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From Clicks to Bricks – The Impact on Brand Resonance

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Third Edition

Student Papers

2017

September - October

Strategic Brand Management: Master Papers

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From Clicks to Bricks – The Impact on Brand Resonance

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Abstract

Purpose: The aim of this study is to identify the potential impacts on brand resonance of an e-retailer opening brick and mortar stores and thus expanding from online to offline business. This paper intends to explore the four elements of brand resonance: brand loyalty, brand attachment, brand community and brand engagement.

Design/Methodology: The design consists firstly of information about e-commerce and their aspiration to engage in multi-channel retailing, having Zalando as an example; followed by a presentation of the characteristics of online, offline and multi-channel platforms as well as brand resonance and its elements brand loyalty, attachment, community and engagement; and lastly the impacts a multi-channel strategy has on brand resonance and its four components is ascertained. A quantitative research method, using a survey of 85 respondents, was applied to examine the effect on brand resonance of an e-retailer's intention to open physical stores.

Findings: Research displays an inclination that the factors of brand resonance are impacted by an e-retailer opening physical stores. The components brand loyalty and brand community have a higher tendency to be influenced than brand attachment and brand engagement. In contrast to these findings, a statistical confirmation of brand resonance being impacted was not found.

Originality/value: As past research mainly concentrated on the effects of physical stores engaging in online retailing, this paper provides an academic contribution as it is among few that focuses on the converse approach.

Keywords: Brand resonance, retailing, multi-channel retailing, e-commerce, Zalando

Paper type: Research paper

Introduction

“E-commerce is inevitably going to kill physical stores as we know them” (Forbes, 2015). Statements like these have been published by numerous sources during the past years, seeing the increased popularity of e-commerce among businesses and consumers (Mohapatra, 2013). In this relation, especially its convenience is valued by consumers, enabling them to purchase goods and products at every location, at every time and in an easy and fast way (Mohapatra, 2013; Salehi, Abdollahbeigi, Langroudi, & Salehi, 2012). Thus, in 2016, about two thirds of Internet users in the EU have shopped online (Eurostat, n.d.), making e-shopping a favoured and natural habit (Mohapatra, 2013).

However, whereas consumers' needs have focused on convenience during the past years, consumer buying behaviour is recently undertaking a major transformation. Consumers increasingly seek for experience when making their buying decision (Forbes, 2015). Responding to this new trend, more and more e-commerce retailers expand their business offline by opening physical stores. Amazon, one of the major players in e-commerce, which was founded in 1994 and holds a major share in e-retailing, opened its first physical bookstores in the U.S. in 2015 (The Denver Post, 2017; DMN, 2017). Other examples are Mister Spex, Lascana (Der Tagesspiegel, 2016) as well as MyMuesli, having opened stores in Germany, Switzerland and Sweden (Mymuesli, n.d.).

Going with this trend, Zalando, Europe's leading online fashion platform, recently considers opening physical flagship stores in fashion capitals such as Berlin, London and Paris. Zalando's co-chief executive Rubin Titter states: "We have proper fans in the metropolises who spend much time with us and order a lot", "It could be interesting for them to also experience the brand offline" (Sourcing Journal, 2017). Today, Zalando's online shop attracts over 200 million visits per month and provides its customers with the best experience possible (Zalando, 2017).

In this connection, the question arises why e-commerce retailers currently consider expanding their business offline by opening physical stores even though they perform successfully in the e-commerce business where they hold a high market share (The Denver Post, 2017). E-commerce retailers increasingly see themselves faced by the competition of traditional offline retailers, which have expanded their online presence (Social Media Week, 2017) and thus offer its customers a multi-channel experience (Statement, 2016). By venturing into offline retailing, e-commerce retailers aim to provide its customers a greater experience and a closer in-person relationship. In a physical store, consumers can interact with the products and employees, while the organisation simultaneously gains a better understanding of its customers and pushes sales. Hence, creating a greater consumer relationship and experience represent main reasons for most e-commerce retailers to expand their business offline (LS Retail, 2017).

With this regard, Keller (2001) describes creating intense and active relationships as being concerned with the concept of consumer brand resonance. Building brand resonance is the last step of building brand equity and represents the most valuable brand-building block to establish a strong brand. By establishing true brand resonance, brands benefit from customers, who express a high degree of loyalty, actively seek means to interact with the brand and share their experience with others (Keller, 2001).

Even though e-commerce retailers, opening physical stores, presents a recent trend (Statement, 2016), studies undertaken regarding this research topic are scarce. Furthermore, building relationships is of particular importance for the retail business (So, King, Sparks, & Wang, 2016) and the fashion industry specifically (Forbes, 2015), where customers demand for an experience that allows them to feel and try the products as well as to interact with them (DMN, 2017). Thus, it presents a crucial research area. This importance of building brand resonance leads to a necessity to understand how it is affected by an e-commerce retailer's expansion to offline channels. Therefore, the paper's purpose is to investigate the potential effects on brand resonance by opening physical retail stores.

