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**Technology and Human Capital: New Business and
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The Impact of mobile devices on the shopping experience

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Abstract

The use of mobile devices, such as the mobile phone, has changed the way we live our everyday life, is part of our culture, and the access to information is done anytime and anywhere. This is a new opportunity for the retailers to influence shoppers' attitudes and behaviours.

The present research aims to understand why, how and when do shoppers use mobile devices as their shopping assistance, and as result, what happens when they do. Do shoppers have better shopping experiences?

A qualitative and quantitative research design is needed to explore this issues and teste the conceptual model.

It's expected that this research will allow to understand shoppers' motivations and behaviours and fulfil the gap in the knowledge of the impact of new technologies in shopping experience.

Keywords

Consumer behaviour; mobile devices; hedonic shopping; retailtainment; shopping experience.

1. INTRODUCTION

The use and demand for mobile devices, such as mobile phones, PDAs, and digital music players, are increasing dramatically worldwide (Shankar & Balasubramanian, 2009). In 2010, the penetration of mobile phones in the USA was of 75% and in certain regions of Hong Kong, Japan and Eastern Europe already exceeded 100% with multiple devices per person (Hu, Balluz, Frankel & Battaglia, 2010).

The personal features of the mobile device turns it into a cultural object besides the technological gadget. As cultural object takes part in practices and traditions of everyday life. They enhance personal and social experiences, while protecting the user's privacy and security. The frequency of use of mobile devices as cultural object has led to mobile lifestyle such as communicating with others, listening to music, searching information, conducting transactions, managing daily schedules and socializing (Shankar, Venkatesh & Naik, 2010).

Deloitte (2013) has conducted a research about the influence of the mobile devices in retail stores and states that consumers make shopping and purchase decisions through their mobile devices, and these numbers are increasing.

Another study conducted by the Google shopper marketing Council (2013), showed us that mobile usage during shopping activities influence the purchase and the size of the basket, also that mobile usage offers reliable information and empowers shoppers, and that shoppers use their mobile devices across all product categories.

Pantano & Naccarato (2010) state that one of most popular decision support system is our own mobile device, but Spaid & Flint (2014) state that consumers do many things besides purchase and look for information with their mobile devices - they make calls to friends, take pictures, and many more activities in-store.

The consumer's behaviours have utilitarian and hedonic motivations and they are going to have an impact on their shopping experience (Arnold & Reynolds, 2003). If there are many ways one can use their mobile devices while shopping, we can get different outcomes from the shopping experience.

The main goals of this study are to understand the consumer's motivations when they are shopping with their mobile devices, and to create a model that explains the impact on their shopping experience.

The research will focus on two different types of stores of two different categories, electronics and appliances and fashion stores. This happens because there are differences between categories and stores in terms of involvement, perceived risk and motivations, possibly making the in-store shopping experiences different.

There are still a few studies in this field, and the majority are qualitative investigations and/or experimental studies that don't give answers to the problematic, so besides an exploratory investigation with qualitative technics we will try a quantitative research with a survey to the shoppers who are naturally users of mobile devices. We hope to give to retailers some answers to what is going on their stores and how can they deal or take advantage of it, providing great shopping experiences to their customers.

2. METHODOLOGY

The first step and very important through all the project is the literature reviews that will support theoretically the investigation.

The second step will be the design of a qualitative study, inserted into an interpretive focus contemplating an exploratory study through semi-structured interviews that will help to give answer to why, how and when shoppers use mobile devices as their shopping assistance.

The participants (sample) will be males and females that belong in the generation Y also known as "Millennials", consumers born between 1977 and 1990 ((Shankar et al., 2010). Related with the IDT developed by Rogers (2003), the "Millennials" are the biggest challenge and opportunity to retailers, depending how fast they can follow their innovation needs. They are the "early adopters" and "innovators" that most likely use mobile devices to shopping assistance (Spaid & Flint, 2014). The data will be coded and analysed with an appropriate software such as ATLAS or MAXQDA.

