

Stand by Me: Escaping the Webrooming Dilemma Through Integrating Product Presentation Tools and Product Reviews

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Description: *This research examines how online retailers should design product presentation tools to trigger online purchase intentions while preventing customer migration to competing offline stores.*

EXTENDED ABSTRACT

Research Question

Given the prevalence of webrooming (i.e., searching for products online but purchasing offline) (Ailawadi and Farris 2017), several online pure players (e.g., Amazon) opened physical stores to prevent customers from migrating to competitors. For many retailers this move caused severe financial losses so that they started closing their offline stores (Avery et al. 2012). Instead, they invest in product presentation tools (PPT; e.g., product configurators) in their online shops to provide compelling information by simulating physical product inspection and enabling better purchase decisions. Although prior research has shown that PPT drive online purchases (e.g., Fiore, Jin, and Kim 2005), there is no knowledge on whether they keep customers from switching to the offline channel. This research closes this gap by comparing the effects of two constituting PPT design characteristics – vividness (i.e., richness of information representation; Li, Daugherty, and Biocca 2003) and interactivity (i.e., controllability of product-related content display; Suh and Lee 2005) – on online and offline purchase behavior. This research examines how PPT characteristics should be combined to trigger online purchases while preventing offline channel defection. Moreover, as social influence may compensate for the product intangibility in online shopping, product reviews is considered as a moderator.

Method and Data

The authors conduct a scenario-based experimental study using real-life PPT in online shops. This approach ensures a realistic and natural shopping simulation to establish external validity. The selected tools are frequently used by established online shops and capture the full spectrum of vividness and interactivity. Participants were randomly assigned to one of the PPT by directing them to the product page and instructing them to use the tool to examine the product for some minutes as if they were shopping. The setting focused on two product categories associated with webrooming (eMarketer 2016): digital (consumer electronics) and nondigital products (furniture) (Lal and Sarvary 1999). To capture the moderator “product review integration” the authors consider online shops that had implemented product reviews on their product pages and shops that did not.

Summary of Findings

The findings show that highly vivid tools promote online purchases. This confirms the authors’ expectation that vividness provides a realistic product quality representation. Thus, by employing vivid PPT, online pure players can prevent customer migration to the offline channel, making cost-driving offline stores obsolete. As highly interactive PPT may cognitively overwhelm customers they drive customers into the offline channel which results in decreasing revenues

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for online pure players. This undesirable consequence becomes increasingly evident when combining high levels of vividness and interactivity, as the positive effect of vividness on online purchases is undermined by the resource depleting effect of interactivity. However, one promising solution for mitigating the harmful interaction effect of vividness and interactivity is to complement vivid and interactive PPT with product reviews. Product reviews convey authentic product information that generates trust among customers and thus weakens the negative effect of highly vivid and interactive PPT on online purchases.

Key Contributions

First, by taking on the multi-channel perspective, the authors expand previous research on PPT, which merely focused on online channels. Specifically, the results show that the right combination of vividness and interactivity can avoid the webrooming dilemma without the need for costly store openings. High vividness keeps customers in the online channel, while high interactivity pushes them into the offline

channel. Second, the study advances the discussion on whether the interplay of vividness and interactivity has synergistic or dissynergistic effects. The findings demonstrate that overloading tools with both characteristics leads to undesirable consequences for online pure players (i.e., pushing customers into the offline channel and aggravating the webrooming dilemma). Third, the study explores whether the impact of retailers' technology design decisions can be affected through social influence. The authors find that enriching the information provided by PPT with customers' product reviews offsets the negative consequences of the interplay between vividness and interactivity on online purchasing. Thus, authentic customer-generated information contained in product reviews can help making informed purchase decisions online thereby locking customers in the online channel. Consequently, the findings offer precise guidelines for online pure players regarding the design of PPT to prevent the webrooming dilemma.

References are available on request.