



Consumer showrooming: Value co-destruction



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ABSTRACT

Purpose: This research employs value co-destruction as a theoretical lens to investigate the antecedents of consumer showrooming behavior. Drawing on relevant literature, a research model specifying showrooming dynamics from the consumer's perspective is conceptualized and empirically tested.

Methodology: Utilizing survey data from 275 consumers, structural equation modelling is employed to assess a research model including thirteen hypotheses.

Findings: The study findings reveal that showrooming behavior is complex and comprises differing degrees of accumulative value co-destruction and value co-creation behavior across online and offline channels. Specifically, consumer characteristics, channel characteristics and product characteristics are shown to be associated with in-store value taking and online value co-destruction and co-creation.

Originality and value: Scholarly insights into the antecedents of consumer showrooming are rare. In responding to calls for research, this paper represents the first empirical investigation of consumer showrooming behavior utilizing the lens of value co-destruction. The study adds to academic understanding of the showrooming phenomena and demonstrates that co-destructive and co-creative behaviors can occur in a simultaneous, concurrent and iterative fashion. Focusing on practice, the findings reveal opportunities for experience-led shopping environments.

1. Consumer showrooming: Value co-destruction

Innovations in technology have fundamentally altered how consumers shop and the channels that managers organize to meet changing customer needs. Although many documented benefits of multi-channel shopping activity to the firm and its intermediaries exist, an unanticipated phenomenon has arisen in the form of consumer showrooming behavior. Showrooming, a form of multi-channel shopping, refers to shopping behavior by consumers who intentionally benefit from the information and services of one retailer in one channel before subsequently purchasing from a different retailer in another channel (Sevitt and Samuel, 2013; Rapp et al., 2015). Showrooming represents a modern challenge to managers because this shift in behavior signifies a shift in the rules of exchange. Thus, showrooming represents a form of value co-destruction (Plé and Cáceres, 2010; Smith, 2013) because the showroomer knowingly takes value from channel members but does not reciprocate with the firm/s from which they intentionally took value.

In spite of very limited academic attention, recent practitioner press is abundant with articles that illustrate the prevalence of showrooming. An Internet retailing report reveals that 41% of shoppers regularly showroom (Skeldon, 2015), while the Accenture Seamless Retail Study

finds that 73% of shoppers have showroomed in the past six months (Prasad, 2016). Looking forward, the Head of Corporate Products at mobile network provider EE warns, “the practice of showrooming isn’t going away” (Skeldon, 2015). Following the plight of retail business owners, CBC News reports “showrooming is cutting into their profits and could spell the end of physical shops” (CBC, 2016). These insights demonstrate that, as firms’ distribution channels have evolved, so have consumers’ shopping activities. However, only limited academic insight into this phenomenon exists and consumer-derived data is rare. Consequently, the current paper responds to calls for research in this area (Neslin et al., 2006; Verhoef et al., 2007; Chiou et al., 2012; Andrews et al., 2016). In doing so, the current paper adopts the lens of service-dominant logic and more specifically value co-destruction to examine consumer showrooming. This research aims to offer novel insights, derived from consumers, into the antecedents of consumer showrooming. The following section reviews relevant academic and practitioner literature. Thereafter, drawing on the lens of value co-destruction, the development and empirical assessment of a conceptual model of the antecedents of showrooming is detailed. The study findings offer insight into the dynamics of consumer showrooming and thus aim to assist managers in controlling its occurrence and lessening the

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damaging effects of such behavior.

Consequently, this study contributes in four ways. First, synthesizing existing works to produce a conceptual research model promotes theoretical understanding of showrooming dynamics. Second, empirical assessment of the developed research model offers insights into the antecedents of showrooming from the consumer's perspective. Third, in adopting the lens of value co-destruction, the current study adds to the theoretical and managerial understanding of co-destructive consumer behaviors, which currently are under researched (Echeverri and Skålén, 2011; Smith, 2013). In doing so, the current study also contributes to the wider field of service-dominant logic research.

2. Literature review

Showrooming, a form of consumer multi-channel shopping behavior is defined as a phenomenon whereby shoppers intentionally visit one channel to examine and research merchandise before purchasing it from a different channel (Sevitt and Samuel, 2013, p.26). Thus, showrooming represents a form of service abuse beyond normative shopping search behavior. Alternative labels employed to describe this consumer behavior include free-riding (Huang et al., 2009), research shoppers (Chiou et al., 2012), and cross-shoppers (Davies, 1993). Van Baal and Dach (2005) stress that showrooming can only occur in situations where the firm cannot feasibly charge separately for its services, distinguish showroomers from other customers, and where more than one outlet for the product exists.

