Amsterdam University of Applied Sciences

The fashion retailscape
Vliet, Harry van

Citation for published version (APA):

General rights
It is not permitted to download or to forward/distribute the text or part of it without the consent of the author(s) and/or copyright holder(s), other than for strictly personal, individual use, unless the work is under an open content license (like Creative Commons).

Disclaimer/Complaints regulations
If you believe that digital publication of certain material infringes any of your rights or (privacy) interests, please let the Library know, stating your reasons. In case of a legitimate complaint, the Library will make the material inaccessible and/or remove it from the website. Please contact the library: http://www.hva.nl/bibliotheek/contact/contactformulier/contact.html, or send a letter to: University Library (Library of the University of Amsterdam and Amsterdam University of Applied Sciences), Secretariat, Singel 425, 1012 WP Amsterdam, The Netherlands. You will be contacted as soon as possible.
The Fashion Retailscape

CREATE-IT Applied Research
Research Group Crossmedia
Harry van Vliet
September 2014
## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>THE FASHION RETAILSCAPE: INTRODUCTION</td>
<td>3</td>
</tr>
<tr>
<td>SHOPPING IN 2020</td>
<td>3</td>
</tr>
<tr>
<td>SCENARIOS FOR 2020</td>
<td>6</td>
</tr>
<tr>
<td>ONLINE IN THE PAST, PRESENT AND FUTURE</td>
<td>7</td>
</tr>
<tr>
<td>THE FUTURE IN 2014</td>
<td>10</td>
</tr>
<tr>
<td>SERVICE INNOVATIONS</td>
<td>12</td>
</tr>
<tr>
<td>TECHNOLOGICAL INNOVATIONS</td>
<td>15</td>
</tr>
<tr>
<td>ORGANISATIONAL INNOVATIONS</td>
<td>17</td>
</tr>
<tr>
<td>FINANCIAL INNOVATIONS</td>
<td>19</td>
</tr>
<tr>
<td>THE CONSUMER &amp; THE SHOPPER</td>
<td>20</td>
</tr>
<tr>
<td>ALTERNATIVE VIEWS ON THE SHOPPER</td>
<td>24</td>
</tr>
<tr>
<td>CROSS-MEDIA AND RETAIL</td>
<td>27</td>
</tr>
<tr>
<td>THE PHYSICAL STORE IN A CROSS-MEDIA CONTEXT</td>
<td>29</td>
</tr>
<tr>
<td>RESEARCH FRAMEWORK: SERVICESCAPES</td>
<td>31</td>
</tr>
<tr>
<td>REFERENCES</td>
<td>37</td>
</tr>
</tbody>
</table>
The Fashion Retailscape: introduction

An interactive full-length mirror that allows you to browse through an endless collection of clothing and see immediately whether something fits you, including when you turn around, and which also allows you to send a picture quickly to your family and friends to hear what they think. This mirror is a technological development that is already possible and which is being introduced in fashion stores here and there. But how probable is it that this technological innovation will become a permanent feature of our shopping experience? To answer this question we shall describe the expectations that exist about the developments in shopping over the coming years. We shall then examine to what extent these developments already play a role in shopping now, in 2014. In order to maintain an overview, we shall introduce a typology based on the STOF model. All of the innovations mentioned are ultimately aimed at offering added value for the consumer, but who is that consumer and what does he or she need? An inventory of how the shopping consumer is regarded makes it clear that new perspectives are required in order to do justice to the complexity of the retail behaviour and the retail experience. Finally, we will briefly examine specific cross-media aspects of shopping, such as the multichannel strategy of retail outlets and the role of the physical store in relation to the webshop. We end by offering a research framework for the ‘service encounter’ in the retail process based on the concept of Servicescapes. This framework allows to chart and answer a number of essential questions surrounding the probability of innovations more systematically.

Shopping in 2020

The year 2020 is the new 2000. When we drew back the curtains on 1 January 2000, we discovered the world had changed completely. For hundreds of years we had speculated about what 2000 would look like, as a projection of all of the possibilities that the modern times and, specifically, the technology would bring us. And finally we were able to see with our own eyes all of the future scenarios around us. On 1 January 2020 our world will once again look different, even if it is just the way in which we shop (Shopping2020, 2013).

The proximity of 2020 means that the predictions have a more realistic character compared to the science fiction associated with 2000. A number of those predictions are extrapolations of current developments that will almost certainly unfold over the coming years, in other words trends. Demographic developments are an example of this: an increase in the population of the Netherlands (17.1 million by 2020), the number of people over 50 that will be larger than the number of 20 to 49 year olds and the increase in the number of single person households (GfK, 2013). Although these are general trends they do have direct consequences for the retail sector: older people have specific wishes with regard to the delivery of goods ordered online and because of the increase in single person households the home delivery of goods ordered will become a bigger problem (Schut et al., 2014).

Over the coming years, economic developments shall also occur within a limited bandwidth. Expectations are that there will be virtually no growth in consumer expenditure (Wolters, 2013;
Erich, 2014), spending power will stagnate or drop, more international players will join the market, and the retail offering in the periphery will grow leaner (GfK, 2013). This not only means that consumers will primarily base their choices on price and that they will mainly be interested in new services that can save them money (DigitasLBi, 2014), but that investments in the retail sector shall decline or only be made by the major players in the market. And major players or retail chains behave differently in the market compared to small independents, with all of the consequences that entails for the development of retail as a sector. And that is before we consider the increasing number of empty retail premises, which is expected to increase from 6.3% to 10% by 2020 (Shopping2020, 2013).

In the predictions there are major uncertainties about the role of ecological developments (the role of sustainability, 'green' policies) and political developments (including privacy legislation, rental legislation for retail premises and opening hours policy). However, technology remains the best subject for the party game to colour in the situation in the (near) future. Technology and what that will bring us plays a recurring and leading role in all kinds of speculation about retail developments (Hoëste & Teeuw, 2012; GfK, 2013; Shopping2020, 2013; PWC, 2014; Shopping2020, 2014b). The current star players are big data, 3D printing and wearables (Google Glass, Apple Watch):

- Big data is the analysis of linked databases in order to provide new insights. The integration of (real-time) structured data (for example payment transaction data) and unstructured data (for example social media sentiment about a brand) represents the Walhalla of being able to understand patterns in the customer journey, the ability to identify trends and new target groups and for building up a profile for each customer so that the range of products on offer and the prices can be varied in real time.

- The 3D printing trend is seen as the future disruption to the production chain because customers can print (parts of) a product themselves without the intervention of a manufacturer or supplier, apart from the 3D model design. The phase in 3D printing of gadgets and miniatures is slowly being exited and 'normal' products are increasingly forming part of what is available: at Shapeways.com it is possible to order a 3D printed bikini. For fashion retail, it appears that the development of 3D scanning is a trend that is just as important. Because measurements are different in each country and for each brand it is often difficult for the consumer to find properly fitting clothes without actually trying them on, and all of the consequences that entails (such as returns for online orders). A 3D scanner performs a 360-degree scan of a person’s body, on the basis of which advice is provided about the sizes of the different brands to be chosen (for example, see http://www.me-ality.com).

- Much is expected of wearables (Shopping2020, 2014b). There is a great deal of press interest in Google Glass for example, and an increasing number of major names such as Samsung and Apple are, for example, focussing on smart watches. Although these examples are the most high profile, wearables also include sensors in shoes and clothing. Those sensors can be used to provide more information about an article of clothing when held up in front of an (interactive) mirror in the store or they can be given a health-
monitoring function – from step counters in trainers to sensors in clothing that measure heart rate, blood sugar and emotions. It remains to be seen which of these will be truly useful, for example the vibrating ‘HAPIfork’ that uses Bluetooth to monitor whether you are eating healthily by recording how quickly you eat (see http://www.hapi.com/products-hapifork.asp). And all of that for just 100 dollars.

All three developments are already underway, and that means this future is already here, however hesitantly that may be in some cases. The real question is whether they will survive the hype cycle and, subsequently, how and when they manage to acquire a structural place in the behaviour of organisations and consumers.

In addition to these three current developments, we also encounter a number of familiar faces in the predictions about important technological developments. One example is ‘The Internet of Things’, the increasing interfacing of objects with the Internet as a result of which ‘everything talks with each other’ (and which also makes everything hackable like in the game Watchdogs from Ubisoft). An iconic example of that general connectivity is the refrigerator that places orders when, for example, you are about to run out of milk. The initial performance of these types of commercial products dates back to 1998 by the Japanese firm V-Sync (with a Pentium II processor!). In this case it seems that the science fiction follows the current events with an appearance by a ‘smart’ refrigerator in the film ‘The 6th day’ from 2000. These days, the smart refrigerator is the example that is cited when underlining the fact that technology can be way off target: "Truth is, no one wants to communicate with their fridge. No one wants the obligation of keeping their fridge informed unless they’re seriously short on inter-personal relationships." (http://www.theguardian.com/lifeandstyle/2012/jan/11/homes-fooddrinks).

Perhaps it is indeed not necessary at all that every object has to be connected directly to the Internet since the possibility of uniquely identifying an object via a barcode, QR code or augmented reality and thus be able to retrieve additional information via the Internet is probably sufficient for discovering whether we are buying a piece of healthy meat, whether the item of clothing is cheaper elsewhere or whether your friends enjoyed reading a certain book.

Another long-term technological development or discussion is the one concerning Trusted Identity - the ability to establish the identity of a person in a safe and reliable manner both online and offline. This development is, of course, very important for payments and the new payment methods that are being created such as via Near Field Communication (NFC). However, it also plays a role within the framework of, amongst other things, personalisation and loyalty programmes. Knowing what one and the same person does online and in the store can result in a much better personalised offering. Furthermore, convenience is the name of the game because, for example, standard information does not need to be entered for every webshop or because multiple devices are required for payments (cash, cash/chip card, switch card, credit card, mobile, Bitcoin, etcetera). Behind Trusted Identity there are major discussions taking place about technological infrastructure, security, fraud and privacy, which also affect moral principles such as who the information belongs to. Does the profile that an online shop or a social media platform builds up about me on the basis of my click pattern and purchases belong to that firm or to me? Does my DNA profile that a hospital has established for medical treatment belong to me or to the hospital?
Scenarios for 2020

A common way of still being able to obtain a clear picture of (uncertain) future developments is to draft scenarios. A very common form of this is to take a development for which its direction is uncertain, for example, how people will deal with their possessions in the future. Two extremes are then formulated, for example, 'buying will continue as usual' or 'there will be an economy based on bartering and sharing'. When done for two developments they can be intersected in a coordinate system, which produces four possibilities that can be further defined. Here we describe two of these types of scenarios for the retail sector: one focuses on retail in general, and one focuses on fashion shopping patterns facilitated by technology.

