zh
aw

Digital Marketing in Retail

What are the Benefits a Swiss Premium Department Store Could Reap When Adapting to the Changing Environment of Digitization? A Maturity Model.

Student: Pascal Schöni,
Blatterstrasse 13, 8400 Winterthur
pascal_schoeni@bluewin.ch
Number: S14676662

Management summary

The force of digitization has empowered customers with an omni-present access to a worldwide bazar of products and information. This shift has compelled traditional retailers to expand their channels and touchpoints to wherever the customer wishes to be served. The new scattered landscape of touchpoints and the rapid development of increasingly sophisticated technology have confronted marketers with new challenges and opportunities alike. Meanwhile, Swiss premium department stores, are still considered 'non-digital'. This thesis addressed their need for both an analysis of digital marketing tools and a guideline for its implementation. Therefore, the aim of this Bachelor's thesis was to outline the benefits of a digital marketing transformation and to offer a new customer-centric digital marketing maturity model tailored to Swiss Premium Department Stores. The research therefore focused on determining maturity stages and goals through an analysis of current marketing-, retail- and customer trends. Furthermore, digital marketing tools have been evaluated based on their benefits and were aligned to the corresponding stages.

The findings show that a digital transformation is a rapidly evolving process retailers essentially need to keep up with. The thesis suggests three key milestones of a digital transformation to build an essential basis for the implementation of future technology: Mobile, big data and RFID. The major benefits of a digital transformation result from the increased connectivity of the customer that allows real-time interaction throughout the entire shopping journey. With new technological solutions, such as beacon technology, marketers are able to identify a customer before entering a store. Another major benefit, presents the increased on- and offline convergence, especially through interactive shopping tools such augmented reality. Both of the mentioned technologies benefit from big data, which allows to use a unified customer view to apply personalization as a powerful tool for almost any marketing appliance. Another significant finding is the extension of existing maturity models from a current final maturity stage of 'omni-channel' to 'No-Line retail'. No-Line refers to collaboration with suppliers and competitors to jointly promote a shopping area.

The digital marketing maturity model has been tested at the example of Magazine zum Globus AG. Testing the model has proved its applicability. Nevertheless, it is not universally valid. The model is tailored to Swiss Premium Department stores. Further research should focus on the possible synergies that can be generated within the retailing sector through emerging trends, such as smart-cities, to enhance 'No-Line' retail.

Table of contents

Acknowledgement

I would like to express my sincere appreciation to my supervisor, Brian Rüeger, for his time and valuable inputs on my thesis. I am also grateful to Mr. Daniel Kunz, head of Globus Zurich, for the time he dedicated for the completion of this work. Lastly, I would like to thank my friends and colleagues at the Zurich University of Applied Sciences for their encouragement and moral support.

List of figures

List of tables

List of abbreviations

IoT	Internet of Things
RFID	Radio-frequency identification
QR Code	Quick response code
Web	World wide web
SEO	Search Engine Optimization
SEA	Search Engine Advertising
CPC	Cost per Click
TAI	Thousand Ad Impressions
ROI	Return on Investment
DCF	Discounted Cashflow
VR	Virtual reality
AR	Augmented reality
AI	Artificial Intelligence
SMART	Self-Monitoring Analysis and Reporting Technology
BLE	Bluetooth Low Energy

1. Introduction

The twenty-first century and the rapid development of new and existing technologies have brought a variety of transformations: the increasingly spreading impacts of the globalization and the connection of people and things worldwide (Verhoef, et al., 2017). The recent evolution of digitization has caused a paradigm shift in retailing towards non-store formats (GfK, 2016). Although e-commerce sales yet remain a small portion of total Swiss retail sales, the non-store format is the fastest growing segment within retailing (Credit Suisse, 2017). While e-commerce is growing, in-store foot traffic and customer loyalty are decreasing (Van Belleghem, 2013). As a consequence, retailers arm themselves with increasingly sophisticated technological tools and customer centric marketing techniques to attract and retain customers. Since the emergence of the internet and the rise of the mobile, the variety of channels and touchpoints have increased rapidly. Hence retailers were confronted with new challenges and opportunities alike: to keep up with the constantly emerging technologies; anticipating the expectations of increasingly demanding customers; and applying efficient marketing strategies to build profitable and sustaining customer relationships.

This Bachelor's thesis therefore sets out to explore the benefits Swiss premium department stores could reap when adapting to the changing environment of digitization. Since the Swiss retailing industry is still largely seen as 'non-digital' (PwC, 2015), it is expected that there is a lot of untapped potential to be unfolded. Based on previous research that confirms that digital maturity increases competitiveness (Deloitte AG, 2015a) this paper sets out to analyse its benefits and will ultimately emerge a maturity model that serves as a guide for disrupted Swiss Premium Department Stores to become the new industry disruptors. The demand for further analysis in this topic is underpinned by Daniel Kunz (2017), head of Globus Zurich, who clearly states that digital is the future of retail.

To answer the research question, this paper is divided into three parts. Firstly, a theoretical framework will be presented that discusses the concepts of marketing and digitization as well as of maturity models. Secondly, an analysis is conducted that focuses initially on relevant paradigm shifts in retail, marketing and customer expectations to identify maturity goals, and subsequently on the alignment of currently available and emerging technological tools, which serve as the main drivers towards digital marketing maturity. During this part, the benefits of their implementation will be investigated in

detail. In a third section, the findings will be merged to a maturity model and tested at the example of Globus. Lastly, a conclusion will be drawn.

Since research lacks presenting solutions to measure the financial impact of a majority of marketing tools, this Bachelor's thesis evaluates mainly non-financial benefits. Furthermore, it supports and is largely limited to the idea of a customer centric approach. Since digitization impacts every aspect of a retail business, a digital transformation goes in line with a required internal cultural shift as well as changing leadership and employee capabilities (Ernst & Young, 2011). Within the scope of this Bachelor's these shifts are addressed only briefly. Lastly, the technological advancements evaluated in this paper are limited to internet-based appliances.

2. Theoretical Framework

At first, this paper presents a literature review, including definitions of digitization, digital marketing and a maturity model, to get a better understanding of the topic.

2.1. Premium department store

The anchor tenants of Swiss premium retail stores are the Migros owned Magazine zum Globus AG and the Swiss Prime Site owned Jelmoli AG, both present at one of the world's most expensive and exclusive shopping avenues, the Bahnhofstrasse. A definition for a department stores is provided by Web Finance Inc.'s business dictionary who regard it as "a large retail establishment with an extensive assortment in variety and range of goods, organized into separate departments" (Web Finance Inc., 2017). Since research lacks presenting a definition for department store with the notion 'premium', the additional components can be derived from Globus' and Jelmoli's positioning. Globus presents itself as a department store offering exclusive products, a sensual shopping experience and excellent services (Magazine zum Globus AG, 2017). Likewise, is Jelmoli pointing at its range of more than two million premium articles and its compelling services from more than 1000 highly qualified employees that offer best advices and are dedicated to provide an outstanding shopping athmosphere (Jelmoli AG, n./d.). Premium department stores hence differentiate through its large variety of high-quality products, the capability of offering unique customer experiences and most importantly, their outstanding services provided by its employees.

2.2. Digitization in retail

Ever since the industrial revolution, technological advancements have led to paradigm shifts which today are named 'industrial revolutions' (Lasi & Kemper, 2014). Those include the invention of mechanical production powered by water and steam in the 18th century (The Economist, 2012) - the so called first industrial revolution, the intensive use of electrical energy and combustion engines for production machines in addition to the invention of moving assembly lines for mass production (Lasi & Kemper, 2014; The

Economist, 2012) - the so called second industrial revolution, and the widespread digitization powered by electronics, IT and robotics (PwC, 2016) - the so called third industrial revolution. The term 'digital', simply put, is the "conversion of analogue into digital information" (Ernst and Young, 2011). Computers, mobile phones, cameras are digital devices because they work with data in the form of numbers. With the advancement of digitization, every aspect of life can be caught and stored in some digital form (ibid.). Today, we move closer towards a greater networked interconnectedness, which includes every device, customer, employee and activity. This process is often referred to 'the digitization of everything' (ibid.). This results in a real-time worldwide exchange of information between numerous connected objects and devices (ibid.). Tempted by this development, the term 'Industry 4.0' emerged. Although the term is associated to 'industry', which is the part of an economy that produces material goods (Lasi & Kemper, 2014), digitization affects the economy at large in every step of the value chain and also other areas such as family life, leisure, education and mobility. Thus, equally fundamental did it impact the retail sector, the customer and hence the art of successful marketing.

Retailing entered the new 'digital' era in July 1995 when Jeff Bezos launched his online book store, named after the world's second largest river Amazon. It counts as the first sincere effort to offer products directly to customers using the internet (Entrepreneur Media Inc., 2008). By 1999, the stock market has voted a higher valuation for Amazon.com than for the whole traditional book retailing and publishing industries combined, even though Amazon yet did not present a profit (Harvard Business Review, 1999). With the introduction of the first commercially used website, the online store was born and its potential, as seen in the case of Amazon, recognized globally very soon after. The development of 'online', which features a convenient access to a worldwide bazar of an immense variety of products and empowers customers to access an abundance of information, attracted both loyal and disloyal customers to use online services. As a consequence decreasing customer loyalty, foot traffic and sales in relation to online had to be registered by stationary retailers (Van Belleghem, 2013, Harvard Business Review, 2014). A development, that led to a wave of predictions that there was no future for traditional physical retail stores (Harvard Business Review, 2014; Business Insider, 2013).

Convinced by its force, Silicon Valley entrepreneur and venture capitalist Marc Andreessen was keen to point out in 2003, that "retail guys are going to go out of business

and e-commerce will become the place everyone buys" (BOF, 2015). From 2003 to present, the view on the dimension of the technological impact on retailing has completely changed. Today, many experts, including PwC (2017) point out that the physical retail store will remain a key component of the new retail ecosystem, where stationary retail and online stores coexist with equal importance. The necessity of being physically present is underlined by recent strategic changes within renown companies that started off as pure online stores, such as Amazon and Warby Parker, and today are establishing physical presences (ibid.). Equally, however, did pure physical retail stores recognize the importance of incorporating the benefits of online channels and touchpoints in its service offerings. In line with that, Ernst & Young (2011) suggested, retailers should identify the elements of each channel that customers value and offering a combination of them. Out of this motivation, the need for digital transformation emerged and became an omni-discussed expression that can be found in a majority of research papers focussing on the development of the retail sector. The term 'digital transformation' is defined as "the use of technology to radically improve performance or reach of enterprises" as the MIT Center for Digital Business and the Capgemini Consulting suggest (2011).

Accordingly, research confirms that the introduction of the Internet removed geographical barriers of reach and introduced numerous new channels allowing marketers to communicate to a much wider audience. Furthermore, the increasing penetration of mobile and the rise in social media networks considerably fostered connectivity, and hence removed the remaining barriers of time and location (Verhoef, et al., 2017). Also in terms of performance, technological advancements offer marketers a variety of opportunities, which can best be categorized using Adobe Systems Inc.'s suggestion of four critical dimensions: cross-channel strategy referring to the expanding variety of available channels and touchpoints; the increasing importance of customer experience; the rise of mobile and the new opportunities resulting from a greater amount of data-sets available (Adobe Systems Inc., 2016).

David Wenig (2014), the president of eBay marketplaces underlined "technology is now so pervasive and so useful that we're past the tipping point". In fact, the pace at which online sales and connectivity are developing, is accelerating the pressure on organizations to undergo digital transformation. This is further enforced by competitors that

are constantly introducing new technology and thus set new standards of customer expectations. The necessity of a digital transformation in the yet seen as 'non-digitized' retail industry enjoys wide support among researchers and scientists today. In accordance, Ernst and Young (2011) prompts change by stating "the winners will act now".

2.3. Digital marketing

According to Kotler & Armstrong (2013) marketing is defined as „the process by which companies create value for customers and build strong customer relationships in order to capture value from customers return". The definition however completeley lacks mentioning the concept of co-creation of value, which was first proposed by Levitt (1960) and has been revived through the emergence of new technologies that facilitated customer engagement (GfK, 2016). Today many experts would agree on recognizing co-creation of value as an integral part of current marketing, and hence the definition should incline creating value 'for and with' the customer (Rüeger, 2015).

In line with the theory above, a widely accepted marketing process model by Kotler & Armstrong (2013) suggests that the customer should be integrated at the center of a company's marketing strategy. The customer should be directly involved in shaping the strategy from the very beginning. To understand the customer needs and wants and hence build a customer driven marketing strategy, research on customers and the market place is crucial. Therefore marketing information and customer data needs to be collected and analysed. Once developed a customer driven marketing strategy and constructed a marketing program that delivers superior value to selected customers, they suggest, building profitable customer relationships and create customer delight will allow to capture value that leads to an increase in customer equity (Kotler & Armstrong, 2015). Customer equity is the total of lifetime values of all current and future customers as a sum of the net profits attributed to each relationship (Rust, Lemon, & Zeithaml, 2004).

Surprisingly, among a large variety of research history on digital marketing, only a few definitions of the term itself emerge. One definition that can be found in multiple research papers, is the one that is also used by SAS Institute Inc., (2017) that defines

digital marketing as "the promotion of products or brands via one or more forms of electronic media". This definition however either neglects or stands in contrast to the widely accepted shift from product- towards customer-centric marketing, or how Kotler & Armstrong would term it 'customer driven marketing strategy'. Likewise does the definition neglect a widely recognized idea of current marketing, that was first presented by Peter Drucker (1973) as "the aim [...] to make selling superfluous. [It] is to know and understand the customer so well, the product or service fits him and sells itself", which inclines having the customer at the center of a marketing strategy. Hence this definition at its core lacks completeness.

A more accurate approach to define digital and social marketing is presented by marketing gurus Kotler &Armstrong (2015), who did not miss the ongoing digitization in their marketing work. In one of their recent books they suggest "using digital marketing tools such as Web sites, social media, mobile apps and ads, online video, e-mail, and blogs that engage customers anywhere, anytime via their digital devices" as an accurate definition.

Due to its applicability on every core aspect of marketing, this thesis builds on this definition. Furthermore, this thesis uses "building strong profitable customer relationships by creating value for [and with] selected customers" (ibid.) as the long-term goal of marketing, focusing on creating a value adding customer experience.

Having assessed the key terminology of premium department stores, digitization and marketing, the focus will shift towards maturity models. To model the alignment of technologies that the current and future age of digitisation embraces, previous research came up with maturity models. This thesis will build on the concept of maturity models and hence a closer look will be provided in the following section.

2.4. Maturity model

To get a better understanding of what maturity models stand and what they are used for, this section discusses the basic concepts of maturity models.

Although the concept has been developing since 1930, there is no commonly used definition of the term today. One definition is suggested by Pullen (2007) as "a structured collection of elements that describe the characteristics of effective processes at different stages of development. It also suggests points of demarcation between stages and methods of transitioning from one stage to another." William Pullen (2007) specifically points out that a maturity model identifies necessary actions and predictable transition challenges for a shared journey towards future growth and hence offers a starting point and a common language for the people who drive the change (ibid.). While he is correct in a majority of the cases, this statement does not hold true for every maturity model. According to Wendler (2012) there are two different perspectives used for maturity models: a life cycle perspective and a potential performance perspective. While both perspectives show a development path, the life cycle perspective focuses on a defined final stage of maturity, while only the performance perspective focuses on potential improvements that occur when moving along the model. Due to its immediate practical applicability, the latter enjoys higher strategic value and hence has been used more frequently in recent studies (ibid.). To define the term however, we turn towards a research paper written by Wendler (2012), who analysed the maturity of existing maturity models and in the frame of his paper also discussed different definitions of the term. He suggests a definition by Becker, Knackstedt, & Pöppelbuss (2009) as the most suitable one: "A maturity model consists of a sequence of maturity levels for a class of objects. It represents an anticipated, desired, or typical evolution path of these objects shaped as discrete stages. Typically these objects are organizations or processes."

Wendler highlights two key characteristics each maturity model should consist of. Firstly, a measure to determine the current state of completion and secondly, it needs to include measured objects (Wendler, 2012). Historically, these objects were often called capabilities (Wendler, 2012). A capability can be defined as the "power or ability in general, whether physical or mental" to fulfill specified tasks and goals (ibid.). To differentiate the maturity stages, a set of levels need to be defined to form sequential

maturity building blocks with hierarchical progression. As companies work towards a goal, they essentially have to improve their capabilities. The further they move towards the goal on the model, the 'mature' they are. According to the dictionarry from Oxford University Press, being mature refers to "having reached the most advanced stage in a process" (Oxford University Press, 2017).

Crosby (1979), who is known as the first who introduced the concept including maturity building stages, has chosen to title the maturity stages 'uncertainty, awakening, enlightment, wisdom and certainty' to visualize the advancement steps for his quality management maturity model. More recent models freely use terminology that is relevant to their specific businesses and functions. PwC (2016) for example presented a model for digitization in retail that included the levels 'digital novice, vertical integrator, horizontal integrator to finally reach the stage of a digital champion'. From the terminology previously used, it becomes apparent, that the lowest stage stands for an initial stage, providing characteristics that would hold true for an organization with little capabilities with regard to the aspects under consideration. The highest stage on the other hand, represents the final goal of total maturity, meaning the further companies move up the evolution process towards the goal, the more strategic value they add to their business (Becker, Knackstedt, & Pöppelbuss, 2009). It also becomes apparent, that research has not yet managed to come up with commonly accepted stages of digitization.

Likewise does the alignment of capabilities differ. A.T. Kearney (2015) identified five digital marketing vehicles, to increase marketing specific benefits. Those are the company website, Facebook, sideline and banner ads, search, social media and twitter. Although, the basic approach of aligning technologies to improving the customer journey seems very legitimate, the model is limited to today's omni-present technological features. Gartner Inc. (2015) on the other hand aligns a variety of capabilities such as customer experience, multi-channel marketing, social marketing, mobile, data driven, digital commerce, marketing analytics, operations and innovation. This maturity model however, is only partially future oriented. Observable is, that the maturity models today are, as Wendler (2012) hightlights, multi-dimensional, meaning that they incorporeate multiple capablities that can drive change. This fundamental element, and a future orientation will be part of this Bachelor's thesis.

To develop a new maturity model, research should focus on developing a metrics plan, answering the questions who, what, where, when, how and why (Pfleeger, 2017). Pfleeger suggests, that those plans usually begin with the why, and hence setting the goals and objectives of the plan. Mettler (2014) confirms, that the initial phase should be about defining a goal.

2.5. Methodology

To answer the initial research question, and finally come up with a maturity model, the following Sub-Research Questions need to be answered:

Sub-RQ 1: Which paradigm shifts have altered retailing, marketing and customer expectations and hence what would be their final maturity stage?

An in-depth analysis of what trends and transformations shape the current retail and marketing sector as well as the customer behaviour is of utmost importance and hence is expected to emerge sub-goals that illuminate the path to the ultimate goal of the final maturity, that allows building strong and profitable customer relationships through exceptional customer experiences. This thesis will therefore assess the most relevant trends in retail, marketing and customer behaviour, based on an extensive literature review.

Sub-RQ2: Which technological capabilities can be aligned to reach these goals and hence what are the specific benefits of each tools incorporation?

A wide variety of technological tools available will be identified and analysed. Each will be tested on its impact on the specified goals. An in-depth literature review on current and emerging technologies is used to fulfil this task.

Result

To visualize the goal of applying this methodology, a basic model has been constructed. The results of our RQ 1, will emerge what the different maturity stages of each paradigm

shift. Therefore, these shifts serve as ladders to climb towards reaching the final maturity stage. These results will be presented in the following model and subsequently, technology as main drivers to climb up the model are aligned to show how to reach these stages.
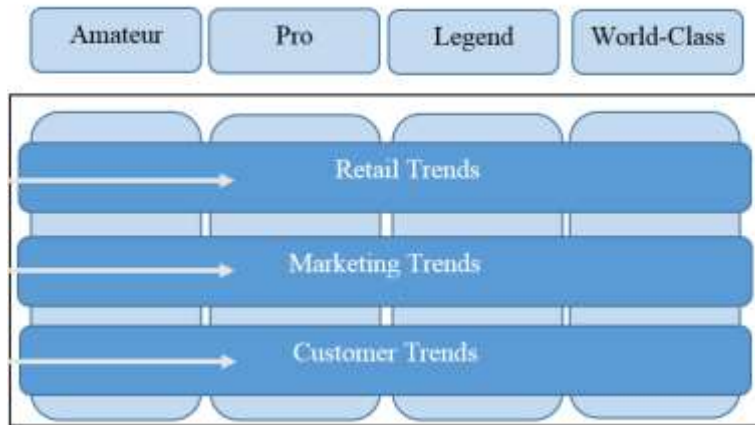
3. Analysis

At first, this thesis provides an overview on the Swiss retail landscape and digitization within Switzerland.

3.1. Swiss retail landscape

On the level of stationary retail, Globus and Jelmoli can be considered the only premium department stores selling high quality and rather pricy products ranging from food, home, to fashion articles. The Bahnhofstrasse, where both Jelmoli and Globus are present, attracts a very diverse mix of locals, commuters around the main station, business people of offices nearby, wealthy locals as well as national and international sightseeing- and shopping tourists (CBRE, 2015). Equally diverse is Globus' market segmentation, that identified nine different customer groups ranging from luxury shoppers to Delicatessa enthusiasts (Kunz, 2017). While Globus has a network of 38 branches including Herren Globus (Magazine zum Globus AG, 2017), Jelmoli is only present with one department store at Bahnhofstrasse.

Their product categories differentiate slightly. While they both offer departments for fashionwear for men and women, home and household, kids-, beauty, jewelery, travels and food, the only difference is Jelmoli's additional segment for sports-wear (Magazine zum Globus AG, 2017) (Jelmoli AG, 2017).

On the contrary to stationary retail, the free-moving space is very limited online. Online shops in their reach, are not restrited to national boundaries (Solteq, 2017). Therefore, e-commerce happened to be particularly disruptive, especially in the non-food sector where competition from a variety of online-only stores is fierce (CBRE, 2015). Innovative online firms, such as digitec; offering a balance between online and traditional store in form of showrooms (GS1 Switzerland, 2013); Zalando, differentiated through their mastery in its content marketing and data analytics (Graf & Schneider, 2016) and Amazon; offering an incredible amount of choice due to coorporation-based and customer-centric retailing (ACCA, 2015; GS1 Switzerland, 2013) formed the strongest Swiss online stores in terms of revenue in 2015 (Carpathia AG, 2016). However there are numerous other businesses, with equally disruptive business models. Two to mention in particular are Brack.ch and the Outfittery. Brack.ch is the fifth largest online retailer

according to revenue in Switzerland (ibid.). While being an online store with more than 120'000 articles, they are anticipating the 'smart' trend by offering the Brack.ch Order Button (BOB) for office, bathroom, cleaning cupboard and laundry room. This allows simple supply orders, delivered the next day (Brack.ch, 2017). Outfittery is the market leader in curated-shopping, which is a form of a personal or coached online shopping, where the focus lies on building strong relationships with customers through personal advisory sessions (Hebenstreit, n./d.). Hence, they directly disrupt the 'impersonal nature' of online transaction (Close, 2012).

The non-food market on the contrary, is yet largely dominated by the two giants LeShop from Migros and Coop@home from Coop, representing the sixth and the eighth largest online stores respectively in Switzerland by revenue (Carpathia AG, 2016). Although new online shops in the food sector, such as Farmy.ch, are emerging, Kunz (2017) does not expect a relevant disruption through online-stores in this segment in the near future.

3.2. Swiss digital landscape

When looking at facts and figures, Switzerland is the fourth ranked country in terms of connectedness globally (DHL, 2016). In terms of shopping however, the internet solution e-commerce is still rather small with only 1.24 in twenty Swiss francs spent online today. Based on GfK's estimation of the total volume of the Swiss retail trade of CHF 98.1 billion for 2014, online orders make up for a 6.2 percent share (CBRE, 2015).

Credit Suisse (2017) predicts the online share of total retail to reach 10 percent in 2022. Another important fact is pointed out by PwC (2015), as they state that three quarters of global retail sales growth has occurred through online channels since 2000. According to SMP (2017), a German strategy consulting firm, the segments home-electronics and fashion / shoewear, where the online share has already reached high digits, are particularly affected. Credit Suisse confirms, that this also holds true for the Swiss market, where the stationary retail in 2015 had to concede fifteen percent of market share in terms of revenue to the fashion and shoewear- and twenty-six percent to the home-electronics online business (Credit Suisse, 2017). These numbers are expected to climb to twenty-

five, and thirty-eight percent respectively until 2022 (ibid.). Hence online selling methods are increasing rapidly and greatly impact Swiss retailers. Globus, who records a year to year revenue of more than 100 million, greatly gets to feel the effects of the online development as it dampens bricks-and-mortar sales, patronage and loyalty, and on the other hand increases their online sales (Kunz, 2017). Given these facts, it becomes visible that the environment is changing and ultimately requires a transformation in the retail business to stay competitive.

Not only e-commerce is growing. Equally growing is the increasing interconnectedness of people. According to University of Zurich (2015), eighty-eight out of hundred people use the internet directly, additionally, five use it indirectly by aksing their relatives and friends to do something online. As a result, only seven in every hundred have no Internet access (ibid.)
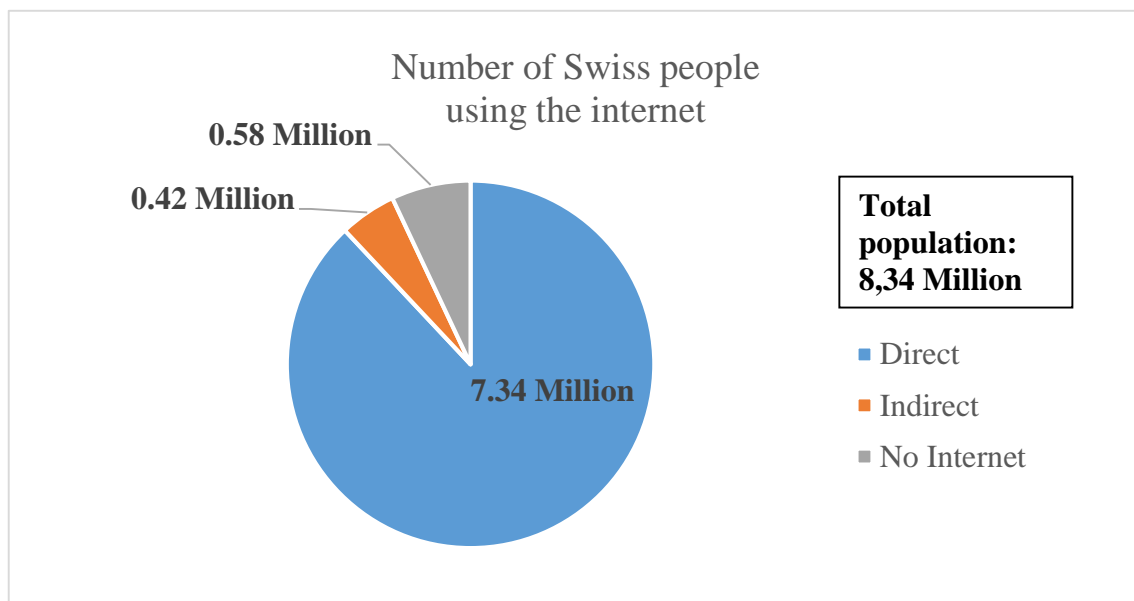
Figure 1 Number of Swiss people using the Internet

A study conducted by Y&R Group Switzerland AG (2015) emerged significant insights in terms of media usage by the Swiss population. According to Y&R, eighty-five percent of the swiss population, which is equal to seven million people respectively (McSchindler, 2016) access the internet via a mobile device, which is either the tablet or the smartphone (Y&R Group Switzerland AG, 2015).

