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<b>Authors(s)</b>	Faultrier, Brigitte de, Boulay, Jacques, Feenstra, Florence, Muzellec, Laurent
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# Defining a retailer's channel strategy applied to young consumers

## Abstract

**Purpose:** This study aims to develop an approach at defining a retail channel strategy applied to young consumers.

**Design/methodology/approach:** We use a qualitative study that adopts the consumer perspective and employed an investigative channel-scan approach based on two scenarios applied to twelve retailers selling childrenswear. We studied 139 flows between all the channels and explored the retailers' child orientation.

**Findings:** The paper revealed that the channel configuration and integration of retailers showed a diversity of approach leading us to distinguish eight different retail channel strategies. It also appears that there is limited evidence of a specific selling channels designed for children by retailers in selling products aimed at the child market.

**Research limitations/implications:** This study contributes to the retail marketing literature by showing evidence of child orientation in channel management. Nevertheless, our results show the need for future research to understand the causes and effects of channel child orientation and the way it contributes to the retail channel strategy

**Practical implications:** The findings have practical implications for retailers by providing a framework to help them in their decision-making regarding retail channel strategy. It also sheds new light on the contribution from young consumers in retail channel strategy.

**Originality/value:** The contribution of this paper is to explore the combined perspective of configuration and integration of the channel-to-market as part of the retail channel strategy. The paper also provides evidence of child orientation in retail channel strategy when retailers selling products for children are concerned.

## Keywords

Retail channel strategy, young consumer, childrenswear, channel configuration, channel integration

## Introduction

A retail channel strategy refers to the way the offer is made available to the consumer. The choice of a retail channel strategy continues to challenge companies facing the pressure of developing a sustained competitive advantage and that meet the difficulty of preserving product differentiation. In this context, the sales' method becomes the most important factor of success rather than the product being sold (Rackham, 2000). Retailers are particularly affected by this challenge because their economic model is focused on distribution activities. The norm that prevails since the nineties is the simultaneous use by retailers of several marketing channels (Moriarty and Moran, 1990; Frazier, 1999; Easingwood and Coelho, 2003; Zhang *et al.*, 2010). This trend is continuing to spread under the influence of new opportunities offered by the Internet, mobile phones, social networks, etc. that expand the number of available channels. The choice of the type(s) and number of channels that are used defines the channel configurations which are therefore a strategic consideration for retailers.

With the increase of different Internet opportunities, consumers are engaging with technological evolutions of their environment. They are becoming familiar with interactions with retailers at each stage of their buying experience, whatever the location and whatever the channel used (Kumar and Venkatesan, 2005; Kushwaha and Shankar, 2013). Retailers can try to meet the emergence of these consumer expectations by managing their channels collectively to create a circulation of flows between them. Alternatively they can manage each channel independently. This choice of managing the channels, i.e. channel integration is a strategic decision as it influences the resources allocated by the retailer. A retail channel strategy is therefore defined by the decisions made regarding the configuration and integration of channels.

However the decision process may be different for retailers selling products for children because their target could be either the adults or the child-adult couple. Young consumers are already the recipient of clearly directed stores from retailers (Wiener, 2004; La Ville (de) 2009). Stores can be socialisation and learning places for children and the following reasons justify the interest shown by retailers for children in the commercial space. It's recognized that children have a particular economic role. They have their own money (pocket money, gifts, etc.) and also have access to funds from their parents or guardians. They actively participate in the purchase decision of the products in which they have an interest (Darian, 1998; Chaudhary and Gupta, 2012). They are potentially the future adult consumers and therefore retailers have a vested interest in retaining their custom as the brands used during childhood could continue to be used in adulthood (Middelmann and Melzer, 1984). As far as the retail channel strategy is concerned the commercial space embraces the channels generated by the Internet. As children are more accustomed to new technologies than their elders (Selwyn, 2009), their relationship with these channels is different from adults (Durand-Megret *et al.*, 2013). For these reasons and because children show at a very early age their preferences regarding the places to buy from (William and Burns, 2001), targeting only the adults or targeting the children/adults couple represents a strategic issue for the retailer. The child orientation embedded in the retail channel strategy is therefore defined by the evidence of a specific design for children in the selling channels.

