Chapter 12

Branding, Marketing, and Design: Experiential In–Store Digital Environments

Anthony Kent  
University of Lincoln, UK

Marta Blasquez Cano  
University of Manchester, UK

Charles Dennis  
University of Lincoln, UK

Eva Helberger  
University of the Arts London, UK

Josko Brakus  
University of Leeds, UK

ABSTRACT

The aim of this chapter is to develop knowledge of retail environments through an overview of the most used technologies in retailing and the contribution of in-store technologies to the experience of the fashion store environment. The chapter commences with an overview of the influence of multichannel development, consumer-facing technologies, and their adoption by fashion retailers. The second part examines the use of digital signage and its contribution to atmospherics in a department store. The researchers have used a mixed method approach, with observational techniques drawn first from ethnographic methodology, and second, a quantitative approach to consumers’ environmental response behavior. The results indicate a limited use of innovative in-store technologies and reliance on conventional technological media in fashion stores. Secondly, digital signage demonstrates both communication and experiential effects. The chapter concludes with a discussion of convergence between the virtual and physical store environments and the implications for theory and management.

INTRODUCTION

Mobile connectivity provides new opportunities for browsing and shopping; mirroring computer-based online sales growth, fashion clothing has become the most popular category in m-commerce (Mercer, 2013). According to industry reports (Bain, 2011; Deloitte, 2011; Marketing Week 2013; Retail Week 2013, 2014) retailers can stimulate store-based consumption by integrating the physical and the virtual

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store experience through the installation of new and interactive technology into their physical stores. This integration offers consumers services that they have become accustomed to online, including personalized recommendation, reviews, price transparency, videos and products in addition to a sensory and immersive experience that the online store cannot provide. In the general context of marketing communications, targeted communications have grown while mass media advertising has declined (Vranca, 2009).

To the authors’ knowledge, to date no retailers with substantial investment in store technology publish information on their return on investment. Therefore no conclusion can yet be drawn from prior research concerning whether in-store technology profitably drives sales (Bearne, 2014). Nevertheless, the rapid development of online and mobile technologies and their pervasiveness, merit further examination. Consequently, the chapter commences with an assessment of the application of interactive technologies in store environments, and their contribution to in-store consumer experience. In doing so this study expands on Verhoef et. al.’s (2009) model for customer experience management, by examining in more detail which elements of the customer retail experience are permeated by the use of technology.

One technological element of the in-store environment that has become well-established is digital signage. This type of signage consists of screens in public places showing video (Dennis, Newman, Michon, Brakus, & Wright, 2010). Content may include advertisements, community information, entertainment and news. Digital signage aims to talk to shoppers while they are captive and in the mood to buy (Dennis et al., 2010). Interest in bringing advertisements into stores is growing (Burke, 2009) and many retailers have launched digital signage networks, which can also generate substantial advertising revenues (Signs of the Times, 2006).

Newman, Dennis and Zaman (2006) investigated the acceptability of digital signage to shoppers, reporting that it creates a more modern image, increases enjoyment and provides useful information, although for a minority it can be considered boring and incapable of commanding their attention. Dennis et al. (2010) subsequently explained that such signage has a significant, positive, total effect on mall consumer spending and to some extent has a positive effect on shoppers’ approach behaviors, such as spending (Dennis, Michon, Brakus, Newman & Alamanos, 2012).

In this context of personal and mobile but also retailer-led technologies and new opportunities that arise to re-define consumer experiences of the fashion store, the objectives of this chapter fall in two parts. The first is to assess the extent to which interactive technologies are used by retailers in the fashion sector, and their influence on customer experience; and further to evaluate the convergence of online and physical retailing. The second part of this chapter has the objectives of assessing the role of a specific technology in-store, digital signage, its influence on consumers’ brand experience of the store environment, its influence on their behavior and their spending.

Background

Technologies in Retailing: The Influence of Multichannel

The digital revolution has empowered consumers, raising expectations for different experiences and changing behaviors (Deloitte, 2011; Pine & Gilmore, 2011; Rosenblum & Rowen, 2012). As the internet offers more choice, the consumer now holds more power throughout different stages of the shopping process: in decision-making, at the point of purchase and in product ownership (PwC, 2011), they are more demanding and expect more from their shopping experiences (Mathwick et al. 2002; OXIRM, 2006).