To gain a greater comprehension of this research topic, this paper provides a literature review on brand resonance, its components and relation to online and offline retailing. Within the methodology section the use of a quantitative research approach is described and justified. Following, the research findings are presented and analysed in order to draw conclusions and fulfil the purpose.

Literature review

Characteristics of online channels

E-commerce or online retailing is highly dependent on online propositions and the provision of information. Both aspects are important to gain new customers and keep existing ones. Online social networks are described as one approach to build relationships with consumers. In this way, they can exchange recommendations, reviews and other relevant information (Verma, Sharma & Sheth, 2015). Moreover, online retailers concentrate on colours, pictures, dynamic animations and videos in order to create a brand experience and brand relationships (Huang, Lee, HaeJun, & Evans, 2015). In addition, Das (2009) illustrates customer satisfaction, loyalty and customer retention as crucial elements for all

organisations. Therefore, an online retailer has to shift its focus towards direct marketing, database marketing, relationship investments or CRM to be able to establish a special bond between the company and its consumers (Das, 2009). Consequently, online channels assist in increasing interactivity and connectivity, facilitating consumers' engagements with a brand and with other consumers (Moynagh & Worsley, 2002).

Characteristics of offline channels

With relation to retailing and brick and mortar stores, sensory experiences resulting from sights, textures, music or smells of the environment can reinforce a positive brand image and can thus lead to consumer-brand relationship enhancement (Huang et al. 2015). Four main offline brand attributes can be identified in physical retail stores to measure the corporate brand image according to Silvia and Alwi (2008) - physical aspects, product-related information, reliability and personal interaction. Convenience, appearance and atmosphere of the store are related to the physical aspects. Multiple factors have been discovered that contribute directly to the customer's feeling of the store. Cleanliness, attractive interior design, a comfortable and warm atmosphere and the easiness to find desired products are one of them. Moreover, the selection and range of offered goods are key roles in terms of product-related information. The third element reliability illustrates how essential it is for companies to stay true to their promises and coordinate their entire corporate activities around them to satisfy expectations of their customers. Problem solving aspects, smooth return and exchange policies belong into this category as well. Concerning the personal interaction, a good customer service with inspiring and helpful employees is essential when connecting with consumers. A steady communication base is necessary to ensure that customers' needs are met in alignment with the brand's image (Silva & Alwi, 2008). The results of Silva and Alwi's (2008) research disclosed that all mentioned offline attributes are related to customers'

perceptions. In this sense, offline attributes have a significant and positive direct effect on the offline corporate brand image.

Multi- and omni-channels

The process of performing more than one operational channel (i.e. online, offline) is known as multi-channel retailing. The advantages of multi-channel retailing are more direct contact points with customers, which is positively related to the satisfaction level (Wallace, Gies & Johnson, 2004). Behaviour of consumers within retail has become a complex chain of events, for example a recommendation can lead to an online search, followed by visiting a retail store to feel and touch the product. Afterwards, an online price comparison can be done before the final purchase as well as research of how to best use the offering. This chain of events can come in different orders but has become the normative behaviour rather exceptions (Melero, Sese, & Verhoef, 2016). Melero, Sese and Verhoef (2016) depict a study by Oracle (2011), showing that 85 per cent of shoppers expect the explained process to be consistent and personalized with experiences based on prior activates and clear guidance towards purchase alternatives. Rafiq and Fulford (2005) discuss a benefit of a wider access to information for customers when an offline retailer implements a brand expansion in the form of an online shop. Their study also indicates that customers with high levels of loyalty and trust towards an offline brand or store will be more willing to accept brand extension of the sort. The authors also illustrate a challenge that may arise as customers' perception of seeing two entities, one online and one offline, rather than one organisation.

Brand Resonance

The term brand resonance relates to building long-lasting customer relationships and describes the various stages through which consumers connect with a brand (Raut & Brito, 2014). According to Keller (2001), brand resonance represents the last step in building strong brand equity and thus describes the question of "what about you and

me?’ within the ‘Customer Based Brand Equity Model’.