Few researchers have tried to understand the combined perspectives of configuration and integration of the channels-to-market as part of a retail channel strategy for children. For instance the role of new channels (m-commerce, f-commerce) in the retail channel strategy is barely examined (Liu and Liou, 2011, Shankar *et al.*, 2010) and research into the place of children in the commercial space is limited (Ironico, 2012). The extent to which young consumers interact with the commercial environment has generated debate in the academic cir-

cles and also at a wider societal level (Roedder-John, 1999; Schor, 2004; Cook, 2004, 2005; La Ville (de) and Tartas, 2005; Nairn, 2008; La Ville (de), 2009); Tinson and Nancarrow, 2010). Beyond the debate concerning the place of the children in the social commercial space the retailers could differentiate by targeting children (the child-adult couple). This leads us to the aim of the paper which is to develop an approach at defining a retail channel strategy applied to young consumers

This research falls within the field of retail strategies in which a theoretical vacuum has been identified (Coelho and Easingwood, 2008) and hopes to answer the following research questions: Firstly, how can a retail channel strategy be defined that includes the configuration and integration of channels? And secondly does child orientation influence retailer's channel strategy?

To answer these questions, we have structured the paper as follows. Firstly we have taken into account how retail channel strategy is dealt with in extant literature and we investigate the extent to which the child target is considered in order to develop a conceptual retail channel strategy framework for retailers targeting young customers. We have then developed a methodological approach to apply the framework to the clothing sector; and finally, we discuss the results and suggest further research.

## **Channel configuration and integration**

### *Selling Channels*

There are many sales channels of varying types used by companies in order to make their products available to the market. As all channels are not adapted to all economic sectors, it is of interest to take into account the business activity of the sector studied as it explains the variety of options (Coelho and Easingwood, 2003). Hence, in most research on multichannel strategy authors usually focus on the retail sector (Goersch, 2002; Zhang *et al.*, 2010; Chatterjee, 2010), which is summarised below in Table 1.

### **Take in Table N° 1**

The nature of the channels in Table 1 shows that traditional channels (stores, catalogues) run alongside more recent channels emerging from new technologies. Sousa and Voss (2006) suggested organising the channels into physical and virtual channels. The virtual channels are those using telecommunication, information and multimedia technology (call centres, websites, mobile devices such as mobile applications or mobile Internet etc.) whereas physical channels refer to tangible formats (stores, kiosks, catalogues).

The distinction between physical and virtual channel highlights the changes in the way the service is produced and delivered (Seck, 2013). The value added by technologies such as the Internet, the mobile, etc. lies in the accessibility and convenience of the channels for consumers (Rackham, 2000; Balasubramanian *et al.*, 2002; Österlund, 2007; Seck, 2013). A classification of channels, proposed by Payne and Frow (2005) suggests a continuum starting at the most physical (meeting the sales force face-to-face) leading to the most virtual (transactions through 3G mobiles) and is shown in Figure 1 below. This classification enables an appreciation of the opportunity the retailer gives to the consumer to access its offer at any time and at any place.

### **Take in Figure N° 1**

The opportunities given to the consumer to access the retailer's offer are combined in the channel portfolio whose configuration results in the choices of the number and the type of channels (Sousa and Voss, 2006).

#### *Channel configuration*

The two choices of both number and type of channels, i.e. the channel configuration (Sousa and Voss, 2006) are strategic because they not only commit the company over the long term, but they are a source of competitive differentiation and advantage. It has been shown that the single channel is no longer the retailers' overriding choice of configuration. According to Chatterjee (2010), the company places its products at the disposal of the consumer via a single retail channel, then develops other channels. The addition of a retail website to a traditional channel (store) has been the focus of research (Moriarty and Moran, 1990; Frazier, 1999) as have motivation for and constraints in the simultaneous use of several channels (Konus *et al.*, 2008; Zhang *et al.*, 2010).

Nonetheless, channel configuration in the retail channel strategy has received limited research focus. It is however a key property of a multichannel structure which is defined as "all activities involved in the sale of merchandise or services to the consumer through more than one channel" (Zhang *et al.*, 2010, p.167). The multichannel structure of a retailer reflects the combination of channels of different nature. It is easy to characterize the type of each channel (store, website, mobile devices, etc.) but describing the nature of the channel portfolio is more complex. The channel portfolio offers a better accommodation of customers' evolving needs to purchase products at any time, and at any location (Coelho and Easingwood, 2003). Among all channels, the virtual ones contribute to satisfying these needs. So the greater the number of virtual channels used by the retailer, the greater the potential for the retailer to offer new opportunities to the consumer (Seck, 2013). The level of virtuality, described as the number of virtual channels as a proportion of the total number of channels defines the overall nature of the channel portfolio. Having defined the overall nature of the channel portfolio it is also necessary to understand how the channels are managed through channel integration.