Number of Swiss people accessing the internet via portable devices

Total population: 8,34 Million

7.09 Million
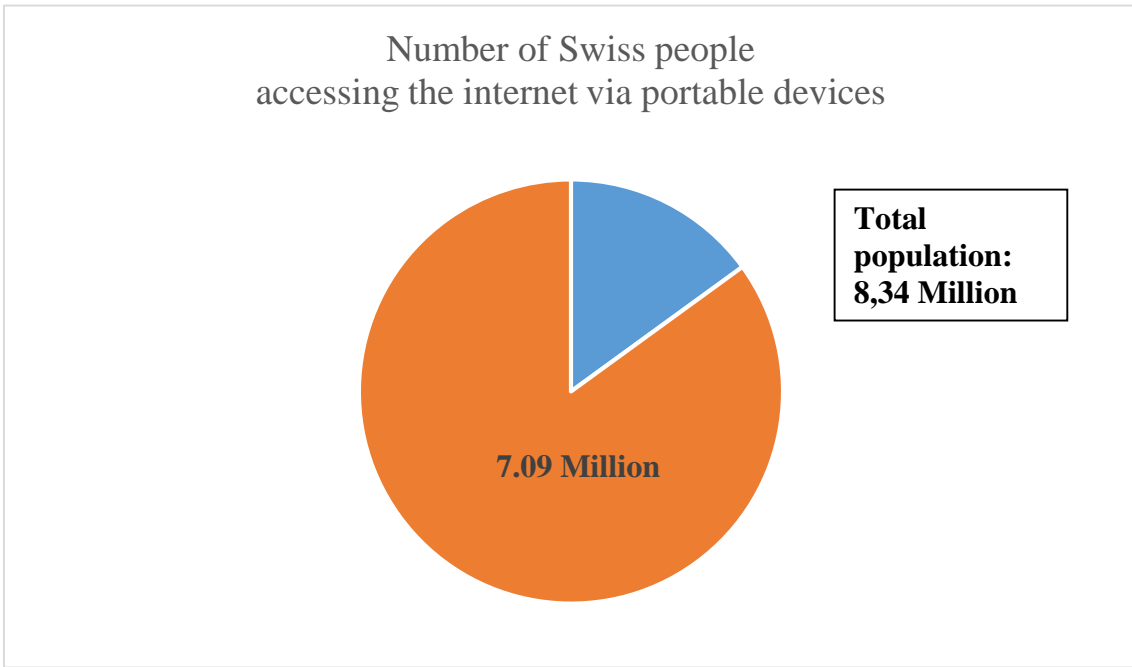
Figure 2 Number of Swiss people accessing internet via portable devices

The internet usage via smartphone has increased seven additional percent towards the previous year and has now reached eighty percent. Similarly the tablet, whose usage rose from fourty-two to fourty-eight percent. On the contrary, the audience of print media and radio is declining.
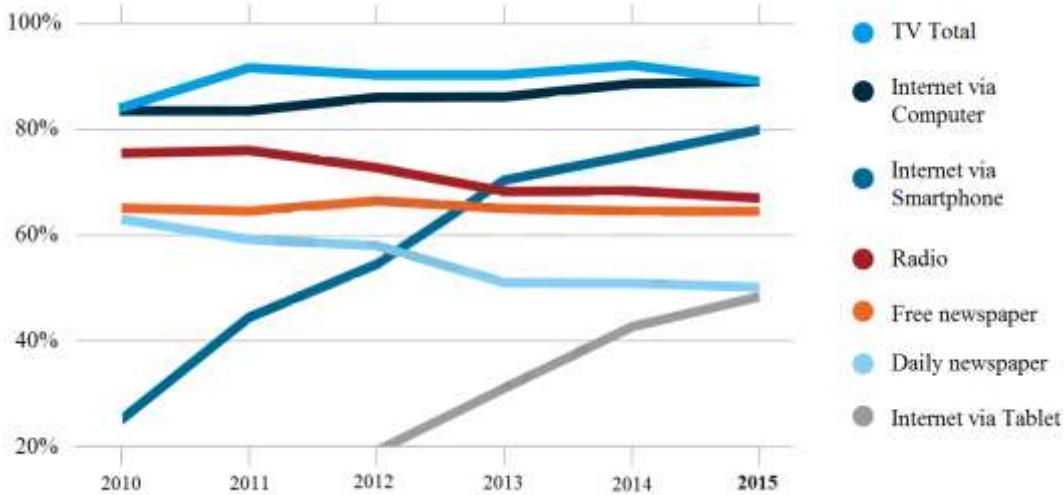
Figure 3 Media usage

Y&R's study also emerged results according to age categories. The main findings suggest that digital natives, aged from fourteen to twenty-nine are omni-connected, as ninety-five percent surf via a mobile device. Surprising however is, that seventy-one percent of the people aged over fifty-five surf with a mobile enddivice either, a number that has increased ten percent in comparison to the previous year. Across all generations, eighty-two percent of the Swiss population possess a smartphones and fifty percent a tablet (ibid.).

A study conducted by (Statista, 2016) emerges that fourty-eight percent of those who use the internet, are social media user.

Number of Swiss people using Social Media

Total Internet User: 7.34

3.54 Million

3.8 Million

■ Presence on social media
■ No social media
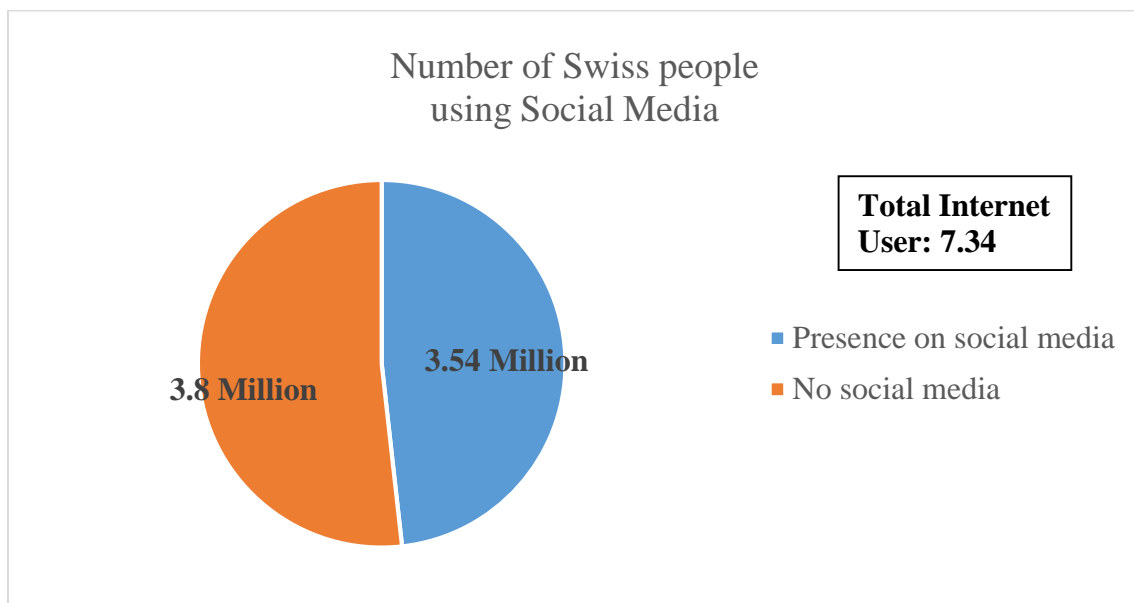
Figure 4 Number of Swiss people using social media

Among, them eighty-nine percent use social media via mobile phone.

According to Statista (2016), the two networks with the most monthly active users remain Youtube and Facebook. Those are followed by distanced Google+, Twitter, Instagram and Pinterest.

A study conducted by Bernet and ZHAW (2016), indicates that companies are, with both eighty-seven percent of the respondents, active on Youtube and Facebook, followed by Twitter with seventy-five percent. Only thirty-six percent use Instagram, twenty-nine percent review sites, sixteen percent Pinterest and five percent Snapchat. With fifty-eight

percent, the majority of the companies place their ads on Facebook as the leading platform. Followers are Google, Twitter and Youtube, reaching this percentage together.

The findings of assessing the digital landscape of Switzerland in terms of e-commerce and media usage, underpins the importance of social media and especially of smartphones for current and future marketing in Switzerland. Furthermore, Youtube and Facebook can be identified as the most influential social media channels. Additionally, it shows that major analysts, predict the online e-commerce sector to further grow. As a result, the current situation asks for immediate solutions that help traditional retailers to step up the digital marketing maturity ladder to become an active role wihtin shaping the continuing transformation to online. The approaches current research proposes as potential solutions to actively participate in the race for capturing online market share, are subject to the next sector. The focus will thus shift towards the paradigm shifts occurred in retail, marketing and customer expectations.

3.3. Paradigm shifts

Since the emergence of the internet, constant technological advancements have altered customer preferences, marketing techniques and retail channels. These paradigm shifts are vital to understand the role of digitization and to assess the different maturity stages. Based on an extensive literature review, these can be identified as follows:

3.3.1. Retail paradigm shifts

3.3.1.1. Merger on- and offline channels

Through the increasing connectedness of consumers, as shown in the last section, communication and consumption is not anymore geographically limited, but expands to wherever we are (A.T. Kearney, 2014). This change requires a transformation of marketing strategies as well as the incubation of new channels to stay capable to reach the customer on his journey and providing a superior customer experience that is tailored to customers needs. This development will be elaborated in more detail in the next section.

The way retailers are using their channels evolved accordingly. Retailers are striving to offer maximum convenience, speed, personal interaction and choice on both online and offline touchpoints by merging elements of on- and offline channels to offer a seamless and more valuable customer journey (Bishop, 2013). This new mantra is called omni-channel. Omni-channel is regarded as the evolution of multichannel retailing. In multichannel retailing, companies sell through several sales channels but each channel is independent of the others. Omni-channel however is defined as a form of retailing, where the customers can use more than one sales channel to shop from a retailer for any given transaction (ibid.). They can buy online and pick it up in store, use mobile in-store to research or make a purchase, or they can buy in-store and initiate a return online. Kurt Salmon (2015) stated that consumers are seeking this cross-channel purchasing capability, while placing less value on a clear distinction between channels. Thus, it is not surprising that parallel utilisation of channels has considerably increased and is further powered by the growing number of people that use their smartphones during a purchasing process (Heinemann, 2013). According to GfK (2016), omni-channel today is absolutely necessary as we have moved to a model where retailers need to be constantly present and ready to engage with the always connected shoppers. Or as Ernst and Young (2011) puts it, "whether customers choose to 'tweet' or take their feet to the street". Devin Wenig, president of eBay marketplaces, underlines that today "every retailer must have an omni-channel strategy to survive (McKinsey & Company, 2014). Other opinions however take this concept even further by arguing that it is not only about being omni-channel, but rather about focusing on providing a unified customer experience, which will evolve when retailers and suppliers collaborate to build an effective consumer ecosystem, centered on customer experiences (Retail CIO Outlook, 2017). The new paradigm shift, that takes the concept further to collaboration with suppliers and competitors, has been titled "No-Line Retail". This term was first introduced by Heinemann (2013). Daniel Kunz (2017) approves this idea, by saying that omni-channel goes beyond the walls of its own bricks-and-mortar store as well as beyond the range of its online channel offers, rather the marketplace as one must be promoted to create a seamless customer experience.

Ernst and Young (2011) justifies the need for an initial shift towards omni-channel by arguing that "digitization brought a new level of convenience to customers that came at the expense of meaningful physical interaction and inconsistency and dislocation between channels". Think for example of a customer who bought a product online and wants

to return it in store. Wiping out this possibility due to an independent management of these channels would be fatal for a seamless customer experience across all channels. Ernst and Young (2011) states that innovative companies are taking the elements of each channel that their customer values, and combine them to deliver a more valuable experience overall, allowing the customer to use both physical and online channels for their inquiries (Ernst and Young, 2011). This suggestion inclines that some channels offer elements that by some customers are perceived superior. Hence, it is crucial to assess the motives for shoppers to use certain channels. In accordance, previous research highlights that a clear understanding of the motives that drive customers to use a certain channel should be taken into consideration when taking strategy, technology and marketing decisions as well as when designing the web site (Wolfinbarger & Gilly, 2003).

According to Forsythe et. al. (2006) the perceived benefits of online stores can be categorized as functional or non-functional motives. Functional motives include convenience, greater merchandising selection, unique merchandise offerings, and lower prices. PwC (2017)'s study has revealed that fourty five percent of the consumers surveyed, selected convenience as their motivation to shop online, while only twenty-six percent selected better prices and twenty-three percent better product selection. Since premium department stores have to pay for rents at best locations, have higher inventory cost, have to come up for a great number of qualified staff salaries to live up to its 'premium' status and apply a price strategy that is depending on traffic, retailers can barely compete with online stores on price (Li, Lu, & Telebian, 2014). However, while being able to touch, feel and purchase the product in a bricks-and-mortar store and profit from immediate gratification (ibid.), online stores do not offer the same experience. Hence customers need to be patient to receive their order. The study conducted by Li, Lu and Telebian (2014) suggests that besides these arguments, the choice of the channel strongly depends on speed and cost of the delivery as well as the patience of the consumer.

On the other hand, there are non-functional motives, which are related to social and emotional needs for enjoyable, interesting shopping experiences. Although customer experiences are gaining importance, Forsythe et. al., (2006) claim that customers stay goal-oriented, meaning that functional motives maintain a prevailing role (Forsythe et. al., 2006). While this might hold true for online shopping, PwC (2017) argues that a physical store "has to provide a reason for customers to leave the comfort zone of home

to shop – an experience within its four walls that not only competes with the convenience and ease of online shopping but also offers other options consumers might choose to spent their time on", and hence place considerable importance on non-funcitonal aspects. In line with that, both Globus and Jelmoli restructered their department stores in a way, consumers have multiple options at their fingertips to spent time within the department store. Globus for example, restructered the departement store by adding restaurant, bar and a wine cellar for degustation.

Given that online shoppers are known to maximize benefits and minimize risks, both the perceived benefits and the perceived risks of online shopping play an important role in determining consumers shopping behaviours (Forsythe et. al., 2006). While previous research pointed out that consumers were more concerned about perceived risks than benefits (Bhatnagar & Ghose, 2004), current findings suggest that risk concerns are declining with additional online shopping experiences gained, while percieved benefits are becoming increasingly important (Forsythe et. al., 2006). Nevertheless, it is important to highlight that consumers perceive greater uncertainties when purchasing from non-store formats.

While channels are emerging and customers move from channel to channel, there are numerous new opportunities to engage with the customer. While doing so, it is crucial to appear consistently with a single message. Adobe recommends investing in technologies that deliver the relevant experiences at every touchpoint of the customer journey. Additionally, they recommend taking the strengths of each channel, adapt the message and make them work together as one seamless story (Adobe Systems Inc., 2015).

3.3.1.1. Interim conclusion

From this analysis, it becomes clear that each channel is characterized by key elements, that are both demanded by customers and yet not available in one single channel. Furthermore, it underpins that retailers have recognized the need for digital transformation and are striving to capture the benefits of all channels in one seamless customer experience setting, including both on- and offline. Their general advice can be summarized as the need to incorporate digital tools, to merge the on- and offline worlds and create a

seamless and consistent customer experience irrelevant of what channel the customer whishes to choose. Ernst & Young (2011) states that new technologies exist that make it easier than ever before for companies to bring channels together, and to deliver a consistent engagement model (Ernst & Young, 2011). While the merger of on- and offline in retailing has yet often been referred to omni-channel as a final maturity stage, current research, suggests that it does not stop there. Rather, does it stop when the shopper perceives a seamless shopping experience in a shopping area as such, which requires collaboration with competitors and suppliers.

A simple model of this paradigm shift would look as follows. It is also accurate for the contrary process of expanding a pure online driven business to the traditional retail scene.
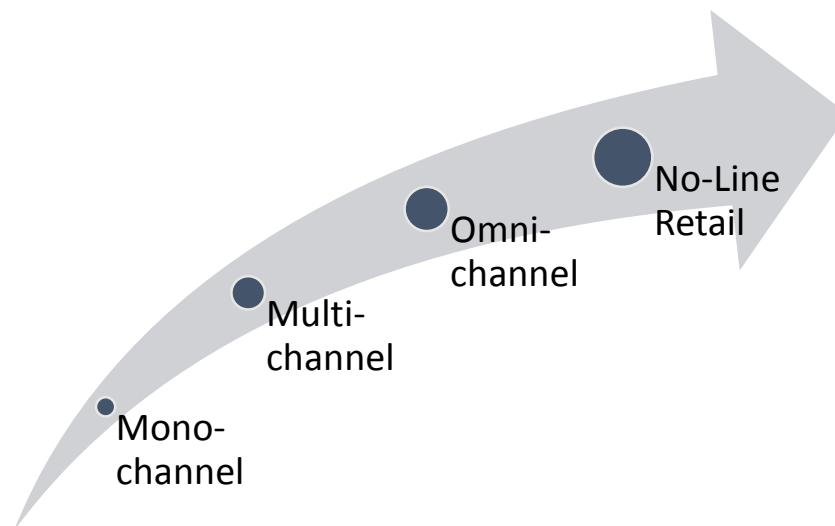
Figure 5 No-Line Retail

3.3.2. Marketing paradigm shifts

3.3.2.1. Short-term to Long-term relationships

When the internet emerged, the race to acquire customers began. The belief that those businesses who were first to attract customers will have the first mover advantage and emerge as the great winners in this field. Marketers believed, once they attracted a customer they would be 'locked in' to using their service (Rebstein, 2002). However, the idea of more expenditures to acquire a customer than the return on investment through a

one-time sale, shifted the focus to effective investments in retaining customers. (ibid.) The objectives were now to capture a customer lifetime value, an idea that is widely recognized and well developed in marketing literature (Kotler & Armstrong, 2015). The fact, that retaining customers is more profitable than attracting a customer, in practice comes with some challenges. The ease of switching and the ability to quickly gather an abundance of information including full price transparency, equipped customers with new power in their decision making of where to shop (Rebstein, 2002). As a result, the task of retaining customers has become more difficult. As all of the sudden, the customer had an immense product choice at their immediate disposal, marketers increasingly had to rethink the most simple business relationship: the one between the firm and its clientel. In particular, many organizations are confronted with an increasingly sophisticated customer base that demands a higher level of immediate and personal service accross all channels (Pan & Lee, 2003). Additionally, customers increasingly demand better, more convenient and faster services anytime (MIT Center for Digital Business and Capgemini Consulting, 2011). In line with these statements, Paul Gulbin (2017), managing director at Cohn Reznick Advory, consulting retailer on how to use digital technology, points out that at the core of providing a superior customer experience, which is the key aspect for customers to return is to understand customer expectations. He states clearly, that the willingness to design a future of superior customer experiences without huge investments demands "effective customer touchpoints that are identity-driven, deliver convenience digitally, accelerate outcomes, reduce effort, and leverage information to deliver personalization." Today, there are technological advancements that support matching the customer experience provided with the new demands of consumers.

The shift can be modelled as follows:
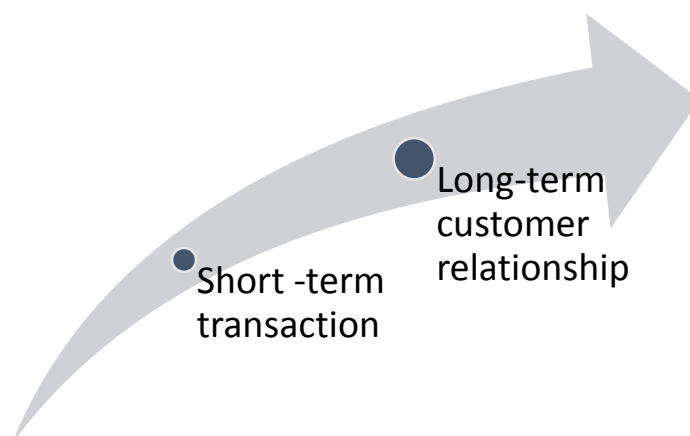
Figure 6 Long-term customer relationship

Important is to consider that the evolution of the consumer and the technological advancements fuelled the discussion on product-centric marketing approaches and embraced the concept of customer centricity that has been discussed for more than sixty years, which is subject to the next paradigm shift.

3.3.2.2. Customer centricity

Peter Drucker wrote in 1954 that "it is the customer who determines what a business is, what it produces, and whether it will prosper." Levitt (1960) suggested that firms should not focus on selling products but rather on fulfilling customer needs. He argued that the companies are in a "position of having to fill, not find markets, of not having to discover what the customer needs and wants but of having them voluntarily come forward with specific new product demands". Despite its appeal, the transformation has been slow and many firms experienced major challenges to fully align themselves to the customer centric paradigm (Shah, Rust, Parasuraman, Staelin, & Day, 2006). The importance of customer centricity however has just recently been embraced by a number of research institutes such as GfK (2016) which argues that the long lasting modus operandi "build it and they will come" has considerably lost relevance. Now, the connected, price savvy and technologically forward 'connected' consumer, with a mission to fulfil, expects retailers to keep up with them, not the other way around. They state, that the challenge for retailers is to stay one step ahead by anticipating consumers' demand. In line with that, Steve Jobs highlighted, "get closer than ever to your customers. So close, in fact, that you tell them what they need well before they even realize themselves" (Jobs, n./d.)

Stephanie Lüpold (2017) from digitalswitzerland, highlighted this shift in her presentation at ZHAW from May 2nd 2017, confirming that the shift towards customer centricity currently largely affects Switzerland as of today. Ryan and Jones transfer this concept to digital marketing by stating: "Marketing is not about technology; it is about people: Technology is only interesting, from a marketing perspective, when it connects people with other people more effectively" (Ryan & Jones, 2009). According to Ryan and Jones (2009), understanding people is the real key to unlocking the potential of digital marketing.

This shift can be modelled as follows:

Customer
centric

Product-
centric
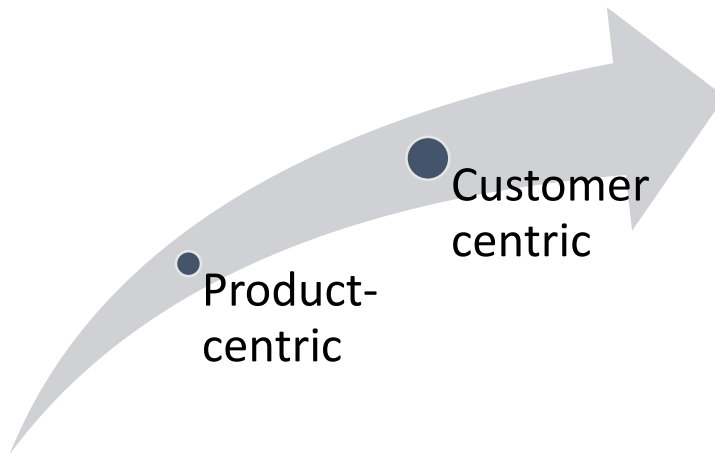
Figure 7 Customer centricity

3.3.2.3. Push to pull marketing

To attract a customer, a retailer needs to identify its client, position itself as the answer and make sure the customers are aware of that. Traditionally, before the internet emerged, marketers were doing so via radio, print or television advertisements, that initially successfully increased brand awareness and positive attitudes (Aufgesang Inbound Online Marketing GbR, 2013). The following pictures show three examples of old print media used by Globus and Jelmoli.

Figure 8 Bleistift-Plakat, Peter Birkhäuser 1942

Figure 9 Gut und billig Plakat, Neukomm Emil Alfred 1946

With an initial huge success combined with an increasingly competitive market situation, advertising became an integral aspect of marketing. However, as the frequency and

amount of advertisments were mushrooming, the more the ads lost their mean of influencing people (Meffert, Burmann, & Kirchgeorg, 2015). Accroding to McCoy et al. (2007) intrusiveness has been recognized as a leading cause of advertising annoyance in traditional media. When the internet emerged, marketers had a new channel to explore the effectiveness of its tool of pushing intrusive sales offers to the customer. Li, Edwards, & Lee (2002) hence analysed the perceived intrusiveness of online advertising and report that online consumers are goal-oriented and judge online advertisements even more severely than those in other media. The study also emerged that in-line ads are less intrusive than pop-up or pop under advertisements, implying that the goal oriented users should not be disrupted within their online mission, which goes in line with one of the main goals of concurrent marketing; offering a seamless customer experience. To compensate, marketers from the nineties were already looking for alternative possibilities such as PR, event-marketing and product placement, which were meant to support tradtional advertisements 'below the line' (Aufgesang Inbound Online Marketing GbR, 2013). Today, with the changing lifestyles of consumers, businesses are similarly looking for new innovative ways to advertise and hence increase their customer base. While traditional methods of push marketing remain relevant, todays' advertisements do not set out to promote immediate transaction but rather to engage and to build relationships. Basically, marketing shifted from push- to pull marketing (Meffert, Burmann, & Kirchgeorg, 2015). They set out to pull the client to the message and foster interactive conversations. Pull marketing does not only successfully discourage unequivocal selling messages and brand focused approaches, but it encourages brands to shift to a customer centric view and promises higher levels of trust from those customers (Holliman & Rowley, 2014).

This shift can be modelled as follows:
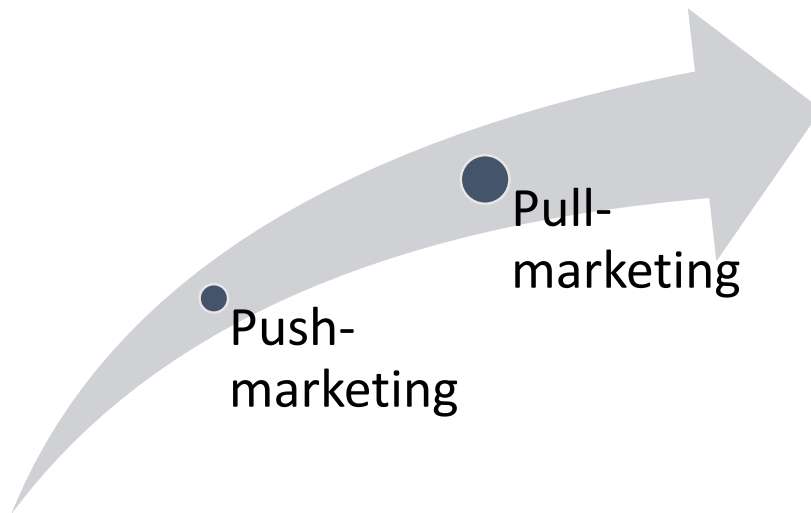
3.3.2.4. Co-creation of value

Verhoef, Reinartz, & Krafft (2010), shed new light on what Levitt proposed at a time where there was no desktop computer, social media or technology alike, by arguing that the increasingly connected society, where customers can easily interact with companies through digital channels, customer engagement is a cruicial development in customer relationship management. Therefore, marketing has shifted towards a dialog orientation. According to Cuillierier (2016), the strongest competitive advantage is to provide an outstanding customer experience that offers superior value with the engagement of the consumer. The Economist Intelligence Unit (2007) confirms, that the winning differentiator has moved from price and product to the level of engagement. They define the term as "the degree to which a company succeeds in creating an intimate long-term relationship with customers". Forrester (2008) also highlights that the solution to acquiring and retaining customers is to engage them to participate in an ongoing, two-way conversation to create a deep emotional connection with the brand, high levels of active participation and a long term relationship. In accordance, they provide a more holistic definition of the term as "creating deep connections with customers that drive purchase decisions, interaction, and participation over time".

Accordingly, everyone is seeking for new opportunities for building up relationships with customers and the people around them. At its core, co-creation of value happens through customer engagement. Through a series of steps, people are invited to share ideas and concepts and to help refining them.

This shift can be modelled as follows:
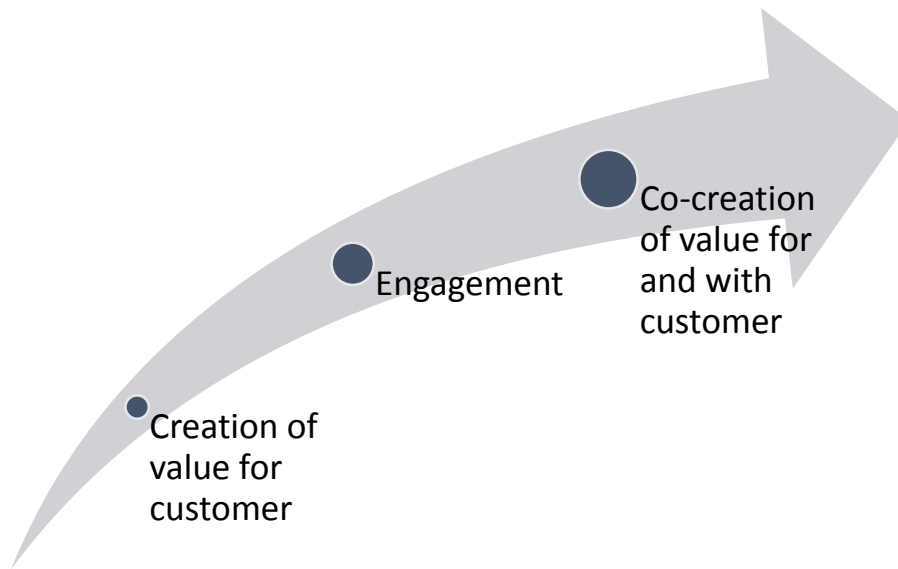
Figure 11 Co-creation of value

3.3.2.5. Interim conclusion

To summarize the findings from the marketing specific paradigm shifts, experts agree that there is a fundamental shift towards customer centricity. In line with the marketing definition presented by Kotler & Armstrong (2013), a strategy hence has to be built to satisfy customer needs. Very effective in this process, is hence to engage the customer from the start, when designing products and services and hence capture valuable inputs to co-create customized value. Furthermore, research has found that pulling customers to a brand, as opposed to influence them with intrusive sales- and product related content that targets short-term transactions, has emerged to a considerably more effective marketing tool to create arousal and enhances the likelihood of capturing a customer lifetime value. In fact, marketers are aware, that long-term relationships are key to sustainable success.

