

# Does Adding Mobile Channels Cannibalize Offline Sales? The Role of Channel Breadth and Store Contexts

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## **Abstract**

Traditional brick-and-mortar stores increasingly embrace the trend of adding mobile channels to their channel portfolio. Although there is growing research on the effects of mobile channel addition on offline sales, channel addition breadth as well as store context moderators (e.g., store age, store space, mobile channel stickiness) receive scant attention. Using (both store- and customer-level) data from a Chinese chain catering company, we conducted interrupted time-series analysis and panel data models. We find that the short-term effect of adding mobile channels on offline sales is positive, and the long-term impact is insignificant. However, with the channel addition breadth increases, we visualize that there is a cannibalization trend on offline sales. Furthermore, we find that in the long run, older (vs. newer) stores, larger (vs. smaller) stores, and stores with lower (vs. higher) customer mobile channel stickiness can resist potential cannibalization. The managerial implications are discussed at the end.

**Keywords:** *mobile channel addition; channel breadth; store characteristics*

**Track:** Retailing & Omni-Channel Management