The 'Business Models of the Future' report (Shopping2020, 2014a) states two uncertainties:

1. Do consumers act on the basis of a) personal interest – are they focused on control and not willing to share, or b) collective interest – are they focused on sharing and teamwork?

2. Are consumers looking for a) the lowest price or b) are they willing to pay more for extra added value such as convenience, luxury and sustainability?

Four scenarios emerge when we intersect these two uncertainties (Figure 1). A thriving collaborative economy is about consumers having access to services and products that they wish to use, which they do not necessarily have to own, but which they can hire and use on a temporary basis. This can be for reasons of convenience or because of sustainability considerations. In the price-conscious collaborative economy the power of the collective is used to negotiate good deals through collective purchasing and agreements relating to, for example, power and insurances. Products, such as cars, are also shared because it is less expensive to do it that way. Objects are also shared between people because that makes good economic sense (see https://peerby.com). In the price-conscious self-society, the main aim for the individual consumer is to find the best deal, and it makes no difference whether it is a different supplier or a different brand each time. Online marketplaces are consulted in order to find that best deal (see http://www.beslist.nl). The lowest price is what counts, much more than convenience and sustainability. In the thriving self-society the individual consumer is looking for convenience, luxury and experience, for which he or she is willing to pay. Online marketplaces are used to find unique products and services. This type of consumer is happy to be advised and often takes out a subscription in order to be able to continue to enjoy the experience (see http://www.winecast.com).

Hofste & Teeuw (2012) also present four scenarios; however, these are more closely tailored to the consumer and how he or she shops. As a consequence, these scenarios are less abstract compared to the scenarios discussed above. This is a direct consequence of the uncertainties that were chosen:

1. Does the consumer act on the basis of a) purchasing a product or service, or b) focusing on the experience?

2. Does the current shopping process change or not under the influence of, for example,
the mobile phone?¹

Four possible scenarios are also generated on the basis of these two axes (Figure 1). In the first scenario of 'Augmented Shopping experience', the consumer’s experience is central. The store makes optimum use of virtual techniques in order to show how the personally selected clothing suits you. Interactive full-length mirrors, 3D models and virtual catwalks intensify the experience. In the 'Personal shop experience' scenario the consumer buys as they currently do, but the store is enriched with extra experience moments through smell, sound and visual stimulants matched to personal wants. For 'Virtual shopping', technology is used to allow the consumer to make a selection from a large offering by facilitating a virtual fitting room and the ability to show the choice immediately to friends via a Tweet mirror. In the last scenario, that of the 'Social shopper', social media play an important role in the buying process, both online and offline. Review sites and the opinions of family and friends are consulted in order to decide what to buy. Brands and shops monitor this and try to influence it and to learn from their customers by analysing thoughts and statements.

Figure 1: Future shopping scenarios

Online in the past, present and future

It is undeniable that the online developments are playing a major role in the future scenarios

¹ Both axes were, in fact, not chosen very well. The first axis does not so much describe an uncertainty but two different ‘consumers’ (see discussion below). For the second axis, the outcome was already known at the time of publication in 2012: yes, the shopping process does change even just by using a smartphone in the shop (to compare prices), or for advance online orientation (comparison sites). This is, therefore, far from being an uncertainty, but a reality already (in 2012).
that have been outlined. What have those developments been and what are the future prospects?

Weltevreden (2012) identified four phases in the evolution of online shopping. In the first phase, between 1994 and 1999 only 16% of people in the Netherlands had access to the Internet from home. In this period, the vast majority of the activities consisted of surfing the net and using e-mail. Retail chains and mail order firms in particular had a website, although only 4% also used the website as a sales channel. The website during this period was mainly used as a referral to the store (opening times, location). There is virtually no online shopping; in 1998, only 2% of the Dutch population bought via the Internet. By 2003, this had already risen to 31% due to a substantial growth in the number of households that became connected to the Internet between 1999 and 2003: around 68%, of which one-third was already using a broadband connection. By this time, an increasing number of retail chains and independent retailers now have a website, which is used for providing more information about products and services and for e-mailing newsletters to keep customers informed and to build loyalty.

In the period between 2004 and 2009 the number of households with access to the Internet had increased even further to 91% and webshops and social media are becoming popular. By 2009 more than two-thirds of the Dutch population were shopping online, and the amount of spending online and the average amount spent was increasing substantially. This period showed the mass emergence of the (smaller) web-only firms, which resulted in a threefold increase in online sales. However, the traditional retail sector lagged behind when it came to developing webshops: only 18% of the retail chains and only 6% of the independent retailers had a webshop in 2006.

In the final phase, between 2009 and 2012, virtually every Dutch person is connected to the Internet, where a shift can be detected towards the use of the laptop and the Smartphone as the device for this, rather than the desktop. In 2012 three-quarters of the Dutch population shopped online and although the number of orders placed and the amount of the spending were still increasing, the rate of growth was levelling off. The number of webshops operated by retail chains and independent retailers was increasing, however, retailers with a physical store still remained in the majority (61% in 2011) compared to 17% web-only firms in the retail sector. By 2011 around 22% of retailers had both a physical store and a webshop.

Weltevreden (2012) concludes that the impact of online sales on physical shops was substantial, in addition to factors such as the economic crisis, increased rents for physical stores, opening time legislation and suchlike: "In sectors in which (parts of) the product or the service can be digitised, such as financial products (digital policies), holidays and travel (e-tickets), photograph/film (digital photographs) and media goods (music, films), the number of stores has declined considerably in the last decade. Telecom is the only exception; in this sector the number of stores has increased substantially, which is in part due to the growth in demand for mobile Internet devices." (p. 20). Conversely, it applies that "Especially in (...) sectors that are interesting for recreational shopping, such as clothing, shoes, personal care and sports products, there is an increase in the number of stores " (p. 20).

We can carry through the historical development outlined by Weltevreden to the present day and to the future and can do so on the basis of the results of the Shopping2020 research
programme. This research programme asked the question how the consumer would be shopping in 2020. This question has become relevant and urgent in the context of the crisis and developments such as changing consumer behaviour, changes in the value chain, the emergence of new technology, the digitising of products and profound (international) competition.

From the Shopping2020 study it appears that in 2012, of the total consumer spending\(^2\) 17% was online, and 83% was in the physical stores.\(^3\) This spending represents an online turnover of 11 billion euro out of a total of 65.9 billion euro. The product categories that have the largest share in this are insurances, travel and ticket sales (flight ticket, accommodation). Of the 11 billion euro of online sales, 4.8 billion euro is for the retail sector. Fifty per cent of that 4.8 billion euro is shared between 10 sellers: RFS Holding (Wehkamp, Fonq, Create2fit), Bol, Zalando, Albert.nl, BAS group (Dixons, MyCom, Dynabyte), Coolblue, KPN, H&M, Hema and Ticketmaster Nederland. If you look at fashion retail then, it represents approximately 10% of total online sales: 0.9 billion euro for clothing and 0.3 billion euro for shoes and personal lifestyle (Shopping2020, 2013; Wolters, 2013; Schut et al., 2014).

It is expected that the online share will increase substantially over the coming years. The forecast growth up to 2020 does however depend on who one asks. According to consumers the online share shall increase from 17% to 50% but according to experts the share shall increase to 36% (Wolters, 2013).\(^4\) The expectations differ considerably for each product category. The biggest growth is expected in the product categories that were already doing well online in 2012: event tickets, package holidays, individual flight tickets and accommodation and insurance are expected to increase from the current 50% to 70% and 80% of the share of online sales. For fashion, according to the experts, the current share of 10% of online sales will increase to 27% for both clothing and shoes & personal lifestyle (Wolters, 2013).\(^5\) The same pattern, but with different figures, can be seen when consumers are asked about the products that they will no longer be buying in a physical store come 2020. The top of that particular list contains the same product categories stated by the experts: event tickets, package holidays, individual flight tickets and accommodation and insurance. Around 40% of the consumers say that they will no longer be going to the physical store for these products. For fashion the number is considerably less:

\(^2\) The following categories have been included in the consumer spending for this: Food/Near-food/Health, Home & Garden, Fashion: Clothing, Consumer Electronics, Insurance, Package Holidays, Fashion: Shoes & Personal Lifestyle, Individual flight tickets and accommodation, Telecom, Media & Entertainment, Toys (excluding games), Event Tickets, Books, Sport (hardware) (Wolters, 2013).

\(^3\) Online is defined here by GfK as buying via a Smartphone, tablet, desktop, laptop, in-store devices, watch/glasses (Wolters, 2013). What is, of course, striking here is that the 'in-store' devices have been included as online. What is necessary is a distinction between where (physical store, at home, en route) and with what (devices) the purchase is made so that the figures can be interpreted properly.

\(^4\) An explanation for this difference is not given. Referring to the wisdom of the crowds approach in the case of experts (Wolters, 2013) is in any event not valid inasmuch a number of essential conditions for the effect of this approach are not met (see Van Vliet et al., 2013).

\(^5\) The ING report about shopping domains also comes up with the same estimate (Erich, 2014).
17% (shoes and personal lifestyle) and 12% (clothing)
(Peters & Witte, 2013). We shall return to the potential reasons for this when we discuss the role of the physical store.

The future in 2014

What is missing among all of these (extrapolated) numbers is a more qualitative picture of the changes that will take place: What will be the innovations that will ensure more is sold online or that consumers still go to the stores? It is true that all of the Shopping2020 reports are interspersed with examples of innovations, from a more science fiction type character (the ‘Sight’-video on http://vimeo.com/46304267) to the constantly recurring Google Glass. However, the examples are used for illustrative purposes only. There is no systematic inventory of the changes currently taking place in the retail sector, and that can be regarded as being the forerunner of what will become reality by 2020. The scenarios outlined earlier have such a system within them, and, what is more, the pictures outlined are often abstract (Shopping2020, 2014a) or have limited view, such as a technological view (Hofste & Teeuw, 2012). The choice of a limited number of uncertainties when developing scenarios also means a full description can never be given of all innovations.

In September 2013 the research group together with the Amsterdam Fashion Institute (AMFI) started a study of innovations in fashion retail on the basis of two fundamental principles. The first fundamental principle concerns the method of classifying all found occurrences, for which a mix of taxonomy and typology was chosen. A taxonomy is a systematic classification of aspects based on observations. By observing many occurrences, many of their aspects are classified into similarities and differences. The result is often a hierarchical classification, such as the taxonomy of species in flora and fauna. Whilst a taxonomy starts on the basis of observed occurrences, a typology starts on the basis of a concept. The distinctive properties potential occurrences could normally possess are devised and the actual occurrences are then classified in accordance with these rules. We then talk about ‘types’ as opposed to ‘kinds’ as in the case of a taxonomy. One can say that taxonomies are created empirically or inductively and that typologies are created conceptually or by deduction. To make an inventory of the innovations in fashion retail we have opted to work at the highest level using conceptual classification (typology) and then use two levels ‘below’ that have resulted in ‘kinds’ of innovations on the basis of observations (taxonomy). The decision to work at the highest level using a typology arises from the framework that has been developed for examining new services (see Van Vliet, 2014).