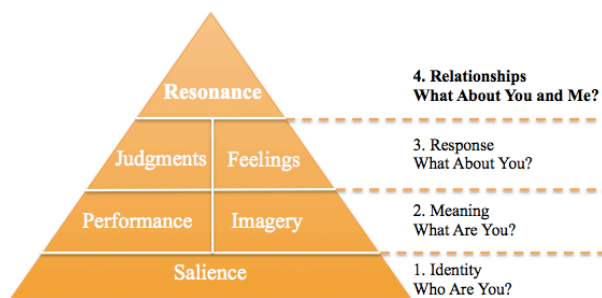


Figure 1: Customer Based Brand Equity Model (modified)

More concrete, Keller (2001, p.15) defines brand resonance as “the nature of the relationship that customers have with the brand and the extent to which they feel that they are ‘in synch’ with the brand”. Similarly, Rindfleisch, Wong and Burroughs (2006, p.4) describe brand resonance as “the extent to which a consumer develops strong behavioural, psychological, and social bonds with the brands s/he consumes”. Hence, brand resonance can be characterized by the intensity of psychological bonding that consumers have with a brand and the level of activity created by this loyalty. Keller (2001) defines four different factors, which strongly build brand resonance, namely brand loyalty, brand attachment, brand community and brand engagement (Figure 2).

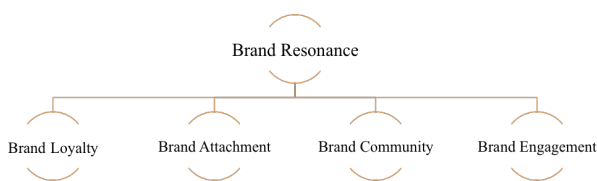


Figure 2: Brand resonance components

Component 1: Brand loyalty

Brand loyalty is one of the components of brand resonance and is explained by Keller (2008) as customers’ frequency of purchase and its quantity. This indicates a measure of customers’ long-term behaviour in order to understand potential future decision-making. Huang et al. (2015) mention brand loyalty as a strong internal attitude and self-commitment regarding a specific brand. A potential

outcome of brand loyalty is customer’s resistance of substituting a specific brand with different organisation’s products (Ghauri & Cateora, 2014). Customers with high brand loyalty feel dedicated towards a specific brand and will therefore frequently and/or repeatedly purchase items from the preferred brand.

Anderson and Srinivasan (2003) describe convenience as a providing factor of loyalty towards an online retailer, as they can avoid the process of searching for a new provider for offerings. Within the context of brick and mortar stores, the physical environment and atmospheric cues such as music are elements with the potential to result in greater purchase intention. Visual cues such as pictures are generated within the context of online channels, and have the potential to attract shoppers to partake in purchases (Huang et al. 2015). Nevertheless, an increased number of channels offer a higher degree of service as well as a perceived increase of offerings, which in turn has the potential to enhance loyalty (Neslin, Grewal, Leghorn, Shankar, Teerling, Thomas, & Verhoef, 2006). There is also a possibility of a diminished loyalty because of limited human contact, which is the outcome from numerous modern channels today. Furthermore, the authors depicted that multi-channel customers, in comparison to a single-channel, partake in a higher level of expenditure. This reflects an increased brand loyalty when considering Keller’s (2008) characterization of brand loyalty as quantity of purchase (Keller, 2008). Neslin’s et al. (2006) results show a tendency of multichannel strategies to enrich loyalty, which is why we propose the hypothesis: *H1: E-retailers opening physical stores will have a positive impact on brand loyalty.*

Component 2: Brand Attachment

Research depicts two different relationship approaches. Psychologists see attachment as a bond between two individuals while the marketing perspective mentions the possibility to relate to objects as well as brands (Fournier, 1998; Keller, 2008; Schouten and McAlexander, 1995 cited in Park, MacInnis, Priester, Eisingerich, & Iacobucci, 2010). Park

et al. (2010) describe brand attachment as a representation of the strength of relationship between the brand and consumers. More specifically, they define it as the intensity of the cognitive and emotional bond of the brand and the consumer. A customer with a high degree of brand attachment tends to exhibit an active buying behaviour and deeper feeling of closeness to the brand. The affective and emotional tie between the brand and the individual results in self-expression and self-realization on the customer's side (Park et al. 2010). Malär, Krohmer, Hoyer, and Nyffenegger (2011) claim that the emotional connection between the brand and the individual is higher if the customer can identify the actual self with the brand's personality rather than with the ideal self.

Within the context of online channels, sensory elements such as colours, design and other interactive features generate an opportunity for customers to establish a connection to a specific brand and site (Huang et al. 2015). Building a connection between the displayed products and the general ambience composed of music for example will help the consumer to bond emotionally with the brand and generate higher purchase intentions. A relation between the customer and the brand enables consumers to identify themselves with the brand (Beverland, Lim, Morrison, & Terziovski, 2006). The development of positive feelings towards the brand will automatically enhance the customer's attachment to the store (Fiore, Yah, & Yoh, 2000). As the multi-channel strategy combines both channels, Huang et al. (2015) mention Brakus, Schmitt and Zarantonello (2009) and Morrison and Crane (2007) as they explain that companies will be enabled to respond to both kinds of customer connections with the brand. Consequently, this results in a stronger tie and a strengthened brand attachment. In this sense, we propose the hypothesis: *H2: E-retailers opening physical stores will have a positive impact on brand attachment.*

