From Omnichannel Retailing to "Diachronic Retailing": Blending Digital Technologies with Traditional Marketing Strategies and Practices

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Abstract:

While business and consumer practices radically evolved during the last decades (e.g. webrooming and showrooming phenomena in the context of omnichannel retailing today) and Digital Technologies continuously substitute and automate traditional Marketing processes and practices, there are still several critical tasks that should be implemented in the "old fashioned" way supported, obviously, by technology. Elaborating on the Kumar (2018) research call for new concepts in the evolving context of Transformative Marketing, this viewpoint paper introduces the term *"Diachronic Retailing"* as an evolution of Omnichannel Retailing focusing on the intelligent blending of traditional and innovative Marketing practices and corresponding human skills, knowledge and expertise (e.g. Personal Selling, Public Relations, Customer Service) with both "traditional" and innovative digital applications (e.g. E-Commerce, Social Media, Big Data, Business Analytics and Business Intelligence, Internet-of-Things, Augmented & Virtual Reality, Artificial Intelligence). The paper provides practical implications and directions for future research at the end.

1. The Evolution of Traditional to Omnichannel Retailing

The investments of large organizations on ERP systems during the 90s, on CRM systems at the first decade of the 21st century and on Big Data and Business Intelligence, Business and Predictive Analytics, Artificial Intelligence, Machine Learning and Recommendation Systems, Virtual and Augmented Reality, Internet-of-Things (IoT) and Omnichannel practices, etc. in this decade, reflect the continuous business efforts for effectively exploiting technology evolutions in business operations (see Grewal, Roggeveen, and Nordfalt, 2017; Kannan & Li, 2017; Ng & Wakenshaw, 2017; Verhoef et al., 2017).

Rigby (2011, p.4) defines omnichannel retailing as "an integrated sales experience that melds the advantages of physical stores with the information-rich experience of online shopping", while Levy, Weitz, and Grewal (2013, p.67), define omniretailing as "a coordinated multichannel offering that provides a seamless experience when using all of the retailer's shopping channels". Similarly, Shen et al. (2018, p. 61) state that "Along with the rapid development of in-store technology, multichannel service is being shifted to omnichannel." Quite recently, Cao and Li (2018) reviewed the determinants of retailers' cross-channel integration and Barwitz and Maas (2018) the determinants of interaction choice for understanding the omnichannel customer journey. Along these lines, Hüseyinoğlu et al. (2017) applied the So-Lo-Mo (Social-Local-Mobile) concept in the context of Omnichannel Retailing and Grewal et al. (2018) thoroughly investigated the role of mobile phones in physical stores from various perspectives and call for further research on that topic. In sum, several recent research studies call for further investigation of the webrooming and showrooming phenomena in the omnichannel context (Rapp et al., 2015; Daunt & Harris, 2017; Gensler, Neslin, and Verhoef, 2017; Gu & Tayi, 2017; Chen, Cheung, and Tan, 2018).

Consumers today seem to be mature and familiar with the use of innovative retail technologies even within the physical stores (e.g. proximity technologies, mobile apps, self-check out technologies). Relevant research (Lazaris et al., 2017), however, has underlined the need to further enhance the value offered to consumers in the context of Omnichannel Retailing by also focusing on traditional marketing practices (e.g. well trained and experienced sales personnel equipped with technology within the physical store). To this end, Li et al. (2018, p. 50) report that "Although omnichannel retailing has gained significant interest among academics and practitioners, the mechanisms through which customers react to Cross-Channel Integration (CCI) in omnichannel retailing remain unclear".

Indicatively, in this context, a quite paradox phenomenon takes place when consumers visiting a physical retail store are more informed about specific product characteristics (e.g. through webrooming) than the salespeople serving them, are. In that case, what consumers really need is the provision of information and/or service that they cannot easily find online or by their friends (online or offline) and family. Similarly, in many instances, salespeople are confused and are not able to instantly provide appropriate answers when consumers negotiate about product prices (e.g. *"please convince me why to buy this product from your store and not elsewhere where this specific product is cheaper"*) as a result of visiting price comparison sites through their mobile phones while talking to a salesperson (or before - i.e. through webrooming). In other words, salespeople may not be experienced or trained enough to effectively face such type of emerging behaviours and, thus, it becomes quite difficult to convince customers to buy the desired product from that particular physical store, thus, leading to showrooming behaviours. This also stands online where consumers and salesmen interact through other means (e.g. call-centers, video calls, chat, e-mail, social network messengers, 3D technologies through avatars). Similarly, since detailed product information and several relevant services are available online, sales personnel must provide value-added information and services to customers visiting the physical store (i.e. information and services that consumers cannot find online). Along these lines, Zhang et al. (2018) found that consumers are empowered with more self-control to shop in the context of omnichannel retailing and that this empowerment positively affects their trust and satisfaction towards the retailer. Yurova (2017) found that saleperson's adaptive selling behaviour along with product type determine salesperson's influence on omni-consumers. Adaptive selling, however, calls for investments in traditional Marketing tasks like personal selling techniques (i.e. training and education of sales staff and/or recruitment of experienced sales personnel, etc.). Similarly, Gensler et al. (2017) found that price is not the only criterion for showrooming behaviours.

