BUYING HEDONIC AND HIGH INVOLVE-MENT PRODUCTS IN A MULTI-CHANNEL ENVIRONMENT

Master´s Thesis
in Marketing

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29.9.2017
Turku

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1   INTRODUCTION

The speculations of a dying retail industry have been a hot topic after the rise of e-commerce at the beginning of the 21st century, and the struggle for retailers has been real in the middle of economic instability. The future of retail industry remains unknown, but ultimately consumers are the driving force that change the retail industry as a consequence of their behavior. Consumers select where and how to buy their goods, and therefore examining the reasoning behind consumers' buying processes sheds light also to the future of the retail industry.

As the possibilities to buy products and services are evolving, for most of the retailers, multi-channel strategy has become the key strategic issue (Lewis, Whysall & Foster 2014). Retail business has faced major environmental changes in the past decade because of the technological development that has brought new possibilities to sell, and at the same time caused radical transformation in competitive equilibriums, company organizations and distribution formats (Castaldo, Grosso & Premazzi 2013; BMI 2016; Verhoef, Kannan & Inman 2015). From consumers' perspective, this means a significant increase in the selection of products, stores and retail channels to use, which all together lead to more complex buying process and decision-making.

The rise of Internet and the easy access to information has affected greatly to consumer behavior and brought retailers and customers closer together. Due to the development of Internet, the whole value chain of retail has radically changed. Customer has been empowered by the digital revolution with easy comparison of prices and products (Chaston & Mangles, 2001). The marketplace is more transparent and the influence of social media expands as more people join online communities every day and customers become more participative (Solomon, Bamossy, Askergaard & Hogg 2013, 28). This transparency of information also leads to a higher customer satisfaction and welfare when customers are better able to choose the best product for them (Lynch & Arliey 2000).

As the use of Internet-based online and mobile selling channels increases among the consumers, retailers are enabled to operate with bigger customer base in new geographical areas (Zhang, Farris, Irvin, Kushwaha, Steenburgh & Weitz 2010). The infrastructure of Internet evolves and grows into new locations, which gives to growing number of retailers the opportunity to enter global customer base. Thus, physical location is no longer the only aspect to determinate customers' selection pool and new challenges arise as the retailers change their business to survive and success in this new environment. For example, 40 million consumers in the US have made clothing, shoes or accessories purchases in the previous 12 months on Amazon.com (BMI 2016).

Therefore, one important motivation for retailer to offer multiple selling channels is the changed shopping behavior, as an increasing number of customers wants to shop via

combination of retail channels. Customer can for example do the product research online, but decide to buy from offline store. This multi-channel shopper is becoming the mainstream customer and the received benefits by offering multiple buying channels increase at the same time. (Lewis, Whysall & Foster 2014; BMI 2016.) Sales at online companies have grown significantly, and department stores have strived to strengthen their own capabilities to offer online sales, which are easily growing faster than single-store sales (BMI 2016).

Additionally, multi-channel shoppers are an interesting and desirable customer segment from the company's point of view. They are less price-sensitive and spend more than single-channel buyers and thus for a company a multi-channel customer is more valuable than a single channel buyer (Venkatesan & Kumar 2007; Neslin & Shankar 2009). Customers who shop across multiple buying channels provide higher revenues, higher share of wallet, initiate more contacts with the firm, and have longer tenure (Kumar & Venkatesan 2005). They are also more loyal to the company, which all together indicates that companies should encourage people towards multi-channel shopping (Zhang et al. 2010). This is an important incentive for companies to develop their sales channels, and thus new knowledge about customer behavior in this new retail environment is needed to be able to serve customers the best way possible and survive through the retail industry change.

Furthermore, emerged online channels also provide one new major benefit for companies, which is the capability to follow customers' acts precisely during the online store visit. This facilitates finding out what their customers really want and using this to ameliorate their value proposals. Online businesses having vast amount of this click-generated data can detect customers' buying behavior and therefore be able to reconstruct better customer segments. (Zhang et al. 2010; BMI 2016 (a).) For a customer, this is shown as customized service, which reduces information noise, and furthermore leads to an enhanced shopping experience.

The early research paradigm of multi-channel retailing has closely studied technology acceptance, channel integration, attitudes towards Internet and motivational factors (Childers et al. 2001; Verhoef, Kannan & Inman 2015). The research has moved from the domination of technology's perspective towards more detailed attributes that have an impact in the field of multi-channel retailing. Today this evolution of retail business is well comprehended, but there is still much to be revealed. Shoppers have already merged their online and offline shopping practices and it could be argued that the term multi-channel retailing is no longer sufficient. Retailers are said to be forced to move towards omni-channel retailing, which refers to *an integrated shopper experience that merges the physical store with the information-rich digital environment, with the aim of providing excellent shopper experiences across all touch points*. (Frazer & Stiehler 2014.)

Retailers should be able to improve the seamless shopping experience by approaching their omni-channel strategies from an experimental marketing perspective focusing on evoking the shoppers' sense, feel, think and act reactions. In a true omni-channel experience the buying process is seamless and includes multiple channels (Frazer & Stiehler 2014; BMI 2016; Verhoef, Kannan & Inman 2015.) In this thesis, the research focus is on buying behavior and on the role of different selling channels in it, not on the overall experience created to the customers by one company. Omni-channel experience refers to a phenomenon inside one firm and do not explain customers' channel choices between the different companies. Therefore, it is more appropriate to use term multi-channel instead of omni-channel in this context.

The development of retailing crystallizes to a new interesting phenomenon where an increasing number of initially online retailers have also established an offline store or mobile channel to meet the customer needs (CNBC.com 2014; Lewis, Whysall & Foster 2014). This indicates that an online store itself is not enough in all cases, which in turn leads to the question what are the reasons behind this, and how is the dynamic between offline and online channels.

Earlier studies on multi-channel retailing have focused on shopping motivations, and the research over product types and their special features in multi-channel environments have been few (Agudo-Peregrina, Pascual-Miguel & Chaparro-Peláez 2014). One important discovery is that multi-channel consumer segments differ across product categories (Konus et al. 2008; Frasquet, Mollá, & Ruiz 2015; Voorveld, Smit, Neijens & Bronner 2016) and findings based on one product category will not apply to all categories (Swoboda, Weindel & Schramm-Klein 2016). Hence, there is a need to closer examine the differences and particularities in the buying processes of specific product segments, and to develop today's practices to better meet the market need.

Research has found that the degree of product homogeneity is an adequate segmentation variable for online services, and it seems that homogenous service is more suited for e-commerce. This relation exists between perceived risk and intention to by online. Product type and product characteristics have been considered essential factors for determining customers' online behavior. These influence the numerous stages of Internet shopping process, and these stages include for example information retrieval and product transaction. The most relevant classification variables identified before are tangibility, transformability to digital form, cost and frequency of purchase, search experience and credence, differentiation, heterogeneity and standardization. (Agudo-Peregrina, Pasqual-Miguel & Chaparro-Peláez, 2014.)

This assumption of product dependent suitability for online store has support also from practical field. According to the recent study by BMI (2016), the apparel and clothing accessories sector has been more resilient in the era of e-commerce. They explain this with appeal in physical location, where customer can try different sizes, colors

and styles. This indicates that for different customers, the online and offline channels have different purposes which cannot be easily substituted. In order to be able to harness sales channels for right purposes in the future it is important to understand the reasons behind this.

A particularly interesting product segment in this context are products with hedonic buying motivation and high product involvement. As discussed later in this thesis, hedonic products are usually strongly connected to sensory experiences which cannot be fully replicated in an online environment (Solomon et al. 2013, 124). Also, the social aspect linked to a product transmits differently in each channel. However, when customer is highly involved with the product there is a need for an enhanced search phase and greater certainty when making the buying decision (Percy & Elliott 2009, 142).

From this perspective, it is important to understand how consumers behave in practice and which are the underlying reasons for channel choices during the purchase process of a specific product type. The academic field has not followed this phenomenon close enough and there are wide gaps in understanding the buying process in multi-channel retailing of hedonic and high involvement product. Behavior in a multi-channel environment is complex and further research is needed to reflect the reality more profoundly (Heitz-Spahn 2013).

The best business practices are still in the process of forming and it is important to do further research and to implement new findings. Also, companies that do not yet have these practices can leap in this development with more insight on what to do. (Zhang et al. 2010.) The need for further research on buying behavior across channels has been raised and this study contributes to one of the main research topics of multi-channel literature (Verhoef, Kannan & Inman 2015). This thesis aims to increase the knowledge on the issues related to buying hedonic and high involvement products in a multi-channel environment, and to find answers on which factors matter when buying a hedonic and high involvement product in a multi-channel environment. These questions are approached by examining customer behavior. Ultimately this knowledge can be utilized in strategic decision-making in retail industry to better win the challenges of the changing retail environment.

The main purpose of this thesis is to examine how the characteristics of hedonic and high involvement products influence consumers' purchase process in a multi-channel environment. This research question is divided into three sub-questions:

- What are the implications of characteristics of hedonic and high involvement products on the purchase process?
- What are the implications of online and offline channels' retail environment on the purchase process?
- How characteristics of hedonic and high involvement products affect the purchase process in a multi-channel environment?

The study is inductive in its nature since it will not test any earlier theory, but instead tries to find the underlying reasons for buying behavior of hedonic and high involvement products in the current multi-channel retailing environment. As a consequence of study retailers can have a better understanding of customers' buying behavior with this complex product segment, and they can take this knowledge into account in further business development. Additionally, this study gives implications on a need for further academic research in this area.

The study has three parts: First, previous literature is reviewed and a tentative framework of the study is formed based on existing theories. The second part is empirical including the methodology of the study, followed by a presentation of the research results. The final part of the study draws the conclusions into a new theoretical framework, and provides managerial implications together with suggestions for future research.

This thesis is divided into seven chapters. In the first chapter the topic of this thesis is introduced and the research questions are portrayed. The second chapter examines the different product types in order to identify the characteristics of hedonic buying motivation and high product involvement. The aim is to clarify the special traits of this type of a product for further examination of how these qualities affect the purchase behavior in different channels throughout the process.

In the third chapter, multi-channel retailing and the buying environment of physical and online stores are investigated. The chapter explores the distinctions of shopping in these different retailing channels, with an intention to later understand the possibilities, benefits and disadvantages when purchasing hedonic and high involvement products. The fourth chapter examines the buying process in a multi-channel environment, separating different buying phases and reasons for channel choices. Also, the tentative framework of this thesis is presented in this chapter.

The fifth chapter sheds light on the methodological choices of this study and provides details on data collection and analysis. The sixth chapter presents the results of the empirical study and provides answers the research questions. The seventh chapter draws the conclusions into the new theoretical framework together with discussion, and provides managerial implications as well as future research suggestions.

The main challenge related to this study is the complex nature of the buying process as there are multiple factors that affect consumer behavior. Furthermore, behavior itself is a challenging topic to investigate, as the underlying reasons and motivations are difficult to investigate, especially when some of those can even be subconscious.

An additional challenge is the increased need to evaluate if earlier research papers are still valid, as the operational field is changing so rapidly. For example, a study from the year 2001 claims that online channel lacks the ability to deliver aesthetic value and

is seen as dull and lifeless by the consumers (Mathwick, Malhotra & Rigdon 2001). Obviously, the web design has evolved tremendously over the past ten years and this result can therefore be possibly seen as outdated. It is also challenging to judge which theories are capable to explain the multi-channel retailing universally, without being dependent on situational factors such as study location, time, product category or business segment.

The academic papers use multiple terms referring to same thing i.e. e-commerce, electronic commerce, e-retailing, e-tailing, and online store. In this study, multi-channel refers to the use of both physical store and Internet based channels. Paper catalogues and shopping TV are excluded because of their different nature, as traditional paper catalogues are very limited in space and cannot provide the same amount of information as Internet can. Internet also has many advanced ways for representing the product, including videos, sounds and users' comments and recommendations. (Zhang et al. 2010.)

In this study, the product comprehends also the brand it represents and therefore when later this thesis discusses the symbolic meanings there is no separate discussion on brands. Also, when examining involvement, the focus is on product involvement, not on purchase involvement. The terms offline store, physical store and traditional store are used synonymously, as well as online store and Internet-based store.

2   HEDONIC AND HIGH INVOLVEMENT PRODUCTS

The first sub question of this study examines the implications of the characteristics of hedonic and high involvement products on purchase process, aiming to discover how the product class affects consumers' buying behavior in a multi-channel environment. The following chapters discuss why a product is hedonic for consumer, and why a person is highly involved with a product. These findings are considered in relation to the forming of the purchase process, and later in the context of a multi-channel environment.

This thesis uses the product classification created by Rossiter and Percy (1991). According to their theory, hedonic and high involvement product involves risk and it satisfies an underlying positive motivation. The original purpose of this model has been ameliorating advertising planning, but because of its ability to capture the elements that affect consumer behavior, it gives a meaningful angle to study also buying process. This theory categorizes products by motivation and involvement and it is illustrated in the following figure 1, where the category of interest is darkened.

MOTIVATION

		Hedonic	**Utilitarian**
INVOLVEMENT	**High**	Hand bag	Fridge
	Low	Chocolate	Toothpaste

Figure 1 An example of product classification by Rossiter- Percy grid (Rossiter & Percy 1991)

At this point it is essential to understand that it is not predetermined where in the matrix a product is situated but instead individuals do the classification based on their own motivations. Therefore, the model used is individual-driven as it determinates the product at the level of the individual consumer, not by the characteristics of a product (Claeys, Swinnen & Abeele 1995). Hence, it allows deeper meaning creation required in investigating implementations of characteristics of hedonic and high involvement products on purchase process.

2.1 The characteristics of hedonic buying motivation

In this thesis, the classification between "utilitarian" and "hedonic" is used to define the buying motivation. Earlier research has also used differentiation between "cognitive" and "affective", as well as "think" and "feel" when describing the distinguishing differences between buying motivations. Despite the nuance variation, these terms are ultimately describing the same phenomena. It is also argued that distinction between "informational" and "transformational" that Rossiter and Percy (1991) proposed could be preferable to use since it acknowledges that "think" might also contain "feelings". (Claeys, Swinnen & Abeele 1995.)

Hedonic needs are subjective and experiential (Solomon et al. 2013, 190). Consumer needs to personally identify with the product and it must raise desired feelings. Hence, the product is there to satisfy the underlying need of sensory gratification or social approval. (Percy & Elliott 2009, 217). On the contrary, a utilitarian motive is negatively reinforced by a purchase motivation driven either by problem solving or by maintaining the current situation (Rossiter & Percy 1991).

Consumer can also be motivated to buy the product because it provides both types of benefits. The hedonic and utilitarian motivations for consumption usually are not mutually exclusive, but both types of benefits contribute to the overall goodness of a product. (Solomon et al. 2013, 190; Batra & Ahola 1991.) Hedonic evaluation is based on the amount of pleasure, and the distinguishing difference between utilitarian and hedonic product is if it corresponds to a need or a dream (Batra & Ahola 1991; Kapferer & Bastien 2009, 159).

2.1.1 The importance of senses when evaluating hedonic products

According to Hirschman & Holbrook's (1982) definition, *the hedonic consumption designates those facets of consumer behavior that relate to the multisensory, fantasy and emotive aspects of one's experience with product.* By multisensory they mean the experience created by multiple sensory modalities including tastes, sounds, scents, tactile impressions and visual images.

Thus, the hedonic dimension is a result from the sensations derived from the experience of using the product (Voss, Spangenberg & Grohmann 2003; Batra & Ahola 1991). Therefore, sensory inputs are an important part of hedonic consumption and senses help consumers to decide which products appeal to them. Additionally, they offer emotional aspects to the interaction with the product. (Solomon et al. 2013, 124.) Therefore, the need for touch seems to have important implications on the purchase process when buying hedonic products.

Sensory inputs also have a bigger mission than only creating stimuli. In the perceptual process, different meanings are attached to these sensations and further to the product. (Solomon et al. 2013, 121-122.) For example, colors elicit strong emotional reactions and therefore have an impact on the product perception. Reactions to colors can be a result of learned associations, biological and cultural differences or the physical wavelength of the color. (Solomon et al. 2013, 125-126.)

Some consumers can even be frustrated if there is no possibility to touch the product while shopping and therefore, less confident in their judgment. The importance of haptic information varies individually and touch-oriented people have greater memory accessibility to haptic information and are more likely to form richer mental product representations. (Peck & Childers 2003.) Based on this, it is interesting that people who are more driven to use offline channels would have better capabilities to reconstruct the information provided from online channels.

In summary, senses and sensations are in a lead role when creating hedonic value, hence a physical experience is essential in the evaluation of a hedonic product. Furthermore, senses do not only transmit the quality of a product, but also evoke feelings and emotions, which in turn construct the perceived hedonic value.

2.1.2   *Emotion attached to hedonic products*

As discussed earlier in this chapter, hedonic need is transformational, when consumer uses the product to transform one's mood to a desired set (Rossiter & Percy 1991; Percy & Elliott 2009, 209). Therefore, a strong relation between a product and individual's emotions can exist, and with hedonic products the main emphasis is on emotions and affect (Claeys, Swinnen & Abeele 1995). However, a recent research argues this assumption and claims that consumer will be happier before, and at the time of purchase, but happiness will not be permanent when using the product (Richins 2013). Nevertheless, when investigating the buying of a hedonic product, emotions have an important role even though they may fade over time after the purchase.

A luxury good is a good example for a hedonic product, since it presumes intense satisfaction, linked to the object itself and its own image and beauty. It is bought on its merits and for its merits and emotion is seen to be a part of the product at the highest level. (Kapferer & Bastien 2009, 79-80.) For this reason, a luxury product is used as a representative in this thesis when investigating the buying process in a multi-channel environment.

Voss, Spangenberg and Grohmann (2003) studied the hedonic and utilitarian dimensions of consumer attitudes toward product categories and different brands within categories. They developed a ten-item scale of which five refer to a hedonic dimension fo-

cusing on evoked emotions: not fun/fun, dull/exiting, not delightful/delightful, not thrilling/ thrilling, and enjoyable/ unenjoyable. This scale can capture the emotional dimension of hedonic consumption but it is not enough to explain the symbolic and social meanings that hedonic product can arouse.