Component 3: Brand Community

While brand attachment is defined as the connection between the customer and the

brand, brand community is defined as a connection that exists between customers or between customers and representatives of the brand (Keller, 2008). This social marvel represents a sense of community based on interpersonal interaction as well as familial bonds (Jang, Olfman, Ko, Koh, & Kim, 2008; Keller, 2008). Huang et al. (2015) discuss Verhoef, Lemon, Parasuraman, Roggeveen, Tsiros and Schlesinger's (2009) study, which illustrates how social interaction is embodied within online and offline channels respectively. Social interaction can be achieved through online interactive features while physical stores emphasize face-to-face interaction. This means that a feeling of community can be generated through online social networks as well as offline contact with sales force and representatives of the brand. Further, Tsai and Pai (2012) demonstrate that customers can be encouraged to interact with other consumers that are like-minded if the relationship with a brand or store is satisfactory.

Huang et al. (2015, p.141) conclude that "brand experience in different shopping channels evokes relational experiences related to identification in a group". Relational experience is described by Brakus, Schmitt and Zarantonello (2009 cited in Huang et al. 2015, p.133) as a "social experience that connects consumers with 'a broader social system'". Furthermore, the authors mention Keller (2010) as he explains that the advances within marketing communication has facilitated customer experiences within contexts of both online and offline stores to intensify relationships amongst consumers. Thus, our hypothesis is as follows; *H3: E-retailers opening physical stores will have a positive impact on brand community.*

Component 4: Brand Engagement

Active engagement of consumers represents the tip of the brand resonance pyramid. According to Keller (2001), brand engagement is achieved when consumers are ready to invest time, money, energy or other resources into the brand, going beyond the expenses made during the purchase and consumption. In

this relation, active engagement may be displayed for example by a consumer joining a club or loyalty program centred on a brand, receiving and seeking updates about the brand or visiting brand-related websites. Moreover, Keller (2001) describes that active engagement is shown by consumers being interested in learning about the brand, talking about the brand with others, and liking visiting the brands' website or store beyond the actual purchase intention. In this relation, online channels use websites, blogs and social media to interact with customers to create a sense of community and foster active engagement. Furthermore, these functions are used to provide customers with further information (Jang et al. 2008). However, according to Johnson (2017), online channels are said to falter when it comes to the unique experiences of physical engagement. The opening of offline stores will lead to a deeper brand engagement (Wharton, 2015). Thus, our hypothesis is as follows; *H4: E-retailers opening physical stores will have a positive impact on brand engagement.*

Methodology

With regards to the purpose of studying impact we found it appropriate to use a positivistic approach and therefore understand that the social context in which the world exists can be studied and explained through objective and scientific methods. We acquired understanding of the subject through an initial review of scientific literature in order to formulate several hypotheses sought to be empirically verified, meaning a deductive orientation was undertaken for this study (Saunders, Lewis & Thornhill, 2012). The positivistic approach is closely associated with a quantitative research rather than a qualitative one (Bryman & Bell, 2015) and which is the research approach we found most suitable for our purpose. It provides measurable elements such as numbers, rather than the interpretation of words. This was accomplished with the quantitative use of a survey as the method (Bryman & Bell, 2015), because of the potential to analyse the phenomena of brand

resonance on a larger scale. Although, our choice to focus on a single brand within fashion retail limits the independent applicability of conclusion regarding context, we regard the survey as appropriate as we want to gain knowledge concerning potential patterns of impact. A structured set of questions gives us the possibility to cover relevant subjects within the theoretical concept of brand resonance, i.e. brand loyalty, brand attachment, brand community and brand engagement. Furthermore, a controlled and sequenced order of survey questions will enable us to test the hypotheses, analyse potential patterns and therefore fulfil our purpose. With regards to the literature review, we chose a limit of four questions for the respective categories that brand resonance is comprised of, where two questions considered Zalando's online platform and two questions considered the potential of the brand having online and offline platforms. We used Likert scales, which enabled us to compare levels of agreement to statements from the two respective questions within a category, to detect potential patterns.

It is explained by Bryman and Bell (2015) that the choice of sample technique has an impact on the study's applicability. Respondents should therefore be chosen with care and thereafter limited because of time-consuming activities such as creating and analysing collected data. We created one survey that was distributed through the social media platform Facebook. Our sampling technique thus reflects the convenience method (Bryman & Bell, 2015), meaning a decreased possibility to generalize conclusions as well as sample bias. 92 respondents took part in the survey, but we chose to only include Europeans, as Zalando is an online platform available in Europe. This means a final count of 85 respondents was used for this study.

