Perceived customer showrooming behavior and the effect on retail salesperson self-efficacy and performance

Adam Rapp [a,*], Thomas L. Baker [a,1], Daniel G. Bachrach [b,2], Jessica Ogilvie [a,3], Lauren Skinner Beitelspacher [c,4]

[a] University of Alabama, Box 870225, Tuscaloosa, AL 35487, USA
[b] University of Alabama, Department of Management, Box 870225, Tuscaloosa, AL 35487, USA
[c] Portland State University, Portland, OR 97201, USA

Abstract

The increasing product commoditization and price transparency afforded by online retail channels have left many brick and mortar stores bearing the costs associated with being used as a physical showroom without reaping the rewards of the final sale. As customers continue to take advantage of retail stores to gather information and turn to competing channels for purchasing, the role of the retail salesperson has shifted and retailers have been left without a clear understanding of how to manage this change in the retailing landscape. In this research, we first define "showrooming" – and investigate individual (i.e., salesperson)-level experiential consequences of perceived showrooming. We find negative relationships between perceived showrooming and salesperson self-efficacy and salesperson performance, which are positively moderated by salesperson coping strategies and cross-selling strategies. Our findings suggest that the negative effects of showrooming can be combated though specific salesperson behaviors and strategies. Further, exploratory findings at the store level reaffirm a negative relationship between perceived showrooming behaviors and performance. Finally, we discuss the theoretical and practical implications of our findings and offer specific managerial actions to address showrooming.
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Marketers have used multiple channels to distribute goods since the early 20th century (Bartels 1965). In the late 20th century, Moriarty and Moran (1990) predicted that multi-channel structures would emerge as *the* dominant marketing paradigm. More recently, Van Bruggen et al. (2010, p. 331) coined the term 'channel multiplicity' to reflect "...the proliferation of channels used to provide information, deliver, and/or facilitate post-purchase satisfaction and retention with respect to the products and services offered...". Channel multiplicity may induce what Verhoef, Neslin, and Vroomen (2007) referred to as "research shopping" or seeking information in one channel (e.g., online; catalogue) and purchasing in another (e.g., retail store; wholesale outlet). One recent specific, and potentially troubling, manifestation of this is what has become known in the popular press as "showrooming" (Clifford 2012; Holton 2012; Milliot 2012; Zimmerman 2012).

While showrooming increases in popularity (Neslin et al., 2014), to date, little academic research has focused on showrooming (Feit et al. 2013; Kalyanam and Tsay 2013; Vanheems, Kelly, and Stevenson (2013)), and none has offered a systematic treatment of the construct or examined showrooming from the salesperson's perspective. For example, Feit et al. (2013) focused on firms' use of aggregate data across multiple channels but did not actually reference the word showrooming. Kalyanam and Tsay (2013) approached showrooming from a "free-rider" perspective, focusing on antitrust and competitive policy implications. Neslin et al. (2014) consider showrooming through the lens of research shopping and briefly touch on the topic at a conceptual level. Finally, Vanheems, Kelly, and Stevenson (2013)

* Corresponding author. +Tel.: +205 348 7420.
 E-mail addresses: arapp@cba.ua.edu (A. Rapp), tbaker@cba.ua.edu (T.L. Baker), dbachrac@cba.ua.edu (D.G. Bachrach), jlogilvie@crimson.ua.edu (J. Ogilvie).
[1] Tel.: +205 348 9432
[2] Tel.: +205 348 8947
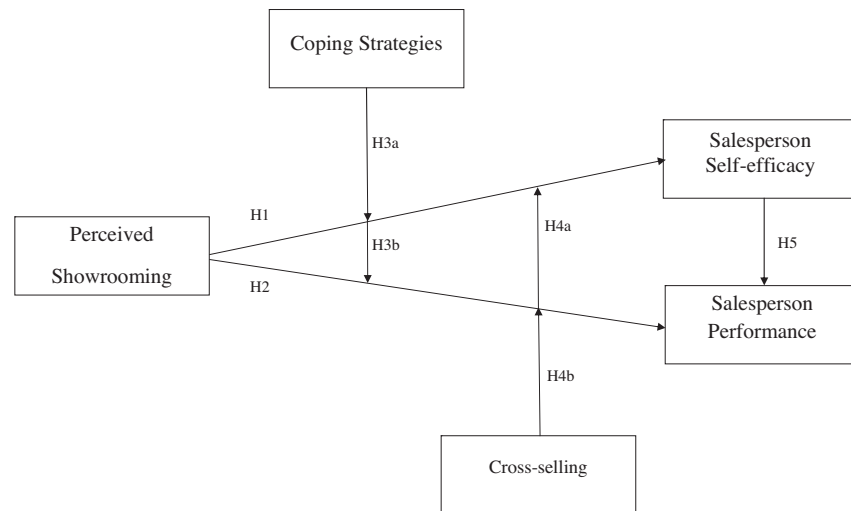[3] Tel.: +205 348 8596
[4] Tel.: +503 725 5850

