

JYU DISSERTATIONS 230

Jussi Nyrhinen

Social Capital in the Digitised Servicescape

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Esitetään Jyväskylän yliopiston kauppakorkeakoulun suostumuksella
julkisesti tarkastettavaksi kesäkuun 4. päivänä 2020 kello 12.

Academic dissertation to be publicly discussed, by permission of
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JYVÄSKYLÄN YLIOPISTO
UNIVERSITY OF JYVÄSKYLÄ

JYVÄSKYLÄ 2020

Editors

Tuomo Takala

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Open Science Centre, University of Jyväskylä

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Permanent link to this publication: <http://urn.fi/URN:ISBN:978-951-39-8181-5>

ISBN 978-951-39-8181-5 (PDF)

URN:ISBN:978-951-39-8181-5

ISSN 2489-9003

ABSTRACT

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Social Capital in the Digitised Servicescape

Jyväskylä: University of Jyväskylä, 2020, 81 p. (+ original papers)

(JYU Dissertations

ISSN 2489-9003; 230)

ISBN 978-951-39-8181-5 (PDF)

Digitalisation has placed retail stores under re-examination due to the changing servicescape (i.e. the shopping environment) and social interactions with store personnel and other customers that are experienced across both online and offline stores. This interdisciplinary dissertation seeks to fill a research gap in the marketing literature concerning the servicescape and the sociological theory of social capital, including how interpersonal relationships and social networks constitute the service experience and how the digital-physical servicescape facilitates trust, human contact and communities. The research, which applies both qualitative and quantitative methods, seeks to provide a holistic picture of customer experience creation in the digitalised servicescape. This study was conducted in three phases, which were published in separate papers and are included in this dissertation. The quantitative studies utilised consumer surveys that were analysed using Partial Least Squares Structural Equation Modelling (PLS-SEM) for testing the hypothesised associations between examined constructs. Quantitative studies were completed via a content analysis of focus group interviews. The findings of this dissertation illustrate how retail stores serve as a setting for networks of non-commercial exchange and how social interaction can be an end in itself for consumers who visit them. The combination of online and offline stores facilitates social capital formation by providing a platform for a broader variety of human contact and social networks than what a single channel could offer. In this digital-physical servicescape channel, integration enhances the co-creation of the service experience by providing convenient access to social resources. The affective state of the service experience is especially associated with trust and commitment towards the relationship with the retailer. This study has implications for both retailers and service providers who aim to diversify and develop lasting customer relations in a digitised consumer society.

Keywords: channel integration, digital marketing, consumer behaviour, customer experience, omnichannel retailing, servicescape, social capital

TIIVISTELMÄ (SUMMARY IN FINNISH)

Sosiaalinen pääoma digitalisoituneessa palvelumaisemassa

Digitalisaatio on asettanut asiakaskokemuksen uudelleentarkasteltavaksi, koska palvelumaisema eli vuorovaikutus ja tila koetaan sekä fyysisesti myymälässä että digitaalisesti verkkokaupassa. Väitöskirja tutkii ihmisten välisten suhteiden ja sosiaalisten verkostojen eli sosiaalisen pääoman merkitystä asiakaskokemukselle: kuinka monikanavainen palvelumaisema tukee luottamusta, ihmiskontakteja ja asiakasyhteisöjä. Tutkimus pyrkii näin tarkastelemaan, kuinka asiakkaat rakentavat palvelukokemuksen vuorovaikutuksessa keskenään ja henkilökunnan kanssa hyödyntäen sekä digitaalista että fyysistä kanavaa. Tämä kulutustutkimusta edustava väitöskirja on tieteidenvälinen: asiakaskokemuksen tutkimus kuuluu markkinoinnin tieteeseen ja sosiaalinen pääoma edustaa sosiologian teoriaa. Väitöstyön tuloksena syntyy uutta tutkimustietoa asiakaskokemuksen muodostumisesta digifyysisessä palvelumaisemassa halki myymälätilan ja verkkokaupan. Tutkimuksen tulokset auttavat ymmärtämään, kuinka tämä dynamiikka vaikuttaa etenkin tunnepohjaiseen kokemukseen ja johtaa sitä kautta mahdollisesti luottamukseen ja kestäviin asiakassuhteisiin. Tunteiden ja luottamuksen muodostumisen ymmärtäminen on tärkeää, koska myyjän etäisyydestä johtuva epävarmuus on edelleen yksi verkkokaupan suurimpia haasteita. Lisäksi asiakasuskollisuus verkkokauppoja kohtaan on usein heikko, koska ostaminen perustuu usein näennäisesti rationaalisten tekijöiden vertailuun. Täten tutkimuksen löydösten valossa tarkastellaan sosiaalisia tekijöitä kauppojen kilpailukeinona ja pohditaan fyysisten myymälöiden merkitystä digitalisoituneessa kaupassa. Väitöstyö yhdistää laadullisia ja määrällisiä menetelmiä: monimenetelmällisen tutkimuksen tarkoitus on tuottaa holistinen kuva asiakaskokemuksen muodostumisesta digitalisoituneessa palvelumaisemassa. Tutkimus toteutettiin kolmessa vaiheessa, jotka on esitetty tämän väitöskirjan kolmessa osajulkaisussa. Kvantitatiiviset kuluttajakyselyaineistot analysoitiin käyttäen osittaisen pienimmän neliösumman regressio-rakenneyhtälömallinnusta (PLS SEM), jolla testattiin teoriaa käsitteiden välisistä yhteyksistä. Laadullisessa tutkimuksessa tehtiin sisältöanalyysi fokusryhmähaastatteluaineistolle. Tutkimuksen tulokset osoittavat, että vähittäiskaupat ovat myös alusta yhteisöille ja sosiaaliset kontaktit itsessään voivat olla syy kaupassa käymiselle. Verkko- ja kivijalkakaupan yhdistelmä edistää sosiaalisen pääoman muodostumista tarjoamalla puitteet monimuotoisemmalle vuorovaikutukselle ja sosiaalisille verkostoille, kuin nämä kanavat yksinään voisivat tarjota. Monikanavaisessa palvelumaisemassa kanavien yhteensovittaminen vahvistaa sekä asiakkaiden keskinäistä että henkilöstön ja asiakkaiden välistä vuorovaikutusta ja edistää näin palvelukokemuksen yhteisluomista. Vuorovaikutus palvelumaisemassa vaikuttaa etenkin tunnepohjaisen asiakaskokemuksen muodostumiseen, joka johtaa luottamukseen ja sitoutumiseen vähittäiskaupan kanssa vastavuoroiseen suhteeseen. Tutkimuksen johtopäätökset palvelevat kauppoja ja palveluntuottajia, jotka pyrkivät erottumaan kilpailijoistaan palvelulla ja kehittämään kestäviä suhteita digitalisoituneessa kuluttajayhteiskunnassa.

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ACKNOWLEDGEMENTS

This dissertation is based on the findings of the research projects I was privileged to take part at the Jyväskylä University School of Business and Economics and University of Jyväskylä Department of Social Sciences and Philosophy. I express my sincere gratitude to the people whose support and contributions made this dissertation possible. First, I am deeply grateful for my supervisors – Professors Outi Uusitalo and Terhi-Anna Wilska – for supporting and guiding me through the dissertation process. Specifically, Professor Outi Uusitalo introduced me to the qualitative research method and mentored me during the writing process, while Professor Terhi-Anna Wilska guided me with the theory of sociology. In addition, I express my appreciation to the pre-examiners of my doctoral dissertation – Professors Lasse Mitronen and Jonathan Reynolds – for providing encouraging and constructive feedback. I especially thank Professor Mitronen for acting as the opponent during my dissertation’s public examination. I also offer special thanks to my co-authors – Professors Outi Uusitalo, Heikki Karjaluoto, Mika Skippari, Markus Blut and Chanaka Jayawardhena – for their contributions and valuable comments. Notably, Professor Heikki Karjaluoto introduced me to structural equation modelling, and Adjunct Professor Mika Skippari commented on my manuscript and helped me ignite the first paper that stemmed the idea for my dissertation work. Furthermore, I offer many thanks to my colleagues at the Jyväskylä University School of Business and Economics and people in other organisations I had the pleasure to work with during my dissertation. My special thanks go to Research Director Doctor Richard Cuthbertson and Olli Rusanen, Master of Science, who provided valuable support and commented on my manuscript during the joint research project between University of Oxford, Aalto University and University of Jyväskylä. This dissertation is based on research funded by Business Finland – the Funding Agency for Technology and Innovations, the European Agricultural Fund for Rural Development (European Union), the Centre for Economic Development, Transport and the Environment in Finland, the Strategic Research Council (SRC) at the Academy of Finland (#327237), the Finnish Foundation for Economic Education, the Finnish Commerce Federation, the Finnish Grocery Trade Association, the Finnish Research Foundation of Retail Trade, and the Jyväskylä University School of Business and Economics. Their support is gratefully acknowledged. Finally, I express my gratitude to my friends and family for supporting and encouraging me through the dissertation process.

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LIST OF PUBLICATIONS

This doctoral dissertation is based on the following original publications and manuscripts, which are referred to in the text by their Roman numerals:

- I. Skippari, M., Nyrhinen, J., & Karjaluoto, H. (2017). The impact of consumer local engagement on local store patronage and customer satisfaction. *The International Review of Retail, Distribution and Consumer Research*, 27(5), 485–501.

Paper I is based on the following:

Skippari, M., Nyrhinen, J., & Karjaluoto, H. (2017, July). *The role of consumer local engagement and personal values in explaining local store patronage*. Paper presented at the 19th EAERCD, Conference of the European Association for Education and Research in Commercial Distribution, Dublin Institute of Technology, Ireland. Winner of the Best Paper Award in the Consumer Behaviour track.

Skippari, M., Nyrhinen, J., & Karjaluoto, H. (2015, May). *Exploring the drivers of local store patronage*. Paper presented at the 44th European Marketing Academy Annual Conference, Leuven.

Skippari, M., Nyrhinen, J., & Karjaluoto, H. (2016). The effect of consumer local engagement and personal values to local store patronage. In K. K. Kim (Ed.), *Celebrating America's pastimes: Baseball, hot dogs, apple pie and marketing?*. Paper presented at the Proceedings of the 2015 Academy of Marketing Science (AMS) Annual Conference, Denver (pp. 959–963). Berlin, Germany: Springer; Academy of Marketing Science.

- II. Nyrhinen, J., & Uusitalo, O. (2020, accepted). How does the digitalisation of servicescape shape the service experience?. In R., Cuthbertson & O. Rusanen (Eds.). *Red Queen effect: Strategies for an innovative landscape -Implications for management and public policy in a global, digital consumer society*. Oxford, UK: Oxford University Press.
- III. Nyrhinen, J., Blut, M., Karjaluoto, H., Uusitalo, O., & Jayawardhena, C. (2020, Manuscript to be submitted). Omnichannel customer experience: Testing the interplay between digital and physical servicescape determinants.

ABBREVIATIONS

B&M	Brick and Mortar. A retail channel existing as a physical building i.e. 'offline', particularly a retail store, rather than doing business solely online.
CDL	Customer-Dominant Logic. A customer-oriented business and marketing logic that focuses on the customer instead of the product or service.
e-store	Online Store. A retail channel existing as a website or an application by means of which goods or services are retailed over the Internet, rather than doing business solely offline.
F2F	Face-to-face. In this dissertation F2F means two or more people interacting in the same physical place, rather than interacting through telecommunication.
PEOU	Perceived Ease of Use. In this dissertation PEOU refers to ease/difficulty of shopping online in general.
SOW	Share-of-Wallet. Share of a customer's overall expenditure for a type of product/category that goes to a particular brand/company/channel.
WOM	Word-of-Mouth. Any evaluation about a company or its offering that is shared among customers. The definition includes 'online WOM', which is WOM shared via the Internet.

1 INTRODUCTION

1.1 Background

'In a virtual world, we'll long for reality even more' ~ Robert Nozick (1989)

The interplay between online and offline stores is altering how consumers experience retail service. Yet, the direction of this change is uncertain, especially regarding the role of human contact and customer relationships in digitalising retail commerce. Although less than 12% of total global retail sales were conducted online in 2018 (Statista, 2019a), online retail sales grew by more than 25% during the years of this research (2014–2018) (Statista, 2019b). However, while the share of online commerce in terms of total global retail sales is expected to continue growing, it will do so at a smaller approximate annual rate of less than 20% (Statista, 2019b). The digitalisation of retailing has lowered entry barriers for new agile competitors that scale up rapidly at a lower cost than retailers with offline business models do, and their returns may grow faster due to obtaining new customers through their digital capabilities and networks (see e.g. Piotrowicz & Cuthbertson, 2014). This industry-level disruption has led even established market leaders with business models that were initially meant for offline retailing to adjust their businesses to these changes, which further accelerates the rate of customer adoption of online commerce. This process is facilitating industry-level digitalisation not only among retailers but more crucially among consumers.

The digital disruption of retail trade alters the dynamics among companies and between retailers and consumers. Due to the shift towards digitalisation in the retail trade, consumers are no longer constrained to a geographical location and traditional retail shops because other companies, such as consumer goods, logistics and payment companies, are establishing direct relationships with consumers (Treadgold & Reynolds, 2016). Search engines, social media networks,

price comparison websites and online marketplaces are influencing consumer behaviour and thus altering the fundamentals of what the act of retailing is, which may even disintermediate some traditional retailers (Leeflang, Verhoef, Dahlström, & Freundt, 2014; Treadgold & Reynolds, 2016). These developments have also caused the re-evaluation of customer relationships because increased competition and minimal switching costs for consumers are making it increasingly difficult to retain customers (Srinivasan, Anderson, & Ponnalovu 2002; Wallace, Giese, & Johnson, 2004). This factor highlights experiential aspects as potential sources of long-lasting and profitable customer relationships that are differentiated by economical or utilitarian factors, such as price, variety and availability, which are increasingly difficult for many companies to achieve.

Regardless of both the rapid digitalisation of the retail industry and the rapid growth of online commerce, 88% of all global retail goods and services are still bought offline (Statista, 2018a). Prior studies have also shown that consumers have various social needs and motives to visit physical (i.e. 'offline' or 'brick-and-mortar' [B&M]) stores, such as to meet other customers and to speak with store personnel while shopping (Maruyama & Wu, 2014). These needs and motives can be linked to the demand for authenticity and human interaction in a digitalised consumer society, which means that consumers also seek experiences rather than solely focusing on economic norms and pragmatic motives while shopping (see Novak, Hoffman, & Duhachek, 2003; Wilmott & Nelson, 2003; Yeoman, Brass, & McMahan-Beattie, 2005). Hence, B&M stores serve as places for humans to interact and congregate (Landry, Arnold, & Stark 2005; Pan & Zinkhan 2006) as well as to examine products and to feel the shop's atmosphere (Piotrowicz & Cuthbertson, 2014; Verhoef, Neslin, & Vroomen, 2007). Thus, it is important to gain a greater understanding of the role of these social and experiential factors in commerce.

Due to ongoing consumer adoption of online commerce and the need for authenticity and human contact, rather than solely replacing the physical channel, the digital channel is reshaping its purpose (see Treadgold & Reynolds, 2016). Consumers are also increasingly shopping across multiple channels in different stages of the purchase process, and different channels serve different purposes (Dholakia et al., 2010; Wallace et al., 2004). For instance, a consumer may use a digital channel (i.e. online/mobile store) for information searching, a B&M store for viewing and examining the product, and return to a digital channel to make the purchase (Ansari, Mela, & Neslin, 2008; Kumar & Venkatesan, 2005). The uses of different channels are also affected by customers' adoption of technologies as well as various lifestyle and socio-demographic factors, such as age, level of education, occupation or living area (see e.g. Dholakia et al., 2010). Moreover, use of a channel may vary according to the retail context; thus, customer segments and product categories may even determine the now unclear role of physical stores in the future (Piotrowicz & Cuthbertson, 2014). Digitalisation of the retail trade has not only effaced the borders between industries and created new types of retail businesses but has also altered how 'traditional' retail services are consumed and experienced; customers now interact with firms through a plethora

of touchpoints over multiple channels and media types, resulting in intricate customer journeys (Lemon & Verhoef, 2016; Rigby, 2011).

The term ‘omnichannel shoppers’ refers to consumers who fluently switch across both online and offline channels and both desktop and mobile devices within a single transaction process and therefore expect seamless interplay of the retailer’s multiple channels (Piotrowicz & Cuthbertson, 2014; Verhoef, Kannan, & Inman, 2015). Therefore, the interest of retailers and scholars has turned from measuring individual channel performance – multi-channel retailing – towards the integration of offline and online channels, which is referred to as ‘omnichannel retailing’ (Herhausen, Binder, Schoegela, & Herrmann, 2015). In omnichannel retailing, retailers combine multiple online (digital) and offline (physical) channels in a convergent manner to provide a unified customer experience during the purchase process (see e.g. Herhausen et al., 2015; Verhoef et al., 2015).

Customer experience, by definition, is a customer’s overall internal and subjective responses to a series of interactions with an organisation (Gentile, Spiller, & Noci, 2007; Meyer & Schwager, 2007; Schmitt, Brakus, & Zarantello, 2015) or a process, where customers construct experiences by merging services in their own lives’ processes (see e.g. Heinonen et al., 2010; Heinonen, Strandvik, & Voima, 2013; McColl-Kennedy et al., 2015; Tax, McCutcheon, & Wilkinson, 2014). While rooted in psychology and philosophy, the theory of customer experience stems back from the idea of hedonistic consumers seeking feelings, fantasies and fun while shopping (Holbrook & Hirschman, 1982), and it is linked to the paradigm of the ‘Experience Economy’, where experiences are commodified to provide customer satisfaction (see Pine & Gilmore, 1998, 1999). Prior studies have shown that a satisfying omnichannel experience may lead to increasing purchases and stronger customer loyalty due to increased interaction with customers and customers’ having an active role (see Verhoef et al., 2015). This integration may augment the retail offering and enable customers to achieve their shopping goals more efficiently and effortlessly (e.g. Kumar & Venkatesan, 2005; Verhoef et al., 2015; Wallace et al., 2004). Yet, empirical evidence on the success of omnichannel retail concepts is rather scarce because many firms have been unable to provide a ‘seamless omnichannel experience’ (Herhausen et al., 2015). The prior literature argues that the challenge in providing an exceptional omnichannel experience is mapping out customers’ unique paths-to-purchase processes through multiple touchpoints¹ (cf. e.g. Ailawadi & Farris, 2017; Herhausen et al., 2015; Lemon & Verhoef, 2016).

