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Evaluation and Improvement of an Industrial Retailer’s Level of Marketing Channel Integration

A Cross-Border Case Study from the Maintenance, Repair and Operations Sector Taking the Perspective of the Physical Store

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Abstract:

This thesis aims to answer the research question of how an industrial retailer’s level of channel integration can be evaluated and improved. A conceptual model is developed and applied in a case study context of the shop channel of a large international industrial distributor of maintenance, repair and operations goods. Marketing channel integration is proven to improve customer satisfaction, customer loyalty and customer expenditure - despite these benefits, there does not exist any evaluation method that helps researchers or practitioners determine the level of channel integration of an industrial retail channel. The case study follows a mixed method approach and uses qualitative data from in-depth interviews with 11 managers and 24 employees, as well as quantitative data from a management survey with 26 respondents. Using the conceptual model the shop channel of the German parent company was rated at a multi-channel level of integration and the Dutch shop channel at a multiple channel level of integration. Any improvement to the level of channel integration of an industrial retail channel depends on the understanding of and commitment to the integrated channel strategy by the shop management.

Keywords: industrial retail, industrial marketing, marketing channel integration, multi-channel, cross-channel, omni-channel.
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List of Abbreviations

B2B - Business-to-business
B2C - Business-to-consumer
CC - Cross-channel
CRM - Customer relationship management
DE - Germany
MPC - Multiple channel
MRO - Maintenance, repair and operation
MTC - Multi-channel
NL - Netherlands
OC - Omni-channel
Sales rep - Sales representative
SME - Small- and medium-sized enterprise
1. Introduction

*Topic: Introduction and Research Justification*

Over the last two decades marketing channel management has become a lot more challenging due to technological developments, the rise of e-commerce, globalization and intensifying international competition (Narus & Anderson, 1996). Businesses have a wider selection of marketing channels to choose from in order to reach their customers. This is true for both, businesses in business-to-consumer (B2C) markets as well as in business-to-business markets (B2B) (Rangaswamy & Van Bruggen, 2005). Numerous B2B organizations are already selling their goods and services through multiple marketing channels for quite some time (Cespedes & Corey, 1990). Examples of marketing channels used in the B2B context are well-known and well-studied, namely the field sales force channel, the distributor channel, the mail order channel, the call center channel and the sales representative (sales rep) channel (Friedman & Furey, 1999).

One B2B marketing channel missing from this list of channels is the B2B shop, or industrial retail channel. Industrial retail can be described as an intermediate level between consumer-oriented retail and business-oriented wholesale. Noad and Rogers (2008), who introduced the term, define it as “the sale of goods to businesses for their use in creating a finished product or service” and distinguish it from B2C retailing, which is “the sale of goods or services to the person who consumes them” (p. 1). Industrial retailing is mostly used for small companies, for example in the construction and automotive trades, who buy maintenance, repair and operation (MRO) products in relatively small volumes and may require to try them out. Moreover, MRO goods are non-industry specific operating goods, like screws, nuts, bolts, light bulbs, (power)tools, safety gear and cleaning products (Kaplan & Sawhney, 2000). Despite calling them industrial retailers, B2B organizations that operate physical shops, are usually also serving their customers via other marketing channels (Kotler & Armstrong, 2010). An example of this is the North American MRO distributor Grainger that serves its customers through a network of shops, service centers, sales reps, catalogue and e-commerce solutions (Pride & Ferrell, 2008).

Schröder (2012) states that wholesalers and distributors operating chains of physical shops targeted towards small- and medium-sized businesses (SMEs) constitute a considerable and distinct part of the B2B market. Nevertheless, industrial retail goes virtually undiscovered in the modern academic literature on marketing channels (Rosenbloom 2012; Palmatier et al., 2016) and there is even less to find specifically on industrial retail channels as part of a sales strategy involving multiple marketing channels. In the already existing literature on the use of multiple marketing channels in B2B contexts (Rosenbloom, 2007; Wilson & Daniel, 2007; Sharma & Mehrotra, 2007; Merrilees & Fenech, 2007; Cheng, Tsao, Tsai & Tu, 2007; Kumar & Venkatesan, 2005; Friedman & Furey, 1999) none acknowledges or discusses any type of industrial retail or of the physical shop channel. Any specific discussion of channels is relegated to traditional B2B channels, such as sales force, distributors and consumer retail chains. Only Payne and Frow (2004) mention a physical outlet in their design for the multi-channel integration of a customer relationship management system for B2B customers, but only in passing and without reporting relevant findings related to it.

However, the integration of specific channels into a channel strategy, which aims to provide a holistic and consistent customer experience across all channels, has become a topic impossible to avoid. The large choice of channels led to changing customer behaviors and the necessity for companies to adapt their channel strategies (Schramm-Klein & Wagner, 2016; Jäger, 2016). In times of webrooming (customer researches online and buys offline in a store) and showrooming (offline research/online purchase) customers frequently switch channels during the different phases of their shopping process to compare products, offers and retailers as well as to collect information, to communicate, to consume and to return products. In order to meet those customer needs, and motivate them to remain loyal during the entire shopping process, companies do not only need to offer various channels, but also integrate them to allow for seamless switching opportunities and an optimized customer experience (Brunner &
Rudolph, 2015; Verhoef, Kannan & Inman, 2015). In a fully integrated channel strategy all marketing channels and customer touchpoints - online and offline - are harmonized into a holistic brand experience (Brunner & Rudolph, 2015; Esch & Knörle, 2016; Rittinger, 2014). The key characteristic is the possibility to seamlessly switch channels or even use several channels simultaneously (Brunner & Rudolph, 2015; Schramm-Klein & Wagner, 2016).

However, changed customer behaviors are not the only reason forcing companies, that want to hold or improve their market position successfully in the future, to integrate their channel systems: Not only are customers in integrated channel systems more loyal and profitable (Brunner & Rudolph, 2015; Schramm-Klein & Wagner, 2016; Heinemann 2011; Kumar & Venkatesan, 2005; Madaleno, Wilson & Palmer, 2007), integrated channel systems also have the potential to be one of the main competitive advantages for companies in the future (Rosenbloom, 2007; Rittinger, 2014). In today’s globalized world it gets more and more difficult for companies to differentiate themselves from the competition through pricing and product innovation, but integrated channel strategies and business models are hard to copy.

Research Gap

Nevertheless, integrated channel strategies are hard to get right, as the implementation of integrated channel systems creates many strategic, organizational and cultural challenges, constituting a very complex transformation process (Rittinger, 2014). Very few companies today have succeeded the integration of their various marketing channels (Schramm-Klein & Wagner, 2016; Heinemann, 2013). This is underlined by the limited literature on the development of integrated channel strategies, which is largely only based on the four approaches by Heinemann (2011), Esch and Knörle (2016), the McKinsey colleagues Bianchi, Cermak and Dusek (2016) and Kernaghan (2013). Despite stating that the development of a successful integrated channel strategy requires a careful assessment of the current level of channel integration before sources of improvement can be identified (Kernaghan, 2013), none of the approaches includes clear evaluation criteria in order to do so. The reason most likely is the lack of clear and generally accepted definitions of different integration levels and the various terms within the field of integrated channel systems (Rittinger, 2014; Hübner, Holzapfel & Kuhn, 2016). While in the B2C context literature on the development of integrated channel strategies is already limited, the B2B context lacks it entirely. The topic of marketing channel integration in general arrived late and remained limited here (Verhoef et al., 2015; Brunner & Rudolph, 2015; Brynjolfsson & Rahman 2013). Thus, there is no research guiding industrial retailers in their integration of the physical shop channel into their channel strategy.

