

Entertainmerce and Phygital consumers - Changing preferences for retail shopping destinations and retailtainment options

A Anuradha¹, Jambulingam Manimekalai², Arumugam Thangaraja³

¹ Vellore Institute of Technology, Business School, Chennai

² School of Management & Marketing, Taylor's University, Malaysia

³ Vellore Institute of Technology, Business School, Chennai

Abstract

Customers today are looking for interesting shopping destinations both physical stores and web stores, to spend some leisure time with their friends or family members to gain joyful experience. They are more phygital and frequently get to know all the details of the products and services they need through the online web sources and web store portals. Although they gain knowledge about these stores by engaging in web rooming, about 80% of them are still buying the products by visiting the stores/web stores which has provisions for entertainment. Retailing is hence forth going to be about the experience and not the product and its attribute alone. Consumers want their virtual shopping basket to include attractive product/ service of good quality that, which fulfils emotional desires, enhances their knowledge, productively engages them, entertains them and helps them in the path of enlightenment through delightfulness. This study mainly focuses on the digital revolution in shopping destinations, the concept of retailtainment, entertainmerce and the process of managing the Phygital customers which are the major factors shaping the shopping behaviour of the consumer in a major way. The result of the Conjoint analysis provides an insight that the modern entertainmerce is most preferred by customer respondents compared to their choice of conventional retailtainment options provided by the retailers.

Key Words: *Phygital Consumers, retailtainment, entertainmerce, shopper behaviour analysis, entertainment, entertainment options*

1. Introduction

The physical retail industry now and then finds its solution to the falling sales and tries to revive the magic by offering additional frills to its customers rather than giving them just a standard shopping experience. The utility factor in the retail outlets are taken care of by providing the merchandise need by the customers. The novelty factor sought by the customers can be provided only with the help of entertainment elements such as F&B, multiplexes cinema, modern gaming

arcades etc., Today's phygital customers are demanding more by forcing the retailers to sustain their breath of sales into the new retail world that competes to offer better customer experience. Shopping is making people feel a sense of relaxation and is looked upon as an option to relax from the daily routine of work-life. Shopping is chosen to be the best opportunity or pill to keep up the work-life in balance. A large part of the urban population craves to step out of their regular routine every day to do shopping online or in physical stores, seeking experience to explore the best product options to satisfy their family needs. Family shopping needs are completely different from that of the bachelor's shopping needs. Bachelor as a customer does a lot of shopping online and takes the suggestions from his or her friends of his age who are having the same years of experience in choosing those products. But the family encompasses all the members belonging to all the generations (generations X, Y and Z). Therefore in countries which give much importance to the structured family orientation the challenge before the retailers today is to move out of their comfort zone and to innovate products and service methods that can satisfy all the family members belonging to different generations.

2. Review of literature

The success of social networking sites shows that young customers love to share the social media contents such as videos, pictures, stories, jokes, comments, critiques, games, articles, profiles, preferences and even advertisements with their peers through these online platforms (Kaan Varnali., et.al., 2011). With their mobile devices people need not wait till they reach home or to reach the place where the person with whom they have to converse. Through social media customers can tell their friends about their day, criticize a movie, talk about a product they used or share a wonderful picture which they had taken using their in-built mobile camera. Therefore it is time for the retailers to think in line with increasing their in-store traffic (both physical and web stores) by engaging the customers in entertainment activities to observe them in order to design and deliver the delightful experience/s. This would automatically increase the customers' lifetime value with the store. The following literature review shows the importance of entertainment in retailing and also the ways in which the customers can be engaged to increase their patronage.

Sherry L. Lotz, Mary Ann Eastlick, Anubha Mishra, Soyeon Shim (2010), in their work on understanding patrons' participation in activities at entertainment malls have discussed in depth about the "Flow theory" which is a psychological condition typified by feelings of customers such as intense involvement and vigor during their visit to the store.

Thomas Leclercq, Wafa Hammedi and Ingrid Poncin (2018), in their research study on gamification for engaging customers, opine that despite the increasing use of gamification

mechanics to engage customers in firms' activities, the risks related to such use remain unclear. The field experiments conducted by them show that win/lose decisions weaken the benefits of gamification and in the case of losing a competition, there seems to be negative impacts on customer experience and engagement. The researchers suggested suitable methods to make gamification mechanics more effective and provides recommendations to properly implement it.

Alessandro De Nisco, Maria Rosaria Napolitano, (2006) in their research study provides empirical evidence about the main factors that influence the adoption of entertainment orientation by shopping centres and found a positive link between entertainment orientation and performance outcomes.