Scientific literature in the form of books and articles is considered to be secondary sources by Rienecker and Jørgensen (2014). We used secondary sources as a basis for the gathering and analysis of empirical data, and were presented in the introduction and literature

review. Collection of scientific articles was done primarily through databases such as Academic Search Complete and ABI/Inform Global as well as LUBSearch. The credibility (Bryman & Bell, 2015) of this study was increased through exclusive use of peer-reviewed scientific articles as well as through evaluation of publishing year and subject relevance.

Introduction of the organisation Zalando

“It all started with a shoe...” (Zalando, n.d.a)

The quote explicitly illustrates the origin of the company’s idea, which was distributing a wide range of shoes to a wide range of customers. It also reflects the meaning behind their logo: the orange triangle, which is the imprint underneath the heel of a stiletto (Zalando, n.d.a).

Zalando was founded in 2008 as a Berlin-based online shoe shop (Zalando, n.d.c). Nowadays, it is Europe’s leading fashion platform, with 3.6 billion net sales in 2016 (n.d.b), connecting customers, brands and partners in 15 countries (Zalando, n.d.c). In the recent years, Zalando has shifted from being a retailer of exclusively shoes to a retailer of shoes, clothing, and accessories for women, men and children for every possible occasion. They offer over 2.000 brands from high street to high-end fashion, including international brands, exclusive brands, fast fashion brands and their own label, the zLabel (Zalando, n.d.d). This wide range of fashion enables Zalando to provide their customers with exactly what they are looking for in the sense that no one leaves the website empty-handed. Since Zalando’s founding, the company has tried to drive the fashion market with its risky, radical and innovative approaches. They restructured the environment when offering free deliveries and a 100-day return policy, always focusing on the customer's satisfaction and the most convenient service (Zalando, n.d.c), in accordance to Elg’s (2017) description of a market-driving company. Moreover, with the

free customer style advice Zalon (Zalando, n.d.e) and their fashion outlets in Frankfurt, Cologne and Berlin, Zalando generates more direct contact points with consumers and adds a special feature that is appreciated by them. Thus, the brand can build a more involved relationship (Zalando, n.d.d). Through their expertise in fashion, innovative technology and high efficiency Zalando states that it is their purpose to reimagine fashion, which differentiates them and reveals their competitive advantage (Zalando, n.d.c). This statement by Zalando assures best what the company was known for in the past and what it stands for now: “We have grown from a pioneer in e-commerce to become the most innovative fashion platform in Europe” (Zalando, n.d.f).

Findings and analysis

In this section, collected empirical data is presented and analysed. The empirical data consists of results from the developed survey, which can be found in Appendix 1. In order to test if there is a relation between variables we used chi-square tests. For the test, we computed all variables from a five point Likert scale to a three-point one. The reason for this was the size of the sample and its limiting opportunity to fulfil chi-square requirements. These requirements are explained by (Körner & Wahlgren, 2012) to be as follows: maximum 20 % of expected values are to be lower than 5 and values below 1 are not to be existent (using cross-tabs in SPSS). Statistical significance is found when p-value is 5 % or less.

Respondents

The results are based on the responses of 85 participants and the majority is women (69 respondent). Most of the respondents are within the age group 21-30 (78 respondents), whereas five respondents were below the age of 20 and two respondents were within the age group 31-40. More than half of the respondents has finished or is enrolled in a Master’s degree. 38,8% have a Bachelor’s degree and 4,7% have a High School degree.

Brand Loyalty

Regarding the results from the question if respondents currently see themselves as being loyal towards the brand Zalando, the second alternative “I disagree” was mode, with 32,9% of the responses. Meaning that the majority of respondents considers themselves having a lower degree of loyalty with 29,4% of the respondents choosing the first alternative, “I do not agree at all”. The options of higher levels of agreement regarding perception of own loyalty show a lower level of responses. Similar to this, the mode for the question if frequent purchases occur at Zalando’s online shop was also the second alternative, “I disagree”, with 31,8% of the responses, while only 8,2% stated, “I agree completely”.

When participants were asked whether they would frequently visit a Zalando physical store with a purchase intention if the brand engages in multi-channel retailing, the mode was 34,1%. It states that respondents “neither agree nor disagree”. The question referring to the respondent’s preference to shop in a physical Zalando store rather than on their online platform, the majority of respondents, 37,6%, answered that they “agree” in favour of a potential offline channel. When testing the relationship between statements regarding perception of own loyalty and preference to shop in a physical Zalando store, statistical significance is found. Although, the chi-square test requirement of expected values is not fulfilled, which limits us of using the statistical significance for the conclusion. We understand the reason for this to be the size of the sample, meaning a larger sample would have enabled us to potentially fulfil the requirement.