Research Purpose

The lack of research on marketing channel integration of industrial retail channels and the lack of a current method of assessing the level of channel integration provides the authors with an opportunity to provide a relevant contribution to the academic literature. If industrial retailers want to satisfy customers better, and increase the profitability and stability of their business by providing a better-integrated industrial retail channel, they should be empowered with a method of assessing and improving marketing channel integration. The purpose of this thesis is therefore to find a manner by which industrial retailers can evaluate and improve their marketing channel integration.

Research Question

In line with the purpose of the thesis, the following research question is posited: how can an industrial retailer’s level of marketing channel integration be evaluated and improved? The authors seek to answer the research question with the development and test of a conceptual model. In the context of an in-depth cross-border case study it is applied to the industrial retail channel of a large European distributor in the MRO sector. Based on the level of marketing channel integration improvement measures can be identified. Surveys and questionnaires for employees and managers as well as guiding standards for each level of integration are developed and provided.
Outline of the Thesis
The topic will be introduced with a literature review and theoretical framework regarding all relevant theory on the topic. The development of a conceptual model to be used in the later analysis of the case company concludes the first part of the thesis. The methodology used will be one of mixed methods; namely quantitative and qualitative. First, the current level of the case company's level of channel integration will be assessed with a survey of the channel management. Based on a segmentation by channel use of shop customers, the authors selected a number of shops, of which key personnel was interviewed. The whole of qualitative and quantitative results was analyzed, and main findings are presented in the conclusion.

2. Literature Review
This chapter provides an overview of the specific B2B related literature in the context of integrated channel systems as well as the major behavioral trends in the same context. After that the topic of industrial retailing in the MRO sector is summarized.

2.1 Relevant Research Insights to Integrated Channel Systems

2.1.2 Review of Literature about Integrated Channel Systems in B2B Market Contexts
Until now academic research in the field of business channel marketing has mainly focused on the observation and analysis of customer behavior or on managerial aspects related to multi-channel management (Neslin & Shankar, 2009). In the 2010s, as firms and their customers grew familiar with e-commerce, the focus started to shift from multi-channel systems into what is referred to as a cross- or even an omni-channel strategy in the B2C literature (Verhoef et al., 2015). Multi-channel strategy in the B2B context refers to the marketing of goods and services via two or more marketing channels, with the added emphasis that prices and products offered do not lead to channels competing with one another (Rosenbloom, 2007). Rosenbloom (2007) mentions higher levels of channel integration in the B2B setting by referring to ‘multi-channel integration’ but never defines this thoroughly. Cross- and omni-channel strategies are only well defined in B2C literature and refer to higher levels of channel integration (Brunner & Rudolph, 2015; Verhoef et al., 2015).

Moriarty and Moran (1990) as well as Cespedes and Corey (1990) noted that B2B firms have been using multi-channel strategies for years to reach customers. Customers were divided by size and needs and consequently targeted by a mix of a sales force, a small or big distributor, mail order catalogues, a call center or a key accounts team (Sharma & Mehrotra, 2007; Friedman & Furey, 1999). Kumar and Venkatesan (2005) found that multi-channel sales strategies provided firms with B2B customers that performed better in terms of sales revenues, share of wallet and customer retention. While there is a considerable amount of overlap between principles and aspects of multi-channel management for B2C and B2B settings, Rosenbloom (2007) saw the need to introduce a collection of studies in a special issue of Industrial Marketing Management; Multi-Channel Strategy in B2B Markets (2007). In this issue scholars study specific B2B aspects of multi-channel strategies, their performance and costs as well as opportunities for B2B. One of these opportunities is the integration of B2B e-commerce channels in a B2B channel mix. Rosenbloom (2007) also highlights the problem of channel conflict and the possibility of channel cannibalization in badly integrated B2B multi-channel environments. Webb and Lambe (2007) researched internal channel conflict in a B2B setting and noted that especially mature businesses are vulnerable to this phenomenon. Internal channel conflict occurs when a sales organization’s own marketing channels compete with one another. Madaleno et al. (2007) found that the effect of combined channel use by business customers on customer satisfaction was positive. Fenez and Merrilees (2007) researched customer channel switching from an offline catalogue to a digital one at an Australian office furniture supplier, and found that despite the speed and efficiency

In the more modern neighboring field of cross- and omni-channel management there is no strong subsection of research in the industrial marketing context. There are general insights well laid out in studies by Verhoef et al. (2015) as well as Brynjolfsson and Rahman (2013). However, insights specifically relevant to a B2B market context are rare (Wiersema, 2013). Regardless, in B2B business management there is a transition from multi-channel management towards omni-channel management (Forrester Consultants, 2014), in which the B2C market is often the benchmark to measure progress (McKinsey, 2015).

2.1.2 Behavioral Trends of Customers Behavior in Integrated Channel Systems

In general Jäger (2016) as well as Schramm-Klein and Wagner (2016) observe a multi-optional shopping behavior, meaning that customers want to have different available channel options for the different stages of the shopping process according to their current needs and preferences. In this context the new trend called “everywhere shopping” emerged, describing a shopping behavior that is independent of opening times and place and enables the customer to shop in almost every situation.

One of the biggest trends in this research area, however, is research shopping, describing the phenomenon where information search takes place in one channel and the actual purchase in another channel (Verhoef, Neslin, & Vroomen, 2007). Verhoef and his colleagues (2007) identify attribute-based decision-making, lack of channel lock-in and cross channel synergies as the reasons for this phenomenon. Showrooming, referring to offline research and online purchase, and webrooming, meaning to research online and purchase offline, are two specific forms of research shopping (Schramm-Klein & Wagner, 2016). Studies researching which of the two forms is more common are divided, pointing to a relatively balanced overall result, which might be different for different industries and product categories. Neslin and Shankar (2009) differentiate between the competitive research-shopper, using channel A of one firm as information source and channel B of another firm for the purchase, the loyal research-shopper, who uses different channels of the same firm for search and purchase and the one-stop shopper, who does not switch channels during the shopping process. A firm’s goal should therefore be to grow or maintain the loyal research-shoppers and get a share of the competitive research-shoppers.

The competitive research-shoppers are more often also referred to as cross-channel free-riders (Heitz-Spahn, 2013). Heitz-Spahn (2013) found that their main motives are price comparison, convenience and flexibility revealing an opportunistic and utilitarian-motivated customer behavior when choosing channels. However, she also found that cross-channel free-riding behavior depends on the product type as it is more likely for products with low frequency and high financial value. Furthermore, contrary to most studies arguing that customers switch between only two channels for the pre-purchase and purchase phases, she reveals that consumer behaviors in integrated marketing channel systems are more complex involving several channels for the pre-purchase phase.

2.2 Industrial Retailing in the MRO Sector - The Industrial Context

In order to fully understand the context of industrial retailers in the MRO sector this chapter includes a brief overview of the systematization of industrial distributors and retailers within wholesaling, the industry context of the MRO supplies sector and the role of physical shops today.
2.2.1 Industrial Distribution in the Context of Wholesaling

Wholesale is the sale of merchandise to industrial, commercial, institutional customers, retailers or any other professional business user (Hutt & Speh, 2012). This may include sales to other wholesalers on their own account or for third parties. The goods are purchased by the buyer for resale or business use purposes. Generally, one can say wholesale means the selling of goods to anyone that is not a normal consumer, and wholesalers are those parties engaged primarily in the wholesaling activity (Kotler & Keller, 2006). Wholesale businesses sell physical inputs and products to other businesses, therefore wholesaling is associated with physical goods, and the value that wholesalers add is via providing services that are here referred to as (marketing) channel functions (Palmatier et al., 2016). The most prominent examples of these channel functions are promotion, logistics, sales, customer service, gathering of market intelligence, financing of transactions, and the holding of inventory and accompanying risk (Kotler & Keller, 2006). Industrial distributors fulfill aforementioned channel functions and supply primarily to professional users (manufacturers and contractors) and generally not to retailers (Kotler & Keller, 2006).