Jason Sit, Bill Merrilees, Dawn Birch, (2003) in their study on "Entertainment-seeking shopping centre patrons: the missing segments", identified six market segments of shopping centre patrons labelled as 'serious', 'entertainment', 'demanding', 'convenience', 'apathetic' and 'service' shoppers. Out of the six segments the entertainment and service shoppers are identified as entertainment seeking segments.

Alessandro De Nisco, Maria Rosaria Napolitano, (2006) in their study on the entertainment orientation of Italian shopping centres provides shopping centres and other retail organisations with clear guidance in developing strategies for incorporating entertainment into the traditional retail setting.

Maya F. Farah et.al (2019) opines virtual reality as a multi-sensory experience which plays an important role in the current business environment. The researcher investigated the efforts taken by retailers to increase the usage of head-mounted devices by the consumers and its impact on the shopping experiences of the consumers. They also attempted to do a qualitative study with the technical experts and the consumers. The findings of the study showed an expectation's gap which was the difference in the customer experience while using virtual reality and the physical in-store.

Sanu Meena et.al (2019) with the increase in traffic related problems coupled with the evolving lifestyle of people in general, it has become imperative to focus on trips intended for other purposes as to understand the minds of the customers. In most of the urban scenarios, shopping trips constitute the second most frequented trips after the work trips.

Retailing is not just about buying the product in the outlet, it is about a sought-after unique experience which could satisfy the joined members seeking them, such as, friends, family, corporate companions, birthday party groups, meet-up members etc., who are always looking for

some kind of novelty or the other when they are in groups. It should include enjoying, learning, emotional and enlightening options for these novelty seekers. As this generation is always with the portable kit (mobile phones) which moves along with them to serve them by offering all that they need, the application developers for the retail business are much focused on embedding all these options for entertainment on one side and the physical stores are trying to make it all real time entertainment experiences in terms of store image in their stores to attract more number of consumers. Entertainment is defined as play put on display (Martin Zerlang, 2015).

The context driven actions of the retailers are decided by the availability of huge amount of customer data in volume and variety with the retailer conceptualised as “Big data”. Who the customers are? What they are buying? How they are buying? And where else they are buying? are very clearly analysed by the retailers for effectively designing the new entertaining attributes in the store. Shopper behaviour analysis helps in the decisions on the channels of distribution to be focused and also on the necessary attributes in the store whether it is online or physical stores. By tracking the customer across online and offline channels, the customer is placed at the centre of all marketing activities.

The cash registers , loyalty cards, social media, beacons, handheld scanners, in-store traffic videos, online click streams and the mobile wallets of the customers clearly helps the retailers to capture the interests of the customers to enable them with personalised products and services. This gives a greater scope for the designing of retailtainment options like gaming in online shopping portal and setting up of aquarium, dolphin pools, multiplexes and food courts in the retail spaces.

Identifying the attributes that needs development to increase the traffic in the outlet is the real challenge that is ahead for today’s retailers. The common store attribute enhancement on day-to-day basis can be done with the help of metrics like the “gap analysis”, data envelope analysis (DEA), churn, factor, cluster analysis, multidimensional scaling techniques etc. There is a need for in-depth analysis (Viz., the RFM analysis) on the volume of money spent by the consumer in-order to identify the possible opportunities to enhance the paid recreational activities in the store. It is found from research that marketers focus on game schemes and prizes to trigger player’s intrinsic and extrinsic motivations and elicit certain behavioural responses such as sharing personal data and forwarding the game.

Role of entertainment in Retailing

With the advent of the television, socializing has become very less among the young and the old population. Tangibility of the socializing experience and entertainment cannot be compared with the online formats. Some of the traditional and the modern entertainment options are listed below.

a. Traditional Store entertainment options

Some of the traditional store entertainment options are Kids play area, Concerts, Toy Train, Free Sample shop, Magic Show, Fashion Ramp Walk, Dramas and plays, Festival theme decorations and displays, Bike trips for customers, Snow world, In-store Music, Product launch event, Birthday cake cutting for customers, Horror house, Runway Show, Off- store events (Marathon), Meet and Greet (Book Launch), Lucky draw, Work-out class and Meditation (Experiential events), Charity events and celebrity events during festival seasons, Flash Mobs, Product Treasure Hunt, Food Fest and Food Court, Sky Walk, Massage Chair, Turkish ice cream vendor's performance, Free- Fish Pedicure, Comedy clubs, Art and Craft exhibition etc.,

b. Modern Store entertainment options

Some of the major modern store entertainment options are Gaming Zone, Virtual Mirror, VR Game, Animation character display, Aquarium in the Mall, Gaming Arcades etc.,