3.3.3. Customer paradigm shifts

Yet, this paper pointed multiple times towards integrating the customer at the center of a marketing strategy. As a result, this also holds true for the development of a digitization strategy. Therefore, it is crucial at this stage of the thesis, to bring in the customer perspective as well. The next section analyses several strong references on customer behaviour and attitudes as well as future customer trends.

3.3.3.1. Channels

Many experts would agree, that offering a seamless customer experience that is side by side the customer regardless of their location and the devices they are using is among the most important customer expectations (Adobe Systems Inc., 2016). PwC (2015) and GfK (2016) confirm, that the connected customer as of today values to move easily across channels.

This shift can be modelled as follows:

Seamless
experience
across
channels

Merger on-
and offline

Isolated
channel
usage
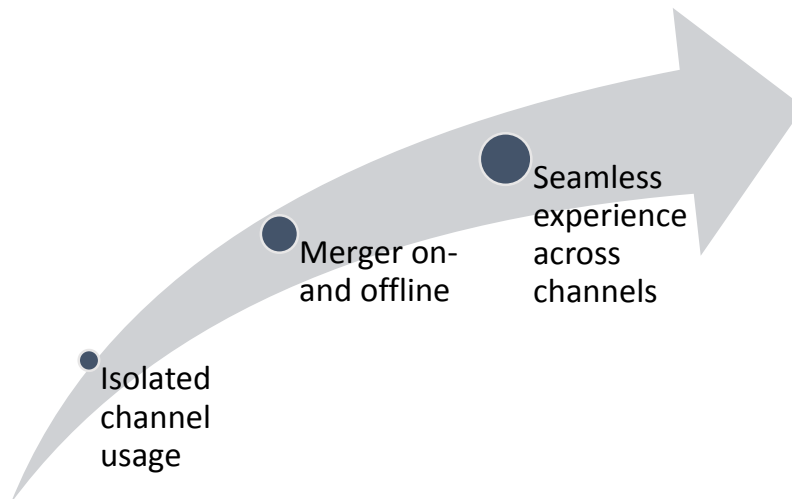
Figure 12 Seamless experience across all channels

Furthermore, conncetivity plays an increasingly important role for convenient service offerings. According to a study conducted by GfK (2016), thirty-four percent of consumers globally responded that their mobile device has emerged to their most important shopping tool. Accordingly, it is altering shoppers expectations of convenience.

They add, that customers appreciate to have immediate retail and product options at their fingertips as well as access to full transparency with regard to inventory and pricing. GfK (2016) states the success factors of future retail in four words: experience, convenience, choice and price:

3.3.3.2.   Convenience

Firstly, convenience: Euromonitor's customer trends 2017 report states that today's customers, are increasingly becoming so-called "IWWIWWIWI" – "I want what I want when I want it"-customers, which underlines that time and convenience will remain important factors for customer satisfaction (Euromonitor, 2017). Convenience for GfK (2016) means anticipating consumers demands and appearing when and where the shopper needs interaction. They even predict that the future customer will not anymore be willing to either travel or queue.

This shift can be modelled as follows:

Convenience and Speed

Customers take time to shop and cook
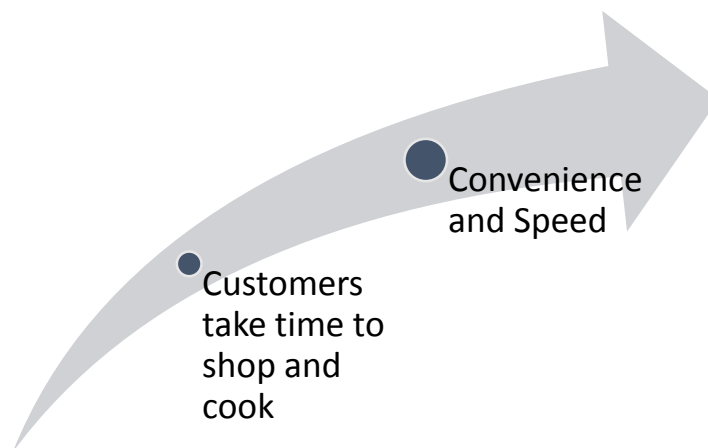
Figure 13 Convenience and Speed

3.3.3.3.   Experience

Although very important, a good customer experience goes beyond providing seamlessness, instead a good customer experience additionally awakens emotions and entertain-

ment (Forrester, 2016). "Human beings are slightly rational and highly emotional." Emotions are decisive factors for purchasing decisions and brand loyalty. Although this concept is not new and has always been at the core of brand efforts, Forrester (2016) expects retailers to finally start incorporating emotions into experience design and core operations. Humans are not only emotional, but also social. Daniel Kunz (2017) stated that a stationary retail store has already evolved to a place where people meet up to have a chat. It is thus not surprising that retailers expand their businesses to lunch- and dining places and incorporate entertaining elements. In line with that, GfK (2016) highlights that the future customer, whose expectations are set by the best experience, will demand inspiring shopping environments and a personal service that delights rather than just a place to buy.

This shift can be modelled as follows:
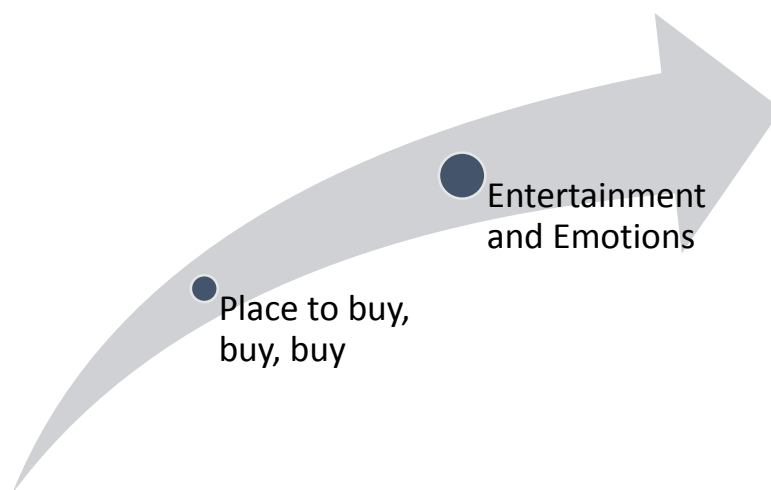
Figure 14 Entertainment and Emotions

3.3.3.4. Personalisation

Having explored the importance of customer experiences in traditional retailing, GfK (2016) states that online shops are also able to offer outstanding customer experiences. However, would they build on other elements; elements such as personalisation. In fact, thirty-four percent of shoppers globally answered that they like it when a website stores data on their visits and purchases and suggests product offerings. 42 percent answered, if they had the opportunity to give inputs or help shaping the products and services, their

loyalty to this brand or retailer would increase (ibid.). Using this opportunity, by providing platforms where customers can engage is thus crucial. Personalization in both online and offline are expected to increase in the future. Euromonitor (2017) highlights another important ongoing trend in accordance to a rise in personalized experiences. They see a shift towards 'experiential luxury', which is the idea that a mass produced product can be personalized. They argue, that with an abundance of information on clients and innovation in production technologies, such as 3D printing, mass-produced products can be replicated easily. Therefore customization is needed to make things personal and emotional (ibid.) Similarly, Adobe Systems Inc. (2016) underlines the importance of automized personalization for the identification and interaction with the customer as well as for cross-selling. Since we have a multifaceted customer with diverse ranges of needs on the one hand and countless shopping scenarios depending on segment, touchpoints, and products, automated personalization to ultimately achieve a customer single view is vital (Leeflang, Verhoef, & Dahlström, 2014). Euromonitor (2017) adds, that not only customers need a personal treatment, also brands need individual faces that tell stories.

This shift can be modelled as follows:
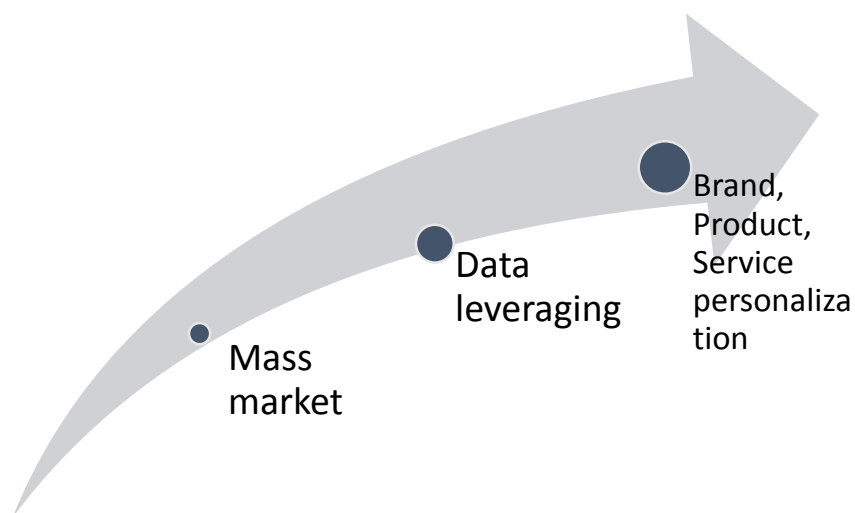
Figure 15 Personalization

3.3.3.5.   Choice

GfK (2016) mainly argues that customers demand simplicity and retailers should make their lives easier by arranging product assortments in a way that allows simple and impulsive cross-selling. In accordance, being able to buy more than one thing at the time, is the driver for twenty-one percent of the shoppers purchasing in store (ibid.). Done right, a premium department store might be able to sell both the fruits and the bowl and thus create synergies within their departments.This need can either be satisfied by placing products within distance of reach of a product that migth remind the customer of an additional need, which due to limited space however is often limited, or using technology to recommend additional products.

This shift can be modelled as follows:
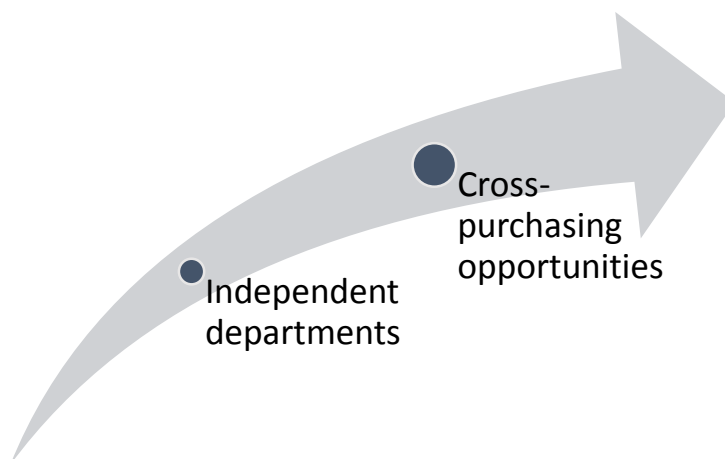
Figure 16 Cross-channel purchasing

3.3.3.6.   Price

Many of today's consumers are price sensitive, however some are less. Therefore retailers introduced dynamic pricing that allowed them to distinguish these customers and either lower prices for the sensitive- or charge full price for the insensitive customers (GfK, 2016). Since this carries aspects of unfairness, retailers have to be careful in the future. The connected consumer has increasingly access to full price transparency and is able to

spread their dissatisfaction via social media instantly (GfK, 2016). GfK hence argues, that the future customer will demand unapologetic price transparency from stores.

This shift can be modelled as follows:

Dynamic pricing
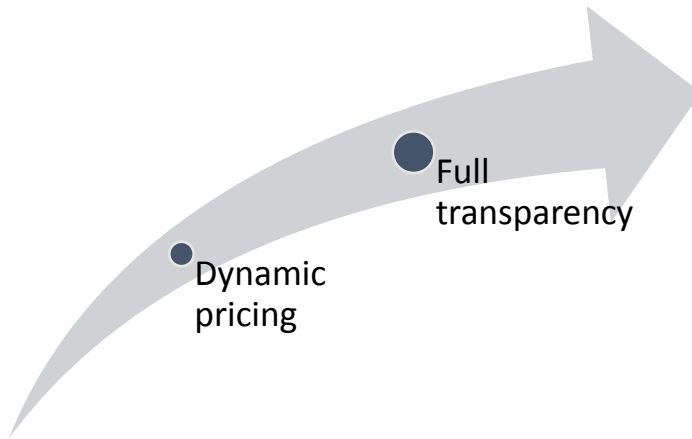
Full transparency

Figure 17 Full transparency

3.3.3.7.   Trust

While McKinsey also agrees upon the immense force with which digitization will alter the consumer preferences including the aspects mentionned, they bring up an aspect, that has not yet been mentioned. Consumers increasingly rely on referrals. According to their study, 70 percent of high engagement purchases access user reviews to form their purchasing decisions. Since Premium Department stores indeed offer products that require high engagement, this has an effect on their consumers. Euromonitor (2017) partly supports this statement, as they believe that customers seek safety in the increasingly perceived volatile world. Therefore, this paper suggests adding the element of 'uncertainty', highlighting that trust-building is a crucial aspect that a digital champion needs to provide. A common discussion with this regard is data analysis, exchange and privacy concerns.

This shift can be modelled as follows:
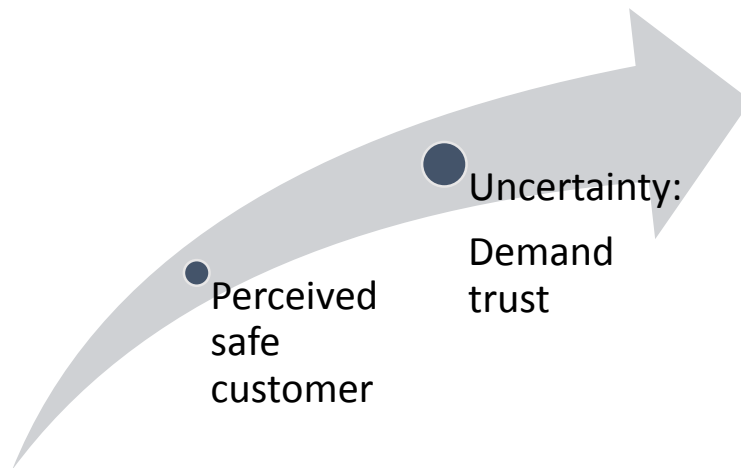
3.3.3.8. Interim conclusion

Adobe Systems Inc. (2016) strongly underlines that delivering a customer experience can either "ignite passion" or "extinguish further engagement". As the analysis emerges, a customer experience that matches their expectations consists of 'a unique individually customized experience, arousal of emotions, convenience and speed, transparent pricing, connected choice and trust.

3.3.4. Conclusion Paradigm Shifts

In this part of the analysis we dived into finding a solution to our first sub-research question: "Which paradigm shifts have altered retailing, marketing and customer expectations and hence what would be their final maturity stage?" As a result, we have analysed the changing environment that is part of our main research question.

The findings emerge, that there are twelve relevant paradigm shifts that can be integrated into the model we have outlined in the methodology. Since the characteristics are partially overlapping, those have been summarized and reformulated.

The maturity model subsequently would look as follows. It needs to be read from left to right, line by line. Within this model, the characteristics on the right hand side refer to current drivers and goals of a well designed customer experience, by a well developed

retailer with mature marketing capabilities and hence can be considered the goals, technological advancements should equally strive for.

Amateur	Pro	Legend	Champion
Mono-channel	Multi-channel	Omni-Channel	No-Line
Product centric strategy and push ads	Below the Line, and online marketing	Performance marketing and Social media	Customer-centric strategy, Pull-Marketing below the line online
Short-Term transactions	Multi-Channel communication	Engagement	Co-Creation and Long-Term Relationship
Monochannel	Independently managed channels	Seamless customer experience across all channels	Seamless customer experience beyond own store
Mass production, Anonymity	Leverage data from each channel	Merge and transform to meaningful and relevant information	Single view: Product & Service Personalisation
Patience	Convenience and Speed Pro	Convenience and Speed Legend	Convenience and Speed Champ
Place to buy	Visuals online in-store	Visuals on-offline and vise versa	Emotions and Entertainment using on- and offline
Trust and safety	Dynamic pricing, Unclear privacy	Privacy statement, Transparent pricing	Trust and Safety

Table 1 Maturity model

Having identified, the goals of digital marketing in retail, that mainly strive to improve the total customer experience, it is crucial to expand our understanding of a customer experience and hence gain an overview on where technology sets in. The focus of the paper thus shifts to customer journey mapping.

3.3.5. Customer journey mapping

Although Wolny and Charoensuksai (2014) suggest, that the usage of the touchpoints differs greatly depending on the shopping situation; such as impulsive, balanced or considered journeys, analysing the customer journey based on one model is a comprehensive tool to visualize the variety of touchpoints both the customer and retailers have at their disposal to create/arouse awareness, provide/search information, evaluate different options and hence step into action. According to Verhoef, Kannan, & Inman (2015, p. 3), these channels are "constantly, interchargeably and simultaneously" used by both user and companies to design a supportive and simple retail experience.

Adam Richardson (2010), writing for Harvard Business Review defines customer experience as "the sum-totality of how customers engage with [a] company and brand [via multiple touchpoints], not just in a snapshot in time, but throughout the entire arc of being a customer". Customer journey mapping is an approach that compells a company to take a customer-centric view. Touchpoints on the other hand can be regarded as "any product, service, transaction, venue, or experience through wich a customer receives a significant impression of [a] brand (Cisco IBSG, 2010). Richardson (2010) presents three domains that need to be considered when designing a customer experience, those can be visualized in a hierarchichal structure as follows:

Understanding a customer journey

Providing supportive touchpoints

Working out an integrated ecosystem

Figure 19 Touchpoints

This section deals with the first building block:

One of the most cited and widely accepted models for the customer decision making process, , as evidenced by leading consumer behaviour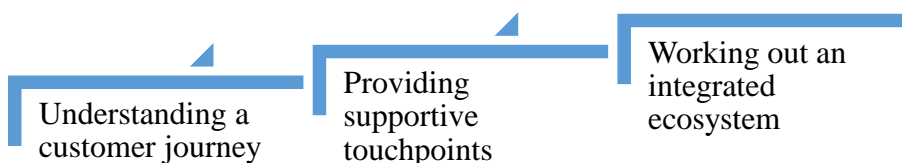 textbooks (Kotler & Keller, 2016) is the EBK model that embraced a five stage consumer decision making process. It was first introduced by Engel, Blackwell and Kollat in 1968. In Philip Kotlers recent book, 'A Framework for Marketing Mangement' we find a slightly adopted model: (Kotler & Keller, 2016)

Figure 20 Decision making process

According to Kotler and Keller (2016), the process begins when the customer recognizes a problem or a need triggered by an internal or external stimuli. The customer, then aware of a need, passes two information search stages: hightened attention where the customer pays greater attention to any content related to the need, which is a passive stage and active information search, where he uses different information channels to actively find more content.

The evaluation of alternatives incorporates beliefs, attitudes and intentions of the consumer towards a brand.

The purchase decision is then dependent on three additional, uncontrollable factors: attitudes of others, unanticipated situational factors and perceived risk.

Lastly, purchase satisfaction must be monitored by marketers since dissonance might appear. A satisfied consumer will spread positive messages about the brand, while a dissatisfied consumer might return the product, cancel the order or spread negative word-of-mouth. According to Kotler and Keller (2016), post-purchase communications result in fewer product returns or order cancellations.

With the emergence of new channels through the internet, mobile technologies and social media, shopping has become a journey in which the customer decides which route he is willing to take (Wolny & Charoensuksai, 2014). This has greatly impacted the customer decision making process. According to a study on the future of retail touchpoints, CISCO IBSG (2010) found that a customer touches a brand 56 times between the initial problem

recognition and the purchasing decision. According to Cisco (2010), many of these touch-points comprise traditional retail channels such as the retail shop-window, an e-commerce website, a television or a radio commercial, arguing that traditional touchpoints remain most important. But they also state, that new media touchpoints such as social networks, blogs, communities, video, and location based services are increasingly becoming an integral part of the consumer shopping journey. Additionally they point at the future, by mentioning the development of new engaging touchpoint opportunities through technologies such as augmented reality, near-field communications, internet protocol television and Smart-features (ibid.). Aligning today's touchpoints to the customer journey, would look as follows:

Customer journey & Touchpoints

Retail business

(AR)

(Beacons)

Problem recognition	Hightened attention	Active infromation search	Alternative evaluation	Purchase decision	Post purchase behaviour

The graph also incorporates review sites, visualizing that touchpoints do not only feature firm to customer interactions, but also those between customer to customer. As customer expectations are set by the best experience, the customers nowadays expect to use any route they like. This underpins the significance for retailers to offer any of these channels of interaction. Furthermore appearing consistently across all channels and create positive experiences is key (Cisco IBSG, 2010)

3.4. Technology

The next section of the thesis, dives into assessing the various technologies that are at retailers disposal to enhance the customer journey and strive towards the final maturity stages. The focus is placed on three points: description, the benefits, they provide and the order in which they need to be implemented. An extensive literature review identified the technologies and tools that are available. Necessary marketing tools that are required in combination of a tool, such as performance or content marketing, are elaborated. The paper starts diving into the world of technology by using Richardson's theory to set up touchpoints and hence converge them. Then the paper will dive into future technologies as mentioned by CISCO IBSG (2010).

Although there are numerous analogue touchpoints such as newspapers, physical catalogues and mail, as previously stated, the evaluation will largely be limited to inter-net-based appliances.

3.4.1. Setting up touchpoints

The initial question that arises is: 'Which touchpoints are important on a customer shopping journey?' The answer that emerges from the analysis conducted so far, would be: Follow the customer. Be where the customer is and where he goes next.

.

3.4.2. Website and e-commerce

Starting very basic, PwC (2016) argues that the digitization of product and service is a core capability of customer acquisition via online channels. This includes firstly, setting

up the own webpage and online store. This unlocks the potential, not only to boost internet purchasing, but due to its brand building effect also offline bricks and mortar sales. According to a study conducted by Yahoo!, it can increase offline sales by nearly 50 percent. Harden and Heyman (2009) argue, that the website is the most important tool to brand building.

The website should contain relevant content and be supportive on the customer journey. According to a study conducted by Krueger (2015), industry director of retail at Google, three quarter of shoppers who find the information provided helpful are more likely to visit a store. Hence navigating through a website on the search for information needs to be convenient and fast. Both, Jelmoli and Globus website use filters according to product categroy, that allows customers to find products easily (Jelmoli AG, 2017; Globus, 2017). Furthermore, they contain a field for keyword-searches. In addition, they work with little text but inspiring and entertaining content in form of images, that rise emotions.

Casalo, Flavian, & Guinaliu (2007) pointed out that perceived reputation and satisfaction with previous experiences are the key drivers to build trust towards a website. In the cases of the two premium department stores Globus and Jelmoli, the perceived risk however might be considerably low, due to its long presence and the high reputation they compiled over these many years in business.

As of today, both premium retail companies Globus and Jelmoli also appear online with websites and incorporated online stores.

Figure 22 Globus Home

Figure 23 Jelmoli Home

With the emergence of the first web site, numerous opportunities in marketing opened up. In accordance, display advertising and email marketing emerged. After increasingly perceived intrusiveness, marketing reacted with a shift towards performance- and below the line marketing; these contain display ads with another cost structure, search engine optimization and affiliate marketing. The shift of advertising in marketing has been graphically illustrated by Aufgesang Inbound Online Marketing GbR (2013):

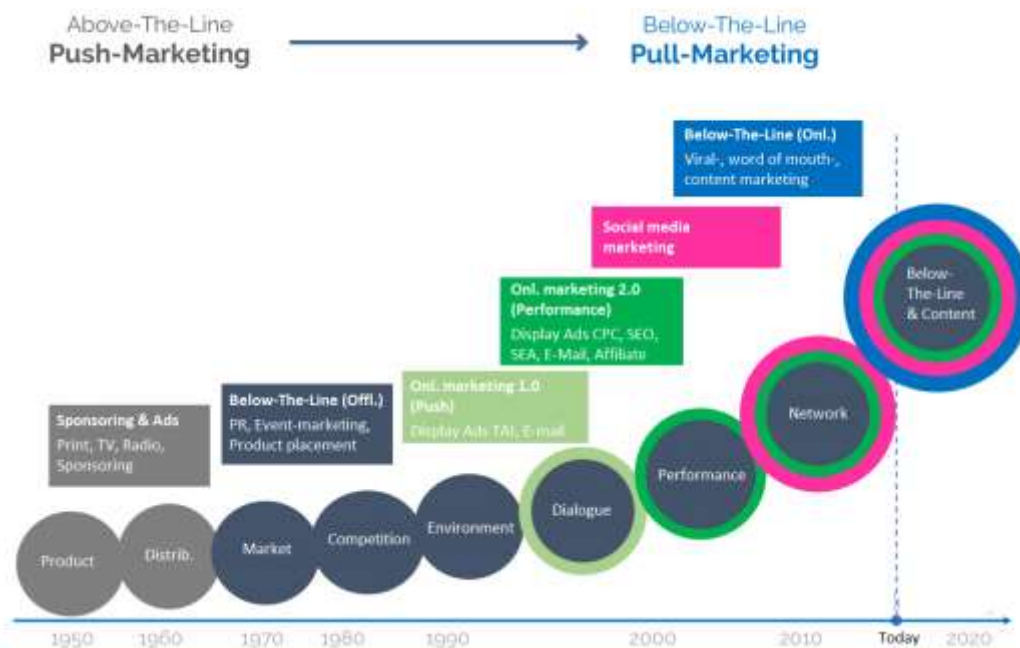**Figure 24 Aufgesang Inbound marketing model (translated by author)**

Kotler & Armstrong (2015) state that the largest part of a firms digital marketing spending is invested in the two major forms of online advertising; which are display- and search related advertisements. The following section dives into these marketing tools, explains what they are, how they are used today and the opportunites they present.

42

3.4.3. Display Ads

Display advertising uses images, audio and video and is thus different from text-based ads. Ads appears as banners, rich media, and more (Third Door Media Inc., 2017). According to Kotler & Armstrong (2015), targeted display ads often correlate to the content beeing looked for.

Despite high growth, as examples from the US confirm, where spending on digital display advertising is contuously subject to high growh (eMarketer Inc., 2016) , its effectiveness is often questioned (Hoban & Bucklin, 2014). Previous research has focused on three points: customer behaviour in relation to clicks, brand awareness and customers recalling an add (Drèze & Hussherr, 2003). One of the most cited studies that can be found on Google Scholar on this topic stems from these authors. Their analysis suggests that users browsing through the web, fade out banner ads. In accordance, more recent studies from the United States emerge the same result that for example social media advertisements had no influence on consumers, arguing that brand related stuff would be turn out (Smith & Chaffey, 2013). However Drèze & Hussherr also show that repeating occurance of the ad, leads customer to come back and hence features benefits such as brand awareness. Overall however, their observation emerges that clicks in relation to the total number of exposure to advertisements is decreasing. To counter this trend, firms started retargeting the display ads, focusing the ad impression on prior visitors to a website. As a result research pointed at effectiveness-gains and hence reduced shopping cart abandonment and retention (adRoll.com, 2014). However, other studies have found that the effect highly depends on characteristics and hence is not necessarily positive (Goldfarb & Tucker, 2010).

As a result, targeted display ads certainly present a good opportunity for storytelling, using visual and interactive content. This might rise emotions and entertain, as well as build brand awareness. On the other hand, forms of display advertising such as 'takeover ads', that last only a few seconds, but as the name suggests take over a large part of the computer screen (Kotler & Armstrong, 2015), might disturb the customer on his shopping mission and hence stands in contrast to enhancing convenience and speed on the customer journey.