#### *Channel integration*

After adopting a channel configuration the company can choose between one of the two following options: to consider the channels as independent entities with no communication between each other, or to integrate the various channels and enable production, information and payment flows between the different channels (Chatterjee, 2010). Therefore after channel configuration, the retail channel strategy involves channel integration. According to Berman and Thelen (2004) integrating channels in a cross-channel strategy is a key element in the retail channel strategy. In this cross-channel context, the complementary and compatible nature of channels is a significant consideration for managers (Wallace *et al.*, 2004; Kwon and Lennon, 2009; Pentina and Hasty, 2009) and become a field of investigation for researchers, specifically the joint uses of website and store (Click and Mortar model). In the retail sector, Saeed *et al.* (2003), Steinfield *et al.* (2005), Bendoly *et al.* (2005); Müller-Lankenau *et al.* (2005, 2006) and Andreini (2009) studied the retailers' websites to highlight the various ways that activities offered to the on-line consumer and the store consumer could be integrated. They have designed different models of strategy (i.e. information supporting model, database integration model, fully integrated channels model, etc.) from the width of activities proposed online and the nature of the integration between the website and the store involved in these activities. Three integration dimensions could be identified depending on the infrastructural requirements of the activities. The first dimension which does not require infrastructure refers to information concerning one channel that is included by the retailer in

another channel (simple information flows like the store address mentioned on the website). The second dimension requires an informational-type infrastructure to manage the information flow (informational flows like accessibility of the loyalty programme, whatever the channel used). The third dimension, which requires the most infrastructure deals with physical flows as well as information flows (physical flows like a product bought on-line that may be collected from the store). The degree of integration may be graded according to the infrastructural needs: for example, fully integrated channels model (Andreini, 2009) refers to the third dimension of integration involving physical flows. Depending on the infrastructure involved, the degree of integration also relates to the extent by which the consumer may finalise the buying process, whatever the channel (Payne and Frow, 2005; Shankar and Winer, 2005; Kumar and Venkatesan, 2005; etc.): only the third dimension allows the customer to begin the buying process in a channel (buy on website, for example) and finalise the transaction in another one (return the product in store for example).

### **Retail Channel Strategy Framework**

Following on from the above discussion, it appears that on the one hand different channel configurations could be found showing that retailers have taken different routes. On the other hand, even with two identical channels, such as store and website corresponding to the same configuration, various strategies could be identified relating to varied level of integration. Thus as decisions about configuration, as well as decisions about integration could be considered as part of the retail channel strategy, we suggest to integrating the two themes of configuration and integration to develop a retail channel strategy model.

There are two limitations with regard to the study of integration strategies. The first relates to studying solely the integration of store and website into Click and Mortar models. And secondly the flows have only been studied from the website. Indeed, focusing on the study of two channels only prevents other types of strategy from being brought to the fore that result from the use of other channels, including emerging channels such as social networks and mobile device (Shankar *et al.*, 2010; Liu and Liou, 2011). In the same way, evaluating integration using information accessible to the consumer from the website only gives a unilateral perspective of integration, directed from the website towards the store. This unilateral perspective prevents specifying how much importance the retailer attaches to each of his channels within the framework of an integration strategy, and also to identify the central channel. These observations show the necessity to study all flows between all selling channels of the retailer and the direction of flows between channels. This leads us to Figure 2 which presents the suggested retail channel strategy model.

**Take in Figure N° 2.**

The combination of configuration and integration concepts offers retailers many opportunities to develop a retail channel strategy. To gain an idea of the options, we propose to identify in which measure the configuration and integration of channels contribute to the retail channel strategy. To do so, following research on the retail channel strategy we propose to organise the configuration and the integration along a continuum from low level to high level (Steinfeld *et al.*, 2005; Payne and Frow, 2005; etc.). Figure 3 below proposes to summarise the retail channel strategy options in four quadrants using the axis of the level of configuration and the degree of integration.

**Take in Figure N° 3**

Regarding the configuration the lowest level corresponds to a unique physical channel (one channel, a level of virtuality of 0 (c.f. methodology part); the highest level corresponds to the number of channels available in the sector studied and a level of virtuality in accordance to these channels (cf. methodology part). Regarding the integration the lowest level corresponds to no flows of any nature between the channels; the highest level corresponds to highest number of flows identified and the highest level of infrastructural needs (c.f. methodology part).

## **Young Consumers in the Retail Channel Strategy**

### *Young Consumers*

One of the objectives of a retail channel strategy is to maximise customer satisfaction to facilitate the ease of the buying process. As a result, it is influenced by the target of the retailer (Coelho and Easingwood, 2003). For retailers selling products for children, the target consists of adults who are going to purchase the products and also for children who these products are designed.