Another scale that measures hedonic components, developed by Batra and Ahola (1991), suggests the items to be pleasant/unpleasant, nice/awful, agreeable/disagreeable, and happy/sad. Again, the scale is focused on emotions but it also brings up consumers' values. Mano and Oliver (1993) constructed three scales to represent hedonic evaluation based on Batra and Ahtola's (1991) work. Their scale captures the essence of hedonic product the most broadly as it considers emotions, symbolism and values. These scales are *interest* (interesting, exiting, fascinating, interested, intelligent), *positivity* (positive, nice, agreeable, pleasant), and *appeal* (wanted, appealing, desirable).

All these scales suggest that a hedonic good can induce positive mood and the product is partly used because of it. Therefore, the incurred emotions could act as motivation to buy the product. As discussed later, in a multi-channel environment the emotional aspect of a hedonic product is differently transformed in offline and online stores, and this may have an effect when choosing the channel during the buying process.

2.1.3   *Desire, fantasy and symbolism in hedonic consumption*

Consumers do not only respond to multisensory impressions from external stimuli, but also react by generating multisensory images within themselves. These images can be recalled from an event that happened or they can be fantasies that consumer has constructed mentally. Thus, the hedonic consumption is not about what the consumer knows to be real, but on what they desire reality to be. (Hirschman & Holbrook 1982.)

Consumer culture theory comprehends consumption as a historically shaped mode of socio-cultural practice that emerges within the structures and ideological imperatives of dynamic marketplaces. Consumers actively rework and transform the symbolic meanings encoded in material goods to express their personal and social circumstances and further their identity and lifestyle goals. Consumers are interpretive agents, whose lives are constructed around multiple realities and within this context they seek and make their own identities. (Arnould & Thompson 2005.)

Therefore, hedonic consumption is about the personal and cultural meanings ascribed to the consumption practices. It is not only about solving practical problems, sice the products have different subjective meanings that supplement the center attribute, such as satisfying the need for excitement, self-confidence or fantasy. (Solomon et al. 2013, 37, 190; Hirschman & Holbrook 1982.)

For example, a luxury brand is often considered as a real and living person and even the products usually have their own names and separate identities. This indicates deep and complex meaning systems and a luxury product becomes a complete, holistic experience, lived in a multisensory manner over time. (Kapferer & Bastien 2009, 118, 158.)

Thus, luxury goods are ultimate hedonic products as they are not consumed for their intrinsic value, but for their impression and signaling power. Consumer can share lifestyle through the product and therefore the interest is not in the product itself, but in the image associated with the brand. (Brun & Castelli 2013.)

The social dimension of hedonic product is also related to desire and symbolism. Luxury good can be used as a marker of social class or to attract admiration of friends and peers. For example, consumers prefer either subtle or explicit brand signals to distinguish themselves from other social groups and to facilitate the interconnection with others in the know. (Berger & Ward 2010.) The symbolic aspect of a hedonic product comprises therefore of self-expressive and social values, where self-expressive value is self-created and social value is influenced by others' perception of the product (Choo, Kim & Yoon 2012). However, the meaning of luxury products can also be about personal pleasure, when the purpose of luxury is cultivation of passion, relaxation and enjoyment (Brun & Castelli 2013).

As earlier examples show, the value and the meaning of the hedonic product is socially constructed. Earlier study also reveals that public and private consumption differ because of peer pressure (Berger & Ward 2010). This indicates that the social aspect of hedonic product can have implications on the purchase process as consumer may consider interaction with peers during the process.

In summary, the hedonic aspect of a product is created through sensations, emotions and symbolic meanings. Touching and seeing a product raises sensations and emotions, which should correspond to an inner desire. Furthermore, the product should pair with the identity consumer wants to illustrate, hence the symbolism attached to the product also has an impact. Therefore, these characteristics should be considered during the purchase process.

2.2   The characteristics of high product involvement

The second aspect of Rossiter and Percy's (1991) product classification is the product involvement. It is defined as a *person's perceived relevance of the object based on their inherent needs, values, and interests* (Solomon et al. 2013, 204). Other definition suggests involvement to be *an individual, internal state of arousal with intensity, direction and persistence properties* (Andrews, Durvasula & Akhter 1990). It has also been noted that no single component of involvement is predominant (Laurent & Kapferer 1985).

These definitions refer to the personal dimension of involvement, and suggest it to be changing over time. People can become attached to products and consumers' motivation to attain a goal increases their desire to expand the effort to acquire the product that will be instrumental in satisfying that goal (Solomon et al. 2013, 203). Thus, involvement is a motivational construct, which can be triggered by different antecedents, and it has implications on the purchase process (Solomon et al. 2013, 204; Andrews et al. 1990). The antecedents can be personal or decision related, as the following figure 2 illustrates. These factors define the density of involvement, and furthermore the effects on behavior during the purchase process.

ANTECEDENTS   **CONSEQUENCES**

Personal factors		**Search behavior**
•Needs		•Enhanced information search
•Importance	**PRODUCT**	•Complexity of decision making
•Interest	**INVOLVEMENT**	•Time spend examining alternatives
•Values		•Perceived product attribute difference

Decision factors
•Purchase
•Percieved risk
•Differentiation
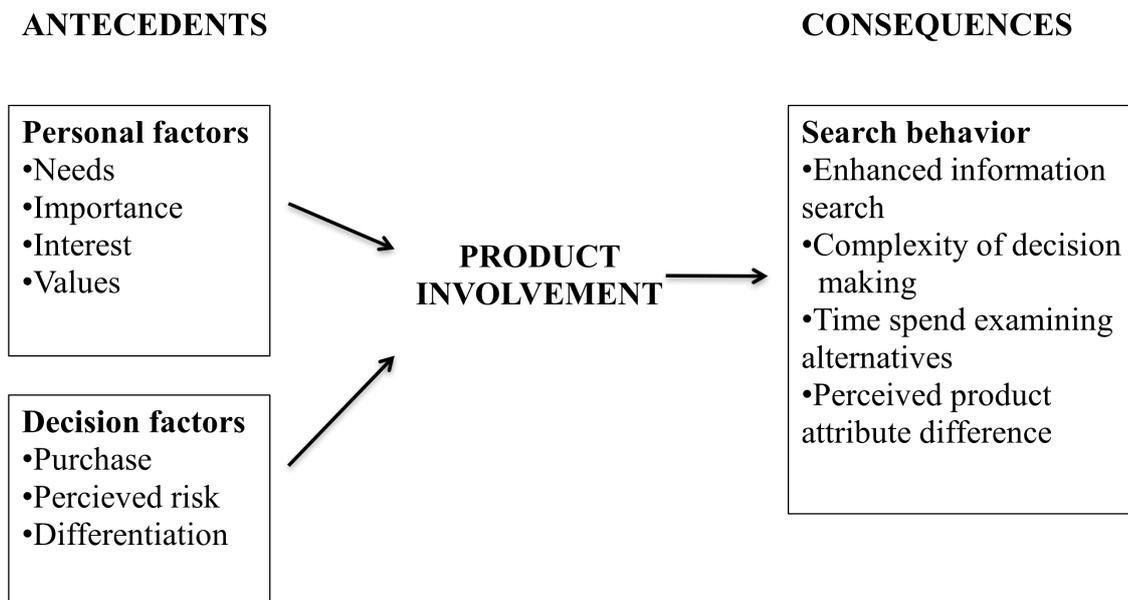
Figure 2 Antecedents and consequences of product involvement (modified from Solomon et al. 2013, 204 & Andrews et al. 1990)

2.2.1   *Importance as an antecedent for involvement*

There are many conceptualizations of involvement which has led to some confusion. One of the most widely used measures of involvement is the scale in Zaichkowsky's Personal Involvement Inventory (Solomon et al. 2010, 195). According to Mittal and Lee (1989) this scale reflects the decision's extent of individuals' personal relevance in terms of basic values, goals, and self-concept. Furthermore, they also define product involvement as the interest a person finds in a product class, which also matches with person's values and goals.

The importance is highlighted in Zaichkowsky's (1994) theory when she points out that when something is touching the "self" it is emotional, and therefore may automatically bring out an effective response. Emotion and cognition can also occur together,

thus they can be measured together. It should be noted that importance tends to be closely related with the hedonic aspect of a product (Chauduri 2000; Manon & Oliver 1993). Thus, the personal factors that precede product involvement are mostly the same that inflict the product to be hedonic.

According to Laurent and Kapferer (1985) *the personal interest* a consumer has in a product category is one factor that determinates product's meaning or importance to a person. *The pleasure value* of the product category is another involvement factor, and third is *the sign value* of the product, which indicates how closely the product is related to the self. (Laurent & Kapferer 1985.)

For a product to evoke interest, it should satisfy certain goals which can be classified into three groups: utilitarian, sign-value, and hedonic. Utilitarian goal concerns the physical performance of a product, i.e. economic, rational, and functional goals. Sign-value helps in self-expression and contains social and impression management goals. Hedonic product goal concerns the capacity of a product to provide pleasure and affect. (Mittal & Lee 1989.)

The personal interest, and therefore the product involvement is impelled by macro-environmental factors, social influences, consumers' own histories, life themes, and persons' ideological positions. Thus, the extent of involvement is dependent on how consumers link the product class to important life themes. Also, social networks play an important role in the product involvement development, since friends and family are used as important information sources. (Coulter, Price & Feick 2003.)

Altogether, importance of a product is generated by the personal interest, the sign-value and the pleasure value. It seems likely that the importance of a product is closely related to a hedonic aspect of a product, as it is related to symbolism and pleasure. The importance of a product is also formed by macro-environmental factors through time. The effects the importance of a product have in the buying process are most likely related to the extent of the search phase as there is need to make well-evaluated decisions.

2.2.2   *Risk as an antecedent for involvement*

Products that are important are also perceived to be risky (Chaudhuri 2000). Thus, involvement is closely related to a risk, which can occur while buying or using a product. Risk can be defined in terms of fiscal risk, if a large amount of money is involved, or psychological risk because of personal or social associations. When consumer perceives risk in a purchase it can be described as high involvement, and there is a need to be more convinced in doing the right choice in comparison to low product involvement. As a result of making the purchase decision of a high involvement product, the consumer accepts and believes the suggestions of the product (Percy & Elliott 2009, 142, 209.)

Perceived risk explains a notable part of the enduring importance of product involvement, and it considers the possible negative consequences arising from the purchase and consumption of the good. This results in throughout information gathering and complex information processing by the consumer. (Dholakia 2003.)

Chaudhuri (2000) found that importance itself is not triggering the enhanced need for search, but the risk attached to the importance is the reason for search. Laurent and Kapferer (1985) argued that the perceived importance of the potentially negative consequences is associated with a poor choice of product. These arguments indicate that perceived risk is one of the main factors leading to enhanced information search.

Stone & Grønhaug (1993) define risk as subjective expectations of loss and they distinguish six dimension of risk based on earlier research. According to them, risk is a multidimensional construct, and the overall risk can be explained through the following loss categories:

- *Financial loss:* risk of losing money because of (a) functional failure of the product, (b) high reparation cost, or (c) better product available at lower cost.
- *Performance loss:* risk of inadequate or not satisfying performance of the product.
- *Physical loss:* risk of physical danger because of use of the product
- *Psychological loss:* risk of non-congruence between the product and the buyer's self-image
- *Social loss:* risk of unfavorable opinions of others because of the product
- *Time loss:* risk of inefficient use of time because of the product.

When buying high involvement products in a multi-channel environment, most likely the risk attached to the product will influence to purchase process. Consumer should evaluate what kind of information is needed to make the best decision and from where the most accurate information could be found to reduce the risk attached to the purchase decision.

2.2.3 *Enhanced information gathering and processing as consequence of high involvement*

Due to great importance and risk attached to a product, the buying process involves enhanced search phase. Also, when consumer is highly involved, the knowledge structures are enhanced due to extensive information search and the information is processed reflecting earlier first hand experiences. Therefore, in the case of a high involvement product, consumer is often an expert in that product category. (Claeys, Swinnen & Abeele 1995.)

Consumer's level of involvement can range from simple processing of information to elaboration, where the incoming information is linked to one's pre-existing knowledge system. Person's degree of involvement can also be seen as a continuum, ranging from absolute lack of interest at one end to obsession at the other. At the high end of involvement objects carry great meaning for the individual and consumers are passionate and search the best alternative with great intensity. (Solomon et al. 2013, 204-205; Percy & Elliott 2009, 149.) In other words, *the level of involvement determines the extensiveness of the consumer's purchase decision-making process* (Dholakia 2003).

Consumer behavior theory explains enhanced information gathering to be a part of maximizing the value, which is a subjective quality (Zeithaml 1988; Sands, Ferraro & Luxton 2010). Value maximization comprehends the evaluation of the post-purchase situation, in addition to problem recognition, information search and product comparison. One of the main goals in maximizing the value is to ensure the price-quality equilibrium. (Sands, Ferraro & Luxton 2010.)

Information-seeking motivation stimulates consumers to search for information about product assortment, price, and product quality to make an optimal decision with respect to retail channel selection. The main reason for information search is to make the best possible purchase decision and to reduce the risk. (Vlasic et al. 2011; Rippé, Yurova & Sussan 2015.)

In summary, high product involvement is generated by the importance of a product, which has a close connection to hedonic aspect of a product, and by perceived risk concerning purchasing or using the product. High product involvement contains strong emotions, which encourage to intense search of best alternative. The high product involvement seems to extend the search phase, making the purchase process more complicated. The enhanced search phase is conducted to minimize risk and to maximize value.

3   MULTI-CHANNEL RETAILING

The second sub-question of this research investigates the implications of online and offline channel retail environments on purchase process. The aim is to define the main benefits and disadvantages for buying a hedonic and high involvement product in these two channels that are investigated as a part of the multi-channel environment. The selling environment of a traditional store will be analyzed followed by a similar analysis on online store. After this, the integration of these channels will be discussed keeping in mind the point of view of the consumer.

Multi-channel retailing is the situation where a retailer is using two or more integrated channels to sell goods or services to consumers (Kwon & Jain 2009; Lewis, Whysall & Foster 2014). Multi-channel buying environment is therefore from customer's point of view the situation where purchasing can be done through different channels, e.g. offline store, online store, mobile, or catalogue. In this thesis, the focus is not only on one company's retail channels, but the customer is free to choose whichever channel of whichever company to operate throughout the buying process.

3.1   Traditional store as a buying environment

3.1.1   *Binding physical location*

Traditional store, also called as offline store, has *physical location*, which defines the main benefits and flaws of the retail channel when investigating the buying process in a multi-channel environment. For example, personal service, the possibility of cash payment, entertainment and social experiences and immediate acquisition are important attributes that distinguish a traditional store from an online store. (Zhang et al. 2010.) The physical location is also argued to be one of the fundamental pillars of customer relationship management (Albesa 2007).

In traditional retailing customer is a part of the delivery chain when entering the store, picking up the merchandise from the shelf and carrying it home (Castaldo, Grosso & Premazzi 2013, 180). This way the customer can avoid additional shipping and handling charges and lower the transaction costs as well as get an immediate sense of gratification (Avery et al. 2012). However, investing time on the transport to the store causes costs, as the person must travel to the store. Consumers need to spend more time and energy visiting the store and may have difficulties to locate knowledgeable sales associates to provide needed information. (Zhang et al. 2010.)

Altogether, the physical location of a traditional store affects the purchase process, as it may drive consumers to use online store if the distance to retailer is significant, or if the traveling is perceived to be inconvenient. Then again, offline store may have such qualities, that consumers are willing to visit it despite required efforts.

3.1.2 Engaging physical experience

Physical environment allows offline store to provide the potential to use all five senses when evaluating products. Thus, traditional retail store can create experiences by environmental stimuli, such as visual, auditory, tactile, and olfactory. This possibility to touch and feel the merchandise before purchase is the most important additional feature compared to other channels. (Balasubramanian Raghunathan & Mahajan 2005; Zhang et al. 2010; Avery et al. 2012.) In addition, offline channel allows social interaction with the shopping companions (Balasubramanian, Raghunathan & Mahajan 2005).

Today consumers are expecting a multi-sensory and interactive shopping experience, which increases shopping enjoyment, positive attitudes and loyalty. To respond to this need, store atmospheric elements should be manipulated to create a holistic and unique store environment. (Foster & McLelland 2015.) This so-called Gestalt approach allows the creation of more diverse experiential retail environments that have positive impact on the consumer-store relationship (Kozinets et al. 2002).

These atmospheric store attributes can be tangible or intangible. Tangible store attributes include for example cleanliness, lightning, colors and sales team, while intangible attributes are subjective clues able to control consumers' emotions. (Ladeira, Nique, Pinto & Borges 2016.) Together store attributes can create a store experience that lures consumers to traditional stores in their buying process, thus they might select an offline channel over online channel.

It is pointed out that physical store reduces purchase risk because of the option to touch the product before the buying decision, giving the possibility of full evaluation of the product in a physical environment. (Avery et al. 2012; Herhausen et al. 2015.) This finding is also supported by statistics, as apparel products have significantly high return rate when purchased online (Statista 2013). This may indicate that the majority of people favor traditional stores during the purchase process because of enjoyable experience and better evaluation of a product.

The physical environment also has another interesting effect as touching an object increases the perceived ownership of that object, which in turns leads to a higher valuation of the object. Touching an object leads to an immediate, automatic emotional response to the product. Especially positive sensory feedback increases the perceived ownership, affective reaction and the valuation of the product. (Peck & Shu 2009.)

It is important to note that the emotional response that touch can generate is still lacking in an online channel. Thus, it can be assumed that there should be a point of physical contact in the buying process of a hedonic product. Then again, another study suggests that emotional response depends on the role the tactile input has in the product evaluation (Grohmann et al. 2007). However, the positive influence a tactile input has on product evaluation particularly for high quality products, is generally recognized.

3.1.3 *Interaction with salespersons*

One significant feature in traditional store is the *presence of a salesperson,* which impacts customers' buying behavior (Solomon et al. 2013, 89; Avery et al. 2012). Sales person has great influence and the signals customer receives from a sales person are often considered trustful, which makes the effect even stronger. Earlier research has pointed out that personal selling process is more central with "touch and feel" products. (Grewal, Levy & Marshall 2002.) Additionally, the presence of a salesperson reduces the risk of a bad purchase decision, since customer can discuss face-to-face with an expert (Avery et al. 2012).

This interaction between a salesperson and the customer enables value co-creation that benefits both parties. The seller identifies customer's value system and proposes the best fitting solutions to the need. The seller also translates customer's voice back to the company. This dialogue builds customer relationship and helps the retailer to develop their business. (Baumann & Le Meunier-FitzHugh 2015.) Thus, it could be claimed that it is more difficult to create a profound customer relationship using only online store without social interaction taking place in a traditional store.