3.4.4. Search Engine Marketing

According to Shih, Chen, & Chen (2012) customers are reaching websites increasingly via search engines rather than a direct link. Search engines, such as Google, Bing, Yahoo!, and ask.com, are used to find any kinds of information. Hence, as they build the link to a company, search engines have become from essential importance in a customers search process and a central sub-discipline in marketing (Shih, Chen & Chen, 2012). In accordance, a survey of 1500 advertisers revealed that ninety percent were engaged in search engine optimization and eighty-one percent invested in sponsored links (E-consultancy, 2010). Kotler & Armstrong (2015) confirm it is the largest form of online advertising, making up for ninety-six percent of Google's 50 billion USD revenue in 2014.

According to Berman & Katona (2013) and Lammenett (2017), a company has two options to achieve a high ranking among the search results; organic listing, which refers to Search Engine Optimiation, where the goal is to achieve a high ranking among the search results without paid ads and sponsored, which refers to Search Engine Advertisement or Keyword advertising. Those are text and image based ads with a link to the company (Kotler & Armstrong, 2015)

According to Lammenett (2017) search engine optimization stands for methods to achieve a good ranking in a search engine result page, while keyword advertising inclines the paid input of advertisements on the search engine result page. Lammenett argues that considering the predominant market positionning of Google, keyword advertising, in our region, can almost be used synonymously to Google AdWords.

Lammenett (2017) states that prices per click have been increasing considerably over the last years and the landscape has become increasingly competitive. He argues that these reasons have caused, the return on investment on keywords to shrink drastically, so that they are for many firms in competitive environments not profitable anymore. He also highlights the increasing complexity of the performance marketing, where Google monthly releases new updates which set the frame for a successful high ranked listing. Accordingly, trends such as a good visibility, design of mobile appearance and content analysis are expected to further alter the criteria for a good listing. Maintenance effort is thus high (ibid.). Nevertheless, he clearly states, that search engines are the most efficient

way to capture traffic, and hence expects search engine marketing to continue being an important aspect in marketing.

3.4.4.1.   SEO

According to Lammenett (2017) the relevance of SEO is indisputeable. Similarly, that SEA is no substitute for SEO and an optimal result will only be generated if both are used parallel. An empirical study conducted by Shih, Chen, & Chen (2012) confirms, that a good SEO stragety can effectively lead to greater visibility and eventually more traffic and customer engagement. A study from the US analysis platform Custorea, that assessed the shopping behaviour of seventy-two million customers in American online shops emerged that search engines are the most important tool for customer acquisition (Haufe, 2013).

What can be done in SEO, is well explained by Google in a SEO mannual that guides users to optimize the own organic search result. The key focus points they present include creating unique titles, URL's and content, plus structuring the website in a user friendly way that is easy to navigate (Google Inc., 2010).

A study conducted by Sistrix in 2015 analysed 124 million clicks. Their findings reveal that sixty percent clicked on the first search result followed by only sixteen percent on the second. Lammeret (2017) states that, although the study is not representative, the likelyhood is high that the first two results enjoy a considerably higher click-rate.

An issue associated to SEO, is the difficulty to measure whether SEO brings new visitors that fulfill the goals of the company associated with the investment in SEO. Although there are different approaches, this is yet not measureable (ibid.).

Using the search engine Google, searching for 'premium department store' in Zurich, Jelmoli and Globus appear organically at third and fourth place. No sponsored ads could be found.

3.4.4.2. SEA

Today, Google's revenue stems to ninety-seven percent from paid search engine advertisements. The figures of Googles revenue through SEA, which in 2010 made up for more than twenty million US-Dollar and in the subsequent years increased to more than 70 million US-Dollar in 2015, underpins its importance in marketing.

Every SEA is linked to a specific website. Furthermore, it is connected to specific keywords. The Ad appears only, if a search action is related to these keywords. The customer is hence approached with content, he wishes to see. Lammenett (2017) argues, that with keyword advertising, considerably more clicks can be generated than with traditional banner ads. A representative study by Lammernett confirms click rates of Google-Ad-Words campaigns lead to an adjusted average click rate of 3.54 percent, while banner ads typically reach click rates of 0.01 to 0.1 percent (ibid.).

The price for keywords, is not like in banner ads the number of impressions, but the number of clicks. The price per click also referred to cost per click, CPC, however highly depends on the competitive situation of the market as companies who wish to buy a keyword, have to bid for it. For a successful SEA, both the choice of the keywords and the design of the ad is of cruicial importance. Additionally, within the choice of the keywords, the focus should not be on the number of clicks that potentially can be generated, but on finding those specific keywords that bring the right customer (ibid.)

The main advantages of SEA can be seen in the success-oriented charging, based on effective clicks, the controllable positionning based on price, advertising campains are scaleable, free branding in case there is no click and the return on investment is measureable (ibid.)

In accordance, David Buckley, CMO of Sears in the United States has measured its impact and found that 10-18 percent of clicks resulted in a visit of a bricks-and-mortar tore within 30 days (Krueger, 2015).

As a result, both SEO and SEA are effective tools to drive traffic online and also in store. Further, they increase the simplicity of a customer journey by adding convenience and speed to his search process.

3.4.5. Affiliate marketing

Affiliate marketing builds on the concept 'pay for performance' marketing and, according to Duffy (2005) is considered one of the most promising long-term marketing strategies for e-commerce. Without affiliate marketing, a retailer bears the risk of generating marketing costs, that cannot be covered by the sales generated. In affiliate marketing, this risk associated with the cost of marketing is shifted towards an 'affiliate', as he pays for his own marketing efforts. In return, the 'affiliate' is granted a commission on every sale. For the retailer this means having an additional, purely commissoned sales force. In the online world, there are numerous websites, with banner, texts and links to products, to lead a customer on an existing page and eventually generate a sale (ibid.).

Among them, Amazon. Amazon was one of the first online marketing affiliate programs when it was launched in 1996. (Amazon, 2017). Today, they have a huge network of connected 'referral' sites and bloggers. Equally do premium department stores, such as Macy's, promote affiliate marketing. Macy's collaborates with LinkShare, one of the largest affiliate marketing service provider (Duffy, 2005; Rakuten Marketing, 2017).

Duffy (2005) states that the key to a successful partnership, is a positive outcome for both. The advantages form a retail perspective are predictable marketing cost and a commission based sales force, while for the affiliates, an opportunity to create revenue without having a corresponding infrastructure and inventory, emerges (ibid.).

3.4.6. Social media

According to Statista (2016), Swiss companies use social media to primarily increase visibility, secondly, trust, reputation and image and thirdly, reach and traffic. Hence, they set up free official accounts on the providers webpages. The potential benefits that can be reaped with social media presence include brand reach and awareness, engagement, review and reputation management. According to Neti (2011), these benefits are widely accepted.

Nevertheless, current research perceives difficulties to answer the question of the value of a social media brand fan (Syncapse, 2013). In line with that, eighty-seven percent of

those who invest in social media have not yet been able to determine its impact (John et. al, 2016). A recent study by Harvard Business School professors emerged that "the mere act of 'liking' a brand has no positive first-order effect on consumer attitudes or purchases" (John et al., 2016, p. 145).

Hence, among the top 13 reasons to incorporate social media, generating a direct effect in terms of sales is absent (Statista, 2016), which underpins the shift towards pull-marketing and assumingly the knowledge, that unless the customer is pulled to a brand through relevant, compelling and engaging content, a direct impact on sales might be absent (John et al., 2016).

3.4.6.1. Facebook

According to Facebook (2017), setting up a business profile helps people to connect with a business. Facebook provides a seamless communication, a platform to increase the reach of campaings, tell the brand's stories with supportive picture and (live-) video content to increase brand awareness and increase traffic, engagement, and sales. Lastly, it measurs the results to enhance decision making (ibid.).

As outlined previously, Facebook is the predominant social network in Western markets in terms of users; globally forming a network of 1,94 billion monthly active users (Statista, 2017) and 65 million businesses using their free page product. Additionally, companies increasingly purchase Facebook advertising services (Shayon, 2017). Also in Switzerland, the networks attracts eighty-seven percent of the companies engaging in social media (Bernet_PR/IAM ZHAW, 2016). As a result, Facebook certainly offers one of the best social networks when targeting to increase visibility, reputation, reach and traffic due to its large audience.

3.4.6.2. Instagram

With 700 million monthly active users globally, and a rapid growth indicating a strong aim for more, Facebook backed Instagram might be very relevant for the future. According to Statista (2017) Instagram grew by a 100 million monthly active users from December 2016 until April 2017. Instagram is also growing among the Swiss, as a survey of McSchindler conducted in 2016 unveils. Thrity-five percent of respondents reported

to use Instagram more than in the previous year and hence is the fastest growing among the social media networks (Mcschindler, 2016).

According to Facebook (2017) businesses can use photos, videos and adverts to inspire people, build awareness and drive action on Instagram (Facebook, 2017). While the focus of Facebook is on people, the explicit focus of Instagram is content, mainly pictures (Erkan, 2015) . As theory suggests, delivering content is cruicial (Pulizzi, 2012). Hence, Instagram has to be considered as a tool that companies need to incorporate into digital strategies, if they are set to anticipate customers needs.

3.4.6.3.   Youtube

Although Youtube counted 1.3 billion user in 2017, in this regard is still behind Facebook. However, Swiss businesses incorporate the use of Facebook and Youtube with equal importance into their digital strategy (Bernet_PR/IAM ZHAW, 2016).

Youtube is video content oriented (Erkan, 2015). Online video now accounts for 50 percent of all mobile traffic and is regarded as the type of content with the highest ROI (Hutchins, 2015). The Aberdeen Group (2014) group confirms, that their study on visitor/buyer conversion of companies using video content is 1.9 percent higher than the 2,9 percent conversion rate of those who do not use video content. In line with that, the Aberdeen Group (2014) states: "Facts tell, but stories sell."

Since previous research agrees that the most effective content is visual, including pictures, infographic and videos (Duc, 2013), Youtube has to be considered as a cruicial component of the current and also future digital marketing ecosystem.

3.4.6.4.   Others

Although Snapchat has been considered as one of the fastest growing social media networks, the growth slowed after Instagram launched its story feature (AOL Inc., 2017). According to Mcschindler (2016) also Pinterest, a platform, "the worlds calalog of ideas" with 175 million user worldwide (Pinterest, 2017), is gaining ground in Switzerland. When it comes to Google+ and Twitter, Mcschindler (2016) observes a decreasing use among the Swiss population (McSchindler). These developments need to be closely observed. Retailers who want to serve the customer, whereever he is and on any channel

he wishes to, need to consider to incorporate every channel to maximize the audience reach.

3.4.6.5. Content marketing

To increase the effectiveness of social media channels and websites, theory presents two powerful opportunities, which are content marketing and viral marketing. Those will be assessed in this part:

Content stems from the publishing sector, where content had to be compelling enough to attract an audience. In line with that, this paper supports the idea of Pulizzi and Barrett (2008, p. 8) who define content marketing as "the creation and distribution of educational and/or compelling content in multiple formats to attract and/or retain customers" (Pulizzi & Barrett, 2008, p. 8). Content is a key component of pull-marketing. Thus it is crucial to understand how content can be used to attract and engage the customer. Contents includes the static content of a website as well as dynamic rich media content, such as podcasts, videos or user generated content (Smith & Chaffey, 2013). Although content marketing together with digital marketing techniques are among the key priorities for marketers, only thirty-nine percent of brands have an explicit content marketing strategy while sixty percent of the content was focusing on product-based messages and is thus irrelevant (Holliman & Rowley, 2014). Aware of the importance of content marketing, there is research on key characteristics of such relevant and engaging messages customers are receptive for. Halligan & Shah (2010) point out that the brand either needs to educate or entertain the target audience with their content. Peppers & Rogers (2011) identify four characteristics that once embedded in the content could enhance trust among the audience: Those are shared value with the customer, interdependence, quality communication and non-opportunistic behaviour. The latter incorporates the important piece of marketing theory, that the message needs to be, in contrast to the product-based messages, built on a defined target group and address their needs (Scott, 2011). Another characteristic is added by Rose and Pulizzi (2011), who suggest that the message at its core should be different than those of other brands.

The benefits of content marketing can be allocated to search engine optimization, converting the audience into customers and enhanced social media presence. According to

Pulizzi (2012), they would all not be effective without compelling story-telling. As a result, once the touchpoints of a website and social media are set up, content marketing needs to be considered as a vital part of advertising. It incorporates emotions and entertainment and pulls customer to a brand.

3.4.6.6. Viral marketing

According to Keller (2007), traditional word of mouth (WOM) is the most important and effective communications channel. Although the spread of positive messages is powerful, Solomon (2003) argues in his book, which has been praised by Philip Kotler, that negative word of mouth is higher weighted by recipients than positive messages. Salomon found that 90 percent of dissatisfied consumers do not reconsider the companies where they experienced dissatisfaction. Additionally they will spread this message to at least nine other people, among which, thirteen percent will further spread the negative view to more than thirty other people (ibid.).

According to Welker (2002, p.7), viral marketing is nothing more than "a new interpretation of the good old word-of-mouth paradigm". The tool of viral marketing is thus an internet based technique to spread messages among people who will consider to forward the content in their social environment (Woerndl, Papagiannidis, Bourlakis, & Li, 2008). For this purpose, different channels such as email, forums, as well as Youtube and social media, serve as platforms (ibid.). In comparison to the traditional word of mouth however, viral marketing is much more effective and not geographically restricted. It will thus have a higher audience reach, spreads exponentially at a fast speed, target potential customers both specifically and consistently with a unified message and directly reaches the spreaders' social environment, where their influence is the highest (Helm, 2000, Welker 2002). On top of that, viral marketing is relatively inexpensive (Welker, 2002) and does not conflict with privacy concerns (Woerndl et. al, 2008). In fact, it is another form of pull marketing, since it spreads messages without the involvement of the original source (ibid.).

However, there are also risks involved, as pointed out by Welker (2002), Helm (2000) and Kaikati & Kaikati (2004), these are lack of control in terms of spread, content

and success measurements. It might lead to negative word of mouth and generate a negative brand impact as well as the risk of consumers who are not willing to provide referrals without incentives. Woerndl et al. (2008) who analysed three cases of messages that went viral contentwise, state that they all had distinct common characteristics; they all promoted imagination, fun & intrigue, were easy to use and with exception of the commercial message, engaging.

In case of expanding the social media strategy, this analysis emphasises the importance of viral content to drive a positive impact with social media and further extend the benefits associated with content marketing.

3.4.6.1. Application in retail

Today, only a few marketing capaigns are launched without the incorporation of social media. While Jelmoli is using channels such as Facebook, Instagram and Twitter (Jelmoli AG, 2017), Globus uses Facebook, Pinterest, Instagram and Youtube (Magazine zum Globus AG, 2017). Hence, they would both agree that Facebook and Instagram are important channels to focus on. Youtube is surprisingly only incorporated by Globus.

Daniel Kunz, head of Globus Zurich, confirms that direction and states, that additional social media channels will soon be integrated into its digital marketing strategy (Kunz, 2007). Globus is planning to release educational content in relation to their food department on its website category 'Delicuisine', where they demonstrate how to use their products (Kunz, 2017).

3.4.7. Review sites

Van Doorn, et al. (2010) highlight that a central opportunity for retailers to enhance the customer experience is providing a platform where actively engaged customers can communicate their ideas. On their shopping journey, customers seek information in the search stage with regard to associated risks, and ultimately find a product or service with an optimal fit, therefore they often turn to review sites such as online retail websites, independent review platforms, blogs and video sharing platforms (Constantinides & Holleschovsky, 2016). Constantinides and Holleschovsky (2016), recently published a study that confirmed that online customer opinions have a major positive influence on the

customer journey in the search and evaluation stage as well as ultimately in purchase decision making. However they found, that this is only true, when the customer trusts and relies on the information presented. This is a factor that can be influenced by companies by enhancing the format of their channels, such as user friendliness and trust as well as the online review system design. They suggest the best way to do this, is by providing useful information (ibid.).

3.4.8. Mobile app and m-commerce

Omni-channel means reaching the consumers wherever they are and whatever device and touchpoint they are using. This is increasingly the smartphone (Krueger, 2015).

Adobe Systems Inc. (2016) recognizes mobile as one of the central tools in the digitization debate. With 86 percent of the Swiss, considering their smartphone as important or very important, the reason is obvious (Y&R Group Switzerland AG, 2015). Businesses have recognized the trend that customers expect the content to be where they are; accordingly content is no longer only desktop-driven in its development. Often a mobile app comes first, and content for the desktop is developped subsequently (Accenture, 2015). In fact, responsive design websites, that focus on the device a customer is using, are growing rapidly in their use (ibid.). Adobe Systems Inc. therefore highly suggests to make mobile a priority and develop mobile apps so they appear "born mobile" and not like a reconstructed webpage.

Mobile is both a subcategory of e-commerce and a tool that can assist the customer on its shopping journey online and in-store. Wang, Malthouse, & Krishnamurthi (2015) clarify that the mobile channel is the most relevant in the search phase. According to Buckley, CMO at Sears, servicing the customer with product information including picture, price and location of the product via mobile, makes it considerably easier for the customer to find a retail store and eventually enter (Krueger, 2017) which increases traffic. With the high penetration of mobile, the rise in mobile apps and the connectivity offered by a majority of the social media networks for free, mobile is the new gateway to the world of information and people (Verhoef, et al., 2017). From a mobile phone, almost any touchpoint with a company is accessible and hence enables various forms of new shopping assistances throughout the customer journey. Verhoef, et al., (2017) sees

another trend-setting development. They say that the exponential decrease in cost and size of sensors, makes everyone, at least in theory, connected to every object as well.

While Globus has a very basic app, containing the three subcategories; Customer card, Vouchers and Branches, there is no Jelmoli app available in the App Store.

To conclude, mobile apps and original m-website are cruicial in today's digital world. On the following pages, this paper will further present opportunities where mobile applications can set in to enhance customer experience and to merge the on- and offline worlds in the future. It underlines the fundamental importance to set them up now. First however, we stick to the basic level of marketing in retail and focus on customer loyalty programs, that have been part of retail ever since its existence in one form or another.

3.4.1. Loyalty programs

Customer loyalty programs are "marketing programs that reward members with purchase incentives" (The Nielsen Company, 2013). Braun, Reinecke, & Tomczak, (2017) from University of St. Gallen, summarize the term as both online and offline tools to enhance customer loyalty in form of loyalty- or memebership cards. The use of loyalty programs is very popular in a variety of industries, equally in department stores. Globus and Jelmoli both offer customer loyalty cards, segmented according to consumer spending. Loyalty cards are among the most popular marketing tools that companies use to collect information, positively influence purchasing behaviour and hence increase customer retention (Kang & Alejandro, 2015; Verhoef, 2003). The positive impact on customer loyalty has been confirmed by previous research (Tang, Zhang, & Cheng, 2012), arguing however that success strongly depends on the respective target group, context and service offering (Braun, Reinecke, & Tomczak, 2017).

With constant advancements in technology and e-commerce, loyalty programs underwent an immense transformation in the last ten years (Leeflang, Verhoef, & Dahlström, 2014; Beck, Chapman, & Palmatier, 2015). Especially online, the number of loyalty programs is constantly growing (Dorotic, Bijmolt, & Verhoef, 2011).

Retailer consider it an additional opportunity to differentiate from competition, especially in an environment where product- and service offerings might be perceived as overlapping (ibid.), such as in the case of Globus and Jelmoli, whose ranges cover similar product categories. Retailers are thus trying to sense customer demands and counteract the perceived 'easy to substitute' mentality, especially regarding the great number of loyalty programs customers are faced with.

Beside the collection of information, loyalty programs offer the possibility to communicate with the customer, ask for feedback and to engage them in the process of service- and product design. This raises value in terms of resulting analytical possibilities and might positively influence the emotional connection between the customer and the store (Tomczak, Reinecke, & Dittrich, 2010).

Both retailers Globus and Jelmoli, offer loyalty cards with or without integrated payment method. Additionally, they offer branded credit cards to design the customer shopping journey faster and more efficient. This allows retailer, to connect the existing personal data to customers individual purchasing behaviour.

The new tools of digital and mobile communication offer retailers a new set of opportunities to get in touch with consumers at any time. The data acquired from loyalty programs, can hence be used to individually approach each customer with tailored incentives. According to a study conducted by ECRM Group (2016), discounts are the preferred type of reward from a customer loyalty program for fourty-eight percent and hence the majority of the Swiss respondents.

What we can observe now, is that customer cards and payment methods merge towards the mobile phone. So does Globus already allow its customers to store coupons and their loyalty card on their smartphone (Magazine zum Globus AG, 2017). Jelmoli on the other hand simplifies payment with integrating apple pay into their Jelmoli Visa Bonus Card, an app however is yet missing (Jelmoli AG, 2017).

3.4.2. Connection of online and offline

Omni-channel strategies aim to seamlessly bring multiple customer experience scenarios together, including those in traditional retail stores, online channels and mobile sales (PwC, 2017). However,becoming Omni-Channel starts at an internal level (Krueger, 2015). Making sure there is no competition between on- and offline sales and marketing departments as well as having agile and technologically receptive employees are key (Ernst & Young, 2011). In-store employees that work on provision obviously, are negatively impacted by showroomers and hence might be reluctant to promote an organic growth of an omni-channel system. Krueger therefore argues that an omni-channel mentality must be incentivized to create the right culture among employees and teams (ibid.). While Jelmoli has a bonus system, that rewards good sales staff, Globus abstained from this concept so far. However, contrary to what the theory of 'pulling' a customer to buy a product and creating an environment that also promotes online sales suggest, Globus is about to introduce a similar concept (Kunz, 2017). Nevertheless, Globus introduced an app 'Globus Inside' for employees to access news, shift-plans, to chat and blog that should replace paperwork, simplify internal communication and hence acclimatise the employee base to technological tools.

According to Krueger (2015) a retailer needs to collect, measure and analyse data to understand customers while providing them with relevant information across channels, to understand their behaviour and finally be able to introduce technology to re-structure the company according to omni-channel standards. Verhoef et al., (2015) suggests that such an analysis will most probably unveal the trend of what they call 'search shopping', meaning that the customer conducts research in one channel and then switches to another to complete the transaction. As a consequence, Verhoef et al. (2015) highly suggest, to integrate access to knowledge on all channels interchangeably, meaning that traditional retail incorporates tools to access information previously only relevant to the online world and vice versa. Especially since it is difficult or impossible for firms to control the simultaneous and seamless usage of the channels, he argues, that adaptation is a crucial step in converging the channels.

Showrooming, which is gathering information on a product in-store and then purchasing online as well as the opposite, which has been titled 'webrooming', are becoming

important issues (ibid.). While common goods, which are everywhere the same, such as a Coke can, are often easily bought online, differentiated goods however, including personal perfumes, expensive jewellery, or a bed, often want to be closer examined (PwC, 2017). Hence, a premium department store, that sells mainly differentiated products, would particularly be affected by showrooming, could however profit from webrooming.

To offer knowledge on both online and offline channels, Verhoef et. al., (2015) proposes the installation of in-store tablets where customers can search information on their product of choice, the availability and eventually place an order. Sears, the US American department store, tried to attract 'webroomers' through on- to offline ads, which means placing online advertisments that set out to attract traffic offline. Therefore, they integrated a function that allowed availability check based on each stores inventory levels. As a result in-store traffic increased by 122 percent (Krueger, 2015).

Another solution to position oneself best in face of this trend, is by connecting the online- and offline stores. This can be further done, by offering click-and-collect, delivery, in-store returns for online purchased articles and vice versa (Kurt Salmon, 2015).

When checking online, Jelmoli offers 'click&collect', 'click&reserve' and three options for delivery: next-day delivery with Swiss Post, express delivery arriving until 9 am the next day for CHF 25 or same day delivery, which is individually priced. Online purchases can be returned in-store within 14 days and a valid receipt or sent back. The cost then, is beared by the customer. The availability of a product can be checked online, however, there is no indication whether the product is located in store, or in the center of distribution. (Jelmoli AG, n./d.). Globus on the other hand offers 'click&collect' and a delivery service. Delivery cost amount to 4.90 CHF for deliveries carrying a value of up to CHF 150.00, if more, the delivery is free. However, it takes 2-4 workdays. Returns are free, and can also be brought back in-store. The availability of products in-store cannot be checked online either (Globus, 2017).

This short analysis clearly shows a lack of online and offline connection. The biggest issue can be allocated to the unability to check laction based inventory in real time. A solution will be presented in the part of retail tags. Additionally, the offerings for delivery by Globus cannot be regarded as a seamless customer experience.

Another question, previous research came up with is, how the co-existence of online and offline shop would design their range on both channels. A study conducted by Emrich, Paul and Rudolph (2015) who analysed strategic value maximizing integration of assortments on- and offline, found that that full integration, meaning to offer the same range on- and offline, dominates no integration, where a retailer offers different assortment on each channels. Additionally, and more significantly, they found that full integration increases traffic most strongly for limited-line retailers with a high depth of items. On the other hand, retailers with a broad assortment and a wide range of items with cross-selling options, such as offering oven gloves to a baking pan, full integration is less effective compared to asymmetrical integration, which inclines that one channel offers all the items of the other plus additional products. In accordance, for a premium department store such as Jelmoli and Globus, that have high cross-selling opportunities, an asymmetrical integration where the online store offers additional assortment items, is suggested (Emrich, Paul, & Rudolph, 2015).

3.4.3. No-Line

Taking the concept of omni-channel even further, as pointed out in the initial part of this study few research articles suggest that a retailer needs to enhance collaboration with suppliers and competitors to promote the attractiveness of a retail-location as a whole (Heinemann, 2013). Retailers have only recently realized that a collaboration rather than strict competition, is beneficial. Accordingly, Daniel Kunz (2017) points at customers who leave the store fully satisfied but with an incomplete shopping mission since not all products they need are available at Globus. Kunz (2017) mentions customers who head to Lindt & Sprüngli to get Luxemburgerli, customers who head to Migros to buy toilet paper or those who head to Jelmoli, because an article at Globus is sold out. Kunz (2017) therefore suggests increased collaboration.

Solutions can be seen in partnerships. Technology however sets in when emerging real-time inventory tracking of the different stores into one would allow to efficiently check availability from another store and release the customer from further own information search. Another, future oriented solution to enhance the attractiveness of a location as such can be allocated to the use of augmented reality and smart technology.

As a result, the merger of online-and offline should be holistically, including information and the benefits of all channels. As stated, an exception can be regarded as the full convergence of the assortment, where research proposes an asymmetrical integration as a better fit for department stores.

3.4.1. Big Data

3.4.1.1. CRM-technology

Having stated, that building strong and profitable customer relationships is a central goal of the marketing, this paper dives further into the art of building strong customer relationships – which is called customer relationship management or CRM.

Many definitions reduce the term CRM to its technological component. Although, CRM software has been one of the greatest technological contributions to companies in the new century (Chao, Yang, & Jen, 2007), customer relationship management is defined more holistically. Sin, Tse, & Yim (2005, p. 1) propose to define CRM as "a comprehensive strategy and process [supported by technology] that enables an organization to identify, acquire, retain and nurture profitable customers by building and maintaining long-term relationships". The focus is thus, as widely accepted theory suggests, on long term relationships (Abdul-Muhmin, 2012). Acknowledging the wider field CRM consists of, in terms of this paper, we focus on the technological aspects presented by CRM.

According to Ruth Stevens (n./d.), who was named one of the hundred most influential people in business marketing, states that in comparison to the financial sector, retailers have slowly adapted to new CRM techniques. She identifies the tools used by retailers as branded credit cards, frequent shopper programs, loyalty cards and tracking purchasing history. She stresses the importance of implementing a CRM strategy that includes all channels.

The technological aspects, a CRM software provides are "tools to facilitate the implementation of a CRM strategy" (González Benito & Trindade Venturini, 2015). This

tool sets out to connect the front- and backoffice at each touchpoint on the customer journey. In fact, touchpoints are a great opportunity to listen. In line with that, Benito & Venturini (2015) argue that the primary objective of the CRM technology is to "track, capture, and analyse customers' interactions over time" and then convert these data into meaningful information for customized marketing plans, product- or service development and communication programs, that "attract, reward and retain customers". These refer to the customer analytics capabilities of CRM technologies. According to a study conducted by Abdul-Muhmin (2012) this technological functionality is mainly implemented as the first stage in CRM by adopting organizations. Simultaneously the greatest benefits have been perceived resulting from better and more meaningful customer insight and increased employee productivity (ibid.).

Today's technology is able to predict customer preferences based on information collected, which the customer leaves as a fingerprint on their journey across all touchpoints (Cisco IBSG, 2010). They state, this would present two opportunities: Firstly, building the capability to anticipate a need before the customer knows and to be the pioneer who offers him first. Secondly, to rise the meaningfulness of a brand by simplifying customers life.

