer Insight – UK Customer insight - opportunities Current retail success strategies Retailers objectives Marketing digital analytics Snapchat user profile Future research Future of Retail Future features innovation Augmented Reality in retail