Even though technological change has created new digital channels, the consumer purchase process has been affected by multiple channels and touchpoints for decades (e.g. print, radio, in-store, television, billboard, catalogue and direct selling). However, the core experience of shopping within a retail store was

¹ A touchpoint refers to any point of customer interaction in a customer’s path to purchase (Meyer & Schwager, 2007). These touchpoints include many encounters that are relevant to service (i.e. ‘moments of truth’ that affect customer outcomes, such as purchase, patronage and endorsement) (Voorhees et al., 2017).

not dispersed between multiple channels before the emergence of electronic retailing. In this multiple channel retail context, customer experience is constructed through interactions across myriad touchpoints (Lemon & Verhoef, 2016; Verhoef et al., 2009). The dispersion of consumer behaviour between B&M and online store (e-store) environments has caused re-examination of the ambient condition, the spatial layout and the signs, symbols and artefacts of a store's setting as well the level of social interaction with other customers and/or service personnel due to the joint effects of the physical and digital retail environments (see Ballantyne & Nilsson, 2017; Piotrowicz & Cuthbertson, 2014). The combination of these factors is conceptually defined as the servicescape (Bitner, 1992, Tombs & McColl-Kennedy, 2003).

Regardless of the intangible nature of online retailing, many sensory attributes of the physical servicescape are metaphorically maintained when conceptualising digital retail environments and virtual interactions (Ballantyne & Nilsson, 2017). For example, a website's design will affect the atmosphere of an e-store similarly to how the interior shapes the atmosphere of a B&M store. Moreover, the customer experience in the servicescape has become more social in nature because social media platforms have increased customer-to-customer interactions (Lemon & Verhoef, 2016). Hence, customers may share their experiences as well as become influenced by peer customers during a service encounter (Leeflang et al., 2014; Lemon & Verhoef, 2016; Libai et al., 2010). Mobile technology has brought this peer culture into the B&M channel, with customers communicating about their service experiences with their wide social networks via portable devices in real time (Piotrowicz & Cuthbertson, 2014). Hereby, customer experience can be regarded as three dimensional, consisting of converging digital, physical and social realms (Bolton et al., 2018). Notably, the prior literature focused on only one or two realms (Bolton et al., 2018), and customer experience models were initially developed separately in either the offline context (e.g. Shilpa & Rajnish, 2013), the online context (e.g. Rose, Clark, Samouel, & Hair, 2012) or to measure and compare the effects of individual channels separately (e.g. Van Birgelen, De Jong, & de Ruyter, 2006; Wang, Jiang, & Chen, 2004). Understanding interconnections between digital, physical and social realms may help create sophisticated service systems that benefit consumers, organisations and society (Bolton et al., 2018). Therefore, better knowledge of how the three realms of the servicescape could converge is needed to co-create a superior customer experience.

While the social nature of the servicescape is widely recognised (e.g. McColl-Kennedy et al., 2015; Rosenbaum & Massiah, 2011), the research on how customers and service personnel create trust and reciprocal relationships through the physical, digital and social realms of the servicescape is scarce. Customers' participation affects the essence of the service encounter; because service experiences are co-created through interactions among customers and/or between customers and retailer. Briefly, the term 'co-creation' is defined as multiple actors creating value in collaboration through the exchange and integration of resources (Jaakkola, Helkkula, & Stenroos, 2015). Moreover, as depicted earlier,

social interaction itself is among the motives for customers to visit retail stores (e.g. Piotrowicz & Cuthbertson, 2014; Landry et al., 2005; Maruyama & Wu, 2014; Novak et al., 2003; Pan & Zinkhan, 2006; Verhoef, Neslin, & Vroomen, 2007; Wilmott & Nelson, 2003; Yeoman et al., 2005). In addition, interpersonal relationships and social networks that are supported by digital and/or physical servicescapes may provide retailers with a competitive advantage because they are more difficult to replicate than product- or market-related factors.

This dissertation examines interpersonal relationships, social networks and customers' involvement in relation to the customer experience. In the literature, these phenomena are known as social capital, which is part of sociological theory (see Bourdieu 1983/1986; 1980, as cited in Lin, 1999; Coleman 1988, 1990; Putnam, 1993, 1995), within which it is defined as investment in social relations with expected returns (see Lin, 1999) or further connections among individuals, including social networks and the norms of reciprocity and trustworthiness that arise from them (see Putnam, 2000). In the retailing context, social capital is examined as reciprocal actions between customers and retailers that represent both interpersonal and institutional levels of reciprocity (Miller, 2001) (i.e. networks and relationships among customers as well as between customers and a retailer and its personnel). Studying customer experience in relation to social capital is crucial because dispersion of the servicescape between online and offline stores has altered how people interact in the digital-physical service environment and how that affects the shopping experience. In addition, it is important to understand how a customer's experience in the retail environment constitutes social ties between the customer and service personnel. These social ties may engender interpersonal relationships that could become a source of customer loyalty towards the retailer. In digitalised commerce, customer loyalty has become more difficult to obtain due to the ease with which customers can switch to another retailer. Therefore, managing the specific servicescape factors that affect social capital can help retailers with multiple channels stand out from their competitors through developing stronger relationship with their customers. Based on these backgrounds, the aims of the study and the research questions are proposed below.

1.2 Aims of the Study and the Research Questions

This dissertation contributes to the theory of customer experience by examining it through the theory of social capital and servicescapes (i.e. how interpersonal relationships and social networks are formed in retail stores that comprise digital and physical channels) (Figure 1). The customer experience as a response to service is widely discussed in the marketing literature. The origin of the concept of experience can be traced to psychology (Deshwal, 2016). Recently, it has especially been discussed in the context of digital marketing because new online channels have dispersed the customer experience between multiple channels (see e.g. Verhoef et al., 2009; Verhoef et al., 2015). The service literature examines cus-

customer experience creation as an interactive process that takes a place in the physical and digital spaces of the retailer, which comprise what is defined as the servicescape (see e.g. Ballantyne & Nilsson, 2017; Bitner, 1992; Tombs & McColl-Kennedy, 2003). Social capital is a sociological theory (see e.g. Bourdieu 1983/1986; 1980, as cited in Lin, 1999; Coleman 1988, 1990; Putnam, 1993, 1995) that is applied in retail research when examining networks and interpersonal relationships as well as trust and reciprocity (Miller, 2001).

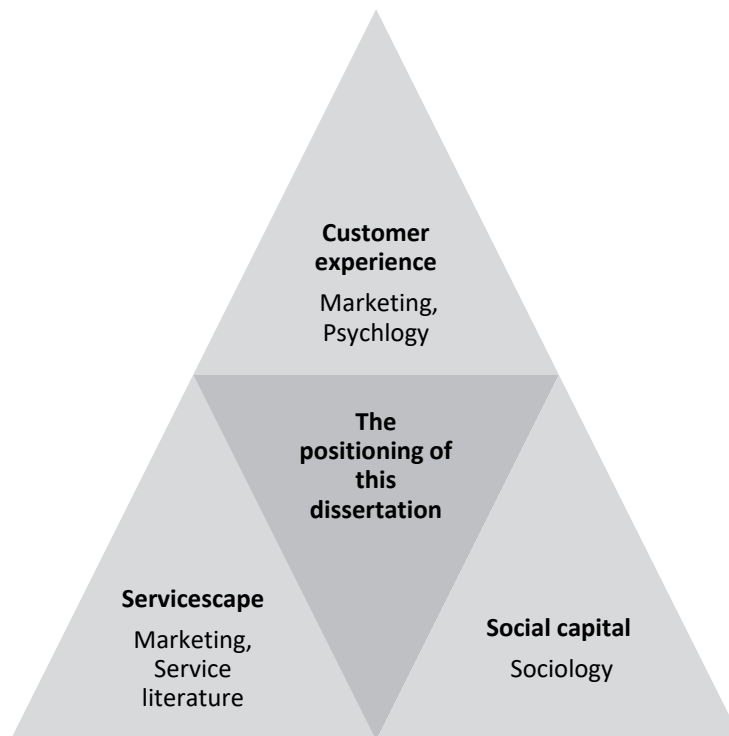


FIGURE 1 Theoretical Positioning of the Dissertation

As described earlier, increased competition and easy interchangeability of retailers have weakened customer loyalty; therefore, seemingly rational factors and economic norms have been emphasised in digitalised retailing (see Srinivasan et al., 2002; Wallace et al., 2004). However, contradictory prior studies have shown that various social factors as well as the seeking of experiences and authenticity influence consumer behaviour (see Maruyama & Wu, 2014; Novak et al., 2003; Wilmott & Nelson, 2003; Yeoman et al., 2005); hence, social ties and customer communities may provide surplus value for customers. Previous studies have primarily focused on product-relevant (i.e. product quality, price), market-relevant (i.e. convenience, service quality) and personal factors (i.e. demographics, attitude towards a store) (see e.g. Pan & Zinkhan, 2006).

In addition, there is still limited evidence on how elements from the digital, social and physical realms of the servicescape can be combined to facilitate the customer experience (Bolton et al., 2018). As depicted earlier, prior research has either focused on examining customer experience formation on a single channel

or has emphasised the consistency of service elements. As a result, further research is needed on connectivity across the digital, physical and social realms of the servicescape regarding how customers may actively participate in experience creation to achieve their goals (Bolton et al., 2018).

More research on customer experience measurement is also required due to a lack of strong existing scales to measure customer experience (Lemon & Verhoef, 2016); thus, customer experience should be examined in relation to existing, more established marketing constructs, such as customer loyalty, to understand the antecedents and outcomes of the customer experience. There is no empirical evidence to date on how these realms of the servicescape are connected to outcomes that manifest social capital, such as trust or advocacy, towards the retailer. Moreover, from the practitioners' perspective, this metric's development for customer experience in the digital-physical servicescape is critical because models influence the expected effects of marketing actions (Ailawadi & Farris, 2017). To address these research gaps, this research firstly investigates the standpoint of social capital in retailing

As such, the main research question is as follows:

How is social capital created within the customer experience in the digital-physical retail servicescape?

This main research question is addressed through the following sub-questions:

RQ1 *Why are social- and community-based factors important in retailing?*

RQ2 *How is social capital related to customer experience in the digital-physical servicescape?*

RQ3 *How are elements from the digital, social and physical realms of the servicescape associated with customers' relationships with the retailer?*

The answer to the main research question was sought through these sub-questions, of which each was studied within its own research phase. The research process and the descriptions of each research phase are presented in the following sections 1.3 and 1.4. The findings of each research phase were presented in separate publications, which are included as original Papers I-III in this dissertation.

1.3 The Research Process and the Study's Outline

To both describe how social capital emerges and explain how it affects customer relationship in the digital-physical servicescape, three sequential studies were conducted in individual phases (Figure 2). The findings of these studies are published in three original papers that are compiled in this dissertation (Table 1). The

idea for this dissertation stemmed from a study that examined how social factors affect consumers' store patronage. The first survey data (n = 1,504) used in this study were collected as part of the research project 'Rural stores as user interfaces for private and public services', which was conducted at Jyväskylä University School of Business and Economics (JSBE) and funded by the European Agricultural Fund for Rural Development (EAFRD) (European Union). This study examined the purpose of local stores in rural communities in response to ongoing digital disruptions due to commerce and the urbanisation of European societies. Interestingly, the findings of the survey contrasted the prior literature that had supported economic norms (value price, convenience) as dominant factors for explaining retail patronage by showing the importance of social ties and the need for human contact. This study became the peer-reviewed journal article 'The impact of consumer local engagement on local store patronage and customer satisfaction', which was published in *The International Review of Retail, Distribution and Consumer Research* (IRRDCR) and is included as Paper I in this dissertation.

TABLE 1 The Author's Contribution in Individual Papers in this Dissertation

Publication/Manuscript	Research Problem and Literature	Research Design and Data	Data Analysis, Results and Writing
Paper 1. <i>The Impact of Consumer Local Engagement on Local Store Patronage and Customer Satisfaction</i> (Article published in IRRDCR)	The author shared responsibility for initiating the paper and developing the conceptual model and survey design with his co-authors.	The author shared responsibility for survey design with his co-authors. The data were collected by a marketing research company.	The author was responsible for data analysis and writing the methodology, results and managerial implications.
Paper 2. <i>How does the Digitalization of Servicescape Shape the Service Experience?</i> (Chapter accepted for a textbook published by Oxford University Press)	The author was responsible for initiating the paper.	The author was responsible for planning and conducting focus groups interviews. Interviewees were recruited from the personal networks of students.	The author shared responsibility for analysing the data and writing the paper with the co-author.
Paper 3. <i>Omnichannel Customer Experience: Testing the Interplay between Digital and Physical Servicescape Determinants</i> (Manuscript)	The author was responsible for initiating the paper and developing the framework.	The author was responsible for the survey design. The data were collected by a marketing research company.	The author shared responsibility for writing the paper with the co-authors. He was responsible all data analysis.

Although Paper I emphasised the role of social factors in retail shopping, the study failed to examine either how social capital is created in the shopping experience or the impact of digitalisation on social capital in retail. To further understand the role of social capital in retail commerce, the work continued in the context of digital retailing as part of a research project for the JSBE, which was funded by Business Finland (previously Tekes) in association with the Oxford Institute of Retail Management at the University of Oxford's Saïd Business School and Aalto University School of Business. The project 'Red Queen effect-Strategies for an innovative landscape', which was named after the novel by Lewis Carroll (1871; cf. Barnett & Hansen, 1996), examined how organisations in retail both shape and adapt to the disruption caused by online commerce. The Red Queen's race is an effective metaphor to describe the need for retailers to continuously develop their business to respond to the disruptive challenges that are created by the emergence of online retailing. In the novel by Carroll the protagonist named Alice notices that she appears to be stationary even though she is running a race. The Red Queen's response is that if Alice wants to get somewhere else, she must run at least twice as fast, since in a fast world one must run just to stay still (Carroll, 1871 in Barnett & Hansen, 1996, p.140). The topic of this dissertation explores the same problem by examining how digitalisation of the servicescape has affected both the shopping experience and social capital in retail.

The first survey study illustrated the standpoint and behavioural consequences of social capital in the context of grocery retail, but further descriptive research was needed on how social capital is facilitated by the customer experience in retail stores. Therefore, in phase two, focus group consumer interviews with omnichannel consumers were conducted to study how human contact and the setting (regarding social interaction) are experienced in digitalised retailing. The findings illustrated how customer experiences were formed through human contact and sensorial clues across online and offline stores and how trust and reciprocal relationships were connected, especially to meaningful emotional experiences. A second consumer survey ($n = 880$) was conducted to examine how the servicescape's elements were linked to social capital outcomes through aspects of the customer experience. The findings of these studies are presented in papers II and III, which are included in this dissertation. Paper II is a book chapter ('How does the digitalisation of servicescape shape the service experience?'), which has been accepted for a textbook published by the Oxford University Press. Paper III – the manuscript 'Omnichannel customer experience: Testing the interplay between digital and physical servicescape determinants' – has been sent to an academic journal for peer review.

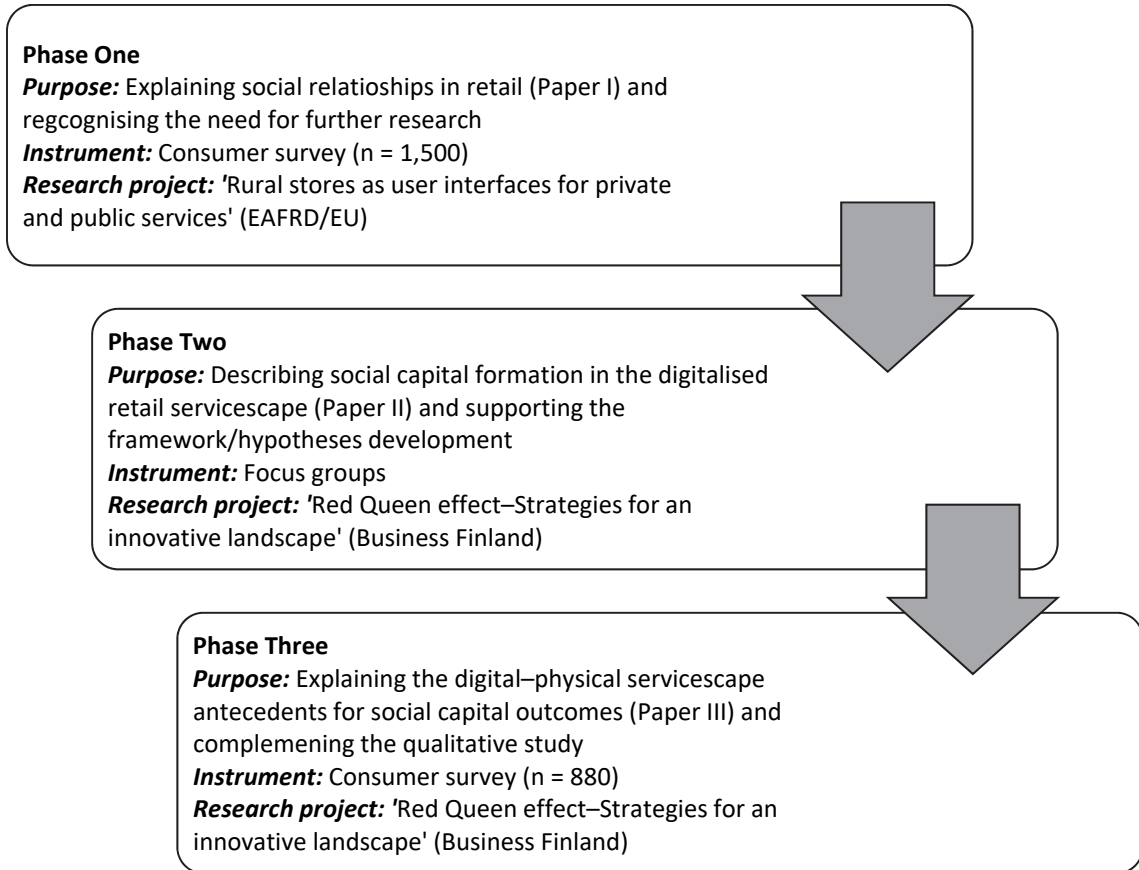




FIGURE 2 Phases of the Study

The structure of the dissertation is illustrated in Table 2. This set of publications is based on examination of prior literature to determine the impact of digitalisation on the retail servicescape and to draw the theoretical framework, which is illustrated at the end of the next chapter (see Figure 4). The purpose of the framework is to highlight the research gap by conceptualising the servicescape in relation to social capital based on prior literature. A literature review is firstly used to conceptualise the customer experience in the servicescape in relation to social capital, followed by a description of the research design, summaries of the three original papers and finally a conclusion and discussion of the findings, including an evaluation of the research and suggestions for future study.