The historically grounded publications studying the child in the commercial space show they have a particular place in the retail environment (Cook, 2004). An investigation of their distinctive attributes portrays a “dichotomous child” (Cook, 2005). On one hand their autonomy is relative as their conduct is restricted by physical, cognitive and social constraints (Roedder-John, 1999) often leading to joint consumption activity with adults or siblings (La Ville (de) and Tartas, 2005) to prevent them, amongst other things from harm and deception. On the other hand the children have direct economic power (their own money, money that they will spend in the future) and indirect economic power (money that is spent for them, the influence they have on the family's spending capacity) and are recognized as being active consumers (Hall, 1987; McNeal, 1992, 2007; Ironico, 2012). Their contribution is unique because of their specific needs and desires. In particular, they have an insatiable imagination that needs to be captured by the retailer by working on the four mind-sets of children: exploration, expression, exchange and excitement (Wiener, 2004). Their ways of re-appropriating retail space and their re-semantisation practices of the objects (shelves, fitting rooms, etc.) into "objects to play with" have been examined by Ironico (2012), who suggests taking these as a starting point in the design of the commercial environment.

Because of their distinctive needs and desires, the contribution of children highlights an interesting and pertinent pathway for the development of a retail channel strategy. The potential implementation of a commercial environment in which each channel presents a specific design for children may be considered as an extension of the retail channel strategy. It shows the will of the retailer to target children (that is the child-adult couple) and not the adults only. This choice is strategic in the way that it contributes to the differentiation between retailers selling products for children. And this choice goes beyond the retail channel strategy as it impacts the DNA of the retail-brand. This is because of its much broader consequences in terms of ethics, values, responsibility in the education of children and customer relationship management (managing the relation child-adult/child-retailer (La Ville (de), 2009). The social interactions (for example the way the retailer facilitates the relation between children and parents, or children and employees) are extenuating factors embedded in the service delivery performance within a comprehensive retail strategy.

However the scope of this research only focuses on the retail channel strategy. Consequently the specific design that could be implemented in each channel focuses solely on the sales channel structures and not on the social dimension of the commercial environment (Bitner, 1992; Dabholkar *et al.*, 1996). To take these factors into account, we propose introducing into

our model the notion of channel child orientation of the retailer that defines the physical surrounding dedicated to the child in the various sales channels (see Figure 4 below). Physical surrounding includes spatial arrangement, sensorial components, subsidiary activities (i.e. game) whatever the channel (physical or virtual).

#### **Take in Figure N° 4.**

##### *Channel child orientation in a retail channel strategy*

Channel child orientation highlights the fact that the retailers take into consideration that at a very early age children have preferences with regard to the place they like to buy from (Zimmerman, 1992; Williams and Burns, 2001) and they try to provide them with real benefits by talking to them (Coughlin and Wong, 2002).

A review of literature on children in the point of sale reveals various factors affecting their preferences. They create themselves an image of the store by assessing its functional and affective characteristics. The affective characteristics produce an atmosphere: the store is colourful, fun, nice, pretty, exciting, etc. (Williams and Burns, 2001). Filipovic and Djordjevic (2010) suggest that the atmosphere is created by the predominant colours in the decoration, the accessibility of the shelves and the overall feeling in the store. The functional characteristics relate to the merchandise selection, the prices, the attitude of the salespeople towards the children and the accessibility of the store from a child's school or home (Williams and Burns, 2001; Filipovic and Djordjevic, 2010). More generally, they prefer stores that cater to their needs rather than those of their parents (Wiener, 2004). They explore the world around them in different ways to adults which leads them to grab hold of all opportunities to play. Playing emerges as the primary activity by which children assign meaning to the store (Ironico, 2012).

With regard to the other sales channels (e-commerce website, catalogue, kiosk, other virtual channels), the lack of literature makes it difficult to identify children's preferences. For the websites, for example it has been emphasised that none of e-commerce websites are amongst children favourite websites (Lassus (de), 2003; Thomson and Laing, 2003) and according to Lunt (2002) more because their design are poorly adapted to the needs of young consumers than from a lack of interest. Children like sites whose presentation is straightforward and navigation is easy (Harding *et al.*, 2009). Empty spaces on the screen should be avoided, whereas the simultaneous presence of visual and sound animation arouses their interest. The presence of plenty of games encourages a favourable attitude towards the website (Culp *et al.*, 2010). Children prefer sites whose dominant colour stands out strongly (pure, bright and intense) and is very light, avoiding black or dark colours (Ben Miled-Cherif and Bezaz-Zeghache, 2010). Children are also sensitive to personalised advice and the presence of child characters or representations on the home page (Harding *et al.*, 2009).