Following the research questions after the data analysis from the interviews the new and improved model needs to be tested, and need empirical prove through a quantitative research (positivist approach) (Schifman & Kanuk, 2007). A survey will be developed based on scales from the literature and the sample will be collected in two different category stores in the Lisbon metropolitan area: fashion and electronic and appliances stores. The participants will be representative from the population and it will be necessary to make a pre-test survey. The data will be analysed in a IBM-SPSS software and then the model will be tested in LISREL or AMOS software.

This will answer what happens when shoppers use their mobile devices when shopping and if they have better shopping experiences.

3. LITERATURE REVIEW

The retail management (ou encompasses) a process of developing strategy and tactical decisions in order to have a competitive advantage in the marketplace (Levy & Weitz, 2007; Lendrevie et al., 2015).

For the consumer, the experience of shopping for itself can bring emotional responses (Machleit & Eroglu, 2000). Creating emotionally engaging experiences for in-store consumers is now more important for the retailers (Bäckström & Johansson, 2006), in order to influence their purchase decisions (Schmitt, 1999).

The retailers can manipulate all the environmental variables to create satisfying shopping experiences, or minimize the unsatisfying factors such as noise, unpleasant odours and/or overcrowded places (Eroglu & Harrell, 1986; Machleit & Eroglu, 2000).

The same retail environment can create different feelings on the shoppers, depending on their goals (Puccinelli et al., 2009), and it can be task or recreation oriented (Levy & Weitz, 2007). The consumer shopping behaviour and satisfaction with the shopping experience, more specifically, influences the need of recognition, information search, evaluation, purchase and post purchase stages (Puccinelli et al., 2009).

A better understanding of the shoppers feelings when interacting with the environmental elements, such as, excitement, joy, interest, and pleasure to anger, surprise, frustration or arousal, can play an important role on the shopping behaviour and respective outcomes (Machleit & Eroglu, 2000). A negative mood can be more influential than a positive mood and positive atmospheres lead to a longer permanence in-store, more money spent and increased propensity for impulsive buying, so the experience that the retailer can provide to the consumer can and will define the consumer behaviour (Babin & Darden, 1996; Donovan & Rossiter, 1986; Foxall & Greenley, 2000; Sherman et al., 1997; Spies et al., 1997 cited by Bäckström & Johansson, 2006).

For the shoppers, the purchase is not an important element on the experience, they can have fun and enjoy the experience without buying (Tauber, 1972; Puccinelli et al., 2009), so the shopping experience can be influenced by the fun the store can provide (Pantano & Naccarato, 2010).

"Entertaining shopping experience can be defined as fun and pleasurable shopping experiences and are similar to leisure or recreation experiences, perceived freedom, and involvement"(Gunter & Gunter, 1980; Mannell, 1980; Hirschmen,1983; Unger & Kernan,1983; Bloch et al, 1986; Babin & Darden, 1995 cited by Jones, 1999).

The act of shopping can have "substantial "escapist" and "fantasy-like qualities" because it helps people to forget their problems in others aspect of their lives (Babin, Darden, & Griffin, 1994). We can differentiate entertaining from non-entertaining shopping experience when they are pure utilitarian, they have lack of pleasure, and it can be because the product or service that is bought in an efficient manner or e.g. the salespeople were very unpleasant (Jones, 1999). An entertainment context can have a stronger impact on the consumers' satisfaction and it can add value to the goods and services that the retailer offers (Pantano & Naccarato, 2010).

The design of entertainment experiences in order to create emotionally engaging experiences to the consumer has been named through several articles as "Experiential retailing", "Entertaining experiences", "Entertailing" and "Shoppertainment" (Kim, 2001; Jones 1999; Ibrahim & Ng, 2002; Buzz, 1997 cited by Bäckström & Johansson, 2006). Recently we have reached the concept of "Retailtainment" that handles the variables of the environment, salespeople, games and others, in order to generate entertaining shopping experiences and promote the desire for some products or services in the retail store (Eastlick, et al., 1998; Lendrevie et al., 2015).

The retailers seek to influence the consumer through all stages of the buying decision process so that can make the consumer buy their product or service and instigate a re-purchase in the future. Not all the consumers pass through all the stages, some stages are skipped or the order is changed. This can occur with the available time, levels of perceived risk and the involvement with the product or service (Levy & Weitz, 2007; Kotler et al., 2009).