The lens of service-dominant logic (Vargo and Lusch, 2004) and specifically the concept of value co-destruction provides a fitting means with which to consider the phenomenon. Consistent with value co-creation (Greer, 2015), value co-destruction refers to “an interactional process between service systems that results in the decline in at least one of the service systems’ well-being (which, given the nature of a service system, can be individual or organizational well-being)” (Plé and Cáceres, 2010, p. 431). This research argues that showrooming is an example of co-destructive behavior because showrooming results in a decline in the wellbeing of the organization/s from whom the showroamer took value from but with whom they did not engage in a financial transaction. In such cases, the consumer gains value but the interaction between firm and consumer is not *mutually* beneficial. While the seller often desires reciprocity (they provide operant resources and/or advice), the consumer does not fulfil their side of the bargain and reciprocate with a purchase (rather they abuse the provision of organizational resources and buy elsewhere). Therefore, consumer showrooming intentionally breaks the norms of traditional exchange (Blau, 1964) and erodes the good faith between the two parties, creating an imbalance and diminishment of value for the firm (Echeverri and Skålén, 2011). Thus, from the perspective of showroomed organizations, showrooming constitutes a misuse and abuse of organizational resources (Plé and Cáceres, 2010; Rapp et al., 2015; Skålén et al., 2015).

However, the above describes merely the showroomed organizations’ perspective. Consumers benefit from the value-in-use (see Lusch and Vargo, 2006) derived from the search activity across multiple firms both in-store and online. Similarly, the firm from which the consumer ultimately purchases benefits from the activity of co-creation between themselves and the purchasing consumer, underpinned by the value that the consumer has accrued from the organizations against which they have showroomed. Consequently, in this sense, showrooming represents a form of concurrent and/or simultaneous value co-destruction and value co-creation.

The study of value co-destruction is in its infancy and thus research is largely conceptual in nature. In 2010, Plé and Cáceres introduced and conceptualized the concept of value co-destruction and concluded that further study into the antecedents, dynamics, and circumstances of co-destructive behaviors is of primary importance. Similarly, Echeverri and Skålén (2011) examine value co-destruction and call for further

research. Focusing on the impacts of organizational misuse of customer resources, Smith (2013) calls for consumer-derived research on co-destruction.

To date, theoretical explanations of showrooming behavior are lacking. Indeed, very limited academic research into showrooming exists and insights typically derive from broader investigations into consumers’ multi-channel behaviors. For example, identifying multiple forms of consumer multi-channel shopping, Konuş et al. (2008) recognize the research shopper who purchases in-store but gathers information from alternative channels. Offering an alternative classification, Chiu et al. (2011) reveal four forms of consumer multi-channel behavior. Cross-channel freeriding refers to customers who search and purchase from different firms in different channels. Considering the antecedents of these behaviors, the authors conclude that the difficulty with which consumers can switch channels (termed lock-in) is associated with customer retention and switching rates.

Neslin and Shankar (2009) argue that online stores possess a lower level of lock-in than physical stores, because one can leave a website with greater ease than one can walk away from a sales employee. Verhoef et al. (2007) suggest that a lack of channel lock-in comprises one of three motives that contribute to multi-channel shopping. However, while agreement exists on the role of channel lock-in as an antecedent of showrooming, less agreement is evident as to what constitutes the broader drivers of showrooming behavior. Verhoef et al. (2007) argue that attribute driven decision-making and perceived economic benefits work together to foster multi-channel switching behavior. However, Chiou et al. (2012) examine the driving role of economic factors and apply the techniques of neutralization. They find that while consumers comprehend the negative impact of showrooming to firms, they showroom because they deem firms uncompetitive. Conversely, Balasubramanian et al. (2005) reject a purely economic view of channel choice and explore the perceived utility associated with the use of each channel. Alternatively, Kucuk and Maddux (2010) embrace an organizational perspective and highlight that product characteristics relating to the tangible aspects of the product incite showrooming.

To conclude, although of managerial importance, research into showrooming is extremely limited. Typically, findings stem from broader studies and center on multi-channel behavior. Symptomatic of this diversity, while agreement exists as to what constitutes showrooming, research that offers insight into the antecedents of showrooming behavior is incongruent and a theoretical understanding of showrooming dynamics is lacking. Existing research typically assumes an organizational perspective and insights derived from consumer data that focus exclusively on showrooming are very rare. Consequently, scholars call for further research into this phenomenon (Verhoef et al., 2007; Chiou et al., 2012; Rapp et al., 2015), and thus showrooming appears to represent a research topic of theoretical and managerial interest. Additionally, the contemporary theory of value co-destruction appears to provide a fitting lens with which to study showrooming dynamics. The presented research model addresses these aims.

3. Research model

The proposed conceptualization is grounded in and extends previous research on showrooming (Neslin et al., 2006; Van Baal and Dach, 2005; Verhoef et al., 2007) and adopts the critical lens of value co-destruction (Plé and Cáceres, 2010). Specifically, the research model conceptualizes: product characteristics, consumer characteristics, and channel characteristics as antecedents of consumer showrooming (Fig. 1). Given the wealth of practitioner-based discussions and lack of academic insight, the current study explores in-store → online showrooming. The presented research model is distinct and novel because showrooming is conceptualized as two distinct phases of in-store value taking and online value co-destruction/co-creation. Thus, this study acknowledges that showrooming does not comprise a single, one-off, uniform act. Rather, consumers first, to differing degrees, knowingly

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