To illustrate the relevance of our conceptual framework the sector of childrenswear was selected. This product category was relevant because children have a high level of influence on purchasing decisions. Indeed, according to the 2008 *YTV Kids and Tweens Report* (Poulton, 2008), children have a 95% influence on the purchase of clothes, whereas Darian showed in 1998 that the purchase of clothes was initiated by children in 39.7% of cases and depended on a joint decision with the parents in 32.4% of cases. The following section describes the inductive methodology we employed to gain a greater understanding of the emerging topic of retail channel strategy for young consumers.

## Methodology

To explore our conceptual framework, we carried out a qualitative study and adopted an external retailer perspective focusing on the aspects of different channels that are visible to the consumer (Steinfeld *et al.*, 2005; Andreini, 2009). This approach enables the analysis of each channel as an artefact that may be observed in multi-channel strategies (Müller-Lankenau *et al.*, 2005). It also fits in with the ‘line of visibility’, beyond which the organisation of a service company is visible by the customer (Shostack, 1982) justifying data collection at the customer/retailer interface.

### *Sampling selection*

Seven retail channels (store, catalogue, call centre, kiosk, mobile device – i.e. mobile application or mobile Internet, website and social network) have been chosen in accordance with their relevance to the retail sector (c.f. Table 1). We have not used television or direct marketing as mentioned by Zhang *et al.* (2010), since they are neither major channels for retailers (or not at all in the French context) nor channels that are commonly investigated in the literature (Berman and Thelen, 2004). We have introduced the social network in view of its emergent nature and the value it adds to the consumers. This channel offers a distinctive experience to the consumers by allowing social merchant experience in a virtual context.

As the aim of our study is to explore retail channel strategies (diversity of options) and the nature of our study is fundamentally exploratory it leads us to use a contrasted sample (Savoie-Zajc, 2007). Accordingly we have selected six criteria to obtain a range of twelve retailers in the fashion sector for the study. These selection criteria are:

- Selling products for children, for the opportunity of targeting adults or the couple children-adults,
- Diversity of retail channels, i.e. few versus numerous various channels for the variety of options,
- Weight on the sector, i.e. leaders versus smaller retailers, for the range of resources,
- Level of specialisation, i.e. clothes superstores for family or childrenswear chain stores for the difference of concern related to children,
- Country of origin, i.e. French retailers versus foreign ones, for the history of retail development and involvement of public authorities in the retailing sector
- Principal historical channel, i.e. catalogue or stores, for the difference in terms of organisation and business area.

This convenient sample is built in the intent of providing data for comparison.

### *Data collection*

The data was collected between September and December 2011. We employed an investigative channel-scan approach based on two scenarios: the purchase of a product and a special offer. For the first scenario, after identifying a product sold by the retailer the analyst adopted the position of a buyer and recorded all the information and activities for each phase of the buying process until the actual purchase in each of the retailer channels. For the second scenario, after identifying a special offer the analyst followed every piece of information right to the end enabling a potential customer to access the product; they identified where each point of contact would send the potential customer and ‘followed’ each path. Every channel was investigated twice. The results of an initial collection by the first evaluator were thoroughly double-checked by a second evaluator to eliminate ambiguities and increase inter-subjective validity.

### *Data analysis*

The data analysis resulted in a three steps process.

#### Step 1 – qualification of channels

The analysis was carried out retailer by retailer and began with the identification of the channels used by the retailer from the seven channels selected. Then the channels were identified: non selling or selling channel; physical or virtual channel.

#### Step 2 – categorisation of activities and child orientation

Next, all the flows between the channels were identified and qualified. 139 flows were identified and studied. A direction was allocated to each flow showing the path of the activity within the channel. Three categories has been defined on the basis of multichannel integration literature. Then to explore the retailer's child orientation, features were selected following a triple rationale. First, factors affecting children's preferences were identified on the basis of literature. Then those that were not able to be transposed to all the retail channels were eliminated. Finally among the remaining features the most salient ones corresponding to our definition of the child orientation were selected. Three more categories were added to define the basis of our data structure (see Table 2 below).