Involvement has a moderate effect in consumer's mood and can change the evaluation of the shopping experience into a more favourable one.

The level of involvement also makes a difference on the effect of advertising, e.g. if someone has low involvement they assimilate reference prices in their internal reference prices, and a high involved costumer make more distinction between stores (Dawson, 1988 cited by Puccinelli et al., 2009).

Retailers are more involved in creating personalized experiences to cause more involvement in the consumers (Solomon, 2006).

If consumers experience perceived risk in their decision process, it can avoid or postpone the purchase. That can be influenced by their personality, the product or service, the situation and culture (Schiffman & Kanuk, 2007).

For dealing with the negative consequences of risk, the consumers search for information to support their decision, and tend to be brand or store loyal, rely on brand and store image in the most expensive product or service and look for warranties (Kotler et al., 2009 and Shiffman & Kanuk, 2007).

"Value is provided by the "complete shopping experience," not simply by product acquisition" (Babin et al., 1994), and the value perception can be based upon direct or distanced usage experience (Mathwick et al.,2001).

Many identify value as a trade-off between perceived product quality and price. Value is an important moderator variable intervening in the perceptions of quality and product's intrinsic and extrinsic attributes and their respective choice (Dodds and Monroe 1985; Dodds et al., 1991 cited by Babin et al., 1994).

The task-related and rational characteristics of the shopping experiences have long been studied by shopping research (Batra & Athola, 1991 cited by Arnold & Reynolds, 2003) related with the theory of needs satisfaction that states that "all consumption events are capable of fulfilling needs at lower, more functional levels, as well higher, more psychological level" (Oliver, 1991; Herzberg, 1959 cited by Jones 2006). There is also the recognition of another type of shopping value motivation. One is a more rational side, the utilitarian shopping value, and the other more related with affectivity and a psychological manner, the hedonic shopping value. In order to analyse consumer shopping behaviours, the two dimensions must be considered (Babin et al., 1994; (Babin et al., 1994; Babin & Darden, 1996). Utilitarian shopping activities are related with a work assignment and the motivation for convenience and time saving (Babin et al., 1994; Jarvenpaa & Todd, 1997; Teo, 2001 cited by Yang & Kim, 2012).

The hedonic shopping motivation enhances feelings and psychological sensations and gives highlights to shopping for entertainment purposes (Westbrook & Black, 1985; Arnold & Reynolds, 2003; Kim, 2006; Mathwick et al, 2001; Kim, 2002 cited by Yang & Kim, 2012).

Arnold & Reynolds (2003) identified six dimensions for hedonic shopping motivations "Pleasure and gratification shopping", "Idea Shopping", "Social Shopping", "Role shopping", "Value Shopping", "Achievement" and "Efficiency".

Satisfaction is strongly related with hedonic rather than utilitarian in the shopping context and while shopping already has a utilitarian component, its potential for emotional responses is substantial (Jones, 2006).

As said, seeking successful shopping experiences are often far more significant than the simple acquisition of products (Sherry, 1990 and Babin et al., 1994 cited by Arnold & Reynolds, 2003).

A product information given in a purchase situation can influence purchase behaviour and increases the shopping value, that's why the assistance support systems are now so important in bricks-in-mortar stores (Kowatsch & Maass, 2010).

A decision support system is applied in evaluating and selecting retail products, comparing and giving information about competing alternatives, it operates on the personal mobile device of the consumers. There are three important trends that represent an opportunity of their usage in-store: mobile devices now have more computing power and are smaller; the increase of consumer's adoption; the opportunity of using wireless networks to products themselves showing their descriptions (Heijden, 2006).

The use of mobile devices can affect the in-store shopping experience, because it can provide to consumers new enjoyable elements during shopping, and, as seen before, consumers are more willing to purchase more due the fun provided in store (Pantano & Naccarato, 2010).

The use of an innovation that is enjoyable and useful increases loyalty and future use (Henderson et al., 1998 cited by Shankar & Balasubramanian, 2009).

In order to understand the behaviour of those who use mobile devices to assist in their shopping experiences, it is important to understand the behavioural motivations and technology acceptance theories (Spaid & Flint, 2014).