From this, we gather that there are numerous low frequency shoppers who consider themselves not being particularly loyal to the brand Zalando. According to Keller (2008), brand loyalty is described to have a high frequency, we therefore indicate our results illustrating low brand loyalty. But, the mode is shown to shift towards a higher level of agreement when testing loyalty within multi-channel contexts. The majority of respondents

feels that they would frequently visit the physical store as well as would prefer to shop in a potential physical store than exclusively online. We perceive a tendency for the respondents to illustrate a higher level of potential loyalty when asked about Zalando within the context of multi-channel retailing. This can be explained by Neslin’s et al. (2006) illustration of increased loyalty because of a perceived increase of offerings as well as their illustration of customers’ higher expenditure level within this context. Even if chi-square test requirements are not fulfilled, we deduce this tendency of observed increase of loyalty to mean that Zalando’s intention to open physical stores has a potential influence on brand loyalty as a whole. In conclusion, we are unable to statistically confirm or dismiss our hypothesis H1 but deduce an indication that opening physical stores has an impact on brand loyalty.

Brand Attachment

Zalando has a high likability, with 51,8% of the respondents answering, “agree” and “agree completely” when asked if they like the brand (36,5% and 15,3%, respectively). On the contrary, the given responses whether the brand is preferred over other online retailers display a normal distribution. Most respondents “agree” or “agree completely” (34,1% and 29,4% respectively) when asked if they prefer Zalando to have both, an online shop and physical stores. Whereas only 11,6% (“strongly disagree” and “disagree”) of the respondents do not prefer multi-channel retailing. When it comes to the question whether they prefer to shop in a Zalando physical store than on online shops of competitors, the responses display a normal distribution. Thus, 30,6% “neither agree nor disagree” that they would prefer to shop in a Zalando physical store.

When comparing the responses of likability and the preference regarding Zalando potentially offering online and offline platforms, an increase of agreement shows the possibility to strengthen brand attachment. The increment can be explained by the expansion to a physical store, which leads to

the respondents' assumption that it will provide an extended amount of contact points, which according to Wallace et al. (2004) increases satisfaction. Opening physical stores can enable Zalando to fulfil the expectation customers have today regarding the complex chain of events that shopping entails, mentioned by Melero, Sese and Verhoef (2016). Having a strong online platform allows a wide usage for customers. On the other hand, every part of the chain of events, from online browsing and comparison to recommendations and opportunity to feel and touch desired products in an attractive atmosphere, can be offered by Zalando if they open a physical store. This in turn will according to Beverland et al. (2006) enable customers to identify with the brand and exhibit attachment. We interpret the responses that display a preference towards Zalando in a multi-channel context to demonstrate the potential that physical stores can have on heightened brand attachment. The relationship between the two variables is statistically significant in a chi-square test. However, it does not fulfil all requirements, meaning that the results are not likely to be of coincidence but enables us to use it for our conclusion. From a comparison of the responses showing normal distribution (if the brand is preferred over other online retailers and if a Zalando physical store is preferred than online shops of competitors) we deduce a limited influence on brand attachment. The bond that exists between brand and customers today, as explained by Park et al. (2010), is deduced by us as unchanged and the potential of opening stores demonstrates an absence of influence towards preference of competitors. In conclusion, we are unable to statistically confirm or dismiss our hypothesis but deduce an indication that opening physical stores has a fragmented impact on brand engagement.

Brand Community

The mode for the statement if respondents regularly communicate online with other brand users or representatives was "I do not agree at all" with 42,2%. The curve displays a constant decrease towards the higher levels of

agreement. Additionally, the mode for the statement if they rather shop online alone than in company was "I agree completely" with 48,2% and the same constantly decreasing curve but towards the lower levels agreement for this question. Respondents were asked if they communicated with other brand users or representatives more frequently than they do now, if Zalando had a physical store. Here people stated that they "neither agree nor disagree" as a mode of 38,8%. The next question concerns their offline shopping behaviour. 37,6% of the participants selected the alternative "disagree", showing that the majority rather shop offline in company.

We interpret this to display a low level of brand community as the respondents illustrate low levels of social interaction within the online context. The answers given do not demonstrate an active use of online interactive features. Although, the mode for responses given to both questions regarding interaction within potential multi-channels were changed towards what we interpret displays a higher level of social interaction. We understand the potential opportunities to shop offline and the participants' responses to shop in company rather than alone, to reflect Huang's et al. (2015) theory of how different shopping channels allow people to identify with a group and therefore experience a social system that goes beyond themselves. We interpret our results to present tendencies of increased brand community when respondents consider Zalando as a multi-channel brand. Unfortunately, there is no statistical significance when studying patterns between the two questions regarding Zalando in an online context and the two questions regarding potential multi-channel. Requirements of chi-square test are however not fulfilled, which prohibits us from accepting or dismissing our hypothesis. However, the tendency of a change is deduced by us as a potential for increased brand community if Zalando opens physical stores. In conclusion, we are unable to statistically confirm or dismiss our hypothesis but deduce an indication that opening physical stores has an impact on brand community.