The second fundamental principle concerns the typology to be used for the innovations. As a typology we have opted for the STOF model. The STOF model is part of the STOF methodology, a design method for business models. The STOF model describes business models on the basis of four associated domains: the Service domain (the added value of the service), the

---

6 The differences in figures can be explained by the difference between orientation and buying. Consumers can go to the store for orientation but in the end they buy the product online. Hence, why the figures between online buying and visiting a physical store are not mirrored.

7 Exceptions to this are the Kega publications (2013, 2014), however, the presentation of the innovations is reasonably random and in any event has no explicit underlying system.
Technology domain (the technical functionality and architecture required in the service), the Organisation domain (the network of parties involved and the processes for delivering the service) and the Financial domain (the method of income generation and the sharing of risks, investments and income across the various actors in the network). It is from these four domains that the methodology derives its name.

For the time being, these fundamental principles have resulted in the following classifications for the innovations that have been found (Table 1). The actual inventory of innovations in fashion retail is published on the website www.fashionretailfuture.com. The regularly updated inventory on the website can be viewed as 'data' that can be part of future research. We shall now examine the four innovation domains further, give a few examples and describe a particular development for each domain in more detail.

Table 1: Classification of innovations in fashion retail

<table>
<thead>
<tr>
<th>Service Domain</th>
<th>Technological Domain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personalisation</td>
<td>In-Store</td>
</tr>
<tr>
<td>Customer Cards</td>
<td>Interactive mirrors</td>
</tr>
<tr>
<td>Personalised products</td>
<td>Shopping walls</td>
</tr>
<tr>
<td>Experiences</td>
<td>Interactive shop windows</td>
</tr>
<tr>
<td>The shop as an event</td>
<td>Customer tracking</td>
</tr>
<tr>
<td>Atmospherics</td>
<td>3D body scans</td>
</tr>
<tr>
<td>Playful experiences</td>
<td>Smart hangers</td>
</tr>
<tr>
<td>Social experiences</td>
<td>Touchscreens</td>
</tr>
<tr>
<td>Crowdsourcing</td>
<td>Online</td>
</tr>
<tr>
<td>Designed by customers</td>
<td>3D shopping</td>
</tr>
<tr>
<td>Co-creation</td>
<td>Virtual mirrors</td>
</tr>
<tr>
<td></td>
<td>3D fitting</td>
</tr>
<tr>
<td></td>
<td>Mobile</td>
</tr>
<tr>
<td></td>
<td>Scanning</td>
</tr>
<tr>
<td></td>
<td>Holographic and augmented reality</td>
</tr>
<tr>
<td></td>
<td>LBS/Routing</td>
</tr>
<tr>
<td></td>
<td>Public Space</td>
</tr>
<tr>
<td></td>
<td>Shopping walls</td>
</tr>
<tr>
<td></td>
<td>Public screens</td>
</tr>
</tbody>
</table>
Service innovations

The Service domain concerns the added value that a service or product provides for the customer. A great deal is expected of personalisation, in other words, the customising of the service or product for a particular individual so that a more or less unique service or product is created. The most literal interpretation of this is tailor-made clothes and the independent creation of, for example, a Louis Vuitton bespoke handbag from The Haute Maroquinerie in Bond Street, London. Personalisation is not just about creating a unique product or service; it also relates to finding an appropriate or unique product or service for an individual. Recommendations for you, the customer, based on your previous purchases or those of people with similar tastes can be found in many webshops. Another example is Buyosphere.com where you can obtain personal fashion advice from other visitors. Personalisation is also about customising the information about the service or product by taking into account the specific moment (morning rush hour, Wednesday afternoon, during Sunday opening hours, etc.) and the precise location (in-store, en route, at home, etc.). That personalisation can be improved by gathering as much information as possible about the customer: from buying trends via store cards and online click and buy patterns on PC, tablet, Smartphone and Smart-TV to personal information (zip code, e-mail address) and all kinds of sensor information (how you move around the store, what you look at, what products you pick up or take to the fitting room, etc.). This combination of data can then be used to seduce the customer with targeted special offers or by adapting advertisements on TV, online, in magazines or on billboards in real time as visualised already in a scene in the film Minority Report from 2002.

However, research (Peters & Witte, 2013) shows that only 14% of consumers want a personalised offering, 42% do not and 44% are undecided. Of consumers, 77% also say that they do not wish to be identified when entering a store in order to be presented with a personal
shopping experience. One possible explanation for this is fear amongst consumers about what happens with their data. Of those questioned, 67% were willing to share information (with the retailer) in order to be presented with relevant offerings but did not want their details to be shared with other parties. That makes it difficult to build up an overall profile of a person and personalisation therefore remains restricted to a brand, store, social media platform, app or webshop despite the fact that benefits are to be had, including for the customer, by making information available to other suppliers about a person’s preferences. Musical preference (iTunes downloads, Spotify playlists, radio listening pattern) is, for example, not an isolated feature of an individual but is related to all kinds of preferences. The North & Hargreaves (2007) study shows that musical preference is associated with choices of particular newspapers, radio stations, TV channels, TV programmes, magazines, books, the amount of time spent reading and the choice for certain leisure activities. In that sense music preference says something about a person’s lifestyle. It is not unimaginable that a fashion webshop can recommend something relevant to a customer based on that customer’s music preference.

A theme that is just as important as personalisation is the provision of experiences. Piet Zoomers said in an interview: "Those that want to survive in the future will have to pay a great deal of attention to the in-store experience, certainly if one wishes to take on online shopping." (in Hofste & Teeuw, 2012, p. 6). Veenstra (2012) regards 'experience' as an important weapon in combating inner-city vacant properties. Williams (2014) sees Disney's "Merchantainment" strategy as the next phase of e-commerce: the retail-store strategy of offering environments where consumers want to spend time - and money (p. 114). Ter Haar (2014) talks about the 'total retail experience'. And in the PWC trend report (2014) the (digitising of the) shopper experience is referred to as a megatrend: "A digital experience of products and services is achieved by creating a clear experience of his product and/or formula, in which online and offline are integrated. This digital experience is achieved by using and combining technological developments such as mobile devices, augmented reality, video wall holograms." (p. 12). What is striking is that new technology is often regarded as the bringer of good news: an experience is created ‘automatically’ through holograms, augmented reality, video walls, digital fitting rooms and virtual shopping. Examples are the Burberry store with large screens and magic mirrors (that respond to RFID tags in clothing), interactive floors of Coca Cola in shops and apps that allow you to shop 'socially' because you and your friends can all go shopping at the same time via social media (www.bevyup.com). This is at least an answer because all too often experience is seen as a key to success without stating precisely what constitutes that experience.

The fact that there are other views about experience and shopping apart from only the technological aspect can be found in the study undertaken by Erdman (2008). He tried to come up with a number of design principles for adding experience to shopping areas so that their distinctive capacity would increase. He based this on, amongst other things, the well-known Pine & Gilmore theory about the Experience Economy (Pine & Gilmore, 1999). In that theory, Pine & Gilmore derive a number of design principles for creating experiences. In his study, Erdman examined the extent to which these could be used in the context of shopping areas and

---

A similar observation can be made regarding the digital innovation ambition of museums (Van Vliet, 2013).
in so doing allowed himself to be guided by 12 experts. In the end, he came up with four principles. The strength of these is that he attempted to translate these into specific instructions:

1. Achieve harmony, in other words harmonise all variables within a shopping area with each other. For example a good fit with the environment, logical routing, correct size and scale in the shopping area, correct retail choice (sectoring, price, quality), quantity and quality of catering.

2. Avoid negative impressions that can affect the experience such as dirty and unsafe environment, poor accessibility, high parking charges, unoccupied property, wind nuisance, etcetera.

3. Activate the senses to create stimuli that feed the experience: light, smell, sounds, climate control, sight lines and visual aspects.

4. Create an identity by paying attention to recognizability (landmark, logo, promotion) and by creating a safe and good atmosphere.

One final remark on experiences is necessary. In Van Vliet (2012) it is already stated, as a result of reviewing the Pine & Gilmore theory, that strong doubts can be raised about the unilinear process of economic evolution advocated by Pine & Gilmore, in which 'experiences' are a fourth step in the escape from the 'commodity trap'. The few historical examples that were referred to at that time as counterexample can now be supplemented further by examples from the retail context. In the 1930s, Carl W. Dipman gave a number of future visions on the development of food retail, in which recurring aspects are self-service and "shopping is to be an experience, not just a job to be done" (in Bowlby, 1997, p. 99, italics in the original). Furthermore: "In the late eighteenth century Oxford Street had already been described as a 'dazzling spectacle' of 'splendidly lit shop fronts' and 'alluring' and 'handsome' displays." (Nava, 1997, p. 64). Even more important than a vision and an illustrative example is that particular experiences were 'produced' and perceived around the turn of the 19th to the 20th century. The most iconic example of these being department stores. Department stores were more than just a place for doing your shopping; they formed a new public venue for showing off the modernity and were visited as tourist attractions. The department store Selfridges was regarded, like Westminster Abbey and other places, as one of the biggest attractions in London. One of the Selfridges advertising slogans was: "Shopping at Selfridge's: A Pleasure - A Pastime - A Recreation". Department stores were 'fantasy palaces', luxuriously built from marble, iron ornaments, large open staircases, parquet flooring and silk and leather furniture. They were the first public places that used electric lighting, and not just for illuminating but also for the theatrical effects as well. Everything was configured towards service and having fun whilst shopping, supported by unique spaces for children, restaurants, roof terraces, zoological gardens, ice-skating tracks, libraries, galleries, travel agencies, banks and all manner of service for delivering your purchases to your home. And that wasn’t everything: "In their display of goods and use of colour, they often drew on the convention of theatre and exhibitions, continually innovating to produce new, vivid and seductive environments, with mises-en-scenes which

---

9 The elements stated by Erdman show similarities with elements identified by Van Vliet (2012) as the elements with which a festival organization can manage the festival experience (so-called FestivalDNA).
combined, or offered in sequence, modernist, traditional and exotic decors (…). These magnificent stage sets also served as a backdrop to live entertainment, which was provided on a regular basis. There were live orchestras in the restaurants and tearooms - and even, occasionally, in the grocery departments. Dress shows, and pageants were regular occurrences. 'Spectacular oriental extravaganzas', which included live tableaux of Turkish harems, Cairo markets or Hindu temples, with live performers, dance, music and of course oriental products, were also frequent events." (Nava, 1997, pp. 66-67; also see Stobart, 2008). Try and find that nowadays!