2.2.2 Industrial Distribution of MRO Supplies - The Industry Context

In business buying customers will buy from either one of two product groups: manufacturing inputs or operating inputs (Kaplan & Sawhney, 2000). Manufacturing inputs are raw materials that are critical to the buyer’s production process. Operating inputs on the other hand, are not directly part of the finished products or crucial to production. These operating goods are referred to as maintenance, repair and operating (MRO) goods (Yu, Mishra Gopal, Slaughter & Mukhopadhyay, 2015). Usually these items are not very industry specific and very frequently purchased. For example, one of the largest MRO suppliers in the world, W.W. Grainger, sells products ranging from adhesives (glues, tapes, etc.), electrical (cables, batteries, electrical wires), fasteners (nails, screws, hooks, etc.), janitorial supplies (cleaning equipment and cleaning supplies), lighting (light bulbs), and many other product types (Sodhi, Sodhi & Tang, 2014). The huge variety of products in MRO purchasing and the (relatively) modest order size and order value distinguishes MRO purchasing from direct purchasing, which is procurement of large quantities of raw materials from a pool of suppliers at the best possible price (van Weele, 2010). MRO procurement is a typical example of procurement in which customers use systematic sourcing instead of spot sourcing during procurement (Kaplan & Sawhney, 2000). In systematic sourcing customers build relationships with qualified suppliers that involve information sharing and collaboration, whereas in spot sourcing buyers will buy the product at the lowest price possible from anyone willing to sell (Grieger, 2003). In systematic sourcing the buyer and supplier will almost always conduct their transactions via pre-negotiated contracts (Thompson & Singh, 2001). The reason MRO buyers opt for systemic sourcing is the reduction of cost of procurement per MRO item purchased, customers will do this by striking a balance between trying to find suppliers who will offer goods at a lower price, and by reducing the overall number of suppliers to manage (Anderson & Narus, 1998; Kotler & Armstrong, 2011).

For the majority of firms buying MRO supplies, about 40 % of the cost of the supplies comes from the purchasing process: tasks such as identifying a supplier, negotiating with the supplier, placing the order, receiving it and paying for it (Kotler & Armstrong, 2011). Subramaniam and Shaw (2004) estimate that firms spend between 14 and 30 % of their total revenue on MRO procurement. Transactional costs compared to the actual item cost consequently tend to be high for MRO goods (Kaplan & Sawhney, 2000). That is the place where industrial distributors are able to add value by increasing the efficiency and effectiveness of the entire business channel (Kotler & Keller, 2006). This can be achieved through the remove of these time consuming tasks for purchasing managers in customer firms by bundling related goods in a catalogue offering a one-stop shop solution for a class of products (Kotler & Armstrong, 2011). For example MRO supplier W.W. Grainger enabled
Pharma Labs to save $387,000 on MRO purchases worth $6.1 million by reducing the MRO supplier list from 900 to just 2 suppliers (Anderson and Narus, 1998).

The result is that the requisition time to procure a MRO good, the lead times to receive an order and the list of suppliers to be managed shrinks. In return industrial distributors get a thin margin of profit on every item sold (Kotler & Armstrong, 2011). Large industrial distributors may serve various segments of B2B clients, from entire industrial holding groups to one-person SMEs (Kaplan & Sawhney, 2000). The industries may also vary. For example, W.W. Grainger supplies maintenance professionals from: (1) government offices, schools and correctional institutions; (2) heavy manufacturing customers in petro/chemicals, lumber, primary metals and rubber industries; (3) light manufacturing customers in food and beverage processing plants and pharmaceutical companies; (4) retail/wholesale customers such as grocery stores; and (5) contracting firms in maintaining and repairing existing facilities (Sodhi, Sodhi & Tang, 2014).

2.2.3 Sales Channels of Industrial Distributors selling MRO Supplies

What sets industrial distributors apart from other classes of channel members is the fact that they have direct contact with business users (Hutt & Speh, 2012). Depending on the product line and customer segmentation an industrial distributor may serve a large number of segments of customers, who all require an appropriate method of selling. Industrial distributors that sell to both, large customers as well as SMEs and even one-employee SMEs, will use a number of different sales channels to serve these customers. The majority of industrial distributors (and wholesalers as a group) will rely on personal selling via a salesforce as their primary method of generating sales (Narus, Reddy, Pinchak, 1984; Wilson, 2000). The salesforce of an industrial distributor will generate sales by either visiting the customer personally (outside sales) or contacting the customer by telephone (inside sales) (Narus & Andersson, 1986).

The hallmark of an outside sales representative remains the face-to-face contact with the customer, traveling in the field from customer to customer and on occasion to prospective customers (Mantrala & Albers, 2012). The outside representative can directly discuss and assess the B2B customer’s needs and how to fulfill these, she makes personalized purchase suggestions, shows off samples, demonstrates products, presents the catalogue, and provides other information regarding pricing, product availability as well as consults how products and solutions can save the customer time and money (Mantrala & Albers, 2012). Inside sales representatives of industrial distributors, on the other hand, generally do not leave their office, and will take orders over the telephone or handle customer complaints. In addition, they will use the phone for lead generation and cold calling prospective customers (Narus & Andersson, 1986).

As large industrial distributors of MRO goods, such as W.W. Grainger, often carried extensive product catalogues, they were one of the first to start digitizing them and offer access to them online (Turban et al., 2018). Soon after, customers could buy from these e-catalogues directly at pre-negotiated prices in B2B web stores (Turban et al., 2018). In the early 2000s the sudden rise of B2B e-commerce and online B2B marketplaces for various goods caused many academics to theorize that both traditional industrial distributors and traditional (outside) sales representatives would be displaced and disintermediated by the internet (Mudambi & Aggarwal, 2003). However since then, it has become clear that with exception from a few industries (like real estate brokerage, financial services) the disintermediation of both B2B sales forces (Mantrala & Albers, 2012; Luomakosi, 2010) and industrial distributors (Olsson, Gadde & Hultthen, 2013) by internet-based intermediaries did not take place.

The sales methods described above (outside and inside salesforce, B2B e-commerce) are quite common in B2B markets, however in one aspect large industrial distributors, that supply also to (small) SMEs, are unique: they may also choose to be industrial retailers by selling to B2B customers from a physical shop (Noad & Rogers, 2008; Cadilhon, Fearne, Hughes & Moustier, 2003). In the U.K. for example, industrial retailers typically sell building
supplies, industrial gases, welding products, automotive parts, plumbing and heating supplies - MRO supplies in short.

MRO suppliers may set up a product store inside an industrial customer's factory or workshop (Wilson, 2000) in which the store becomes more like a service point. B2B service points (Simons, Steinfeld & Bouwman, 2002) allow for physical servicing on location, either at a service point (e.g. a repair point) or functions as a base from which service personnel can do house calls. In general, one may conclude that the literature on industrial retail is almost nonexistent, there is some dated literature on cash-and-carry wholesale, however for industrial retail of non-food technical supplies, Noad and Rogers (2008) seems to be the only study. So in order to study (the development of) industrial retail, one would need to look at B2C retail literature. Nowadays multiple academics call for a bridging of the traditional dichotomy between B2C marketing and B2B marketing (Cova & Salle, 2008; Dant & Brown, 2008; Wind, 2006). In fact, the cross-adaptation and application of B2C concepts have the potential to generate important new insights in the B2B context (Mencarelli & Riviere, 2015; Viardot, 2017). The choice of relying on B2C concepts can also be justified by the similarities in buying behavior of ordinary consumers and the small business customers of industrial retail channels (Noad & Rogers, 2008). These small businesses tend to have a rather informal, unstructured buying process, in which an owner-manager often fulfills the role of buying manager as one of his many roles in the operation of the business (Morrisey & Pittaway, 2004; 2006; Pressey, Winklhofer & Tzokas, 2009). In the light of the above-cited findings, the authors feel that it is justified to consider relevant findings in the area of consumer behavior in integrated marketing channel environments as these are much more numerous and detailed.