However, the salesperson's role is in transformation in the multi-channel retailing as the online channel has increased customers' expertise and knowledge level. This change seems to affect the traditional relationship between consumer and salesperson, as consumer is a more independent decision maker and may shun any interaction. Consumer may also be more critical towards the salesperson and compare the perceived knowledge from Internet to salesperson's talks. (Vanheems, Kelly & Stevenson 2013.)

Altogether, it can be claimed that the store environment constitutes the point of contact between the company and the consumer. It allows direct physical contact that satisfies the needs that motivate shopping through interaction among shoppers as well as with spaces and salesperson. It also generates a rich, multisensory brand experience that creates positive brand associations and the overall value of the product is a combination of the product's utility and shopping experience. Over all, there is a transfer of value, which is created by the store with the right configuration of interactions. (Castaldo,

Grosso & Premazzi 2013, 177; Avery et al. 2012; Balasubramanian Raghunathan & Mahajan 2005.)

In summary, offline store offers physical space to experience the product physically and socially. Therefore, the retail environment of offline store encourages consumers to visit the store despite the need to travel. Furthermore, it reduces the risk of inappropriate purchase because of the physical product evaluation and the advice from salesperson.

3.2   Online store as a buying environment

3.2.1   Enabling ubiquitous essence

E-commerce has transformed consumers' buying behavior with its *ubiquitous essence*, as consumer can access and consume goods and services anytime and anyplace (Cox 2004). In addition, online store can provide advantages such as wide selection of items, rich product information, competitive prices and *convenience* compared to traditional store (Chiu, Wang, Fang & Huang 2014).

Convenience in practice includes attributes that help customers search information easily and with minimum effort, such as navigation tools, sitemaps and express check-out (Kim, Kim & Kandampully 2007; Zhang et al. 2010; Vlasic et al. 2011). Therefore, consumers' preference for comfort may drive them to online channel during the purchase process.

Furthermore, online store has lower transaction costs in terms of spent effort, and potentially lower purchase price compared to offline store. However, there is no possibility to immediate consumption and the risk of buying an unsuitable product is higher compared to an offline store. (Balasubramanian et al. 2005.)

Therefore, it is justified to call a product sold in Internet as a metaproduct, because it is composed of multiple aspects and it cannot be experienced at once. These factors are for example the purchasing procedure in online store, the delivery, and the safety of the data. (Ahrhold 2011; Avery et al. 2012.) In an online store information flow and logistic flows are separated, and there is great potential for abstraction (Castaldo, Grosso & Premazzi 2013, 171).

Even though online store has no physical location, it is highly important to have strategic placement on the Internet to create customer flows. The localization on the Internet happens through *visibility* and *accessibility*, which determine the location in cyber world. (Kapferer & Bastien 2009.) Internet is full of online stores and for consumer it may be puzzling to find the best channels in the overwhelming supply of online stores all around the globe.

Early research on online stores suggests that the great potential of online store format is still unused also because of consumers' general lack of trust in online stores (Ahrhold 2011; Kim et al. 2009). The most critical concerns of online-consumers have been privacy, safety and product quality (Wang, Yeh & Jiang 2006). Also, a more recent study has pointed out that online shopping is still seen as *a risky proposition* despite its utilitarian and hedonic values (Chiu et al. 2014). Additionally, there have been many barriers in online transactions, but with time these should become less important as cross-channel shipping becomes more broadly adopted (Griffiths & Howard, 2008).

3.2.2 *Developing virtual experience*

Online store can give a rich engaging experience utilizing the technological possibilities for digital retail experience. It is even proposed that the online store should be the flagship store of the company. The problem with "tactility" still exists but some studies suggest that it can be partly solved by multiple encompassing close-up shots, and by giving detailed information. (Griffiths & Howard, 2008.) The rise of mobile phones is enhancing the benefits of online channel, as mobile phones are perceived to be more personal and interactive (Wang, Malthouse & Krishnamurthi 2015).

One efficient way to overcome the lack of tangibility in an online environment is through *dynamic presentation*. Dynamic presentation induces vivid mental images and increases the product involvement, which influences more to buying intentions than passive information. It triggers an imagery reducing the gap between virtual presentation and reality, ultimately substituting the need for a physical contact. The study also presents that dynamic presentation format is more effective for hedonic products than other product types. (Roggeveen et al. 2015.)

Dynamic presentation can be implemented by object interactivity. Direct manipulation of virtual object causes the immersion of this mental image into another world, as customer runs a mental stimulation of performing the wanted behavior. (Schlosser 2003.) Interestingly, the increase in product value can also be achieved by ownership imagery (Peck & Shu 2009). These studies suggest that the need for a physical experience in an online store could be replaced by vivid mental images, decreasing the importance of a traditional store during the purchase process.

Earlier studies have found that also emotional and hedonic demands can be effectively simulated and transplanted in a virtual setting. It has been illuminated that consumer attitudes, emotion regulation and subjective norms also appear in online shopping (Bui & Kemp 2013; Menon & Kahn 2002.) It should be noted that this result came by examining a homogeneous product that can be fully evaluated in an online environment. To reach hedonic values in an online environment, attention should be paid to delivering

sensory stimulation, stress relief, role-playing, bargain seeking, and social interaction. Therefore, to attract consumers, online store needs to create experiential aspects in their website. (Chiu et al 2014.)

W*ebsite design* and store layout also influence the online shopping experience (Ganesh et al. 2010). The design effects can be divided into two different aspects, which are web appearance and entertainment value. The web appearance includes background colors, logos, graphics, and boarders or background graphics. Good performance in this leads to increased consumer satisfaction, since the website is easy to use and it provides hedonic value at the same time. Entertainment value includes music, flash intro, visual presentation aids, and games and contests. (Kim et al. 2009.)

Earlier research on this topic found that when a consumer is highly involved, entertainment distracts customers' attention and thus has a negative impact on consumer satisfaction (Kim et al. 2009). Pauwels and Nilsen (2015) also raise the question whether making online store more enjoyable is a wise decision, since it will probably reduce the efficiency which is its core value.

A salient feature of online shopping is that consumers do it mostly alone. It is a big contrast to the traditional format of shopping and it affects the utility consumers derive from shopping activities in different channels. (Balasubramanian et al. 2005; Avery et al. 2012.) However, this doesn't mean that there cannot be any communication. Web sites can provide electronic interactivity via live help, personal shopper, or chat room (Kim et al. 2007). These features help overcome the lack of human contact, but it should be investigated if consumers find it sufficient.

3.2.3   *Emphasis on information*

Internet enables consumers to search as much information as they desire before making the purchase decision, and this web-based information can be tailored to the customers' needs (Castaldo, Grosso & Premazzi 2013, 170). In addition, the better access to information empowers customers in comparison to retailers (Cox 2004). Online shoppers require detailed product information which must be communicated in a transparent, appropriate format that delights the shopper (Griffiths & Howard, 2008).

Online channel is used especially when consumer wants to find information about a specific product or when there is a need for general understanding about a brand. Internet-based channels have an important role in decision-making in a multi-channel environment, as they contain powerful information search, and are information intensive and interactive. All together online stores are perceived as a convenient channel to search. (Sands, Ferraro & Luxton 2010.) The state of high product involvement will probably drive consumers to use online channel during the search process, as it is supe-

rior in providing information compared to offline channel. However, the problem with tactility is still existing.

Personalization is significantly easier in an online environment and it can be implemented in the virtual store's offering or in the product itself. This helps companies to exploit the variety of its own offering and to obtain deeper connection with customer through interaction. By electronic support the offers can be modified to match each customers' need and the vitality of assortment is connected to the ability to learn from the relationship while interacting with the shopper. (Castaldo, Grosso & Premazzi 2013, 199.) The possibility of personal tailoring of products, services and the shopping experience also increases customer satisfaction and e-loyalty (Kim et al. 2007).

Based on literature, the variety of products and the convenience of shopping are driving consumers to use an online channel. It can be assumed that an online channel is used the most in the search phase because of perceived convenience, low costs and a wider selection. However, online store is seen as a hazy channel for purchase, because of security issues and general lack of trust in e-tailers.

3.3   The value in connecting sales channels

Potential benefits offered to customer are significantly greater in a multi-channel environment than in a single-channel environment. Traditional store-based retailers can complement their store selection with an online channel to improve their offering to customers. (Zhang et al. 2010; Sands, Ferraro, Campbell & Pallant 2016.) Thus, customer has a wider selection pool on products. However, this doesn't necessarily mean that every additional item increases customer satisfaction, since product in an online channel is perceived differently than in an offline channel.

Sales channels differ in the value propositions offered to the customer and hence retailer should harness multiple sales channels in a manner that supports wide sets of needs. Internet excels on information comparison and search convenience, whereas traditional store excels on service, after-sales support, risk reduction, and assortment. (Pauwels & Neslin 2015.)

Therefore, using channels in a manner that increases the effectiveness of each separate channel in providing a seamless shopping experience for customers will contribute to an improved performance of the company. This means integrating their order-processing, fulfillment, and distribution functions to reduce duplication and transaction costs. (Pentina & Hasty 2009.) For customer, these enhanced sales channels mean better services and new buying options which make the buying easier. Furthermore, a recent study proves that providing only one channel is insufficient for consumers (Swobod, Weindel & Schramm-Klein 2016).

Brand integration is one of the most visible element of synergistic coordination between different buying channels. With this integration, a brand can transfer the customer perception of the retailer's reputation, service quality, and merchandise mix also to online channel. Coordination also signals trust and credibility to customers and helps to reduce purchase risk. (Gulati & Garino 2000.) Thus, multi-channel retailers may have an advantage compared to pure online retailers because of the capability to translate their reputation and appeal to every channel. This uniformity of each channel increases customer satisfaction if customer's expectations are met.

In line with Gulati & Garino (2000), Griffiths & Howard (2008) emphasize the importance to integrate seamlessly the brand offer presentation in different channels. The same foundations that have been used in a traditional environment should be used online as well. The physical store can be viewed as a living advertisement or billboard that generates valuable brand associations and conveys the brand message. Positive associations formed through the patronage or knowledge of the store transfer to the other channels as a halo effect that increases sales. (Avery et al. 2012.) It is also important to allow a smooth transition between different channels during the buying process (Frasquet, Mollá, & Ruiz 2015). This suggests that customers are keen to visit offline stores to experience the product, and afterwards have better capabilities to make the buying decision in an online channel.

Emrich and Verhoef (2015) have taken this discussion further by investigating the effect of prototypical and homogenous design in an online store. They found that if the online store design is in line with the physical store, it increases the shop patronage among the customers. Homogenous design means that the category arrangements, sorting and campaigns are corresponding across channels. In short, the visual cues need to be synchronized between different channels. Customers are also more likely to select a multi-channel retailer who has implemented the homogenous design, which again proves that brand integration is extremely important in multi-channel retailing. (Emrich & Verhoef 2015.)

In summary, offline store supports the full product evaluation and aid from sales person. The product evaluation is important for perceiving the hedonic aspect as well as satisfying the need for precise information because of the high involvement, and decreases the perceived risk. Then again, traveling and finding the right product in bind location has time and traveling costs. Online channel is ideal for information gathering, as it is ubiquitous. However, as a channel it can be perceived as risky and there is no certainty that consumers are satisfied with the product perception.

4 PURCHASE PROCESS IN A MULTI-CHANNEL ENVIRONMENT

The third sub-question of this thesis examines how the characteristics of hedonic and high involvement products affect purchase process in a multi-channel environment. The objective is to understand the different buying phases and how online and offline channel can support the needs defined by this product type. First the buying behavior and the purchase process are examined, and later these findings are combined with the theory of hedonic and high involvement products, forming the tentative framework of this thesis.

Consumers today are using multiple channels during their buying process and it is important to bear in mind that multi-channel shoppers are not a homogeneous group, but one can find different patterns with varying lengths and touch points (Frasquet, Mollá, & Ruiz 2015; Hall & Towers 2017; Voorveld et al. 2016). Selling channels have increased significantly, as mobile applications and tablets are taking a bigger role in consumers' buying processes. This new multi-channel environment has complicated consumers' decision-making, as it has become two-dimensional. (Sands et al. 2016.) It seems that the over hundred years old theory of a purchase funnel that assumes buying process to be linear, is outdated (Hall & Towers 2017).

4.1 Buying behavior in a multi-channel environment

The complex multi-channel environment affects customer's decision making process, and it is moderated by several factors, such as shopping goals and expertise (Pauwels & Neslin 2015). For example, it has been found that consumers are more goal-directed while shopping in Internet, and more leisure oriented when shopping in a physical store (Pauwels & Neslin 2015). Therefore, retailing channels' advantages are perceived differently depending on consumers' personal preferences, and most importantly, perception varies depending on the buying stage. (Sands et al. 2016.) There is also evidence that choices made during the buying process are increasingly emotional rather than rational, making it almost impossible to forecast buying steps (Hall & Towers 2017).

Verhoef et al. (2007) found three shopping behavior types in a multi-channel environment. First two types are research-shoppers who search information from one channel and purchase the product from another channel. These shoppers are either competitive research-shoppers, who switch firms while shopping, or loyal research-shoppers who do research and purchase items using retail channels of only one company. The third type, one-stop shopper, uses only one channel of one firm. (Verhoef et al. 2007.)

Another study by Konus et al. (2008) proposes a counterargument to this research when segmenting multi-channel shoppers, as they found no research-shopper segment.

The multi-channel orientation did not vary in different shopping phases, though in few product categories customer segments used different channels for information gathering and purchasing. (Konus et al. 2008.) In case of hedonic and high involvement product, the research-shopper presumably is the dominant group, because of the strong affiliation to enhanced search phase.

4.1.1 *Motivations for multi-channel shopping*

According to Kwon & Jain (2009) the store switching behavior, where consumer switches between different channels and/or stores, is related to variety-seeking, which is the underlying motive for multi-channel shopping. They define variety seeking to be an act of choosing an alternative behavior to experience product or brand diversity. Based on the earlier discussion, it could be questioned if this also applies to high involvement products, when the shopping has a more functional purpose than just that of a leisure activity. Then again, as presented in chapter two hedonic products are built through experience, thus variety-seeking behavior may support the need to experience product diversity, leading consumer to use multiple channels in buying process.

Multi-channel shopping behavior is also a result of both hedonic and utilitarian motivations co-existing. Multi-channel shopping as a variety seeking behavior is driven not only by functional reasons such as information seeking and convenient shopping, but also by hedonic desires, such as the fun and adventure of shopping. In hedonic multi-channel shopping, instead of looking for bargains consumers want experiential value and practical shopping benefits such as information. (Kwon & Jain 2009.) These findings could also lead to the conclusion that buying a hedonic and high involvement product encourages customers to use multiple retailing channels during the buying process because of the elevated perceived hedonic value and the importance of the product.

Multi-channel environment allows consumers to benefit economically from easy price comparison and thus to be more price-conscious while making purchase decisions (Verhoef et al. 2007). Therefore, price consciousness is another motivation for multi-channel shopping. Price conscious consumers search for monetary savings across distribution channels, and as price search is relatively efficient in the current retail environment, they are also less likely to be loyal to one channel, but instead are driven by low prices when selecting the operating channel. (Kwon & Jain, 2009.) On the other hand, there is evidence that earlier experiences have impact on channel choice (Verhoef et al. 2007) and hence create loyalty to channel despite price consciousness.

4.1.2 *Motives for channel choice*

Albesa (2007) has found two types of variables that influence the selection of interaction channel: *individual variables*, which include the desire for privacy and social relations, and *channel variables*, which contain knowledge and perceived convenience. Both variables are dependent on individual, and the first does not take the channel into account when the second does. Especially the desire for social relationships seems to be a significant factor in channel choice. In addition, better knowledge and familiarity of Internet will provoke greater use of electronic channels. (Albesa 2007.)

Further study has examined the importance of *channel attributes* and added *consumer experience* and *spillover effects* to explain consumers' channel choice intentions in different stages of the buying process. Consumers' previous channel experience increases the likelihood for the consumer to use the same channel later again in the buying process. It has been claimed that earlier experience and spillover effects have more impact on consumers' channel choice than channel attributes (Gensler, Verhoef & Böhm 2012). Experience is also related to attitude, which influences the intention to select retail channels (Biu & Kemp 2013).

Liu, Burns & Hou (2013) highlight the individual variables that impact the channel choice. They compare the online and offline store shopping behavior towards luxury goods and came into the conclusion that shoppers are influenced by different motivational factors in different channels. Online shoppers are price-conscious, value the online product availability and have higher level of trust towards customer online reviews. Shoppers who prefer traditional store are more averse to online risks, place great importance on seeing the product personally before purchase and value the shopping experience and interactions. For them it is very important to see and touch the products to have personal interaction as this brings a more satisfying experience via the sensory effects. (Liu, Burns & Hou 2013.) This finding could have a connection with Peck & Childers' (2003) study on individuals' differences in the perceived importance of touch.

Earlier research is not unanimous on how hedonic motivation affects the channel choice. There is evidence that consumers with hedonic orientation prefer online channels for purchasing (Overby & Lee 2006). Then again, other studies have concluded that hedonic motivation is driving the search and purchase in a traditional store (Konus et al. 2008; Schröder & Zaharia 2008). A later study on the buying process in multi-channel environment supports the view that hedonic orientation is a factor that drives consumers to select offline channel. Then again, in the same study high product involvement was found to increase the use of online channel because of information search and usefulness of the online channel. The same applies both to search and purchase phase in the buying process. (Frasquet, Mollá, & Ruiz 2015.)

Overall, literature stresses the individual's preferences and former experiences to be the main influencers of channel choice. In addition, the utility of a channel has an impact on the channel choice. However, coherence has not been found on how hedonic buying motivation affects the channel choice, not to mention when the product is both hedonic and high involvement.

4.1.3   The impact of channel utility on channel choice

Channel choice is also associated with the *total utility of the channel* (Balasubramanian et al. 2005; Frasquet, Mollá, & Ruiz 2015). Channel utility is dependent on the utility consumer derives from searching or purchasing from the channel, which in turn is dependent on perceived costs and benefits. Benefits are for example savings, exploration, entertainment, and self-expression. These costs and benefits are in turn related to psychographic factors such as price consciousness and shopping enjoyment, and demographical factors. (Konus et al. 2008.)