Since organizations are increasingly confronted with a sophisticated customer base that demands a higher level of immediate and personal service accross all channels (Euromonitor, 2017), companies essentially have to appear consistently accross all channels of interaction and approach customers with more more personal messages. Therefore, companies are considering to implement the concpet of electronic CRM, or e-CRM. E-CRM sets out to collect, analyse and distribute data gained at the Website throughout the enterprise (Grover, 2011). One of the fundamental challenges is to consolidate all relevant customer informations, regardless of what channel the client was using, into a unified view (ibid.). This is often referred to the goal of achieving a 'single customer view'. Once this can be achieved however, sharing information across channels is simplified and a meaningful dialogue with the customer across channels emerges. It also allows personalized service offerings.

Alternatively, Pan & Lee (2003) suggest that a limited or incomplete customer view reduces trust. Aguirre et al. (2015) however draws a limit to data collection and personalization as they argue that data collection and personalisation can also create

distrust, therefore the right balance between privacy and personalization needs to be found (Aguirre, Mahr, Grewal, Ruyter, & Wetzels, 2015)

Although, the justification of a CRM software implementation from a return on investment, impact on performance and failure rate point of view, is heavily discussed (Buttle, 2002), Boulding et al. (2005) argues that a CRM software represents a nearly compulsory financial investment for firms interested in deriving benefits from their relationship marketing. The first two arguments certainly are influenced by the difficulty in measuring its impact on sales. The latter one, is addressed by Abdul-Muhmin (2012) who points out that the implementation of CRM technology alone is not equal to CRM implementation success. However, he states that it particularly plays an important role for companies with large customer bases, which certainly includes premium department stores.

3.4.1.2. Application in retail

For premium department store such as Globus and Jelmoli, an omni-channel marketing and commerce system is recommended that incorporates features to make product recommedations based on locality, purchasing history, social profiles, cart abandonment, search history and message open rates. It should pair inventory management. Additionally data from across all channels should be available all in one place to simplify post-purchase follow ups (Senn, 2016). There are numerous supplier for CRM softwares, ranging from renown companies such as Microsoft, Oracle and SAP. One of the frequently best rated softwares applicable for retail stems from Shopify (Capterra Inc., 2017), hosting companies such as Herschel, P&G, Redbull and Tesla. (Shopify Inc., 2017)

Daniel Kunz (2017), highlights the importance of data for Globus at an example. He said: if we consider the collection of purchasing data in the fashion sector alone, once transformed into meaningful information, it will answer the questions what size and colour each returning customer likes and allows sales staff to both interact on a more personal level and to offer supplementary product options. Knowledge management is thus of crucial importance for Globus. Additionally, tracking online behaviour is already pursued on a daily basis and helps optimizing its sales channels.

Having analysed the steps included in creating an integrated ecosystem, technology goes further by increasingly allowing devices to communicate with each other. While we can all relate to the technologies presented up to this part of the paper, the following part is, although incorporating some basic building blocks of the present to achieve higher digitization, rather future oriented. The following technologies have been identified as important and relevant in the context of digitizing a premium department store:
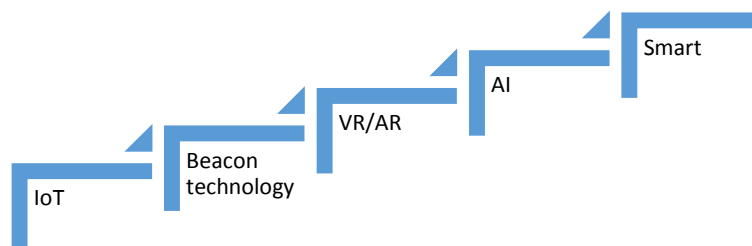

Figure 25 Future technologies

Hence the analysis will continue diving into these technologies.

3.4.2. IoT

"Each network features an interconnected mesh of people and firms, and now, with the rise of the Internet of Things (IoT), also objects." (Verhoef, et al., 2017)

As previously stated, connection of on- and offline, does not end at channel- and information integration across all touchpoints. The new mantra is the IoT, that sets out to merge the on- and offline and thus contributes to a seamless customer engagement model. It is often titled one of the most important developments of digitization (Accenture, 2015; Deloitte AG, 2015; Forrester, 2016). Simply put, IoT is about adding more intelligence and connectivity to objects surrounding us through the internet, enabling them to talk to us, to applications and to each other (The guardian, 2017).

Deloitte (2015) uses the term as a synonym for the fourth industrial revolution, that has been outlined at the beginning of the paper, Accenture (2015) sees it as a collection of connected devices and Forrester (2016) does not define the term, instead sees it as a means to enhance customer relationships and drive business growth. Although the concept of IoT has been developing since 2001 when it first appeared in a book on Electronic

Product Codes by David Brock (2001), there is no single, commonly used definition of this term.

However, according to Uckelmann, Harrison, & Michahelles (2011), a valid definition has been suggested by the Cluster of European Research Projects. They suggest to define it "as a dynamic global network infrastructure with self-configuring capabilities based on standard and interoperable communication protocols where physical and virtual 'things' have identities, physical attributes, and virtual personalities and use intelligent interfaces, and are seamlessly integrated into the information network." (CERP-IoT, 2009)

CERP-IoT expects that 'things' will play an increasingly active role in business, information, and social aspects. They highlight, that through IoT, devices will be able to communicate both with themselves and with the environment around them by transmitting data that can sense aspects of the surrounding environment and independently influence what is happening in the offline world by triggering actions without relying on humans. As a result of the new communication, a connection of the virtual world of the Internet, and the physical world we live in, is becoming reality (Want, 2011). An optimised information exchange and the opportunity to both leverage and provide high amounts of information, enhance personalisation and create value for the customer. Additionally, it creates new ways of conducting business, such as when considering 'smart applications' (Accenture, 2015). Want (2011) argues that the IoT allows retailers to interact with customers in real-time, in- and outside the store. The smartphone will therefore take a crucial role in this process (Accenture, 2015). In a study conducted by Grewal, Roggeveen, & Nordfält (2017) however, they queston whether the Internet of Things would enhance or decrease customer engagement, since it is increasingly the devices that interact. This however is a question current research has not yet managed to answer.

Enterprises already adapt to the concept of IoT by bringing every employee, process, product and service into the digital world (Accenture, 2015). Globus' inside app has underpinned this trend.

IoT will further gain importance as connected devices are linked to constantly advanced and less-costly technological platforms (Accenture, 2015) and both sizes and

prices of sensors are shrinking (Verhoef, et al., 2017). The future will thus further foster the connectedness of objects in society. In line with that, the IoT incorporates many such appliances that are relevant for retailing; radio frequency technology, near field communication, bluetooth low energy technology and augmented reality (Greengard, 2015). Those tools are expected to change the shopping experience both in-store and online considerably and start the transition towards a 'smart store'. Additionally, with the notion of 'smart-homes and smart-stores', it will automate aspects of the shopping experience (ibid.).

These trends are subjects to the further analysis. Therefore, the paper will dive into the IoT by looking at Retail-Tags, virtual and augmented reality, Bluetooth low energy, artificial intelligence, and Smart applications.

3.4.2.1.   Retail tag; Barcodes

Today, almost every retailer uses barcodes. Barcodes are able to recall data from a computer attached to a scanner, through a light-detecting electronic device that converts the black and white barcode into information (Investopedia, 2017). Barcodes facilitate scanning the products at the check-out. Although it is still used by a majority of the retailers (Tajima, 2007), the state of art of technology presents more sophisticated solutions today, adding more simplicity and additional benefits. Among them, radio frequency technology.

Figure 26 Barcode

3.4.2.2.   Radio Frequency Identification, RFID

Radio frequency-identification technology (RFID) involves a tag on the product, which can be tracked via radiowaves. Once the tag passes through a frequency field of a scanning antenna, it identifies the activation signal, and transmits the information it stores to an antenna, where it is picked up (Adaptalift Hyster, 2012). The difference to a barcode

64

is thus, that RFID does not require immediate proximity and free line of sight (ibid.). An example can be experienced at the library of the University of Applied Sciences in Winterthur. Every book carries an RFID code. Once a student decided on his books, he can place them all at the same time on a 'frequency field' and within seconds, the corresponding information of every title appears readily on display. This new form of check-out enhances speed and convenience and could, as an IBM commercial already pointed out in 2006, be used in department stores as well, resulting in a full abolishment of queueing (IBM, 2006).

Accenture (2015) states that RFID technology brings along the opportunity to track inventory more precisely across the supply chain including both the production and the distribution process. Hence, a products' history from manufacturing to the store, is tracked and accessible via a computer. This offers new valuable data insights and, if passed to the consumer, allows them to determine its location. RFID hence also allows real-time inventory tracking (Lee, Cheng, & Leung, 2017) that, as earlier pointed out, is crucial for the provision of a seamless shopping experience. Providing real-time inventory insights would enable the customer to check online whether their desired product is currently available offline but also in case a product on a shelf is missing in-store, customers could check whether there are more in stock or browse for the same item with another colours or size.

Additionally, multiple RFID tags can be read from greater distance at the same time, adding efficiency and accuracy to inventory counts and simplifying the search for a specific product (Adaptalift Hyster, 2012).

Customers could also read a tag and access additional visuals and informations with regard to product and its availability once connected to an app (Adaptalift Hyster, 2012). These information could also be displayed on screens in store once the customer reads the code with a smartphone or if advanced simply by removing a product from a shelf. The latter refers to 'smart shelves' and will be assessed at a later stage. Nevertheless, it is important to understand that RFID is a crucial building block for future technological advancements.

The examples shown above would enhance the shopping experience considerably, touching many key aspects of our framework: through the additional content displayed

or made accessible, the consumer can be entertained, educated, inspired, which can trigger emotions. Hence, it can be regarded as a form of pulling the customer to a brand. The content displayed is highly personalized and customer centric, supporting the customer directly on his search for information and facilitating the decision making process. Additionally, as the checkout example has shown, convenience and speed are core points of RFID. Data can easily be collected and if, the customer can be identified, contributes to an expanding customer profile that comes with the opportunity of ever better targeted marketing campaigns. Additionally, the customer experience is seamless, using both online- and offline channels.

Although, RFID adds great benefits, it has been slow in adapting. Research has raised concerns on the return on investment (Want, 2011). RFID tags cost around 0.10 CHF each (Want, 2011, (ITAK, 2015). Large volumes of tags, especially as in the case of a department store, would add up to a large amount of expenditures. Additionally, there are only a few mobile devices containing RFID reader (Want, 2011)

Today, RFID tags are already used in credit cards, physical-access-cards and transport tickets. While only a few are already making use of it, Accenture (2015) states precicely, that it will become part of the future in-store experience.

3.4.2.3.   QR Codes

QR Codes are two dimensional symbols that offer an easy way to access an interactive link by scanning the code (Soon, 2008). QR codes are available for free and as a result widely common for any kind of marketing capaign. QR codes in its usage are slower than near-field-technology such as RFID. To read QR codes an app is required and needs to be opened to scan the code, that stands in contrast to other NFC technology, that triggers an action automatically when it is close by- such as with contactless payments (Unitag, 2017). However, there is another major downside of QR codes, arising from security concerns. QR codes can easily be reproduced including malware and sticked over the original ones, which is not visible by human eye (Kieseberg, et al., 2010). It thus interferes with another core key of the maturity model outlined.

Figure 27 QR Code

3.4.2.4. Digimarc Barcodes

According to the homepage of Digimarc, they offer another solution for shoppers with smartphones to get real time access to product information. The concept works as it transforms objects into invisible ultra-violet barcodes (Accenture, 2016). Those barcodes are invisible for the human eye, but make it easy for POS scanner to recognize the target on any part of the entire product surface, also from distance. Hence, like with RFID, the product becomes an interactive link, that provides access to a new world of content such as menu suggestions, how to use videos, nutition values, recipies, customer loyalty rewards and digital coupons, that can all be used during a shopping journey. The difference however is, that these ultra-violet barcodes need to be captured through a scanner and cannot trigger an action themselves (Accenture, 2016). Digimarc promotes their product by highlighting benefits at the checkout, where the traditional hunt for barcodes will find an end and hence cashiers can focus on the client while scanning faster. Additionally, in marketing, where rich content leads to more consumer engagement (Digimarc Corporation, 2017). A Digimarc enabled POS scanner is necessary. With a fee of 50$ per stock keeping unit as an annual maintenance fee for the barcodes, the application is expensive considering the wide range a premium department store offers (ibid.).

3.4.2.5. Self-check out

With digital assistance, self-checkouts help shoppers in scanning and paying for their merchandise. According to a study conducted, self-check technology could reduce the waiting time at the point of sale from four minutes to thirty seconds (Grewal, Roggeveen, & Nordfält, 2017). As a result, speed, convenience and labour costs can be saved. The question however, whether this model fits into a premium department store is highly questionable.

3.4.2.6.   Application in retail

One of the latest examples is the Migros Smartphone App, that serves as a personal digital shopping assistant. With the new feature 'Discover', it allows scanning a product at home, from a catalogue or in store for immediate real-time access to product information such as nutritional values, recipe recommendations, ratings and reviews. (Migros, 2017). The functions of the app however are not limited to that: It allows discovering special personalized offers, setting up a shopping list that can be connected with an apple smart-watch and it serves as digital wallet, loyalty card as well as coupon-storage (Migros-Genossenschafts-Bund, 2017).

As a result it incorporates a majority of the most important digitization drivers: it merges the on- and offline world, is mobile based, optimizes the shopping experience in terms of convenience and speed, allows cross-selling and data-collection, suggests personal recommendations, drives traffic through digital and meaningful content and special offers as well as incorporates loyalty programs and -benefits in digital form. On top of that, it makes data collection simple as it carries the opportunity to immediately identification of the customer upon store entry. In this regard, this app serves as the building block for more sophisticated technology, in form of beacons.

Figure 28 Migros App

According to Daniel Kunz (2017), an app with the same characteristics will be implemented in Globus soon. Globus has the privilege to profit from its pioneer parent company Migros-Genossenschafts-Bund.

Another example of how technology is currently applied at Jelmoli: Since 2016, every employee carries a smarphone that is able to read barcodes with a mobile integrated scanner from a company called Scandit. While assisting customers, they can now check inventory quests, on the spot. (appculture AG, 2016). However, inventory is still based on barcode-scanning and not managed in real-time, thus it might contain dissonance. Additionally, the app is not accessible for the public.
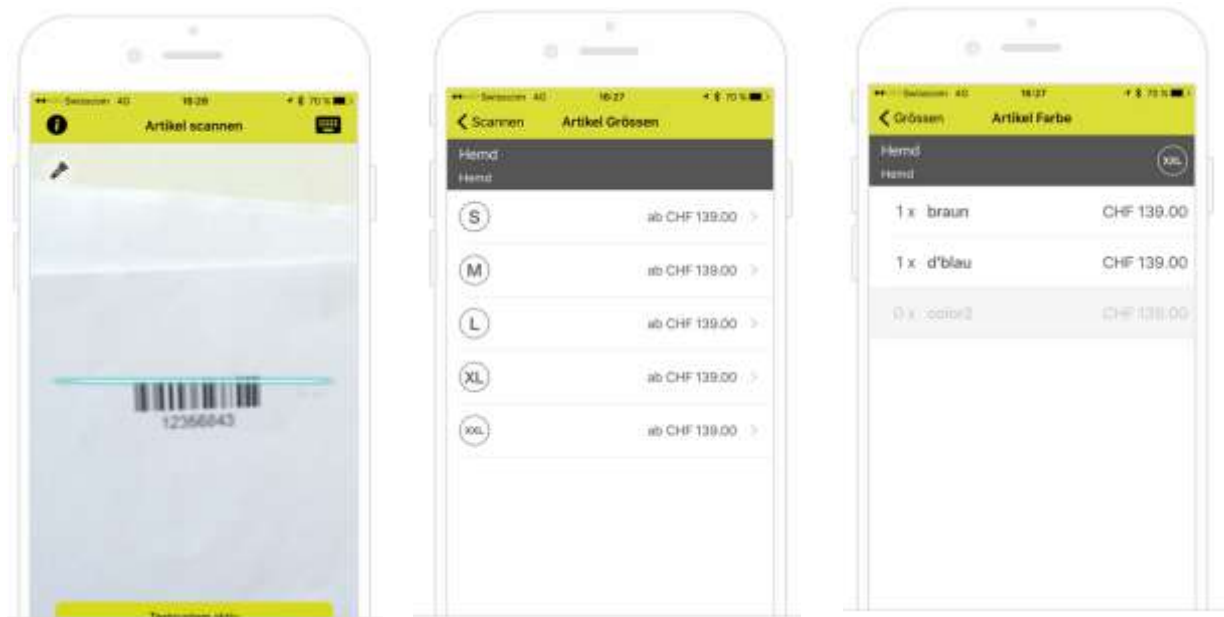

Figure 29 Jelmoli Inventory App

3.4.3. Virtual Reality

According to Oh, Yoon, & Shyu (2008, p. 145), virtual reality refers to "any system that allows the user to interact with virtual objects generated in a 3-D environment". As opposed to augmented reality, virtual reality takes users to an entirely new sourrounding and hence has to block out the external world (The Economist, 2016).

Oh, Yoon, & Shyu (2008) argue, that implementing VR into a website, would bring the customer as close to the product as possible, allowing them to to realistically experience it. With added features the customer would obtain similar information as they would in-store. This incrases the likelyhood of a purchase (ibid.). VR is also able to visualize how items would look coordinated, for example placed next to each other (ibid.).

An endeavor that would be difficult in store. Customers could do it from the comfort of being at home, at the expense of not being able to touch or test it. VR drives website engagement and relationship building as well as simplifies decision making (ibid.). In accordance, studies confirm that rich interactive websites both encourage customers to come back to shop for more and increase the satisfaction of the shopping experience (Fiore & Jin, 2003). Another study, that has investigated the influence of online pruduct recommendations on consumers' online choice, which would be a key component of virtual shopping, revealed that people who considered recommendations, have chosen from them twice as often as those who didn't. According to their study, online recommendations in e-commerce were even more influential than the advice of human experts (Senecal & Nantel, 2004). Additionally, research has found that virtual product experiences beneficially influence emotional reactions (Novak, Hoffman, & Duhachek, 2003)

Daniel Kunz (2017) is convinced that virtual reality will also alter the retail landscape of Globus. Virtual reality could offer a solution for those people who want to stay at home and have the products delivered, however enjoy having a virtual in-store experience. It could further remove the barriers of opening hours. However, he states that this development yet belongs to the future.

3.4.4. Augmented reality

Augmented reality or AR, is "a series of technologies that integrate real world and virtual information, thereby enhancing a specific reality" (Poushneh & Vasquez-Parraga, 2017, p. 229). Hence, as opposed to virtual reality, AR upholds users' connection with the real world (The Economist, 2016).

Similar to VR, AR provides meaningful and informative customer experiences to online shoppers, that supports decision making (Poushneh & Vasquez-Parraga, 2017). According to the results their recent study emerged, augmented reality considerably influences the customer experience in a positive way. It supports users on their online mission and make it easier to accomplish it. Recent examples include apps that enable customers to display virtual furniture items in their real-world sourrounding, to test

whether the combination would fit (Augmented Furniture, 2017). According to the Poushneh & Vasquez-Parraga (2017), customers valued the functions a product offered more than with non-AR enriched online stores. As a result, they state that it increases customer satisfaction and conversion rates. AR can also be used to share opinions on social media. (ibid.)

Figure 30 Augmented reality Furniture

As opposed to virtual reality, augmented reality can also enhance the in-store shopping experience. One way to do so, is utilizing augmented reality on a tablet computer with a see-through vision. Either portable or attached to a shopping trolley, the display shows the real store, but is enhanced with virtual features such as personalized advertments and product information. Ultimately it serves as an interactive shopping assistance (Zhu, Owen, Hairong, & Lee, 2004). These virutal features appear as ads and information in real time depending on the sourrounding. According to Zhu et. al. (2004, p. 4) "the beauty of augmented reality is that it enables a shopper to inspect a product personally and at the same time, view additional objects in 3D visualization on the Tablet PC display". The benefits of increased product knowledge, simplified in-store navigation, enhanced positive perception of a brand, higher purchase intent including impulsive shopping decisions and cross-sales, may be reaped when adopting to this technology (ibid.).

Figure 31 In-Store Augmented reality

Another feature, that emerged from augmented reality, are magic mirrors. This term synonoumously relates to smart mirrors (Accenture, 2015). The concept of magic mirrors incline that customers can stand in front of a display, while augmented reality with use of various technologies including video projectors, optical aspects, holograms and RFID tags are able to implement the visual content directly onto the customer (Carmigniani & Ceravolo, 2010). The fitting room would thus enable the customer to try on items, that currently are not available in store, however can be ordered online. This brings the physical retail world closer to online and optimizes sales potential. Accenture (2015) considers smart mirrors as an integral part of the future in-store shopping experience.

Previous research did not yet come up with concrete answers to what specific augmented reality applications really drive foot traffic and cross sales (Verhoef, et al., 2017), positive impacts however are expected.

Figure 32 Magic Mirror

Having assessed virtual and augmented reality, we will now focus on BLE, a bluetooth based technology, that has received a lot of attention among retail analysts recently. It is

called beacon technology. Accenture (2015) envisions beacons to be a cruicial part of the in-store experience of tomorrow. Therefore we turn our focus towards beacons.

3.4.5. Beacon technology

"It is particularly difficult for retailers to achieve an accurate single view through bricks-and-mortar stores, in which many customers purchase without providing any identifying information" (Neslin, et al., 2006, p. 98)

In September 2013, a company called Estimote Inc. presented its first product, the Estimote Beacon which is about to present another concept to address this issue. It immediately caught retailers attention. This device incorporated a new technology, called BLE technology, which was shortly after implemented by Apple, the iBeacon (Newman, 2014). The next paragraph will explain what it is and why it is so useful.

Beacon technology makes stores smart. A small device, that runs on battery to be installed on a wall, a countertop or a ceiling of a retail store. According to Estimote, Inc., (2017), each beacon has a bluetooth low energy transmitter and would send out very short data strings containing location specific data to all bluetooth receiver around them, which typically are smartphones (CNET, 2014). This happens on the basis of a new technology called Bluetooth Low Energy. One device can identify numerous beacons at the time and calculate their distance (Newman, 2014). Other than the bluetooth we know so far, this one particularly uses low energy and does not require pairing and connection. Estomote's product can support both the customer on their shopping journey in stationary retail and the retailers on their mission to offer a more personalized, informative, convenient and faster shopping experiences (Estimote, Inc., 2017).

Firstly, beacons can initiate users to access the web and hence find content that is related to their specific locality. It can either be very concentrated on the immediate sourrounding or related to the whole store or mall. Beacons can reach out to users phone on the sidewalk and entice them to access the store (CNET, 2014). Kunz (2017) highlights, customers can be identified with a radius of two-hundred meters and approached with personalized special offers. Secondly, a beacon can trigger a reward for the customer for entering the store, customized based on users purchasing history. It could

also connect to an approved digital payment method (CNET, 2014). Thirdly, having beacons installed across the store combined with a shopping app built for customers, retailer can track the customers position precisely and deliver relevant contex related information (ibid.). As users browse through the store, product information would appear automatically on the users phone screen, simply if he approaches them. Additionally, it could help the customer navigating through large department stores or malls, like the audio guides in museums did and at the same time provide them with powerfully customized information (Kunz, 2017).

Besides the enhanced quality of the shopping experience provision, a marketer does also benefit from the analytics. Knowing which customer entered what department, when and for how long, who was near the store but decided not to enter, provides a retailer with a new data. Using this data will promote trust. The location specific data is collected via the app, and can immediately be matched with the personal data of customers (Newman, 2014).

However, there are hurdles. To make this function, a customer needs both to download an application and to turn bluetooth on. Since having bluetooth turned on, is associated to an immense loss of battery, customers might be reluctant to use it (Newman, 2014). Furthermore, since it is not yet working on an operating level, customers would need an app for each store or each chain of stores, to profit from these advancements (ibid.). The biggest perceived risk however stems from lack of trust, since many people dislike the idea of being tracked (ibid.).

While this might sound like scince fiction, or a preview of the future, it is actually already being tested by Swiss premium department store Globus (Kunz, 2017). Kunz already sensed the need of guiding shoppers through a department store twenty years ago, and now they are pioneering in adapting to this technology in Switzerland. Since Globus' target groups includes many elderly people, the question of how receptive these customers are in face of technological change arised. According to interviews conducted by Globus, the reactions from a majority of customers, which were mostly elderly people, were surprisingly highly positive (ibid.). Nevertheless, Kunz (2017) also states that the final implementation is subject to 2020 or later.

Figure 33 Beacon technology

Three beacons from Estimote cost 99 USD, plus a yearly software maintenance fee. However the price installing it in a whole department store depends on a number of other factors, such as size, structure of the building and more (Estimote, 2017).

3.4.6. Artificial Intelligence

According to Fraunhofer IAIS (2017), artificial intelligence belongs to the most important developments of digitization. The Oxford University Press (2017) refers Artificial Intelligence to "computer systems able to perform tasks normally requiring human intelligence". Siri, the voice recognition on our iPhone and image recognition tools when we scroll through our picture library evidence that artificial intelligence is closer than we think. In retail, two domains for its usage are prevailing from a marketing view: image recognition and shopping assistance such as Macy's On Call (Grewal, Roggeveen, & Nordfält, 2017).

Incorporating an image recognition system allows customers, to scan a product with their mobile and access the online world. Hence various sources of information in real-time are become available (Estopace, 2016). It allows the retailer to engage with the customer. Furthermore, it can be used to enhance in store-productivity of the employees, as it could be used at the point of sale- POS, in case a traditional barcode does not work (ibid.).
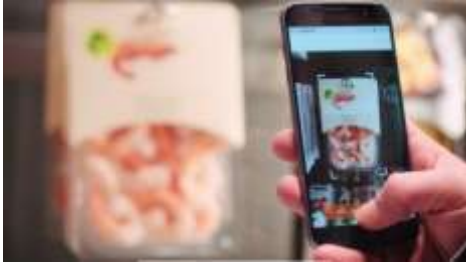
Figure 34 Image recognition

Macy's on call is presented in form of an application, that allows the user to type in questions and receive automated answers from an artificially intelligent platform. Answers can be personalized based on previous interactions. The app hence simplifies the shopping process and brings it on a more personal level (IBM, 2016).

Figure 35 On-Call app

3.4.7. Smart

Smart stands for 'self-monitoring analysis and reporting technology' (Samsung, 2014). The most relevant smart objects for retailers have been identified as smart shelves, smart homes, smart pricetags, smart packaging as well as smart shopping carts and mirrors (Accenture, 2015). In additionally Amazon presented a new 'just walk out technology' that belongs to the category of smart. The next section will focus on those:

Smart objects incorporoate various previously presented technologies, such as RFID sensors, augmented reality and eCRM systems and are closely related. This is evidenced with the example of the magic mirror and the smart shopping cart that have been previously presented in the augmented reality section. The focus of this part will therefore be placed on the remaining topics.

3.4.7.1. Smart shelf

A smart shelf is a shelf in a store, that has been equipped with an RFID reader (Syriälä, 2012), and is used to detect low inventory levels (Accenture, 2015). Accenture is convinced that smart shelves will be part of the future retail ecosystem. The RFID technology recognizes RFID tagged items and communicates when they need to be replaced (ISO, 2012). Marketing specific impacts can therefore be seen from a merchandise presentation standpoint of view.

3.4.7.2. Smart packaging

Accenture (2015), highlights smart packaging as a future component of the retail landscape, that will be used to extend shelf live and monitor the freshness and the due date of food products (Dainelli et al., 2008). This is possible due to an interaction of the packaging with the food and its sourrounding, therefore sensor technologies set in to monitor based on various factors, including changes in colour. The packaging contains elements that either absorb or release specific substances to keep the food fresh. To increase the information flow, tech specialists add RFID technology to the smart labels (ibid.). As a result, smart packaging is a combination of multiple technologies and a true benefit for retail in direction of automation. However, marketing specific beneifts are small, as they can only be seen in terms of merchandise presentation.

3.4.7.3. Smart price tags

Smart price tags allow real time changes of prices. The tag is connected to an app, where the tags are centrally managed (RFT Global, n./d.). This technology allows to simply introduce price campaigns and allows automation of price changes through the system, based on programmable aspects such as time. This increases flexibility of retailers at its core (PCR, 2013). However, it interferes with one of our findings from the first part, that customers of the future value transparent pricing.

