Do customers evaluate competence of SME retailers and retail chains differently in context of online product presentations?

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Abstract

Local shopping platforms offer especially for small retailers the potential to improve general CRM towards the local customer, but also to enhance the overall brand perception within the market. Hereby, our study concentrates on the research question, to what extent customers' evaluation of an inferior product presentation on such platforms depends on the retail format (SME-retailer vs. retail chain). Based on the resource advantage (RA) theory and the information processing (IP) paradigm, we conducted a quasi-experimental online study (N=729). Results state that customers seem to rather overlook inaccuracies from a retail chain than from SME retailers. We show that customers' perceived competence of the retailer mediates store quality's impact on customer purchasing intentions, not just of the presented product, but as well at the retailer itself. Based on our results, we give implications for retailer cross-channel strategies and hint to the importance of emphasizing the retail format.

Keywords: product-presentation; local-shopping-platform; SME

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