Quite recently, Kumar (2018), in the context of the "Transformative Marketing" concept, underlines the need to provide personalized content, service and offerings to consumers through both technological tools and human resources. He notes (p. 9) that "transformative marketing can enable marketers to integrate technology, marketing and resources to drive more value for all the stakeholders". In other words, while personalization can be applied through new technologies (e.g. recommendation systems, artificial intelligence), several critical tasks like personal selling, in many instances, must be applied in the "old-fashioned" way supported, however, by digital technologies (e.g. CRM systems, mobile terminals for sales associates, access to price comparison sites, etc.).

While Digital Technologies contribute to the provision of value added information and technology-mediated services to both consumers and businesses at low, comparatively, cost (Inman & Nikolova, 2017), it seems that there is a strong need to further invest in traditional marketing practices that along with technology will enhance the value offered to customers and, correspondingly to all the involved business players. To this end, Heinze and Matt (2018) report that for complex products consumers prefer direct human assistance that will help them understand the product and reduce associated risks.

2. "Diachronic Retailing": Intelligent Blending of Traditional Retail Practices with Technology

It seems that a promising source of sustainable competitive advantage for retail businesses in the near future should be based on the balanced evolution of both human and technical factors blended in an optimum setting. Despite the trend of self-service retail technologies, consumers today seem to realize the contribution of traditional marketing practices as well, in the context of their customer journey (e.g. value-added information provided though a face-to-face communication by an experienced travel agent for a high-involvement service, like leisure travel). In other words, after several decades of technological development, it seems that today, no more than ever, the life cycle of technology outcomes is on the maturity stage where, more or less, most of the retailers and consumers have already adopted several of the available IT outcomes and corresponding solutions in their daily practices. Thus, a promising comparative advantage that could lead to competitive one could be based on the investment on human skills and knowledge along with existing technology, as well as on continuous technology innovations. Besides, such differentiation strategies in maturity stages where the competition is fierce, would help companies to avoid price wars and survive. From another perspective, the Kumar (2018) call for personalization implies over-segmentation of the market. This, as a key characteristic of the maturity stage, ultimately leads to "segments of one customer" in order to apply all or some elements of the marketing mix (e.g. personal selling as an element of the promotional mix) at the individual level (i.e. differentiated marketing through adjusting positioning strategies in the context of the STP procedure). However, the "standardization vs. adaptation" strategic dilemma still remains. Moreover, low-cost personalization through digital technologies is not a panacea. Indicatively, personalized Positioning in the STP context through manipulating the marketing mix at the individual

level, may lead to different brand image perceptions for different customers and, thus, may not be a desired strategic decision.

While technology breakthroughs continuously enter the market (past, present and future), corresponding developments in the human factor intelligently blended with IT factors (e.g. traditional personal selling techniques combined with the use of state-of-the-art technologies) would contribute towards providing effective solutions to the existing limitations of the omnichannel retailing era (e.g. *"imagine a trained salesman in a physical store that while serving the customer has access to price comparison sites, social media that provide user ratings and reviews, CRM 360^0 degree view of the customer and ERP access to stock availability and exclusive product offerings "*). Moreover, since several innovative technology outcomes continuously enter the market and become widely adopted by businesses (e.g. artificial intelligence, proximity-based location services, gamification, augmented/virtual reality, Internet-of-Things, pervasive retailing through RFID technology, digital signage, etc.) and increasingly embraced by consumers (e.g. mobile apps, So-Lo-Mo services, social commerce and user generated content, consumer co-creation and participation through product & services co-creation, etc.), the maturity of both traditional and electronic practices, as far as retailers and consumers attitudes and behaviours are concerned, is more than evident today. What is missing may be reflected to the *intelligent blending* of all the available electronic and traditional sources that survived through time (and seem promising for the future) and could enhance the value offering to the end customer along with, of course, the non-stop adoption and intelligent incorporation of technical and non-technical innovative tools and practices. This *blending* implies further coordination, integration and interoperability of digital and non-digital aspects reflected in business practices and consumer behavioural patterns (e.g. combine artificial intelligence benefits with traditional personal selling techniques in the physical store, towards serving customers in an optimum manner).