### **Take in Table N° 2**

#### Step 3 construction of indicators

The two components of the channel configuration were explored as follows. The first component is the number of retail channels. All the selling channels were taken into account whatever the turnover made by the channel (Easingwood and Coelho, 2003). The second component is made up from all the different channels selected by the retailer, each having its unique nature. Following the organisation of the channels along a virtuality continuum (Payne and Frow, 2005), we have developed an index of portfolio virtuality to qualify the overall nature of the channel portfolio. The index is the ratio of virtual channels compared to all the retailer channels and thus a retailer using store (a physical channel), website and mobile device (2 virtual channels) will have a virtuality index of 66% (2 out of 3). The level of channel configuration of a retailer is obtained by comparing the number of channels and the virtuality index of this retailer to the average level of the sample. A large number of channels compared to the sample average number of channels and a high virtual portfolio content compared to the sample average virtuality index determine a high configuration level.

The three components of the channel integration have been explored as follows. The first component refers to the number of flows connecting the channels. The second component is the nature of the flows. Simple information flows constitute integration dimension 1, customer relation management flows facilitating sales constituting integration dimension 2, and logistics' flows making up dimension 3 of the integration. The nature of the flows helped to define the integration percentage of the retailer's flows. We calculated this indicator as follows: total number of dimension 2 and dimension 3 flows divided by the number of flows from all three dimensions. This calculation takes into account the low weight of dimension 1 in the flow integration (dimension 1 requires neither investment nor infrastructure). The third component is the flow direction. The incoming flows lead the consumer towards the channel, whereas the outgoing flows take the consumer towards other channels. The flow directions help to define the function allocated to the channels by the retailer, destination channels (incoming flows) or issuing channels (outgoing flows). A high number of flows and a high flow integration percentage reflect a high degree of channel integration. The flow directions help to qualify the channel integration.

Concerning channel child orientation, the evidence identified has been classified by summing the features on each of the channels for each retailer. Features of each of the categories in each of the channels determine the highest level of child orientation. The data relating to the channels and the flows are presented in the following section using the configuration, integration and child orientation indicators.

## **Findings and Discussion**

### *Channel configuration*

To define the channel configurations, we studied the number of retail channels and the choice of sales channels for each retailer observed by the portfolio level of virtuality.

The average number of channels is 2.5. On average the level of virtuality is 57% with a predominant presence of store and website, common to practically all retailers. This first observation is not surprising as multi-channel strategy, and more specifically the store and website one is the most spread strategy regarding the literature in retail channel strategy (Moriarty and Moran, 1990).

Differences in multi-channel strategies were identified, revealing four mixed channels or standard configurations. Two groups in the lower left quadrant have a low level of configuration while two groups in the upper right quadrant have a high level of configuration. An absence of retailers in the upper left and in the lower right quadrants was observed leading to an absence of a medium level of configuration. Standard configurations are shown in the diagram in Figure 5. ‘Group A retailers’ sell only from retail outlets; they favour physical contact, social activity and immediacy. ‘Group B retailers’, the most spread configuration sell from store and website and they enhance their catchment area by also covering segments that can’t or don’t like to move for shopping. ‘Group C retailers’ add mobile devices to their standard channels and they take into account the nomadism trend. ‘Group D retailers’ have opted for the wider range of opportunities (more than three channels) to reach their potential customers.

### **Take in Figure N° 5.**

The offer of different channel configurations confirms that the sales method constitutes an element of differentiation for companies (Rackham, 2000). Some retailers offer greater freedom to the consumer with regard to channel choice, but it may be observed that, in spite of the variety available globally few channels are used. Emergent channels are little used (mobile devices), and sometimes not at all (social networks). The adoption of virtual channels in addition to usual channels is however a means of differentiation that more retailers could more fully exploited. Virtual channel can contribute to energizing or even rejuvenating the retailer image.

### *Channel integration*

Integration has been explored by the number of flows representing the activity or traffic between the channels and by the type of flows observed by the level of integration. On average, fewer than seven flows were observed per retailer. The average level of integration is 69% showing that one third of the flows are simple information flows from dimension 1, the very first step towards integration that requires neither investment nor infrastructure. It may be observed that the retailers in general used more informal flows from dimension 2 than logistic flows from dimension 3.

Using the traffic between the channels and the quality of this traffic to enable a complete transaction without the channel being an obstacle to the consumer, five types of integration have been highlighted. Two groups in the lower left quadrant have a low degree of integration. The first one, the 'silo' type show no integration while the second, the 'simple communication integration' has restricted connections between channels and these connections are limited to the presence of simple information. One group in the upper right quadrant has a high degree of integration as it enables a complete transaction supported by a large number of flows. We called this type 'transactional integration'. Two groups located in the upper left and lower right quadrants show a medium degree of integration. The first one is the 'informational integration' type as even if the traffic between channels is low (few flows) it is centred on information requiring an information system infrastructure. The second one shows a high number of flows but more dispersed leading to a less achieved integration, the 'diffused integration' type.

