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Editorial

Retailing in today's world: Multiple channels and other strategic decisions affecting firm performance

The introduction of smartphones and apps, and the resulting increase of the connectivity of customers around the globe, has shifted how customers shop. Deciding how to adopt and leverage technology to better serve their customers and improve their shopping experiences thus has become a question of great strategic importance to retailers (Grewal and Levy, 2009; Grewal et al., 2009). To succeed, retailers must allow their business models to evolve and create seamless shopping experiences and offerings, across all channels, including not just well-established brick-and-mortar stores, catalogs, and online stores, but also mobile apps and social media.

Brick-and-mortar stores allow customers to touch and interact with products, connect with other customers, and receive direct feedback from sales personnel. Catalogs help customers find detailed product information. In addition to detailed product information, online stores also grant direct access to other customers' reviews of products or services. With mobile offers, retailers can communicate in new ways with customers to advertise and promote their merchandise (Grewal et al., 2016). Social media also offers many new and interesting ways for retailers to engage with customers (Aguirre et al., 2015). However, in these new and exciting interactions with customers, it is critical for retailers to recognize that they cannot control the conversation. The social media community is defined by the presence of customers who interact. Thus, the importance of listening, being responsive, and providing excellent service takes on an increasing importance in this interconnected world. Done well, online, mobile, and social media offer tremendous opportunities for retailers to communicate with customers in a personalized manner, but also increase challenges associated with potential threats to consumers' sense of privacy (Aguirre et al., 2015).

Beyond managing their channels, firms also must be cognizant of other strategies that affect their performance. While these other strategies could encompass a multitude of factors, this special issue focuses on three that take on increasing importance in today's online, interconnected world: social coupons, store brands, and social capital (i.e., building employees' skills, including their adaptive selling skills). Accordingly, this special issue comprises two main sections, related to understanding the impact of multichannel opportunities for retailers and how the different strategies they adopt affect customers and their behavior, and thus firm performance. We next detail the research in this special issue according to each of these areas, along with some suggestions for further research.

1. Multichannel strategies

The need to understand multichannel strategies is not new. Prior research has called for examinations of how pure play or Internet retailers define different strategies and manage multiple channels (Neslin et al., 2006). What is new is the evolution in the number of channels that must be considered.

In their article, "Consumer Willingness to Pay across Retail Channels," Chatterjee and Kumar highlight some differences between omni-channel retailers and pure play online retailers. Their results indicate that consumers are willing to pay more to omni-channel (vs. pure online) retailers for expressive durables, but when it comes to expressive nondurables or functional durables and nondurables, their willingness to pay does not vary between the two types of retailers.

In "Not All Adaptive Selling to Multichannel Consumers Is Influential: The Moderating Effect of Product Type," Yurova, Rippé, Weisfeld-Spolter, Sussan, and Arndt explicate the role of adaptive selling behavior toward customers in an omni-channel environment. They conceptualize adaptive selling as both non-interactive and interactive adaptation. Their results highlight that interactive adaptive selling has a role in hedonic product contexts, but less so for utilitarian product contexts.

Such insights highlight the importance of managing retail sales and service staff. In fashion chains for example (e.g., Coach, Nordstrom, Neiman-Marcus, Bloomingdale's), retail personnel need a clear ability to read non-verbal cues and adapt their behaviors accordingly (Puccinelli et al., 2010). Further research that outlines how employees come to understand and adapt to non-verbal customer cues would be fruitful avenues for additional work.

Whereas the first two articles consider omni-channel retailers, Wagner, Schramm-Klein, and Steinmann focus on the Internet-enabled television shopping channel. Their article, "Consumers' Attitudes and Intentions toward Internet-Enabled TV Shopping," demonstrates the different influences of utilitarian and hedonic motivations on attitudes toward Internet-enabled television. Specifically, such attitudes are largely influenced by hedonic motivations, but less so by utilitarian motivations.

In all these channels, technology is a critical consideration for retailers, especially in terms of how they display and sell their merchandise. Recently, Roggeveen et al. (2015) examined the different ways retailers display their merchandise in online environments. If they used dynamic videos as opposed to static pictures, consumers were more likely to be transported into the

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experience, which led them to buy more hedonic products, as opposed to utilitarian products. That study also suggested that dynamic videos might reduce price sensitivity, because the participants expressed willingness to pay higher prices. Thus, the type of retail channel and the use of technology appear to have important implications for the marketing of expressive or hedonic goods and services.

2. Strategies affecting retailer performance

Retailing research has long realized the importance of merchandise pricing (e.g., Grewal et al., 2010, 2011, 2012; Roggeveen et al., 2014), prompting examinations of various elements of pricing, such as reference prices, how price offers are communicated, locations of prices, and the presence of low price guarantees. A newer and exciting method that retailers can use to communicate price is through social coupons on sites such as Groupon. For a social coupon, some threshold number of consumers must accept the deal and prepay before any of them receive the substantive discounts. In their contribution, "Consumer Avoidance of Special-Priced Items during Social Coupon Redemption," Nakhata and Kuo find that consumers avoid using social coupons when they apply to hedonic as opposed to utilitarian experiences. Such avoidance appears to reflect a motive to minimize the possibility of deal waste.

Another factor that determines firm performance is the actual products it offers. As customers grow more savvy and recognize the appealing pricing and quality offered by store brands, these options are increasing in number and range, thereby providing the retailer with a strong differentiating factor. To better understand this phenomenon, Jansen, Hundt, and Olbrich use data from more than 30,000 households to examine the roles of price, promotion, and quality on the market shares of national brands and private labels. With "Effects of Pricing Strategies and Product Quality on Private Label and National Brand Performance," they reveal important differences across four segments, as well as insights into the use of everyday low price and high–low retail pricing strategies.

The resources available to small retailers, and how those resources are leveraged to increase performance has received increased interest in the literature (e.g. Runyan and Droge, 2008; Line and Runyan, 2014). Campbell and Park in "Extending the resource-based view: Effects of strategic orientation toward community on small business performance," demonstrate that firm performance depends on how the retailer leverages its unique resources, such as its social capital, entrepreneurial orientation, intellectual capital, and community. A national survey of small businesses reaffirms the importance of both the resource-based view and the instrumental stakeholder approach to overall performance. This affirmation is critical to remind retailers to use their own resources, even as they exploit the modern marketplace to interact with customers and the community in new and exciting ways.

3. Conclusion

This special issue focuses on two important issues for retailers in today's interconnected marketplace – understanding the impact of multichannel opportunities for retailers and how the different strategies they adopt affect customers and their behavior, and thus firm performance. Three papers in this special issue focus on multichannel issues. It is interesting and important to note that all three of those papers discussed the moderating impact of the type of good on the outcome; for example, whether the good was nondurable/durable or hedonic/utilitarian. It is critical for retailers to consider the type of products offered and how that may impact multichannel issues.

Three additional papers explore other strategies which impact retailer performance. These include social coupons, store brands, and social capital. Again these papers explore moderating factors including the type of experience, price, promotion, quality, entrepreneurial orientation, intellectual capital, and community. Thus, this papers point out the nuances retailers must consider when exploring their strategies.

We hope this special issue will spur additional retailing research on the various topics identified herein as well as throughout this special issue. The research in this special issue evolved from the 2nd Triennial AMA/ACRA conference, held in Coral Gables, Florida, in spring 2015. The editors appreciate the helpful feedback and suggestions of the reviewers, who are listed in alphabetical order in the Appendix.

Appendix of reviewers

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