TABLE 2 The Research Structure

Research question	How is social capital created in the retail servicescape, which comprises both digital and physical channels?		
			
Publications	Paper I	Paper II	Paper III
Title	'The impact of consumer local engagement on local store patronage and customer satisfaction'	'How does the digitalisation of servicescape shape the service experience?'	'Omnichannel customer experience: Testing the interplay between digital and physical servicescape determinants'
Sub-question	RQ1	RQ2	RQ3
Study focus	The standpoint of social capital in retailing	Congruence of the digital, physical and social realms of the servicescape	The digital-physical servicescape's antecedents and outcomes of customer experience
Instrument	Consumer survey	Consumer focus groups	Consumer survey
Findings	In contrast to the prior literature that supported economic norms as dominant factors explaining retail patronage, the study emphasised the importance of social ties and the need for human contact.	Consumers form their experiences by interpreting elements from the digital, social and physical realms of the servicescape. Online-offline integration facilitates the co-creation of service experiences among people in the servicescape.	The effects of both the digital and physical servicescapes on both the affective and the cognitive experiential state are enhanced by perceived channel integration. The experiential states are related to loyalty behaviours across channels.
			
Conclusions	<p>I) Retail stores serve as a setting for networks of non-commercial exchange, and social interaction can be an end in itself while visiting retail stores.</p> <p>II) The combination of online and offline stores facilitates social capital formation by providing a platform for a broader variety of human contact and social networks than a single channel could offer. In this digital-physical servicescape, channel integration enhances the co-creation of the service experience by providing convenient access to these social resources.</p> <p>II) The affective state of the service experience is especially associated with trust and commitment towards the relationship with the retailer.</p>		

2 THEORETICAL FOUNDATIONS

2.1 The Customer Experience

2.1.1 The Concept of the Customer Experience

Customer experience is often defined as a customer's internal and subjective responses to and/or interpretation of a series of interactions with an organisation/product/brand (process to purchase or use) or through imagination or memory (Gentile et al., 2007; Jaakkola et al., 2015; Meyer & Schwager, 2007; Schmitt et al., 2015). Customer experience includes how a customer thinks or feels about the company (see Meyer & Schwager, 2007). The result of the customer experience is the formation of a highly personal impression, which is stored in the customer's long-term memory (Carbone & Haeckel, 1994). This impression has been shown to enhance hedonic buying behaviour and to reduce customers' price sensitivity or seemingly rational comparison of alternatives (Roggeveen, Grewal, Townsend, & Krishnan, 2015). Besides this stimulus-based perspective, an interaction based view has been applied when studying customer experience (Lipkin, 2016). In the interaction-based view, customer experience is examined as a process wherein customers construct experiences by merging services within their own life processes (see Heinonen et al., 2010; Heinonen et al., 2013; McColl-Kennedy et al., 2015; Tax et al., 2014). To obtain a holistic view of the customer experience, both approaches should be considered. Therefore, the customer experience as a response is discussed here, while construction of the customer experience is examined in the context of the servicescape in the section 2.2.2.

The design of the physical as well as the digital shopping environments is vital to managing encounters between retailers and consumers (see Pecoraro & Uusitalo, 2014). To understand this interaction, it is crucial to firstly examine the customer experience in the service context. Its evaluation depends on the com-

parison between a customer's expectations and the stimuli coming from interactions with the company, along with the moments of truth, through various touch-points (Gentile et al., 2007). These expectations are evidently affected by prior customer experiences with the firm or its competitors (Lemon & Verhoef, 2016). Earlier studies have focused on the elements of the customer experience that retailers can control, such as service interface, retail atmosphere, assortment, price and personnel (e.g. Baker, Parasurman, Grewal, & Voss, 2002; Naylor, Kleiser, Baker, & Yorkston, 2008). However, the more recent holistic definition also includes elements that are outside the retailer's control (Verhoef et al., 2009), including consumers' moderators (e.g. shopping goals, demographics and other consumer attributes, such as price sensitivity), situational moderators (e.g. type of store, culture, location, economic climate, competitors) and the influence of other consumers (Verhoef et al., 2009). The presence of other customers in the shopping environment (e.g. crowding, coexistence, togetherness, interpersonal relations) already shapes the customer experience, but digitalisation has also increased the role of reviews and advice from other consumers as well as the importance of customer communities (see Piotrowicz & Cuthbertson, 2014; Leeflang et al., 2014; Lemon & Verhoef, 2016). Thus, considering factors outside a retailer's control is crucial while studying shopping environments in which other customers are digitally or physically present in the service encounter.

The conceptualisation of experience has varied in the marketing literature (Table 3), which initially established the idea of a 'consumption experience' while acknowledging the emotional and hedonic aspects of consumption (see Holbrook & Hirschman, 1982). The terms 'marketing experience' (see Gilmore & Pine, 2002) and 'commercial experience' (see Poulsson & Kale, 2004) have been used when discussing experiences as commodities, while 'brand experience' refers to how an overall brand is experienced by customers (see Brakus, Schmitt, & Zarantonello, 2009). In addition, 'experience quality' refers to the customer's emotional judgment about an entire experience (see Chang & Horng, 2010). The terms 'total customer experience' (see Mascarenhas, Kesavan, & Bernacchi, 2006) and 'perfect customer experience' (see Frow & Payne, 2007) are used in the customer experience management literature to describe when delivering 'outstanding' overall customer experience to sustain lasting customer loyalty. Hence, it can be concluded that how customer experience is characterised is based on the research context (Table 3). The customer experience in the retail environment context, which is the focus of this study, is referred to in the literature as the 'service experience' (see Berry, Lewis, & Haeckel, 2002; Carbone & Haeckel, 1994); however, the concepts of the customer experience and the 'service experience' are often used synonymously.

TABLE 3 The Main Conceptualisations of the Customer Experience

Conceptualisation	Definition	Key Literature
Consumption experience	Pleasure drawn from usage of a product	Holbrook & Hirschman, 1982
Marketing – or commercial – experience	Marketing experience as a commodity	Gilmore & Pine, 2002; Poulsson & Kale, 2004
Brand experience	Overall experience of a retail store or a product brand	Brakus, Schmitt, & Zarantonello, 2009
Experience quality	The customer's emotional judgment about an entire experience	Chang & Horng, 2010
Total – or perfect – customer experience	'Outstanding' experience that enhances long-lasting customer loyalty	Frow & Payne, 2007; Mascarenhas et al., 2006
Service experience	Experience characterised by the central role of people who are involved in the service encounter	McColl-Kennedy et al., 2015; Tax et al., 2013
Online consumer, shopper or service experience	Experience that occurs in a digital channel via either the single- or the multichannel approach	Ahmad, 2002; Klaus, 2013; Liao & Keng, 2013
B&M or in-store customer experience	Experience that occurs in the B&M shop via either the single- or multichannel approach	Blázquez, 2014; Bustamante & Rubio, 2017
Omnichannel customer experience	Experience is formed through synergies of service elements between digital and physical channels	Rigby, 2011; Verhoef et al., 2015

2.1.2 A Multidimensional View of the Customer Experience

Because the customer experience consists of one's personal feelings and thoughts about the company or its products or brand, it can be divided into the affective and cognitive experiential states (Mosteller, Donthu, & Eroglu, 2014; Rose, Hair, & Clark, 2011) or utilitarian and hedonic experiences, respectively (e.g., Lim, 2014). These two conceptualisations are consistent because, while utilitarian/instrumental and task/functionality factors are cognitive, hedonic/affective factors are emotional in nature. Compared to the initial predominantly cognitive definition of shopping (see Hoffman & Novak, 1995), the two-dimensional conceptualisation provides a more balanced approach. This also means that shopping is not only a means to obtain needed products but for the emotional nature of the experience, including fun and enjoyment (Babin, Darden, & Griffin, 1994; Holbrook & Hirschman, 1982). Thus, both utilitarian and hedonic motivations are central

antecedents of shopping (see Arnold & Reynolds, 2003), and these two psychological constructs of cognition and affect have been consistently identified as influential elements of customer experience in both the marketing and the retailing literature (see Arnold & Reynolds, 2003; Bagozzi, Gopinath, & Nyer, 1999; Frow & Payne, 2007; Rose et al., 2011) and included in customer experience models (see Verhoef, 2009). The notion that both cognition and psychosomatic factors affect consumer behaviour also corresponds to classical decision-making theories (Hoffman & Novak, 2009; Holbrook & Hirschman, 1982, p. 132; Novak et al., 2003; Novak, Hoffman, & Yung, 2000). Acknowledging the emotional nature of customer experience is crucial for the study of customer experience in the retail-service context because the dispersion of shopping behaviour between online and B&M stores has not only affected the utilitarian factors (e.g. assortment, accessibility) but also how emotions are formed in social interactions across both digital and physical shopping environments.

In addition to the affective and cognitive experiential states, different levels of involvement from consumers may relate to customer experience (e.g. Gentile et al., 2007; Meyer & Schwager, 2007; Schmitt et al., 2015). Conceptualisation of the elementary components of experience has varied, per the field of study or the research purpose. Psychological, behavioural and neurophysiological studies have acknowledged sensorial responses alongside affection and cognition (Gentile et al., 2007). In addition, behavioural and social responses that are related to retail stimuli have been acknowledged in studies on brand personalities (see Brakus et al., 2009). Different sets of components have been utilised in different studies, such as flow² experience in the pure online context (e.g. Hoffman & Novak, 1995; Lim, 2014) or experiential value dimensions while studying the benefits that are derived from customer experience (Mathwick, Malhotra, & Rigdon, 2001). However, the five experiential responses affective/emotional, cognitive/utilitarian, sensory, behavioural and social/relational (Table 4) have reoccurred in multiple recent frameworks for customer experience with somewhat consistent conceptualisations (e.g. Lemon & Verhoef, 2016; Schmitt, 2011; Verhoef et al., 2009).

In summary: 1) affective/emotional experience refers to an affective relationship with the company that involves an individual's affective system through the engendering of moods, feelings and emotions as well as seeking fun and enjoyment from consumption; 2) cognitive/intellectual/utilitarian experience is connected with thinking and conscious mental processes as well as using one's creativity in situations of problem solving or to meet shopping goals; 3) sensorial experience refers to reactions to stimuli that affect the senses (sight, hearing, touch, taste and smell) and thus may arouse aesthetic pleasure, excitement, satisfaction or a sense of beauty; 4) behavioural experiences refer to actions and

² Flow experience is a method of capturing the facilitating immersive online experience, which in turn results in the attainment of online marketing objectives (Hoffman & Novak, 1996). Derived from the theory of psychology, flow is defined as the mental state of operation in which a person performing an activity is completely immersed in a feeling of energised focus, full involvement and enjoyment in the activity's process (Hossain, Zhou, & Rahman, 2018).

physiological reactions when interacting with a company or its brand or products; and 5) social/relational experience is associated with feelings of togetherness with other people and a sense of belonging or of distinction from a social group (social affirmation).

TABLE 4 The Main Dimensions of the Customer Experience

Dimension	Definition
Affective/Emotional	An affective relation with the company, which involves one's affective system through the generation of moods, feelings and emotions; seeking positive emotions from consumption
Cognitive/Utilitarian	Connected with thinking and conscious mental processes; using creativity or in situations of problem solving; meeting shopping goals
Sensorial	Reactions to stimuli that affect the senses (sight, hearing, touch, taste and smell) and thus arouse aesthetic pleasure, excitement, satisfaction or a sense of beauty
Behavioural	Actions and physiological reactions when interacting with a company or its brand or products
Social/Relational	A feeling of togetherness with other people; a sense of belonging or of distinction from a social group (social affirmation)

2.1.3 From the Single-Channel to the Omnichannel Experience

The customer experience may also be characterised according to the relevant channel's context. In online retailing, it is referred to by many terms, such as the online consumer experience (see Liao & Keng, 2013), the online shopping experience (see Ahmad, 2002), or the online service experience (see Klaus, 2013). By contrast, the customer experience that occurs in a physical (or offline) store is referred to as a B&M customer experience (see Blázquez, 2014) or an in-store customer experience (Bustamante & Rubio, 2017). These definitions involve the notion of studying the customer experience in either a single-channel or a multi-channel setting (i.e. comparing the effects of individual channels or examining the consistency of service elements between channels). Conversely, the more recent notion of an 'omnichannel experience' focuses on synergies between channels (see Rigby, 2011; Verhoef et al., 2015). An omnichannel experience occurs when a customer interacts with a retailer through touchpoints in multiple channels, which the customer often utilises simultaneously (i.e., a physical store and digital channels, such as websites, social media, mobile and in-store technologies). In essence, the term 'omnichannel marketing' can be regarded as multichannel marketing, wherein the entirety of the channels is considered instead of focusing on the performance of individual channels. The integration of multiple channels characterises the omnichannel customer experience. Multi- or cross-channel integration is defined as having mutual support and interchangeability between online and offline channels (Chiu, Hsieh, Roanc, Tseng, & Hsieh, 2011). This refers to integrated information, customer service and channel access. As a result,

a seamless experience occurs across channels through integration, which may create a stronger customer experience through synergies of the advantages of both online and offline channels (Lemon & Verhoef, 2016). Development from a single- or multichannel to an omnichannel conceptualisation is central for the study of the service experience because both the shopping environment and interactions within it are dispersed between the digital and physical channels. Moreover, prior literature has emphasised further research is needed on how synergies between digital and physical channels as well as human interactions within them facilitate customer experience (see Bolton et al., 2018).

2.1.4 The Customer Experience as a Sequence of Events

The customer experience is also a sequence of events that crosses the three stages to the remembered experience (Figure 3) (Arnould, Price, & Zinkhan, 2004; Lemon & Verhoef, 2016; Tynan & McKechnie, 2009): 1) pre-experience covers all aspects of the customer's interaction with the brand, category and environment from the beginning of the need/goal recognition or impulse to consideration of how to fulfil that need, goal or impulse with a purchase; 2) core experience encompasses all customer interactions with the brand and its environment during the purchase/shopping event itself and is defined by specific behaviours, such as choice, ordering and payment; and 3) post-experience covers customer interactions with the brand and its environment after the actual purchase, such as usage and consumption, post-purchase engagement and service requests (Lemon & Verhoef, 2016; Meyer & Schwager, 2007).

Both direct and indirect contacts with the company at various touchpoints affect customer experience throughout this entire process. Direct contact with the company generally occurs in the course of the purchase, use and service, and it is usually initiated by the customer, while indirect contact often involves unplanned encounters with representatives of a company's products, services or brands and takes certain forms, such as word-of-mouth³ (WOM) communication, advertisement, news reports and reviews (Meyer & Schwager, 2007).

These indirect and direct contacts occur in touchpoints that are both inside and outside the company's control. Company-controlled touchpoints encompass the company's and its partners own marketing communication and other company-controlled elements of the marketing mix, such as pricing, personnel, assortment and distribution channels (Lemon & Verhoef, 2016). Touchpoints that are outside the company's control include a customer's choice of payment, how one uses or communicates about the products and store space as well as the influence of other third-party sources (e.g. media and other customers) (Lemon & Verhoef, 2016). Due to a lack of understanding about the complex omnichannel journey through the stages of the customer experience, there is a demand for

³ WOM means any evaluation, with either a positive or a negative valence, about a company or its product or brand that is shared among actual, potential or former customers. The definition includes 'online WOM', which is when the same type of information is shared among numerous people and institutions via the Internet (see Hennig-Thurau, Gwinner, Walsh, & Gremier, 2004).

more empirical studies on touchpoints in the customer's journey (see Lemon & Verhoef, 2016; Verhoef et al., 2015). However, measuring the entire path-to-purchase journey is challenging because myriad touchpoints occur in different phases of the customer experience process (see Lemon & Verhoef, 2016). In the study of service experience in the digital–physical store space, the focus was on the core stage of the customer experience, during which customers interact with service personnel and other customers within the retailer's environment while shopping at both the online and offline stores.

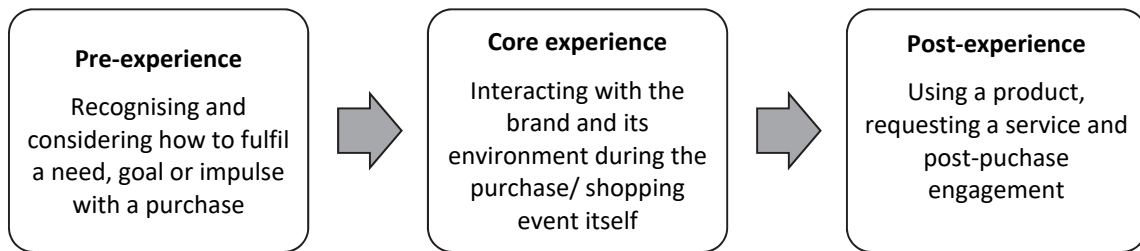


FIGURE 3 The Phases of the Customer Experience

2.2 The Servicescape: The Setting for the Customer Experience

2.2.1 The Servicescape as an entirety of the physical, digital and social spaces

Servicescape theory structures how different factors of the service environment stimulate the experiential responses that are discussed here. Therefore, the servicescape provides an adequate framework for studying customer experience formation in shopping – or the core stage of the customer experience process – which emerges within the store space of the retailer. To understand how digitalisation has shaped the customer experience in the shopping context, it is important to examine how the servicescape has become dispersed between the digital and physical service environments.