**Technological innovations**

The Technology domain in the STOF model concerns the technology that is required for producing a new product or delivering a new service. A multitude of examples can be found in this domain, in which the development has already gone beyond QR codes, iPads, narrowcasting and information kiosks (Molenaar, 2011). Actual shop experiments are being undertaken with interactive full-length mirrors, from the 'simple' form where more information about the item of clothing is displayed on the basis of an RFID chip in the item of clothing (*magic mirror*) or where a picture is taken of the clothing that you are trying on and you have the possibility of sharing it via social media (*tweet mirror*), to gesture-based browsing through a collection where a selected item of clothing is projected on top of your image in the mirror and you can also move to see whether it 'fits' (*virtual mirror, Kinect-shopping*). There are plenty of examples of in-store touch-screens: from iPads to large video walls, which can be used by the staff or the consumer to search, select and order. Screens also appear increasingly in the store window (*interactive storefronts*) making it possible to search and order at the physical location of the store when it is closed. This is not necessarily linked to the store as such, examples can also be found of self-service digital stores in public spaces such as airports (an example of which is Tesco at London Gatwick Airport) and in metro stations – the next generation of vending machines. Or the technology is in the clothing (tags) or on the clothes hangers – showing the number of 'likes' for the item on social media. Technology is not always visible to the customer, there is increasingly more in-store technology (sensors, cameras, WiFi-tracking, iBeacons) for monitoring customer patterns such as the route taken and items of clothing picked up, to cameras in mannequins that follow the eye movements of the customers.

Technological innovations can also be found online. There are various examples of online *virtual mirrors* (*online fitting rooms*) as counterparts to in-store interactive full-length mirrors, where the image of the person filmed using a webcam is used for the virtual ‘fitting’ of all kinds of goods, from glasses, wigs, jewellery to make-up. Complete 3D shops can also be found online where you can walk through the shop like 'in real life' and do your shopping. These can also be personalised so you don’t have to spend an endless amount of time looking for that one particular product. Because sizes are a significant bottleneck when ordering clothing online, online solutions for this have been developed that allow to have a model of yourself produced and having that model try on the clothes (http://corpo.myvirtualmodel.com/index.html) or by uploading photographs of yourself and your sizes so that a 3D model of yourself can be produced (for example *Tesco's 3D fitting room*).
Finally, there are also technological innovations in the area of Smartphones that are worth mentioning. Augmented reality via the Smartphone is used to increase the consumer experience and to provide additional information about a product. The latter is a common use for the Smartphone: whether it’s by scanning QR codes and via Bluetooth (iBeacons) or RFID, the Smartphone is a commonly used device for providing consumers with personalised extra information or for informing them about special offers. This additional information is often combined with information about the consumer’s location (location based services). For example, a few years ago Wehkamp was able to launch a campaign that gave consumers a 10% extra discount on Wehkamp products if the consumer was at that moment in a competitor’s physical store, for example in the Mediamarkt (Hofste & Teeuw, 2012). Another example is the Shopkick app (https://www.shopkick.com), which rewards you every time for the simple fact of walking into a particular store (the ‘kick’) and, if you do this often enough, you will receive in-store discounts.

The level of prominence of smartphone usage in the consumer’s current buying process is apparent from, for example, the DigitasLBi study (2014). Around two-thirds of Dutch consumers stated that using a mobile phone has had a significant impact on the buying process. For example, 90% of consumers use their mobile phone to search for more information about a product when they are at home, at work or school, and around 40% do this when they are in the store. The mobile phone is used in the store to search for information, to compare prices and to ask the opinion of friends and family about the products. The Snaptell app, for example, allows you to take a photograph of a book, CD or videogame and then shows reviews and ratings for the product. Purchases made by mobile phone are lagging behind somewhat; around 18% of consumers have bought something via the mobile phone during the last three months. We can see comparable results in the Kilcourse & Rowen study (2014): one-third of customers use their mobile phone in the store and do so mainly for price comparison (62%) followed by product ratings and reviews (45%) and improved online choice (39%). Williams (2014) writes about more than half of the consumers using a mobile device in the store, primarily for comparing prices. Of those consumers, 36% visit the retailer’s website or app for the store in which they are at that moment. In a Google study (Google, 2013) the advance of the smartphone in the shopping process also emerges: 90% of the smartphone users asked said they use the Smartphone before shopping (finding store locations, opening times, price comparison, special offers, browsing catalogue) and 84% use the smartphone in the store; for clothing this is 80%. The most important activity on the smartphone in the store is price comparison, although this is more prevalent for appliances and electronics (>70%) than for clothing (44%). Search engines are mainly used for this and, in second place, the store’s website. The study also finds that consumers who use the Smartphone frequently in the buying process spend 25% more money compared to consumers who only use the Smartphone occasionally for this. The researchers regard the Smartphone as "one of the biggest influencers in the store today; it presents tremendous opportunities" (Google, 2013, p. 15).

At the same time, not all retailers and advertisers are 'up to speed' with these developments.

---

10 Which, of course, says nothing about a causal relationship, only that there is a relationship between Smartphone use and spending.
Only one-fifth of retailers considers contextualisation of information for a consumer to be important (Kilcourse & Rowen, 2014) and only one-third of advertisers uses mobile marketing – mainly for encouraging sales and greater brand & customer engagement; amongst advertisers with a loyalty programme in two-thirds of the cases the mobile phone plays no role (Velti, 2013). It is expected that attention to and budget for mobile marketing will increase substantially in the coming years (Shankar et al., 2010; Williams, 2014), especially for location-based services and couponing (Velti, 2013). The latter can, for example, be via an ‘opt-in’ procedure where the customer can personally decide whether to receive coupons. These expectations are not only based on the increasing use of the smartphone, but also on the fact that the smartphone is experienced as being personal and the retailer has the possibility of ‘following’ the consumer everywhere: "Retailers can now enter the consumer’s environment through the mobile device, and, because the mobile device stays with the consumer, the retailer can be anywhere, anytime" (Shankar et al., 2010, p. 112). There is, however, a shift taking place in the belief that mobile devices not only have to have a function for attracting the consumers to the store but that they also have to be seen as a channel that has to support the entire sales process, including in the store: "Mobile's role is to bind the digital and physical selling environments together in a meaningful way for consumers." (Kilcourse & Rowen, 2014, p. 22). The main reasons why retailers and advertisers are lagging behind are: budget and knowledge (Velti, 2013; Kilcourse & Rowen, 2014) as well as the mistrust on the part of consumers about (push) marketing (Shankar et al., 2010; Kilcourse & Rowen, 2014).

In our study, conducted by students, into the use of technology in 60 retail stores in Amsterdam, we also found little evidence of all of the technological possibilities (Schrandt, Riester, Van Vliet, 2014). The stores rarely use any of the current digital opportunities. Products are mainly promoted using flyers, bags and posters. Feedback from customers is mainly obtained via forms. Interactive screens are the most common form of digital expression although here too only one-third of the shops studied made use of this. Visitors are being asked to visit the website/webshop (for example by printing the URL on the till receipt). The websites/webshops of the shops studied, often contain the same information that people would encounter in the store. Cautious use is being made of technologies such as 3D visualisations, but that is somewhat limited. The most important technologies being used are search functions and viewing catalogues using zoom functions for photographs. In some cases (one-third) it is also possible to leave feedback and view other reviews but that too is only on a limited scale. About the mobile phone, one-third of the shops have an Android app and almost half have an iPhone app. However, you are hardly ever asked in the store or on the website to install the app. This small-scale study, therefore, seems to confirm the statement: "There is a vast distance between retailers’ understanding of the value of many of today's technical solutions and actual use - even though many of those technologies have been available for quite some time" (Kilcourse & Rowen, 2014, p. ii).

**Organisational innovations**

The Organisation domain in the STOF model is about innovations in collaboration with other parties in the chain and organisation of the processes for delivering the service to the
customer. An innovation that has been ongoing for somewhat longer in the chain is what is known as ‘fast fashion’. For many fashion retailers, the process commences from the supplier and designer who design a new collection a year beforehand. New collections are, for example, introduced twice per year into the store, after which the consumer buys the clothing. With ‘fast fashion’ the starting point is the buying pattern of the consumers, which is monitored closely: what’s popular, what’s the big seller, etcetera. The store manager then places orders with designers on the basis of this information. The logistics process is configured in such a way that the new collection is on display in the store within two weeks. This involves higher logistics and production costs, but, on the other hand, only products are sold for which there is a demand so they can be sold at full price, and little of the collection ends up in the sales. Examples of stores that use this process are Zara (Inditex), Peacocks and Forever21. This so-called chain reversal is seen as an important future strategy for physical stores (Molenaar, 2011).

Another innovation for which various examples can be given is online collaboration. For small, independent retailers it is difficult to compete online against the large platforms due to the costs and the knowhow required and also because it is difficult to attract sufficient customers to a relatively unknown website or webshop. An increasing number of major players such as Amazon and Bol.com give small shops the possibility of using their platform. The benefit for such a platform is that their offering increases even further, and their position as a one-stop-shop is strengthened. For the small retailers, they not only benefit from all kinds of logistics processes of the webshop (order fulfilment, secure payments) but the reach of potential customers is increased many times compared to them having just their webshop. In the fashion industry, the Scandinavian firm Miinto is a good example of this. This platform provides independent fashion retailers with their online webshop that is part of the general catalogue of the platform. The fashion retailers can also ‘buy in’ other services from Miinto such as collection photography and transaction handling. Other examples are etsy.com, jeansonline.nl and topshoe.nl. The collaboration does not need to be exclusively based on product category (jeans, shoes) but can also, for example, be based on location – an example of which is the 9straatjes in Amsterdam (9straatjesonline.com).

However, the majority of the innovations encountered in the organisational domain concern logistics, for example, the smart integration of stock systems so that it is possible to see in the store or online whether and where a product is still available. There are also so-called stockless stores where customers can see the complete stock or collection in a physical store using iPads or large video walls, place their orders and have the products delivered to their homes. At the most, there are some demo products available in the store. An example of this is the Scottish retailer House of Fraser. The vast majority of the examples are however about delivery of products to customers. In fashion, delivery is one of the most important aspects of consumer satisfaction (Peters & Witte, 2013). Customer satisfaction is not only an important criterion for paying a lot of attention to delivery; the costs are also important. In 2012, a quarter of the 88 million online orders resulted in a return, for fashion this was as high as 60%, while for electronics it was only 5% (PWC, 2013). Returns and the logistics surrounding them cost a lot of money. As long as it remains difficult to implement suitable sizing online and to properly convey the colour and texture properties returns shall for the time being continue to be an important
aspect of the service and the costs.