Channel utility is constructed from instrumental and non-instrumental elements. *Instrumental element* is the utility of the channel that enhances the performance of the buying task. For example, driving to the store or smelling the product to ensure the quality are part of instrumental elements. These elements affect the perceived usefulness of the channel and therefore have an impact on the channel selection. Traditional retail shopping usually requires greater motoric effort and allows richer opportunities for assessing product quality, which is particularly important for sensory hedonic products. In online store, the instrumental elements of purchase consist of searching and comparing offerings in different sites. (Balasubramanian et al. 2005; Frasquet, Mollá, & Ruiz 2015.)

The second aspect in channel utility is the *non-instrumental elements* of the shopping process. These elements are peripheral to the shopping expedition and occur during the activity, such as the ease-of-use of the channel and the enjoyment of using the channel. It has been found that hedonic orientation gives more importance to non-instrumental elements than the instrumental elements (Balasubramanian et al. 2005; Frasquet, Mollá, & Ruiz 2015). Therefore, consumers buying a hedonic product would more likely select a channel that also brings enjoyment during the buying activity.

Earlier study has also identified *central channel attributes*, which influence the customers' perceived channel utility. These attributes are quality, price, convenience and risk (Gensler, Verhoef & Böhm 2012). When investigating online channels, shipping costs, timely deliveries and return policies are additional features affecting channel attributes (Ganesh et al. 2010).

In addition, Verhoef et al. (2007) distinguish the channel attributes between *pure search attributes, pure purchase attributes* and *attributes that apply to both*. Search attributes are information availability, search convenience, and search effort. Purchase attributes are service quality, after sales service, purchase convenience, negotiation possibilities and purchase risk. Attributes affecting both are enjoyment, assortment, price level and promotions, and clientele. According to their study, offline channel is strong on service, risk and privacy, but relatively weak on search convenience. The Internet is strong on search convenience and comparing information, but weak on search effort and very weak on privacy. (Verhoef et al. 2007.)

In summary, buying behavior in a multi-channel environment is versatile and challenging to predict, as the made decisions are multidimensional and closely related to individual's preferences. Motivations for multi-channel shopping are related to a variety of seeking and price consciousness. Consumers use multiple channels to satisfy the co-existing hedonic and utilitarian needs, and balance between the benefits of online and offline channels, which are chosen based on estimated channel utility. Channel choice seems to also be strongly related to individual variables and earlier experiences.

4.2   Buying process in a multi-channel environment

In earlier studies the buying process in multi-channel environment has been most commonly divided into two steps: search and purchase (Verhoef et al. 2007; Konuş, Verhoef, & Neslin 2008). Some studies also include after-sales in the buying process (Gensler, Verhoef & Böhm 2012; Frasquet, Mollá, & Ruiz 2015; Frambach, Roest & Krishnan 2007). Pauwels and Neslin (2015) added the need for recognition to the first step of the buying process, and in this thesis, it is used as the starting point of the buying process. Another study by Balasubramanian et al. (2005) stresses the search phase by dividing it into forming a consideration set and to choosing a product, and the final step to be the buying of the product.

The period following the purchase is also highly valuable in creating additional value for the customer. This phase includes and completes the consumption process, which may include informational assistance, technical assistance and financial assistance. Customer expects to be taken care of and to receive attention, proximity and respect from the company. (Castaldo, Grosso & Premazzi 2013, 187.) In this thesis, the focus is on the path to purchase, thus the after-sale phase will not be examined any further.

As discussed in earlier chapters, consumers follow different goals at different stages of the buying process, which also explains the different drivers for the channel choice (Frasquet, Mollá, & Ruiz 2015). In the next chapters, the phases of the purchase process in a multi-channel environment will be discussed more thoroughly. It should be pointed

out that the channel choice is a result of a complex combination of individual and situational factors, which all are affected by earlier experiences and personal attitudes.

Table 1 Benefits and disadvantages of channels in purchase process

	Search	Purchase
Online channel	+Convenience +Effectiveness +Comparison	+Convenience +Price -Privacy/security -Delivery time -Risk
Offline channel	+Personal service +Social interaction +Experience -Time consuming -Limited selection	+Immediate satisfaction +Experience +Perceived ownership +Sales person

4.2.1 Search phase in a multi-channel environment

As pointed out in chapter 2.2.3 of this thesis, information search is an important phase when buying a hedonic and high involvement product because of the elevated risk and perceived personal value. Information-seeking motivation induces consumers to search vast amounts of information on product selection, price and quality to obtain an optimal decision. In a multi-channel environment, the increased information availability can at best help overcome purchase risk and uncertainty, which leads to a higher likelihood to purchase the product. (Vlasic et al. 2011; Rippé, Yurova & Sussan 2015.)

According to neoclassical consumer behavior theory the search goals are purely economic, and information gathering could be seen purely as maximizing net utility. Consumer would make the choices on a trade-off of the costs and benefits of different options. Following this line of deduction, they would be more likely to use online channels to form the consideration set because of appropriate channel utility. (Balasubramanian et al. 2005.)

Then again, Verhoef et al. (2007) have found *cross-channel synergy* effects where information search happens in Internet and purchase is made in a traditional store. Another study by Sands, Ferraro & Luxton (2010) had similar results, as information search in an online channel was found to drive consumers to visit offline store. This theory also has support from another study, with the addition that search is done using a combination of online and offline channels (Frasquet, Mollá, & Ruiz 2015).

Internet is therefore especially vulnerable when used only for search because it has no lock-in effects that would engage the customer to make the purchase at the same channel. This lack of lock-in effect is even greater as the offline store is very strong as a purchase channel, in addition to the advantage of the online store as a search channel. (Verhoef et al. 2007.)

Another study on customers' multi-channel behavior discovered that consumers visit several channels in order to search information and to evaluate different products. Main reasons for this are shopping convenience, flexibility and easy price comparison. The behavior is stronger with products that are purchased seldom and have high financial value. (Heitz-Spahn 2013.) This finding also has support from another study by Voorveld et al. (2016) who discovered that high product involvement causes the usage of a higher number of online channels, and the purchase made for the first time is done more often in an offline channel. These findings support the assumption of enhanced search and the need for physical evaluation when buying a hedonic and high involvement product.

One explanation to this phenomenon is by Laurent & Kapferer's (1985) who found that the perceived importance of the potentially negative consequences of the purchase might extend the search phase to ensure adequate bases for the decision. The probability of making a bad purchase is higher when there is no possibility to fully examine the product, which is the case in online stores. It has been validated that consumers prefer traditional store when exploring or buying a new brand, as they are not capable to verify the quality in an online environment (Pozzi 2012; Voorveld et al. 2016).

When hedonic dimension is important in the product, consumer must convert the given representation into experiential value. To perceive the hedonic attributes better, consumer is likely to use traditional store for product comparisons in contrast to only economic thinking since the product details, design and styling are best to be experienced physically. (Balasubramanian et al. 2005.) This conduct also appears with high touch product categories, such as clothing, and the need to inspect the product drives consumers to traditional stores (Konus et al. 2008).

In addition, consumers are constantly following topics they are interested in, and may already have the necessary knowledge before the need for the purchase has even been born. Therefore, preferences can be formed before a purchase intent, and new knowledgeable consumer has removed the control and power partly from sales person (Vanheem, Kelly & Stevenson 2013; Rippé, Yurova & Sussan 2015). This can lead to incising the search phase, as consumers are constantly aware about the product selection and product qualities. Then again, when customer has too many options and experiences an information overload, the buying decision is delayed and can even end up with no buying decision at all. (Rippé, Yurova & Sussan 2015.)

According to earlier studies on this theme it could be expected that people searching information on hedonic and high involvement products in a multi-channel environment will use both online and offline channels, but the emphasis is on online channel because of its convenience and effectiveness. Especially high product involvement is driving consumers to thorough information gathering which includes visiting several channels. Then again, the hedonic aspect drives consumers also to physical environment to be able to fully examine the product, which is an important part of product evaluation. The search phase seems to be rather excessive, aiming to find an optimal product that satisfies the hedonic need.

4.2.2 Purchasing the product in a multi-channel environment

As described earlier in chapter 3.1.2, in an offline store customer has the possibility to touch and feel the merchandise before the purchase (Balasubramanian, Raghunathan & Mahajan 2005; Zhang et al. 2010; Avery et al. 2012). This has a crucial impact on product validation which has a great impact on buying behavior in a multi-channel environment when purchasing hedonic and high involvement products. The buying process of a product is not always consciously planned and random situational factors can therefore have a huge impact. For example, the selection of the purchasing channel may be a result of momentary stimulation level (Menon & Kahn 2002; Hall & Towers 2017).

As discussed earlier, different sensory, emotional and symbolic attributes can act as sources for hedonic value. The buying itself can also imbue symbolic meaning on the product (Balasubramanian et al. 2005). Therefore, shopping a hedonic product can also be seen as a stage performance and the customer can be a part of it as an active participator or as a member of the audience. The other cast members affect the performance and the setting of the play. (Solomon et al. 2013, 62-64.) In a multi-channel environment, this stage performance is fragmented, since a part of the process can be executed alone at home. Hence this might drive customers to use traditional store to experience the full performance.

Study among millennials purchasing fashion products found the most important influencer for purchase to be friends, family and price. Given explanation for the result is the shift towards price sensitive and discount driven retailing era, and the increasing importance of peer validation. (Hall & Towers 2017.) Shoppers who search and acquire information to a greater extent to make an optimal decision are less likely to be channel loyal, and they purchase from various retail channels (Vlasic et al. 2011).

The decision to buy from an online store is influenced by consumers' concerns and anxieties such as information privacy, product guarantee, easy return policy, and payment security. Another influencer is the ease of use, which is formed by shopping con-

venience, easy shopping process and product comparison while shopping. (Panda & Narayan Swar 2013; Castaldo, Grosso & Premazzi 2013, 187; Gupta et. al 2004.) Also, the online store's usefulness and price have influence on the buying decision (Panda & Narayan Swar 2013).

Ofek, Katona and Sarvay (2011) found an acute problem in online sales with product categories that need the "touch and feel" when determining the fit. When the relevant product attributes are difficult to communicate electronically, the risk of mismatch increases and the amount of product returns grows. (Ofek, Katona & Sarvay 2011.) It has been found that when purchasing a high involvement product for a first time, offline channel is chosen more often as a purchase channel (Voorveld et al. 2016). A good example of this is the fashion industry where the physical store has kept its importance despite the rise of e-commerce (BMI 2016).

Another study supports the claim that the familiarity with a product is an important factor when selecting the purchasing channel. When the product is already well known, consumers are comfortable with buying it online, but when the product is new or seldom purchased, consumers consider the decision carefully and try to minimize the potential regret (Wang, Malthouse & Krishnamurthi 2015). All these studies indicate that consumers are more likely to purchase a hedonic and high involvement product from traditional store, because of better risk control and better possibility to avoid possible negative consequences.

In summary, the buying process is divided into two steps: information search and product purchase. The motivation for information search is to define the optimal solution. Most of the search is conducted in an online channel, because of the convenience and the ease of use. Then again, before consumer can make the final choice, there should be a physical contact point with the product for full quality evaluation and to experience the hedonic aspect of a product. Purchase is most likely made in an offline channel to reduce the risk, but the narrower selection can become an issue. Then again, the purchase channel choice seems to be highly dependent on situational factors in addition to earlier experiences.

4.3 Tentative framework for buying hedonic and high involvement products in a multi-channel environment

As the earlier research presented in chapter 4 implies, purchase process differs across different product categories. Therefore, also the characteristics of hedonic and high involvement products have unique requirements throughout the purchasing process in a multi-channel environment. Based on earlier literature, a tentative framework has been

created to illustrate motivations for channel choices in the different phases of the buying process.

- Full product evaluation
- Evoked emotions

- Easy product comparison
- Wide selection

- Experience
- Salesperson
- Safety

Offline   **Online**   **Offline**

Search → Purchase

- Importance of senses
- Close to identity
- Psychological risk

- Importance
- Desire
- Financial Risk

Hedonic and high involvement product
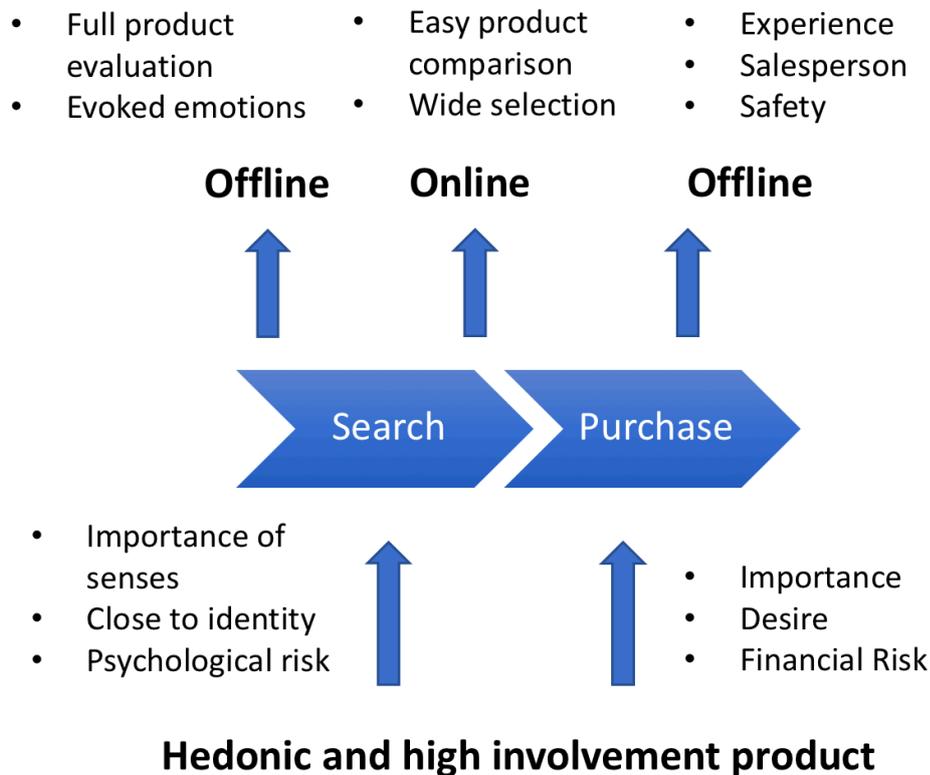
Figure 3 Tentative framework of buying hedonic and high involvement products in a multichannel environment

The first sub-question of this thesis examines the implications of characteristics of hedonic and high involvement products on purchase process. The purpose of this question is to define the elements that determine how hedonic and high involvement product impact the purchase process. These findings are later combined with the theory of multi-channel retailing to understand channel choices during the buying process.

It has been found that the motivation for buying a hedonic product is more about emotional desire than rational need. Therefore, consumer needs to *form a relationship* with the product to be able to select the right option, hence technical information itself is not sufficient when comparing the products.

As hedonic products are closely related to identity, the product must *correspond to the consumer's self-image*. Therefore, consumer is more selective with different options that affect the purchase process making it more profound. Also, the product requirements are different compared to other types of products.

Therefore, the value of a hedonic product is also related to *the symbolic meanings attached* to it. The reason to desire an item may be linked to a need for belonging to a certain group, or quite opposite, to distinguish oneself. As a hedonic product signals

consumer's identity to the peer group, the bar to find the right product is set even higher.

Additionally, *senses and sensations* create the value of hedonic products, and transmit the product quality. Furthermore, senses evoke feelings and emotions which are in an important role in building the relationship with a product. Thus, physical experience is a significant part of the purchase process of hedonic products.

Hedonic buying motivation and high product involvement are partly related to each other, as both aspects evoke emotions and are connected to a consumer's identity. When product is hedonic, it rouses desire which in turn drives the buying process. Then again, high product involvement is an outcome of the perceived importance which is derived from *close relation to personal interests*, and this makes the product meaningful.

Thus, high product involvement is a consequence of the importance of product category and of personal interest. The perceived importance is formed based on macro-environmental factors such as social influence, personal history and consumer's life themes. Usually, consumer has become an expert in the field of interest after having gathered a great amount of knowledge over time, which in turn has implications on purchase process.

Another element that generates high product involvement is *the perceived risk*. Risk associated with high involvement products may be monetary, if the product is perceived to be expensive; or psychological, if the product is not satisfying the inner desire or signaling purpose. Altogether the risk reflects the concern for making a bad purchase decision, which may be regretted later. Thus, perceived risk leads to enhanced search behavior where the risk for a wrong choice is intended to be minimized.

Together importance and perceived risk are the motivational factors for profound information searching before making the purchase decision. *Enhanced search* aims to find the best possible option for the need. Consumer is willing to invest time and effort to find the best possible product to maximize the value.

The second sub-question of this thesis examines the implications of online and offline channels' retail environment on the purchase process. The purpose of this question is to understand the possibilities, benefits, and weaknesses consumers face during the buying process in each channel, which later helps to explain the channel choices made when buying a hedonic and high involvement product in a multi-channel environment.

The most apparent difference between online and offline retailing is the environment itself. Offline store has a binding physical location where consumer can fully experience the product, whereas online store is virtual, unlimited and accessible whenever and wherever. These characteristics determinate all the benefits and disadvantages related to these channels.

As mentioned in chapter 3.1.2, offline store allows consumers to use all senses to *fully evaluate the product*, creating an interactive experience which increases consum-

ers' enjoyment and positive attitude. Therefore, offline store provides an important physical contact with the product, and facilitates a holistic store experience.

Additionally, *sales person's assistance* is available, which together with a store experience contributes to the creation of relationship between a consumer and a product. Also, shopping in a traditional store can be a social event for consumer, making the event more enjoyable. Product evaluation and sales person's help supports the reduction of the purchase risk, making the offline store a favorable channel for purchasing.

On the down side, visiting a traditional store *requires time and effort*. Shopping in a traditional store is time consuming, can be difficult, and the accessible selection is narrower. Therefore, the process needs to be designed to fit consumer's everyday life.

According to literature, *convenience* encourage customers to use online channel, as it is reachable all the time. Hence, online channel overthrows offline channel's biggest problem, as consumer can define the time and place of interaction. This has huge implications on the purchase process, allowing it to extend without significant inconvenience.

Furthermore, the access to *vast amount of information* makes an online store a desirable channel to do search. Great product selections and product info can be reached *efficiently* helping consumers with product comparison. Thus, the main benefit of online channel is the access to extensive information, allowing consumers to become experts independently. Overall, online channel seems to be ideal channel for information search.