2.2.4 Changing Role of the Physical Store in the 21st Century

Piotrowicz and Cuthbertson (2014) conclude that despite the desire of modern customers to move between marketing channels, they still desire to see, feel, touch, smell and try the product - and experience the shop atmosphere. The sensory experience makes shops more tangible (Rajamma, Paswan & Ganesh, 2007) which is crucial for a number of product ranges (Blásquez, 2014). In general, physical shops continue to have an edge in the sales of products that have characteristics requiring in-person evaluation (Avery, Steenburgh, Deighton & Caravella, 2012). Moreover, physical shops allow for product browsing and product discovery (Pauwels & Neslin, 2015), which has prompted several successful pure-play e-commerce companies like Amazon to extend their business into physical retail (Arya & Mittendorf, 2018). Brick and mortar retailers, that survived the onslaught of e-commerce in the last two decades, have an opportunity to leverage the benefits of old-fashioned, in-person shopping in manners that digital sites can only dream about. In fact, McKinsey estimates that in 2020 80 % of sales in the U.S.A. will still be made in brick and mortar shops (Grieder et al., 2014). In addition, they confirm that the digital world will continue to further invade the physical shopping experience. However, that does not make the specific role, that the physical store will play in the future, any clearer (Piotrowicz & Cuthbertson, 2014). It ought to be noted that the development of the physical shop as a marketing channel is in constant flux, and the academic literature is not always up-to-date.

The traditional store could change its role from a single-purpose sales format and sales channel into a hub (Piotrowicz & Cuthbertson, 2014). The shop would become a sales point that would integrate all marketing channels within it (Piotrowicz & Cuthbertson, 2014). There is a trend towards the convergence of online and offline commerce, as many traditional retailers added e-commerce channels to compete with pure play e-commerce competitors. These e-commerce players are in turn experimenting with the addition of physical sales outlets (Pauwels & Neslin, 2015). The store continues to be a place where a brand can provide the customer with a unique personal experience that will attract business, regardless of what channel the customer ends up placing the order in the end (Janz, 2017).

The role of the store in attracting customers will depend on the product characteristics and level of customer experience provided, which should match specific customer needs. This
is true for B2C retail, as well as B2B - as predicted in the early 2000s by Simons et al. (2002). These authors predicted four different models of channel competition in B2B. For highly standardized, low support sales e-commerce would be the most competitive channel. For interpersonal high support sales, personal sales, either by visit or phone, will stay the dominant channel. These channels may be complemented with some e-commerce aspects (Cummins, Peltier & Dixon, 2016). For standardized, low support physical distribution self-service stores, which serve an inventory storage point function and specialized freight, would be the dominant form. Local high support needs for physical servicing will be served by local servicing, repair points or even service personnel doing house calls.

Under the guise of further integration of marketing channels in the omni-channel philosophy, there is a trend towards click-and-collect (Janz, 2016), return-to-store, online reservation and in-store online order (Janz, 2017) concepts in which physical and digital commerce merge (Pauwels & Neslin, 2015). In the click-and-collect format customers can order their goods via their computer or smartphone, and collect them later in a store near them (Piotrowicz & Cuthbertson, 2014). Often click-and-collect also allows for return-to-store in case a customer does not like (parts of) their order. Return-to-store means that customers can return online orders in a shop near them, offering customers the chances to avoid a trip to the shipping point and having to repackage items and the ability to exchange the returned item for another one directly (Beck & Rygl, 2015). In addition, it saves the customer shipping costs (Janz, 2016).

Online reservation allows customers to ensure they can physically inspect and purchase an item in a shop near them, reducing the chance of being confronted with an out-of-stock good to zero. Thus, saving valuable travel expenses and time (Janz, 2017). This is valuable for shoppers who face time constraints and value certainty. In-store-online-order allows customers to consult qualified sales personnel and inspect a physical sample of the good they want to purchase (Piotrowicz & Cuthbertson, 2014). Sales consultation is still a very important part of sales in high-end segments of retail (Janz, 2017). The integration of digital commerce and physical commerce offers customers the best of both worlds, the one alleviating the weaknesses of the other (Pauwels & Neslin, 2015; Avery, Steenburgh, Deighton & Caravella, 2009).

An additional dimension is created by the increasing role of in-store technologies (Grewal, Roggeveen & Nordfält, 2017). This includes technologies for customers such as interactive screens, digital signs, posters and displays, digital check-in to track customers even if they do not make a purchase or facial recognition of customers that allows for personalized messaging on digital displays (Inman & Nikolova 2017; Janz, 2016; 2017). Moreover, virtual reality that can simulate product experiences, as well as portable technologies, that assist the staff in helping customers, such as tablets are prominent new technologies.

Another area to pay attention to is the introduction of self-checkout. Self-checkout allows customers to scan products themselves before putting them in their shopping basket during the trip through the store and pay at a checkout counter (Inman & Nikolova, 2017). It alleviates the need for customers to wait in line at a checkout counter. In addition to improving customer convenience, it opens up the possibility of unmanned shopping outlets (Grewal et al., 2017). E-commerce giant Amazon is attempting to revolutionize the concept of self-checkout by experimenting with a shift to a so-called scan-and-go or grab-and-go model (Grewal et al., 2017). The grab-and-go checkout model introduces the web store checkout and payment system in a physical convenience store. As customers walk in the store, their presence is automatically noted by a scan of their mobile phone with the Amazon app. When they then put items in their bag cameras take note and charge their Amazon account, and when they are finished shopping they simply leave the store (Grewal et al., 2017). This new shopping format uses computer vision, deep learning algorithms, and sensor fusion to automate much of the purchase, checkout, and payment steps that are typically associated with a retail experience (Grewal et al., 2017).

All these new technologies present their own unique challenge, namely the reconfiguration of the physical store layout and retraining of shop staff (Janz, 2016; 2017). Currently store layouts are optimized to such a level that the introduction of new in-store
technologies often require a redesign (Janz, 2016; 2017). Additionally, shop layout is often still focused on the product, product visibility, and customer flow. Not yet on an integrated customer experience that merges digital and offline shopping (Pauwels & Neslin, 2015).

3. Theoretical Framework & Conceptual Model

This chapter first reviews the most important findings about the different levels of channel integration and the success factors necessary to improve the level of channel integration. Then the two sides are connected to each other in order to create a conceptual model allowing industrial retailers to evaluate and improve their level of channel integration.

In order to have a common understanding of central terms, in this thesis marketing channels are defined as the sum of all flows of goods, monetary assets and information between producer and consumer (Schögel, 2012). They consist of interdependent organizations and persons that participate in the process of making a “product or service available for use or consumption by the consumer or business user” (Kotler, Armstrong, Harris & Piercy, 2016, p. 341).

Marketing channels are closely connected to customer touchpoints (CTP) which are all places, products and services, persons or marketing activities where customers interact with the company or a brand (Esch & Knörle, 2016; Jäger, 2016). Consequently, marketing channels can be customer touchpoints themselves or even include several (Jäger, 2016; Schramm-Klein & Wagner, 2016). A store for example is a place where the customer interacts with the company or brand and with its staff, service offers or in-shop marketing activities includes even more customer touchpoints. Each contact with a brand or company via customer touchpoints forms the customers’ perception of the company or the brand – the company or brand image, that has a direct influence on the customer’s preferences.