Brand Engagement

When asking about a high knowledge of Zalando beyond clothing, the mode was “disagree” with 32,9% of the responses. Further, 23,5% responded that they “agree” and the third most chosen alternative was “I neither agree nor disagree”. In comparison, answers regarding frequency of taking part in updates about Zalando demonstrate a mode for “disagree” with 47,1%. The curve displays a constant decrease towards the higher levels of agreement, with only 3,5% that “agree completely”. Findings concerning the question if people visited a Zalando physical store to update themselves about the brand display a normal distribution, with mode at 32,9% for “neither agree nor disagree”. The result of the question if people gain more knowledge about Zalando offline than online reveals that 55,3% of the respondents “disagree” or “I do not agree at all” (28,2% and 27,1%, respectively). In comparison, 15,3% stated that they “agree” and 4,7% stated that they “agree completely”.

Keller (2001) explains brand engagement as going beyond expenses and learning more about the brand as a whole, the results demonstrate that this knowledge acquisition is undertaken through online channels. Our interpretation from these results is that opening physical stores is not the optimal tool to increase brand engagement since most of the people do not gain more knowledge about the organisation when they shop offline. Moreover, a relationship between the two statements is not statistically significant, nor are the requirements of the chi-square test fulfilled. On the other hand, we interpret a potential pattern when comparing the partaking of updates and information about the brand within the two contexts of online and multichannel. It is stated that updates about Zalando and its activities or collections is not pursued online. Even though, the mode when asked whether respondents would acquire information if Zalando had physical stores was shifted. We interpret this to illustrate a higher level of engagement regarding time and effort taken to acquire information in multi-channel context, which reflects Wharton (2015). This

is reflected by provided statistical significance between these two questions from a chi-square test with fulfilled requirements. Unfortunately, we assume that the question could have been misunderstood as we only gave collections as an example to update. This implies that the question was limited in comparison to the concept of engagement and indicates a limited ability to understand the impact on brand engagement as a whole. In conclusion, we are unable to statistically confirm or dismiss our hypothesis as only one of the chi-square test concerning brand engagement fulfilled the requirements. Nevertheless, we deduce an indication that opening physical stores has a low impact on brand engagement.

Brand Resonance

After the analyses of the four brand resonance factors: brand loyalty, brand attachment, brand community and brand engagement, it is now possible to give an assertion about the term itself. Thus, the question of the paper’s aim can be answered. To recall the aspiration of the paper, we wanted to investigate the effect on brand resonance when an e-commerce retailer expands its business offline through the opening of physical retail stores. In this sense, we wanted to ascertain how the customer’s perceptions towards the different elements of brand resonance change with the shift from online channels to brick and mortar stores. As the survey revealed due to the limited number of attendees the requirements of a chi-square test could not be fulfilled in order to give scientifically correct explanations. However, unequivocal tendencies could be detected which leads to the possibility to interpret the impacts on brand resonance as a whole.

Opening physical stores as an expansion to already existing online stores and consequently offering a multi-channel platform, has direct positive influences on brand loyalty, attachment and community. More precisely, multi-channel retailing will lead to a higher brand loyalty and community. Concerning brand attachment, there is a fragmented impact from opening physical stores, meaning a potential positive impact on

the likability of the brand and a potentially low impact on the preference of the brand over other competitors. Furthermore, brand engagement is not perceived to imply changes when a company also introduces offline retailing. Thus, a brand expansion to multi-channel retailing will not lead to a higher brand engagement. Taking into account that two out of four elements are positively affected and one is partially positively affected by multi-channel retailing, it can be concluded that the capability of brand resonance is enlarged, too. In this sense, while having the description of brand resonance by Raut and Brito (2014) in mind, strengthened brand resonance will intensify long-lasting customer relationships and the connections with the brand. Additionally, a reinforced brand resonance will have positive impacts on brand equity as it is the last step in building a strong brand value (Keller, 2001). When brand resonance is enhanced through its individual factors and multi-channel retailing, Keller's assumptions will be further deepened as the relationship between the customer and the brand and the "extent to which they feel 'in synch'" (Keller, 2001, p.15) with it, will likewise be fostered. Moreover, when relating to Rindfleisch, Wong and Burroughs (2006, p.4) it can be stated that with an increased brand resonance the behavioural, psychological and social bonds with the brand will be augmented.

To all intents and purposes, the engagement in multi-channel retailing enables the company like Zalando to respond to sensory shopping experiences on the one hand and interactive shopping experiences on the other hand (Huang et al. 2015). Therefore, we conclude that through the ability to acknowledge both kinds of shopping experiences the customer-brand relationship enhances substantially.