The downside of online store is *the perceived risk*, both in using the channel and in evaluating the product. The virtual presentation cannot replace the physical experience, and numerous online store operators evoke insecurity. However, online channel is improving in creating experimental value with developing technology, but the gap between virtual and real remains.

The third sub-question of this thesis, how characteristics of hedonic and high involvement products affect purchase process in a multi-channel environment, examines how the product type and the channel attributes affect the buying process in a multi-channel environment. Earlier literature has divided the purchase process into search and purchase, therefore the implications are considered in these two steps.

In the search phase, the ability to immediately evaluate the product seems to be a significant factor with hedonic and high involvement products, since touch is in key role in transmitting the product quality and in creating emotional response, which is needed in building a relationship with the product. Therefore, the tactical aspect in multi-channel retailing is particularly interesting when investigating the buying process, since touch can be executed only in offline channel. Thus, consumers may shun online channels because of inability to experience the product with their own hands.

As the hedonic aspect of a product is attached to sensations, the importance of the physical contact with the product is stressed in the evaluation of the quality and fit. There are alternative ways to imitate the tactility in online environment, such as dynamic presentation, but there is no consensus if it really can transmit the needed information.

Physical contact also has another role in experiencing the hedonic product, as it evokes emotions. Hedonic products are utilized as a part of self-expression, and it needs to raise positive feelings. In addition, the product should correspond to the inner desire, and match the identity the consumer wants to illustrate. Therefore, the inability to touch in an online channel seems to drive customers to physical stores to fulfil the urge to feel the product in reality. This importance of the physical experience suggests that offline store is having a strong position in consumers' buying process in the search phase.

Then again, high product involvement can lead consumers to search for information in an online channel, as it is perceived to be a convenient and effective channel for profound information search. Typically, consumer searches for information on product selection, price and quality. The core goal is to reach an optimal decision efficiently, minimizing the perceived purchase risk.

Presumably the importance of the product category does not affect the channel choice, but more the need to make well-evaluated decisions, which drives consumers to enhanced search. Eventually it determines where the product search is made, as consumer needs to evaluate where to get the best suitable information.

Therefore, consumers need to estimate the qualities needed for product evaluation, and furthermore how these qualities can be transferred in different channels. It seems that the hedonic aspect of a product affects what kind of information is needed, hence how the product is needed to be experienced. High product involvement in turn affects how much information is needed to reduce the risk to obtain an optimal decision.

Before the final purchase decision, consumer needs to be convinced of the product quality, and that it matches all given requirements. As the product is truly important to the consumer, and it often includes strong emotions, consumers are willing to execute the intense search phase and to invest resources in the purchase process.

It has been found that consumers favor to search information in Internet but prefer to make the purchase in an offline store. When the risk of the purchase is already elevated, consumers select the buying channels which in turn lowers the purchase risk. As the full product evaluation is not possible in ubiquitous, virtual environment, consumers are more likely to choose offline channel for purchasing. Moreover, touch evokes feeling of ownership, which increases the likelihood to purchase the product.

According to literature, purchase channel choice is determined by person's anxieties and random situational factors. Additionally, consumers tend to be very price sensitive, which is a major factor driving consumers to buy online. Also, product involvement

often results in consumers becoming experts in their interest field, as they are constantly following the topic. This has an impact on channel choices during the process, as consumers feel themselves skilled to make the decision, and do not need the sales person's knowledge. As consumers are keen to act independently, it decreases the additional value of a traditional store and purchasing from an online store becomes more attractive.

As the meaning of hedonic products is socially constructed, it adds a new twist to the purchase process in a multi-channel environment, when the social interaction is conspicuously different in online and offline stores. This indicates that consumers buying hedonic products may behave differently in different channels, or even prefer some channel based on the social aspect, as consumer may need reinforcement from the peer group. It may be that a real-life store experience is more important with hedonic and high involvement products, since the value of a product is also build in a symbolic and social level, which is executed better in an offline store than in an online store.

Thus, personal factors have a great impact on the channel choice throughout the buying process. The momentum, individual's social needs, familiarity with internet, and the personal haptic level are all part of the determination of the channel choice decision. Also, earlier experiences on retail channels increase the likelihood to use the same channel again during the process.

5   METHODOLOGY

5.1   Research approach

The purpose of this study is to deepen our understanding about consumer behavior in a multi-channel retail environment. It is clear that behavior itself is a result of a complex combination of underlying motives and habits, which are difficult to reveal. Therefore, qualitative descriptive research method is the most suitable for this purpose because of its ability to produce rich and profound data (Hirsjärvi, Remes & Sajavaara 1997, 131; Ritchie & Lewis 2003, 5). One of the key elements of qualitative research is the ability to *produce detailed description and classification, identify patterns of association, or develop typologies and explanations* (Ritchie & Lewis 2003, 5). Then again, with this approach, the absolute truth cannot be reached because of the assumption of constructive reality and the effect of the researcher itself (Hirjärvi & Hurme 2008, 16, 23).

Earlier studies of consumer behavior in a multi-channel environment have used mostly quantitative approach. Numeric data is needed when creating universal theories, which have high reliability. In the background of this paradigm is the realistic ontology, according to which reality is built by objective facts that can be proven. (Hirsjärvi, Remes & Sajavaara 1997, 137.)

Qualitative research, on the other hand, assumes that reality is complex and that objectivity cannot be reached because of parties' subjectivity and simultaneous formation. Therefore, the aim of the research is rather to find or reveal facts, than to prove already existing facts to be right. If the phenomenon is studied well enough, it is possible to reveal significant items, and these findings can also be generalized to a universe level (Hirsjärvi, Remes & Sajavaara 1997, 161, 182.) Qualitative research approach is necessary when the matter under investigation is complex, delicate or not well understood, and therefore difficult to address in structured surveys (Ritchie & Lewis 2003, 32-34). The study of this thesis deepens the current understanding about consumer behavior in a multi-channel environment. The research is inductive in the sense that no theory will be tested, but the researcher tries to find different behavioral patterns and reasons to such behavior.

The used data is primary, which means that it is gathered for the purpose of this study. Qualitative research is rich and holistic in its nature. The data is collected in a naturalistic way in real world, which usually involves close contact with the research participants (Ritchie & Lewis 2003, 4-5). A human is preferred as an information-gathering tool, since it is flexible enough to adapt to changing situations. The approach is merely inductive, since the goal is not to test, but to investigate data in a profound and detailed way. It is important to hear the voice of consumers and their point of view.

Each case is unique and the interpretation must be conducted keeping this in mind. (Hirsjärvi, Remes & Sajavaara 1997, 165.) In this study, the interview is selected as a method to find delicate motivations and reasons for the use of different retail channels during the purchase process of hedonic and high involvement products in a multi-channel environment.

5.2   Method

5.2.1   Interview as a research method

As a method, an interview reflects the ontology of descriptive quantitative research, since a person can symbol the world, and his or her behavior and actions reflect that reality he is a part of (Hirsjärvi & Hurme 2008, 16-17). Interviews represent generated data, which involves 'reconstruction', since it requires re-processing, and re-telling of behavior, beliefs and attitudes. This method is needed to provide understanding to certain psychological phenomena, such as motivations and decision process. It also gives insight into people's own perspectives and interpretation. (Ritchie & Lewis 2003, 36.) In this study, the primary reasons for selecting interview as a method are meaning creation conducted by an interviewee, option for multiple answer directions, and the possibility to deepen the given information (Hirsjärvi, Remes & Sajavaara 1997, 200-202.).

The research method used is individual theme interviews, because it provides undiluted focus on the individual, and opportunity for detailed investigation of personal perspectives and in-depth understanding within personal context. Furthermore, it is particularly well suited for a study of deeply rooted or delicate phenomena in a complex system, offering clarification and detailed understanding. (Ritchie & Lewis 2003, 36-37.)

A theme interview is a half-structured interview, which means that the interview follows topics selected beforehand, added with clarifying questions. A theme interview highlights the meanings and interpretations that individuals attach to a matter, and how these meanings are born in interaction. The selected themes are based on the research's tentative framework. (Tuomi & Sarajärvi 2002, 77-78.)

Compared to questionnaires, an interview is a flexible way to gather information because it can be modified, if needed, during the data gathering. The exceptional aspect about interviews is the direct linguistic interaction with the research object. This has both positive and negative effects. (Hirsjärvi, Remes & Sajavaara 1997, 200; Hirsjärvi & Hurme 2008, 34.) Most of all, an interview is a flexible method, enabling corrections and clarifications, which helps to gain maximum knowledge about the topic (Tuomi & Sarajärvi 2002, 75).

Then again, an interview is very time-consuming method that needs to be thoroughly planned beforehand. Also, the role of an interviewer is challenging and there are many possible ways to conduct an interview that can result in errors. For example, the interview situation can be perceived threatening or the answers may be modified to fit the social coherence. The interviewee can also be acting as a good citizen, an intellectual and moral person, which skews the data. Additionally, analyzing the interview data is challenging, since there are no ready models to take advantage of (Hirsjärvi, Remes & Sajavaara 1997, 202-203; Hirsjärvi & Hurme 2008, 35.) In this study, the subject is not a very sensitive matter, thus the risk for error due to a threatening situation is rather low and interviews can be assumed to be truthful.

Another possibility could have been a theme interview as an intermediate between structured and open interview, also called as half-structured interview. The predetermined themes exist, but there is no clear structure. The advantage with a theme interview is the freedom from the researchers' perspective, as it brings the interviewees' voice to the front. It also keeps the focus on different interpretations and meaning creation, which enables the rich reflection of the object of the study. (Hirsjärvi, Remes & Sajavaara 1997, 203,208; Hirsjärvi & Hurme 2008, 47.) Earlier studies have already structured the phenomenon of a purchase process in a multi-channel environment rather profoundly so it is more meaningful to use a structure formed before, and deepen the understanding around this structure.

5.2.2   *Data collection*

In this study, the examined phenomenon is consumers' purchase process of a hedonic and high involvement product in a multi-channel environment. Therefore, the population of this study is every consumer who has recently bought a hedonic and high involvement product. Using multiple channels during the buying process is not necessary, since the decision to use only one retail channel in a multi-channel environment, and the motivations behind this choice, are equally important for this study. It can be assumed that because of the interviewees' personal practical experience, they are able to explain their choices reflecting the reality. This research setting also fills the quantitative research principle, that the data is collected from natural situations, which have happened despite the study.

Six interviews are made among consumers who have purchased a product that fills the characteristics of hedonic buying motivation and high product involvement. The interview group is gathered among the people in the university and their acquaintances, aiming to assemble a rich sample by finding different types of purchased products, males and females, and a variety of different ages. This ensures gaining as rich data as

possible, since greater diversity helps to identify a full range of features that are associated with this phenomenon. Secondly, it allows investigation of interdependency between variables and to sort them out according to their importance. (Ritchie & Lewis 2003, 83.)

In the beginning of the interview the product class is ensured by testing if the interviewee mentions attributes of which literature defines to be typical in this class. The sample includes two watches, two leather bags, and two pieces of design furniture. All these three product types represent a little bit of different angles of hedonic and high involvement products, as a bag is a wearable, a watch is a technical, and a piece of furniture is a non-wearable product. If the focus in this study would be just in one product, e.g. a handbag, the probability for biased results would be greater, as there would be no observation point for differences in these hedonic and high involvement products. Interview details can be seen below in table 2.

Table 2 List of interviews

Gender	Age	Status	Duration	Product	Interview
Female	24	Employed	17:30	Watch	In person
Male	26	Employed	24:04	Weekend bag	In person
Female	25	Student	20:58	Hand bag	In person
Female	29	Employed	23:00	Design shelf	Video call
Male	55	Unemployed	26:27	Watch	Video call
Male	40	Employed	23:30	Design lamp	Audio call

From six interviewees three are men and three are women. Even deviation among sexes is chosen to prevent possible gender biases. The youngest interviewee is 24 years old and the oldest is 55 years old. Most of the interviewees are in their twenties. It is chosen to include a variety of ages in the research to obtain a rich sample, keeping in mind possible differences between age groups.

It is also important that the purchase has been made recently, so that the interviewee can still recall adequately the phases of the purchase process, and the motivations determining the process. The other reason for a resent purchase is the changing retail environment. Even though the interviewee could recall perfectly the purchase that has happened years ago, it would not serve the purpose of this study, since the operational field has been greatly different.

Three of the interviews are conducted face to face, two are made via video call and one is made with audio call. All interviews are recorded and transcripted afterwards. All interviews are made in Finnish to secure the profound and rich expression a native language enables, and therefore profound and rich research results are reachable.

The interview questions are designed to act as a ground mapping questions to open the subjects. In this way, interviewees can raise issues that are the most relevant to them

(Ritchie & Lewis 2003, 148). These questions are also the themes of the interviews and are presented in table 3. Depending on the given answers, the questions that follow are aiming to do dimension mapping, which will focus on the topic.

The implications of a product class to the purchase process is examined by asking interviewees to determinate the product by meaning, purpose and risk. Later in the interview these factors are used for forming understanding about the made decisions during the purchase process. Product involvement is estimated based on the expressed importance of the product, and how risky the purchase decision is seen. In earlier research the involvement has been measured for example by using the Likert scale with a question "the choice of this product is a very important decision" (Voorveld, Smit, Neijens & Bronner 2016). The hedonic buying motivation is evaluated based on the balance of need and desire, discussed meaning, and expressed emotions.

The retail channel environments are examined by asking how the interviewees experience each channel, and discussing faced benefits and disadvantages during the purchase process. The discussion is lead to evaluate the channels in each step of the process to understand how the interviewees used each channel and why. The interview frame includes also topics that were raised in literature, and interviewees are asked to evaluate the importance of each topic in their experienced purchase process.

The buying process is examined by letting the interviewee first shortly explain the steps of buying the product, and later going back for each step, trying to figure out the reasons of made choices, e.g. based on the channel, situation or product. Here the emphasis is on what was needed to be convinced with the purchased product and what the interviewee decided to do after this confirmation of decision. Interviewees are asked to evaluate how they perceived the product in online and offline channels, and the importance and meaning of physical contact with the product. Also, the interviewees are asked to evaluate the function and role of touch in this process. Additionally, it is asked how interviewees would improve the multi-channel retail environment and how would they perceive the situation, if they could use only one channel during the buying process.

Table 3 Interview questions

Research question	Sub-questions	Theoretical concepts	Interview questions
Buying a hedonic and high involvement product in a multi-channel environment	What are the implications of characteristics of high involvement and hedonic product on purchase process?	Chapter 2 -Hedonic buying motivation -High product involvement	Describe the product you bought and its meaning and purpose for you? -Why did you want that product? -What kind of risks buying that product included?
	What are the implications of online and offline channels' retail environment on the purchase process?	Chapter 3 -Retail environment -Multi-channel retailing	Describe the phases of the buying process: -Where did you search information and why? -Where did you decided to buy the product and why? -Where did you buy the product and why?
	How characteristics of high involvement and hedonic product affect purchase process in a multi-channel environment?	Chapter 4 -Purchase process -Channel choice	Compare how it would be to buy this kind of product in one or multiple channels? How did you perceive this product in different channels? How important physical contact was when selecting the product?

Qualitative research aims to understand a phenomenon, and the research starts by a survey in the operating field consciously selecting the best suiting population for the study. The sample is supposed to reveal the characteristics, not probabilities, so the size of the sample is not defined by statistic rules. (Ritchie & Lewis 2003, 78.) When evaluating the sufficient size of the data, the saturation point is the most important ruler. It means that the collection of data has no predetermined number of interviews, but the

process will go on until no new information is found. After this saturation point, it can be claimed that all theoretically relevant information has been found and the findings based on this information are valid. (Hirsjärvi, Remes & Sajavaara 1997, 180-181.)

However, this saturation approach has problems, which are related to the knowledge level of the researcher, and the fact that qualitative research sees all samples unique (Hirsjärvi, Remes & Sajavaara 1997, 181). Also, the resources of this study narrow down the possible sample size down to six individual interviews. However, six interviews can be argued to be enough, because of diminishing return of each interview and lacking statements about incidence or prevalence (Ritchie & Lewis 2003, 83).

5.3   Data analysis

An interview produces a vast amount of unstructured data, which makes the analyzing rather difficult. The primary analyzing approach used is content analysis i.e. *what* the interviewee says in the interview, although the non-content dimension of speech i.e. *how* it is said, is also observed in case of important additional information about the interviewees' attitudes (Matarazzo & Wiens 1976, 2-3). Respecting the basic principle of content analysis, the matters of interest are predefined, searched from the data and sorted in themes, which are then classified and finally analyzed (Tuomi & Sarajärvi 2002, 95).

All interviews are transcribed and this data is analyzed in three steps. First the raw data is sorted to identify initial themes. The next step is to identify the elements in these themes and refining them to descriptive accounts. The final step is to develop explanations and to seek applications to wider theory. (Ritchie & Lewis 2003, 212; Hirsjärvi & Hurme 2008, 143-150.) The transcripts are color themed to statements regarding the product, purchase process or product perception in retail channels. An excel is created to organize these statements to sub categories found in earlier theory.

First theme is the hedonic and high involvement product. The data is primarily split to the hedonic aspect and the high involvement dimension. This is done to make sure that the product the interviewee has bought belongs to a product category investigated in this study. Hedonic dimension is subdivided based on earlier literature to emotions, desire, symbolism and esthetics. Involvement is subdivided to need, importance, interest, risk and differentiation. It should be remembered that one product doesn't have to fill every one of these sub dimensions to be categorized as hedonic and high involvement. Nevertheless, both hedonic and high involvement dimensions should be reached with unique weights on each sub dimensions.

The second theme identified is the buying process, which is divided into three sub dimensions: search, confirmation and purchase. After this a buying process time line is

generated for each six cases to visualize the different steps and reasons behind these decisions. Then a table is created to analyze the product and buying process deeper by categorizing the data into the search phase, confirmation of the decision and purchase of the product. In these categories, the data is subdivided to online and offline channel related arguments. Furthermore, the categories for product selection criteria, physical contact, social aspect, future improvement and other are created to include all data in the analysis.

From the table, each category is analyzed to find the commonalities. In "Search" the data is divided into two aspects: what and why. This deviation is made to distinguish the prior reasons for channel selection and channel usage. The "Confirmation" section is observing channels by their capability to reinforce consumers' decision for the right product. Therefore, the data is divided by negative and positive factors. Likewise, purchase was investigated by negative and positive factors, as the purpose is obvious. Therefore, the aim is to find reasons and motivations for channel selection, and ultimately link the product characteristics for these channel choices.