The servicescape is similar to a play, where the customer experience represents ‘the drama’; the physical environment stands for ‘the stage’; objects and equipment in the service encounter represent ‘the theatrical property’; the service personnel and other customers are ‘the actors’ and/or ‘the audience’; the service delivery process represents ‘the script’; and the back-office support can be viewed as ‘backstage’ (cf. Zomerdijk & Voss, 2010). Similar to actors in a play, social actors in the servicescape together create the experience by utilising the physical (digital) surroundings. As depicted earlier, the servicescape was initially defined by Bitner (1992) as a built environment that affects both consumers and employees in service encounters and examined as the combination of ambient

condition, spatial layout and functionality as well as the signs, symbols and artefacts of a store setting. Ambient conditions are the controllable, sensorial stimuli, such as in-store temperature, lighting, sounds and scents, which all affect consumer behaviour. Spatial layout is how the retail space is organised (i.e. the size of the physical elements, the spatial arrangement between the shapes and the functionality of the shopping environment). Signs and symbols are objects that signal directional purposes, provide information or guide customers. In addition to direct labels and signs, elements like artwork or interior decorations can symbolise meanings implicitly and create an overall impression on customers. Artefacts are objects that are used in the service environment that have meanings for customers and therefore affect the impression about the service.

Alongside the internal factors, the original definition of a servicescape comprises employees and other customers as external components (Bitner, 1992). Therefore, services can be characterised according to staff involvement (self-service, interpersonal or remote service). This definition also acknowledges the impact of customers and employees on service experience. However, even though earlier conceptualisations of the servicescape already considered the role of social interaction, their initial focus was on the manufactured environment and the physical stimuli that constitute customer experience (see Bitner, 1992). The augmented idea of the servicescape, which emphasises interactions and emotions in addition to the physical and cognitive aspects of the servicescape (e.g., Johnstone, 2012; Rosenbaum & Massiah, 2011, pp. 474–480), is consistent with the original definition, but it introduces four dimensions: physical, social, socially symbolic and natural. The physical dimension means a consumption setting that comprises managerially controllable, objective and material stimuli (i.e. a built environment). The social dimension expands on the framework with the notion that consumers' shopping behaviours are also affected by a consumption setting's humanistic elements (i.e. other customers and employees, along with their density in the setting and their expressed emotions). The socially symbolic dimension implies that a consumption setting also contains signs, symbols and artefacts that possess specific meaning for members of a certain group, which in turn influences customers differently, depending on their group memberships. The natural dimension refers to the idea that a well-designed servicescape may enhance a customer's physical and psychological well-being during the service encounter (Rosenbaum & Massiah, 2011). The dimensions (Rosenbaum & Massiah, 2011) and components (Bitner, 1992) of servicescape are compiled in Table 5. It can be concluded that consumers form their experiences through socially interacting with other people in the service encounter; by participating and physically reacting to the service; and by sensing the service environment. This process involves thinking and evokes the moods, feelings and emotions that constitute the customer experience.

TABLE 5 The Dimensions and Components of the Servicescape

Dimensions		Components	
Physical	Managerially controllable, objective and material stimuli	Ambient conditions	Controllable, sensorial stimuli
		Spatial layout/ functionality	How the retail space is organised
		Artefacts	Objects that are used in the service environment
Socially symbolic	Objects that signal directional purposes, provide information or guide customers	Signs and symbols	Signs, symbols and artefacts that possess specific meaning for customers
Social	Consumption setting's humanistic elements	Employees and other customers	Involvement of the staff and other customers
Natural	Customer's physical and psychological well-being		
(Rosenbaum & Massiah, 2011)		(Bitner, 1992)	

Due to the central role of both people and the environment, the servicescape is conceptually divided into substantial and communicative staging (Arnould, Price, & Tierney, 1998) (Table 6). A servicescape's substantive staging refers to the physical creations of the service environment (Arnould et al., 1998). Subsequent studies have included both functional and mechanical clues of service in this substantive staging, while communicative staging consists of human clues (Berry, Wall, & Carbone, 2006). Functional clues indicate or suggest the technical quality of the service (i.e. how well service processes and equipment work reveal the overall reliability and competence of the service). Mechanical clues are sensory presentations of the service (i.e. the atmosphere and objects that concern the sensory presentation of the service). Human clues are related to the behaviour and habitus of service personnel (i.e. interactions that provide assistance and a sense of belonging) (see Carú & Cova, 2015). Customers construct their experiences of intangible services using these clues regarding the servicescape (Berry et al., 2006).

TABLE 6 The Staging and Clues Regarding the Servicescape

Staging	Clues	Definition	Manifestations
Substantial	Functional	Technical quality of the service	Service processes, equipment used in a service
	Mechanical	Sensory presentations of the service	The atmosphere and objects of retail environment
Communicative	Human	Behaviour and habitus of service personnel	Appearance and demeanour of the personnel, customers interactions
(Arnould et al. 1998)	(Berry et al. 2006)		

2.2.2 People in the Servicescape Co-Create the Customer Experience

The digital marketing literature emphasises that the customer experience is understood as the evaluation of a brand, service or product based on a comparison between a customer's expectations and the stimuli that are received from interaction with the company (cf. Rose et al., 2011; Rose et al., 2012). Recent service literature has emphasised the customer's active role in experience creation through interaction with other customers, personnel and the service environment (see e.g. McColl-Kennedy et al., 2015; Tax et al., 2014). Even though the research emphasises that customers participate in an experience's formation with other actors in the servicescape, customers were initially viewed as merely a social element among the other stimuli of the servicescape (Rihova, Buhalis, Moital, & Gouthro, 2013). Therefore, more recent research has acknowledged social interaction as an integral component of customer experience in the servicescape in terms of co-creation. The term 'co-creation' refers to the company and the user (or customer) creating value in interactions and collaborations either with or without the influence of other actors, and it is typically conceptualised as occurring through the exchange and integration of resources (Jaakkola et al., 2015). In the consumer service context, the customer himself/herself can be that resource for the retailer as well as for other customers. A retail service encounter (i.e. commercial exchange) is a crossing point of a company's and a customer's 'spheres', where the value that the retailer delivers merges with the value that is created by the consumer through usage of the service (cf. Grönroos & Voima, 2013). Therefore, customer participation is a prerequisite for service experience. In customer-dominant logic (CDL), instead of focusing on what retailers are doing to create services, the focus is on what customers are doing with services and service to accomplish their own goals (Heinonen et al., 2010; Heinonen et al., 2013). Although CDL is drawn from service-dominant logic⁴, the former is a customer-oriented approach that focuses on the customer instead of the service. CDL emphasises how customers embed service into their own processes rather than how companies deliver services to them (Heinonen, & Strandvik, 2015). In the servicescape, CDL highlights the context-specific and personal nature of an experience that is affected by a customer's own needs, realities and values (Heinonen, & Strandvik, 2015). Thus, CDL goes beyond sole co-creation and acknowledges how customers form experiences by merging services within their own lives' processes. Therefore, the quality of an experience is dependent on the nature of the involvement of the customer, while the service provider creates an experience environment within which consumers can form their own unique personalised experience (Prahalad & Ramaswamy, 2004). This approach considers customers as partners who collectively create experiences, making experiences inherently interactive (Jaakkola et al., 2015). Hence, service experiences are not only created

⁴ As defined by Vargo and Lusch (2004), in service-dominant logic, humans apply their competences to benefit others and reciprocally benefit from others' applied competences through service-for-service exchange (Prahalad & Ramaswamy, 2004).

through customers' responses to the various designed elements of the service offering but also through peer-to-peer and complementary supplier encounters (Jaakkola et al., 2015; Lemke, Clark, & Wilson, 2011; Patrício, Fisk, & Constantino, 2011).

Digitalisation of the retail trade has dispersed both the substantive and communicative staging of the servicescape across both the digital and the physical channels; thus, a virtual servicescape presents new challenges on an epistemological level of understanding (Ballantyne & Nilsson, 2017). While suppliers, customers and other participants together create the virtual servicescape's reality, socially conceived borders between objective and subjective realities are effaced, which opens a multiplicity of possible imagined worlds. Moreover, for participant actors, including customers and suppliers, the conventional meaning of place has become detached from its physical location (Ballantyne & Nilsson, 2017). This means that digital media have created virtual customer communities that are not geographically bound but are rather trading information in new symbolic manners that are related to the brand and subjectively perceived virtual realities (Ballantyne & Nilsson, 2017). These communities enable access to imagined places with extensive diversity of self-constructed representations of the self as well as a virtual sense of presence and the locality of the retailer (Ballantyne & Nilsson, 2017). Thus, the dimensionality of the servicescape is not limited to the physical and social realms; it extends to a digital dimension as well. This integration of the physical, social and virtual environments is referred to as a blended servicescape (Bolton et al., 2018) (Figure 4). In a retail environment that consists of multiple channels, consumers form their experiences by choosing elements from each realm, including what channels they use and with whom they prefer to interact (Bolton et al., 2018). Companies are able to control experiences within these three realms to some extent, but as depicted earlier, both situational and customer-related factors are outside the company's control. A better understanding of the congruities between the elements from the physical, social and virtual realms will increase our understanding of how a company and its customers may together create a superior customer experience (Bolton et al., 2018).

Even though prior research has acknowledged the social and digital realms of the servicescape, there is a call for empirical research on how physical, social and virtual realms complement each other in terms of the customer experience (see Bolton et al., 2018). In addition, this research on the digital-physical retail environment addresses the current need for more research on how touchpoints in multiple channels affect the core experience, especially by acknowledging in-store touchpoints that are outside the retailer's control, such as the impact of other customers in both the digital and physical channels. Moreover, interpersonal relationships are a central element in service experience creation because, in the customer's perspective, the service experience is affected by direct interaction between service providers, customers and/or other actors who are involved (McColl-Kennedy et al., 2015; Tax et al., 2014). Therefore, because the customer experience is co-created in the servicescape (i.e. the involvement of customers

defines the service experience), reciprocal actions between consumers and retailers are examined in terms of the theory of social capital.

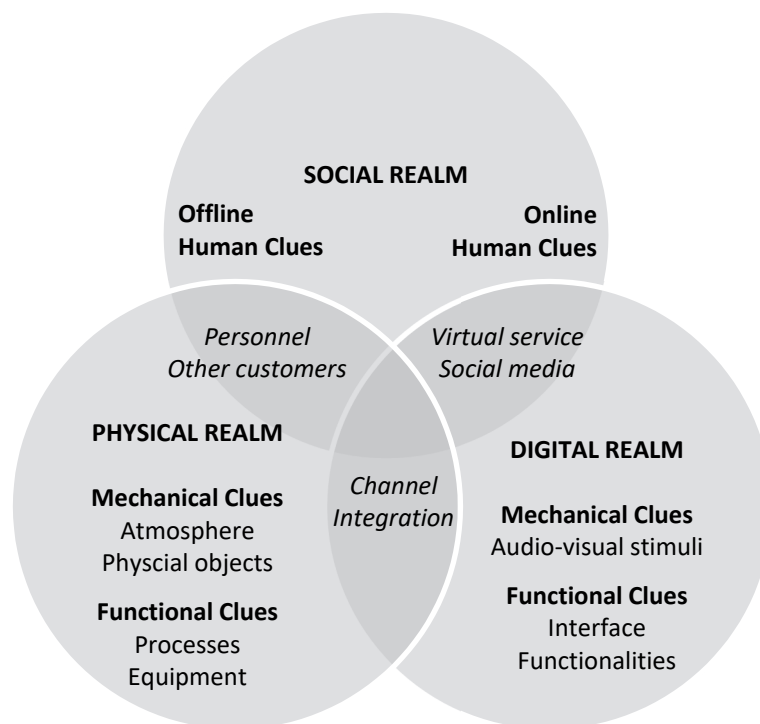


FIGURE 4 The Realms of Experience in a Blended Servicescape

2.3 Social Capital in Retail

2.3.1 Defining Social Capital

Alongside economic inducements (monetary capital), various social factors are known to affect consumer behaviour. Per Adler and Kwon (2014), social capital has matured from a mere concept into an entire field of research within the past two decades. The theory of social capital is used in research on organisations to explain certain factors, such as how people and organisations share resources, form co-operative networks and develop trust and reciprocal relationships (see Adler & Kwon, 2002). Social capital is simply defined as ‘the goodwill available to individuals and groups, where goodwill refers to “a kind, helpful, or friendly feeling or attitude”’ (Merriam-Webster Dictionary, as cited in Kwon & Adler, 2014, p. 412). Social capital, which is rooted in social networks and social relations (see Lin, 1999; Putnam, 2000), stems from the conceptualisation by Karl Marx (1933/1849; Brewer, 1984, as cited in Lin, 1999) in which capital represents two related but distinct elements. In drawing from the theory of Marx, Lin (1999) defines capital as part of the surplus value that is generated and obtained by capitalists or the bourgeois by selling commodities to the labourers who produce the

commodities; these labourers pay for the commodities with their wages from their labour (i.e. a commodity). However, in this process, the surplus value is equal to the new value that is created by the labourers in excess of the cost of their own labour, which is appropriated by the bourgeois as profits from sales. In addition, per Lin (1999), capital represents an investment (in the production and circulation of commodities) on the part of the capitalists that has expected returns in the market. Thus, Lin (1999) defines capital as an outcome of a process but also an investment process in which surplus value is created and obtained. The investment and its produced surplus value are in reference to a return/reproduction of the process of investment and of more surplus values (Lin, 1999). Per Kwon and Adler (2014, p. 412), 'the effects of social capital lie in information, influence, and solidarity benefits that accrue to members of a collective ("bonding" social capital) and to actors, to other actors ("bridging" social capital)'. This classical theory of capital whether individual or collective, in their relations by Marx is based on the exploitative social relations between the two classes, where the dominant class makes the investments and obtains the surplus value (Lin, 1999).

As concluded by Lin (1999), capital devolves as surplus value and represents an investment with expected returns. For instance, human capital theory also considers capital, such as education, an investment with certain expected returns or earnings (Becker, 1964/1993, as cited in Lin, 1999; Johnson, 1960; Schultz, 1961). Lin (1999) also purports that educated labourers may negotiate payment for their labour and skills for more than what the purchase of basic commodities would require; therefore, labourers may also obtain surplus value, which can be spent for recreation and lifestyle needs and can be transformed into human capital. Lin (1999) notes that cultural capital, as defined by Bourdieu (1980, 1983/1986;), represents investments (i.e. pedagogic actions, such as education) on the part of the dominant class in engendering a set of symbols and meanings, which are misrecognised and internalised by the dominated class as their own (Bourdieu, 1990; Bourdieu & Passeron, 1977). However, these neo-capitalist theories differ significantly from Marx's classical theory (1933/1849, as cited in Lin, 1999) because labourers (i.e. the masses) can now invest and obtain capital of their own (human capital in the forms of skills and knowledge; cultural capital in the forms of symbols and meanings) and generate surplus value in trading on their labour in the production and consumption markets. Therefore, social relations between capitalists and labourers have effaced; 'the image of the social structure is modified from one of [a] dichotomised antagonistic struggle to one of layered or stratified negotiating discourses' (Lin, 1999, p. 29). In addition, social capital fits into this category of neo-capitalist theories. As described by Kwon and Adler (2014), sources of social capital exist in social relations that can be conceptually differentiated from relations of monetary exchange and hierarchical authority. Per Lin (1999), scholars share a somewhat consistent idea of social capital, and its general definition is rather clear: investment in social relations with expected returns (Bourdieu, 1980, 1983/1986; Burt, 1992; Coleman, 1988, 1990; Erickson, 1995, 1996; Flap & De Graaf, 1988; Flap, 1991; Lin, 1982, 1995; Portes, 1998;

Putnam, 1993; Putnam, 1995, as cited in Linn, 1999). In other words, individuals engage in interactions and networking to produce profits (Lin, 1999).

Despite a somewhat unified definition of social capital, Lin (1999) distinguishes three views on social capital: relationship perspective by James Coleman (1988), network view by Robert Putnam (1993, 1995) and social dispositions by Pierre Bourdieu (1980, 1983/1986) (Table 7).

1. Individual-Relational View. Coleman (1988) approaches social capital through interpersonal relationships. Similar to other forms of capital, Coleman (1988) states that social capital is a means to an end in exchange; yet, unlike other forms of capital, social capital locates itself in the relationships between the actors instead of being integral to an actor or an outcome. In Coleman's (1988) definition, social capital consists of many diverse entities that have two common elements: a social structure income level and the ability to facilitate actions by individuals or organisations within the structures. Coleman's theory (1988) also states that social capital is not completely fungible but rather may be specific to certain activities (i.e. certain forms of social capital can be valuable for some, but useless for others). Lin (1999) describes this relational perspective as a focus on the use of social capital by individuals (i.e. how individuals access, use and benefit from resources within the network of relationships). Central notions of the relationship perspective are how people invest in social relations and how individuals obtain embedded resources from within relations to generate a preferred outcome (Lin, 1999).

2. Societal-Group-Level View. Putnam (1993, 2000, as cited in Bauernschuster, Falck, & Woessmann, 2014) conceptualises social capital through networks (i.e. connections among individuals, such as the norms of reciprocity and trustworthiness, which are engendered and maintained by social networks). Thus, Putnam's (1993, 2000, as cited in Bauernschuster et al., 2014) construction of social capital has three components: moral obligations and norms, social values (especially trust) and social networks (especially voluntary associations). According to Lin (1999) The group perspective focuses on the network level regarding how certain groups develop and nurture more or less social capital as a collective asset and how such a collective asset benefits the group members. Lin (1999) focuses on the elements and processes in the formation and sustenance of the collective asset as a defining characteristic of the group perspective, even though he recognises the importance of individual interaction and networking in social capital formation. He names dense or closed networks, which are regarded as a means to nourish collective capital, as an example of group social capital, and he states that norms, trust and other properties of the group are essential to the creation and maintenance of a collective asset (Lin, 1999).

3. Disposition View. Bourdieu (1983/1986; 1980, as cited in Lizardo, 2004) examines social capital through dispositions; social capital is a resource in the power contest in different social fields and, as other with forms of capital, it is achieved through the mediation of symbolic capital. Therefore, this idea is connected to Bourdieu's notion of class and social status (Bourdieu 1983/1986; 1980, as cited in Lizardo, 2004; Siisiäinen, 2000).