A chart highlighting the different channel integration types is shown in Figure 6.

### **Take in Figure N° 6.**

The results relating to channel integration show that few retailers adopt the three integration dimensions, suggesting that the cross-channel strategy is not generally fulfilled within retailers selling clothes for children. Five integration types are offered to the consumer. This diversity confirms that the retailers differentiate in relation to the way they facilitate the buying route for the consumer. For example, the transactional integration type offers the customer the seamless process, enabling the purchase to be made without concern for the sales channel. With recent research (Seck, 2013) showing that the cross-channel procedure appears to have become an automatic reflex for consumers and that it gives rise to a more positive experience than a single channel procedure, it appears that the five integration types identified have different capacities for meeting the consumers' needs.

The most linked channels, or those linked by the greatest number of flows are the store and the website which account for over half the flows, suggesting a widespread use of a Click and Mortar strategy. The strongest connections are then observed between the store and mobile devices. Mobile devices are also connected to the website, but only half as often as to the store (the other channels have few connections between each other). This shows that the retailer gives a predominant role to stores in comparison to the website. This role is strengthened since the store is also the channel with the most connections to all the other channels and because it is the destination channel to which the majority of flows converge. Flows designed by the retailer lead the consumer to the store, thus creating traffic towards the sales outlet, whereas the flows from the website lead the consumer towards other channels (the website is an issuing channel).

#### *Retail channel strategies*

The channel configuration and integration of the retailers studied help us to distinguish six retail channel strategies. The lack of retailers in the upper left quadrant shows that the retailers are looking for synergies between channels when they have a high configuration while the lack of retailers in the lower right quadrant shows that this synergy seems not to be obvious to implement (see Figure 7 below).

### **Take in Figure N° 7.**

The retailers with the most widespread configuration, the 'Store+Website retailers' configuration is overall barely integrated. If information is circulated (group 3 and group 4), it does not allow the consumer a seamless flow between channels for all the stages of the buying process, even to the extent of excluding it (group 2). The 'Store+Website+Mobile' and '+3 channels+virtuality>average' retailers listen more to the consumer, offering more channels by using technology that offers added value, a distinctive buying experience and offering the freedom to move from one channel to the other. However, integration is sometimes limited to two dimensions, with the most advanced stage, logistics integration still not being reached (group 5). Group 1 retailers use one single retail channel. The addition of a second channel and the development of effective links across the two channels could help to develop future sales. This is because the multi-channel consumer has an economic value that is greater than the single-channel consumer where clothes are concerned (Kushwaha and Shankar, 2013).

#### *Channel child orientation*

The investigation of physical surroundings dedicated to children in various sales channels show that the retailers are barely directed at children, if at all. When features have been found the store is often the only sales channel involved. The three categories of features are represented but confined to a part of the store. A children's area with furniture and equipment for artwork or to play games with (video games, slides) or a television screen may be available creating a children's universe with its bright colours (Ayadi, 2005). In only one retailer we found a child-friendly arrangement spread throughout the store. This included touch screens in every corner of the store (for interactive selection of clothes) and games (easels for drawing, pillows for fights); furniture figuring a canyon for the denim collection, portholes in the door of the dressing rooms and a sweet bar; no bright colours but a pink foot sizer painted on to the floor for the shoe size. All these components contribute to satisfy the four mind-sets inherent in children (Wiener, 2004). However five retailers made no consideration at all of children in the retail channels.

Apart from the store, we have not found any other retail channel showing specific designs for children. Websites or mobile devices navigations are not adapted for children as no retailers of the sample have implemented large buttons, flat navigation based on tasks, limited choices of menus, even in a part of the screens. Bright colours or printable play activities are also missing. With regard to websites, we should make it clear that we have only explored retailer e-commerce sites, as this fits in with the purpose of our study. We have not looked at play and games' websites that some retailers offer to children as these are not connected to commercial websites.

The observation of child orientation evidence in one channel and not in the others expresses a lack of continuity among the design of the channels which does not allowed the child to perceive bridges between the channels. Considering the presence of child orientation evidence in only one channel of the sample, a spreading child-friendly arrangement throughout this channel could be regarded as a high level of child orientation. Child orientation confined to a part of this channel has been regarded as a medium level. Table 3 includes the results obtained for the retail channel strategies identified previously.

