

Saving Brick-and-Mortar Retail: Effects of Consumer-Engaged “Retail-tainment” on Consumers’ Store Perceptions and Store Loyalty

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Introduction. The closing of numerous brick-and-mortar stores is a significant issue in the U.S. retail industry. According to Coresights Research (2020), approximately 9,500 stores closed in 2019, an increase of nearly 35 percent from the previous year. With consumer demand for brick-and-mortar stores declining, retailers maintaining physical stores of any size need compelling reasons for consumers to shop there. Although several solutions for revitalizing brick-and-mortar retail businesses have been noted (e.g., adopting advanced retail technology), few solutions have focused on “retail-tainment.”

“Retail-tainment” combines retail and entertainment to enhance consumer’s shopping experiences (Oh & Cheon, 2018). Several retailers already create ‘consumer-engaged’ “retail-tainment” environments offering consumers activities as they shop. For example, in certain locations (e.g., Manhattan), Urban Outfitters provides customers a multi-level retail experience offering a mixture of retail, dining, events (e.g., yoga classes, live music concerts, new product launching party), pop-ups, and artist collaborations (e.g., crafting workshops). The success of this retailer is some evidence that recreational fulfillment and real human interaction that can be experienced through location-based activities can be a major driver of consumers’ store visits.

Literature Review and Theoretical Framework. There is some research evidence of the positive impact of “retail-tainment.” Nikhashemi et al. (2016) found that entertaining store attributes had a significant impact on consumer’s perceived store value and store loyalty. Using the umbrella concept of ‘experiential retailing,’ other researchers reported positive impacts of experiential retail stores on consumer’s brand experience and loyalty (e.g., Jahn et al., 2018; Nierobisch et al., 2017). However, these researchers (Nikhashemi et al. 2016) focused on store atmosphere variables (e.g., music, scent). In contrast, we investigated the effect of ‘consumer-engaged’ “retail-tainment” (i.e., activity-based “retail-tainment”) on consumer’s store perceptions (e.g., perceived store value, store innovativeness, store entertainment, store distinctiveness) and store loyalty (e.g., store visit, purchase, word-of-mouth intentions). We tested our model in the context of a fictitious fashion specialty/chain store. We were also interested in whether a specific consumer attribute, market mavenism moderated relationships between store perceptions and loyalty because individuals with a high level of market mavenism tend to seek and spread the word about innovative aspects of the market (e.g., fun places to shop) (Fitzmaurice, 2011).

Fishbein and Ajzen’s (1975) theory of reasoned action was used as the theoretical framework. This theory posits that beliefs (e.g., store perceptions) influence the formation of attitude and behavioral intentions (e.g., store loyalty), and that individual attributes (market

mavenism) have an impact on beliefs. Specific hypotheses tested were: [H1]. “Retail-tainment” influences store perceptions (H1a store value; H1b store innovativeness; H1c store entertainment; H1d store distinctiveness). [H2] Store perceptions (H2a store value; H2b store innovativeness; H2c store entertainment; H2d store distinctiveness) influence store loyalty (e.g., store visit; purchase; word-of-mouth intentions). [H3] Market mavenism moderates the effect of store perceptions on store loyalty.

Method and Procedures. A convenience sample ($n=210$) was drawn from undergraduates enrolled at a university in the Eastern United States. After receiving IRB approval, participants were directed to an online questionnaire. The first part of the questionnaire supplied participants with pictures and texts describing a fictitious fashion specialty/chain store’s offering of entertaining activities and events that engage consumers (e.g., art workshops). Next, participants were asked to respond to established measures of the variables using 7-point scales: “Retail-tainment” (e.g., “This store offers fun events.”), store value (e.g., “The entertaining factors this store offers would make a good impression on the store.”), store innovativeness (e.g., “This store offers a creative shopping environment.”), store entertainment (e.g., “I would enjoy the entertaining environment in this store.”), store distinctiveness (e.g., “This store is different from other stores.”), store loyalty (e.g., “I am willing to visit this store for my fashion shopping.”), and market mavenism (e.g., “I like introducing new trends, places, or products to my friends.”). The last section contained demographic questions (e.g., age, gender). Structural equation modeling was used to test hypothesized relationships between variables.

Participant characteristics. Participants were women (78.0%), Caucasian (45.8%), and in their junior year (40.7%). They ranged in age from 18 to 29 years ($m=21.3$). Slightly more than half (50.8%) indicated that they visited brick-and-mortar fashion stores 2-4 times a month.

Results. Confirmatory factor analysis showed that the measurements had acceptable construct validity, convergent validity, and discriminant validity. All item loadings were higher than 0.50 ($p<.001$), supporting unidimensionality of each construct. Cronbach’s alpha coefficients were higher than 0.70, indicating that the reliabilities were acceptable for all measures. The structural model exhibited a good fit with the data ($\chi^2/df=1.44$, CFI=.97, NNFI=.96, IFI=.97, and RMSEA=.050). Regarding H1, “retail-tainment” had a significant positive effect on store perceptions: store value (H1a, $\beta=.17$, $t=1.80$, $p<.05$), store innovativeness (H1b, $\beta=.34$, $t=2.55$, $p<.01$), store entertainment (H1c, $\beta=.66$, $t=3.96$, $p<.001$), and store distinctiveness (H1d, $\beta=.35$, $t=2.80$, $p<.01$). For H2, store innovativeness (H2b, $\beta=.18$, $t=1.87$, $p<.05$), store entertainment (H2c, $\beta=.61$, $t=3.96$, $p<.001$), and store distinctiveness (H2d, $\beta=.27$, $t=2.83$, $p<.01$) all had significant positive effects on store loyalty but not store value. Supporting H3, the effects of all store perception variables on store loyalty were higher when participant’s market mavenism was high than when it was low ($X^2(1)=5.143$, $p<.05$).

Discussion and Implications. These results provide evidence that ‘consumer-engaged’ “retail-tainment” can be effective in generating positive store perceptions and store loyalty. These results suggest that in order to attract consumers to brick-and-mortar stores over other types of shopping venues (e.g., online stores), fashion brands and retailers should consider creating consumer-engaged, entertaining retail experiences such as fun events/activities where consumers can participate in. Our findings also suggest that individuals with a high level of market mavenism are likely to be loyal to a store that offers “retail-tainment.” Marketers may want to promote their store entertaining events through market mavens such as bloggers or Instagram influencers. For future directions of research, our research model can be applied to other types of brick-and-mortar stores including sole proprietorships and department stores.

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