c. Modern web store management and entertainment options for Phygital customers

Managing the modern web store is a challenging task as data is key to the interface between consumers, their content shopping experience and brand, as well as to innovation in web store attributes. To harness these three drivers the company needs to focus on the empowered customers, involved advertisers and organised collaborative digital business enterprise. By collecting the information of the customers through various social media platforms like Facebook, Twitter, LinkedIn etc., and pre-processing it, the ontology is constructed (Fig.1) which consists of relationships among the customers using social media as knowledge base for further process. Ontology deals with questions concerning what entities exist or can be said to exist, and how such entities can be grouped, related within a hierarchy, and subdivided according to similarities and differences. The proliferation of digitized content, web access, and social media has made the companies to have the ability to mine and analyze detailed /contextual information which is not previously available. Based on the constructed ontology the demographic and the psychographic (activities and interests) data of the customers are obtained and their expectations are analysed.

The existing gap between the expectation of the customers and the level of perception of the company about its web store attributes are filled by improving these attributes in order to give higher levels of satisfaction by enhancing the web store attributes to the customers.

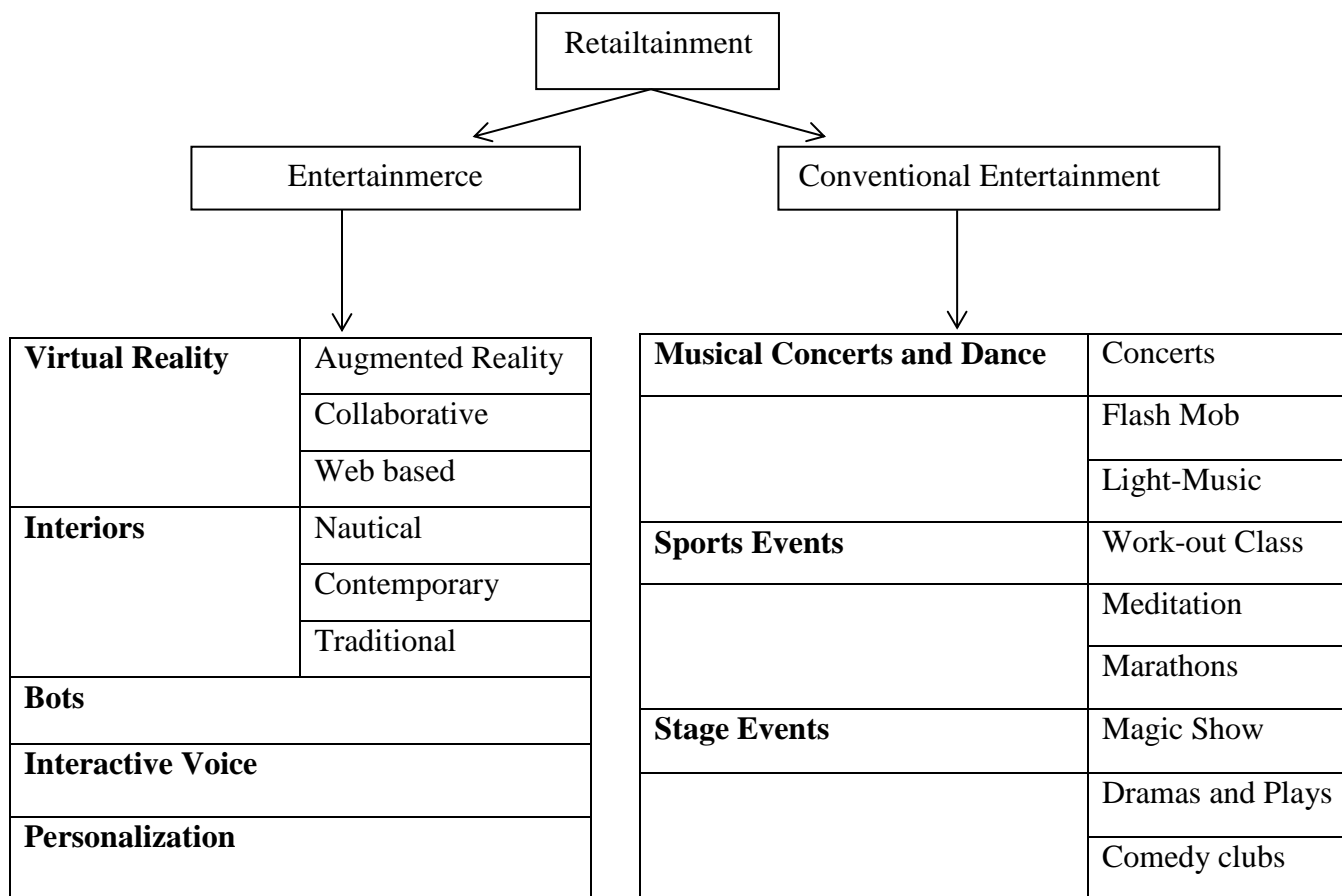
Eunju Suh and Joseph J. West estimated the impact of showroom entertainment on the restaurant revenues in a casino in a Las Vegas hotel. The findings of the research showed a positive relationship between the daily showroom headcount and food and beverage revenues.