3.4.7.1.   Smart homes

According to Lobaccaro, Carlucci, & Löfström (2016), any form of technology that allows the automation of tasks performed at home is developing at increasing speed. Smart homes are designed with various smart objects; household products, heating and cooling systems, light and thermostats, printers as well as refrigerators, that are able communicate with each other and the user (ibid.). Smart home appliances build on the technologies of artificial intelligence and are a subcategory of IoT (Robles & Kim, 2010). Their aim is to enhance life quality through fully automated control systems and providing assistence in various tasks (Alam, Reaz, & Mohd Ali, 2012). In line with that, Robles & Kim, 2010, (p. 37) suggest to define smart homes as "the integration of technology and services through home networking for a better quality of living". Refrigerators for example are able to automatically reoder products once they are out of stock (Grewal, Roggeveen, & Nordfält, 2017). Hence, they are able to monitor and trigger an automated action (Lobaccaro, Carlucci, & Löfström, 2016). According to Zukunftsinstitut GmbH, innovative high-tech applications for smart homes will become self-evident. In line with that statement, A.T. Kearney, 2017 points out that the underlying technology is increasingly becoming affordable which will foster further penetration. While they estimated the smart-home market globally on 14 billion USD in 2015, they expect it to grow to 405 billion by 2030 and hence it will also impact retail. Accenture (2015) suggests, retailers could team up with the providers of these platform and gain access to another channel to customers. Besides from that, Accenture sees huge benefits in the data insights that can be gained to detect relevent consumption trends.

3.4.7.2.   'Just walk out technology'

In December 2016, Amazon set up a high-tech convenience store for a testing phase in Seattle that promised no check out lines (Amazon, 2016). In a commercial, the customer initially checks in with the amazon account- therefore a simple touch is needed, afterwards every picked up item is added to their virtual shopping cart in real-time. At the end of the journey, no waiting in line is needed, and the products are automatically charged to their Amazon account. They are using computer vision, deep learning

algorythms and sensor fusion to accomplish this task (ibid.). Although they do not unveil the exact components of their technology (Geek Wire LLC, 2016), RFID would explain how picking up a product can be sensed. And beacons could explain how a customer can be tracked upon entering a store as well as how the products are being matched with the person. As a result, Amazon sets new expectations of a customer experience and draws a picture of the direction in which a future retail will develop.

Having analsed aspects of both the future of the online and traditional retail store, we dive into the findings.

4. Findings

4.1. Benefits of digital marketing adaptation

The next section will summarize the benefits of adapting to the changing environment of digitization and sets out to answer the main research question. Additionally, it identifies the key technologies, that can be regarded as milestones of a digital marketing strategy. Lastly, a digital maturity timeline and the connection to the intial paradigm shift model will presented.

Having assessed the current state of art in retail marketing, we can conclude, that setting up touchpoints that emerged through technology represent a cruicial initial step for retailers to move from a mono- to a multichannel strategy. Especially in the search stage of the consumer, a user friendly and rich on information website that is supportive on the individuals shopping journey has considerable power to increase visibility and generate traffic online and in-store. It represents the company and can thus empower brand-building, trust and reputation.

The touchpoints then have to be expanded to social media channels. Social media tools increase visibility and have the confirmed potential to increase trust, reputation, reach and traffic. Additionally, it is a powerful tool to engage the customers. While the impact of a 'like' on conversion into a customer is questionned, marketing campaigns that tell stories, hence incorporating aspects of viral- or contentmarketing, are well positionned to truly benefit from emotional connections, both online and offline word of mouth and the resulting impact in terms of customer retention and the financial bottom

line. In line with that, research suggests, that rich interactive content, such as videos in the case of Youtube, generate a higher return on investment.

Furthermore, review sites are an important source for a company that can be used to engage customers, co-create value and help customers to find peer-to-peer recommendations that today are considered crucial in decision making processes. Research also suggests affiliate marketing as an effective and inexpensive tool to increase sales.

Another touchpoint, is the mobile phone. Smartphones especially, represent a key building block any additional technological features are built upon. It has developed to customers most important tool, increasing their reach and mobility. Accordingly, connected customers can access every touchpoint of a company via smartphone. Hence, research suggests, that online platform developments should focus its efforts on a mobile perspective, which refers to building mobile-born applications and responsive m.websites. Although incorporating a mobile strategy seems to be a logical necessity today, it is not self-evident as the absensce of a publicly available mobile app at Jelmoli proves. At the current state, mobiles are essentially beneficial at the search stage of helping clients finding a matching retailer to fulfill a certain need, consider ratings to evaluate alternatives and share their experience at the postpurchase stage. However, their usage on the shopping journey is expected to expand to every aspect of shopping. Online sales via mobile are increasing and mobile payment methods are gaining in popularity. Additionally, as the Migros app showed, smartphones can offer a convenient and fast shopping assistance application, that enhances the customer experience and allows incorporating a variety of effective marketing strategies that drive a number of the maturity goals outlined. In the future, mobile will thus be the device that drives customer engagement, seamlessness and cross-selling.

Once touchpoints are set, retailers should focus on the conversion of online, offline. Initially, this can be done through means of delivery services, in-store return acceptance of online purchases or click and collect applications. However, it then needs to be expanded to a seamless integration of offline into online and vice versa, especially with regard to information access. According to examples outlined in the study, this carries the potential of increasing traffic both on- and offline considerably and is a form of showrooming prevention.

Simultaneously, these touchpoints' visibility should be further enhanced through search engine optimization and search engine advertising as forms of online marketing. Both are considered very important in marketing literature and thus parallel use is suggested. As a result, both lead to clicks, extend the companies reach and extend brand awareness. For SEA, retargeted ads are recommended to consider as research shows benefits in better conversion rates and retention. For SEO, it is highly recommended that marketing efforts should focus on achieving a ranking among the top two search results as clicks in those two ranks are prevailing.

While all retailer, leverage data in some form or the other, this paper highlights the nessessity to expand the data collection in line with the expanding touchpoints to achieve a customer single view. This increases the efficiency of information flow across all departments and allows a unified appearance across all touchpoints with powerfull personalization towards individual customers. While this can effectively increase trust and reputation, it can also decrease trust. Therefore a right balance between privacy and personalization is vital. E-CRM systems hence are an important second building block, where additional technologies build upon.

As technology advances, not only an increasing interconnectedness of people through devices can be observed, but also of objects that are communicating to other objects. This represents a major stage in the evolution of technology as it simplifies many aspects of doing business through automatization and offers new ways of applying marketing concepts. The keyterm therefore is the Internet of Things, that is widely used synonymously with the term Industry 4.0. The term refers to adding intelligence to objects and enabling them to talk to us. Hence it governs any further technological developments presented in this paper. While the advancements in IoT, increasingly allow real-time interactions with the customer in- and outside the store, the fact that much of the communication will shift towards people that interact with devices raised the question of whether IoT will beneficially or negatively impact customer engagement. This question yet remains unanswered by research.

At the initial stage of IoT in retail, we can observe a shift form barcodes towards alternative solutions that enhance the supply chain, in-store customer experience in terms of convenience, speed, information and entertainment as well as merchandise design. One of the most widely praised technology, is radio frequency identificaition in this regard.

This is justified, especially when considering its wide benefits at present and what it can do in connection with other technologies in the future. Therefore, RFID is the third key milestone for further technological advancements. RFID technology firstly allows tracking inventory more precicely and in real-time. Once passed to the customer, on- and offline would further merge and allow shoppers to check cross-channel availability seamlessly. This would simplify both the search- and decision making process. Since RFID builds a fundamental connection between objects by simply adding tags, the applicability in retail has an immense spectrum. A powerful example emerges when RFID is used in connection with data tools and in-store screens; By reading RFID tags with a smartphone, or if advanced by simply removing a product from a shelf, product information and personalized recommendations would automatically appear on a screen. This represents a measure to further facilitate the journey with a simple information access and entertaining content. A concern however adresses the cost of RFID. Up to this date, RFID tags are still rather costly and charged per tag, which in a department store, that sells a large variety of products with a high stock turnover, would cause high expenditures.

Research has shown an alternative and in some aspects superior approach to enhance the customer experience. The technology is called bluetooth low energy BLE and works through beacons that send low energy consuming bluetooth signals that can be captured by smartphones. This allows identifying a customer, as of today with a radius of two-hundred meters proximity to the store, and establish a connection. Incentives to enter, guiding and navigating the customer throughout the store and influence his information search and decision making with highly personalized special offers could lead to higher traffic and conversion rates. Although it does not replace RFID's necessity, since it does not facilitate tasks related to inventory, it is a new powerful approach allowing marketers to interact with the customer from the very beginning of the shopping journey, which until now was a major challenge. Associated hurdles however are the perceived high energy consumption of bluetooth on smartphones, which needs constant consumer education until receptiveness can be assumed. Additional hurdles are the requirement of an app, trust-issues and technological receptiveness of premium department stores' rather elderly target groups. The latter however has been proven irrelevant as surveys of Globus suggest.

Combining RFID and the results of eCRM, lead to the basis of augmented reality. Augmented reality will be an integral part of the future retail ecosystem. It further fosters the on- offline connection by providing a seamless customer experience. Augmented reality is especially usefull in-store, as it integrates real world and virtual information that is meaningful and relevant to the individual customer. As evidenced, customers value functions more, when they see it interactively displayed as opposed to browsing on plain image content websites. Today, augmented reality in retail is still rare, but if used, applied mostly in form of smart mirros, in-store shopping guides on a tablet attached to the shopping cart, or for allowing customers to assess the fit of item combinations. The benefits are seen in the increased entertainment and convenience provided, increased engagement with the customer, simplified search and decision making as well as personalized cross-selling opportunites. Virtual reality on the other hand, enhances especially online shopping and brings the customer as close to the product as possible while being at home. By blocking out the real world, the consumer can access and navigate through an entirely virtual store and realistically experience the products while receiving personalized recommendations.

Another important tool is Artificial intelligence, which is able to perform tasks that normally requires human interation. This allows the automation of processes and empowers retailers to allocate their resources closer to the customer. Where artificial intelligence becomes interesting, is when it serves as the technological fundament for smart technologies. For example can artificial intelligence independently lauch price campaigns once smart price tags are incorporated, monitor the quality of food of smart packages, further monitor the inventory stock of smart shelves or domestic refrigerators and automatically trigger a corresponding action. Hence AI in combination with smart offers numerous opportunities such as quality management, merchandise presentation and in relation to smart-homes, partnerships that foster customer engagement and retention.

Having identified the most important maturity stages from a technological perspective and highlighted the beneifts of adapting to the changing environment of digitization, the technological tools can now be modeld on a graph and in a second step aligned to the model that emerged from the analysis of the customer, marketing and retail perspective:

4.2. Digital maturity timeline
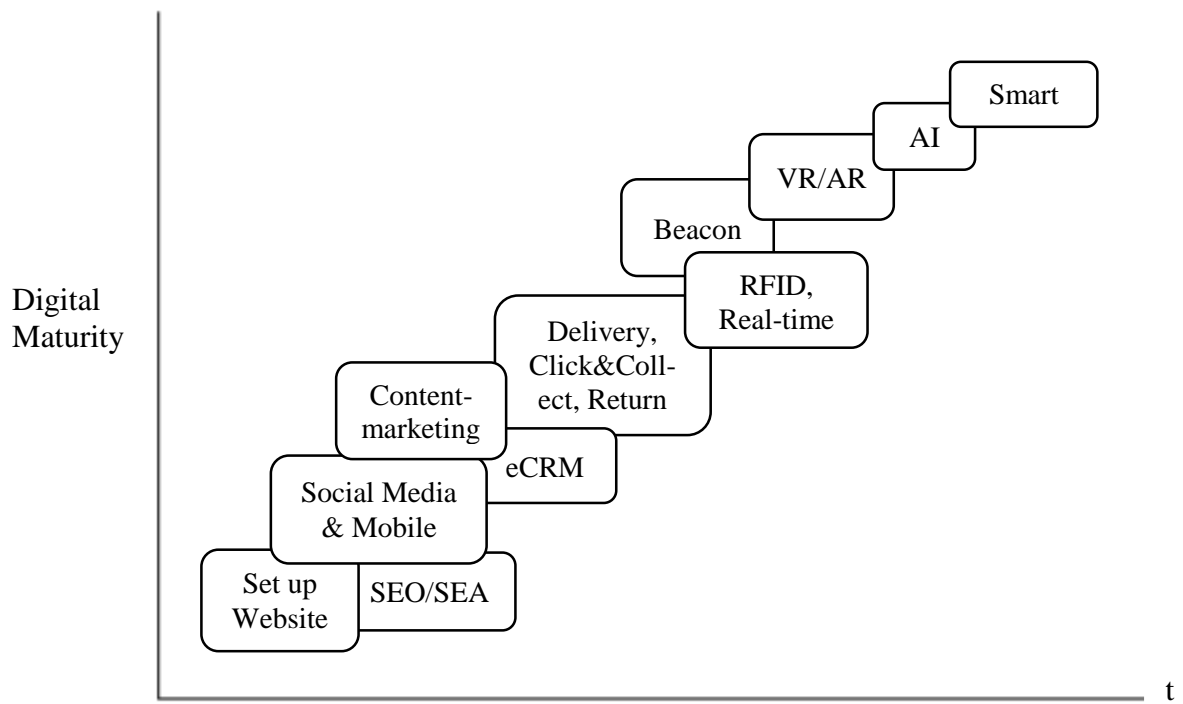
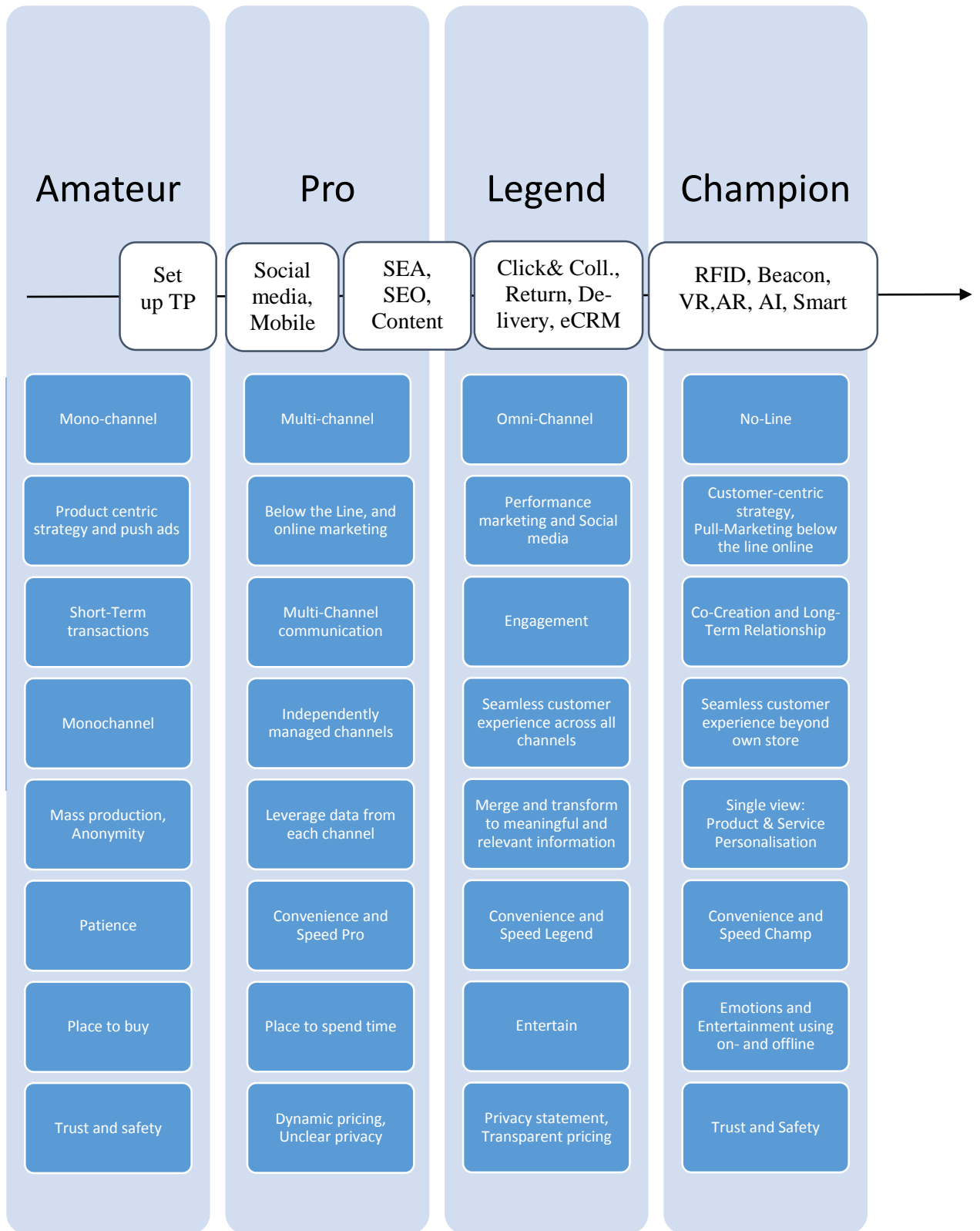**Figure 36 Digitization timeline**

4.3. Maturity model

Figure 37 Digital marketing maturity model

4.4. Determination of Globus' maturity stage

Globus has an own website, that is simple to navigate and contains inspiring content. When searching for premium department store Zurich, Globus is ranked on the first page, however does not appear among the top two results, which leaves room for optimization in terms of SEO. Advertisements regarding SEA could not be found.

Globus is present on the most influencing social media channels, which are Facebook, Instagram and Youtube, and additionally cultivates an account on Pinterest. When comparing the figures, it becomes apparent that Globus is doing a poor job in converting visitors into likes. From 7'567 visitors, only 2'262 like the brand (Magazine zum Globus AG, 2017). When comparing to Jelmoli who achieved 8'781 likes with 10'019 visitors (Jelmoli AG, 2017), this is a significant deficit. Content- and viral marketing should thus be applied. The same applies to other channels such as Youtube where Globus achieved 149 followers only (Globus, 2017). On Instagram however, Globus reached 5'860 followers through 102 posts (Globus, 2017), which in comparison to Jelmoli that achieved 6'395 followers with 1'149 (Jelmoli AG, 2017) posts, is a rather strong result. In terms of visibility and reach, Globus can certainly improve. In accordance, Globus intends to expand their reach in terms of online media usage.

Additionally, the premium department store offers an app, that features storage of a customer card, vouchers and a branch-search. This app offers the starting point for the implementation of a more advanced Globus branded app, that has been developed by Migros and is now passed to Globus as well. This will enhance customer engagement through product review and offer a unique opportunity for customers to access a whole new world of information through image scans.

In terms of omnichannel Globus represents a good premium department store that followed the needs of their clients. In line with that, Globus offers Click & Collect, in-store returns and delivery services. However, an order takes 2-4 days until it is delivered. Hence, in terms of speed and convenience, potential for optimization can be found.

Globus is doing a good job in data collection and analysis. According to Kunz (2017) they track data from on- and offline channels everyday.

With regard to the future, Globus is striving to become the number one store that is able to connect on- and offline. They strive to become the biggest online flagship store in Switzerland, bigger than Migros, as Daniel Kunz (2017) highlights. Therefore, essential measures have been taken. The app will be a first step, but also beacon technology is already being testet and according to Kunz (2017) its implementation subject to 2020+. Kunz (2017) is also aware of the importance of RFID and virtual reality. However, he underpins, that Globus, or Switzerland in general, is still too far away from these developments. However, he sees another important development. In the future, he states, there should not be competition between the big premium department stores. Instead Kunz (2017), suggests collaboration to promote the city as an attractive shopping place for the customer, which correlates with our suggenstion of striving towards No-Line retail.

As a result we can determine Globus' current maturity as follows (red line) and point at their vision (blue line).
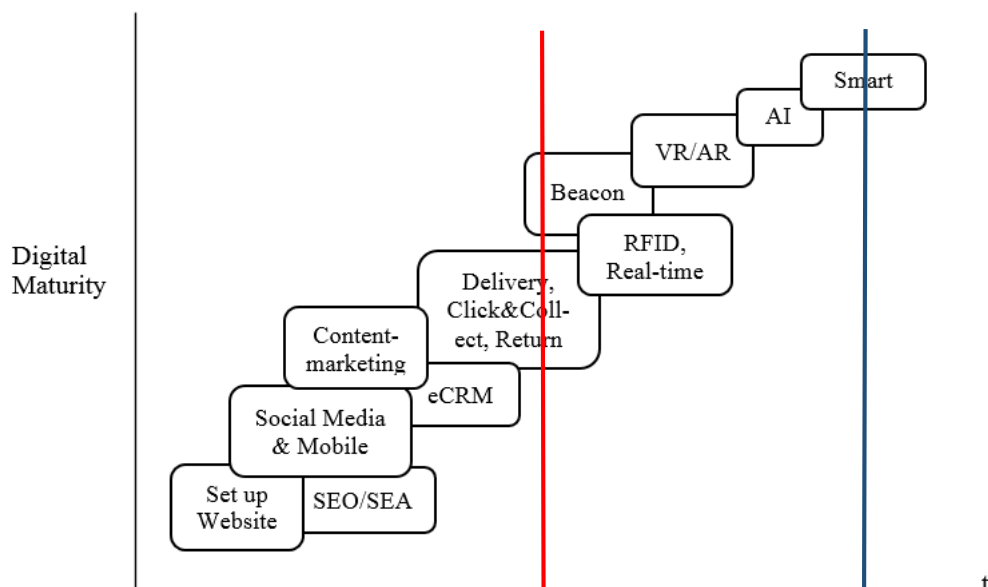
Figure 38 Globus digital marketing maturity assessment

Accordingly, further suggestions for Globus could be derived from the customer centric multi-dimensional maturity model:

5. Discussion

In this section we discuss the applicability of the model based on the example of Globus. In line with the theory of a maturity model, that states that suitable actions should become apparent once a situation analysis has been conducted, this part sets out to find suitable recommendations for Globus.

Figure 39 Globus Digital marketing maturity recommendations

The model has to be read from left to the right, line by line.

1	From our analysis of Globus current performance we can determine, that Globus is present on multiple channels and connects on- and offline sales channels, hence they can be considered omni-channel. As a next step, a shift towards No-Line retail is suggested, that inclines forming synergies with competitors and suppliers.

2	The results of Globus' performance marketing shows a lack of excellence, therefore investments in SEO and SEA are recommended.
3	According to the model, customer engagement is vital at this stage, Globus however at least in terms of social media is not convincing. Therefore, this study suggest to use customer centric- pull marketing strategies, such as personalized content marketing to achieve higher engagement.
4	A seamless customer experience across all channels is provided, since Globus interacts consistently through all channels with its consumers.
5	Data leveraging is performed well at Globus and will further be enhanced with the implementation of the app that will allow to gain a unified view throughout the shopping journey.
6	Convenience and speed is among the most important topics for Kunz (2017), major improvements will be made this summer where the traditional point of sales will be replaced with iPads, staff overtakes the payment process and wraps up the items. Hence queues can be abolished.
7	In terms of emotions, Kunz (2017) stated clearly how important it is for the customers of his business. He always placed the focus on personal interactions. He is aware, that this can be extended to online. In Delicatessa, the food department of Globus for example, he plans to send personal recipes of the salesman to the customers via the Globus app after a purchase. Recommendations are to enhance the in-store as well as the online experience with inspiring interactive content.
8	Globus, has a good reputation and managed to establish a renown across in Switzerland. Globus can thus generally be considered trustworthy, which serves as a basis to introduce further personal data based technologies. Further recommendations in this domain include, as opposed to the predicted trend towards dynamic pricing, to stick to transparency.

Table 2 Globus Digital Marketing Maturity Assessment 2

As a result, the model can be seen as an applicable approach to enhance the customer experience and set the foundations for further technological progress, which increases a premium department stores competitiveness and the range of marketing opportunities.

6. Conclusion

This paper has proposed a new maturity model for digital marketing in the premium retail sector of Switzerland. Based on that it has investigated the stage of Globus' digital marketing. Other than expected, it turned out that Globus is already advanced in the digitization process and pursues a clear digitization vision with a corresponding mission.

It has furthermore analysed the benefits of adapting to the dynamic landscape of digital marketing in the Swiss premium retail sector. The most significant findings suggest, that the more technologically advanced a premium department store gets, the more opportunities for marketing can be generated. Specifically could be observed that new digital marketing tools extend marketers influence in a powerful way throughout a customer journey. Accordingly, tech-devices such as beacons, allow identifying the customers from the very beginning of a shopping journey and interact with them throughout the entire shopping process. To unfold the full potential of digital marketing, the study identified mobile, big data and RFID as crucial capabilities and digital milestones, on which more advanced technologies will build.

Another significant finding, is that the development of digitization among Swiss premium department stores does not end at the stage of omni-channel, but unlike current maturity models suggest, expands to the larger environment where collaboration with suppliers and competitors becomes necessary. Further research should focus on the possible synergies that can be generated through emerging trends, such as smart-cities.

The major weakness of this study in terms of evaluating of the benefits of digitization is that financial evaluations could not be integrated, since the return on investment for various technological marketing appliances cannot yet be determined. Clearly, further research is needed there too.

7. References

31 Literaturverzeichnis

A.T. Kearney. (2014). *Connected Consumers are not created equal: A global perspective.* Retrieved am 08. 05 2017 von https://www.atkearney.com/documents/10192/5292753/Connected+Consumers+Are+Not+Created+Equal+-+A+Global+Perspective.pdf/cee8c1c1-a39f-4753-a81d-e7028748e142

A.T. Kearney. (2015). *Results of the 2015 NACDS "Winning with Digital" Study.* Retrieved 05 08, 2017, from https://www.atkearney.co.uk/documents/10192/7040358/Results+of+the+2015+NACDS+Winning+with+Digital+Study.pdf/678c3981-68a6-4e21-a541-05967a131e2b

A.T. Kearney. (2017). *The Battle for the Smart Home*. Retrieved 05 08, 2017, from https://www.atkearney.fi/consumer-products-retail/ideas-insights/-/asset_publisher/3wUhKxoRuuW6/content/the-battle-for-the-smart-home-open-to-all/10192?p_p_id=101_INSTANCE_BHhEu3OEUtE7&p_p_lifecycle=0&p_p_state=normal&p_p_mode=view&p_p_col_id=column-4&p_p

Abdul-Muhmin, A. G. (2012). CRM technology use and implementation benefits in an emerging market. *Journal of Database Marketing & Customer Strategy Management, 19*(2), pp. 82-97.