Although several criteria play a role in delivery, such as speed, convenience, costs and reliability, for the consumer it appears that the ability to remain in control is important. Research (PWC, 2013) shows that the ability to choose a fixed delivery time is the most important aspect (31%), followed by pick-up points from a local store (24%), next-day delivery (24%) and same-day delivery (8%). Schut et al. (2014) also find in a study that being able to determine the time of delivery is an important criterion for the customer (90%), this is only offered in 12% of the cases. Free returns are also a wish that emerged, with around 60% of consumers stating that to be important. In reality only just 15% of deliveries can be returned free of charge. A further important aspect of returns is: clear instructions about the return process and money credited back to the customer's account quickly.

All kinds of innovative logistics solutions are now being used, from ordering online and in-store collection and/or returns (Click & Collect concepts), online reservation of an item of clothing in a particular store (Hunkemöller's Check & Reserve), the delivery of ordered products to specific pick-up points and for which experiments are already being conducted with fitting rooms at pick-up points so that pick-up and returns can be combined (see https://www.deburen.nl). These can be staffed pick-up points (filling stations, schools, libraries, stores) or unstaffed pick-up points (safe-deposit boxes). In the Netherlands, there are already around 6000 pick-up points (Schut et al., 2014). The ideal solution is not easy to find, a customised solution sounds logical; however, there are many variables that have to be taken into account which, in any event, include the type of product (size, non-food/fresh/frozen, requirement for personal contact for signing or installation for example) and the type of customer. One customer will prefer speed, another convenience or price. Harmonisation between product, customer and process does not require only good operational implementations but also strategic choices about how to deal with deliveries (see Schut et al., 2014).

Financial innovations

The Financial domain concerns the way in which incomes are generated from a specific service or product, and about the way in which risks, investments and revenues are shared between the different actors in the network. An example of this is innovations in pricing. Price comparison websites (kieskeurig.nl; preisroboter.de) provide insight into the prices from different providers and lead to price adjustments on a daily basis in order to be able to sell at 'lowest prices'. Prices are adjusted dynamically to demand, competitors and seasonal fluctuations and data about other variables in which patterns are discovered that determine the sale of products (for example see Daphne Stores: http://vimeo.com/45975732). Alternatively, 'exclusive' clubs are formed in which members can buy clothing at a substantially reduced price (www.ventexclusive.com, fashiondeal.nl, Brandinvites.nl). Loyalty programmes (customer cards) and also coupons are making a return with providers such as Groupon, Sweetdeal and Friendstix where substantial price reductions can be achieved by means of temporary and local special offers.

A considerable amount of innovations concerns payment methods, which are often managed by technological development and are focussed on customer convenience. A
collaboration between Samsung and Paypal means that Paypal is pre-installed on the Gear2 Watch. A development like Near Field Communication (NFC) incorporated in, amongst other things, bank cards or mobile phones makes it possible to make payments easily and quickly. By using the PowaTag app, you can buy products using your smartphone by scanning the products you see in advertisements in magazines or on TV, on billboards or that you see other people already have. The products are identified by an underlying PowaTag database, and one can immediately proceed to make a purchase. Impulse buying is facilitated in this way. Via integrated Bluetooth technology, the consumer can also be sent targeted special offers, and retailers can send information and special offers to customers who are shopping in the area of a location with PowaTag Bluetooth beacons. The shopping habits, buying history and personal preference of their customers are thus known to the retailer as soon as the customer steps over the threshold.

Transactions do not always need to involve money or alternative currencies (Bitcoins). Special K had an offer in Australia with a store where you could pay for a product with a 'post': posting a photograph of the product on social media. It turned out to be a marketing stunt because the only thing the customer received was a sample of the actual product. A more serious development is that of consumer-to-consumer transactions. On the one hand this concerns marketplaces where consumers can trade between themselves, with most well-known examples being ebay.com and marktplaats.nl. This has expanded into all kinds of products and services, such as travel (airbnb.com), hiring a car from someone local (snappcar.com), selling homemade products (etsy.com) and peer-to-peer lending without the intervention of a bank (prosper.com). On the other hand, it is also about borrowing and exchanging, as is the case on peerby.com, where you can borrow things from local people, or thuisafgehaald.nl where you share meals with your neighbours. This so-called 'C2C-market' has grown enormously in recent years. However, some scepticism about all of the enthusiastic stories is being called for, for example, SnappCar's alleged success is open to question (Wijnen, 2014). Sharing personal goods (car, telephone, clothing) is indeed something completely different from sharing digital goods or your tastes (Spotify, LibraryThing). It is expected that 'sharing' will play a less significant role in fashion because consumers say they are less willing to share clothes (Shopping2020, 2014a).

The consumer & the shopper

All of the innovations that have been mentioned are ultimately aimed at adding value for the consumer. However, not all consumers are the same. A party game that is just as entertaining as predicting technological developments is characterising consumers. This is not the exclusive domain of the retail sector, for visitors of museums and archives visitor types have been introduced such as sniffers, grazers, excavators, snackers, educators, nomads, butterflies and grasshoppers (Van Vliet, 2009). The shopping public has to put up with less poetic designations such as 'the keeper', 'the banker', 'the hunter' and 'the courier' (Sansolo, 2012). Characterising...

---

11 We have omitted the crowdsourcing phenomenon here for which, as a matter of fact, there is also an exchange involved: time and knowhow are 'exchanged' for a better reputation, attention, a good feeling, etcetera. See further: Van Vliet et al. 2013.
the consumer or the shopper – the person who makes the actual purchase – has a history going back around 60 years. In Stone’s first typology from 1954 the characterisations of the economic shopper (oriented towards for price and quality) and the apathetic shopper (shopping is a necessity and a chore) had already popped up (Westbrook & Black, 1985). The importance of a shopper typology is that it gives the retailer the possibility of making better decisions about offered product and the special offers (Westbrook & Black, 1985).

An often recurring contrast in the characterisation of shoppers is that of 'doing the shopping' versus 'going shopping', which is the difference between: "Shopping for and the recreational shopping around; the latter being an autonomous realm of experience and action in which the economic (instrumental) aspect has been marginalized." (Falk & Campbell, 1997, p. 6). This concerns the distinction between instrumental (doing the shopping) and recreational (going shopping) (Westbrook & Black, 1985; Hewer & Campbell, 1997; Molenaar, 2011): "Going shopping is a vague activity, an extravagance - literally, 'wandering out'. It is open-ended, with no precise plans or destinations: you can spend all day or not, you may just look and not buy. Going shopping is pleasurable, and possibly transgressive and excessive: you may spend too much time or too much money. Doing the shopping, on the other hand, suggests an obligation or a regular routine. 'The' shopping implies something both planned and limited: the definite article, with no extras or deviations. Going shopping points to fashion, clothes and leisure; doing the shopping is food shopping, for the most part regarded as a chore. Food is necessary, fashion is fun and spontaneous." (Bowlby, 1997, p. 102).

Lehtonen & Mäenpää (1997) described these two types of shoppers in more detail by contrasting them with each other (see Table 2). This distinction does not say that both forms cannot occur simultaneously: instrumental aims can play a role when going shopping, and when doing the shopping we can also amuse ourselves (Falk & Campbell, 1997). Incidentally, shopping for pleasure is not something that has only occurred recently due to the increase in affluence, it is already referred to in the classic figure of the flâneur/flânuère and has a longer history than one often assumes (Stobart, 2008).

<table>
<thead>
<tr>
<th>Shopping as a pleasurable social form</th>
<th>Shopping as a necessary maintenance activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spending of time</td>
<td>Scarcity of time</td>
</tr>
<tr>
<td>An end in itself</td>
<td>A means</td>
</tr>
<tr>
<td>Does not necessarily imply making purchases</td>
<td>Always implies making purchases</td>
</tr>
<tr>
<td>Impulsiveness</td>
<td>Planning</td>
</tr>
<tr>
<td>Dreaminess and self-illusory hedonism</td>
<td>Realistic satisfaction of needs</td>
</tr>
</tbody>
</table>
Effectiveness unimportant | As effective as possible
---|---
Pleasure | Necessity
Outside the routine of everyday | An everyday routine among others
Emphasis on experience | Emphasis on rationality
Playfulness | Seriousness

More than two decades later we continue to see the same characterisations in a Shopping2020/GfK publication (GfK, 2013). For example, the report makes a distinction between the shopper who regards shopping as a necessity and the shopper who regards shopping as a pleasurable activity. The study also raises an aspect that Lehtonen & Mäenpää (1997) used in their characterisation of these two types of shoppers and introduced them as a separate dimension: planned/prepared versus unplanned/spontaneous. The intersection of these two opposites or axes produces a profile of four types of shoppers (Figure 2):

1. The calculating shopper: 'shopping is like work'. This type of shopper includes men and women, and all age groups are represented in it, though the 40-64 age group is more prevalent. Average income is lower, as is the academic level. This shopper lives in a family with children more often than the average. Purchases are planned. The preference is for own brands, and they are not sensitive to fashion or new trends, they believe that accessibility and parking facilities are important and do not find small specialist business to be so important. Price is the general motive for product selection. This shopper shops in well-known retail chains and well-known webshops. Online, prices are mainly compared because it is easy to do so, and a quality mark is important, as is the ease of return. For reviews, those of acquaintances are preferred. In the future, this shopper will buy more online because of the decline in local retail offering. Typical stores that are visited are V&D, Wehkamp, Hornbach, C&A, Bonprix, Scapino, kieskeurig.nl.

2. The deliberate shopper: 'shopping is like sport'. This type of shopper also includes just as many men as women. All ages are represented, but, the average age is lower than in the other groups. Income is above average and academic level is relatively high. This shopper sets out well prepared, orientates himself/herself using the Internet, chooses quality, is brand sensitive, specialists stores are preferred and he/she likes to talk to experts in order to confirm their research. Online is easy to fit in with the hectic lifestyle – for comparing products and gathering more information. In the store, they seek the touch and feel and personal advice. Accessibility and a wide choice are important. Greater value is placed on experts than on own social circle. In the future online will be used even more for preparing for the offline visit. Typical stores visited are Duthler, We, de Bijenkorf, Cool Blue, Tommy Hilfiger, Wehkamp.nl.