5.4   The reliability of the research

The difficulty to accomplish an objective discovery is well recognized in the field of qualitative research, and therefore also an issue in this study. The problem is that the used terms and methods are selected by the researcher, giving an early impact to the results. It is also problematic to exclude all presumptions the researcher has about the topic, and to keep the study clear from biases. (Tuomi & Sarajärvi 2002, 98.)

Interview data is bound to the context and situational factors, since it is formed in social interaction. It is also crucial how the interviewer can interpret the answers under these culturally founded meanings. This also means that the findings can be generalized only with modesty. (Hirsjärvi, Remes & Sajavaara 1997, 203; Hirsjärvi & Hurme 2008, 41.)

Thus, the generalizability of this research could be seen limited, as the size of the sample is rather small, and therefore the results should not to be generalized as such. The research is also bound with the time and geographical location in the capital area of Finland. Therefore, the results may differ in smaller and bigger cities, and in rural areas, as the retail environment varies and offers different opportunities to shop, thus influencing the buying process. The opportunities and motivations to shop are also bound with the time this study has been made. For example, in five years as the technology and retail industry has developed, the results would most likely be different also on a motivational level.

The reliability of the study is sufficient, as the study can be repeated with new interviewees, by using the classification created in this study. The study can also be repeated by using the transcripts and voice records collected in this research. However, as the master's thesis is in its nature more of a rehearse study, the lack of experience of the researcher may have had a negative impact on the reliability of the study.

The credibility of the research could be argued to be limited, as the data relies partly on human memory. The problem is the most apparent when studying the buying process, as it is highly likely that the interviewees were not able to remember every detail related to the matter. However, when discussing about the possibility to participate to the study, interviewees were introduced beforehand to the topic and asked to recall the process they went through.

Furthermore, the essence of this study is not to draw a perfect timeline of each buying process, but to examine the underlying reasons of made decisions in a multi-channel environment when buying a hedonic and high involvement product. Interviewees had the experience and they could recall and express their motivations, feelings and opinions well. Therefore, the credibility of this study is sufficient and manages to deepen the current theory in the way it is intended to. The consumers were heard individually, and the half-structured theme interview provided a good frame to explore how theory corresponds with reality, and at the same time it gives the interviewees the opportunity to bring out substances that theory has not supported yet.

The researcher does not have liabilities related to the field of this study. However, she has several years of practical experience in retailing selling handbags and luggage bags, which could be categorized as hedonic and high involvement products. Hence, the researcher has good readiness to explore the subject. Then again, practical experience has led to self-developed assumptions, which do not have theoretical background and might have created biases.

The strongest pre-assumption was the importance of physical experience in the buying process, which got also verification from the literature. To increase the reliability, the study is conducted as transparently as possible, and the researcher did her best to explain the method and results. In addition, the interview transcripts and table of analysis are available for public examination.

6 RESULTS

6.1 Product characteristic impact on purchase process

The first sub-question of this thesis examines the implications of characteristics of hedonic and high involvement products on the purchase process. The purpose of this research question is to find the elements that determinate how hedonic and high involvement product needs to be experienced during the purchase process, which is examined through consumers' perception of this kind of a product. Later these findings are connected to how these characteristics affect the buying process in a multi-channel environment.

The following section presents the results of how interviewees embodied hedonic motivation and high product involvement. It should be noted that these dimensions weren't always clearly distinguished, as they were partly coupled. For example, emotions were one reason for why product was perceived important, and importance is related to both hedonic motivation and product involvement. Therefore, some of these elements are repeated in different sub-dimensions to form a full picture.

6.1.1 Desire and esthetics as main motivations for purchase and their impact on search criteria

In the research data of this study, the buying motivation was mostly born from the person's inner desires rather than from functionalities of the product. Furthermore, the appearance of the product was weighted higher than its functionality. No product was bought for an acute need, but more to satisfy a specific urge or lust, which was either product or brand focused. In two cases an exact product was driving the whole buying process. As table 4 shows, a hedonic buying motivation is related to evoked emotions, desire, symbolism and esthetics. Next, these dimensions of hedonic buying motivation are discussed more profoundly together with implications on the purchase process.

Table 4 Emerged sources for hedonic buying motivation and implications on the purchase process

	Emotions	Desire	Symbolism	Esthetics
Substance	Strong positive emotions. Special relationship with the product. Especially experiencing the product evokes feelings.	Clear and strong urge or lust, which doesn't relate any acute need. Can be product or brand driven.	Humanization of the product. Also brand driven meaning creation. Product is used for self-expression.	Appearance was the most important criteria to select the product. It had to be appealing. No compromises.
Implications	Elevated search motivation. Need for physical experience.	Prolongs the process. Motivates for search.	Elevated search criteria. Limits selection pool.	Elevated search criteria. Easier selection.

All interviewees had strong positive *emotions* towards the product. The product was seen as special and it had to give a certain feeling to the consumer to be considered as "the one". For example, it was said that the new handbag is *"my absolutely favorite bag",* and for another person buying the long-searched product evoked euphoria and satisfaction. In one of the cases consumer was wearing the product in the store and looking herself from the mirror when realizing that *"this is it".* Thus, consumers have an inner need to continue the search until the perfect product is found to match the desire, prolonging the search phase, as following quotation shows;

> *I was trying on different models, but after all I couldn't find the perfect one from stores… and then I thought I'll order it online, because I found a perfect combination [of color and model] there. (Female, 25)*

Strong emotions were also apparent through the way of talking, as all interviewees were using a lot of emotionally attached words, such as *"lust", "euphoria", "desire"* and *"happy".* Also, the tone of speaking was emotional. There was excitement, happiness and warmth when explaining the meaning and the purpose of the product, for example;

> *I had been longing for this specific shelf for years already. Then, now that I got to acquire it, I was extremely happy about this new shelf. (Female, 29)*

The strong emotions were evoked especially when consumers had a physical contact with the product and were being able to experience it in reality. For example, seeing the shelf in use at others' home created a strong feeling that there is no question if it was what the interviewee wanted. Therefore, the importance of physical contact in creation of hedonic value was evident, as said;

> *I think it might be the feeling to sense its weight… So, it creates that some kind of a feeling, feeling to myself. (Male, 55)*

Other highly present dimension of hedonic buying motivation was *desire*. All interviewees expressed urge or lust towards the product, and in two cases this desire had been lasting for years already. It was typical that hedonic products were not purchased for an acute need, but the product was desired for itself. Thus, also desire is an underlying reason to prolong the search phase, as consumer has an urge and motivation to put more effort and time to the search phase:

> *The duration of the purchase process was maybe even eight months…As I said, there was not a life and death matter for this shelf…I had always really liked that [shelf], and then I just got this lust, that I need to have it and that I really like it. (Female, 29)*

In this study, three different targets of desire came up: brand, product type and defined product. In one case consumer had followed one brand for a long time and really wanted to buy something from them, and this desire was combined with an idea that it would be nice to get a new watch. In another case the automatic watch itself had been a long-term dream, but there was no specific desired brand. The third case shows that product itself can create so strong experience, that no other option is really considered even if the brand is unfamiliar.

The product also had a greater *symbolic meaning* attached to it, as the product was personalized and talked about in the same manner as a partner, or it was lifted as an actor. Therefore, each interviewee had a special relationship with the product like the following quotations illustrates:

> *Several years it [idea] had muddled… and then, it [purchase process] was pretty fast, as the watch kind of found me. (Male, 55)*
>
> *And from a brick-and-mortar store I couldn't find that, exactly what I was seeking. But I knew it [product] is there somewhere. (Female, 25)*

The product was also utilized to signal trendiness when one interviewee had realized that leather weekenders were typical among men in the city. In another case, the automatic watch pleased the consumer, as it stood out from the mass. In all the cases the product was used for self-expression as a signal to social groups, even if the product also evoked strong personal satisfaction. Brand driven meaning creation was also involved, and part of the evoked emotions were transformed trough the brand identity and the meanings attached to that brand. In these cases, the product was search and selected only from the collection of this specific brand.

> *It [watch] meant a lot… it had a clearly bigger meaning because it was that brand. (Female, 24)*

A very important dimension of hedonic buying motivation was *esthetics*. For all the interviewees, the product had to look good, which was the most important selection

criteria. All interviewees were looking for a product that was matching their esthetic taste, and therefore expressing their own personality.

> *The purpose of it could be a shelf… but for me, more important might be the beauty, it pleases my eye very much. (Female, 29)*

The consequences of the esthetics on the purchase process were closely similar with emotions, as interviewees were not willing to compromise with the appearance of the product, and continued the search until they found a product that satisfied their idea. Then again, the purchase decision was easier to make, as interviewees knew exactly what they wanted, and when the right product came across, there was no room for hesitation:

> *I bought it immediately when I found it, but I had already thought about it for several weeks and searching from different online stores, but when I found it, I bought it without considering another day. (Female, 25)*

6.1.2   *Risk caused by importance and encouraging profound search*

Each purchased product had a real function to fulfill, but not in a single case was that mentioned to be the main purpose for the purchase over hedonic aspect. Interviewees had already another product or other products for the same function, thus the need was not urgent and they were able to spend the needed time for product search. The *need* for the product was to look good and to give desired impression. Table 5 presents the causes for high product involvement found from interviews, and the implications these elements have on the purchase process.

Table 5 Emerged causes for high product involvement and implications on the purchase process

	Need	Importance	Values	Interest	Risk
Substance	Not acute. Primary reason to want was appearance. Functionality was secondary criteria.	Purchase was considered as an investment. Product must meet all expectations.	In one case company values were mentioned an impactful factor. Suppressed. Occurs in hedonic dimension.	Important topic. Brand or product is followed for a longer time	Functionality was risk, and the biggest was concern about the right decision, where style and money are in balance
Implications	Prolonged search phase.	Prolonged and quality focused search.	Elevated search criteria.	Makes process lean. Focused search.	Motivation for profound search. Need for certainty and product experience.

The most apparent dimension of high product involvement was *importance*. In five cases the purchase was considered as an investment, which indicates strong engagement with the product. The product was also expected to last for a long time in use, which increased the importance for a profound product search phase, and it was pointed out that the product should meet all the set requirements. It was also recognized that the buying process took longer than usual, as interviewees were not willing to buy anything that was lacking the searched criteria as explained by one interviewee:

> *Well, for me it was a big investment as a student, so I didn't want to do any hasty decisions…So it had to be exactly what I wanted. (Female, 25)*

The quality of the product was also raised as an important matter. In one case interviewee decided to buy the product from a traditional store to be able to inspect that the product didn't have any flaws, and he wanted to hand pick the best piece among similar products. Part of the importance of the product also came through the brand when the product transferred the brand identity.

All the interviewees had a personal *interest* for the type of product they were buying. For example, the persons buying furniture were both interested in decoration, and both aimed to buy a product that would complement their existing interior. One of them was familiar with the product for several years already and had admired it. The personal interest and expertise influenced the purchase process, as interviewees were already certain what they wanted. Also, the gained knowledge affected the search phase, mak-

ing the process more focused and leaner. For example, when interviewee defines the information sources:

> *Perhaps the knowledge that I already had gained on watches, as I have been interested in them my whole life. And then of course I went online. (Male, 55)*

Only one interviewee mentioned the *values* to be part of the product. For him it made a difference that the brand was giving scholarships to young musicians, and he could indirectly support a matter close to his heart. In other cases, the values were not brought up specifically, but value could be also widened to the cases where the brand has been a core motivator, as brands also represent values. Thus, when a consumer has selected a brand, the selection also contains underlying value choices.

High product involvement also included *risks* for everyone. In most of the cases the biggest risk was a bad purchase decision, if the product wouldn't function as well as expected. For example, the weekend bag could be uncomfortable to use, as it gets too heavy, or the lamp couldn't be hung up to the roof with the mechanism it has. The perceived risk motivated interviewees to profound search when they were trying to minimize the risk and maximize the value.

One part of the risk was also a high price. Interviewees were hesitant to put so much money to the product, which also reflected in enhanced information gathering. There was a need to be sure that the product is the best possible solution in that price category before making the final decision. It was also noted that it was possible to find a cheaper option to fulfill the same function, therefore there was an urge to be certain that the purchased product is perfect to justify the higher price.

> *First, I wanted to investigate if there is something even nicer, and what is the price range so that I wouldn't buy something that is not exactly what I want and in a high price, because then it is irritating… that you could have gotten a nicer product cheaper. (Male, 26)*

Third type of risk came up among interviewees who purchased the product online, as they were afraid that the product would not really please them when they see it for the first time. With the handbag, the concern was with the shade of the beige, and the size of the bag. With the shelf, the worry was if the interviewee would be happy with the money spent after getting it to her home.

In all cases, there was *differentiation* among the product selection, which meant that the interviewees had to form a consideration set and to determine their own selection criteria. Even though the brand was preselected, there were different models to choose from. Also in two cases with a specific desired product there was variation in size and colors, that both interviewees were also considering.

6.2   The utilization of retailing channels

The second sub-question of this research examines the implications online and offline channels' retail environment has on purchase process. The purpose of this question is to understand the possibilities, benefits, and weaknesses consumers face during the buying process in each channel, which later helps to explain the channel choices made when buying a hedonic and high involvement product in a multi-channel environment. Table 6 below presents the different purposes for which interviewees used online and offline channels. Altogether, it could be deduced that the buying process is formed based on the utility of the channel and on personal preferences in specific situational circumstances.

Table 6 Utilization of online and offline channels

Online	Offline
Search products	Find ideas
Narrow down choice set	Search products
Find product information	Compare products
Compare prices	Experience the product
See product availability	
Find user reviews	
Learn about the brand	

6.2.1   Online channel

Interviewees found online channel to be an efficient and easy way to gain understanding on the current selection in the market, which helped to narrow down the most pleasing products for the interviewees. It was possible to check several products at the same time in different stores. Products were also found easier online compared to searching in big department stores. Additionally, search engines helped with the product search. Therefore, one of the main reasons to use online channel was a vast selection of products and convenience, as following quotation illustrates:

> *Well the selection is basically global…Online stores are well developed, safe… I don't have to move anywhere, I can search from my couch, and also the price comparison is easier there. (Male, 40)*

As the table 6 on page 59 shows, online channel was dominating both with utility and benefits regarding product search. It was used to search for the right product in several stores, and to narrow down the selection pool, because it was faster and easier compared to offline stores, as following quotation illustrates:

> *In a big online store, you can find tens of different weekend bags, the selection in brick-and-mortar store is usually kind of small… so you need to go through a lot of different places to see the selection. Online you can check a wider selection at one place, so the comparison easier and faster. (Male, 26)*

Interviewees also utilized online channel to find exact product details, such as product measures, materials used in the product, and product pictures. The online search was perceived to be convenient and easy, at there was no time or space limitations, as explained by one interviewee:

> *I can go there regardless of time and regardless of place, exactly when it suits me. It doesn't require any physical traveling anywhere. (Female, 29)*

Online channel was also utilized to get other consumers' opinions by checking product reviews in Internet. Some of the interviewees labeled themselves as social shoppers, but they made the differentiation between leisure shopping and goal oriented shopping.

Altogether, online channel was seen as a more efficient channel to search, because of unlimited access and wide product selection. The interviewees preferred to use online stores that were familiar to them, and earlier good experience drove them to visit the same online store again. Furthermore, one of the main reasons to use online channel was price comparison, as it was also perceived easy and efficient to do online.

6.2.2   Offline channel

Additionally, offline channel was utilized for the product search and to compare products. However, traditional stores were utilized more for hedonic attributes, like experience and enjoyment. Visiting traditional stores also brought ideas when interviewees were just strolling around. It was said to be more fun to go around in the stores and to experience the product right away.

> *Well it is more efficient to search online, because you can see more at once, but it is much nicer to search from a brick-and-mortar store, and then on one hand, I don't even consider that as searching, that it should be efficient, because it is part of the fun. (Female, 24)*

Interviewees went to a physical store specially to see the product concretely and to be able to feel and evaluate it. Therefore, the most important feature that offline can offer is the possibility to touch and feel, which in turn enables full product evaluation.

> *I want to see it live and fiddle… It creates some kind of a feeling, feeling for myself… For a watch, the relationship is somehow different. (Male, 54)*

>*Because then I know the material, and how it fits to my shoulder. And*
>*how long stripes it has, and all the different pockets it has. (Female, 25)*

Additionally, interviewees who preferred an offline store valued the good customer service. Offline store also offered the possibility for a price negotiation as the salesperson might be able to give some discount.

>*If there is really good service, of course everywhere it isn't, but if there*
>*is, I value it a lot and I could even imagine buying something from the*
>*[offline] store because of that, even though it is a little bit more expen-*
>*sive. (Female, 24)*

In two cases, offline store was not used at all during the purchase process, since the product was not available in offline stores. The main reasons for not to use offline channel was inconvenient location and poor product availability. Nevertheless, interviewee would have been willing to use an offline store if there would have been one nearby.

6.3   The buying process of hedonic and high involvement products in a multi-channel environment

The third sub-question of this thesis on how the characteristics of hedonic and high involvement products affect the purchase process in a multi-channel environment, examines how the product type and the channel attributes affect the buying process in a multi-channel environment. The results are combined with the findings from two earlier research questions. The purpose of this question is to understand the possibilities, benefits, and weaknesses consumers are facing during the buying process.

There was no single way to form the buying process, but few tendencies stood up clearly in all six interviews. Also, data shows that online and offline channels have differentiated roles in the buying process and these roles lean on the strengths of each channel, even though personal preferences and affections have influence on the usage of different retailing channels. Therefore, situational factors, such as the availability of the product and location of the consumer can have big impact.

6.3.1   *Versatile use of online and offline channels to support the need for profound search*

In the search phase, online channel was dominating among the interviewees as the main channel for information search. However, some interviewees preferred to start the search from a traditional store, as it was thought to be more fun to go around in the

stores, and to experience the product right away. The main issue with traditional stores was a narrow selection and a binding location. In some cases, the desired product was not even available in accessible offline stores. As table 7 below presents, the online channel was dominating in search both with utility and benefits.