Aberdeen Group. (2014). *Analyzing the ROI of Video Marketing.* Retrieved 05 16, 2017, from http://www.videolinktv.com/assets/Analyzing-the-ROI-of-Video-Marketing_Aberdeen-Research.pdf

ACCA. (2015). *The source of Amazon's competitive advantage*. Retrieved 05 12, 2017, from http://www.accaglobal.com/ie/en/member/discover/cpd-articles/business-management/amazon-flow.html

Accenture. (2015). *The Internet of Things: Revolutionizing the Retail Industry.* Retrieved 04 05, 2017, from https://www.accenture.com/_acnmedia/Accenture/Conversion-

Assets/DotCom/Documents/Global/PDF/Dualpub_14/Accenture-The-Internet-Of-Things.pdf

Accenture. (2015). *The next wave of disruptors: Five Game Changing Technologies for Retailers.* Retrieved 05 15, 2017, from https://www.accenture.com/t20151020T051216__w__/us-en/_acnmedia/Accenture/Conversion-Assets/DotCom/Documents/Global/PDF/Strategy_7/Accenture-Technology-Disruptors-Retailers-2015.pdf#zoom=50

Accenture. (2016). *Tradeoffs with Image Recognition (Part 2)*. Retrieved 05 16, 2017, from https://www.accenture.com/us-en/blogs/blogs-tradeoffs-with-image-recognition

Adaptalift Hyster. (2012). *RFID VS BARCODES: Advantages and disadvantages comparison*. Retrieved 05 18, 2017, from http://www.aalhysterforklifts.com.au/index.php/about/blog-post/rfid_vs_barcodes_advantages_and_disadvantages_comparison

Adobe Systems Inc. (2016). *Four essential elements for digital maturity.* Retrieved 05 07, 2017, from https://offers.adobe.com/content/dam/offer-manager/en/na/marketing/Marketing%20Cloud%20PDFs/251626_amc_adobe_2016_digma_survey_results_R6.pdf

Aguirre, E., Mahr, D., Grewal, D., Ruyter, K., & Wetzels, M. (2015). Unraveling the Personalization Paradox: The Effect of Information Collection and Trust Building Strategies on Online Advertisement Effectiveness. *Journal of Retailing*(91), pp. 34-49. Retrieved 05 22, 2017, from https://cris.maastrichtuniversity.nl/portal/files/1426367/guid-42bc2431-d550-4778-afd3-8720af06855b-ASSET1.0#page=91

Alam, M. R., Reaz, M. B., & Mohd Ali, M. A. (2012). *A Review of Smart Homes—Past, Present, and Future.* Retrieved 05 12, 2017, from http://ieeexplore.ieee.org/document/6177682/

Amazon. (2016). *Introducing Amazon Go and the world's most advanced shopping technology*. Retrieved 05 22, 2017, from https://www.youtube.com/watch?v=NrmMk1Myrxc

Amazon. (2017). *What is the Amazon Associates program?* Retrieved 05 19, 2017, from https://affiliate-program.amazon.com/welcome/getstarted

AOL Inc. (2017). *Snapchat growth slowed 82% after Instagram Stories launched.* Retrieved 05 16, 2017, from https://techcrunch.com/2017/02/02/slowchat/

appculture AG. (2016). *Neu: App-unterstützte Beratung bei Jelmoli.* Retrieved 05 19, 2017, from https://appculture.com/app-unterstuetzte-beratung-bei-jelmoli/

Aufgesang Inbound Online Marketing GbR. (2013). *Marketing Evolution.* Retrieved 05 09, 2017, from http://www.sem-deutschland.de/wp-content/uploads/2013/11/Aufgesang_OM_Infografik_MarketingEvolution_02.pdf

Augmented Furniture. (2017). *Try furniture in real time, buy with confidence.* Retrieved 05 19, 2017, from http://www.augmentedfurniture.com/

Beck, J. T., Chapman, K., & Palmatier, R. W. (2015). Understanding Relationship Marketing and Loyalty Program Effectiveness in Global Markets. *Journal of International Marketing, 23*(3), pp. 1-21. Retrieved 05 19, 2017, from http://foster.uw.edu/wp-content/uploads/2016/07/3_Beck_Chapman_Palmatier_2015.pdf

Becker, J., Knackstedt, R., & Pöppelbuss, J. (2009). Developing Maturity Models for IT Management. *Business & Information Systems Engineering, 1*(3), pp. 213-222. Retrieved from http://link.springer.com/article/10.1007%2Fs12599-009-0044-5

Berman, R., & Katona, Z. (2013). *The Role of Search Engine Optimization in Search Marketing.* Retrieved am 19. 05 2017 von http://pubsonline.informs.org/doi/abs/10.1287/mksc.2013.0783

Bernet_PR/IAM ZHAW. (2016). *Bernet ZHAW Studie Social Media Schweiz 2016.* Retrieved 05 15, 2017, from http://bernet.ch/studie/studie-social-media-schweiz-2016/

Bhatnagar, A., & Ghose, S. (2004). Segmenting consumers based on the benefits and risks of Internet shopping. In *Journal of Business Research* (12 ed., Vol. 57, pp. 1352-1360). Retrieved from

http://econpapers.repec.org/article/eeejbrese/v_3a57_3ay_3a2004_3ai_3a12_3ap _3a1352-1360.htm

Bishop, B. (2013). *Defining omnichannel retail.* Retrieved 04 19, 2017, from http://www.brickmeetsclick.com/defining-omnichannel-retail

BOF. (2015). *Retailers Must Reinvent Their Stores, Says Report.* Retrieved 05 20, 2017, from https://www.businessoffashion.com/articles/fashion-tech/retailers-must-reinvent-stores-says-report

Brack.ch. (2017). *Heute drücken – morgen freuen.* Retrieved 05 13, 2017, from https://www.brack.ch/bob

Braun, L., Reinecke, S., & Tomczak, T. (2017). *Kundenbindung durch Loyalitätsprogramme.* Retrieved 05 19, 2017, from https://www.alexandria.unisg.ch/250550/1/BraunReineckeTomczak_Loyalita% CC%88tsprogramme.pdf

Bridgewater, S., & Egan, C. (2001). *International Marketing and Relationships.* Retrieved am 27. 04 2017 von https://www.mysciencework.com/publication/show/e72473482c4bbb2f070072a 3e8a26855

Business Insider. (2013). *Retail Stores Will Completely Die, Says Tech Investor Marc Andreessen.* Retrieved 04 27, 2017, from http://www.businessinsider.com/retail-stores-will-die-says-marc-andreessen-2013-1

Buttle, F. (2002). *Is it worth it? ROI on CRM.* Retrieved 05 24, 2017, from https://www.researchgate.net/profile/Francis_Buttle/publication/266371998_Is_i t_worth_it_ROI_on_CRM/links/54e674ff0cf2bff5a4f5ca7a.pdf

Capterra Inc. (2017). *Top eCommerce Software Products.* Retrieved 05 16, 2017, from http://www.capterra.com/ecommerce-software/#infographic

Carmigniani, J., & Ceravolo, P. (2010). *Augmented Reality technologies, systems and applications.* Retrieved 05 07, 2017, from http://link.springer.com/article/10.1007/s11042-010-0660-6

Carpathia AG. (2016). *Die umsatzstärksten Schweizer Onlineshops 2016*. Retrieved 05 13, 2017, from http://blog.carpathia.ch/2016/09/20/umsatz-onlineshops-schweiz-2016/

Casalo, L. V., Flavian, C., & Guinaliu, M. (2007). Journal of Marketing Communications. *The influence of satisfaction, perceived reputation and trust on a consumers' commitment to a website, 13*(1), pp. 1-17. Retrieved 05 21, 2017, from http://www.tandfonline.com/doi/abs/10.1080/13527260600951633

CBRE. (2015). *Retail Switzerland Report.* Retrieved 05 08, 2017, from https://www.google.ch/url?sa=t&rct=j&q=&esrc=s&source=web&cd=5&ved=0 ahUKEwibz9mH8eDTAhVKKFAKHXKPDOkQFghCMAQ&url=http%3A%2 F%2Fwww.cbre.ch%2Fch_en%2Fservices%2Fretail%2Ffor_retailers%2Ffor_re tailers_content%2FCBRE_RetailReport_281220151.pdf&usg=AFQjCNFonrGP

CERP-IoT. (2009). *Internet of Things - Strategic Research Roadmap.* Retrieved 04 26, 2017, from http://www.internet-of-things-research.eu/pdf/IoT_Cluster_Strategic_Research_Agenda_2009.pdf

Chao, C.-C., Yang, J.-M., & Jen, W.-Y. (2007). Determining technology trends and forecasts of CRM through a historical review and bibliometric analysis of data from 1991 to 2005. *International Journal of Management and Enterprise Development, 4*(4), pp. 415-427.

Cisco IBSG. (2010). *The Future of Retail Touchpoints: Extending your reach in the consumer shopping journey.* Retrieved 05 15, 2017, from http://www.cisco.com/c/dam/en_us/about/ac79/docs/pov/FutureofRetailTouchpo ints_FINAL.pdf

Close, A. G. (2012). *Online Consumer Behaviour.* New York: Routledge Taylor & Francis Group LLC.

CNET (Director). (2014). *Next Big Thing - Beacons: What they'll do for retail* [Motion Picture]. Retrieved 05 10, 2017, from https://www.youtube.com/watch?v=ZGL0HpNm5BY

Constantinides, E., & Holleschovsky, I. (2016). Impact of Online Product Reviews on Purchasing Decisions. (Scitepress, Ed.) *WEBIST 2016 - 12th International Conference on Web Information Systems and Technologies*(12), pp. 271-278.

Retrieved 05 18, 2017, from
http://www.scitepress.org/DigitalLibrary/Link.aspx?doi=10.5220%2f000586100
2710278

Credit Suisse. (2017). *Schweizer Detailhandel im Umbruch.* Retrieved 04 25, 2017,
from http://publications.credit-
suisse.com/tasks/render/file/index.cfm?fileid=4B53291A-DAC7-3A49-
E4BA425AAE8CA5A2

Crosby, P. B. (1979). *Quality Is Free: The Art of Making Quality Certain.* New York:
McGraw-Hill.

Cuillierier, A. (2016). *Customer engagement through social media.* Retrieved 05 01,
2017, from https://www.theseus.fi/bitstream/handle/10024/115812/Thesis%20-
%20Audrey%20Cuillierier%20-
%20European%20and%20Business%20Administration.pdf?sequence=1

Dainelli, D., Gontard, N., Spyropoulos, D., Zondervan-van den Beuken, E., & Tobback,
P. (2008). *Active and intelligent packaging: legal aspects and safety concerns.*
Retrieved 05 06, 2017, from
https://www.researchgate.net/publication/229351726_Ative_and_intelligent_foo
d_packaging_Legal_aspects_and_safety_concerns

Deloitte AG. (2015a). *Industry 4.0: Challenges and solutions for the digital
transformation and use of exponential technologies.* Retrieved 05 22, 2017, from
https://www2.deloitte.com/content/dam/Deloitte/ch/Documents/manufacturing/c
h-en-manufacturing-industry-4-0-24102014.pdf

Deloitte AG. (2017b). *Digital Preditions 2017.* Retrieved 05 15, 2017, from
https://www2.deloitte.com/uk/en/pages/consumer-business/articles/consumer-
review.html

Deloitte AG. (2017c). Retrieved 05 15, 2017, from
https://www2.deloitte.com/uk/en/pages/consumer-business/articles/retail-trends-
2017.html

DHL. (2016, 10). *DHL Global Connectedness Index 2016.* Retrieved 05 08, 2017, from
http://www.dhl.com/content/dam/downloads/g0/about_us/logistics_insights/gci_
2016/DHL_GCI_2016_full_study.pdf

Digimarc Corporation. (2017). *Make Your Store a Better Place to Shop*. Retrieved 05 17, 2017, from https://www.digimarc.com/application/retail

Dorotic, M., Bijmolt, T. H., & Verhoef, P. C. (2011). *Loyalty Programmes: Current Knowledge and Research Directions*. Retrieved 05 19, 2017, from http://onlinelibrary.wiley.com/doi/10.1111/j.1468-2370.2011.00314.x/full

Drèze, X., & Hussherr, F.-X. (2003). *Internet advertising: Is anybody watching?* Retrieved 05 21, 2017, from http://linkinghub.elsevier.com.sci-hub.io/retrieve/pii/S1094996803701431

Drucker, P. F. (1973). *Management: Task, Responsibilities, Practices.* New York: Harper & Row.

Duc, L. M. (2013). *Content Marketing.* Retrieved 05 16, 2017, from http://theseus32-kk.lib.helsinki.fi/bitstream/handle/10024/62104/Duc_LE.pdf?sequence=1

Duffy, D. L. (2005). Affiliate marketing and its impact on e-commerce. *Journal of Consumer Marketing, 22*(3), pp. 161-163. Retrieved 05 19, 2017, from http://www.emeraldinsight.com/doi/abs/10.1108/07363760510595986?journalCode=jcm

Economist Intelligence Unit. (2007). *Beyond Loyalty: Meeting the challenge of customer engagement.* Retrieved 05 01, 2017, from http://graphics.eiu.com/files/ad_pdfs/eiu_AdobeEngagementPt_I_wp.pdf

ECRM Group. (2016). *Consumer's perception of digital rewards in loyalty programs: Insights from a multi-country research.* Retrieved 05 19, 2017, from https://www.google.ch/url?sa=t&rct=j&q=&esrc=s&source=web&cd=6&ved=0ahUKEwjr0rj5t_rTAhVDliwKHTi3BDUQFghIMAU&url=http%3A%2F%2Fwww.netcommsuisse.ch%2Fdam%2Fjcr%3A25a8ed85-9540-40bb-a307-a132aa4dd4a8%2FTarget%2520Research_Consumer%26%2523039%3Bs%2520percepti

eMarketer Inc. (2016). *US Digital Display Ad Spending to Surpass Search Ad Spending in 2016*. Retrieved 05 19, 2017, from https://www.emarketer.com/Article/US-Digital-Display-Ad-Spending-Surpass-Search-Ad-Spending-2016/1013442

Emrich, O., Paul, M., & Rudolph, T. (2015). Shopping Benefits of Multichannel Assortment Integration and the Moderating Role of Retailer Type. *Journal of Retailing, 91*(2), pp. 326-342. Retrieved 05 16, 2017, from https://www.wiwi.uni-augsburg.de/en/bwl/paul/Downloads/Publications_Paul/EmrichPaulRudolph_JR _2015---Multichannel-Assortment-Integration.pdf

Engel, J. F., Kollat, D. T., & Blackwell, R. D. (1968). *Consumer Behaviour.* New York: Holt, Rinehart, and Winston.

Entrepreneur Media Inc. (2008). *Jeff Bezos.* Retrieved 04 25, 2017, from https://www.entrepreneur.com/article/197608

Erkan, I. (2015). Electronic Word of Mouth on Instagram: Customers' Engagement with Brands in Different Sectors. *International Journal of Marketing, Accounting and Economics, 2*(12), pp. 1435-1444. Retrieved 05 16, 2017, from https://www.researchgate.net/profile/Ismail_Erkan/publication/292991785_Elect ronic_Word_of_Mouth_on_Instagram_Customers'_Engagements_with_Brands_ in_Different_Sectors/links/56b4b40c08aec41daa206223.pdf

Ernst & Young. (2011). *Digitization of everything: How organisations must adapt to changing consumer behaviour.* Retrieved 03 29, 2017, from http://www.ey.com/Publication/vwLUAssets/The_digitisation_of_everything_-_How_organisations_must_adapt_to_changing_consumer_behaviour/$FILE/EY _Digitisation_of_everything.pdf

Estimote, Inc. (2017). *Create magical experiences in the physical world*. Retrieved 05 11, 2017, from https://estimote.com/

Estopace, E. (2016). *Image recognition and processing in retail: More possibilities with cloud*. (Q. A. Ltd., Editor) Retrieved 05 17, 2017, from https://www.enterpriseinnovation.net/article/image-recognition-and-processing-retail-more-possibilities-cloud-30444469

Euromonitor International. (2017). *Top 10 Global Consumer Trends for 2017.* Retrieved 04 12, 2017

Facebook. (2017). *Facebook Business*. Retrieved 05 16, 2017, from https://www.facebook.com/business

Fiore, A. M., & Jin, H. J. (2003). *Influence of image interactivity on approach responses towards an online retailer.* Retrieved 05 01, 2017, from http://www.emeraldinsight.com/doi/abs/10.1108/10662240310458369

Forrester. (2008). *How engaged are your customers?* Retrieved 05 01, 2017, from http://www.indigopacific.com/pdf/Forrester_TLP_How_Engaged_Are_Your_Customers.pdf

Forrester. (2016). *2017 Predictions: Dynamics that will shape the future in the age of the customer.* Retrieved 04 23, 2017, from https://go.forrester.com/wp-content/uploads/Forrester-2017-Predictions.pdf

Forsythe, S., Liu, C., Shannon, D., & Gardner, L. C. (2006). *Development of a scale to measure the perceived benefits and risks of online shopping.* doi:10.1002/dir.20061

Fraunhofer IAIS. (2017). *Artificial Intelligence.* Retrieved 05 22, 2017, from https://www.iais.fraunhofer.de/en/research/artificial-intelligence.html

Gartner Inc. (2015). Retrieved 05 14, 2017, from https://www.gartner.com/doc/3175122/use-gartners-marketing-maturity-model

Geek Wire LLC. (2016). *How 'Amazon Go' works: The technology behind the online retailer's groundbreaking new grocery store.* Retrieved 05 22, 2017, from https://www.geekwire.com/2016/amazon-go-works-technology-behind-online-retailers-groundbreaking-new-grocery-store/

GfK. (2016). *Navigating the Future of Retail.* Retrieved 04 25, 2017, from https://europeantcgretailsummit.com/wp-content/uploads/2017/01/GfK_Future-of-Retail_Report_2016.pdf

GfK. (2016). *The future of retail and what it means for the industry.* Retrieved 05 01, 2017, from https://blog.gfk.com/2016/05/the-future-of-retail-and-what-it-means-for-the-industry/

Globus. (2017). *Globus Pinterest.* Retrieved 05 15, 2017, from https://au.pinterest.com/globus_ch/

Globus. (2017). *Globus Switzerland.* Retrieved am 15. 05 2017 von https://www.youtube.com/user/thomasglobus

Globus. (2017). *Instagram Home*. Retrieved am 15. 05 2017 von
 https://www.instagram.com/globus/?hl=en

Goldfarb, A., & Tucker, C. (2010). *Online Display Advertising: Targeting and
 Obtrusiveness.* Retrieved 05 19, 2017, from
 http://pubsonline.informs.org/doi/pdf/10.1287/mksc.1100.0583

González Benito, Ó., & Trindade Venturini, W. (2015). CRM software success: a
 proposed performance measurement scale. *Journal of Knowledge management,
 19*(4), pp. 856-875.

Google Inc. (2010). *Google Search Engine Optimization Starter Guide*. Retrieved 05
 19, 2017, from
 http://static.googleusercontent.com/media/www.google.com/de//webmasters/doc
 s/search-engine-optimization-starter-guide.pdf

Graf, A., & Schneider, H. (2016). *About a channel that became an industry.* Frankfurt
 am Main: Deutscher Fachverlag GmbH. Retrieved 05 21, 2017, from
 https://www.amazon.com/Commerce-Book-Channel-became-
 Industry/dp/1536937800

Greengard, S. (2015). *The Internet of Things.* London: MIT Press Essential Knowledge
 Series.

Grewal, D., Roggeveen, A. L., & Nordfält, J. (2017). The Future of Retailing. *Journal
 of Retailing*, pp. 1-6. Retrieved 05 02, 2017, from
 http://www.sciencedirect.com/science/article/pii/S0022435916300872

Grover, D. (2011). *Effective Customer Relationship Management through eCRM.*
 Retrieved 05 24, 2017, from
 http://www.academia.edu/5015607/Effective_Customer_Relationship_Manage
 ment_through_e-CRM

GS1 Switzerland. (2013). *White paper on e-commerce (B2C).* Retrieved 05 13, 2017,
 from https://www.gs1.ch/docs/default-source/prozesse-dokus/20140114_e-
 commerce_wp_engl_def.pdf?sfvrsn=14

Gulbin, P. (2017). *The Robin Report: Digital Customer Engagement*. Retrieved 05 10,
 2017, from http://www.therobinreport.com/digital-customer-engagement/

Halligan, B., & Shah, D. (2010). *Inbound marketing.* Hoboken: Wiley.

Harden, L., & Heyman, B. (2009). *Digital Engagement: Internet Marketing That Captures Customers and Builds Brand Loyalty.* New York: Amacom.

Harvard Business Review. (1999). *Getting Real About Virtual Commerce.* Retrieved 04 25, 2017, from https://hbr.org/1999/11/getting-real-about-virtual-commerce

Harvard Business Review. (2014). *E-Commerce Is Not Eating Retail.* Retrieved 04 27, 2017, from https://hbr.org/2014/08/e-commerce-is-not-eating-retail

Haufe. (2013). *Suchmaschinen bringen die wertvollsten Kunden.* Retrieved 05 19, 2017, from https://www.haufe.de/marketing-vertrieb/online-marketing/e-commerce-suchmaschinen-bringen-die-wertvollsten-kunden_132_188678.html

Hebenstreit, K. (n./d.). *Digitale Transformation: Curated-Shopping (Case Study).* Retrieved 05 13, 2017, from http://www.manymize.com/curated-shopping-gesch%C3%A4ftsmodell

Heinemann, G. (2013). *No-Line-Handel.* Wiesbaden: Springer Gabler. doi:10.1007/978-3-658-00851-2_1

Helm, S. (2000). Viral Marketing - Establishing Customer Relationships by 'Word-of-mouse'. *Electronic Markets, 10*(3), pp. 158-161. Retrieved 05 09, 2017, from https://pdfs.semanticscholar.org/1822/87d63b88793ace640b48de58e8675bcde43b.pdf

Hoban, P. R., & Bucklin, R. E. (2014). *Effects of Internet Display Advertising in Purchase Funnel: Model-Based Insights from a Randomized Field Experiment.* Retrieved 05 19, 2017, from http://sci-hub.io/10.1509/jmr.13.0277

Holliman, G., & Rowley, J. (2014). Business to business digital content marketing: marketers' perceptions of best practice. *Journal of Research in Interactive Marketing, 8*(4), pp. 269-293. doi:http://dx.doi.org/10.1108/JRIM-02-2014-0013

Hutchins, B. (2015). *23 Reasons to Use Video Marketing In 2015.* Retrieved 05 16, 2017, from http://www.business2community.com/infographics/23-reasons-to-use-video-marketing-in-2015-infographics-01305360#7OeR9pDGFhuouuKy.97

IBM. (2016). *Macy's Pilots IBM's Watson In Partnership With Satisfi For In-Store, Personalized Shopping Companion*. Retrieved 05 04, 2017, from https://www-03.ibm.com/press/us/en/pressrelease/50212.wss

IBM RFID Commercial - The Future Market (2006). [Motion Picture]. Retrieved from https://www.youtube.com/watch?v=eob532iEpqk

Investopedia. (2017). *Barcode*. Retrieved 05 18, 2017, from http://www.investopedia.com/terms/r/radio-frequency-identification-rfid.asp

ISO. (2012). Innovation. *Iso Focus +, 27*(6). Retrieved 05 23, 2017, from https://www.iso.org/files/live/sites/isoorg/files/news/magazine/ISO%20Focus%2B%20(2010-2013)/en/2012/ISO%20Focus%2B%2C%20June%202012.pdf

ITAK. (2015). *Simple cost analysis for RFID options*. Retrieved 05 18, 2017, from http://itak.iaitam.org/simple-cost-analysis-for-rfid-options-choice-must-fit-the-organizations-needs-and-budget/

Jelmoli AG. (2017). *Home*. Retrieved am 09. 05 2017 von http://www.jelmoli.ch/?gclid=CLzIyZ_A4tMCFQTjGwodfW0MPw

Jelmoli AG. (2017). *Home*. Retrieved am 15. 05 2017 von http://www.jelmoli.ch/

Jelmoli AG. (2017). *Instagram Home*. Retrieved am 15. 05 2017 von https://www.instagram.com/jelmoli/?hl=en

Jelmoli AG. (2017). *Jelmoli Visa Bonus Card Gold*. Retrieved am 19. 05 2017 von http://www.jelmoli.ch/bonuscard

Jelmoli AG. (2017). *Twitter Home*. Retrieved am 15. 05 2017 von https://twitter.com/Jelmoli_Zurich?ref_src=twsrc%5Egoogle%7Ctwcamp%5Eserp%7Ctwgr%5Eauthor

Jelmoli AG. (n./d.). *Jelmoli - The House of Brands*. Retrieved am 12. 05 2017 von http://www.jelmoli.ch/unternehmen

Jobs, S. (n./d.). *Steve Jobs*. Retrieved am 14. 05 2017 von https://au.pinterest.com/pin/396035360958288313/

John, L. K., Emrich, O., Gupta, S., & Norton, M. I. (2016). *Does "Liking" Lead to Loving? The impact of joining a brands social network on marketing outcome.* Retrieved am 16. 05 2017 von http://sci-hub.io/10.1509/jmr.14.0237

Kaikati, A. M., & Kaikati, J. G. (2004). Stealth Marketing: How to reach consumers surreptitiously. *California Management Review, 46*(4), S. 6-22. Retrieved am 09. 05 2017 von http://journalism.uoregon.edu/~tbivins/stratcomweb/readings/BUZZ/CMR-article.pdf

Kalpaklioglu, N. U., & Toros, N. (2011). *VIRAL MARKETING TECNIQUES WITHIN ONLINE SOCIAL NETWORK.* Retrieved am 09. 05 2017 von http://dergipark.gov.tr/download/article-file/179344

Kang, J., & Alejandro, T. B. (2015). Customer–company identification and the effectiveness of loyalty programs. *Journal of Business Research, 68*(2), S. 464–471. Retrieved am 19. 05 2017 von http://www.sciencedirect.com/science/article/pii/S0148296314001994

Kea Company. (2014). *Cartner, Forrester & HfS Research top 2014 Analyst Firm Awards.* Retrieved am 07. 05 2017 von http://www.influencerrelations.com/3418/gartner-forrester-hfs-research-top-analyst-firm-of-the-year-2014-awards

Kieseberg, P., Leithner, M., Mulazzani, M., Munroe, L., Schrittwieser, S., Mayank, S., & Weippl, E. (2010). QR Code Security. *MoMM '10 Proceedings of the 8th International Conference on Advances in Mobile Computing and Multimedia*, S. 430-435. Retrieved am 17. 05 2017 von http://dl.acm.org/citation.cfm?id=1971593

Kim, A. J., & Ko, E. (2011). Do social media marketing activities enhance customer equity? An empirical study of luxury fashion brand. (E. Inc., Hrsg.) *Journal of Business Research 65 (2012)*, S. 1480-1486. doi:10.1016/j.jbusres.2011.10.014

Kotler, P. T., & Keller, K. L. (2016). *A Framework for Marketing Management* (6 Ausg.). London: Pearson.

Kotler, P., & Armstrong, G. (2013). *Principles of Marketing* (13 Ausg.). Pearson. Retrieved am 27. 04 2017 von

https://books.google.ch/books?hl=en&lr=&id=ZW2u5LOmbs4C&oi=fnd&pg=P
A16&dq=goal+of+marketing&ots=BY3ixd1hvn&sig=4i_Gdbq7p56QXeJMSB
LtZP1G7D0#v=onepage&q=goal%20of%20marketing&f=false

Kotler, P., & Armstrong, G. (2015). *Principles of Marketing: Global edition* (Bd. 16e).
Essex: Pearson.

Krueger, J. (2015). *Omni-Channel Shoppers: An Emerging Retail Reality.* Retrieved am
16. 05 2017 von http://think.storage.googleapis.com/docs/omni-channel-
shoppers-an-emerging-retail-reality.pdf

Kunz, D. (04. 05 2017). Digitization in Retail. (P. Schöni, Interviewer) Globus, Zürich.

Kurt Salmon. (2015). *The Digitization of Physical Retail; The new shopping experience.*
Retrieved am 17. 04 2017 von
http://www.kurtsalmon.com/uploads/Digitisation%20of%20Physical%20Retail
%201503%20VF.pdf

Lammenett, E. (2017). *Suchmaschinenmarketing (SEM)* (Bd. 6). Berlin: Springer
Gabler. Retrieved am 19. 05 2017 von
http://link.springer.com/chapter/10.1007/978-3-658-15494-3_4

Landroguez, S. M., Castro, C. B., & Cepeda-Carrion, G. (2013). Developing an
integrated vision of customer value. *Journal of Services Marketing, 3*, S. 234-
244.

Lasi, H., & Kemper, H.-G. (2014). *Industry 4.0.* Retrieved 04 23, 2017, from
http://search.proquest.com/openview/d123f1311b0c44c490ae9fb9a3a184c6/1?p
q-origsite=gscholar&cbl=816386

Lee, Y. M., Cheng, F., & Leung, Y. T. (2017). *Exploring the impact of RFID on supply
chain dynamics.* Retrieved am 18. 05 2017 von
http://dl.acm.org/citation.cfm?id=1161943

Leeflang, P. S., Verhoef, P. C., & Dahlström, P. (2014). Challenges and solutions for
marketing in a digital era. *European Management Journal, 32*, pp. 1-12.
Retrieved 05 19, 2017, from https://www.aog.nl/assets/uploads/2016/06/Article-
Verhoef-Leeflang-Dahlstrom-and-Freundt-2013.pdf

Levitt, T. H. (1960). The marketing myopia. *Harvard Business Review*, S. 45-46.

Li, H., Edwards, S. M., & Lee, J.-H. (2002). Measuring the Intrusiveness of Advertisements: Scale Developments and Validation. *Journal of Advertising, 31*(2), S. 37-47.

Li, Z. E., Lu, Q., & Telebian, M. (2014). Online versus bricks-and-mortar retailing: a comparison of price, assortment and delivery time. (T. &. Group, Hrsg.) *International Journal of Production Research*. doi:10.1080/00207543.2014.973074

Lobaccaro, G., Carlucci, S., & Löfström, E. (2016). *A review of systems and technologies for smart homes and smart grids.* Retrieved am 17. 05 2017 von https://www.google.ch/search?q=smart+homes+association&ie=utf-8&oe=utf-8&client=firefox-b-ab&gfe_rd=cr&ei=KFIjWdzsE8ixtgeApZSYCg#

Lüpold, S. (02. 05 2017). Digital Switzerland: Ditigal Future of Switzerland. (P. Schöni, Interviewer) Zurich University of Applied Sciences.