Developed by Fishbein & Ajzen (1975), the theory of reasoned action describes that the intention of the behaviour is informed by the consumers' attitudes towards that behaviour and a subjective norm. An attitude could be negative or positive and a subjective norm is what the consumer comprehends has other importance to him expects he or she perform. The TRA helps to explore the attitudes shoppers have toward the use of mobile devices (Fishbein & Ajzen, 1975 cited by Spaid & Flint, 2014).

Ajzen in 1991, created the planned behaviour theory in order to report the limitations of the TRA, where the consumer don't have will power over certain behaviours. The TPB add a behavioural intention and the actual behaviour (Ajzen, 1991 cited by Spaid & Flint, 2014).

Based on the motivational behavioural theories, the technology acceptance theory is a process of decision of adopting a new technology.

As the mobile devices are a new technology, one must know who and how the probabilities of use are, and further help in the development of the study.

The "Innovation Diffusion Theory" suggests individuals adopt a new technology at a different time depending on how innovative they are (Rogers, 2003). This theory help us to understand the stages of a technology diffusion as well the characteristics of the adopters. There are five characteristics of innovations (relative advantage, compatibility, complexity, trialability and observability) that influence the acceptance, and there are five categories based on the time when they accept the technology (Innovators, early adopters, early majority, late majority and laggards) (Mahajan et al., 1990; Yi et al., 2006 cited by Im & Ha, 2012). The life cycle of the ID follow a normal distribution of the population and the categories fall in degrees of standard deviation. Our user of mobile devices are expected to be "innovator" and "early adopters" users. (Rogers, 2003).

The technology acceptance model is used to predict the acceptance of a new technology. It was developed by Davis (1989) and the two main features of the model are the perceived usefulness and perceived ease of use. The goal of this model is to identify determinants of technology adoption behaviour at an individual level (Davis, 1989 cited by Im & Ha, 2012). It is expected that the mobile devices adopters have perceived usefulness and perceived ease of use as well as favourable personal attitudes towards technology (Spaid & Flint, 2014).

4. CONCLUSIONS

This project will shed light on the consumers shopping motivations and bring knowledge on the extrinsic and intrinsic motivation in the use of mobile devices as shopping assistant. Knowing how this may affect their consuming behaviours, retail management strategies can be improved and deliver to the costumers better shopping experiences and consequently increase their satisfaction, trust and loyalty. Based on the literature review and in the research aims of the project, an attempt of shape a conceptual framework was made (figure 1).

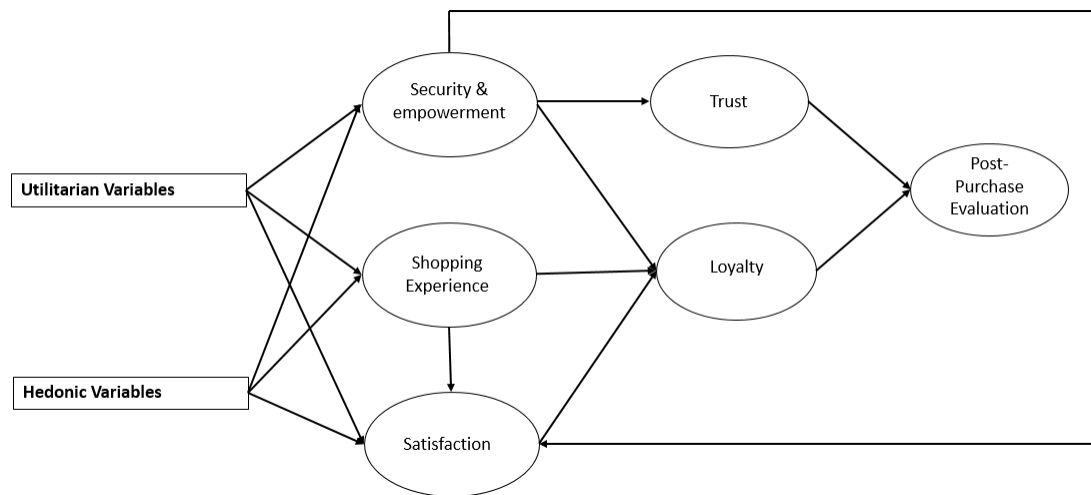


Figure 1 – Preliminary Conceptual Framework

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