3. The passive shopper: 'shopping is like a visit to the dentist'. This type of shopper is more often a man rather than a woman. All ages are represented, but, the average age is higher than in the other groups. Income is average and academic level is relatively low.
This shopper only goes shopping when it is absolutely necessary – at well known retail chains in shopping centres or at local retailers where there is ample opportunity for parking. This shopper is sensitive to store staff recommendations or those made by acquaintances. Online is especially easy and well organised but the personal attention is lacking. This shopper goes for shopping convenience and few risks and mainly wants a simple buying process. Because of the decline in local offering this shopper will shop more online in the future, with a few well-known retailers that provide good service. Typical stores that are visited are C&A, Hubo, TerStal, Hema.

4. The passionate shopper: 'shopping is a hobby'. This type of shopper will more often be a woman rather than a man. All ages are represented, but, the younger age groups are more strongly represented within this group. Income is lower on average, and academic level is average. Shopping is a pleasurable activity, can be done anywhere, is a social experience and is relaxing. This shopper likes to be tempted and is driven by brand image, as well as price and quality. Prefers to shop where there are a lot of stores together, with major brands and retail chains present. Shops mainly have to provide atmosphere and inspiration. Shops online and offline, and likes a wide choice. Online mainly means reduced experience, time between purchase and delivery and a fuss about delivery and returns. Opinions of family/friends are important, also via social media. Typical stores that are visited are Zara, Action, Zalando, Primark, H&M, Vero Moda.

Figure 2: Four types of shoppers (GfK, 2013)
Alternative views on the shopper

The descriptions of the different shoppers remain an eclectic mishmash of psychodemographic characteristics. There are at least two distinct alternative views that can provide a sharper picture of the different types of shoppers. The first alternative is to look at the underlying motives. A study like the one of Westbrook & Black (1985) shows that a focus on underlying motivations shows a more differentiated picture of the 'recreational', 'economic' and 'apathetic' shopper than is often painted. However, there is little agreement about the underlying motivations of shoppers (also see Lesser & Kamal, 1991). Performing a meta-analysis of the studies already conducted, comparable with the meta-analysis of studies into the motivations of visitors of festivals (Van Vliet, 2012), seems to be a logical step forward in this discussion.

A second alternative is to look at 'consuming practices', in other words the characterisations of the patterns of shoppers, 'What do people do when they consume?'. Those patterns do vary considerably between people and situations that it would be cutting corners to explain them exclusively on the basis of the (economic) benefit and the (symbolic) significance of the object that is being consumed (Holt, 1995), or on the basis of fixed types of shoppers (GfK, 2013). According to Holt (1995) consumption has to be regarded as a form of a social act where people use consumption objects in different ways. He concludes there are four classifications of such practices based on two axes: the structure of consuming (focused on the object or focused on the interpersonal) and the purpose of consuming (a purpose in itself, in other words, 'autotelic' or instrumental for another purpose). This leads to four types of metaphors for describing the practices, which in Holt's study is explained by means of the 'consumption' of a baseball game (Figure 3):

1. 'Consuming as experience': the subjective emotional reactions to consumption objects. This means the ability to interpret the object: what is it, how it works, what conventions are applicable, etc. (understanding the 'world of baseball'), the evaluation of the object against standards, expectations, previous experiences (for example, on the basis of baseball statistics), and the emotional appreciation of those (ecstasy when there's a home run or admiration for the elegance of a throw).

2. 'Consuming as integration': mastering and manipulating the (symbolic) significance of the consumption object in relation to your identity. This means: acquiring knowledge about the object so that one becomes competent or by wearing visible references to the object (logos, paraphernalia), trying to become part of the object or its makers (becoming a fan) and the personalising of the object by linking personal objects to it (attire during games).

3. 'Consuming as classification': the buying, possessing and displaying of consumption objects in order to side with a group and thus achieve affiliations and distinction: "shopping as a performance becomes important in shaping status and identity." (Stobart, 2008, p. 14). Whilst this is easy (to show) for material goods, for 'services' it is indirect – for example, through photographs and souvenirs to prove you were there or by demonstrating expertise (telling stories, being aware of conventions).
4. 'Consuming as play': using consumption objects as a play element in social intercourse. On the one hand, this concerns the use of consumption objects for exchanging shared experiences (telling tall stories). On the other hand, it means using the consumption objects to entertain each other (imitating commentators for example).

Figure 3: Consuming practices (Holt, 1995)

<table>
<thead>
<tr>
<th>PURPOSE OF ACTION</th>
<th>Autotelic Actions</th>
<th>Instrumental Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Object Actions</td>
<td>Consuming as Experience</td>
<td>Consuming as Integration</td>
</tr>
<tr>
<td>Interpersonal Actions</td>
<td>Consuming as Play</td>
<td>Consuming as Classification</td>
</tr>
</tbody>
</table>

These 'consuming practices' occur in variable relationships: "One important implication is that consuming is never just an experience, a disinterested end in itself. Consumer actions directed toward consumption objects have many faces: they are lived experiences that enlighten, bore, entertain, or raise our ire, but they are also means that we use to draw ourselves closer to valued objects and resources that we use to engage others - to impress, to befriend, or simply to play." (Holt, 1995, p. 15). That varying relationship is not just down to the fact that the different practices can play a role simultaneously but that they can also occur consecutively. Consuming is a process in which practices can vary.

To view consuming as a process raises the question of possible steps or stages. In the characterisation of this process as a 'customer journey' or 'shopping journey' there are three stages that are always mentioned: orientation, selection and decision/transaction (Hofste & Teeuw, 2012). A more detailed classification from the perspective of the consumer has six stages: awareness (the recognition that there is a need), collect (collecting information about products and suppliers), evaluate alternatives (evaluating the various alternatives), decide (the actual
decision to buy), use (the use of the product) and evaluate (the evaluation of the product and the buying process). All kinds of developments have influenced all of these stages in recent years: from search engines (collect) and comparison websites (evaluate alternatives) to talking on social media about purchases (evaluate).

Discriminating different stages in the consuming process, possibly comes across as a compulsory, linear and rational process. Of course, enough examples can be found where the customer journey is not linear and the shopper does not always act purposefully: "there is a tendency to present the shopper as both an information-processor, a problem-solver and a rational maximiser of utility. The limitations of such a model have long been known. Apart from the a priori nature of the assumptions that they contain, such perspectives ignore all the evidence that shows (...) that problem-solving behaviour is a relatively rare occurrence, and that habitual behaviour is a far more common feature of consumer behaviour." (Hewer & Campbell, 1997, p. 188). However, this does not detract at all from the conceptualising for recognising different phases - we just have to take into account a much more dynamic process. Furthermore, the fact that all kinds of unconscious processes that can be manipulated play a role in the customer journey does not mean that the consumer has become entirely 'irrational' (Maas, 2013). That would be throwing out the baby with the bathwater.

From a retailer's perspective two further stages are often added to the previously mentioned three stages: delivery and relationship management/after-sales (customer care) (Schut et al., 2014). Although this appears to be a logical addition it is necessary to realise that we are dealing with two processes: a consumer process and a supplier/retailer process, which are not organised in the same way. The consumer is, of course, also involved with a delivery, but clicking a button on a website to have the package delivered to a local branch is somewhat different than the fulfilment of this order. From a retailer's perspective marketing more likely looks like the following: 'create demand, identify where product could be purchased, expose and engage the shopper, capture transaction data, apply learnings for next marketing action' (Blatt, 2012). The two perspectives or processes are difficult to understand in one 'journey', just like some concepts are reasoned more from the customer perspective (Omni-channel) and others more from the retailer perspective (cross-media) (see Van Vliet, 2014). The fact that the customer process and the retailer process 'touch' is evident and has recently been captured in the increasingly popular term 'touchpoints' (Shopping2020, 2014b). However, a strong conceptualisation of the term touchpoints is lacking: theoretical embedding, conceptual definition and operationalization are still seldom encountered. Furthermore, the question arises about where touchpoints differ from the 'old' term of 'service encounter' as 'a period of time during which a consumer directly interacts with a service' (Clarke & Schmidt, 1995).

---

12 See http://www.pinterest.com/fashionretailfu/ for a visual report of this process by students in relation to their purchasing process. I do not discuss Molenaar's ORCA model (2011) here because it does not add a lot and is also a model not without its problems, both in the linear character and in the actual modelling (semantics of arrows, process steps and outcomes are swapped, etc.).
Cross-media and retail

The question about the effect of (technological) developments in the near future and the question about who will make use of them, why and in which way, are necessary, but relatively generic questions and are not specific for cross-media research. The actual developments do indicate that the question about the orchestration of all possibilities of, for example, a retailer communicating with a customer is one of increasing complexity and urgency (Van Vliet, 2008). It is expected that there will be further shifts in channel use in the coming years. In the Wolters study (2013), according to the experts the following channels will grow: social media (from 4% to 6% share), in-store online sales (from 5% to 8%) and generalist retailer webshops (from 15% to 19%) at the expense of brand and producer webshops (from 31% to 24%). By 2020, there will be greater use of tablets (from 22% to 33%) and Smartphones (from 10% to 21%) as sales devices, and this will be at the expense of laptops (from 32% to 15%) and desktops (from 31% to 10%). For fashion, by 2020 the estimated share of sales via a tablet is 26% for clothing and 31% for shoes and personal lifestyle. This shifting of channel use in the end is the question about the cross-media strategy of organisations, the orchestration of all possibilities of (media)channels.

Because of the multitude of communication channels stores can communicate with their customers in a variety of ways and at a variety of times (Rangaswamy & Van Bruggen, 2005; Van Vliet, 2008). Using several channels also allows the possibility of providing improved service via channel integration, such as online ordering and offline collection, or offline returns of products ordered online. Online orientation and offline buying - the so-called webrooming - are undertaken by the vast majority of consumers (>80%); offline orientation and online buying – the so-called showrooming – is still considerably less, at just 44% for fashion (DigitasLBi, 2014). The Internet specifically has encouraged a cross-media approach because, for example, it has become very cost-effective to offer services and products via webshops. This service can result in greater customer satisfaction, increased loyalty, improved sales and larger market share. A cross-media approach has positive consequences for sales, consumers who use more channels buy more, they are more active, and they are more satisfied (Sharma & Mehrotra, 2007): "The average multi-channel consumer spends more than a single channel consumer. This is partly because multi-channel consumers have on average a higher income and spending pattern than other consumers. The exact increased amount in spending of multi-channel consumers ranges from two to ten times as much as single channel consumers." (Van Ameijden et al., 2012, p. 6). However, the generality of this statement is not encountered in all empirical studies (Teerling et al., 2007) and Wolters (2013) for example finds that the Omni-channel customer does, in fact, spend more but is less loyal. Retailers do say though that the expected increase in sales is the most important reason for a multi-channel strategy (Van Ameijden et al., 2012).