TABLE 7 The Views on Social Capital

View	Definition	Focuses	Key literature
Individual- relational (Relationships)	Entities that consist of some aspect of social structures and facilitate certain actions of actors (either individual or corporate actors) within the structure	1) How do individuals invest in social relations? 2) How do individuals capture the embedded resources in their relations to generate a return?	Coleman, 1988
Societal- group-level (Networks)	Connections among individuals and the norms of reciprocity and trustworthiness that arise from them	1) How do certain groups develop and maintain social capital as a collective asset? 2) How does such a collective asset enhance group members' lives?	Putnam, 1993, 1995, 2000
Dispositions (Social status)	The aggregate of the actual or potential resources that are linked to possession of a durable network of more or less institutionalised relationships of mutual acquaintances and recognition	1) What are the advantages for those who possess social capital? 2) How is social capital obtained?	Bourdieu 1983/1986; 1980

Kwon and Adler (2014, p. 413) define relations that engender social capital as: 1) the opportunities provided by the network structure of those relations; 2) the norms and values that constitute the content of those social network ties and give them their motivational force; and 3) the abilities of each network member that are mobilised by goodwill among the other members. Similarly, Lee (2009, p. 247) divides social capital into three dimensions: 1) structural social capital, which consists of interaction, the frequency of contact and the connectivity levels among and between actors' network relations; 2) relational social capital, which includes quintessential normative conditions of trust, obligation, expectation and identity to guide actors' network relations; and 3) cognitive social capital, which is the meaningful contexts of communication among and between actors, including shared language, codes and narratives used to create understanding.

Regarding Lee's (2009) literature review, understanding the connection between structural network configuration, relational trust and reciprocity is critical in the study of social capital (i.e. to explain how strong social ties enhance high levels of definitive interpersonal trust and knowledge acquisition) (e.g. Batjargal, 2003, as cited in Lee, 2009; Gulati, 1999; Uzzi, 1999). Hence, social capital can be perceived either as a resource in value creation (shared resources) or as an outcome (trust) (cf. Kwon & Adler, 2014; Lee, 2009). Both perspectives are discussed in the context of retailing in this dissertation. To the best of the author's

knowledge, the concept of social capital has not been previously examined in relation to the customer experience and the servicescape; therefore, this study provides a new perspective to the relationship between consumers and the retail trade.

2.3.2 The Manifestation of Social Capital in the Retail Trade

Prior literature has acknowledged social capital as a potentially important source of competitive advantage for companies because social interaction between individuals can accumulate individual resources, which in turn benefit the company (Adler & Kwon, 2002; Inkpen & Tsang, 2005; Lee, 2009). To understand the standpoint of social capital in commerce, the instrumental value of social capital is discussed through three explanations by Lin (1999, p. 31) on how embedded resources in social networks enhance the outcomes of action. 1) Social capital facilitates the flow of information as, for instance, the usual imperfect market situations, social ties that are located in certain strategic locations and/or hierarchical positions, which can provide an individual with useful information about opportunities and choices that are otherwise unavailable. 2) These social ties may exert influence on the agents that involve the actor; for example, WOM has importance in the individual decision-making process. 3) Social ties' resources and their acknowledged relationships to the individual may be conceived by the organisation or its representatives as certifications of the individual's social credentials, some of which connect one's accessibility to resources through social networks and relations to one's social capital. In sum, social relations are posited to enhance both identity and recognition (i.e. being assured and recognised of one's worth as an individual and a member of a social group that shares mutual interests and resources not only provides emotional support but also public acknowledgment of one's claim to certain resources) (Lin, 1999). Lin (1999) argues that these elements—*information, influence, social credentials and reinforcement*—may explain why social capital works in instrumental and expressive actions that are not related to other forms of personal capital. Hence, social capital theory has been utilised as a framework for explaining social connections or relationships that may engender collective actions that benefit the group (Miller, 2001).

Coleman (1988) illustrates the concept of social capital through a number of its manifestations, both economic and noneconomic, in the context of commerce. For example, close ties provide insurance (i.e. the trust that is necessary to facilitate the transactions in the market); if these ties did not exist, elaborate and expensive bonding and insurance devices would be required (Coleman, 1988). It is known that feelings that are based on personal emotions and human contacts may also reflect affection towards the retailer (see, e.g., Oliver, 1997; Schwarz, 2000). This type of relationship can be considered more committed than one based on seemingly rational factors because emotion and human contact cannot be easily replaced (Chaudhuri & Holbrook, 2001).

In addition, social relations *per se* are a form of social capital; an organisation that enhances human contact is an especially potent form of social capital (Cole-

man, 1988). In the marketing literature, the idea of retail social interaction conceptualises retail shops as a platform on which consumers can interact (Pan & Zinkhan, 2006; Tauber, 1972) and congregate (Landry et al., 2005). This notion emphasises the inherently social nature of shopping and the importance of multiple social needs as a motive for shopping (Clarke & Banga, 2010; Megicks, 2007).

Another point by Coleman (1988) is that normative structures enable a person to rely on community. In this scenario, reciprocity is a norm that obligates one 'to offer some form of goodness for goodness that is received' (Gouldner, 1960, as cited in Miller, 2001, p. 477). In the context of social capital, the notion of the 'responsive community' means decision making based on normative commitments and affective involvements (Miller, 2001). In this notion, individuals have at least a certain level of involvement in their community; thus, their decisions are based on the needs of both the individual and the community to a varying degree (Etzioni, 1988, as cited in Miller, 2001). Social capital theory postulates that aspects of reciprocity, when operating in a social group, can either contribute to or inhibit the group's cohesiveness and willingness to work together (Miller, 2001). For instance, consumers may consent to share their personal information with a retailer to receive more personalised service in return, while the company receives valuable information for their customer base (see Naveen & Krishnan, 2006; Rust, Kannan, & Peng, 2002).

Lastly, the network of social exchange can be illustrated using a scenario in which a merchant is able to provide a flexible and broad variety of services through a network of individual organisations, where exchange is based on close personal ties and the exchange of services and commissions; each member contributes to the network with his/her own social capital through their relationships within the market (Coleman, 1988). In other words, as depicted in the service literature, in CDL, service experience and value are formed when customers embed service to their own processes (Heinonen et al., 2010; Heinonen et al., 2013). In the retail context, a practical example of the network of social exchange can be considered a co-creation of a service, where the quality of the result is defined by the involvement of the customer and a company's personnel in the service encounter (see e.g. Jaakkola et al., 2015).

Multiple sociologists agree that the retail environment is principally a social 'environment' (e.g. Miller 1998; Morris, 1988; Prus & Dawson, 1991; Shields, 1992). Putnam's theory (1995) regards the reciprocal norms of behaviour and obligations that are found in the complex network of relations essential for forming and nourishing social capital (as cited in Miller, 2001, p. 477). Per Miller (2001), mutually reciprocal relationships between consumers and retailers are a mixture of interpersonal and institutional levels of reciprocity. As defined by Burns (1973) 'reciprocal actions occur at the interpersonal level between partners who are strongly attached through some form of social relationship and at the institutional level between partners who share less attachment and therefore tend to calculate or quantify the cost versus the benefits of reciprocating' (as cited in Miller, 2001, p. 477). For instance, customers' normative commitment to patronage

or endorsement of a retailer may stem from interpersonal actions (by service personnel or other customers), but they may also target the retail company. Therefore, conceptualisations by Lin (1999) and Coleman (1988) provide adequate frameworks while conceptualising social capital as both the facilitator and the outcome of the customer experience in the servicescape. These outcomes are illustrated in the framework below via examples in the context of retailing (Table 8).

TABLE 8 Social Capital Outcomes in Retail

Form of Social Capital	Definition	Example
Trust	Close ties that are necessary to facilitate the transactions in the market that would otherwise require elaborate and expensive bonding and insurance devices	Customers will remain with a retailer that they trust because uncertainty towards its competitors is seen as switching costs; trust towards a retailer enhances the likelihood of purchasing online
Social relationships	Organisation facilitates human contact	Retail stores as places for consumers to interact and congregate; customer communities
Mutual reciprocity	A social norm that obligates an individual to offer some form of goodness for a goodness that is received	Loyal customers are practicing patronage behaviours towards or becoming endorsers of the retailer
Access to resources	Humans apply their competences to benefit others and reciprocally benefit from others' applied competences	Customer co-creation of experience (i.e. a company and customers jointly produce a mutually valued outcome)

2.3.3 The Impact of Digitalisation on Social Capital

While examining social capital in the context of retailing, the impact of digitalisation on social capital should be considered. Wide use of the Internet, which spread in the late 1990s, continues today; hence, there has been discussion regarding whether digital communication either enhances or decreases social capital (see Bauernschuster et al., 2014; Lin, 1999; Putnam, 2000; Wellman, Quan Haase, Witte, & Hampton 2001). Above all, the impact of Internet technologies on social capital has been and is still under debate; utopians have believed (and as the technological developments have showed) that the Internet has and will provide new and better ways of communication. By contrast, critics have been arguing that the Internet distracts people from their communities. For instance, in the context of retailing, pure online shopping and self-service technologies can reduce or replace the need for human contact in retail. Wellman et al. (2001) have categorised four perspectives on how the Internet may affect social capital.

1. The Internet can increase social capital. The notion that the Internet would restore community stems from the idea that online communities provide a meeting space for people without the limitations of space and time, and they facilitate open, democratic discourse with numerous perspectives that may mobilise collective actions. It is also evident that most relationships that are formed on the Internet (i.e. in the 'virtual world') extend into the physical world, leading to new forms of community, which are characterised by a combination of online and offline interactions, and the Internet fills communication gaps between *vis-à-vis* interactions (Wellman et al., 2001).

2. The Internet may decrease social capital. While optimists consider that the Internet enhances social capital, the critical notion is that the Internet may be diverting people from true community because online interactions are inherently inferior to 'face-to-face' (F2F) interactions where two or more people interact in same physical place. Therefore, online ties are perceived inadequate for nurturing complex relationships, sharing intangible resources, such as emotional support, or (most evidently) providing material aid. The Internet may draw attention away from the immediate physical environment because, when people are online, they are less focused on their physical and social surroundings (Wellman et al., 2001). Earlier studies have also shown that the Internet could be a stressor that depresses and alienates people from interactions (e.g. Kraut et al, 1998, as cited in Wellman et al., 2001). This is based on the notion that, as Internet use increases, social contact offline decreases, which may increase loneliness and cause depression. Therefore, even if the Internet enhances weak online ties, it simultaneously decreases offline interactions, which are regarded as stronger social ties (e.g. LaRose, Eastin, & Gregg, 2001, as cited in Wellman et al., 2001). However, the idea that the Internet would decrease social capital has been questioned by more recent empirical studies (e.g. Bauernschuster et al., 2014).

3. The Internet can supplement social capital. This is also supported by further studies (see Pfeil, Arjan, & Zaphiris, 2009), and it is integrated into the rhythms of daily life, with life online viewed as an extension of offline activities (Wellman et al., 2001). The Internet provides a means of communication that is convenient and affordable, which can help people maintain existing ties and create new ones; thus, it supplements social capital by enabling offline interpersonal interaction without affecting organisational participation and community commitment (Wellman et al., 2001). The notion that the Internet supplements social capital gives technology a less central role but instead emphasises that the Internet is best understood in the context of a person's overall life, which is considered relevant (Wellman et al., 2001). For instance, the significance of the degree of social capital and the importance of social networks, reciprocity and trust have been recognised regarding making purchases online (Kuoppamäki, Taipale, & Wilska, 2017). Consumption preferences are affected by virtual peer relationships via social media, which are typically less commonly used among older consumers (Kuoppamäki et al., 2017; Pfeil et al., 2009). For older consumers, social influence and social networks are affected by the skills that are required to use social media (see also Kuoppamäki et al., 2017; Lian & Yen, 2014; Livingstone, Van Couvering,

& Thumin, 2005). However, despite their advanced digital capabilities, the young are affected by online commercial pressure and the consumer detriments of social media. For instance, prior research (Berg, 2017) has shown that the young unintentionally reinforce commercial messages from marketers by sharing selfies that also display products and brands.

4. A congruent view. Wellman et al. (2001) conclude that Internet use is not uniform: people engage in both social and asocial activities online. The Internet connects people online and facilitates offline social interaction by enabling easy access to information and reducing costs of forming and retaining social relationships (Bauernschuster et al., 2014). For example, as depicted earlier, digital media have enabled unforeseen interaction among consumers through various social media and review platforms and enabled customer communities that lack geographical restrictions. This is referred to as 'the communication function of the Internet', which means that the 'Internet may make social interaction more convenient and efficient and help interpersonal exchange by desynchronising in time and space' (Bauernschuster et al., 2014, p. 75). Conversely, Internet technologies may absorb people's time and substitute for real-world interactions (Bauernschuster et al., 2014). Digital technologies can also cause distractions. For instance, the use of mobile devices, which is not related to the service encounter, may distract customers from social interaction in the servicescape (cf. cyber-slacking in the classroom, as described by Taneja, Fiore, and Fischer [2015]). To understand both social and anti-social activities in shopping in multiple-channel retail environments, the forms and creation of social capital in the digitalised servicescape should be further examined.

2.4 Social Capital in Relation to the Servicescape

2.4.1 Social Capital in the Co-creation of the Service Experience

The social dimensions of the retail environment were initially studied from the perspective of customer satisfaction, buyer behaviour and purchase intentions but not in relation to either retail patronage or the customer's social experience (Johnstone, 2012). Yet, how a customer identifies with the servicescape can be mutually consequential; customers may patronise a store if they perceive unity with either their peers, with other customers in general or with the retail store itself, including its personnel (Johnstone, 2012; Sirgy, Grewal, & Mangleburg, 2000). Therefore, retail stores can be seen as a *platform for non-commercial relationships*, such as those with family members, friends, acquaintances and colleagues, as opposed to commercial friendships, which consumers sometimes form with retailers (Johnstone, 2012; Landry et al., 2005; Pan & Zinkhan, 2006). Moreover, for some consumers, the *need for human connection* is a central facet in retail shopping, hereby supporting the sociological and environmental psychology research that suggests that people become attached to places for the social connection (see Johnstone, 2012; Low & Altman, 1992). For instance, consumers visit retail stores

because such environments enhance human contact and provide a sense of belonging (Johnstone, 2012; Shields, 1992). While the importance of social motives for shopping have been acknowledged, seemingly rational factors and economic norms have been emphasised in the research on digitalised retailing (see Srinivasan et al., 2002; Wallace et al., 2004). Moreover, the main foci of previous studies have been on product-relevant (i.e. product quality, price), market-relevant (i.e. convenience, service quality) and personal factors (i.e. demographics, attitude towards a store) (see Pan & Zinkhan, 2006).

Regardless of the social motives for visiting retail stores, in a physical setting, service is usually experienced in a socially detached manner or in 'social bubbles'. Socially detached consumers in the servicescape may create a feeling of togetherness, and consumers may even let strangers within their social bubbles (see Rihova et al., 2013). This means that a generally friendly and social atmosphere may exist, even though consumers do not directly interact with others outside their own entourage in a service encounter. However, social media (e.g. social networking services, messaging applications and review platforms) have altered these dynamics because customers now directly discuss and review their experiences with their peers online. Customers may also influence each other through social media during the service encounter, and mobile technology has augmented this peer culture in the B&M setting as well (Leeflang et al., 2014; Lemon & Verhoef, 2016; Libai et al., 2010). In addition to the challenge of managing peer influence that is outside retailers' control, social media have brought an unforeseen sense of community within the customer base of some retail brands. For instance, endorsers of a certain brand may form an 'on-going neo-tribe', which may gather in physical settings but importantly will congregate in an online platform (Rihova et al., 2013). This community membership, which transcends the service's physical experience, can lay the foundation for social capital in various forms, such as reciprocity, social trust and well-being, is termed 'linking value' (Cova, 1997; Rihova et al., 2013).

Due to the central role of human interaction in the service experience, the identity of a retail space is not limited to its physical characteristics; rather, it is also related to the social construction of place through the experiences of individuals and groups (see Bolton et al., 2018; Lalli, 1992; Johnstone, 2012; Rosenbaum & Massiah, 2011). This means that the physical and functional clues of the servicescape can facilitate the meanings of the place, which are initially formed and interpreted by people in the servicescape (cf. 'the physical setting, objects and activities that occur in various environments may provide one with meanings about place, but they are not property of place, rather they are property of human intentions and experiences' [Relph, 1976, p. 47, as cited in Johnstone, 2012]). A place can be regarded as a social construction; the servicescape is shaped by the interactions between people within it, and the retailer neither owns nor has complete control over its servicescape (Johnstone, 2012). Therefore, customers' reasons for becoming attached to a retail location and repeatedly visiting it may extend beyond the physical servicescape and product-related factors (Johnstone, 2012). In sum, these views support the notion that consumers may stay with

shops that facilitate their social experiences with other customers or service personnel. Notably, a diminutive amount of prior research has examined how a place itself can constitute the creation and nurturing of consumers' non-commercial relationships with the retail environment or how customers' social relationships may mould the servicescape (Johnstone, 2012).

Prior literature (e.g. Jaakkola et al., 2015; Rihova et al., 2013) has shown that customers co-create their experiences in a service setting in social interactions with service personnel and other customers. A value proposition is a statement about the benefits that are consistent with the company's distinctive competencies and with the needs and preferences of customers; thus, it bundles both customer and company perspectives for value co-creation (Rintamäki, Kuusela, & Mitronen, 2007). Consequently, per CDL, the customer is a partner in value creation because he/she experiences, consumes and perceives the benefits that are offered within the company's value propositions (cf. Heinonen et al., 2010; Heinonen et al., 2013; Mohd-Ramly & Omar, 2017). Therefore, the value of service is reliant on how well a retailer is able to involve customers in the service experience (Prahalad & Ramaswamy, 2004). This is due to the contextual and individual nature of the experience, which is affected by the customer's own processes (Heinonen & Strandvik, 2015; Prahalad & Ramaswamy, 2004). In the retailing context, while customers have a central role in co-creating their own experiences, retailers reciprocally offer value propositions by providing suitable products and services and a retail setting with the aim of igniting the value co-creation processes through interactions and collaborations with customers (Mohd-Ramly & Omar, 2017, 2008). Prior studies have shown how value in the service experience is formed within insulating, bonding, communing and belonging practices, which illuminate the appeal of shared consumption experiences in physical contexts in particular (Rihova et al., 2013). However, there is a research gap regarding how social interaction in the physical context is positioned in relation to interaction through social media platforms. For instance, service-oriented retailers can benefit from the importance of bringing customers together in a physical setting alongside the online community (Rihova et al., 2013; Storper & Venables, 2004).