Fig. 1. Hypothesized framework.

addressed implications of multichannel marketing, concluding that retail salespeople need to be prepared to interact with customers at different stages of the buying process. The absence of any systematic treatment of showrooming in the academic literature is surprising in light of showrooming's estimated $217 billion negative impact on retail sales (www.360pi.com 2013). This enormous displacement has emerged in part due to consumers' increasing utilization of technology to self-gather information (Spaid and Flint 2014). Perhaps more disconcerting for retailers is that consumers have begun to view retail stores simply as places to handle products prior to purchase *via* other channels (Holton 2012).

Here, we report results from an exploratory study investigating showrooming in a retail environment. Due to the pivotal role retail salespeople play in the dissemination of product knowledge (Sharma, Levy, and Kumar, 2000; Weitz, Sujan, and Sujan, 1986), we expect that retail losses emerge in part through their impact on retail salespeople and thus focus our efforts there (see Fig. 1). Specifically, because showrooming diminishes the professional sales role (Spaid and Flint 2014), it also can weaken perceptions of the opportunity to achieve sales success (Thau 2013) and performance outcomes (Sharma, Gassenheimer, and Alford, 2010). This pattern of engagement may have a detrimental impact on retail salespeople, exacerbating the massive dollar impact of showrooming (Vroom 1964). Thus, we propose that a critical outcome of showrooming is diminished salesperson self-efficacy, which is the "...belief in one's capabilities to organize and execute the courses of action required to produce given attainments..." (Bandura 1997, p.3).

In light of this focus, we also investigate two conceptual boundaries of this relationship. The outcomes we propose emerge from showrooming are subject to self-regulatory mechanisms (Goolsby 1992; Kanfer 1990). Self-regulation encompasses "...processes that enable an individual to guide his or her goal-directed activities over time and across changing circumstances, including the modulation of thought, affect, and behavior..." (Porath and Bateman 2006, p. 185). Specifically, we evaluate the extent that two forms of self-regulation, coping

(Folkman et al. 1986), and cross-selling (Kamakura 2007), moderate the relationships between showrooming and employee's self-efficacy and performance.

With this focus, we seek to make several contributions to current understanding of multi-channel marketing. We offer an exploratory academic investigation of showrooming behavior and a coherent definitional point of departure for future academic research. Second, we focus on retail salespeople, surprisingly largely ignored stakeholders in multichannel research. Third, we provide evidence bearing on factors that managers can leverage to reduce the impact of showrooming on salesperson self-efficacy and performance.

We first offer a review of multi-channel retailing and advance a definition of showrooming, and present our conceptual model (Fig. 1). Because scant academic research addresses showrooming behaviors, we were unable to rely on a traditional literature review to guide our model development. We therefore conducted structured qualitative interviews with 17 retail store managers and 39 retail salespeople across a range of retail store types (e.g., electronics, appliances, office supplies, athletic apparel) and sizes to enrich the extant research and generate insight informing our model. We integrate these qualitative results throughout our conceptual development in support of our hypotheses. Finally, we report results from a field test, discuss managerial and theoretical implications, and offer directions for future research.

Multichannel retailing and showrooming

The use of multiple channels remains a substantive element of firm strategy (Neslin and Shankar 2009; Verhoef, Neslin, and Vroomen (2007)). The multichannel discussion has broadened to encompass not only physical distribution but also the channels consumers use to gather product information. Van Bruggen et al. (2010) argued that this 'channel multiplicity' is driven by consumers' access to – and use of – multiple sources of information, as well as expectations of seamless transitions from purchase through post-purchase service. Although prior multi-channel research has assumed deliberate, manufacturer-controlled