3.1 Integrated Channel Systems - The Evolution and Definitions

There is no consensus about the definition and terms connected to integrated channel systems (Rittinger, 2014; Hübner, Holzapfel & Kuhn, 2016), such as multiple, multi-, cross-, omni-channel and no-line systems. Nevertheless, it is generally agreed in the literature that “multi-channel systems” are marketing and distribution arrangements with two or more marketing channels (Rittinger, 2014; Kotler et al., 2016; Jäger, 2016; Brunner & Rudolph, 2015; Heinemann, 2011; Schramm-Klein & Wagner, 2016). However, few researchers reduce the characteristics of multi-channel systems only to the quantity of marketing channels as Kotler et al. (2016) and Rittinger (2014) do. More discordance in the area of multi-channel definition becomes evident through authors such as Brunner and Rudolph (2015) as well as Schramm-Klein and Wagner (2016), who call such channel arrangements with a purely quantitative focus “multiple channel systems”. Heinemann (2011) and Jäger (2016) further require multi-channel systems to consist of at least one online channel and one offline channel. Schramm-Klein and Wagner (2016) speak of multi-channel systems if the different distribution channels are substantially coherent in the product range that is marketed through them and Jäger (2016) even extends the substantial coherence to prices and promotion. Still, Schramm-Klein and Wagner (2016) as well as Jäger (2016) claim that the marketing channels remain largely separated and just offer alternatives in the buying process enabling the customers for example to inform themselves in one channel and buy in another. Focusing on retail, Schramm-Klein and Wagner (2016) further add that the different channels have to be under the same retail brand.

The terms “cross-channel” and “omni-channel” are terms used in the literature to label channel arrangements with higher levels of integration (Brunner & Rudolph, 2015; Wolf & Schmidt, 2017; Rittinger, 2014; Verhoef et al., 2015; Jäger, 2016; Schramm-Klein & Wagner, 2016; Hübner & Holzapfel, Kuhn 2016). Higher levels of channel integration are not only reached through a consistent product, pricing and promotion policy but also through linkage and connection of the different channels, offering seamless switching opportunities and an optimized customer experience (Brunner & Rudolph, 2015; Verhoef et al., 2015). Cross-
channel systems are viewed as an intermediate level on the way to full channel integration which some authors call “omni-channel systems” (Schramm-Klein & Wagner, 2016; Wolf & Schmidt, 2017; Haderlein, 2012; Verhoef et al., 2015) and others “No-line systems” (Jäger, 2016; Heinemann, 2013). Most researchers seem to agree that the main characteristic of cross-channel systems is the possibility to easily switch channels during the whole shopping process provided through connection and integration of the different channels (Brunner & Rudolph, 2015; Wolf & Schmidt, 2017; Jäger, 2016; Schramm-Klein & Wagner, 2016; Haderlein, 2012). Schramm-Klein and Wagner (2016) add that on top of providing the possibility, the company should also proactively communicate it. Webrooming and showrooming, shopping trends described in the introduction, are examples of consumer behavior that cross-channel systems should facilitate (Wolf & Schmidt, 2017). However, according to Jäger (2016) the different channels are mostly still separated from a technical and organizational point of view which Haderlein (2012) expresses as a lack of professionalization in the process chains. Brunner and Rudolph’s (2015) definition summarizes the different aspects mentioned above: a cross-channel system can be defined as a marketing concept “that deliberately focuses on the integration of all online and offline channels in order to offer customers seamless switching opportunities across all channels” (p. 17).

Heinemann (2013) calls “no-line trade” the highest evolution level of cross-channel management; Schramm-Klein and Wagner (2016) characterize omni-channel-retailing as the entire integration of all channels across all front- and back-end processes in order to create a holistic consistency in the channel system for a multidimensional experience; Jäger (2016) claims that no-line trade names the fusion of all channels to a common shopping environment for a continuous, consistent and personalized shopping experience and Haderlein (2012) argues that omni-channeling is the successful integration and the interplay of processes and decisions in favor of a consistent retail brand appearance in all imaginable process steps of customer interactions. No matter which term is used, it becomes clear that the literature talks about the highest possible level of channel integration in which all customer touchpoints are connected to create a consistent shopping experience that does not only satisfy the customer but also delights him in a way that he becomes a “fan, friend and follower” (Haderlein, 2012).

An additional characteristic of fully integrated channel systems is the access of the entire offer as well as the customer’s account from everywhere by sales persons as well as customers (Jäger, 2016). Moreover, fully integrated channel systems should provide the possibility to simultaneously use several channels at every point of the shopping process (Schramm-Klein & Wagner, 2016), as for example the online access of detailed product information, customer ratings, price comparisons, availability and alternatives through mobile devices or smartphones by the customer as well as the sales staff at the point of sale (Jäger, 2016). Finally, full integration can only be achieved if data is saved centrally as well as synchronized and actualized in real-time (Jäger, 2016). Verhoef et al. (2015, p. 3) already provide a definition that includes most of the above mentioned aspects: omni-channel management is “the synergetic management of the numerous available channels and customer touchpoints, in such a way that the customer experience across channels and the performance over channels is optimized” and “thereby acknowledge that the different channels interact with each other and are used simultaneously”. However, the definition does not make clear that the maximum level of integration is concerned here. Moreover, it is quite vague about how the customer experience and channel performance are optimized.

Based on the aspects above the authors define a marketing concept consisting of two or more separate marketing channels as a multiple channel system. This is the precondition for channel integration, as linkage and interconnection, the two key concepts of channel integration (Brunner & Rudolph, 2015; Verhoef et al., 2015), require at least two entities. Despite enabling channel integration, multiple channel systems do not require actual integration of marketing channels, as they have a purely quantitative focus (Brunner & Rudolph, 2015; Schramm-Klein & Wagner, 2016). Building on Schramm-Klein and Wagner (2016) as well as Jäger (2016) multi-channel systems are here defined as a marketing concept with a significant coherence in product, pricing and promotion policies across the channels...
showing a widely consistent branding. Multi-channel systems constitute the lowest level of channel integration, as marketing channels are described to be still largely separated (Schramm-Klein & Wagner, 2016; Jäger, 2016). Summarizing the literature about cross-channel systems, the distinctive characteristic is the possibility to seamlessly switch channels including the proactive communication of it (Brunner & Rudolph, 2015; Wolf & Schmidt, 2017; Jäger, 2016; Schramm-Klein & Wagner, 2016; Haderlein, 2012). However, as the different channels are mostly still separated from a technical and organizational point of view (Jäger, 2016) due to a lack of professionalization in the process chains (Haderlein, 2012), cross-channel systems constitute an intermediate level of integration. It is defined in this paper according to Brunner and Rudolph (2015). With the aim to include the above mentioned relevant aspects and characteristics, omni-channel systems are defined in this paper as a marketing concept with maximal integration of all channels, processes and touchpoints in such a way that one common shopping environment is created that enables a continuous, coherent and personalized shopping experience. The authors believe that aspects, such as the simultaneous usage of two or more channels, the central and common database as well as the accessibility of various information from everywhere, are, even though not explicitly mentioned, part of the definition as natural byproducts of fully integrated systems and a common shopping environment.

Figure 1 provides an overview of the different channel systems and depicts the different levels of integration. As the implementation of integrated channel systems creates many strategic, organizational and cultural challenges, it is a very complex transformation process, which is in need of continuous management (Rittinger, 2014). The literature therefore talks about “multi-, cross- or omni-channel management”.