2.4.2 Social Capital as an Outcome of the Service Experience

Prior studies on customer relationships in online commerce have focused on how to fulfil customer expectations in online service encounters (see Bart, Shankar, Sultan, & Urban, 2014). Even though the principles for forming customer trust in the servicescape still apply in digitalised commerce, their form differs from that of offline commerce (Papadopoulou, Andreou, Kanellis, & Martakos, 2001). For example, in the online context, the mechanical factors of the servicescape are related to a website's design, while the functional factors consist of the user interface and payment arrangements (Harris & Goode, 2010). Prior studies have acknowledged the importance of both mechanical and functional servicescape cues as antecedents for trust formation (e.g. Chen & Chang, 2003; Fusaro, The'o

ret, & Charron, 2002; Harris & Goode, 2010; Mathwick et al., 2001). These cues create a first impression of the service (Berry et al., 2006) and thus also create a setting for social interaction in the servicescape. For instance, the servicescape's cues constitute a retail brand image that indicates what kinds of shoppers visit a certain store (Sirgy et al., 2000).

In addition, the absence of F2F contact with store personnel and other customers cannot be easily replaced in the digital retail environment (Papadopoulou et al., 2001). Therefore, previous studies have suggested that the online servicescape should facilitate the online presence of other customers and service personnel with virtual advisors (e.g. customer service chat) and community features (e.g. embedded customer reviews, the company's social media profile). Some studies argue that a sense of social presence may also be provided by non-human entities, such as service robots (e.g. virtual assistants like Apple's Siri or Amazon's Alexa) (Van Doorn et al., 2017). In high-involvement or high-risk purchases, the advisory mechanism may especially decrease a consumer's concerns and increase his/her perceived trust towards the retailer (Bart et al., 2014; Urban, Sultan, & Qualls, 2000). Online brand communities may also enhance information exchange and knowledge sharing as well as provide a supportive environment for customers, which will increase consumer trust towards the retailer (Bart et al., 2014).

Lastly, due to a lack of familiarity or physical presence and the perceived uncertainty of online commerce, challenges in building customer trust are inherent to online commerce (see Lynch, Kent, & Srinivasan, 2001; Papadopoulou et al., 2001; Reichheld & Scheffer, 2000). Therefore, omnichannel retailers may have an advantage over pure online retailers (Brynjolfsson, Hu, & Rahman, 2013). This trust may be directed towards an entire retail brand because a positive impression of an omnichannel retailer that is based upon experience with the prior channel of a retailer has been shown to have a halo effect⁵ on consumers' evaluations of alternative channels of the same retailer (Kwon & Lennon, 2009).

Trust is also a mechanism for building a reciprocal relationship between the customer and the retailer. For example, in digital marketing, customers' willingness to share information is a prerequisite for marketers to create desired personalised experiences (Parsons, Zesser, & Waitman, 1998; Schoenbachler & Gordon, 2002). Therefore, digital marketers seek to strengthen their information sources by forming trust through customer relationship-building practices (Schoenbachler & Gordon, 2002). In other words, a customer's consent to provide personal data for the efficiency of the retailer may afford him/her more personalised experiences in return. Loyal customers may feel affection and normative commitment towards a retailer (see Miller, 2001) and consequently practice patronage

⁵ The 'halo effect' is defined as a one's inability to distinguish between conceptually distinct and potentially independent features, which causes the individual attribute ratings to co-vary more than they otherwise would (Thorndike, 1920, as cited in Leuthesser, Kohli, & Harich, 1995). In the multiple-channel context, this means that consumers' online and offline brand attitudes are affected by not only brand beliefs from the respective channel but also by beliefs from the other channel (Kwon & Lennon, 2009).

behaviours and/or become endorsers of the retailer in return. Retail patronage behaviour involves trading off between economic costs and relationship benefits (see Baltas, Argouslidis, & Skarmeeas, 2010) (i.e. consumers visit the retailer before its competitors or shop more frequently if they consider the relationship mutually beneficial). On a deeper level of customer loyalty, customers take pleasure in sharing their knowledge with peers and family (i.e. customers become vocal advocates for the product or service and constantly spread WOM with a positive valence) (see Griffin, 2002). The types how social capital constitutes in service experience are concluded in Table 9. Although prior literature acknowledges how digitalisation has set challenges for forming trust and long-lasting customer loyalty, the evidence of how the elements of a blended servicescape affect these social capital outcomes is notably scarce.

TABLE 9 The Types of Social Capital in the Servicescape

Social connections	Access to resources	Trust	Reciprocity
Human contacts in servicescape (service personnel, other customers)	Service personnel and other customers as advisors	Online presence of service personnel and other customers	Retail patronage based on trust and relationship benefits
Servicescape as platform of customer community	Information and knowledge sharing through customer community	F2F human contacts as source of trust	Satisfied customers as vocal advocates

2.5 Summary of the Theoretical Foundations

The purpose of this discussion was to conceptualise social capital in relation to the servicescape and to highlight the research gaps for empirical contributions. The main elements of the theoretical framework and linkages among them are illustrated in Figure 6. The basis for this literature review was that both the digital and physical retail environments affect how customers interact with their peers and service personnel. The literature review firstly discussed how prior literature has acknowledged the central role of social interaction as a characterising factor of the service experience, which occurs at the core of the customer's path-to-purchase journey (i.e. shopping or purchase phase). The marketing literature has acknowledged that, unlike in the past, digitalisation has dispersed the shopping experience between multiple touchpoints either under or outside the retailer's control. Hence, the research focus on customer experience in a digitalised retail environment has developed from a single perspective of comparing the performance of multiple channels to examining how synergies between channels facilitate the customer experience.

The literature review then studied the linkages between the constructs of customer experience and the servicescape. Although the customer experience is

an internal and subjective cognitive–emotional impression of the service, responses to external social, sensorial and behavioural stimuli, *inter alia*, also constitute the customer experience. These responses arise from service environment stimuli, which were conceptualised as the servicescape. The servicescape was initially depicted as the combination of ambient condition, spatial layout and functionality as well as the signs, symbols and artefacts of the built retail environment; however, more recent literature has recognised social interaction as an integral part of the servicescape. Thus, the service experience is dependent on the nature of the actors' involvement in the servicescape (i.e. the customer co-creates experience by interacting with other customers and store personnel). Per the notion of CDL, customers are partners who collectively create experiences through interactions, which link the servicescape to social capital.

Furthermore, the literature review examined the manifestations of social capital in commerce through its outcomes by Coleman (1988): *trust* (insurance provided by close ties), *community* (social relations *per se*), *reciprocal relationships* (normative structures enable mutual reliance) and *access to resources* (the network of social exchange). Moreover, the impact of digitalisation on social capital was discussed. Prior studies have shown that the Internet enhances social capital versus decreases it; therefore, it supplements existing forms of communication in a more convenient and affordable way without decreasing either social involvement or participation with communities. However, prior literature acknowledges that use of the Internet is not a uniform activity, and people engage in both social and asocial activities online (Wellman, 2001).

Finally, the literature review applied a framework based on Coleman's (1988) social capital outcomes to conceptualise social capital in relation to the servicescape. To begin, prior research has recognised the importance of retail stores as platforms for non-commercial relationships and the need for social interaction as a motive to visit retail stores. However, despite the central role of social motives for visiting the retail environment, there has been emphasis on seemingly rational factors and economic norms, especially in the research on digital retailing. In addition, the main focus of previous studies has been either product or market relevance or on personal factors. This highlights the first theoretical contribution of this dissertation: examination of the standpoint of social and community-based factors of retailing in a digitalised consumer society.

Earlier literature also acknowledged how customers and retailers co-create experience in the servicescape by jointly producing a mutually valued outcome (i.e. they form a network of exchange). Therefore, alongside the retail environment, customers' and staff involvement are mutual resources that are accessed through the servicescape. There is a lack of empirical evidence on how the retail environment itself may affect the formation of this network of exchange. This has led to a call for empirical studies on how social interaction in the physical context is positioned in relation to interaction through social media platforms and emphasises the second contribution of this dissertation: explaining how the elements from the digital, social and physical realms of the servicescape facilitate social capital in retail.

Lastly, prior studies have emphasised the role of trust in relationships, while online commerce is characterised by uncertainty and a lack of familiarity, F2F contact or physical presence. Earlier research (e.g. Bart et al., 2014; Urban et al., 2000) recognised how the virtual presence of other customers may enhance trust in the digital servicescape or how the halo effect of physical stores becomes trust towards the e-stores of the same retailer. Above all, the prior literature (e.g. Milne, 1998; Parsons, Zesser, & Waitman, 1998; Schoenbachler & Gordon, 2002) discussed trust as a prerequisite for relationships in digital commerce. Alongside trust, reciprocal relationships are conceptualised as a social capital outcome in retail. This dissertation addresses the call for empirical evidence on how the customer experience in a blended servicescape is associated with human contact, forming trust and developing a reciprocal relationship between the customer and the retailer. By providing empirical evidence on congruities between elements from the physical, social and virtual realms of the servicescape (see Bolton et al., 2018), this dissertation also addresses the call for more empirical studies on touchpoints in the customer's path-to-purchase journey (see Lemon & Verhoef, 2016; Verhoef et al., 2015).

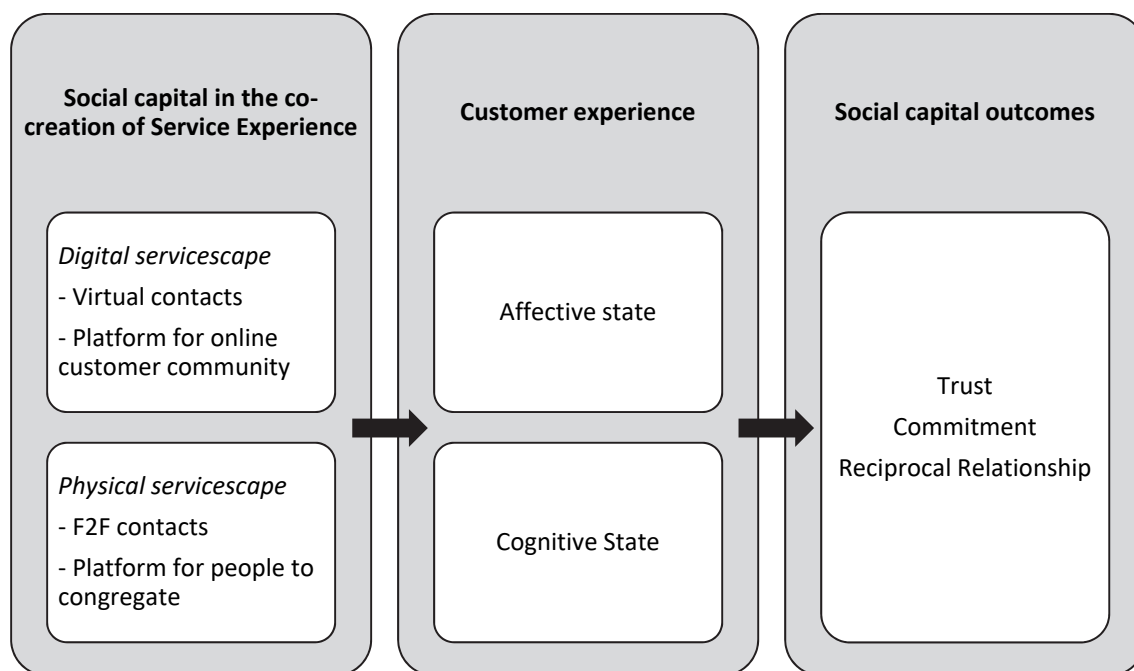


FIGURE 5 The Conceptual Framework of Social Capital in the Servicescape

3 RESEARCH DESIGN

3.1 Scientific Paradigm: Critical Realism

By definition, the customer experience is an internal and subjective cognitive-emotional response to a service (Gentile et al., 2007; Meyer & Schwager, 2007; Schmitt et al., 2015). Thus, true customer experiences can be initially studied by examining self-reports from surveys and/or interviews with consumers, even though neurophysiologic studies have provided an understanding of the correlation between brain activity and experimental stimuli (see Gentile et al., 2007; Plassmann, Venkatraman, Huettel, & Yoon, 2015), and data tracking enables the measurement of behaviours that are related to the customer experience (see Spiess, T'Joens, Dragnea, Spencer, & Philippart, 2014). Moreover, the customer experience in retail is often co-created in social interaction with service personnel and other customers (see Jaakkola et al., 2015), indicating that the customer experience also receives its meanings socially. Hence, while the aim of this dissertation is to explain the connection between the servicescape's customer experience and social capital, the study also aims to interpret consumers' accounts of their experiences in the servicescape. This dissertation utilises both positivistic and interpretivist paradigms to provide a holistic view on the subject. Critical realism can be regarded as the most sufficient scientific paradigm for this study because it balances between positivism and antipositivism. The theory of critical realism is adopted from the literature of sociology, and it is suitable for this study because the research applies the sociological theory of social capital in the context of marketing as well as examines customer experiences in the servicescapes that are created through social interaction.

Per Moore (2013), the conceived juxtaposition between the sociology of knowledge and epistemology is the essence of the problem in the research on social relationships and human interaction: 'If knowledge is knowledge, then it cannot be "social" (if it was, it would not be certain because it is merely relative), but if knowledge can never be anything other than social, it cannot actually be

“knowledge” (because it must be relative rather than certain)’ (p. 337). Moore (2013) also notes that the traditional epistemological paradigm (e.g. in logical positivism) was to separate knowledge from its social context by establishing it in unmediated sensory data that were organised by propositional logic, while sociology grounds knowledge within the social and historical conditions of those creating the knowledge as organised around their standpoints and interests (e.g. interpretivism, constructionism, postmodernism). Sayer (2000) states that, in critical realism, ‘the real’ is not a claim of privileged knowledge but rather an attempt to consider two things: 1) the real is either anything that exists, whether it is natural or social, regardless of whether it is empirically observed, or anything with sufficient conception of its nature; and 2) the real is the realm of objects, their structures and powers. Hence, Moore (2013) states that the relationship between epistemology and sociology can be regarded as a zero-sum game – either one or another but not a combination of both. This means that, with the sociological approach to knowledge, less knowledge actually is knowledge. Thus, Moore (2013) argues that sociological expositions of knowledge orient towards relativism because they deteriorate any objective bases that are grounded in nothing other than the standpoints of those creating the knowledge, and they are intertwined within their specific social interests.

Critical realism, which is associated with the ideas of Bhaskar (1997, as cited in Sayer, 1997), addresses the absolutism of positivism and the relativism of constructivism and interpretivism by seeking the nexus among the positive (i.e. explanatory and/or descriptive social science and normative discourses, such as those of moral and political philosophy). The issue with positivism lies in its core proposition that certain and universal knowledge of reality is directly derived from an independent external world by a disembodied, detached and disinterested observer (see Moore, 2013; Patomäki & Wright, 2000). However, the immediate problem is that no one has achieved such a model of knowledge, which leaves this notion anti-realistic in that sense (see Moore, 2013; Patomäki & Wright, 2000). Conversely, antipositivism (e.g. interpretivism, constructivism) posits that knowledge is (in essence) nothing more than a rendition of the standpoints and interests of dominant social groups, meaning that any argument can be either true or untrue simultaneously, depending on the viewpoint of those making the argument (Moore, 2013). In this notion lies the logical problem of relativism: ‘If it is true that all truth is relative, then there must be one truth that is not; namely the truth that all truth is relative, in which case, it is not true that all truth is relative’ (Moore, 2013, p. 339). A central aim for the critical realism and social realism schools is to replace the juxtaposition between positivism and antipositivism with a synergy. These alternative views recognise contra positivism – the inescapably social character of knowledge; however, contra antipositivism, critical realism and social realism do not take this to inevitably entail relativism (Maton & Moore, 2010, p. 2).

Critical realism is grounded in three basic principles: 1) ontological realism (i.e. there is a reality that is differentiated, structured, layered and independent of mind); 2) epistemological relativism, which means that all beliefs are socially

created and therefore potentially errant; and 3) judgmental rationalism, which states that, despite epistemological relativism, it is still virtually possible to provide justifiable grounds for preferring one theory over another (Moore, 2013; Patomäki & Wright, 2000). Critical realism is also applicable in a social world that is not significantly different from the natural world in that the specific material structure of the social world, including its institutions, social relations and practices, is dependent upon social meanings in multiple ways (Patomäki & Wright, 2000). In critical realist theory, the social world cannot be reduced either to its experiential moment or to its intersubjective elements; the social world consists of more than can be experienced, which is self-evident from the importance of ideas, beliefs, concepts and knowledge (Patomäki & Wright, 2000). Thus, as part of the object, the ideas, beliefs, concepts and knowledge held by people in societies should be understood (Patomäki & Wright, 2000). While examining a social object, such as a service environment, as in the case of this study, what this social object means to the subjects (i.e. the customers whose practices constitute this object) should be interpreted. Hence, the customer experience in the servicescape cannot be studied in isolation from the social interpretation of customers who constitute the social dimension of the servicescape and co-create the experience of interacting with the service environment and the personnel. In a sense, a study of the social world requires that the subject becomes a part of its object, which necessitates an essential critical component of all properly conceived social sciences (Patomäki & Wright, 2000).

3.2 Multimethodological Study

This dissertation utilises both qualitative and quantitative methods. Two quantitative consumer survey data sets, which were collected in 2013 ($n = 1,500$) and 2016 ($n = 880$), were utilised separately in papers I & III, respectively, to test hypothetical models based on earlier literature (see Churchill & Dawn, 2002, pp. 90–123). A quantitative instrument was completed via a qualitative content analysis of consumer focus group interviews that were conducted in 2016. Different methods were used for five purposes, according to Greene, Caracelli, and Graham (1989): 1) the literature review and the findings of Paper I established the need for further studies in papers II & III; 2) the findings of the focus group interviews in Paper II helped develop a conceptual model for Paper III; 3) the methods were combined sequentially in the different papers so that they elaborated the findings of each other (see Creswell, 2009); 4) new dimensions of the phenomenon were explored, which revealed how to depict the phenomenon more holistically (Jick, 1979); and 5) the benefits of triangulation were achieved by complementing different methodological approaches and existing theory (Bryman & Bell, 2007, pp. 641–659; Jick, 1979; Mathison, 1988), but the study did not validate the same findings multiple times (Jick, 1979).

When utilising multiple research methods, epistemological and ontological consistency should be considered; the nature of the knowledge and the idea of

existence should be consistent throughout the study (Bergman, 2011; Bryman & Bell, 2007, pp. 641–659). Because this dissertation follows the research paradigm of critical realism, it shares features of both positivism and antipositivism to form a holistic view of the subject (see Maton & Moore, 2010; Moore, 2013). While the quantitative studies explain the servicescape's antecedents of social capital, the qualitative study interprets consumers' accounts of how the customer experience and social capital are constructed socially in the retail servicescape. Yet, this does not intrinsically abolish the deficiencies of the individual methods (Bergman, 2011). Therefore, research limitations are discussed later in this dissertation. In addition, using multiple methods involves the risk of including unnecessary components or applying methods carelessly (Bergman, 2011), and the imbalance between the quantitative and qualitative data could deteriorate the reliability of the findings (Bryman & Bell, 2007, pp. 641–659; Jick, 1979). However, these should not be of concern because the methods were applied in separate studies that had either already been through or were submitted for academic review and/or editing processes.

