

NEWS RELEASE

The role of physical retail in the digital era

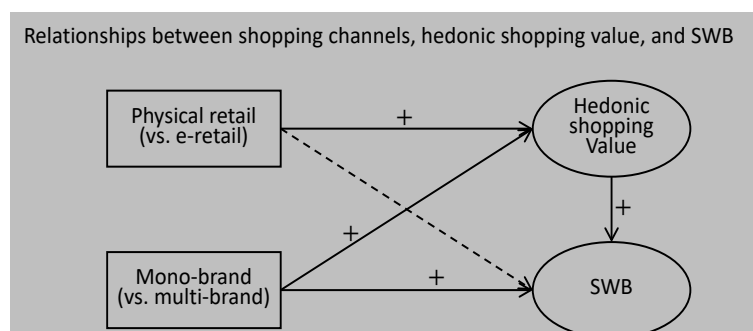
- The study suggests that a consumer perceives hedonic shopping value via shopping trip, increasing subjective well-being (SWB) based on an acquired branded product.
- This effect is likely more significant when shopping via physical retail/mono-brand stores in comparison with shopping via e-retail/multi-brand stores,
- In the luxury brand case, this effect is likely more significant than in the general brand case.

【Introduction】

While digital commerce is expanding under the pandemic, what is the role of physical retail? In this context, this study explores the influence of shopping channels on the hedonic shopping experience, contributing to subjective well-being (SWB) based on the purchased branded product. It also assesses the variations in these effects according to brand luxury. The purpose is to provide strategic suggestions for building luxury apparel distribution tactics that balance maintaining brand luxury with business growth through both physical stores and e-retail.

【Methodology, results and Implication】

Based on 418 samples collected in Japan, consumers' perceptions of hedonic shopping value and SWB are examined according to two-channel factors, such as physical retail vs. e-retail and mono-brand stores vs. multi-brand stores. Multigroup path analyses reveal



that physical mono-brand stores contribute to hedonic shopping value. In addition, this experiential value is found to increase SWB, especially when the brand luxury level is high. These findings suggest that managers should place a high level of importance on consumers' shopping experiences via physical direct retail especially in the case of a higher luxury level, even in today's highly developed digital environment.

The study uniquely discusses the effects of shopping channels and experiences

on SWB based on an acquired branded product, that is, an evaluation of the outcome of shopping behavior and product acquisition leading to consumers' next purchase. It also reinforces the importance of physical stores suggested in previous luxury research.

【Publication】

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