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Figure 1: Overview of the different channel systems and integration levels (Authors’ own, partly based on Schramm-Klein & Wagner, 2016)

Multiple Channel
A marketing concept consisting of two or more separate marketing channels.

Multi-Channel
A marketing concept with a significant coherence in product-, pricing- and promotion policies across the channels showing a widely consistent branding.

Cross-Channel
A marketing concept that deliberately focuses on the integration of all online and offline channels in order to offer customers seamless switching opportunities across all channels.

Omni-Channel
A marketing concept with maximal integration of all channels, processes and touchpoints in such a way that one common shopping environment is created that enables a continuous, coherent and personalized shopping experience.

CRITERIA
- Two or more marketing channels (Heinemann, 2011; Jäger, 2016)
- No channel integration

CRITERIA
- Significant coherence of marketing concept across the channels (Schramm-Klein & Wagner, 2016; Jäger, 2016) for
  - Product policies
  - Pricing policies
  - Promotion policies
- Channels are under the same retail brand (Schramm-Klein & Wagner, 2016)

CRITERIA
- Seamless switching opportunities during shopping process (Brunner & Rudolph, 2015; Wolf & Schmidt, 2017)
- Proactive communication of possibilities (Schramm-Klein & Wagner, 2016)
- Technically and organizationally separated channels (Jäger, 2016)
- Lack of professionalization of process chains (Haderlein, 2012)

CRITERIA
- Possibility to simult. use rult. channels at every point of the shopping process (Schramm-Klein & Wagner, 2016)
- Central & common data swag with real-time synchronization/actualization (Jäger, 2016)
- Accessibility of various information from everywhere (Jäger, 2016)
- Entire int. of front- & backend processes (Schramm-Klein & Wagner, 2016)
- Consistent & personalized shopping experience (Haderlein, 2012)
3.2 Success Factors of Integrated Channel Systems

This chapter covers the enablers of integrated channel systems found in different sources of the current literature and structured into a joint theoretical framework of success factors. It also contains options how to implement them. Saghiri and his colleagues (2017) identify integration (consistency of all physical and information flows) and visibility (awareness of the entire purchase and order fulfillment process) as the two overarching enablers of omni-channel systems. First, the different success factors within the field of integration are explained and after that the factors contributing to the visibility.

3.2.1 Integration

Integration starts with the synchronization of merchandising management across all channels, meaning that all channels provide identical products and prices (Cao, 2014; Wu & Wu, 2015; Schramm-Klein & Wagner, 2016; Saghiri, Wilding, Mena, & Bourlakis, 2017). However, Schramm-Klein and Wagner (2016) found that the customer is aware of the fact that shelf space in physical shops is limited which makes it hard to have the same product offers offline and online. The synchronization of merchandising management therefore does not mean that the specific advantages of each channel should not be emphasized and optimized. It rather denotes that the channels complement each other and are interconnected in such a way that a consistent shopping experience in a single shopping environment is created. Virtual shelves in stores or in-store kiosks are examples that widen the product range in physical stores despite the limited space (Schramm-Klein & Wagner, 2016; Cao, 2014; Hansen & Sia, 2015).

A major enabler of integrated channel systems is the integration of customer relationship management (CRM). This involves the assessment of customer behavior and data across all marketing channels, making the entire customer history including letters, e-mails, etc. accessible for all customer touchpoints (Schramm-Klein & Wagner, 2016; Wolf & Schmidt, 2017; Cao, 2014; Heinemann, 2011). In the context of the customer’s channel switching behavior during the shopping process it is important that each customer touchpoint has the same information about the customer in order to provide a consistent quality of communication and service (Heinemann, 2011). An integrated CRM is possible with a central CRM information system in which customer data is saved, managed and synchronized in real-time (Cao, 2014; Heinemann, 2011; Wu & Wu, 2015; Schramm-Klein & Wagner, 2016; Wolf & Schmidt, 2017). Despite being inevitable in the implementation of integrated channel systems, caution should be exercised with CRM systems concerning the protection of customer data and privacy (Cao, 2014; Wu & Wu, 2015). Another aspect of integrated CRM is the availability of loyalty programs across channels (Cao, 2014).

The next success factor of integrated channel systems are customer services, meaning the availability of the same services across all channels provided prior to the purchase, during the purchase, in the product delivery, or in the product return stage (Saghiri et al., 2017; Schramm-Klein & Wagner, 2016). One of the problems to overcome here is the lack of a sales associate to consult or help in the online shop. Possibilities here are the expert consultation by digital text chat or phone (Schramm-Klein & Wagner, 2016) or a call-back option where the customer can leave his or her name, number and maybe even the request and desired time to receive the return call (Heinemann, 2011). These options can help the customer to get further product information and consultation during the evaluation phase of the purchase as well as in the case of problems and required after-sales service. However, also customers that bought their products in the physical stores should be able to take advantage of the online services, for example in case they need technical support or help (Wu & Wu, 2015). And on the other side after sales service, e.g. returns or recalculations, should also be accessible in the physical stores even if the product was bought online (Cao, 2014; Wu & Wu, 2015; Kersmark & Staflund, 2015). Moreover, especially in B2B where prices are often negotiated, the offer of online negotiation services could enhance the online shopping process for the customer (Wu & Wu, 2015). The integration of customer services also includes the innovation of new distribution services in order to link and combine the different channels. Examples are...
click-and-collect offers (Cao, 2014; Kersmark & Staflund, 2015; Schramm-Klein & Wagner, 2016; Wu & Wu, 2015), home delivery (Schramm-Klein & Wagner, 2016) or in-store returns of online orders (Kersmark & Staflund, 2015). Processes for such distribution services can be simplified through order picking and packing of click-and-collect orders in the store where it is collected by the customer or through the use of online returns as inventory in physical stores (Kersmark & Staflund, 2015).

Another important factor that is crucial for the success of integrated channel systems is the integration of communication, branding and promotion. The integration of branding refers to a common branding and corporate design (product/brand names, logo and motto) across all channels (Heinemann, 2011; Saghiri et al., 2017; Wu & Wu, 2015). The most important level is the corporate brand but also the products or services should carry the same or similar brand names in different channels to avoid confusion and make the shopping process easier. Furthermore, publicity, advertisement and promotions, such as events, special offers or campaigns, should be present at the same time and with the same importance in all channels. But the integration of communication, branding and promotion also includes the promotion of combined channel use and increasing the customer awareness of the different channels (Kersmark & Staflund, 2015). Tools in this context are newsletters and direct advertisement, a sign at the cashier in the physical store or a store locator on the website. Also visible information on the website about the click-and-collect (highlighting that this option makes free shipments possible) and in-store return possibilities promote shopping across channels. Another example is a campaign displaying QR-codes in the windows of the physical stores informing about the possibility to shop online and enabling a 24/7 shopping experience or a reference in the catalogue that ordering online is possible (Heinemann, 2011; Kersmark & Staflund, 2015).

One of the most important success factors is the integration of the organization. The silo structure and mindset needs to be changed in order to work together and create a single shopping environment (Wilson & Daniel, 2007; Jeanpert & Paché, 2016; Kernaghan, 2013; Hansen & Sia, 2015). At first this requires a shift in the corporate culture and a restructuring of the organization. Critical for the shift in the corporate culture is the adoption, support of and commitment to the new integrated channel strategy by the top management (Cao, 2014; Hansen & Sia, 2015; Kersmark & Staflund, 2015). In addition, the whole organization should be educated and informed about the changes and their importance, for example through frequent visits of the middle management (e.g. store managers) and statistics showing the potential and positive consequences of integrated channel systems (Kersmark & Staflund, 2015). Moreover, Wilson and Daniel (2007) suggest a matrix structure or an organizational structure around customer groups and Jeanpert and Paché (2016) claim that the collaboration and cooperation of the concerned key functions as well as the channel managers is essential. Cao (2014) even requires the different channel managers to be located in the same place to enable knowledge sharing across channels. Lastly, also the organizational incentives and remuneration system has to be changed to incentivize the staff to work together and promote the possibilities of other channels instead of competing against each other (Cao, 2014; Bianchi, Cermak, & Dusek, 2016; Wilson & Daniel, 2007; Heinemann, 2011). Cao (2011) suggests that managers responsible for the different channels or customer touchpoints should get credit for sales in all channels that result from their efforts. Additionally, local online sales could be a performance indicator for area directors.