Elaborating on the aforementioned discussion, the present study introduces the term "Diachronic Retailing" defined as follows: *"The intelligent and continuous blending of human expertise, knowledge and skills with proper Digital Technologies in the design of integrated Marketing processes and practices that add value to products and services offered to consumers"*. "Diachronic" is a Greek word meaning something that *withstands time*. While traditional Marketing practices (e.g. sales, public relations, customer service, price negotiations, etc.) are successfully used by businesses for several decades until today, one could claim that the same also stands for several IT-enabled Marketing strategies and practices (e.g. online sales through e-shops, automated customer service through multichannel

communication, dynamic pricing, personalized advertising, search engine marketing optimization, etc.), which are continuously and successfully used by companies during the last decades. Correspondingly, consumers are used to interact with businesses through all the above practices during the last decades and keep on adopting innovative IT applications and tools in their buying behaviour stages (e.g. five stages of consumer behaviour process). Thus, "Diachronic Retailing" implies the adoption and exploitation of the best ingredients that proved effective and *survived* through the time as well as continuously adopting (through the appropriate adjustments) innovations that refer to both technology and non-technology aspects. To this end, Inman and Nikolova (2017, p.7) report that "Continual innovation and new technology are critical in helping retailers' create a sustainable competitive advantage". Indicatively, several aspects of B2C interaction were and are still applied in many instances without the direct use of technology (e.g. personalized services though customer service, B2C and B2B personal selling techniques, public relations, negotiations, relationship marketing practices). In a similar vein, the study of Sengupta, Ray, Trender, and Van Vaerenbergh (2018) underlines the promising role of the offline retail channels for service recovery. In sum, the new characteristic that "Diachronic Retailing" brings to the society is the ultimate combination of existing and new knowledge as reflected in Marketing strategies and practices and IT applications and tools, towards intelligently serving the end customer in the context of a win-win relationship beyond channels. After all, research implies that retailing in the form of omnichannel is to provide a channel agnostic shopping experience towards a brand, regardless of channels (Verhoef, Kannan, and Inman, 2015).

3. Implications and Concluding Remarks

Applying the concept of "Diachronic Retailing" undoubtedly implies high investments on education and training initiatives and/or recruitment of experienced front-line personnel (e.g. sales personnel, customer service agents, public relations staff). It is important to understand what consumers are really looking for (e.g. shopping missions, customer journey) when they visit either the physical or the electronic retail store or, simultaneously, both of them (e.g. access to the online store of the retailer through the use of mobile phones, while visiting the physical store of the retailer). Thus, Marketing Research initiatives can contribute towards designing and offering the optimum retail mix to the customers. Indicatively, retailers today, no more than ever, seek help and support for confronting the increasing showrooming phenomenon. However, when the suggested solution is the increase in the personal selling

spending (as an element of the promotional mix), it is still unclear whether retailers are willing to invest at this comparatively high-cost activity or whether they believe that technology (e.g. artificial intelligence, CRM systems, voice recognition systems through call centers, cashier-less shops, etc.) could effectively and *totally* replace front-line human expertise, knowledge and skills, thus, keeping the cost at lower levels. It should be reminded, however, that since IT continuously substitute several business and consumer tasks during the last decades, some IT skills with high demand today (e.g. Digital Marketing skills) may be gradually and partially replaced either by "machines" or by new IT skills. On the other hand, "traditional skills" like face-to-face communication (e.g. personal selling, public relations, negotiations), strategic and analytical thinking, creativity, etc. cannot be easily replaced by technology, implying high demand by the job market in the future. Apparently, however, also these skills must be continuously and properly adjusted to the evolving micro- and macro-Marketing environment.

It should be reminded that Strategic Marketing decisions regarding the "standardization vs. adaptation" approach along with the desired Positioning concept (i.e. desired image) that any given company desires to accomplish in the context of the STP procedure, should be also taken into account. In sum, the Strategic Marketing Planning as reflected in the Marketing Plan of the company must incorporate such decisions (e.g. promotional mix strategies that refer to the personal selling and public relations elements of the mix).