Patric Van Esch et.al (2019) in their “study on anthropomorphism and augmented reality in the retail environment”, randomly selected the consumers/shoppers using augmented reality on a mobile device and demonstrated that anthropomorphism influences consumers’ experiences of AR and their attitudes towards brands that use it.

Sean Sands, et.al (2014) investigated on the educational and entertaining events within the store environment among the task-oriented customers and recreation-oriented customers. The findings of the study revealed that the task-oriented customers derived more value from the education focused events while the recreation oriented customers appreciated both but more of entertainment focused events.

Atieh et, al (2017) attempted to examine the impact of augmented reality on user experience and satisfaction of the customers. The result showed that augmented reality play a vital role in shopping the user experience.

The above review of the available literature shows the signs of the preference of “Entertainmerce”, which is a combination of entertainment and e-commerce by the customers especially the younger generation. The depiction (1) below shows the traditional and the emerging modern retailtainment options available in many of the modern retail stores in India.



Depiction (1) Traditional and the emerging modern retailtainment options available in the modern retail stores in India

3. Objectives of the Study

The primary and the secondary objectives of the study are listed below

1. The primary object of the study is to focus on the digital revolution in shopping and to find out the perception of consumers towards the concept of retailtainment and entertainmerce in modern retailing.
2. The secondary objective of the study is to categorise the phygital customers based on their preferences on the type of entertainment they look for in the retail outlet.

4. Research Methodology

Samples of 153 customers shopping both in physical stores and in web stores were chosen for the study from the major companies and institutional catchment area of Chennai city. Conjoint analysis is used to calculate the importance score and utility scores to measure the weightage given by the phygital customers to the retailtainment and entertainmerce attributes offered by the stores.

5. Analysis and Interpretation

Around 49 % of the sample population are young adults and 37% of sample phygital customers are millennials and the remaining 14 % are baby boomers. The economic status of the sample phygital customers ranges from 3 lakhs to 15 lakhs per annum. It was ensured that all the respondents engage in buying from both physical stores and web stores to come under the phygital category. The result of the conjoint analysis is discussed below.

Analysis on Modern entertainment options

Table.1: Conjoint analysis with attributes of entertainmerce

Model Description					
	N of Levels	Relation to Ranks or Scores			
Virtual Reality	3	Discrete			
Interiors	3	Discrete			
Bots	2	Linear (more)			
Interactive Voice	2	Linear (more)			
Personalisation	2	Linear (less)			
All factors are orthogonal.					
Utilities				Importance value	Correlation Pearson's R
		Utility Estimate	Std. Error		
Virtual Reality	Augmented Reality	.076	.170	28.106	0.441*
	Collaborative	-.084	.200		
	Web based	.008	.200		
Interiors	Nautical	.240	.170	29.723	
	Contemporary	-.315	.200		
	Traditional	.075	.200		
Bots	Yes	-.017	.256	14.138	
	No	-.034	.511		
Interactive Voice	Yes	-.360	.256	14.122	
	No	-.721	.511		
Personalisation	Yes	.158	.256	13.912	
	No	.317	.511		
(Constant)		16.749	.679		

* Significant at 0.01 level.

The term “Averaged importance score” under the box with the importance values tells us that a Combined Conjoint Analysis has been performed. These values give us a measure (in per cent) of the relative importance of the single factors for the determination of the utilities. We can see that “interiors” is the most important factor whereas “personalisation” is the least important. The

Correlation coefficients are a measure for the quality of reproduction of the empirical data by the results of the conjoint analysis. **The estimated partial values for the factor values are given in the column “Utility Estimate”.** From the utility values, it is understood that interiors and VR the factors that make maximum satisfaction to the customers. These equations are the better combination for the highest customer satisfaction.

From the result it is understood that augmented reality has got higher positive utility whereas the collaborative and web based are registering higher negative utilities.

Conjoint Analysis: The individual utilities for each attributes

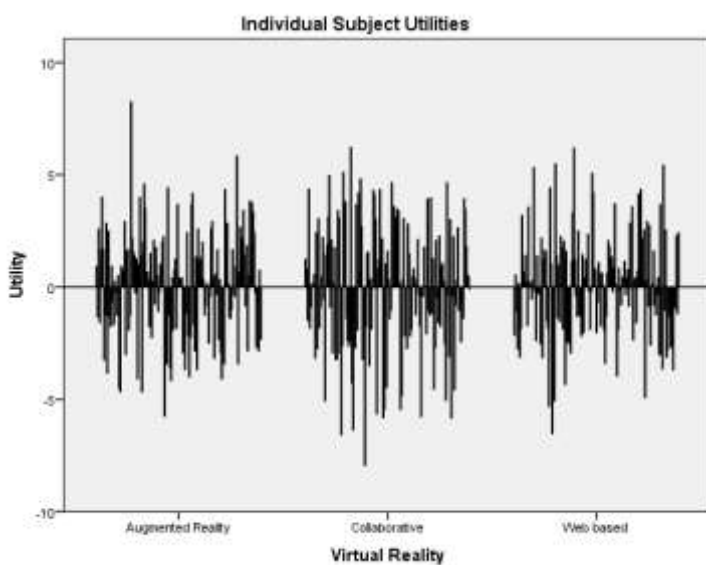


Figure 1: Virtual reality

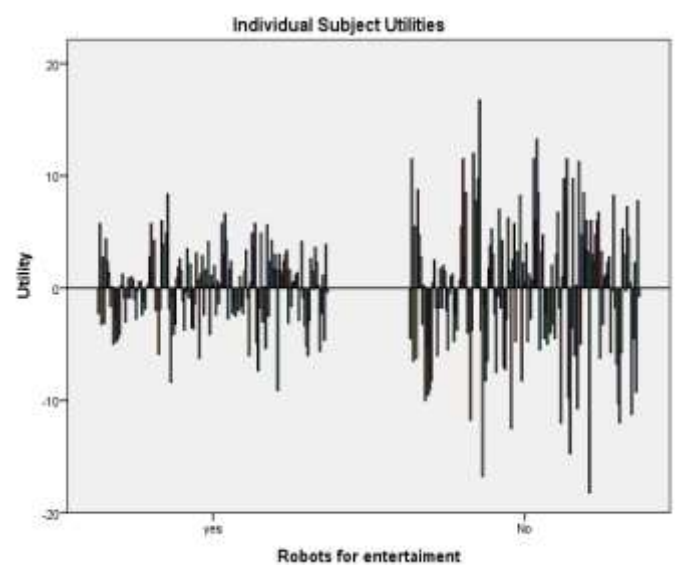


Figure 2: Robots for entertainment

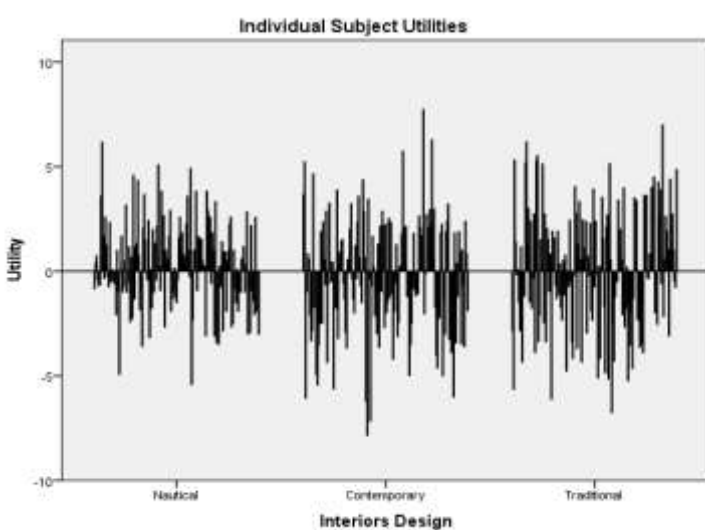


Figure 3: Interiors Design

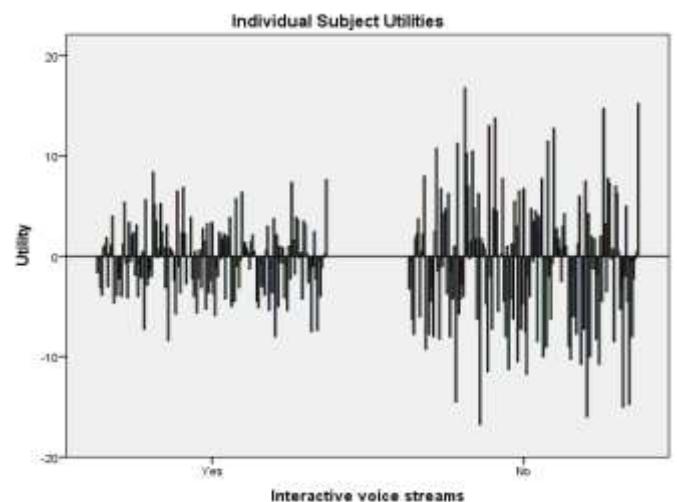


Figure 4: Interactive Voice streams

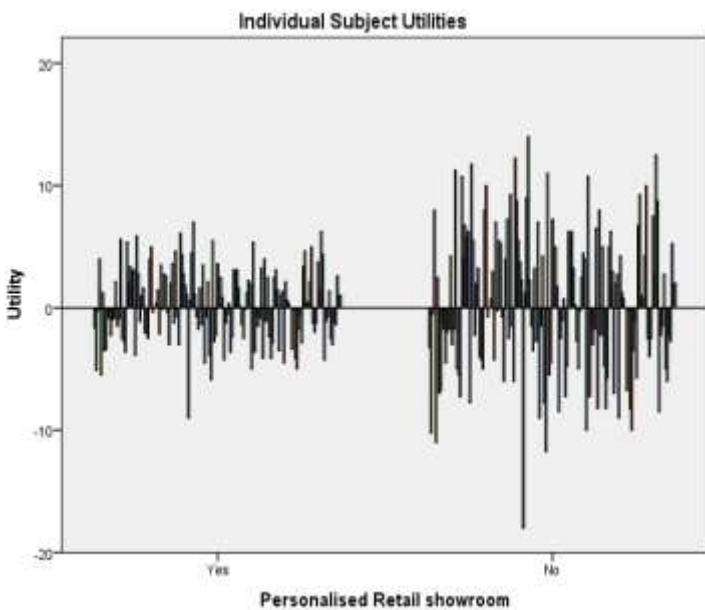


Figure 5: Personalized retail showroom

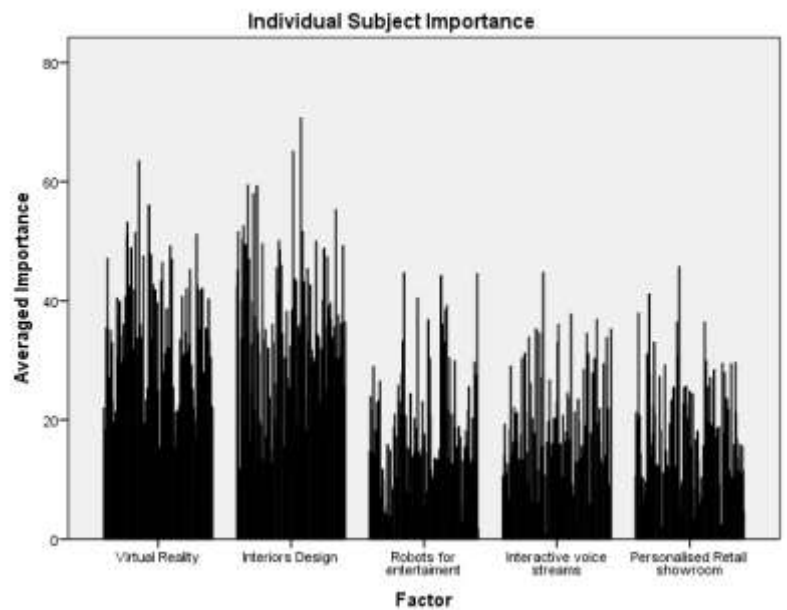


Figure 6: Importance of all factors – An individual projection

Interpretation

Figure 1:

- Based on the individual plot on the factor virtual reality which consists of three discrete attributes. From the result it is understood that augmented reality has got higher positive utility whereas the collaborative and web based are registering higher negative utilities.

Figure 2:

- Robots for entertainment are factors which comprises of two linear attributes. The results are showing that the interactive voice streams are less preferred.

Figure 3

- Based on the individual plot on the factor interior design which consists of three discrete attributes. From the result it is understood that contemporary designs has got higher positive utility and higher negative utility also. The overall summary would help the researcher to take a decision on the interior design preference.

Figure: 4

- An interactive voice stream is a factor which comprises two linear attributes. The results are showing that the interactive voice streams are less preferred.

Figure 5

- Personalized retail showroom a factor which comprises two linear attributes. The results are showing that the personalized retail is less preferred by customers.

Overall summary of each factor with attributes' utility

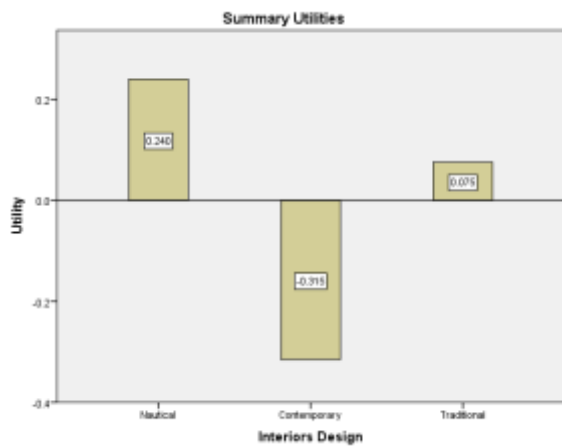


Figure 7: Interiors design –Overall

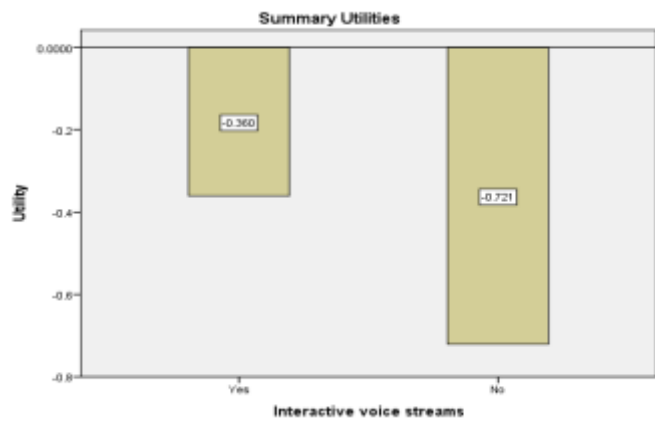


Figure 8: Interactive voice streams –Overall

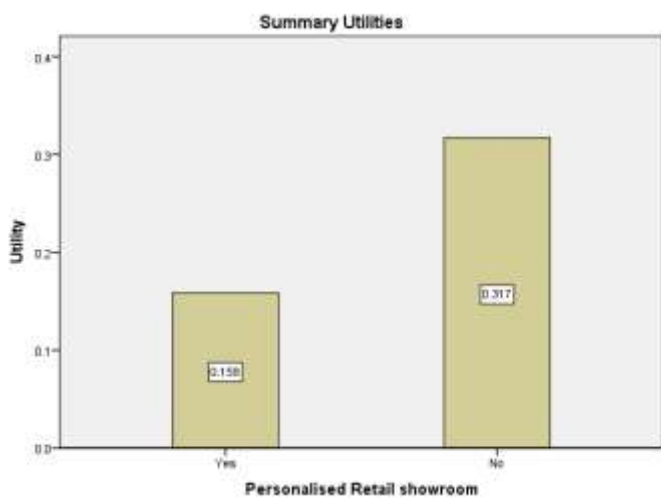


Figure 8: Personalized retail showroom –Overall

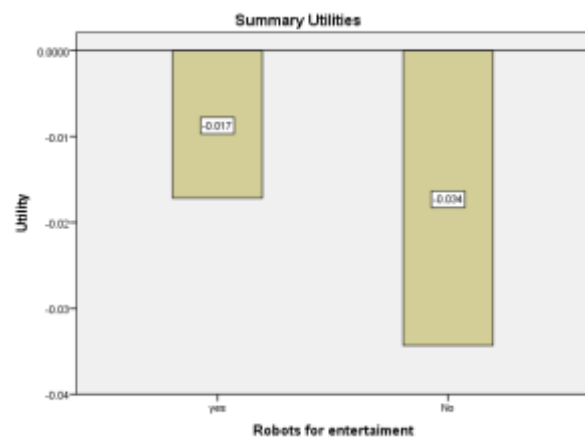


Figure 9: Robots for entertainment –Overall

Average importance values provide us a measure (in per cent) of the relative importance of the single factors for the determination of the utilities. It is visible from the table 1, that “interiors” is the most important factor whereas “personalisation” is the least important.

Analysis on conventional entertainment

Table 2: Conjoint result for conventional entertainment

Model Description					
		N of Levels	Relation to Ranks or Scores		
MCD		3	Discrete		
SE		3	Discrete		
STE		3	Discrete		
All factors are orthogonal.					
Utilities				Importance value	Correlation Pearson's R
		Utility Estimate	Std. Error		0.522
Music and Dance	Concerts	.150	.141	27.322	
	Light Music	-.078	.223		
	Flash mob	-.221	.221		
Sports and Events	Work out class	-.201	.336	22.329	
	Meditation	.094	.220		
	Marathon	-.332	.105		
Stage Events	Magic show	-.147	.032	15.778	
	Dramas and Plays	.044	.552		
	Comedy clubs	.741	.669		
(Constant)		23.422	.621		

From the utility values, in the table 2 it is understood that concerts are the most preferred event among the 'Music and dance' category of retailtainment and under 'stage events' which include Magic show, Dramas and Plays and Comedy clubs, the comedy club is the most preferred event, that gives maximum satisfaction to the customers. These equations are the better combination for the highest satisfaction in the retail stores offering traditional retail entertainment options. The Correlation coefficients are a measure for the quality of reproduction of the empirical data by the results of the conjoint analysis. The estimated partial values for the factor values are given in the column "Utility Estimate"

On the whole, conjoint analysis provides an insight that the modern entertainmerce is most preferred by customers comparatively with the conventional entertainment events. Robots for entertainment are a factor which comprises two linear attributes. The results are showing that the interactive voice streams are less preferred. Contemporary designs have got higher positive utility and higher negative utility also. The overall summary would help the researcher to take a decision on the interior design preference. Interactive voice streams are a factor which comprises two linear attributes. The results are showing that the interactive voice streams are less preferred.

Personalized retail showroom is a factor which comprises of two linear attributes. The results are showing that the interactive voice streams are less preferred.

6. Conclusion

With all the members in the family engaged in looking for options for shopping and entertainment during their leisure and with the advancement in technology, it is inevitable for the retailers to take all initiatives to integrate the digital into customers' behaviour especially into the behaviour of the members (customers) who belong to generation Y and Z in the families. With such integration webrooming has become common among the customers belonging to generation X. These Customers browse for details on the products and the physical stores in which these products are available in the internet and other social media network sites and buy the products online or offline. Lagging is loosing and any retailer should inculcate the innovation driven culture in-order to maintain a competitive edge and to attract customers belonging to generation Y and Z . The upcoming in-store technology trends like smart malls, AR+VR, facial recognition, interactive displays, robotics, evolving pure play, gamification, technology empowered store associates, natural language processing etc., should be used by retailers to engage their customers and enable retailtainment. Whether the goal is to reinforce customer loyalty or to drive a stronger customer engagement the focus should be on latest internet trends, in-store technology and entertainmerce to sustain in the business. The success factors of live e-commerce are entertaining the customers through event-driven formats, involving celebrities and providing flawless mobile payment options. The preference of live e-commerce to live streaming by today's customers urges the retail business owners to direct their investments in live video platforms.

7. Acknowledgement

The author is grateful to the reviewers for their valuable suggestion to improve the quality of this article

References

1. Lamb, Hair, Sharma and Mc Daniel(2015) , Marketing – A South-Asian Perspective, Cengage Learning Pvt Ltd, P-611.
2. Sherry L. Lotz, Mary Ann Eastlick, Anubha Mishra, Soyeon Shim (2010),"Understanding patrons' participation in activities at entertainment malls", International Journal of Retail & Distribution Management, Vol. 38 Iss 6 pp. 402 – 422.

3. Kaan Varnali, Aysegul Toker and Cengiz Yilmaz(2011), *Mobile Marketing- Fundamentals and strategy*, Tata McGraw-Hill, Pp.43-45.
4. Richard S. Barr b , William L. Cron b , John W. Slocum Jr. b(1998) "A process for evaluating retail store efficiency: a restricted DEA approach" (Rhonda R. Thomas a,)A Sellinger School of Business, Loyola College 4501 North Charles Street, Baltimore, MD 21210, USA b Southern Methodist University, Dallas, TX, USA.
5. Sankalp Pratap, Agam Gupta, Arqum Mateen, Kavita Mahto, (2016) "Playing games, receiving gifts, creating experiences and building brands", *Marketing Intelligence & Planning*, Vol. 34 Issue: 4, pp.486-503.
6. Alessandro De Nisco, Maria Rosaria Napolitano, (2006) "Entertainment orientation of Italian shopping centres: antecedents and performance", *Managing Service Quality: An International Journal*, Vol. 16 Issue: 2, pp.145-166.
7. Jason Sit, Bill Merrilees, Dawn Birch, (2003) "Entertainment-seeking shopping centre patrons: the missing segments", *International Journal of Retail & Distribution Management*, Vol. 31 Issue: 2, pp.80-94, [https:// doi.org/10.1108/09590550310461985](https://doi.org/10.1108/09590550310461985)
8. Alessandro De Nisco, Maria Rosaria Napolitano, (2006) "Entertainment orientation of Italian shopping centres: antecedents and performance", *Managing Service Quality: An International Journal*, Vol. 16 Issue: 2, pp.145-166, <https://doi.org/10.1108/09604520610650628>
9. G C Beri,(2013), "Marketing Research", Mc Graw Hill Education(India) Pvt Ltd., Pp.422-426.
10. Martin Zerlang(2015) *Entertainment*, *International Encyclopedia of the social and behavioural sciences (second edition)*, page 669-674.