Another factor is the integration of transactions, meaning the availability of payment instruments such as cash, cards, coupons, postal orders or electronic transfers across channels as well as the secure accessibility of the customers transaction data across channels (Saghiri et al., 2017). The payment instruments can further be linked through authorization mechanisms such as verification codes, PIN numbers and a signature.

Heinemann (2011) further claims that the harmonization of processes and infrastructure is crucial to create the necessary conditions for an integrated channel system. Process harmonization refers to all processes regardless of any connection to the channels as it makes things easier for staff and customers if the necessary steps and data are consistent in as many processes as possible. Harmonizing the infrastructure is especially important for
bigger and older companies in which different systems were set up over time. In order to get a consistent picture of all processes and data Heinemann (2011) suggests to create an intermediate level where the different systems are connected via modern portal technology. He also highlights the integration of controlling as a success factor for integrated channel systems.

### 3.1.2 Visibility

Parallel to the synchronization of the merchandising management the availability of the same product information in all channels (Schramm-Klein & Wagner, 2016; Saghiri et al., 2017) as well as inventory transparency (Hübner et al., 2016; Kersmark & Staflund, 2015) are crucial success factors of integrated channel systems.

The availability of the same product information across all channels includes for example the possibility to access information from the online shop in the physical shop or the supplementation of the catalogue with online contents (e.g. through QR codes) (Schramm-Klein & Wagner, 2016). Product information refers to the product description, technical data, customer ratings, product alternatives and the stock status linking it to inventory transparency (Saghiri et al., 2017; Schramm-Klein & Wagner, 2016). Tools to enable those success factors are mobile apps and QR codes that interconnect the channels and make it possible for the customer to scan the QR code of a product in the store or catalogue and get access to the detailed information and ratings in the online store (Hansen & Sia, 2015; Schramm-Klein & Wagner, 2016; Cao, 2014; Kersmark & Staflund, 2015). Additionally, mobile devices for staff – providing information about the products and the customers would enable them to help the customer from everywhere in the store (Schramm-Klein & Wagner, 2016; Cao, 2014; Kersmark & Staflund, 2015). Free Wi-Fi-access in stores might be necessary to guarantee that the internet-based tools work (Cao, 2014).

Inventory transparency refers to information on the product availability as well as delivery times in all channels in order to enable customers as well as staff, for example, to see in-store availabilities online (Hübner et al., 2016; Kersmark & Staflund, 2015). This requires an integrated inventory system and the availability of real time data (Kersmark & Staflund, 2015; Jeunpert & Paché, 2016). In addition, Cao (2014) suggests to centralize procurement and even to open the systems to suppliers sharing the national distribution and logistics network to enhance a seamless flow.

Closely connected to the integrated customer services, the status information of orders (order fulfillment, delivery status, reclamations/return status, payment status) should be visible for staff and customers from everywhere (Schramm-Klein & Wagner, 2016; Saghiri et al., 2017; Cao, 2014). An indispensable tool in this context is an integrated ERP system (Heinemann, 2011).

Lastly, Saghiri and his colleagues (2017) argue that demand visibility, including market trends, customer taste, demand size, consumer behavior, to the company itself and important stakeholders, is another success factor of omni-channel systems.

### 3.3 Development of a Conceptual Model for the Evaluation of a B2B Organization’s Current Level of Channel Integration

In order to evaluate something clear evaluation criteria are necessary. The definitions of multi-, cross- and omni-channel systems provide characteristics of the respective level of channel integration illustrated in figure 1. To provide further details these criteria can be linked to the success factors collected and described in chapter 3.2. It further allows for a prioritization of the success factors in the context of the different integration levels. The first question is if at least two channels are operated in the organization, as this is a minimum requirement for channel integration (Rittinger, 2014; Kotler et al., 2016; Jäger, 2016; Brunner & Rudolph, 2015; Heinemann, 2011; Schramm-Klein & Wagner, 2016). However, it needs to be noted that despite enabling integration it is no characteristic of integration and therefore just constitutes a multiple channel system (Brunner & Rudolph, 2015; Schramm-Klein & Wagner, 2016).
Integration starts with multi-channel systems, which mainly concentrate on a significant coherence in product, pricing and promotion policies across the channels (Schramm-Klein & Wagner, 2016; Jäger, 2016). Here the synchronization of merchandising management (Cao, 2014; Wu & Wu, 2015; Schramm-Klein & Wagner, 2016; Saghiri, Wilding, Mena, & Bourlakis, 2017) and the integration of communication, branding and promotion (Heinemann, 2011; Saghiri et al., 2017; Wu & Wu, 2015) are primarily addressed. However, the integration of communication, branding and promotion also includes the promotion of combined channel use (Kersmark & Staflund, 2015), which already refers to cross-channel systems. The availability of product information across channels is partly connected to the synchronization of merchandising management, especially concerning the price, which is a product information. As pricing policies should be significantly consistent in multi-channel systems according to Schramm-Klein and Wagner (2016) as well as Jäger (2016), the customer should also be able to see it in all channels. Moreover, it can also be argued that in general, if product policies are required to be significantly consistent across channels, so should the information about those products be – at least to some extent. In order to implement a strategy, at least to some extent there needs to be an understanding (Kersmark & Staflund, 2015) and commitment of the management to it (Cao, 2014; Hansen & Sia, 2015; Kersmark & Staflund, 2015). Thus, the integration of the organization is also already addressed to some extent on the multi-channel level.

Cross-channel systems concentrate on enabling a seamless channel switching behavior (Brunner & Rudolph, 2015) and on the proactive communication of this possibility (Schramm-Klein & Wagner, 2016). Consequently, the integration of communication, branding and promotion is also addressed on this level, as it includes the promotion of combined channel use to increase the customer awareness of the different channels (Kersmark & Staflund, 2015). Seamless channel switching implies the easy and fast availability of the same product information in all channels (Schramm-Klein & Wagner, 2016; Saghiri et al., 2017) as well as inventory transparency to a high extent (Hübner et al., 2016; Kersmark & Staflund, 2015). Moreover, in order to provide seamless switching possibilities CRM needs to be integrated to a high extent in order to provide each customer touchpoint with the same customer information and ensure a consistent quality of communication and service (Heinemann, 2011). This connects to the integration of customer services, which should have the same availability across all channels during the whole shopping process (Saghiri et al., 2017; Schramm-Klein & Wagner, 2016) in order to provide the customer with the free choice of the channel he wants to enjoy the service. For the integration of transactions the same line of argumentation can be used, as for a seamless switching behavior the availability of payment instruments should be irrelevant in the customer’s channel choice (Saghiri et al., 2017). As the cross-channel level demands more proactivity of all hierarchical levels, the importance of the integration of the organization increases drastically on this level. A good understanding (Cao, 2014; Hansen & Sia, 2015; Kersmark & Staflund, 2015), high commitment (Kersmark & Staflund, 2015) also supported by incentivization (Cao, 2014; Bianchi et al., 2016; Wilson & Daniel, 2007; Heinemann, 2011) and cooperation (Jeanpert and Paché, 2016) between the channels is necessary throughout the whole organization.

