

Shopping with Strangers: How Anonymous Virtual Communities Influence Buying Behavior in Offline Retailing

Introduction to the Research Problem

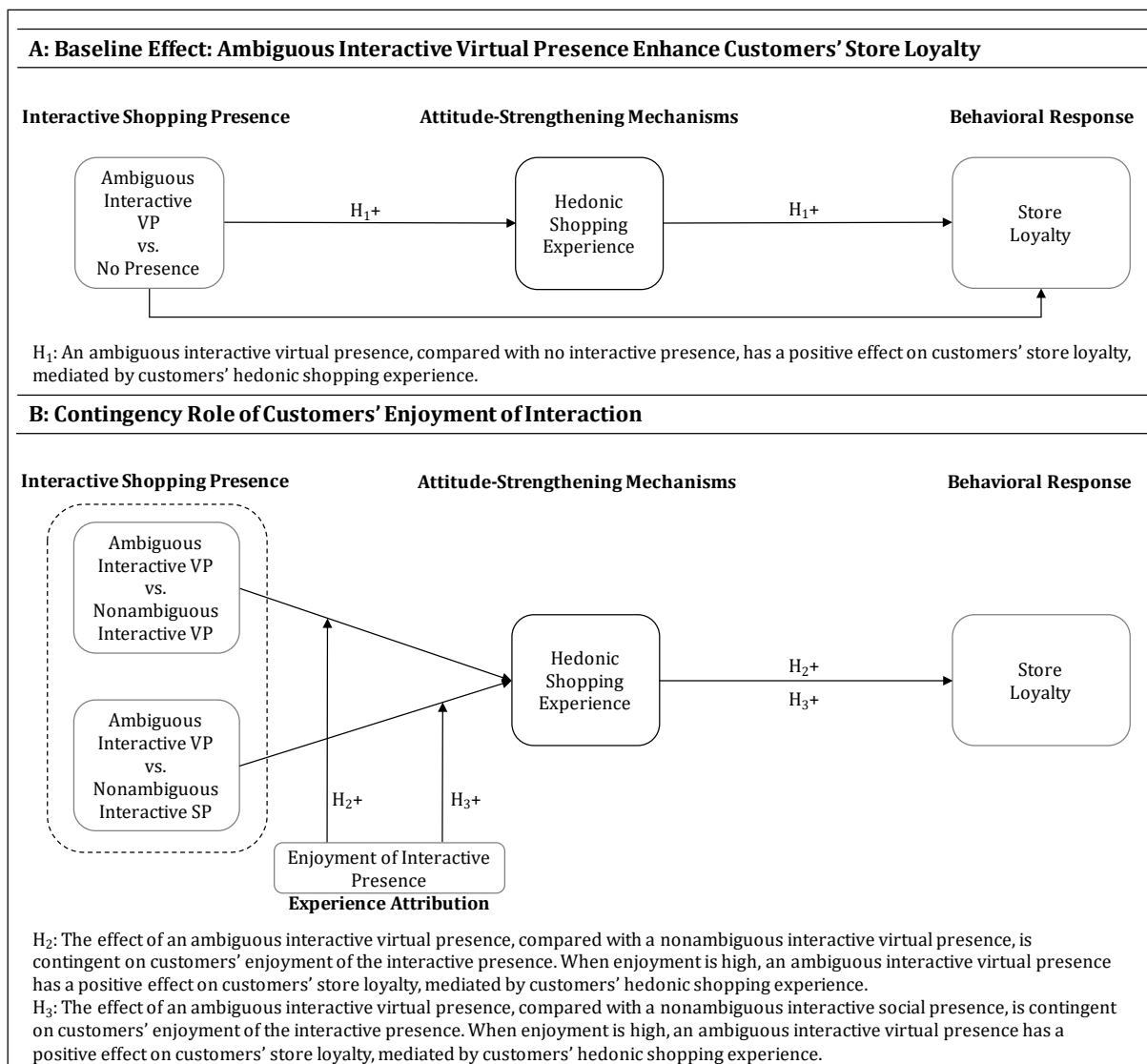
The role of social influence on the consumption process is undisputed. Nowadays, even more ubiquitous shopping companions than friends or family are customers' smartphones. Innovative retailers are trying to take advantage of customers' smartphone consultation during their shopping trip, such as by offering location-based, real-time customer-to-customer online communities that enable shoppers in geographical proximity to a store or mall to anonymously interact with each other. Such efforts create a new form of interactive presence in offline shopping, which can be characterized as an ambiguous interactive virtual presence. With this research, we seek to *offer initial insights on the effect of an ambiguous interactive virtual presence on customers' loyalty toward the retail store and its comparison to different types of interactive presence.*