#### **Take in Table N° 3.**

This preliminary exploration shows that retailers selling childrenswear give no evidence of high channel child orientation, since eleven out of the twelve retailers are at a low or medium level. This suggests that targeting the child-adult couple seems to be relatively unexploited in

terms of retail channel strategy. It does not prejudged the retailers' retail strategy but only shows that if children are taken into account in the retail strategy, the latter is not implemented at the retail channel strategy level.

### **Conclusion and Managerial Implications**

The use of multiple distribution channels is the most widespread retail channel strategy employed today. However, key elements of this strategy are still to be explored. A conceptual framework has been proposed showing that channel configuration and integration take on the structural properties of multi-channel strategies. Channel child orientation is another strategic component for retailers selling products for children. The representation of cross-channel strategies in the retail of children's clothing revealed by our research illustrates the diversity of approaches in a different way. It combines channel configuration and integration, and includes all distribution channels thus providing a base for new research.

Extensive channel integration is often presented as the best strategy for the retailers. However, our empirical results show that managers choose varied multi-channel strategies and rarely meet the customer's need to interact with the retailer at all times, at all stages of the purchasing experience and in any place, whatever the channel visited. The use of new channels is revealed to be limited although we may assume that they require a familiarisation phase. Indeed, it is difficult to make them work effectively when transposing existing and unsuitable processes. The results show that the place of the store remains predominant. It is the main destination channel, with new channels acting to create and direct traffic towards the point of sale. Finally, it would appear that children are barely taken into account in their retail channel strategy by retailers selling products aimed at their market. In doing so, retailers are losing advantages of considering the child as an active consumer and fully fledged economic player (McNeal, 2007; Tinson and Nancarrow, 2010). Where interest in channel configuration and integration is growing, retailers do not yet appear to fully understand the opportunities of including channel child orientation in their retail channel strategy. This could be because they fear that dedicated spaces restrict consumption by satisfying needs on the spot (Damay and Guichard, 2009). Maybe they also fear that channel child orientation enhances potential nuisances that they assign to young public (Barrey *et al.*, 2010). This is without reckoning with the chances to summon all the child energy in the sales channel and ride on emerging roles of sales channels in developing sustainable link with the tomorrow customer.

The managerial contribution of this research is to help managers in their decision-making regarding retail channel strategy development. On the one hand, channel decisions frequently do not result from a formal planning process (Moriarty and Moran, 1990) and channel management remain 'embarrassingly unscientific' according to Coelho and Easingwood (2003). On the other hand, faced with the extensive surge of sales channels they may be submerged easily by the number of possible combinations on offer. However we have developed a framework whose application to childrenswear shows that the three key multichannel properties identified (configuration, integration and child orientation) contribute to defining retail channel strategy. Our research provides potential support to managers in describing and analysing their current strategy, discussing and deciding on future changes, or analysing approaches made by their competitors by the mean of the framework.

The research also sheds new light on the contribution made by young consumers in retail channel management. This is because the first results of our preliminary exploration show evidence of channel child orientation as we anticipated in this research. Nevertheless we have found evidence in only one channel suggesting that retailers that want to target the child-adult

couple could develop child orientation in channels other than the store. There is especially a potential for e-commerce websites whose designs have been pointed out in former research for their lack of attractiveness for children (Lunt, 2002). Regarding this latter channel, implementation of child orientation needs prudence and careful attention to protect children against harm (Nairn, 2008) whatever the step of the buying process (i.e. online consultation to express preference) without restricting their parents' navigation.

### **Limitations and Future Research**

The sample characteristics used for channels selection and the environment chosen are to some extent a limitation. Future efforts should increase the external visibility of the study by using a larger sample. This exploratory study provides marketing research with a contribution to a better understanding of the combined roles of configuration, integration and child orientation as part of a retail channel strategy. But the contribution would be increased by understanding the drivers of the key properties especially for the channel child orientation.

The combined study of the retail channel strategy and channel child orientation reveals an interesting finding that could be the subject of future research. Retailers with high integration and configuration may have low child orientation whilst some retailers with low integration and low configuration show medium channel child orientation. It would appear therefore that retailers who recognize the benefit of a high level of configuration and integration do not recognize the importance of taking children into account in the physical surroundings of their commercial spaces and vice versa. Although our results show evidence of channel child orientation, we have not demonstrated how child orientation influences the retail channel strategy. Therefore, our results show the need for future research to understand the causes and effects of channel child orientation and the way it contributes to the retail channel strategy.

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