3.2.1 The Quantitative Research Strategy: The Survey Instrument

The survey instrument was chosen to explain the associations between the studied constructs by testing the prior theory and to draw generalisations by examining large samples of a population (see Bryman & Bell 2007, pp. 153–178; Churchill & Dawn, 2002, pp. 90–123). The data set for Paper I was collected with a survey that was given to 1,504 consumers aged 18–75 years using a structured Internet panel. The data collection was complemented with a telephone survey for consumers older than 65 years because older age groups use the Internet less often (e.g. van Deursen & Helsper, 2015). The telephone survey was conducted so that all data could be combined into a unified file. The respondents were chosen via random sampling with quotas so that the data represented a cross-section of the adult population.

The data set for Paper III was collected by surveying 880 omnichannel consumers who were aged 18–75 years via a structured Internet panel. The online survey was a sufficient strategy for data collection because the study focused only on omnichannel consumers; therefore, consumers who do not use the Internet were excluded from this study. The respondents were instructed to choose one specialty retailer from a list of 15 popular retailers. The requirement was that the respondents had visited this store via both the online and offline channels. The questionnaire was then completed, per the respondents' experiences with this specific retailer. Both survey data sets were analysed using partial least squares structural equation modelling (PLS-SEM) with SmartPLS 3.2.7 (Ringle, Wende, & Becker, 2015). The decision to choose PLS-SEM was based on the following: factor indeterminacy makes covariance-based SEM unsuitable for prediction purposes (Hair, Hult, Ringle, & Sarstedt, 2017); both studies were exploratory in a broad sense because they tested the effects of several new relationships in complex models; and many of the variables were not normally distributed. In such cases, PLS-SEM is the recommended approach (Hair et al., 2017, p. 23).

3.2.2 The Qualitative Research Strategy: Focus Group Interviews

The purpose of this qualitative study was firstly to enhance the prior understanding of customer experience formation in the servicescape and secondly to help develop the framework for the survey study for Paper III (see Churchill & Dawn, 2002, pp. 90–129). Four focus group interviews in Paper II, which were comprised of 3 to 7 participants in each group for a total of 17 participants, were recruited via snowball sampling from the personal networks of students (see Noy, 2008). As for the quantitative studies, the interviewees' criterion was experience as an omnichannel consumer; all participants had visited both the e-store and a B&M shop of a certain retailer either simultaneously or at some point during the purchase process. Each group was mixed in terms of the participants' socio-economic background. To enhance discussion in the focus groups, the participants were divided into demographically concordant groups between men and women and between different age groups (aged 18–35 years and > 35 years). The interviewees were recruited from a provincial town of less than 140,000 inhabitants that is in the centre of a rural municipality in Finland. The purpose of this sampling was to reach omnichannel consumers other than only young males with higher education in metropolitan areas; that population is typically perceived as early adopters of new technologies (Venkatesh et al., 2003) and is thus considered typical omnichannel consumers.

Focus group methodologies are effective at obtaining data about interactions and the constructive process of meaning making (Steward, Shamdasani, & Rook, 2007) and for elaborating the interactive dynamics through which people negotiate various discursive positioning (Daymon & Holloway, 2002). This process of focus group interviews involves practices of expressing attitudes, providing factual versions of reality, and expressing regrets and giving justifications (Daymon & Holloway, 2002). In focus groups, people display what they know and how they use their reasoning skills in relation to their everyday experiences (Whetherell, 1998); therefore, focus groups are a suitable means for exploring consumers' reasoning and everyday understanding. Hence, focus group interviews were utilised to understand how shared interpretations and meanings of retail service experiences are constructed among consumers. The focus group technique allowed for discussion and the sharing of meanings among group members, which yielded accounts of various aspects of the customer experience. Discussion between the interviewees may also enrich the data because the participants complement one another's views, which can bring out aspects that would not occur otherwise. The data analysis was based on a qualitative content analysis, which implies a systematic reading of texts that enables inferences to be made from the data (Krippendorff, 2004; Wilkinson, 2004). The data were categorised into themes to adequately depict how retail experiences are formed in the omnichannel servicescape (c.f. Aronson, 1995; Guba, 1981).

4 PUBLICATION SUMMARIES

4.1 Publication I: 'The impact of consumer local engagement on local store patronage and customer satisfaction'

The standpoint of social capital in retailing, which is discussed in the first paper of the dissertation, sought to answer to RQ1: 'Why are social and community-based factors important in retailing?'. The paper approached this topic by examining the drivers of local grocery retail patronage. In a recent vein of research that emphasises various social and community-based factors to explain local store patronage (Goswami & Mishra, 2009; Kim & Stoel, 2010; Landry et al., 2005; Miller & Kean, 1997), the main contributions of this study are its address of the inherently social nature of retail shopping and its examination of whether small local shops can meet a variety of social, sustainability and ethical needs (cf. Clarke & Banga, 2010; Megicks, 2007).

The framework was developed to examine how consumers' personal values and local community engagement affect customer satisfaction and local store patronage. The outcome variable of local store patronage was adopted from Grewal et al. (2003) and Noble et al. (2006). Consumer local engagement and community consumer values' variables were modified from scales by Miller and Besser (2000), Miller (2001), Kim and Stoel (2010) and Landry et al. (2005). The framework for social interaction in local stores was drawn from Home (2002) and Noble et al. (2006). The vitality of local services was measured using attitude towards local retailers (Miller & Kean, 1997), support for local retailers (Kim & Stoel, 2010; Noble et al, 2006) and reciprocity (Landry et al., 2005). The variables that measured consumer satisfaction with the retailer were derived from Lombard and Louis (2012) and Zeithaml and Berry (1996). Age, gender and level of income were set as control variables. The insights on social network theory (Granovetter, 1985) as well as the retail patronage literature (Miller 2001; Miller & Kean, 1997;

Noble et al., 2006; Pan & Zinkhan, 2006; Runyan & Droke, 2008) were utilised to develop a set of seven hypotheses (Table 10).

TABLE 10 Hypotheses for Paper I

Main hypotheses	
H1	Local Engagement has a positive association with Local Store Patronage.
H2	Local Engagement has a positive association with Vitality of Services.
H3	Local Engagement has a positive association with Social Interaction.
H4	Vitality of Services has a positive association with Local Store Patronage.
H5	Social Interaction has a positive association with Local Store Patronage.
H6	Social Interaction has a positive association with Consumer Satisfaction.
H7	Consumer Satisfaction has a positive association with Local Store Patronage.

The conceptual model (Figure 7) was tested with survey data from 1,504 consumers. The data were analysed via PLS for confirmatory factor analysis and to model the latent structures (Ringle, Wende, & Becker, 2015). The data supported most of the hypotheses, with the exception that there was no direct positive effect between 'Local Engagement' and 'Local Store Patronage'. However, a total effects analysis found that 'Local Engagement' had a significant positive association with 'Local Store Patronage'. The effects of 'Local Engagement' on 'Local Store Patronage' were fully mediated through 'Vitality of Local Services' but not through 'Social Interaction' and 'Customer Satisfaction' (i.e. the relationship between 'Local Engagement' and 'Local Store Patronage' was rather indirect).

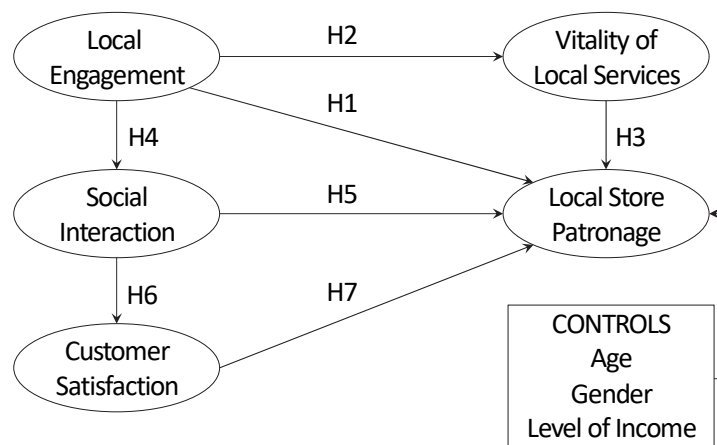


FIGURE 6 Conceptual Model for Paper I

This study emphasised the importance of social factors in determining local retail store choice, while earlier studies have focused mostly on retail-specific factors (e.g. location, selection, price). The findings of this study illustrate that the relationship between Customer Local Engagement and Local Store Patronage is indirect, and it is mediated by the vitality of Local Services, Social Interaction, and Consumer Satisfaction.

4.2 Publication II: 'How does the digitalisation of servicescape shape the service experience?'

The second paper of this dissertation sought to answer RQ2 – 'How is social capital facilitated by the customer experience in the digital-physical servicescape?' – by examining how customers interactively co-create a service experience by utilising both the digital and physical servicescapes in a convergent manner. The research examined the manifestations of social capital in a blended servicescape and explored how the integration of digital and physical channels facilitates trust, human contact, interpersonal relationships and networks of social exchange. The study then investigated how customers jointly construct the social realm of the servicescape with the other actors in the service encounter. Moreover, the contextual factors were illustrated because the study approached the topic through accounts of consumers with various sociodemographic backgrounds from outside metropolitan areas.

The theoretical foundations for Paper II were drawn from the service literature. The study stemmed from the notion that social interaction among customers and employees characterises the service experience (McColl-Kennedy et al., 2015; Tax et al., 2014), making social interaction an integral part of the servicescape (Rihova et al., 2013). Hence, the theory of CDL (Heinonen et al., 2010) was the basis for this paper, which examined how the active involvement of people within the servicescape constitutes the service experience (Jaakkola et al., 2015; see Prahalad & Ramaswamy, 2004). The framework by Bolton et al. (2018) was utilised to categorise interviewee accounts into digital, physical and social realms and to illustrate congruence among them.

The data analysis was based on a qualitative content analysis of the accounts of focus group participants in which the data were categorised into themes, according to the model presented in the literature review. The focus group participants were chosen from various sociodemographic backgrounds from outside metropolitan areas to capture accounts from omnichannel consumers other than young, tech-savvy adults who live in close proximity to multiple services. The findings elucidated how online-offline channel integration enhances the service experience by providing more diverse forms of sensations, information and social interaction than a single channel could offer. With respect to the cognitive aspect of the customer experience, e-stores were described as complements to B&M stores due to their convenient access to service and information for customers via computers and mobile devices. B&M stores were said to both bring retailers with multiple channels closer to their customers and to enhance the emotional experience through personal human contact. The findings of this study show that, despite differing forms of interaction and information among the channels, the service experience appeared unified to the focus group participants. Synergies among the channels were described as removing barriers and delays in the purchase process. The findings of this study emphasised the interpersonal relationships between customers and service personnel, mainly in

the B&M store, as a central source of trust. However, this trust is reflected as loyalty towards the entire retail brand in return for a received good. Based on the implications of this study, a conceptual framework of interconnections between the states of the customer experience and the different realms of the servicescape was developed (Figure 8). The framework helped develop the survey and interpret the findings of the survey study in Paper III.

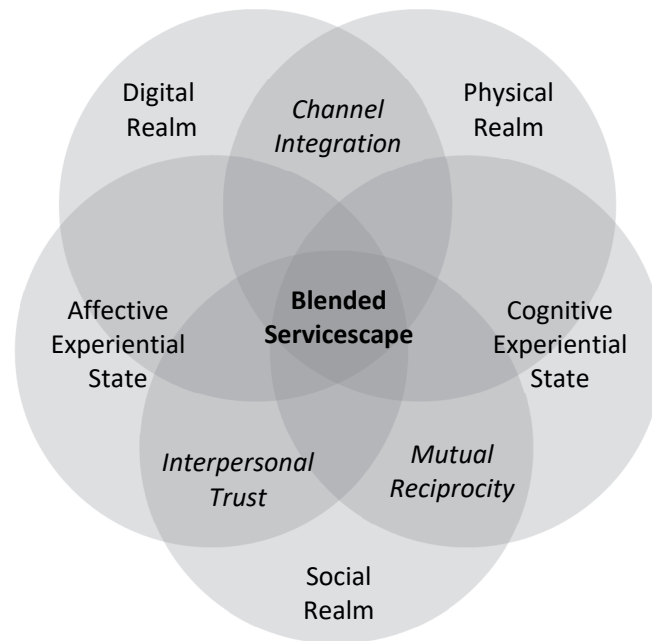


FIGURE 7 Conceptual Model for Paper II

4.3 Publication III: ‘The effect of retail service experience on cross-channel customer loyalty’

The third paper contributed to RQ3 – ‘How are elements from the digital, social and physical realms of the servicescape associated with customer relationships?’ – by examining how the digital, social and physical realms of the servicescape and their congruency constitute the customer experience and the relational outcomes of the customer experience. This research addressed the need for further research on the effect of touchpoints on consumer experience; previous studies have been mainly focused on sales/conversion (see Lemon & Verhoef, 2016). Hence, the purpose of this study was to conceptualise the ‘omnichannel customer experience’ (i.e. what constitutes an outstanding customer experience) through mutual support and the interchangeability of multiple channels. The paper focuses on how the customer experience construct should be conceptualised, which servicescape factors contribute to the customer experience and the outcomes in a retail environment comprising both digital and physical retail environments.

The determinants of customer experience were modified to the multiple-channel retail context from prior studies by Dong and Siu (2013) to measure both the substantive and the communicative staging of the servicescape (i.e. the interaction and the environment) in both the e-store and the B&M shop. Cross-channel integration was measured with the metrics that were adopted from Schramm-Klein et al. (2011) by capturing the customer's evaluation of the integration of information, customer service and channel access. We applied a two-dimensional conceptualisation of the customer experience from the framework for online customer experience that was developed by Rose et al. (2012) to capture both the affective and the cognitive experiential states and used modified scales by Brakus et al. (2009) to fit the research context. Store trustworthiness was measured with scales that were adapted from Järvenpää, Tractinsky, and Vitale (2000). Customer's share-of-wallet (SOW)⁶ was measured with a scale proposed by De Wulf, Odekerken-Schröder, and Iacobucci (2001). The items measuring WOM were derived from Reichheld (2003). The hypothesised relationships between the constructs (Table 11) were drawn from service literatures and commitment-trust theory. We also tested the moderating effects of perceived cross-channel integration and ease/difficulty of shopping online in general (perceived ease of use [PEOU]) on the relationships between servicescape determinants and the experiential states. Customer age, living area (metropolitan vs provincial) and gender were set as control variables because these sociodemographic factors are known to affect technology adaptation and endorsement behaviour (i.e. WOM) (Gefen and Ridings 2005; Fan and Miao 2012; Venkatesh et al. 2003).

TABLE 11 Hypotheses for Paper III

Main hypotheses	
H1a-d	Both Environment and Social Interaction within the servicescape of an e-store have positive effects on the shopper's Affective and Cognitive Experiential States.
H2a-d	Both Environment and Social Interaction within the servicescape of the B&M store have positive effects on the shopper's Affective and Cognitive Experiential States.
H3a-b	A customer's evaluation of Integration has a positive effect on the shopper's (a) Affective Experiential State and (b) Cognitive Experiential State.
H4a-b	Both the (a) Affective Experiential State and the (b) Cognitive Experiential State have positive effects on Trust towards the retailer.
H5a-b	Both the (a) Affective Experiential State and the (b) Cognitive Experiential State have positive effects on Commitment.
H6a-b	The shopper's (a) Trust and (b) Commitment both have positive effects on the SOW in the e-store.
H7a-b	The shopper's (a) Trust and (b) Commitment both have positive effects on SOW in the B&M Store.
H8	SOW in the e-store has a positive effect on the WOM of the B&M store.
H9	SOW in the B&M store has a positive effect on the WOM of the e-store.

⁶ SOW is a metric that is used to calculate the proportion of a customer's overall expenditure for a type of product/category that goes to a particular brand/company/channel (see Mägi, 2003).

The conceptual model (Figure 9) was tested with survey data from 880 consumers. As for Paper I, the hypotheses were tested using PLS-SEM with SmartPLS. To capture the perspective of the 'omnichannel consumer', the criterion for the sample was that respondents had visited both the e-store and the B&M shop of the chosen retailer. Most of the hypotheses were supported by the data, with a few exceptions: 1) social interaction in the e-store did not affect the affective experiential state (invalidating H1b); 2) human contact in the B&M shop did not affect the cognitive experiential state (invalidating H2d); 3) the cognitive experiential state did not enhance trust towards the retailer (invalidating H4a); 4) trust towards the retailer did not enhance SOW in the e-store (invalidating H6a). In addition, the test of moderation effects showed that the impact of the B&M environment and interaction in the e-store on the affective experiential state increased if the channels were considered integrated. Therefore, channel integration increases the effects of human contact in the B&M and e-store environments on the cognitive experiential state.