Each channel has its type of consumers and its motivations for using that channel. Motivation for using a channel can be economic advantage, offering, convenience, social status, opportunity, freedom of choice, greater satisfaction, social interaction, etc. It is not just the motivation that can differ per channel; the loyalty displayed to a channel and the degree at which cross-buying occurs can also differ. The latter refers to the level of ‘reward’ for the consumer and the time that it takes (channel adaption duration) to switch from one channel to another. This switching pattern is a significant challenge to deal with (Weltevreden, 2012). The
most commonly used ways of encouraging online visitors into a physical store are: 1) special offers online can also be used in the store, 2) the webshop looks like the store, 3) products ordered online are collected in the store. Conversely, the most commonly used ways of encouraging store visitors to go the webshop are: 1) URL visible in the store, 2) webshop and store look alike, 3) specials offers in the store can also be used online (Van Ameijden et al., 2012). Fashion businesses still make little use of online strategies for encouraging store visits (Boels & Weltevreden, 2013). An example of a similar looking webshop and physical store is Burberry, where the fundamental principle is that each element of the website is recreated offline (Williams, 2014).

Consumers who still only use one channel for gathering information and deciding to buy are becoming a minority (Stone et al., 2002; Rangaswamy & Van Bruggen, 2005; Teerling et al., 2007; DigitasLBi, 2014). However, harmonising and managing channels, for example, to link customer data across different channels appears to be a significant challenge. The result of this is that returning customers are not recognised (whilst, for example, they are entitled to a discount) or customers are bombarded with the same information from different channels. It is about the integration of cultures, technologies, marketing strategies, elements of the organisation and understanding different consumer patterns; not exactly a trivial matter (PWC, 2007).

Even more important: there are also negative ‘drivers’ (Sharma & Mehrotra, 2007). Firstly, the revenue drops when multiple channels are used: the revenues from a new channel are often lower than from existing channels. After all, those existing channels have the ‘easy’ customers tied to them. Furthermore, the costs of the acquisition and the maintenance of a new channel place pressure on the earnings, also because channels are still often maintained separately as far as the organisation is concerned due to their own (technical) infrastructure, staffing and management (Stone et al., 2002; Rangaswamy & Van Bruggen, 2005). Secondly, there is ‘sales cannibalization’, in other words, the channels compete against each other for the total revenues. The most important way of preventing this is not to have price discrimination across different channels, to have complementary product ranges and to have an integrated stocking system (Van Ameijden et al., 2012). Thirdly, channels can also come into conflict with each other because they differ in the information about products and services, for example, or because it is not clear whether the same products can be bought online and offline (Rangaswamy & Van Bruggen, 2005). Price differences can also result in conflicts and undesirable behaviour from the perspective of the business. Consumers also make use of this by gathering extensive information and having the product demonstrated in the store and then buying via the Internet (showrooming).

---

13 The aspect of cannibalization now appears to have less of an effect: “Although multi-channel retailing is often associated with cannibalization of revenue between channels, we find that today’s multi-channel retailers appear to suffer less from its effects.” (Van Ameijden et al., 2012, p. 11). However, 18% of the retailers questioned said that this had an impact to a large degree.
The physical store in a cross-media context

The latter touches on a prominent concern in the retail sector: the role of the physical store. Times are difficult for the physical store. The newspapers regularly carry reports about the increasing number of empty stores and inner-city degeneration (Rijlaarsdam, 2013; Toonen, 2014) and unsettling reports about the loss of the high street (Erich, 2014). Reported causes for this are: the rise in online competition, direct selling by brand manufacturers, municipal policy, changing consumer buying patterns and a separation in the steps in the buying process as a result of which orientation, selection and transaction no longer necessarily have to take place in the physical store: "These days customers buy in a different way than they did in the past. Firstly we look on the Internet at what we want to buy, the prices and we compare products and then we decide where we want to buy. Buying in the store has become a choice and no longer a necessity." (Molenaar, 2011, p. 10).

The importance of the store is often substantiated by a number of specific figures that are repeatedly quoted – namely that 70% of buying decisions are made in the store and 68% of them are impulse buys (Stahlberg & Maila, 2012). This has caused a shift in budget to in-store advertising, eye-catching packaging and in-store special offers. However, the percentage of impulse buys is substantially less (44%) and the majority of people use a shopping list (Levy, 2012). With regard to the 70%, Van Gaalen (2012) says: "We would love this to be true, but it does seem a bit high, doesn't it?" (p. 131). In his study of more than 10,000 shoppers he found that only 20% of people made ‘unplanned purchases’: "the majority of shoppers do plan what products they will buy in advance, as well as which brand they will buy. (…) The effect of in-store impulses is lower than many people like to believe." (p. 132). An even more important argument that makes a plea for the physical stores is to make reference to the conversion ratio of shops: "Conversion rates in the physical stores are way better than in the online world. (…) The conversion rate from going to a site to buying something is only 0.5 to three per cent. In the real world it's 20 in fashion, 50 per cent in electronics and 96 per cent in grocery stores" (Williams, 2014, p. 116).

The positioning of the physical stores as a channel must take into account the strengths and weaknesses of the channel compared to a different channel, such as webshops, for example (see also Van Vliet, 2008a). Table 3 contains a list of the features of these two channels. These features relate to the selling of physical products. For digital products, such as music downloads and streaming (iTunes, Spotify) and the purchase of tickets (travel, concerts) it seems that the argument is already won because this is where the disappearance of physical stores is happening the most.
Table 3: Features of the physical store versus the webshop channels\textsuperscript{14}

<table>
<thead>
<tr>
<th>Physical stores</th>
<th>Webshops</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Limited opening times</td>
<td>+ Open 24/7</td>
</tr>
<tr>
<td>- Accessibility</td>
<td>+ Always accessible online</td>
</tr>
<tr>
<td>- High overheads</td>
<td>+ Low overheads for webshop</td>
</tr>
<tr>
<td>- Limited product range</td>
<td>+ Unlimited product range</td>
</tr>
<tr>
<td>- Local reach</td>
<td>+ Worldwide reach</td>
</tr>
<tr>
<td>± Limited knowledge gathering about customers (customer cards)</td>
<td>+ Extensive knowledge gathering about customers</td>
</tr>
<tr>
<td>+ Personal contact/advice from staff</td>
<td>- Anonymous</td>
</tr>
<tr>
<td>+ See, feel and try a product</td>
<td>- Products are not tangible</td>
</tr>
<tr>
<td>+ Take away immediately</td>
<td>± Delivery can take a relatively long time</td>
</tr>
<tr>
<td>± Store appearance</td>
<td>± Webshop appearance</td>
</tr>
<tr>
<td>+ Location (local embedding)</td>
<td>- Ability to find webshops</td>
</tr>
</tbody>
</table>

What is interesting now are the crossovers that are created for parrying the strengths of the other channel.\textsuperscript{15} The concept of the 'endless isle' in the store is intended to counteract the normally limited product range by also presenting to the in-store customer the online product range but with the added benefit, for example, of advice from the store staff. An example is the Chasing shop in Amsterdam. Another crossover is to remove the queues at the tills in the physical store by having a lot of staff in the store so that the customer can pay immediately (Apple Store in Amsterdam), or the endless searching in a supermarket for a product whilst online it can be found immediately: "To illustrate the future role of the portability of mobile devices, consider a customer with a RFID-enabled mobile device that also contains a personal shopping list. When he walks into a grocery store, the store’s RFID reader can identify him and match his preferred brands to the listed items. The mobile device can display an in-store aisle-by-aisle route using the GPS, update the invoice in real-time as items are added in the shopping cart, and make an electronic payment as he walks out the store without having to wait in line to

\textsuperscript{14} The list is loosely based on Molenaar (2011), because he sometimes contradicts himself (for example on the product range, comparison possibilities) and also uses very subjective criteria (according to Molenaar you can’t shop online for fun, it’s "niet leuk" [no fun]).

\textsuperscript{15} See the following Google videos about the differences between online and offline and our expectations about them: http://www.youtube.com/watch?v=cbtf1oyNg-8; http://www.youtube.com/watch?v=3Sk7cOqB9Dk; http://www.youtube.com/watch?v=N5WurXNec7E.
pay." (Shankar et al., 2010, p. 119).

The majority of survival scenarios for the physical store focus on the strengths of the store and the weaknesses of the webshop: personal contact/advice from the staff, the ability to feel and see products and the appearance of the store/local environment: "Online shopping lacks the aesthetic value compared to traditional shopping - colors, fabric and sizes - as well as the fun and social component" (PWC, 2013); "The ambiance in a shop is becoming an increasingly important sales aspect " (Hofste & Tieveuw, 2012, p. 22); and "Shops have to create added value through advice, the presence of physical products or through offline experiences." (Molenaar, 2011, p. 112). This is also what consumers themselves say are the most important reasons for continuing to go to the shops: seeing and trying the products, personal in-store advice from the staff, immediate availability of the product as well as special in-store offers (DigitasLBi, 2014).

For consumers the most important reasons for not ordering online are: want to see/feel products before buying (37%), delivery costs too high (36%), concern about quality of products (26%) and the ease of sending returns (20%) (Schut et al. (2014). Capitalising on the physical location / environment of the store results in all kinds of scenarios for achieving the best possible response to the unique location and the consumer who is present there such as in inner cities, train stations, workplaces and events (see INretail, 2014).

A recurring word is once again ‘experience’: shopping must be an indelible experience and must mainly be enjoyable (Molenaar, 2011; Rijlaarsdam, 2013; Van Heusden, 2013; Shopping2020, 2014b). Occasionally it seems that naivety strikes and it is only a question of a coffee corner and a smile from the staff: "Think, for example, of a social corner with newspapers, magazines and coffee, a smile from friendly staff, videos and music in the store, nice posters and terminals where purchases can be made. It’s not so difficult" (Molenaar, 2011, p. 21). The fact that it is somewhat more complicated than this is evident from, for example, the experience from the J.C. Penney clothing store. This department store brought in Apple’s top manager Ron Johnson in order to address falling visitor numbers and sales. The restyling resulted in an interior like an Apple retail store: austere white cabinets, bright light, natural varnished wooden floor, lots of space and no special offers. The customers fled en masse to competitor Target, from where Johnson was once headhunted by Apple!, on the other side of the shopping centre. Exit Apple top man (Van Heusden, 2013).