Conclusion

This study is undertaken to identify the potential outcomes of multi-channel retailing on brand resonance. The aim is to explore the effects it can have on the four elements brand

loyalty, attachment, community and engagement that brand resonance entails. Based on the brand Zalando, an investigation was made to discover potential changes when a company like Zalando expands from exclusively online channels to offline platforms as well.

The collected data could not statistically confirm or dismiss an impact of an e-retailer's intention to open physical stores on the elements of brand resonance. This results in a limited possibility to verify the influence on brand resonance as a whole. Thus, this paper draws conclusion that there is no statistically proven relationship between an e-retailer's move towards multi-channel retailing and brand resonance. Nevertheless, tendencies of impact on the four factors of brand resonance are detected. Opening physical stores demonstrates to have the strongest positive influence on the brand resonance components of brand loyalty and brand community. The effect on brand attachment is displayed to vary, depending on which part of the element is studied. One part of the attachment component illustrates positive impacts from opening physical stores while the other one remained unchanged. Brand engagement is shown to be absent of influence by the intention of expanding to an offline channel.

Managerial implication

As the study aims its attention towards online retailers, it is applicable exclusively for organisations within similar contexts. This paper can be used as guidance for e-retailers when considering to engage in multi-channel retailing, aiming for stronger customer relationships and to create a stronger brand. Based on the research findings, we detect a tendency for brand resonance to be positively affected by the potential opening of physical stores. Seeing that brand resonance is a valuable component to create a strong brand, Zalando is advised to open physical retail stores in order to strengthen its brand resonance and brand equity.

Furthermore, Zalando is recommended to use their already existing outlet stores as a template or base to open physical flagship stores to ensure a 100% Zalando shopping experience. Another good suggestion is to utilize competitor's expansion movement (i.e. MyMuesli, Lascana, Mister Spex) to offline retailing as a model and information base to open physical Zalando stores.

Limitations and future research

The main limitation in this paper is the amount of respondents, as the number of 85 participants can be seen as inadequate to draw reliable conclusions. Moreover, it reduces possibilities to fulfil chi-square test requirements, which hinders a statistical confirmation or dismissal of relationships between the studied variables. To enable a generalization of the research findings, future research needs to be conducted among a larger sample. Another limitation in this paper is the choice to include all components of brand resonance in combination of the size of the study, as it provided a narrow analysis of brand resonance as a whole. As this paper is amongst few that examines the influence on brand resonance when a retailer moves from an online to an offline business, it can act as a basis to get essential insights on brand resonance as a whole. To support the paper's findings, future research should analyse separate in-depth studies of the respective factors. Lastly, as research in the past primarily focused on the expansion from offline to online channels, it is recommended to shift the focal point of future research to organisations expanding their online activities to brick and mortar channels.

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Appendix 1 - Survey

General information

1. Gender: Male/Female
2. Age: <20, 21-30, 31-40, 41-50, > 51
3. Level of education (finished or current): High School Degree or lower, Bachelor's Degree, Master's Degree
4. Continent of origin: Europe, Asia, North America, South America, Australia/Oceania, Other

Questions regarding the components of brand resonance within an online channel context

All respondents were provided with the opportunity to answer to which degree they identify with the following statements, on a five-point likert scale. The options were; “*I do not agree at all*”, “*I disagree*”, “*I neither agree nor disagree*”, “*I agree*” and lastly, “*I agree completely*”.

1. I frequently purchase at Zalando's online shop
2. I consider myself to be loyal towards Zalando's online shop
3. I like the brand Zalando
4. I prefer Zalando over other online retailers (e.g. Asos, Nelly)
5. I regularly communicate with other brand users or representatives
6. When I shop online, I do it on my own rather than in company
7. My knowledge of Zalando goes beyond clothing items
8. I frequently receive and/or take part in updates about the e-retailer Zalando

Questions regarding the components of brand resonance within an online and offline channel context

All respondents were provided with the opportunity to answer to which degree they identify with the following statements, on a five-point likert scale. The options were; “*I do not agree at all*”, “*I disagree*”, “*I neither agree nor disagree*”, “*I agree*” and lastly, “*I agree completely*”.

1. If Zalando had a physical store, I would frequently visit it with an intention to purchase
2. I would prefer to shop in a Zalando physical store than on their online shop
3. I would prefer if Zalando had both, an online shop and physical stores
4. I would prefer to shop in a Zalando physical store than on online shops of competitors
5. If Zalando had a physical store, I would communicate with other brand users or representatives more frequently than I do now
6. When I shop offline, I do it on my own rather than in company
7. I would regularly visit the Zalando physical store to update myself regarding the brand (e.g. new collections)
8. I gain more knowledge about an organisation offline than I do online