Table 7 Utilization of online and offline channels in the search phase

	Online	Offline
Purpose	To reach wider selection To compare prices and products	To experience the product To get vibes
Positive	More efficient Easy Convenient No need for salesperson Own peace Familiar retailers	Better product perception More entertaining Habit Good service
Negative		Time consuming Takes effort Poor product selection

The duration of the buying process was generally long, ranging from two weeks to nine months. This was mostly due to a prolonged search phase, which was caused by product related aspects. Firstly, it was common to have a long dreaming period when interviewee was fantasizing about owning the product someday. Secondly, the interviewees were very specific with their product requirement, thus they needed to continue the search until the perfect product was found. Thirdly, the perceived risk of a bad purchase choice motivated interviewees to an enhanced search.

A hedonic and high involvement product was a greatly important purchase for the interviewees, which lead to a profound search phase to scout the best possible option. Interviewees were intelligent users of multiple retail channels and they knew where to search products and how to utilize the benefits of each channel. Interviewees favored the stores they were familiar with, and had earlier good experience of.

In the search phase, an online channel was found to support the high product involvement dimension, as the information was easy to access and the possibility to search different options was better and more convenient, like said:

> Often online stores have really accurate product information, which you can find easily…and you can compare it better with other similar products, because the selection is so much bigger. (Female, 24)

Nevertheless, the buying process also started from an offline channel, as interviewees were strolling around and getting familiar with different kind of products. One in-

fluencer for this behavior was personal preference, as it was a habit, or interviewee liked strolling in the stores. This indicates that the hedonic buying motivation was also a strong influencer in the search phase, as consumers searched for the physical contact already in an early stage of the process:

> *I like it more to search from brick-and mortar stores, as I think I somehow perceive the product better there. (Female, 24)*
>
> *For me it was important, that it [channel to compare products] is brick-and mortar store, because I want to have that physical contact. (Female, 25)*

Esthetics was also better perceived in an offline channel and this drove consumers to visit traditional stores. There was a concern about colors and how the material looks in a reality. For some it was also difficult to imagine the product from an online store, for example how it would look when wearing it, or how would it fit one's home. Then again, online channel provided good and versatile pictures about the product which supported the product perception. Nevertheless, it needs to be underlined that pictures and product information solely were not adequate for full product perception, as described by an interviewee:

> *I was exploring the producer's website, and I was looking for those measurements, and everything else there is, such as pictures of how it [bag] looks… But I still wanted to see it on the spot, to really see how the leather looks and feels, and all the interiors and stuff. (Male, 26)*

Consumers who preferred an offline store valued the good customer service, and consumers who preferred online store didn't need personal service with this type of a purchase. For example, one interviewee was certain what she wanted and saw sales people in negative light, as they would just distract her:

> *If some salesperson came there to present me bags, I would have said no thank you, because I know what I want, so I like to go an online store to have my own peace to consider, and no one comes to comment if it suits my skin tone. (Female, 25)*

In goal oriented shopping, like buying hedonic and high involvement product, interviewees felt that the social interaction was not very important. Nevertheless, in two cases a social shopper had a need to interact with their friends and asked for an opinion by sending a picture or a link to the considered product.

6.3.2 *Confirmation of the decision as a result of physical product evaluation and adequate search for alternatives*

In the data for this study it turned out that the decision to buy the product was not bound with purchasing the product, as the journey to the confirmation of the decision was different than the journey to purchase of the product. It is notable that in order to be satisfied with the buying decision, both channels were needed. The offline stores' small product selection was found to be limiting, and on the other hand, the product perception in the online store was insufficient for full product evaluation. Therefore, consumers used both channels during the buying process to compensate these weaknesses depending on the requirements for each phase, as shown in table 8 below.

It was mentioned by interviewees that the buying decision was stronger with multiple available channels. Interviewees needed the knowledge from Internet to feel confident that they made the best possible choice, and they needed the touch from the offline channel to fully evaluate the product. Hence both aspects of hedonic and high involvement product will be fulfilled during the search, and using them the consumer feels satisfied with the decision made.

Table 8 Utilization of channels in the confirmation of the decision

	Online	Offline
Purpose	Profound information search to accomplish certainty. To reduce risk.	To experience the product. To make full product evaluation.
Positive	Earlier product experience helps to perceive the product virtually. Video and pictures helps to realize the product.	Able to feel the product material, weight and quality. Able to try the product on. Evoked feelings. Able to fiddle and ponder.
Negative	Product perception is insufficient. Risk of bad decision. Bad product evaluation (size, color, quality and weight). Reality might not meet the expectations. Lack of touch. Unconsidered decisions.	Too narrow selection to feel confident with the decision. Product can be seen only in one space.

The final confirmation of the decision came in all cases from an offline channel, as the touch evoked feelings required from a hedonic product and at the same time supported the high involvement need for information on product quality. Concrete product experience therefore had an important role in risk reduction which is essential with high product involvement.

> *Exactly, when I'm evaluating the product properly, I want to touch it my-self and see it… Pictures and measurements never tell the whole truth. (Male, 26)*

In addition, nobody was willing to buy the product online without physical experience of the product beforehand. In two cases this experience came outside of retailing, as interviewees could get to know the product through their acquaintances. Main reason for physical evaluation was to elevate risk of insufficient product evaluation possibilities in online channels, as described by one interviewee:

> *If you buy it online, you cannot be 100 percent sure what is coming… Some colors may look very different than what it looks in nature. And then what is the real size, if some model is wearing it in online store, on a model's shoulder, you cannot know how small that person is… I would have not ordered it solely based on online. (Female, 25)*

Furthermore, the physical contact to the product is in a central part for delivering the hedonic aspect of the product. Thus, in the confirmation of the decision an offline store was the dominating channel, as consumers had a strong urge to experience and feel the product in reality to be able to fully evaluate the product.

> *It feels good in your hand… Although also in online store the product might be, that heck this seems nice, but then again just when you are re-ally holding it in your hand, it is a little bit like you already owned it. (Female, 24)*

The down side of offline store in confirmation of the decision is the narrow product selection it can offer. Consumers felt that if they needed to make the buying decision just based on the selection in offline channels, they would have been concerned if they made the best possible decision, as explained:

> *If I would have gone just for some, let's say one physical store and seen, seen my shelf there and bought it, I might have left with a thought that what else there is out there in the world, something nicer would have been found anyway around the corner. (Female, 29)*

Thus, online channel endorsed the need for risk reduction to assure the best option has been found. Other part of risk elimination was the profound product mapping, main-ly done in an online channel. The goal of this action was to achieve sufficient knowledge on the market price and the current selection, and thus to have the certainty of selecting the nicest option with a reasonable price.

As presented, physical contact played a very important role of product evaluation. It was essential to touch the material and to hold the product in hands to understand the quality and the suitability for own need and taste. The product could give the impact and impress the consumer much better in a traditional store where it could be experienced in reality. This drove interviewees to an offline channel, and in all cases consum-

er did have a physical contact with the product during the purchase process. Often the contact was sought out in the early stage of search process, as it supported evaluating the product in online channels.

> *When I had tried on enough of those different colors and different models, I was thinking I'll order it from there [online], because there I found the perfect, perfect combination… I had been trying them, and then when you know the brand and you know how they are like, I thought I really knew what there was coming (Female, 25)*

The important outcome of this physical experience was the ability to mentally regenerate that knowledge about the product when visiting the online channel. Thus, the interviewees could remember the sensations generated by the product while examining the same, or closely similar goods in online stores, which enhanced the product perception and made them feel more confident with the made conclusions. This decreased the perceived risk and consumers felt more confident with the virtual presentation of the product in online channel.

A hedonic and high involvement product was often compared to a CD, which is homogenous and easily digitalized product, to explain the difference in online purchase.

> *"There are the vibes to feel it's [watch] weight and so forth… it is a different thing then… though to order some CD from England, as I know what the CD is like and so forth, so it doesn't change in any way. (Male, 55)*
>
> *By default, it doesn't matter where you buy a CD, but then with this bag I felt it was very important, to have the physical aspect there too, so I think otherwise I wouldn't had the courage to buy it [online]. (Female, 25)*

The need for touch is connected in two levels with buying a hedonic and high involvement product: rising the emotion, which is required for a hedonic product; and product evaluation, which is important in high involvement level. Touch reinforces the emotional connection with the product and decreases the risk of doing a wrong decision. Touch had such an important role in the buying process that unanimously interviewees would have not bought the product without any physical contact. Interestingly, the need for touch seemed to be connected more with the product category than the person's individual preferences.

6.3.3 Price-driven purchase channel choice

The final purchase was made when the timing, product and price were aligned. After the confirmation of the decision, it depended on situational factors how the consumer ended up selecting the purchase channel. One thing in common was that after the profound

product research when the right product finally was found, immediate action was taken partly because of the rarity of the product. Other approach was to start price comparison in an online channel after knowing the exact product. In most of the cases the main trigger for purchase was the price. One of the main findings is, that interviewees were not ready to buy a new product from Internet without any physical experience beforehand, because of the elevated risk caused by difficulty to evaluate the product virtually. Purchase channels based on interviewees perception can be seen in table 9 below.

Table 9 Perception over online and offline channels in the purchase process

	Online	Offline
Positive	No security issues Cheaper prices Get money back in return Access to wider selection Easy home deliveries Convenience (no travel, any time) Well-developed stores	Better feeling/ more pleasing experience Possibility to select the product Get the product right away Need to see the product Less risky No delivery risk
Negative	Complicated order process Inconvenient reclamation Fragmented buying experience Risk for disappointment Risk of fake stores Risk with delivery Insufficient product information Couldn't buy without offline	Takes effort Customer service not needed/ annoying Bad service Return not always possible

As said, selecting the purchase channel was mostly a price driven decision, which implicates stronger emphasis on high product involvement. The purchase channel selection was reasoned with rational factors instead of emotional. Nevertheless, a good buying experience with hedonic satisfaction was highly valued, but it couldn't defeat a big price difference if the product had been already experienced physically.

> *There [online store] was just so much more selection and then on my opinion it was also cheaper to buy online. (Female, 25)*
>
> *It [offline store] was selling a sample model, so it was after all significantly cheaper than the original. It made me put on my buying pants. (Male, 40)*
>
> *Eventually I found this product in two online stores in Sweden and in one online store in Finland, and I selected the cheapest option… So, the determining factor was the price. (Female, 29)*

Then again, there was also respect towards good customer service and the purchasing experience in a traditional store. Offline store also offered the possibility for price nego-

tiation as the salesperson might be able to give some discount. It provided a holistic and entertaining experience, which was seen to be a part of a hedonic product:

> *The buying event, it is associated with such euphoria and satisfaction, that now I made a good purchase…Maybe in brick-and-mortar store it is emphasized that you get, especially if you are buying something expensive, you get the service, and you get immediately the product… It is holistic, and in an online store it is fragmented. (Male, 26)*

Interviewees composed their consideration sets independently and conducted the information gathering without any assistance. All the interviewees had made up their mind before entering the channel where the purchase was made, demanding no effort from the purchase channel to perform any sales work. In one case the purchase event was unpleasant and required big effort, but the channel was seen to be the best option for purchase due to a bad product availability and rare occasional discount.

> *On the second time I was already like, like on the move with a mindset that I'll buy it. (Male, 55)*

Thus, it seems that the situational factors have a bigger impact on the actual purchase event, as the buying decision is already placed and well considered. Consumers are already feeling confident with the purchase and they are ready to act when the right model with a good price comes across. When the product was rare, the decision-making became accelerated, as the interviewee was aware of the difficulty to find an equivalent product. In two cases the timing of the purchase event came through a promotion as interviewees saw an ad that responded to their initial desire.

> *I bought it right away when I found it, but at that point I had been considering it for many weeks and went to look in different online stores, but then when I found it I bought it, so I didn't consider another day. (Female, 25)*

Physical contact was also closely connected with the buying decision, as consumers got a certain feeling while holding the product, or the impact the product created impressed them. The offline channel seemed to be needed to transfer the hedonic dimension of the product, which also motivated consumers to utilize a traditional store during their search process. The touch also evoked a feeling of ownership which encouraged consumers to purchase that product.

Altogether touch and firsthand experience had a significant role in the buying process of hedonic and high involvement product. The touch delivered the hedonic attributes and enabled a better product evaluation. It also deepened the relationship between the consumer and the product and lured the interviewees to buy. Online channel was preferred due to lower prices and a wider selection, and offline channel for its experience value and a lower risk. The downside of the online channel was increased risk and inconvenient reclamation process. It should be noted that none of the interviewees had

had any trouble with security issues in online world, but were familiar with online shopping and felt confident. Offline channel was not liked due to the effort it requires and unnecessary customer service, which may even be bad. Also, the availability of the product was an issue in few cases. Altogether price was the most common reason for channel selection.

In general interviewees wished that the retailing channels would be better integrated to achieve a seamless buying experience. It was well understood that in a traditional store the selection cannot possibly be as wide as in an online store, but interviewees found it useful if either with a mobile device or with a tablet the missing product could have been easily ordered home. Thus, the wish was to recognize better the advantages of each channel and figure out better ways to emphasize those differences while the channels would support each other.

7 DISCUSSION AND CONCLUSIONS

The main purpose of this thesis is to examine how the characteristics of hedonic and high involvement products influence consumers' purchase process in a multi-channel environment. This research question is divided into three sub-questions:

- What are the implications of the characteristics of hedonic and high involvement products on purchase process?
- What are the implications of online and offline channels' retail environment on the purchase process?
- How characteristics of hedonic and high involvement products affect the purchase process in a multi-channel environment?

7.1 Main findings

The results of this research indicate that hedonic buying motivation defines the quality of information collected during the search phase. As earlier literature indicates, hedonic products evoke strong emotions for consumers, and this finding is in line with the finding that the main emphasis with hedonic products is on emotions and affect (Claeys, Swinnen & Abeele 1995). These strong emotions give an incentive and motivation for consumers to search until the perfect product is found, which prolongs the search phase.

This result is related to the earlier finding of one part of positive emotions being created through touch when consumer can sense the product (Solomon et al. 2013, 124), as touching the object can create a significant impact for consumer. In addition to touch, it has also been found that merely seeing an object also gives a similar impact. Thus, the need for a real-life experience with a hedonic product is essential in evaluating the product, and this in turn affects the search phase.

The most evident emotions found in this study are desire and affection, which suggests that the hedonic product is an object of a fantasy. Thus, the product seems to have a role in pursuing a wanted identity, as suggested by Arnauld & Thompson (2005). This increases the motivation for search, which again may result in a prolonged search phase.

This thesis also finds a strong connection between symbolism and hedonic products, as the product was humanized, reflecting the strong relationship consumer creates with the product and lifting it from an object to a companion. The product is also seen through the brand, which allows to conclude that the product mirrors the brand values consumer wants to relate with. This kind of personalization has been recognized in earlier research on luxury products (Kapferer & Bastien 2009, 79-80; Burn & Castelli 2013). The symbolism attached to hedonic products results in elevated search criteria,

which may lead to a longer search phase. In addition, the selection pool is often limited to the collection of a desired brand, or another criterion driving the buying motivation.

Another observation is that the product is mostly appreciated over its esthetic appeal and beauty, which outweighed all other product criteria. This also affects the search criteria, and often results in easier product selection as consumer has a clear idea of what is appealing to him. This seems to have a connection with previous research of a hedonic product being used as a part of self-expression (Arnauld & Thompson 2005). As the product portrays their identity, it is important for the consumers that the product reflects them both in visually and on an ideological level.

The emotion attached to a hedonic product is a bridge to high involvement as explained by Laurent & Kapferer (1985), Zaichkowshy (1994) and Chauduri (2000): when something is close to identity, it must be important. The perceived importance makes the search more quality focused, as the product must meet all the defined requirements. This naturally often results longer search phase.

Consumers are well acquainted with the field of the product, which also supports earlier theory on product involvement being a result of consumer's own history, ideology and life themes (Coulter, Price & Feick 2003). It has been found that consumers use the knowledge they have gained earlier in making the search phase more focused and leaner.

Another main finding of this study is that high product involvement defines the quantity of information needed for the purchase decision. The risk is mainly formed of a concern that the product will not perform as wished; thus, the perceived risk is more coupled with functional dimension of the product than with hedonic dimension. The importance appears to also have other kind of means when consumers consider the purchase as an investment, which also increases the importance of functionality.

Another type of risk presented in literature is monetary (Percy & Elliott 2009, 142; Stone & Grønhaug 1993), as consumers are hesitant to spend great amount of money. Perceived monetary risk is also supported in this study, as a concern of loss of money if the product fails to fulfill the desire, or if there would have been a cheaper option available. This gives a motivation for profound search phase, and creates the need for certainty before making the final purchase decision.

The second sub-question of this thesis examines how online and offline channels' retail environments differs from each other, aiming to understand the benefits, opportunities and challenges consumers are facing while using the different channels.

The results support the claim that the most important additional feature traditional store has is the ability to create an experience by touch and feel (Balasubramanian et al. 2005; Zhang et al. 2010; Avery et al. 2012), as the main reason to visit a traditional store is to experience the product in real life. The importance of physical contact is driven simultaneously by the high product involvement, which results in the need for a

full product evaluation, and by hedonic motivation, which demands the quality of the product experience.

Furthermore, offline stores are used for product comparison and for finding new ideas. The desire for a hedonic product may arise while strolling in stores, thus offline stores are used as one source of inspiration. If the desire already exists, offline stores provide a place to compare different products and the activity is then more goal oriented.

The benefit of product comparison in an offline store is the possibility to compare products and to have accurate and full product perception, which contains also the feeling generated by touch; as in an online store where consumers are guessing the details of the products from pictures. However, findings also support the claim that offline store suffers from the binding physical location (Zhang et al. 2010), as store visit can be avoided if it is perceived to take too much effort, or if there is no access to stores selling the products of interest.

Consumers also value an interactive store experience (Foster & McLelland 2015), as it is more entertaining than surfing online, but it is not the main driver to select an offline channel with goal oriented shopping. Consumers appreciate the instrumental channel elements more (Balasubramanian et al. 2005; Frasquet, Mollá & Ruiz 2015), which enhances the performance of the channel. Thus, the assumption that hedonic products would be bought from a channel creating enjoyment is false when consumer is also highly involved with the product.

Good customer service is a value unit in an offline store, but the perceived role of a sales person is contradictory and dependent on the consumer's personal preferences. Thus, there is not clear evidence on the importance of a sales person as has been highlighted in earlier research (Solomon et al. 2013; 89; Avery et al. 2012; Baumann & Le Meunier-FitzHugh 2015). The social interaction does not pull consumers to visit offline store, but on the contrary the sales person can be avoided in some cases, as the knowledgeable customer finds him or her as an unnecessary interruption that doesn't bring additional value.