Literature Review

Extant research suggests that many consumers enjoy socially interacting with others during a shopping trip and consider these interactions an important part of the overall shopping experience. Hence, in this research, we argue that providing customers with the opportunity to interact with ambiguous, virtually present others during their shopping trip can act as a vehicle to foster customer *store loyalty* toward the focal retail store, conceptualized as a customer's (intended) purchase and referral behaviors. We define an *ambiguous interactive virtual presence* in our research as a customer's interactions with one or several unknown (i.e., anonymous) fellow shoppers via a mobile app-based online community during an offline shopping trip. We propose hedonic shopping experience as the psychological mechanism underlying the loyalty effect, such that an ambiguous interactive virtual presence enhances the hedonic quality of the shopping experience. Thus, we derive H₁ as depicted in Figure 1, Panel A.

Beyond, we suggest the loyalty effect of an ambiguous interactive virtual presence, as compared with other relevant types of interactive presence in offline retail, to be contingent on customers' enjoyment of the interactive presence. Specifically, we compare an ambiguous interactive virtual presence with a nonambiguous interactive virtual presence (i.e., consulting a geographically distant peer via smartphone while shopping) and a nonambiguous interactive social presence (i.e., shopping with a well-known companion), which have been identified in previous research as enhancing customers' hedonic shopping experience and loyalty. Customers' *enjoyment of interactive presence* is defined as the extent to which the activity of using a specific type of interactive presence is perceived to be pleasant in its own right, aside from any purchase consequences resulting from these interactions. Even if all three types of interactive presence might be enjoyed by customers, they likely differentially attribute their enjoyment. While customers attribute enjoyment of nonambiguous interactive virtual or social presence to themselves, the availability of and enjoyment from an ambiguous interactive virtual presence is likely attributed to the focal retailer providing this additional service. Hence, an enjoyable ambiguous interactive virtual presence more strongly contributes to the hedonic shopping experience at the retailer and hence store loyalty than equally enjoyable, but self- rather than retailer-attributed virtual or social interactions with friends. We hypothesize H₂ and H₃ as depicted in Figure 1, Panel B.

Figure 1: Effects of Ambiguous Interactive Virtual Presence on Customers' Store Loyalty



Method

We conducted an experimental scenario study employing a unifactorial between-subjects design with four groups (three treatment groups and one control group) that vary in terms of the type of interactive presence during a shopping trip at a clothing retailer. All participants were told that they are searching for an outfit to wear at a party; in the treatment groups, participants requested feedback from others while trying on the selected clothes. Participants are recruited on clickworker, an unsupervised online platform on which participants are paid for participating in a survey. In total, 213 respondents from the United States were randomly assigned to one of our four experimental scenarios.

Results

We use regression-based analyses to test the hypothesized effects, which is well suited for analyzing experimental data with mediators. In line with H₁, we find a positive indirect effect of ambiguous interactive virtual presence (vs. no presence) on store loyalty, mediated by hedonic shopping experience ($\beta = .23, p < .05$). There were no significant differences in hedonic shopping experience between the three groups. However, adding the moderator enjoyment of interactive presence significantly increases the explained variance of hedonic shopping experience ($\Delta R^2 = .36, p < .01$). Supporting H₂ and H₃, when enjoyment of the interactive presence is high, an ambiguous interactive virtual presence exerts a positive effect on store loyalty, as compared to a nonambiguous interactive virtual presence (index of moderated mediation: $\beta = .16, p < .05$) and a nonambiguous interactive social presence ($\beta = .14, p < .05$).

Discussion and Implications

The results from our study indicate that ambiguous interactive virtual presence indeed can effectively enhance customers' store loyalty. Specifically, we contribute to service research and practice in three ways. First, we establish a baseline effect of an ambiguous interactive virtual presence in a retail setting. We theoretically argue and empirically demonstrate the existence of a loyalty effect of an ambiguous interactive virtual presence on customers' store loyalty. Thus, our research identifies this new type of interactive presence in offline shopping as an innovative tool that that retailers can use to enhance customer relationships. Second, we identify customers' hedonic shopping experience as the relevant psychological mechanism that explains the loyalty effect. We show that the virtual interaction adds a hedonic value to the consumption experience compared to no interaction during the shopping trip. Third, we compare three relevant types of interactive presence in offline shopping and identify the contingency role of customers' enjoyment of interactive presence; an ambiguous interactive virtual presence facilitates the attribution of enjoyment to the focal retailer. Overall, our research offers initial insights on the favorable effects of location-based, real-time customer-to-customer online communities as a new, intriguing tool for offline retailers to augment customers' shopping experience.