The majority of consumers today still have the feeling that online prices are lower than the offline ones. However, when consumers realize that they can find some products or services at lower prices at physical stores (e.g. as a traffic generation (and/or differentiation) strategy of the retailer in the physical store *or* as a result of price negotiation and bargaining through the "*old-fashioned way"*, etc.), their attitude and perceptions towards the retailer and the available shopping channels may be seriously affected. In this specific case, neither the showrooming nor the webrooming phenomena may occur since customers believe that the only way to learn about offline prices (and also buy these products) is by visiting the offline store (in the case that offline prices are not available in price comparison sites), or be *dynamically* (because of the frequent changes in product prices) informed through Social Media available channels about offline product prices by other customers that visited the specific offline store. This emerging consumer behavioural pattern could be labelled as *"Socialrooming"*, replacing the "Web" with the "Social" term. In fact, Socialrooming could also occur within the online channel, without offline switching, if consumers initially choose to be informed of products and services on social media and then purchase online. From

another perspective, if consumers visit online 3D virtual stores (in virtual worlds or in 3D e-shops) with their friends at the same time (e.g. through avatars), obviously, it is not applicable to customize several store atmosphere factors (e.g. store layout). This "social presence" leads to a "back to the basics" phenomenon (as it happens in physical stores) in the sense that one store (e.g. one layout) must serve more than one customer at the same time. Thus, limited personalization capabilities, as far as the customization of store atmosphere elements is concerned, are available to the retailer (see Krasonikolakis, Vrechopoulos, Pouloudi, and Dimitriadis, 2018; Foucart, Wan, and Wang, 2018; Vrechopoulos, 2010).

Apparently, a multidisciplinary research approach is suggested for thoroughly investigating the present study issues (see Kumar, 2015). It is clear that the consumer (either the online or the offline one) is also a *user* of an information system (e.g. the consumer that uses his/her mobile app while interacting with a salesman at the physical store, or the consumer that uses augmented reality applications in-store). Thus, Marketing and Information Systems literature could be effectively exploited for formulating research hypotheses derived through and supported by different disciplines. Indicatively, the suggested agenda for future research on that topic include the following main research directions: (a) Investigate the optimum blending of traditional and electronic tools, methods and practices that would add value to the consumers, (b) Explore business and consumer differences (e.g. sector/industry, business culture, demographics, behavioural and psychographic characteristics) as far as the adoption of the aforementioned factors is concerned, (c) Test the effects of selected elements from (a) above in the context of experimental designs, treating them as the manipulated variables (and variables in (b) above as moderating factors) of causal research settings (e.g. cause-and-effects relationships between the role of sales personnel in the context of omnichannel/self-service retailing and dependent variables like purchases, customer re-patronage intention, customer satisfaction, Word-of-Mouth intention, etc.).

The evolution of Retailing in the previous and the present century is continuous. A paradigm shift was, undoubtedly, the emergence of Electronic Commerce at the early 90s. Today, after decades of the Electronic Commerce evolution in both B2B and B2C relationships, the "back-to-the-basics" perspective, in the ubiquitous presence of technology, however, is more topical than ever and could propel a new paradigm shift. However, since both technology, human behaviour and Marketing Science continuously evolve, "Diachronic Retailing" should also put emphasis on the emerging aspects of these dimensions by continuously incorporating state-of-the-art technological and non-technological outcomes beyond omnichannel. In other words, applying the question "technology innovations affect

business practices *or* entrepreneurial thinking in terms of new business models and new-to-the-world business practices affects technology innovation?" to the "retailer-consumer" relationship, it is clear that both cases happen. Specifically, innovative retail practices affect consumer behavioural patterns, while changes in human-consumer demographic, behavioural and psychographic factors call for retail innovations that will serve evolving consumer needs and preferences in the most appropriate way.

The maturity of business, consumer and technological outcomes call, no more than ever, for something new that will further and intelligently integrate alternative channels, systems, applications, tools, methods and practices not only in terms of usage rates and behavioural patterns in general (e.g. frequency of omnichannel practices usage), but in terms of intelligently identifying and meeting *core consumer evolving needs* through reshaping and adjusting *business philosophy* and *academic initiatives* that will further and ultimately bridge the gaps between Marketing Science and Technology in the new Retailing era.

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