**Research framework: Servicescapes**

In the description given above of the (future) store landscape we have seen a lot of sub-problems and part solutions and a number of mantras such as ‘experience’. In order to view the developments, problems and opportunities in a more structured manner we need a research framework – one that distinguishes the relevant components, establishes relationships between them and comes up with hypotheses that can be tested. That research framework shall have to relate to the ‘service encounter’, the contact moment between customer and service, for which the way in which the customer ‘enters’ the moment is important (expectations, mood, state of mind, etc.) as well as how the service is orchestrated by the provider. From the point of view of cross-media, it is interesting to see what role the physical environment or store plays in relation...
to the strong forces of digitalisation and new media. The theoretical framework that we shall use for this from now on is the conceptualisation of 'servicescapes'.

Bitner (1992) introduced the term servicescape. In her study, Bitner shed light, from a marketing perspective, on the influence of the physical environment on consumers and staff. To indicate this Bitner used the term servicescape: “All of the objective physical factors that can be controlled by the firm to enhance (or constrain) employee and customer actions.” (1992, p. 65).

The most succinct expression of the role of the servicescape is in service environments such as hotels, restaurants, banks, stores and hospitals. These are typical service organisations where consumers and staff have direct contact in complex and decorated environments. The services are produced and consumed simultaneously and the consumers are, as it were, 'in the factory': a dental treatment, a visit to the hairdresser, eating out and going to a concert are examples of this. This is in contrast to services such as a self-service laundrette or filling station where, in fact, it is only the consumer that acts, and where services can be delivered reasonably 'lean' like the products sold on the market or a motoring breakdown service.

Servicescapes are about a space manipulated by people. That manipulation can take on many forms, for example, light, temperature, furniture, music, colour, room layout, symbols, artefacts, etcetera. According to Bitner, all of these different types of manipulations can ultimately be allocated to three dimensions:

1. Ambient conditions. These are features of the space such as temperature, light, sound, music, smell and other aspects that have an immediate effect on our senses. Many studies into workplaces show that these factors have an influence on staff performance and satisfaction. Consumers are also influenced by these factors: the tempo of music in supermarkets influences the tempo of shopping, the length of stay in the supermarket and the amount spend; in restaurants customers stay longer and they drink more when the tempo of the music is slower. Familiarity with the music also has an influence: if customers do not know the music in a store they think they have been shopping longer than is actually the case. The same applies to a pleasant smell: consumers think they have not been in the store for as long as they actually have been and they also give a more positive evaluation of the store. Modalities also reinforce each other: a combination of a Christmas smell and Christmas music has a stronger effect than if they are experienced individually. This cross-modality is however complex: music that is or is not congruent with the product influences product recognition and the likelihood of a sale (also see Peck & Childers, 2008).

2. Spatial layout and functionality. This is about the spatial arrangement of fittings (furniture, plants, etc.) and their mutual position. It is also about the support that the spatial layout gives to achieving specific aims. An example of the latter is, for example,
whether the tills in a store are clearly visible and easily accessible for the customers so that they can pay quickly. The addition of plants and flowers in public spaces and benches for sitting on, sometimes has substantial consequences for the behaviour in that space. However, not much research has been conducted into the question about how consumers experience these types of manipulations. One example is a study into the behaviour of business people that travel regularly and often stay in hotels. They seem to make hotel rooms look more like home by moving the furniture until the arrangement is ‘like home’. Another trick they use to feel more at home is personalising the room by removing all objects and signs that refer to a hotel and replacing them with their own objects (Bardhi & Askegaard, 2011). It is a known fact that people in spaces where they have to follow a route, walk faster across the second section. This applies to museums (Van Vliet, 2009) and to stores as well: ‘In general, as shoppers get nearer and nearer the checkout they shop faster and faster - using most of their 'leisure time' at the beginning of the trip. The phenomenon is so pronounced and regular that we refer to it as ‘the checkout magnet’.” (Sorensen, 2012, p. 57/58).

3. Signs, symbols & artefacts. There are all kinds of explicit signs present in rooms, from labels (name of a company, advertising) and directional signs (‘exit’) to signs that communicate codes of conduct (‘no smoking’). However, there are also all kinds of implicit signs, symbols and artefacts that say something about the space: white table cloths and dimmed lights in a restaurant represent good service and high prices; the size of the desk and the certificates on the wall influence the image that people have of the manager or therapist. This is a complex totality that cannot always be kept ‘under control’ or is interpreted as was originally intended.

These three dimensions are intended to describe the influences of the servicescape clearly, but they will not be experienced as separate dimensions by the consumer. The consumer will form a holistic image on the basis of all of the servicescape stimuli. Bitner calls this general impression the perceived servicescape. This perceived servicescape seems to affect how people experience the quality of the goods on sale and the service (Baker, Grewal & Parasuraman (1994). The perceived appearance of a store ('atmospherics') appears to influence the consumer’s (buying) pattern and shopping experience (Turley & Milliman, 2000).

Customers will react to the environment in a specific manner. Bitner also distinguishes these reactions into three dimensions: cognitive, emotional and physiological dimensions. The influence of the physical environment on the cognition, emotion and physiology can differ in strength and in ‘direction’ (positive or negative), where that influence is part determined by the personal and situational factors. Personality characteristics, such as ‘arousal-seeking’ indicate that some people specifically choose certain environments (bungee jumping, wild-water canoeing) and that they also experience these differently from what are known as arousal-avoiders (‘at home in front of the TV’). A person’s mood is also important: being tired after a frustrating day’s work instead of just returning from a relaxing weekend has an effect on how one experiences a busy restaurant. Bitner ultimately says that consumers can react to a space in two opposing ways: approach and avoidance. Approach is about wanting to stay in the space, investigate it and spend money in it and want to return to it. Avoidance is the opposite of that:
want to go away, not wanting to return, having no interest in it, etc. Ezeh & Harris (2007) also incorporate this aspect in their definition of servicescape: “The design of the physical environment (with or without customer input) housing the service encounter, which elicits internal reactions from customers leading to the display of approach or avoidance behaviours.” (p. 61).

Incidentally, the servicescape does not just influence the individual behaviour, but also the nature, quality and the development of social interactions that take place within the space. The layout of the physical space has a demonstrable effect on communication patterns, group formation and group dynamics. Particular environments invoke predictable social behaviour and activate conventions about how to interpret the situation (Goffman, 1974). A theatre, a train compartment and a waiting room at the dentist all have their conventions and behaviours that are influenced by the specific physical layout of these rooms.

**Figure 4: Bitner’s model of Servicescapes**

Bitner’s model of servicescapes (Figure 4) is generally considered to be relevant (Eroglu & Machleit, 2008), but, strangely enough, the empirical research into the role of servicescapes is relatively limited (Turley & Milliman, 2000; Ezeh & Harris, 2007). Furthermore, the empirical research that has been conducted is often just about the influence of a single element, for example, smell or colour “…to the extent that little is known about the global configurations of aspects of the servicescape” (Ezeh & Harris, 2007, p. 79). Or it only focuses on part of the model, such as demonstrating that the emotional state of shoppers is a predictor of buying pattern (Donovan et al., 1994) or the discovery of irritating aspects in the shop environment.

---

18 This is a simplified version of the original model, taken from Van Vliet (2012).
(D’Astous, 2000). The research that has been conducted is still focused on causal micro-relationships and not on the ‘Gestalt’ or the visitors ‘holistic’ experience, in brief the ‘global configuration’ (Eroglu & Machleit, 2008).

Conceptually, there are also remarks that can be made about the Bitner model, for example, with regard to the social factors. Bitner explicitly omits these as part of the servicescape and only refers to them as a resultant within her framework. Other researchers do postulate the social factors as a significant influencing dimension of the servicescape, because social interaction constitutes part of the space. In addition, there are also new research areas that have presented themselves and which Bitner could not have foreseen, namely those of the online servicescapes, which are also known as e-scakes. The assumption is that a different configuration is applicable here: "Customers do not move around virtual environments the same way in which they do around physical environments" (Shankar et al., 2010, p. 113) and a different experience (Novak, Hoffman & Yung, 2000). Not only do we have to regard these e-scakes as a separate phenomenon but we also have to place them specifically in the relationship of the physical space: the digital environment ‘in’ or ‘on top of’ the physical space. This has so far not been sufficiently researched in the context of experiencescapes.

Finally, the servicescape model is not elaborated further for specific ‘subtypes’ of scapes. Research into servicescapes often includes analyses of cases, such as a specific shop or shopping centre (Sherry, 1996). In the book Festivalbeleving (Van Vliet, 2012) it is proposed to characterise a specific subclass of servicescapes as experiencescapes. Experiencescapes are servicescapes that are configured towards the visitor experience. The layout of stores, museums, sports stadia, restaurants, shopping centres, city parks and tourist attractions no longer focuses exclusively on most efficient and effective service delivery but increasingly emphasises creating the experience. We no longer drink beer in a pub but rather in an Irish pub or the Hard Rock café, we don’t eat in a normal restaurant but rather in the jungle of the Rainforest Café and we shop in the Wild West themed shopping centres that promise a rich shopping experience. Entire districts (China Town, Old Pasadena), cities (Las Vegas), regions (Merrie England) and even islands (Hawaii) consist of ‘cardboard’ nostalgia where we can re-experience the real, authentic China, England or whatever. These nostalgiascapes or retroscapes (Brown & Sherry, 2003) are only one interpretation of what we can more broadly designate as experiencescapes. Experiencescapes are specific spaces that are selected, designed and managed in order to create, support and correctly guide experiences. These experiencescapes are sought out by visitors with the specific expectation of an experience (O’Dell, 2005).

Within experiencescapes we can make further subdivisions into, for example, festivalscapes (Van Vliet, 2012), retailscapes and museumscapes. Recurring research questions for this will be:

---

19 See Venkatesh (1996) for an initial reflection.
20 But compare: "Online shoppers are affected by the methods of shopper marketing in a very similar way to the traditional shopper, even if the context is not the store and the shelf, but the browser and the computer screen." (Kotler in: Stahlberg & Maila, 2012, p. ix).
21 An exception is the study of Appadurai (1990) who employed a typology of scapes for the global cultural economy for which he identified five scapes, which he called financescapes, mediascapes, technoscapes, ethnoscapes, and ideoscapes.
What is the 'global configuration' of an experiencescape? What relationship is there between this configuration and the consumer/visitor experience? What is the role of digital media in the experiencescape and when, how and to what extent does it influence the configuration of those experiencescapes and the experience? What are the differences between the subcategories of experiencescapes (festivals, museums, stores) and what relationship do they have with the experience? What is the role of social factors in the experience of experiencescapes? How can the analysis of experiencescapes contribute to a more refined value proposition for new services and products when developing business models?
References


INretail. 2014. *De nieuwe winkelstraat*. Zeist: InRetail/NRW.


— 2014. *Innovate or Die*. www.shopping2020.nl