Therefore, this study supports the idea introduced by Vanheems, Kelly & Stevenson (2013) that consumers' attitudes towards sales people are in transformation, and sales persons should take a new role with independent multi-channel consumers. Consumer is already very knowledgeable; thus, the sales person should be more supportive than guiding in the interaction. This finding is also in line with the bigger retailing paradigm where the control is shifting to consumers (Chaston & Mangles 2001).

This study finds support to the claim that online channel's core value is a wide product selection and rich product information (Chiu, Wang, Fang & Huang 2014). It should be noted that in this study consumers appreciate the access to a wider selection more than the provided product information. Salient motivation to use online channel is the

convenience and effectiveness of the channel (Sands, Ferraro & Luxton 2010). The main reason for this is the ubiquitous essence of online channel, as consumers can adapt the visiting time without any restrictions to their own schedules or physical location (Cox 2004).

Online stores are used to search products and to narrow down the selection set by product comparison. Online channel also provides information on product availability which affects the product selection. The information gathering is not only limited to product features but instead consumers are looking for peer reviews and ratings to form a better understanding of the product quality and performance, reinforcing the theory over new millennial shoppers (Hall & Towers 2017). Internet is also used to learn more about the brand which assists with the determination if the brand corresponds to the consumer's values.

Earlier literature has raised the issue of security and trust when using an online channel to be an important factor (Ahrhold 2011; Kim et al. 2009; Wang, Yeh & Jiang 2006; Chiu et al. 2014). This study doesn't find evidence supporting these claims but suggests that the concern of security is outdated based on experience and general technology adaption. On the contrary, consumers have a positive attitude towards online shopping and in some cases, it is preferred over traditional stores which supports the idea that shopping is increasingly moving to online channels (Roggeveen et al. 2015).

Consumers also appreciate their own peace in an online channel and see it as a strength, which is contradictory to studies that suggest consumers to select offline store over online to get personal interaction (Liu, Burns & Hou 2013; Balasubramanian et al. 2005; Kim et al. 2007). This preference is related to high product involvement, as consumers are the experts of their own taste and on the topic they have a personal interest in. Therefore, they feel empowered to have the adequate knowledge for a wise decision without sales person.

Earlier literature has emphasized consumers' anxieties as the main influencer when selecting the purchasing channel (Panda & Narayan Swar 2013; Gupta et al. 2005), but this study didn't find supportive evidence. Consumers do not perceive a notable risk in the differences of retail channels, but the perceived risk is associated with individual retailers, in such factors as trustworthiness and favorability of general purchasing terms. It could be stated that the best way to gain consumers trust with hedonic and high involvement products is through physical contact.

7.2   Conclusions

Most of all, the buying process is not linear when buying hedonic and high involvement products in a multi-channel environment, but it can even start from a confirmed deci-

sion to buy the product, reinforcing the claim of the death of the purchase funnel (Hall & Towers 2017). However, all three acknowledged phases of the buying process do appear during the process, independent if the consumer has already decided what to buy. Only the content of each phase is then modified to personal needs.
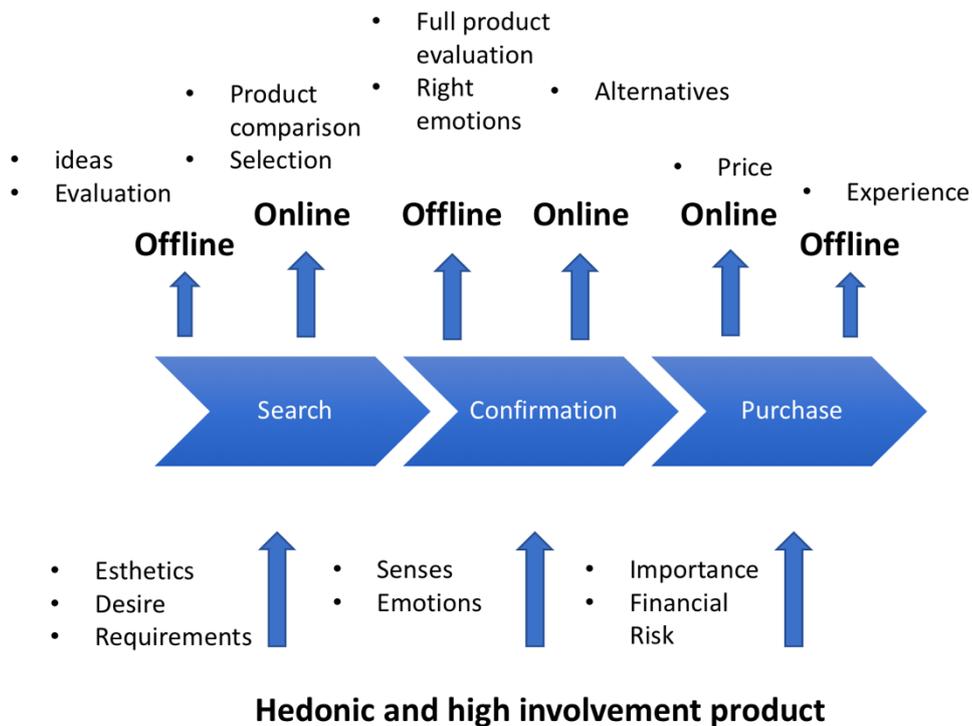

Figure 4 Theoretical framework of buying a hedonic and high involvement product in a multi-channel environment

The most salient feature in the search phase is the extended information gathering and the long duration of the search activity. This finding is in line with earlier literature suggesting that high product involvement appears in extensive search and information processing (Vlasic et al. 2011; Rippé, Yurova & Sussan 2015). Extended search behavior seems to be strongly linked to high product involvement. As the theory of high product involvement suggests, consumers are careful with their decision when the risk for bad purchase is seen momentous, which leads to the willingness to put more effort in investigating the best possible option (Zeithaml 1988; Sands, Ferraro & Luxton 2010).

This study found confirmation in the channel choice in the search phase being most impacted by personal habits, as consumers have their personal preferences to favor physical or online store to browse products (Albesa 2007). Thus, individual variables have clear effect on the channel choices. Another influencer is store location, because it

is not always possible to visit a physical store if the distance to the store is perceived to be too long, or if the product is available only in an online store.

As expected, online channel is dominating in the search phase, as it is perceived to be more efficient and convenient, which is related to utilitarian shopping behavior (Vlasic et al. 2011). Therefore, it can be claimed that in the search phase the high product involvement is dominating over hedonic aspect, and consumers behave more rationally than emotionally. Online channel is also utilized for browsing the wide product selection and to compare prices, which supports the findings of earlier literature (Verhoef et al. 2007; Frasquet, Mollá, & Ruiz 2015). Browsing the selection leads to an overview of the current supply, which is utilized to narrow down the choice set by comparing products based on style, functionality and price.

In addition, consumers tend to select the store based on their earlier experiences, which reinforces the theory of *spillover effect* that claims that a perceived channel experience increases the likelihood to use the same channel in the next occasion (Gensler, Verhoef & Böhm 2012). Consumers often start the search from a store they already have good experiences of and are familiar with. It should be noted that the selected channel is determinated more by the situational factors than with the channel attributes.

Offline channels' role in search phase is also important, and it is focused to deliver the product experience and inspiration to consumers. It is also used for product comparison and product search to get better idea on product differences and quality, because of offline channels' ability to transfer visual and tactical elements.

The most remarkable finding in this study is the additional phase in the purchasing process. It is found that in the ongoing process for information search aims to a point of certainty, after which consumers can dilute the purchasing event from the buying decision. The confirmation of the decision is an outcome of using both channels and exploiting the channel benefits, and compensating the weaknesses by switching to another channel.

The offline channel is used for full product evaluation and online channel to explore all the possible options. The result of this behavior is a firm buying decision, where consumer knows that the product meets all the requirements and is the best possible option. The important finding is that no channel is capable to produce this alone, but instead the multi-channel environment is perceived as giving the optimal support for confirmation of the buying decision.

It has been claimed that the need to touch a product during the buying process is person related (Peck & Childers 2003), but based on the conducted research, person's haptic need seems to be more related to the product category than to the person's haptic level. The need for touch is perceived differently with familiar and homogeneous products as consumer has a clear and established idea on the product. However, with hedon-

ic and high involvement products, touching the product is a crucial part in creating the image of the product.

As presented in this study, the hedonic aspect of a product is attached to sensations, which leads to the importance of the physical product evaluation (Solomon et al. 2013,124). This thesis indicates that the need for touch is connected in two levels; rising the emotion, which is required for a hedonic product; and product evaluation, which is important in high level of involvement. Touch reinforces the emotional connection with the product and decreases the risk of doing a wrong choice. Therefore, consumer must have a physical contact with a hedonic and high involvement product before making the final buying decision, and this highlights the importance of offline channel in the buying process.

The study also supports theory on the perceived ownership provoked by touch as a meaningful factor when making the final buying decision, as earlier literature suggests (Peck & Shu 2008). When consumer was able to experience the product physically, it was pointed out to be "the moment" when consumer was convinced to choose that product.

An important discovery was that after gaining adequate experience with the product, also an online store was a sufficient channel to form a good perception on a familiar product. If consumer has a long experience with the exact, or very similar product, it is enough to drive sales through an online channel. Therefore, this thesis supports the claim that online channel can imitate the tactility, and that the haptic information can be mentally reproduced (Grohmann, Spangenberg & Sprott 2007; Peck & Childres 2003), but only if consumer has previous physical experience with the product. Thus, online channel can imitate but not create haptic information.

Other salient aspect of the confirmation of the decision was the need to scout the existing selection from an online channel before settling with the chosen product. The role of an online channel is to enable profound search to decrease the risk of making a bad decision, and to eliminate the risk of regretting the purchase later, as earlier literature claimed (Vlasic et al. 2011; Rippé, Yurova & Sussan 2015).

Also, the socially constructed meaning attached to the product seems to affect the buying process, as consumer may need reinforcement from the peer group as earlier literature suggests (Berger & Ward 2010; Hirschman & Holbrook 1982; Brun & Castelli 2013). Interestingly, this need does not necessarily affect the channel selection, since consumers send photos or links with their mobile phones, depending on channel in use. However, the importance of the peer group is individual dependent, thus it does not affect in all cases.

This confirmation of the decision results in being more goal oriented and price conscious when deciding the purchase channel. In this study, the main driver found to direct the purchase channel choice is price, supporting Hall & Towers' (2017) theory of

price sensitive and discount driven retailing era. It seems that consumers start another search phase after the confirmation of the decision, which is more utilitarian in nature, aiming to find the best price. As consumers are very price conscious when deciding the purchase channel, the lock-in issue of online channel (Verhoef et al. 2007) doesn't have such a big impact as mentioned before, when potentially lower price is driving consumers to online stores to purchase a specific product. Furthermore, this behavior is related to maximizing the value, as consumer aim to find the best price and quality equilibrium (Zeithaml 1988; Sands, Ferraro & Luxton 2010).

Another aspect of the perceived risk is coupled with the product and the ability of full evaluation as discussed earlier, which is the main reason why not to purchase a hedonic and high involvement product directly from an online channel. Before consumers can be sure that the product fulfills the desire, they need to have a physical contact with it to be able to fully evaluate the product.

Multi-channel consumers seem to not have channel loyalty, and in this study all consumers could be classified as research-shoppers (Verhoef et al. 2007). Consumers are skilled to tailor the buying process by utilizing the benefits of each channel in different stages of the process, and little emphasis is given to use a channel because of loyalty. Also, good service in a traditional store pulls consumers back to the same store, and to purchase the product from there. Nevertheless, good service doesn't overtake the suitability of a product, but instead consumers are independent decision makers.

In summary, when consumers are buying a hedonic and high involvement product in a multi-channel environment, they use both online and offline channels to explore products and to form a consideration set. However, online channel is dominating and preferred due to its functionality and ease of use. The search phase is a very important part of the buying process because the product is highly important to the consumers, and there is a great motivation to find the best suitable option. The search leads to the confirmation of the decision after adequate product comparison and gained physical experience, diluting the purchase event from selecting the purchased object. This results in a price conscious purchase channel choice where consumer maximizes the value.

7.3   Managerial implications

One important factor affecting the purchase channel choice is the availability of the product in different geographical areas, as consumers' physical location affects the possibilities to visit an offline store. This is essential, because the best way to gain consumers' trust with hedonic and high involvement products is through physical contact. Therefore, it is crucial to manage the adequate availability of the product in offline stores.

This is emphasized with new customers as the lack of earlier experience affects product perception more in online stores. Thus, driving sales with new customers should be focused to offline channel, or at least new customers should be encouraged to visit offline stores in the search phase.

It seems that after adequate experience with the product, online store is enough to form a sufficient picture of a familiar product. Therefore, companies can drive sales in online channels with former customers. As presented, if consumer has a long experience with exact, or very similar product, they feel comfortable with buying directly from Internet.

Also, it is important to understand that the buying process is goal oriented, thus consumers are more appealed by the effectiveness of the channel, instead of entertainment value. Thus, to make online search an appealing option for consumers, retailers should pay attention to their website's usefulness to find the right product, and to ensuring to provide value-added information about products as well as the possibility to compare alternatives. (Frasquet, Mollá, & Ruiz 2015.) Retailers should also invest in mobile interfaces, as the perceived convenience is even higher than with computer, and it increases the number of orders placed per year (Wang, Malthouse & Krishnamurthi 2015).

In addition, online store should contain diverse pictures from the product. These pictures should not be only about the product, but also situations when the product is in use. This helps consumer to imagine the product in reality and eases the difficulty to perceive product details. Furthermore, offline store can also benefit from showing pictures about product in use, as consumer may be inspired by the photos, which increases the likelihood to purchase it.

Sales personnel needs to adapt the changes in retail environment and the new challenge is to support and gently guide the knowledgeable and independent consumer who is aware of his needs and requirements. Sales person should not lead the decision making, but partner with the customer to truly support the needs and the preferences of each customer. To assure this salesperson's adaptation to new retail era, companies should invest in education of the personnel.

The new role of the sales person is also related to the unanimous wish from consumers to better integrate the multi-channel experience. Online channel should be more present in the offline environment, and vice versa. For example, in a traditional store could be an interface to retailer's online store, from where consumer could brows additional information and further product options. Or if the stock has run out in some sizes in clothing, consumer could conveniently order the wished size at home.

On the other way around, online stores should also provide information about product's offline store availability. As it was mentioned in the study, visiting traditional store can be perceived to be time consuming and awkward. Hence, consumers would be

guided to a specific store knowing that the needed effort to visit the store would not be wasted.

Retailer can reduce the likelihood of product returns by investing in offline store conditions. Greater store capacity assures the proper showcase of the full set of products, and more knowledgeable salespeople and installed special equipment all decrease the likelihood of wrong purchase decision, and thus the likelihood of product return. This study notes that some products can be too risky to offer online because the return rates will be too high (Ofek, Katona & Sarvay 2011.) Online and offline channels' return policies should offer the option to make the buying decision after the purchase. Thus, when it is crucial that the product is exactly as wished, it is beneficial to offer the possibility to cancel the purchase which will decrease consumers' perceived risk.

Price is found to be a major factor in choosing the purchase channel, thus companies should be conscious of discounts offered by other retailers. Price competition is evident in a multi-channel environment and consumers are keen to find the best price. Consumers are likely to start the price comparison in online channel thus it is important for a company to have good presence in search engines to seduce consumers to their web stores.

Companies should invest time in figuring out this problem of showcasing, where consumers are doing research in the most convenient way, but decide to purchase the product just based on the price. It seems that consumer's loyalty is getting harder to monetize, as consumers are keen to visit stores they know while configuring the best option, but at the time for purchase the main driver is cheap price.

Traditional stores should consider carefully the balance between expensive service staff and self-service, as modern consumer is less dependent on salesperson's expertise. The environment of traditional store still got its value, but the functions of a store should be optimized.

7.4   Limitations and future research

This study is qualitative in its nature and based on a small sample of consumer interviews. Therefore, the results are rather subjective and cannot be generalized without concerns. Also, the data collected is dependent on human memory, as the interviewees were talking about past events. In the future, it would be relevant to observe consumers throughout the buying process to collect accurate data from each step and to decrease the human error.

In addition, it would be relevant to study the differences regarding the geographical location of the consumers. For example, if there are differences in behavior depending on the size of the city, between countries, and in rural areas. For retailers, this

knowledge would help to allocate the expensive physical stores in the most optimal way to maximize profits.

Furthermore, research over buying processes of other product classes is valuable to understand better the differences and characteristics of each product class. This knowledge would provide a wider perspective to what is typical multi-channel behavior in general, and what is product class dependent.

Tactility is raised to be one of the key issues when buying hedonic and high involvement products. Therefore, it would be important to study the role of tactility in retailing. In addition, it would be meaningful to study further the individual differences in the role of tactility. It would be beneficial to know how much the need to physically evaluate the product affects the channel choices when buying products from other categories. In addition, as the research about tactility in the field of retailing is scarce, contributions would be significant for the retailers and for the theoretical field.

Also, the personal preferences have a great impact on channel choice, hence future study should examine more closely the mechanism and the reasons behind formed preference. The progressing retail environment enables flexibility in the consumer behavior, thus the buying process can be built closer to personal needs. Therefore, the need to understand consumer groups even better is enabled by better understanding the underlying motivations and requirements.

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9   APPENDICES

The questionnaire (translated in English)

1. Describe shortly your journey of buying that product:
   a. Where did you do the research? Why?
   b. Where did you decide to purchase that product and what was the most important influencer?
   c. From where did you buy that product? Why?
2. When you were doing research, how did you perceive the following factors on online/offline store:
   a. Search convenience (flexibility, product availability)
   b. Search effectiveness (time, selection, comparison)
   c. Personal service
   d. Social interaction
   e. Experience
   f. Other important factor?
3. How did you perceive (plus how important) the following factors in online/offline store when you came into conclusion to buy that product:
   a. Comparison
   b. Risk
   c. Tangibility
   d. Sales person
   e. Other important factor?
4. When purchasing the product, how did you perceive the following factors in online/offline store:
   a. Convenience
   b. Price
   c. Privacy
   d. Risk
   e. Experience
   f. Acquisition of the product
   g. Other important factor?
5. How would you improve the buying experience considering the following phases?
   a. Search
   b. Confirmation of the decision
   c. Purchase
6. How well did you know the brand/product beforehand?
7. How familiar are you with online shopping?
8. How do you perceive the need for touch when evaluating the product?
9. How do you perceive the social interaction while shopping?