Smart-retailing: How SIST are revolutionizing the physical store in an omni-channel context?

Mehdi El Abed
Doctorant en sciences de gestion
Université Paris 1 Panthéon-Sorbonne (PRISM)
eelabed.mehdi@gmail.com

AND

Jean-François Lemoine
Professeur des Universités
Université Paris 1 Panthéon-Sorbonne (PRISM)
ESSCA Ecole de Management
jflemoine30@hotmail.com

Keywords: Connected store, smart technologies, in-store experience, Shopping value
Smart in-store technologies (SIST) are changing the practices and the way of «doing business » (Vanheems, 2015). Beyond their utilitarian role, they have the potential to improve the customer shopping experience (Roy et al, 2016) and are deployed under a variety of forms, ranging from smart shopping cards to more complex technologies such as Augmented Reality technology. Moreover, these new connected tools represent important levers in the upgrading of physical stores and thus promote the creation of a «seamless» shopping experience.

However, despite the numerous positive managerial outcomes pointed out by previous studies (e.g Willems and al, 2016; Pantano and Viassone, 2014), the potential of integrating these new technologies within physical stores falls short of being fully explored. In fact, because of its complex nature, the concept of "smart-retailing" remains poorly studied by researchers (Priporas and al, 2017). In particular, the literature lacks rigorous empirical studies on the connected shopping experience (Homburg and al, 2015), on the use of SIST and finally on the influence of these connected tools on consumer behavior 2.0. (Beck, 2015)

Thus, the aim of this research is to provide a better understanding of the managerial implications and theoretical concerns of the integration of SIST within the physical store and its influence on consumer behavior. Taking into consideration the exploratory nature of our research, a qualitative methodology was chosen. 17 in depth interviews were conducted in France with sales professionals in 7 different areas. In addition, we seek to:

- Explain the drivers for the use of smart technologies in digitized stores
- Highlight the behavioral and affective responses induced by this experience
- Identify the various risks that would compromise the use of these devices within the store.
- Observe the influence of these smart technologies on the relationship between the seller and the shopper
The results of the content analysis show that respondents perceive a wide variety of utilitarian/hedonic uses, consequences and risks, related to Smart In Store Technologies. Indeed, the use of these tools at the physical store is motivated by their ease of use, the time/channel flexibility that they provide, the hedonic benefits (fun, pleasure) and the expectation of a valorization of the seller’s image. Moreover, interviewed sales professionals see that new technologies are reinventing their role and allow them to better meet the expectations of a “liquid customer” who has the ability to use different channels and touchpoints constantly, interchangeably, and simultaneously (Verhoef and al, 2015).

The consequences of this digital transformation leads, according to respondents, to a more immersive in-store experience, a better customer orientation, pleasure in use and finally a personalized offer.

However, the use of connected devices presents psychological risks and could lead to the dehumanization of the relationship with the shopper in case of misuse. Finally, the findings specify the importance of the privacy risk, which calls for the managers to establish a transparent approach for the customers.

This research provides an original preliminary highlight of the motivations, consequences and risks of introducing a smart technology within the physical store. Understanding the Value of SIST and their impact on the shopper’s path to purchase is crucial for retailers to verify the suitability of such technologies with regards to consumers’ expectations and retailers omni-channel strategies. Consequently, companies can implement efficient strategies to limit the psychological and privacy risks on retailers and finally minimize the dehumanization risk between consumer and seller.
References:


