

## Chapter 20

# An Exploratory Study of Client–Vendor Relationships for Predicting the Effects of Advanced Technology– Based Retail Scenarios

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### **ABSTRACT**

*Continuous advancements in technology make available a huge number of advanced systems that enhance consumers' in-store experience and shopping activity. In fact, the introduction of in-store technologies such as self-service systems, interactive displays, digital signage, etc. has impacted the retail process in multiple ways, including client-vendor interactions. While in a traditional offline context retailers exploit the development of interpersonal relationships for increasing consumers' trust, loyalty, and satisfaction, in a technology-mediated context this process becomes more difficult. To advance our knowledge and predict the future diffusion of these technologies, it is necessary to answer the following questions: (1) to what extent do consumers trust (physical) retailers' suggestions? and (2) to what extent will consumers substitute the opinion of a physical seller with virtual recommendations? The aim of this chapter is to assess the typology of current existing relationships between vendor (retail staff) and clients, with special emphasis on consumers' trust towards their suggestions. To achieve this goal, the chapter focuses on a comparison of consumers' perception of suggestions proposed by physical friends and suggestions proposed online (e.g. through social networks). The findings provide a benchmark to evaluate current client-vendor and client-social networks relationships and enhance our understanding of the possible substitution of physical vendors by recommendations systems based on advanced technologies.*

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## INTRODUCTION

Advances in technology constantly affect modern retailing. The development and implementation of a large number of tools influence consumers' shopping experiences and activity (Lee & Qualls, 2010; Pantano & Timmermans, 2011). Most technologies (i.e. high customized automatic services such as recommenders systems, interactive virtual sellers, etc.) may be integrated with real (physical) stores to provide new efficient in-store services (i.e. smart trolley that integrate context-aware systems for achieving consumer's position and suggesting routes for reaching some products) (Reitberger et al., 2007; Black et al., 2009). Currently, the development of new tools tends to concentrate on integrating consumer experience across channels. Thus, a likely next step will be the integration of social networks into physical stores.

Several studies examined antecedents of consumer adoption of these new technologies (Davis, 1989; Venkatesh et al., 2003; O'Brien, 2010; Bock et al., 2012; Venkatesh et al., 2012; Toufaily et al., in press.), mainly by identifying utilitarian factors (e.g., usefulness of the technology), social aspects (e.g., social pressure of reference group), hedonic needs and personal traits (e.g., personal innovativeness), for predicting diffusion and consumers' effective usage. In contrast, research on employees' acceptance is still scarce (Lee & Qualls, 2010).

Despite the fact in-store technologies did not significantly change the traditional five steps of the decision-making process (need recognition, search for information, pre-purchase evaluation, purchase/consumption, post consumption evaluation) nor store format (Desinger et al., 2010; Pantano & Naccarato, 2010), they did change stores in terms of layout, atmosphere, product display, in-store experience (in terms of quality and quantity of delivered services), access to products and information, and client-vendor relationships (Vasquez Casielles et al., 2005; Boeck & Wamba,

2008; Black et al., 2009; Pantano, 2013). While in a traditional offline context, retailers stimulate development of interpersonal relationships to increase consumer loyalty and satisfaction and to influence consumer decision-making process (e.g., Wagner et al., 2003; Sun et al., 2009; Gaur et al., 2012; Yang, 2013; Drollinger & Comer, 2013), especially in the case of novice consumers (Wagner et al., 2003), in advanced systems-based retail environments, this process becomes more difficult as self-service technologies may substitute the physical seller. In fact, the new technologies change client-vendor relationships by providing new ways for providing suggestions and recommendations about possible purchases, comparisons of products, payment, etc. without the seller's direct assistance. Examples are automatic self-check-in desks in the airports and automatic cash desks in supermarkets (Vasquez Casielles et al., 2005; Boeck & Wamba, 2008; Zhu et al., 2013). As a consequence, interpersonal interactions become less frequent. In the online context, this problem is partially solved by providing social presence cues (i.e. avatars replacing sellers, employees, staff) and increasing the realism of the interactivity of the interface (Roy et al., 2001; Hassanein & Head, 2007). Thus, new technologies raise new questions about the relationship between the consumer and the seller (Keeling et al., 2013):

1. To what extent do consumers trust retailers' recommendations?
2. To what extent will consumers substitute recommendations of physical sellers with virtual recommendations?

The aim of this study is to assess the relationship between vendor (retail staff) and clients, with emphasis on consumers' trust towards retailers' suggestions. Moreover, consumer perceptions of suggestions and other recommendations will be compared against those of social networks users. The findings will provide data for benchmarking the evaluation of current client-vendor relation-

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