Magazine zum Globus AG. (2017). *Die Globus Filialen.* Retrieved 05 09, 2017, from https://www.globus.ch/filialsuche

Magazine zum Globus AG. (2017). *Fragen zu GlobusCard.* Retrieved 05 19, 2017, from https://www.globuscard.ch/de/faq.html

Magazine zum Globus AG. (2017). *Globus App.* Retrieved 05 24, 2017, from https://play.google.com/store/apps/details?id=ch.globus&hl=en

Magazine zum Globus AG. (2017). *Home.* Retrieved am 09. 05 2017 von https://www.globus.ch/

Magazine zum Globus AG. (2017). *Leitbild.* Retrieved am 12. 05 2017 von https://www.globus.ch/ueber-globus/leitbild

Mccoy, S., Everard, A., Polak, P., & Galletta, D. F. (03 2007). The effects of online advertising. *Communications of the ACM, 50*(3), S. 84-88.

McKinsey & Company. (2014). *How digital is transforming retail: The view from eBay.* Retrieved am 19. 04 2017 von http://www.mckinsey.com/industries/retail/our-insights/how-digital-is-transforming-retail-the-view-from-ebay

McSchindler. (2016). *Digital in 2016: 15 Fakten zur globalen Nutzung von digital, social & mobile.* Retrieved am 09. 05 2017 von https://www.mcschindler.com/2016/02/07/digital-in-2016-15-fakten-zur-globalen-nutzung-von-digital-social-mobile/

Mcschindler. (2016). *Social Media in der Schweiz: Neue Zahlen für 2016.* Retrieved am 16. 05 2017 von https://www.mcschindler.com/2016/06/06/social-media-in-der-schweiz-neue-zahlen-fuer-2016/

Meffert, H., Burmann, C., & Kirchgeorg, M. (2015). *Marketing* (12 Ausg.). Springer Gabler.

Mettler, R. (2014). *The Ditigal Barometer.* Retrieved am 14. 05 2017 von https://www.slideshare.net/j_boye/the-digital-barometer-gauging-maturity-by-rob-mettler

Migros (Regisseur). (2017). *Migros: Discover, die Entdeckfunktion in der Migros App* [Kinofilm]. Schweiz. Retrieved am 17. 05 2017 von https://www.youtube.com/watch?v=u2CLnms3PCM

Migros-Genossenschafts-Bund. (2017). *Migros-App.* Retrieved am 17. 05 2017 von https://www.migros.ch/de/spiele-apps/migros-app.html?gclid=CjwKEAjwxurIBRDnt7P7rODiq0USJADwjt5DAIdp8xkUK12R3DMiJMUR23se9CKoJlOOxrsJa6SiuBoCFQTw_wcB

MIT Center for Digital Business and Capgemini Consulting. (2011). *Digital Transformation: A roadmap for billion-dollar organizations.* Retrieved 04 27, 2017, from https://www.capgemini.com/resource-file-access/resource/pdf/Digital_Transformation__A_Road-Map_for_Billion-Dollar_Organizations.pdf

Neslin, S. A., Grewal, D., Leghorn, R., Shankar, V., Teerling, M. L., Thomas, J. S., & Verhoef, P. C. (2006). Challenges and Opportunities in Multichannel Customer Management. *Journal of Service Research, 9*(2), pp. 95-112. Retrieved 05 19, 2017, from http://journals.sagepub.com/doi/abs/10.1177/1094670506293559

Neti, S. (2011). *Social media and its role in marketing.* Retrieved 05 16, 2017, from https://pdfs.semanticscholar.org/1013/ba91a504e085212ae4751ed61c3c0e1b6622.pdf

Newman, N. (2014). *Opinion Piece: Apple iBeacon technology briefing.* Retrieved 05 10, 2017, from http://sci-hub.io/10.1057/dddmp.2014.7

Novak, T. P., Hoffman, D. L., & Duhachek, A. (2003). The influence of goal-directed and experiential activities on online flow experiences. *Journal of consumer psychology*(13), pp. 3-16. Retrieved 05 22, 2017, from http://www.sciencedirect.com/science/article/pii/S1057740803701727

Oh, H., Yoon, S.-Y., & Shyu, C.-R. (2008). How can virtual reality reshape furniture retailing? *Clothing & Textiles Research Journal, 26*(2), pp. 143-163. doi:10.1177/0887302X08314789

Oxford University Press. (2017). Artificial intelligence. p. https://en.oxforddictionaries.com/definition/artificial_intelligence. Retrieved 05 20, 2017

Oxford University Press. (2017). *Definition of mature in English.* Retrieved 05 14, 2017, from https://en.oxforddictionaries.com/definition/mature

Pan, S. L., & Lee, J.-N. (2003). Using e-CRM for a unified view of the customer. *Magazine Communications of the ACM - Digital rights management, 46*(4), pp. 95-99. Retrieved from http://sci-hub.io/10.1145/641205.641212

Parsons, A., Zeisser, M., & Waitman, R. (1998). Organizing today for the digital marketing of tomorrow. (J. W. Inc., Ed.) *Journal of Interactive Marketing, 12*(1), pp. 31-46. Retrieved 05 20, 2017, from http://www.sciencedirect.com/science/article/pii/S1094996898702518

PCR. (2013). Retrieved 05 23, 2017, from http://www.pcr-online.biz/news/read/b-q-considering-smart-price-tags-for-automatic-price-updates/032260

Peppers, D., & Rogers, M. (2011). *Managing Customer Reltaionships: A strategic framework* (Vol. 28). Hoboken: Wiley.

Pfleeger, S. L. (2017). *Maturity, Models, and Goals: How to build a metrics plan.* doi:10.1016/0164-1212(94)00094-4

Pinterest. (2017). *Company.* Retrieved 05 18, 2017, from https://au.pinterest.com/

Poushneh, A., & Vasquez-Parraga, A. Z. (2017). Discernible impact of augmented reality on retail customer's experience, satisfaction and willingness to buy. *Journal of Retailing and Consumer Services*(34), pp. 229-234. doi:10.1016/j.jretconser.2016.10.005

Pulizzi, J. (2012). The Rise of Storytelling as the New Marketing. *Pub Res Q, 28*, pp. 116-123. doi:10.1007/s12109-012-9264-5

Pulizzi, J., & Barrett, N. (2008). *Get content, get customers.* Bonita Springs: Voyager media.

Pullen, W. (2007). *A Public Sector HPT Maturity Model.* Retrieved 05 02, 2017, from http://sci-hub.io/10.1002/pfi.119

PwC. (2015). *2015 Retail Trends.* Retrieved am 25. 04 2017 von https://www.strategyand.pwc.com/trends/2015-retail-trends

PwC. (2015). *The 2015 Global Omnichannel Retail Index: The future of shopping has arrived.* Retrieved am 22. 05 2017 von https://www.strategyand.pwc.com/reports/2015-global-omnichannel-retail-index

PwC. (2015). *Total Retail 2015; Retailers and the age of disruption.* Retrieved am 24. 04 2017 von https://www.pwc.com/gx/en/retail-consumer/retail-consumer-publications/global-multi-channel-consumer-survey/assets/pdf/total-retail-2015.pdf

PwC. (2016). *Industry 4.0: Building the Digital Industrial Enterprise.* Retrieved am 02. 05 2017 von http://www.pwc.es/es/digital/assets/middle-east-industry-4-0-survey.pdf

PwC. (2016). *Industry 4.0: How digitization makes the supply chain more efficient, agile, and customer-focused.* Retrieved am 20. 04 2017 von https://www.strategyand.pwc.com/reports/industry4.0

PwC. (2017). *2017 Retail Industry Trends.* Retrieved 05 17, 2017, from https://www.strategyand.pwc.com/trend/2017-retail-trends

PwC. (2017). *The new retail ecosystem.* Retrieved am 23. 03 2017 von http://www.pwc.com/us/en/deals/publications/ipo-watch-weekly/disruptors-final.pdf

Rakuten Marketing. (2017). Retrieved 05 19, 2017, from https://www.linkshare.com/

Rebstein, D. J. (2002). What attracts customers to online stores, and what keeps them coming back? *Journal of the Academy of Marketing Science, 30*(4), pp. 465-473.

Retail CIO Outlook. (2017). *Digitizing The Retail Customer Experience and What it Means for Multichannel Retailers Today.* Retrieved 04 24, 2017, from http://www.retailciooutlook.com/cxoinsights/digitizing-the-retail-customer-experience-and-what-it-means-for-multichannel-retailers-today-nid-155.html

RFT Global. (n./d.). Retrieved 05 23, 2017, from http://www.rtfglobal.com/products/mobile-device-management/smart-electronic-digital-price-tags/

Richardson, A. (2010). *Understanding Customer Experience.* Retrieved 05 14, 2017, from http://www.iimagineservicedesign.com/wp-content/uploads/2015/09/Understanding-Customer-Experience.pdf

Richardson, A. (2010). *Using Customer Journey Maps to Improve Customer Experience.* Retrieved 05 14, 2017, from http://www.iimagineservicedesign.com/wp-content/uploads/2015/07/Experience-Maps-Using-Customer-Journey-Maps-to-Improve-Customer-Experience.pdf

Robles, R. J., & Kim, T.-h. (2010). Applications, Systems and Methods in Smart Home Technology: A Review. *International Journal of Advanced Science and Technology*(15), pp. 37-48. Retrieved 05 12, 2017

Rose, R., & Pulizzi, J. (2011). *Managing Content Marketing.* Cleveland: CMI Books.

Roth, D. (2017). *The History of Retail in 100 objects.* (Intel, Ed.) Retrieved 05 15, 2017, from http://www.davidroth.com/historyofretail/#p=2

Rüeger, B. (2015). Introduction to Marketing; Lecture.

Rust, R. T., Lemon, K. N., & Zeithaml, V. A. (2004). Return on Marketing: Using Customer Equity to Focus Marketing Strategy. *Journal of Marketing, 68*(1), pp. 109-127. Retrieved 05 03, 2017, from http://journals.ama.org/doi/abs/10.1509/jmkg.68.1.109.24030?code=amma-site

Ryan, D., & Jones, C. (2009). *Understanding Digital Marketing; Marketing strategies for engaging the digital generation.* London: Kogan Page Limited.

Samsung. (2014). *S.M.A.R.T*. Retrieved 05 23, 2017, from http://www.samsung.com/semiconductor/minisite/ssd/downloads/document/SSD_Application_Note_SMART_final.pdf

SAS Institute Inc. (2017). *Digital Marketing*. Retrieved 05 20, 2017, from https://www.sas.com/en_us/insights/marketing/digital-marketing.html

Scott, D. M. (2011). *The new rules of marketing & PR.* Hoboken: Wiley.

Senecal, S., & Nantel, J. (2004). The influence of online product recommendations on consumers' online choices. *Journal of Retailing*(80), pp. 159-169. Retrieved 05 02, 2017, from http://ses-perso.telecom-paristech.fr/survey/CanauxInformBienExpe/senecalnantel.pdf

Senn, A. (2016). *What CRM softwares major retails store outlets like Walmart, Target and IKEA are using?* Retrieved 05 15, 2017, from https://www.quora.com/What-CRM-softwares-major-retails-store-outlets-like-Walmart-Target-and-IKEA-are-using

Shah, D., Rust, R. T., Parasuraman, A., Staelin, R., & Day, G. S. (2006). The path to Customer Centricity. (S. Publications, Ed.) *Journal of Service Research, 2*, pp. 113-124. Retrieved 05 01, 2017, from http://sci-hub.io/10.1177/1094670506294666

Shayon, S. (2017). *Facebook Sees Revenue Growth Through Its Ad Products for Marketers*. Retrieved 05 16, 2017, from http://brandchannel.com/2017/02/03/facebook-revenue-growth-020317/

Shih, B.-Y., Chen, C.-Y., & Chen, Z.-S. (2012). *Retracted: An Empirical Study of an Internet Marketing Strategy for Search Engine Optimization.* doi:10.1002/hfm.20348

Shopify Inc. (2017). *Shopifyplus*. Retrieved 05 15, 2017, from https://www.shopify.com/plus/customers

Sin, L., Tse, A., & Yim, F. (2005). *CRM: Conceptualization and scale development.* Retrieved 05 01, 2017, from http://sci-hub.io/10.1016/j.ausmj.2014.11.001

Smith, P., & Chaffey, D. (2013). *eMarketing eXcellence* (2 ed.). Oxford: Butterworth Heinemann.

SMP AG. (2017). *Gekommen, um zu gucken: Kunden werden Händlern untreu.* Retrieved 04 26, 2017, from http://www.smp-ag.de/en/presse/pressemitteilung/gekommen-gucken-kunden-werden-haendlern-untreu

Solomon, M. R. (2003). *Conquering Consumerspace: Marketing Strategies for a Branded World.* New York: Amacom.

Solteq. (2017). *The web is changing the way we shop.* Retrieved 05 12, 2017, from https://www.solteq.com/en/blogs/news/the-web-is-changing-the-way-we-shop/

Soon, T. J. (2008). *QR Code.* Retrieved 05 18, 2017, from https://foxdesignsstudio.com/uploads/pdf/Three_QR_Code.pdf

Statista. (2016). *Social Media in der Schweiz.* Retrieved 05 09, 2017, from https://www.google.ch/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=0ahUKEwi60tuSw-LTAhWCjCwKHZQ2AcsQFggiMAA&url=http%3A%2F%2Fwww.marketing.ch%2FPortals%2F0%2Fsocial-media-in-der-schweiz-statista-dossier.pdf%3Fver%3D2016-08-02-141729-547&usg

Statista. (2017). *Number of monthly active Facebook users worldwide as of 1st quarter 2017 (in millions).* Retrieved 05 16, 2017, from https://www.statista.com/statistics/264810/number-of-monthly-active-facebook-users-worldwide/

Statista. (2017). *Number of monthly active instagram users.* Retrieved 05 16, 2017, from https://www.statista.com/statistics/253577/number-of-monthly-active-instagram-users/

Stevens, R. P. (n./d.). *CRM for Retailers.* Retrieved 05 16, 2017, from http://www.ruthstevens.com/articles/crm-for-retailers/

Syncapse. (2013). *The value of a facebook fan 2013: Revisiting consumer brand currency in social media.* Retrieved 05 16, 2017, from https://static1.squarespace.com/static/50968fc5e4b0c28a68fb4ac5/t/51cda57fe4

b016df0a431504/1372431743068/Syncapse___Value_of_a_Fan_Report_2013.p
df

Syriälä, S. (2012). *"Smart shelves" - The store shelf of the future*. Retrieved 05 23,
2017, from http://www.rfidarena.com/2012/9/13/%E2%80%9Csmart-
shelves%E2%80%9D-the-store-shelf-of-the-future.aspx

Tajima, M. (2007). Strategic Value of RFID in supply chain management. (Elsevier,
Ed.) *Journal of Publishing & Supply Chain Management, 13*, pp. 261-273.
Retrieved 05 17, 2017, from http://sci-hub.io/10.1016/j.pursup.2007.11.001

Tang, S., Zhang, M., & Cheng, Z. (2012). The effects of loyalty programs on customer
loyalty: The mediating role of customer value and the moderating role of
relationship benefits. *African Journal of Business Management, 6*(11), pp. 4295-
4309. Retrieved 05 19, 2017, from
http://search.proquest.com/docview/1030712183?pq-origsite=gscholar

The Economist. (2012). *The third industrial revolution.* Retrieved 04 24, 2017, from
http://www.economist.com/node/21553017

The Economist. (2016). *The difference between virtual and augmented reality*.
Retrieved 05 18, 2017, from http://www.economist.com/blogs/economist-
explains/2016/04/economist-explains-8

The guardian. (2017). *What is the internet of things*. Retrieved 04 25, 2017, from
https://www.theguardian.com/technology/2015/may/06/what-is-the-internet-of-
things-google

The Nielsen Company. (2013). *Who Rewards Who? Loyalty Program Availability and
Patronage Go Hand in Hand*. Retrieved 05 19, 2017, from
http://www1.nielsen.com/content/corporate/cn/en/insights/news/2013/who-
rewards-who-loyalty-program-availability-and-patronage-go-hand-in-hand.html

Third Door Media Inc. (2017). *Display advertising*. Retrieved 05 19, 2017, from
http://marketingland.com/library/display-advertising-news

Tomczak, T., Reinecke, S., & Dittrich, S. (2010). *Kundenbindung durch Kundenkarten
und -clubs.* Retrieved 05 19, 2017, from

https://www.alexandria.unisg.ch/60392/1/Handbuch%20Kundenbindungsmanag ement2.pdf

Uckelmann, D., Harrison, M., & Michahelles, F. (2011). *Architecting The Internet of Things.* Berlin, Heidelberg: Springer-Verlag. doi:10.1007/978-3-642-19157-2_1

Unitag. (2017). *NFC technology.* Retrieved 05 18, 2017, from https://www.unitag.io/nfc/what-is-nfc

University of Zurich. (2015). *Internet is the primary source of information in Switzerland.* Retrieved 05 14, 2017, from http://www.media.uzh.ch/en/Press-Releases/archive/2015/schweizer-informieren-sich-hauptsaechlich-ueber-das-internet.html

Van Belleghem, S. (2013). *Why customer loyalty is declining and what companies can do about it.* Retrieved 04 27, 2017, from http://stevenvanbelleghem.com/blog/why-customer-loyalty-is-declining-and-what-companies-can-do-about-it

Van Doorn, J., Lemon, K. N., Mittal, V., Nass, S., Pick, D., Pirner, P., & Verhoef, P. C. (2010). *Customer Engagement Behaviour: Theoretical Foundations and Research Directions.* Retrieved 05 10, 2017, from http://journals.sagepub.com/doi/pdf/10.1177/1094670510375599

Verhoef, P. C. (2003). Understanding the Effect of Customer Relationship Management Efforts on Customer Retention and Customer Share Development. *Journal of Marketing, 3*(4), pp. 30-45. Retrieved 05 19, 2017

Verhoef, P. C., Kannan, P. K., & Inman, J. J. (2015). From Multi-Channel Retailing to Omni-Channel Retailing. Introduction to the Special Issue on Multi-Channel Retailing. *Journal of Retailing*, pp. 174-181. Retrieved 05 16, 2017, from http://moscow.sci-hub.bz/fdef1d7d954f43fc6a4a1a2ce5341066/10.1016%40j.jretai.2015.02.005.pdf

Verhoef, P. C., Reinartz, W. J., & Krafft, M. (2010). *Customer engagement as a new perspective in Customer management.* Retrieved 05 01, 2017, from http://journals.sagepub.com.sci-hub.io/doi/pdf/10.1177/1094670510375461

Verhoef, P. C., Stephen, A. T., Kannan, P. K., Luo, X., Abhishek, V., Andrews, M., . . . Zhang, Y. (2017). *Consumer Connectivity in a Complex, Technology-Enabled, and Mobile-Oriented World with Smart Products.* Retrieved 05 18, 2017, from https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2912321

Wang, R. J.-H., Malthouse, E. C., & Krishnamurthi, L. (2015). On the Go: How mobile shopping affects customer purchase behaviour. *Journal of Retailing*(91), pp. 217-234. Retrieved 05 22, 2017, from http://web.efzg.hr/dok/TRG/ddunkovic/mshopping%20JR.pdf

Want, R. (2011). *Smartphones: Near Field Communication.* (I. CS, Ed.) doi:10.1109/MPRV.2011.55

Web Finance Inc. (2017). *Department store.* Retrieved 05 21, 2017, from http://www.businessdictionary.com/definition/department-store.html

Welker, C. B. (2002). The Paradigm of Viral Communication. *Information Services & Use, 22*(1), pp. 3-8. Retrieved 05 09, 2017, from https://www.learntechlib.org/p/95985

Wendler, R. (2012). *The maturity of maturity models research: A systematic mapping study.* Retrieved 05 02, 2017, from http://sci-hub.io/10.1016/j.infsof.2012.07.007

Woerndl, M., Papagiannidis, S., Bourlakis, M., & Li, F. (2008). Internet-induced marketing techniques: Critical factors in viral marketing campaigns. *Int. Journal of Business Science and Applied Management, 3*(1), pp. 35-45. Retrieved 05 09, 2017, from https://kar.kent.ac.uk/25586/1/3_1--33-45-Woerndl,Papagiannidis,Bourlakis,Li.pdf

Wolfinbarger, M., & Gilly, M. C. (2003). eTailQ: dimensionalizing, measuring and predicting etail quality. *Journal of Retailing*, pp. 183-198. Retrieved 04 29, 2017, from http://www.academia.edu/24786322/eTailQ_dimensionalizing_measuring_and_predicting_etail_quality

Wolny, J., & Charoensuksai, N. (2014). *Mapping customer journeys in multichannel decision-making.* Retrieved 05 13, 2017, from http://sci-hub.io/10.1057/dddmp.2014.24

Y&R Group Switzerland AG. (2015). *MUI Studie 2015: 85% der Schweizer nutzen Internet mobil.* Retrieved am 09. 05 2017 von http://www.yr-group.ch/studien/mui-studie-2015-85-prozent-der-schweizer-nutzen-internet-mobil

Zhang, J. Q., Dixit, A., & Friedmann, R. (2010). Customer Loyalty and Lifetime Value: An Empirical Investigation of Consumer Packaged Goods. *Journal of Marketing Theory and Practice, 2*, S. http://www.tandfonline.com/doi/abs/10.2753/MTP1069-6679180202. Retrieved am 26. 04 2017 von http://www.tandfonline.com/doi/abs/10.2753/MTP1069-6679180202

Zhu, W., Owen, C. B., Hairong, L., & Lee, J.-H. (2004). *Personalized In-store E-Commerce with the PromoPad: an Augmented Reality Shopping Assistant.* Retrieved am 18. 05 2017 von http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.83.8198&rep=rep1&type=pdf

Zukunftsinstitut GmbH. (2016). *Retail disruption: Digitalisierung des Handels*. Retrieved am 22. 05 2017 von https://www.zukunftsinstitut.de/artikel/08-retail-revolution/01-longreads/retail-disruption-digitalisierung-des-handels/

Annex

Interview with Mr. Kunz, Head Globus Zurich from Mai 4th, 2017

At info session you mentioned what is transforming. Ground floor as new shopping window for men, luggage more visualized. Those are all initiatives to attract people. How is Globus affected by on-/ offline shift?

In fact, Globus is affected strongly. Not only Globus, but retail in general. Less strongly affected are sales from daily products such as water, salt and salad. In Switzerland this market is shared between Coop Le Shop and Migros. Additionally, the market is restricted. In Switzerland, due to the infrastructure and the traffic, the customer behaves differently. I believe that in Switzerland, fresh product delivery is a small business opportunity. But we are primarily not in this segment active, but are doing business also in fashion, perfume, and home and household. There, e-commerce has a strong influence. It affects the whole retail industry. And not only a bit, 1 or 2 or 3 percent, but strongly.

Mission of Globus is to be the one company that has the connection between online and offline. And we want to establish the biggest flagship store with our online channel, even bigger than Migros.

Globus therefore is very well positioned. Best network among premium department stores, but has Jelmoli as a possible competition in Zurich. Do they have their online store in their own hands, can they follow?

They can not do it themselves, they are too small. They assumingly have a corporation.

Online sales increase?

Online / offline sales are daily tracked. Not only sales but also traffic in terms of visitors. We can see a significant increase in online sales.

Will the stationary and online retail always coexist with equal importance?

Stationary retail has often be declared dead. Stationary retail will survive. Maybe not all of them. Like in every battle, there is a winner and a loser. A victim and perpetrator. I am strongly convinced that customer in the future will not just sit at home in front of the TV and live for themselves. Human beings today are forced to cultivate social contacts, and

Facebook cannot take this. Why are there all these clubs, bars, ship-cruise travels. It is because humans are social and they need the contact. Therefore I have no fear that stationary retail will once not exist anymore. Humans need a point to meet up. But these have to be more attractively designed. And we have to ask ourselves how these meet-ups should take place. But go to Migros for shopping, the vegetable department has evolved to the social network of Switzerland. Similarly the restaurants of premium department stores.

Is social networking the most important factor of stationary retail? Face of employee?

Face of employee important, it is a part of the social network. We need good employees. We go to a place, because it is a culture we want to cultivate. If we are recognized in a bar, we enjoy going there much more. Human face is very important, depending on situation.

What about the importance of speed and convenience?

Convenience and speed are important. However, we need to consider which sortiment the customer wants presented as self-service and in which he wants personal advise. Efficiency counts with some products. Another aspect is the price. If a product is sold in the self-service section, and the price exceeds competitors prices considerably. This will immediately result in price comparisons and negative perceptions. With regard to convenience, the determinant factors are where they are, how are they presented and how customers can get it.

In relation to convenience. There is RFID technologies that could be supportive. Are they already in use? Can't they help at checkout with trolleys that automatically recognize products, so employee does not have to do himself?

RFID must be the goal. Today we are far away from that. In Switzerland we do not see this. In the United States however, it exits in some stores. Apple does it. We have to see that the 23 million investments in staff has to be close to the customer and not for unnecessary work-processes. And, cashier is an investment that is not very sustainable. No customer likes to pay and no one likes to queue. So what we are doing with the new cashier-system and the tablets, has similar benefits: No queue anymore and employee does payment process and wraps up the items.

Beacon technology: You said you want to get more personal, with more data lever-aging so you can determine what size and colour the customer likes. How can you identify customer before he enters the store?

With the card system- over a chip, however we are very cautious with that. We don't want customer to recognize it immediately. Soon we will have the app that goes online. Through that system we can identify customer when he is standing next to the building. Up to a radius of 200m, we can send him offers. Or if he is standing in front of the oil shelve, thinking whether to buy and leaves. We can send him push messages, that we have a special offer for him. 2020+ it is coming.

Also through navigating the customer through the department store?

Navigation. Already 20 years ago, museums explained what happens. I always said we need something similar. So when customers enter Delicatessa, that they can get orientation in form of headsets, that explain what is going on left and right. And gives recipe recommendations. Additionally, it helps building up a relation to customers. Eg. if the expert as a salesperson, the one who sold a food item to a customer can follow up by sending his personal recommendation of how to cook it. With that the person is again in focus. Even better when the customer returns, and the person asks: How was it? A tool to build sutaining relationships. And allows to bring rational, emotional and digital world in one.

Omni-channel: Globus is already advanced. Click & Collect, return in store after online purchasing. But I also saw the delivery service takes 2 days. How does Globus develop in this regard?

Omni-channel is a regular topic. But we need to go further. The keyword is cross-chan-neling. If you need toilet paper, diaper for example, since we do not sell it, we need to be able to organize through one of our markets. For value parking customer, we want to do it together with Migros. We will organize their toilet paper for the weekly shopping trip and place it in their car while they are shopping with us. Other topics include Nespresso: Clients need it, but cannot get it at Globus. We need to find a collaboration, so that our top clients don't need to walk to the Nespresso shop, instead we organize it and do it in their car. The same with Lindt & sprüngli: Clients in value parking regularly head to Lindt & Sprüngli because they need Luxemburgerli. Since Lindt & Sprüngli doesn't want to

move inside Globus, we need to find a different solution in terms of a collaboration - with an order for example. So that the client does not need leave our store.

As a result, the interconnectedness is in focus. We need to stop thinking of Globus, Jelmoli, Manor as separate competitors. We need to think from a customer view in a city perspective. We need to connect. The city legislation is getting stricter, which leads to less car traffic, parking spots. So we collaborate, that we can deliver them the products home, as a city. We need to abolish the idea that only we are the ones.

So employees may already call Jelmoli in case a product is missing?

Employees may call Jelmoli. At the end of the day every customer in the city is important for us participants. And it is wrong if we separate. That's the reason for Löwenstrasse Vereiningung, Bahnhofstrasse Vereinigung. Now we have a lot of old people sitting in these committees, but that is the only way. We need to collaborate to deliver a seamless customer experience.

How do you define your target group? Age, Income, Lifestyle? How is Globus doing this?

Currently we have 9 groups: Ranging from the deli-enthusiast to the luxury lover. Many criterias are determinant for this segmentation. Among them age, job, income and attitudes to Globus.

There are many elderly customers. Are they receptive to new technologies?

Older customers are receptive to new technologies. For the launch of the new app, we conducted some interviews. Among them were mostly elderly and the results emerged that a majority was very receptive for it. Surprisingly.

What do you say about virtual reality / Smart technologies? Will it have a significant impact? Can it be already integrated now?

One of the big issues is how can we reach the customer outside of our opening hours. How can we connect that customer x at home with a virtual in-store experience. However, it will certainly be coming.