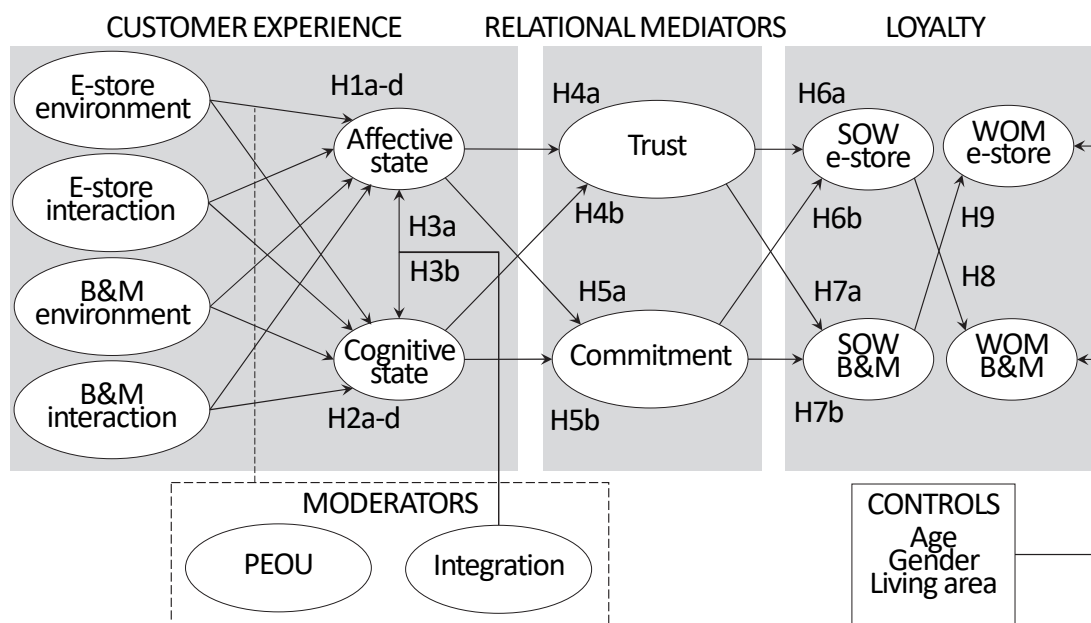


FIGURE 8 Conceptual Model for Paper III

The findings of this study illustrate that customers differentiate between affective and cognitive experiential states when shopping via multiple channels, and the servicescape's determinants and relationship consequences for providing these experiences differ by experiential state. Moreover, if it is considered seamless, cross-channel integration facilitates a positive customer experience in a multiple-channel servicescape. Interestingly, only the affective experiential state constitutes trust formation, which implies that trust, in essence, is a feeling based on emotions rather than a result of cognition. Furthermore, the findings illustrate how the dimensions of the service experience are related to loyalty behaviours in the forms of SOW and positive WOM through perceived trust and commitment

towards the retailer. The findings support the notion of the halo effect in multiple-channel retailing by showing how the loyalty behaviours are reflected between the digital and the physical channels of the same retailer.

5 CONCLUSIONS AND DISCUSSION



5.1 Theoretical Contributions

This dissertation aimed to determine how social capital is created in a retail servicescape that comprises both digital and physical channels. The research question was answered with the findings of three original papers, which are included in this dissertation. Through the papers' common themes, each paper's main contribution answered a specific sub-question; thus, the overall answer consists of three main arguments, which are illustrated in Table 12. The findings of this study emphasise how both digital and physical service environments provide a platform for human contact and non-commercial exchange. This social interaction in itself is valued by consumers and may enhance attachment towards the retail space. Although social interaction varies in form between the digital and physical servicescapes, both constitute social capital. Therefore, the synergy between the digital and physical channels can provide more opulent human contact and social networks than a single channel may offer. Alongside interpreting service environment cues, shoppers co-create the customer experience via interactions with service personnel and other customers both online and offline in retail stores, which do not rely on self-service or automation. Online retailing has increased more pragmatic purchase behaviours, yet retailers provide human contact, a sense of community and a platform on which people can gather. These interactions in the servicescape shape how the service experience is perceived. The integration of both the digital and physical stores enhances co-creation among customers and with store personnel of the service experience by making customer service more accessible and connecting customers both online and offline.

In addition to constituting experience formation, social capital is also an outcome of customer experience. Both the affective and the cognitive states of customer experience are associated with a customer's commitment to patronage

of a retailer in return for a received good. However, only the affective experiential state enhances a customer's trust towards a retailer, which implies that perceived trust is based on emotion rather than on cognition. The theoretical contributions of each sub-study are discussed in turn.

TABLE 12 Summary of the Answer to the Research Question

Research Question	How is social capital created in a retail servicescape that comprises both digital and physical channels?
 Papers I-III 	
Conclusions	<p>I) Retail stores serve as a setting for networks of non-commercial exchange, and social interaction can be an end in itself while visiting retail stores.</p> <p>II) The combination of online and offline stores facilitates social capital formation by providing a platform for a broader variety of human contact and social networks than a single channel could offer. In this digital-physical servicescape, channel integration enhances the co-creation of the service experience by providing convenient access to these social resources.</p> <p>II) The affective state of the service experience is especially associated with trust and commitment towards the relationship with the retailer.</p>

This dissertation firstly addresses the call for empirical research on how interpersonal relationships within the retail store affect patronage intentions (see Johnstone, 2012). The findings of this study indicate how a retailer's involvement in the local community and human contact in the retail space set the norm for customers reciprocally engaging in patronage behaviours in return for the retailer's involvement in the local community (cf. Coleman, 1988). In contrast to prior literature that has supported economic norms as dominant factors for explaining retail patronage, the current study highlights the importance of social capital. The findings support the notion of the retail environment as a platform for non-commercial exchange and the need for social interaction (social capital per se), which both motivate consumers to visit retail stores.

This study secondly replies to the need for further research on connectivity across the digital, physical and social realms of the servicescape (see Bolton et al., 2018) by illustrating how channel integration facilitates customer experience co-creation. Moreover, the findings contribute to how place contributes to the formation and maintenance of consumers' social capital in the form of human contact and non-commercial relationships and how customers co-create experience as a network of social exchange (see Johnstone, 2012). The offline stores of an omnichannel retailer complement the blended servicescape with human contact and by providing a platform to co-experience service with one's entourage (cf. Johnstone, 2012; Landry et al., 2006; Sirgy et al., 2000). However, with respect to prior studies (see Rihova et al., 2013), this type of social interaction occurs in a

detached sense regarding other customers (or in ‘social bubbles’), which seldomly involves the exchange of information between customers. By contrast, the digital servicescape can enhance networks of social exchange among ‘strangers’ when customers interact through social media platforms (cf. Leeflang et al., 2014; Lemon & Verhoef, 2016; Libai et al., 2010; Rihova et al., 2013). In addition to enabling customers to share their experience virtually, social media enhances the customer experience with valuable information in the forms of customer reviews and convenient access to virtual customer service. Hence, seamlessly integrated servicescapes may support different forms of customer involvement in co-creation through multiple channels. Moreover, the findings depict trust as an interpersonal relationship to service personnel. However, trust evokes patronage behaviour towards the entire retail brand and in other channels in return for a received good.

The study thirdly contributes to the research gap on how the servicescape’s elements constitute social capital outcomes (i.e. trust formation and perceived relationship benefits of commitment) (see Baltas et al., 2010) that enhance the likelihood of customers endorsing the brand in return for the perceived good (see Griffin, 2002) (Figure 10). Despite the demand for understanding how to provide outstanding customer experience, the literature is lacking in studies that examine this construct (see Ailawadi & Farris, 2017; Keiningham et al., 2017). Therefore, the dimensions of customer experience were conceptualised in relation to more established constructs of ‘customer commitment’ and ‘perceived trust’ to better understand the theoretical standpoint of customer experience. Interestingly, social interaction in offline stores was found to be strongly associated with the affective experiential state, while social interaction in online stores was only associated with the cognitive experiential state. This supports the notion that emotional experiences primarily stem from B&M shops, while virtual contacts complement a blended servicescape in terms of information. Proper implementation of virtual – or augmented reality – servicescapes is scarce; therefore, this study focused on the interplay between online and offline shops. It is possible that, in the future, these technologies can facilitate emotional experiences in a similar manner to that of B&M shops. Although both experiential states enhance commitment towards the retailer, only the affective experiential state was associated with trust. These implications emphasise the social nature of the servicescape and the importance of co-creation for the customer experience.

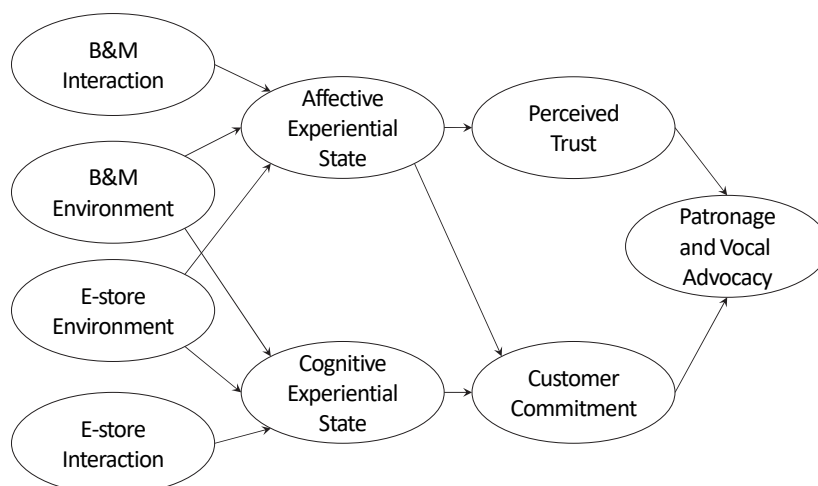


FIGURE 9 Linkages between the Servicescape and Social Capital Outcomes

In addition to contributing to the research gaps, this dissertation has theoretical implications regarding measurement of a customer's path-to-purchase and the metrics for the customer experience. The study contributes to the current knowledge on touchpoints in customers' path-to-purchase journeys (see e.g. Herhausen et al. 2015; Lemon & Verhoef, 2016; Ailawadi & Farris, 2017). The findings of this dissertation imply that scholars should differentiate between offline and online store-related antecedents and outcome variables of the service experience. While the impacts of the servicescape's antecedents differ between experiential states, the online and offline loyalty outcomes are also differentially affected by different determinants. Moreover, this dissertation illustrates cross-channel loyalty effects, which elucidate the complexity of omnichannel shopping behaviour. These cross-channel loyalty effects highlight the idea of omnichannel marketing that is to focus on synergies among the channels instead of solely measuring the performance of individual channels.

Because we currently lack strong scales to measure the customer experience, this study addresses the need for more research on customer experience measurement (see Lemon & Verhoef, 2016) by illustrating how servicescape elements constitute affective and cognitive experiential states in a multiple-channel retail environment. This study tested the two-dimensional affective-cognitive conceptualisation and measurement of the customer experience. With respect to what has been established in an extent stream of literature, the two dimensions showed discriminant validity (cf. Arnold & Reynolds, 2003; Bagozzi, Gopinath, & Nyer 1999; Frow & Payne 2007; Mosteller et al., 2014; Rose et al., 2011).

5.2 Managerial Implications and Relevance of the Research

Alongside the theoretical contributions, this study provides valuable implications for practitioners. The retail trade not only has economic significance but is also an important part of our societal infrastructure. In addition to distributing

groceries and consumer goods, retail stores may act as platforms for multiple services and places for recreation, human contact and congregation. Despite recent developments, such as consumers' decreased interest towards city centres and shopping malls, retail shops still form a hub of a community for many residential areas, which highlights the importance of understanding the standpoint of social capital in the retail store space. Digital disruption is reshaping the retail industry, which is evidenced by the multitude of store closings during this decade. To compete in the digital retail landscape, it is crucial for retailers to understand how consumer behaviour is changing through technological development. This stresses the importance of the insights on the shopping journey through multiple touchpoints. This background highlights the relevance and topicality of the implications of this dissertation. Prior literature has recognised social interaction as an integral part of the servicescape; however, to the best of the author's knowledge, the current study is among the first to conceptualise the servicescape in relation to social capital. This structuration increases our understanding of the manifestations and the importance of interpersonal relationships, networks and social resources in the store space. Moreover, to the best of the author's knowledge, there is no prior empirical evidence of the antecedents and outcomes of the omnichannel customer experience. Therefore, this dissertation provides multiple seminal implications for both the marketing literature and retail practitioners.

The findings of this dissertation firstly suggest that retailers could engage customers by enhancing social interaction between customers and store personnel as well as among customers and by increasing customer involvement in both local and online communities. Moreover, F2F interaction and the sensory elements of B&M shops are the main drivers of the affective state of the customer experience. Effectively managing these social factors could help retailers diversify from competitors and avoid losing customers to competitors that are able to provide better prices and greater variety. However, especially in digital retailing, market-relevant factors and websites have been the main focus, leaving the design of social interaction unexplored. The findings of this study provide guidance on how to enhance the emotional state of the customer experience.

This study secondly contributes to structuring the interplay of social interaction and the service environment between both online and offline stores. For multiple-channel retailers, B&M shops may provide a competitive advantage because they enhance the affective experiential state. However, the pure offline retailer may enhance their customers' experience by augmenting the digital servicescape. This is because the findings imply that, if online-offline integration is considered seamless, the online channel enhances the impact of the offline retail environment on the customers' experience. By contrast, the online retailer may provide more emotive experiences by establishing physical outlets to support the sensorial and social aspects of the servicescape. Notably, affection increases expenditures initially in the offline channel, which emphasises the role of emotional experiences that focus on offline sales.

This dissertation thirdly illustrates the cross-channel effect of customer loyalty (i.e. loyalty towards one shopping channel may be reflected in an endorsement of another channel of the same retailer). This implication supports the notion of 'showrooming' or 'webrooming', where one channel acts as a browsing catalogue, while transactions are directed to a more cost-efficient channel of the same retailer. In addition, this study provides retail metrics to assess the environmental and social factors of the servicescape that influence the customer experience and to identify how different segments perceive the servicescape.

Finally, the findings of this study emphasise the importance of social and emotional factors for trust formation over cognitive experience, which contrasts the idea of trust as a result of rational assessment. Future technologies, such as blockchain technology, may improve the affirmation of reliability of a vendor via the traceability of past transactions. While such technologies may assure the trustworthiness of transactions and shipments, when it comes to product features, consumers will likely still rely on their peers, the expertise of the sales personnel and/or the sensations provided either virtually or in a B&M store.

5.3 Evaluation of the Study and Future Research Avenues

Here, the relevance and quality of the entire dissertation are assessed, while the issues related to the individual studies are described in detail for Papers I-III. Paper I was published in a peer-reviewed journal; Paper II was accepted for publication through the review and editing process for an academic textbook; and Paper III is currently in a double-blind peer-review process for an academic journal. Overall, both peer-review and editing have increased the confidence of the findings of each paper. Nevertheless, issues related to the validity and reliability of both the qualitative and quantitative methods that were utilised in this set of studies are discussed.

To begin, the use of cross-sectional survey data in both the quantitative studies prevented the drawing of causal interpretations. Therefore, longitudinal studies, experiments and/or studies that combine true behavioural data could be utilised to examine potential effects that were not discussed in this dissertation. In addition, both survey data sets were collected in the context of the trade of consumer goods in a singular cultural context. Thus, the impact of contextuality cannot be ruled out. While the survey studies were used to test the theoretical models, shopping behaviour varies across retail sectors and between different cultural settings (see Geuens, Brengman, & Rosette, 2001). Therefore, the findings may not be generalisable to other retail service domains. For this reason, more empirical studies could be conducted with cross-cultural and inter-industrial moderators to reveal whether studied relationships differ according to contextual factors.

The qualitative part of this dissertation did not involve aims to depict a 'superior omnichannel experience' or to compare how skilfully shoppers were able to utilise multiple channels; rather, it aimed to gather consumer interpretations of the manifestation of online-offline channel integration in the social servicescape.

Therefore, the topic was suitable for focus groups because the aim was to gather shared ideas. Moreover, to evaluate the trustworthiness of the study, four aspects were assessed – dependability, transferability, conformability and credibility (see Erikson & Kovalainen, 2016, pp. 307–308) – through four steps. 1) Data collection and analysis were well documented and reported. The quality of the focus group studies' findings was assessed by examining the impact of researcher- and participant-related biases because qualitative studies are based on interpreting participants' accounts; therefore, a human-related bias cannot be excluded (Bryman & Bell, 2007, pp. 410–415). In addition, the focus group discussions were conducted so that the researchers' involvement was minimal. 2) These discussions were conducted according to the methodological literature so that the data collection and the findings were comparable to prior focus group studies. 3) The quotes from the focus groups were used to link the findings and interpretations to the actual data so that it was evident to the reader from where the implications were drawn. 4) Both authors contributed to the data analysis to enhance the reliability of the findings, and the prior research provided a framework for data analysis and interpretation of the findings. Contrasting the findings to prior literature and peer interpretations also helped minimise the effect of researcher bias.

The qualitative data were analysed by emphasising the contextual features of the findings; instead of making generalisations regarding the population, the research revealed new features of the studied phenomena. To assure generalisability to the studied phenomena, the participants were chosen so that they would suit the purpose of the study (see Erikson & Kovalainen, 2016, p. 307): omnichannel consumers with different backgrounds outside metropolitan areas. To achieve analytical generalisability, the findings were compared to prior literature so that they were consistent with the theory, which would allow for replication to be claimed (see Erikson & Kovalainen, 2016, p. 307).

Triangulation was utilised to improve the quality of the research and the evaluation of the findings. While the quantitative approach to the dissertation helped with the interpretation of relationships between the constructs and the drawing of generalisations, the qualitative approach enhanced the interpretation of the findings and increased understanding of the contextual factors. In essence, triangulation is a strategy that will decrease bias and allow the dismissal of plausible rival explanations such that a truthful proposition about some social phenomenon can be made (Mathison, 1988). Nevertheless, using triangulation itself has shortcomings (Jick, 1979). For example, despite including quantitative studies in this dissertation that are replicable, replicating the entirety of the mixed methods would be problematic due to the qualitative component of this dissertation. In addition, triangulation loses its purpose if it is utilised as an end in itself without the proper methodological justification or just to legitimise the dominant research method. However, this should not be a concern because different methods were utilised in separate studies, and contributions were bundled to form a holistic perception of the studied phenomenon. Above all, when applied properly, triangulation enhances research validity, but it does not entirely remove issues that are associated with the individual methods.

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ORIGINAL PAPERS

I

THE IMPACT OF CONSUMER LOCAL ENGAGEMENT ON LOCAL STORE PATRONAGE AND CUSTOMER SATISFACTION

by

Mika Skippari, Jussi Nyrhinen, & Heikki Karjaluoto (2017)

<https://doi.org/10.1080/09593969.2017.1383289>

The International Review of Retail, Distribution
and Consumer Research, 27(5), 485–501.

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II

HOW DOES THE DIGITALISATION OF SERVICESCAPE SHAPE THE SERVICE EXPERIENCE?

by

Jussi Nyrhinen & Outi Uusitalo, 2020

In R. Cuthbertson & O. Rusanen (Eds.). Chapter X. Red Queen effect:
Strategies for an innovative landscape—Implications for management
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III

THE OMNICHANNEL CUSTOMER EXPERIENCE: TESTING THE INTERPLAY BETWEEN DIGITAL AND PHYSICAL SERVICESCAPE DETERMINANTS

by

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Manuscript to be submitted.

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