The main aspect differentiating cross-channel systems from omni-channel systems is the level of interconnection between the channels as in cross-channel systems they are still separated from a technical and organizational point of view (Jäger, 2016) due to a lack of professionalization in the process chains (Haderlein, 2012). The harmonization of processes and infrastructure (Heinemann, 2011) consequently mainly refers to omni-channel systems. Moreover, as omni-channel systems reflect the maximum level of channel integration, all of the above mentioned success factors should reflect the highest possible level of integration. Out of these literature connections an evaluation template was created. It is illustrated in figure 2.
4. Methodology

This study aims to create a conceptual model to evaluate an industrial retailer’s level of channel integration as a basis to develop or improve an integrated channel strategy. The model should be applicable in different contexts such as different countries and different organization sizes. The first step therefore is the creation of such a conceptual model based on the reviewed literature concerning integrated channels and the industrial context of industrial retailers. In the second step, the model is tested within an in-depth cross-border case study in the MRO sector. Here the model is applied to evaluate the integration of the organization’s physical shop channel by identifying the current pain points.

4.1 Choice for a Case Study and a Mixed Method Approach

As the title of this thesis indicates, it is structured and built as a comprehensive case study of a specific subject within a specific part of a specific organization. A case study considers a contemporary phenomenon in the real life context (Yin, 1984) and this approach generally comes recommended for the study of complex systems, unique events in their context, and for the application of broad conceptual frameworks (Stake, 1995). In addition, a case study allows for good understanding of dynamics within very specific single settings (Eisenhardt, 1989).
The academic literature on business channel research provides precedent and clear arguments for choosing a case study set-up. Hübner, Holzapfel and Kuhn (2016) argue that research within the field of B2B marketing channels is a practitioner led field, and new insights are generally generated by (ex)professionals who take a close perspective of the subject of study. Mudambi and Aggarwal (2003) researched the viability of industrial distributors in the age of e-commerce and concluded that empirical research - supplemented with in-depth case studies and qualitative research - was required to determine the value industrial distributors provide in the age where direct distribution models are displacing the middlemen. Also, the choice for a case study could be fitted into the new paradigm of research in B2B marketing: The underlying shift from theories based on economic transactional theory towards a new foundation in behavioral science and relationship networks (Hadjikhani & LaPlaca, 2013), and thus, the shift of focus from a study of mass-unit towards a study of single unit further strengthens the argument for a case study (Hadjikhani & LaPlaca, 2013).

Although this study is primarily a case study within one organization, one has acknowledged that within the organization there is a huge range of diversity to be found within the shop branch as well as in the various countries it operates in. There is a wealth of easily accessible quantitative information available, which gives the authors the possibility to complement their qualitative research with additional quantitative research. The case research format consequently allows for both qualitative and quantitative methods to be used (Bryman & Bell, 2015).

The dual use of methods is referred to as a mixed method approach (Bryman & Bell, 2011). Bryman (2009) noted that mixed methods as a research strategy have become a stronger trend in the social sciences since 1993 - culminating in a dedicated mixed methods research journal. The Journal of Mixed Methods Research (2009, p. 1) calls mixed methods research research in which “the investigator collects, analyses, mixes, and draws inferences from both quantitative and qualitative data in a single study or a program of inquiry”. Cameron and Molina-Azorin (2011) conclude that in leading journals in business and management, quantitative methods continue to dominate empirical articles (76 %), however, mixed methods approaches come in on second place (14 %) before purely qualitative methods. Finally, in the study field of B2B marketing management research one can identify two groups (Lindgreen & Di Benedetto, 2017), namely the research from North America and the European interpretivist approach. The first applies a functionalist use of quantitative methods geared towards observable and measurable phenomena. The European interpretivist approach, spearheaded by the IMP group prefers studying human perspectives in B2B marketing and uses predominantly qualitative research techniques. Both approaches produce valid and quality research that is published in the leading journal of Industrial Marketing Management (Lindgreen & Di Benedetto, 2017). This study hopes to join both approaches to offer the best of both worlds.

In a nutshell the method in this study consists of two parts: a preliminary quantitative part and a qualitative part based on its findings. First, a quantitative survey addressed to the (executive) shop channel management of both countries was sent out. The main purpose of the survey is to assess the organization’s, and more specifically the shop channel's, current level of integration from the managers perspective and to get first indications about areas in strong need of improvement (see appendix 1). The other quantitative step was to stratify the shops (NL) and regions (DE) according to level channel integration by determining what percentage of their customers use multiple channels to shop in. This step is explained in detail in section 4.3. The stratified segmentation forms the selection criteria for different interview sets in which key stakeholders involved with the selected shops or regions are interviewed with a set of interview guides constructed on the basis of the theoretical and conceptual model (see appendix 2 and 3). This particular step is explained in detail in section 4.4.

1 It should be noted that the authors were embedded in the organisation for the duration of the research - which the reader ought to take into account when evaluating conclusions drawn from this research.
4.2 The Object of Study

In the research question the object of study is very clearly defined, namely the physical store(s) of an industrial retailer who is active in the market of MRO goods. Hence, the criteria for the case selection are strictly defined. The object, the authors studied on the basis of the criteria, is a large industrial distributor of MRO goods, with a special focus on fastening and assembly materials. It is active in over 80 countries and serves its customers via an outside sales force, an inside salesforce, e-commerce and crucially via a network of B2B shops. The majority of the customer base of the B2B shops are small SMEs that have no structured buying process. Worldwide it operates 1500 shops in 50 countries. With approximately 75,000 employees and total sales of approximate EUR 13 billion in 2017, the firm is amongst the largest MRO industrial distributors in the world and remains family owned and controlled. In its core business the product range consists of over 150,000 products for craft and industry and the majority of products are branded with the firm’s trademark logo. Since competition is fierce and customers could potentially buy products from the producer directly, the firm seeks to add value by offering different services to its customers. For this study Germany, where the headquarters is located, and the sales subsidiary in the Netherlands are focused on. The authors do not only consider the company a suitable case study for this research purpose because of the membership in the relevant sector, but also because it allows to develop and test the conceptual model in different contexts: While the headquarters in Germany operate more than 450 shops, the subsidiary in the Netherlands has 26 shops.

<table>
<thead>
<tr>
<th></th>
<th>Germany</th>
<th>Netherlands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shop turnover</td>
<td>98%</td>
<td>2%</td>
</tr>
<tr>
<td>Sales rep turnover</td>
<td>90%</td>
<td>10%</td>
</tr>
<tr>
<td>E-commerce turnover</td>
<td>95%</td>
<td>5%</td>
</tr>
<tr>
<td>Total turnover</td>
<td>94%</td>
<td>6%</td>
</tr>
</tbody>
</table>

Table 1: Total turnover as a share of the two countries (Author's own 2018).

Thus, when comparing Germany and the Dutch subsidiary, the first obvious difference to be discussed is the difference in size between the parent company and the subsidiary. In Table 1 one can see that the total turnover of the parent company is 17 times the turnover of the foreign subsidiary in the Netherlands. The shop channel turnover of the German parent company is 54 times the total turnover of the Dutch shop channel. This proportional difference reflects the role and development of the shop channel in the sales model of the two countries. In fact, the total turnover of the German shop channel makes up 46% of the total turnover generated by all three marketing channels (see Figure 3). In the Dutch subsidiary the shop channel accounts for just 15% of the total turnover – and it is quite clear that the sales representative channel is the dominant marketing channel in the Netherlands. These differences imply different organizational and management structures between the two organizations and illustrate different development levels.

Figure 3: Share of total German and Dutch turnover (Authors' own, 2018).

Figure 4 illustrates the headquarters' sales structure (Germany) in order to understand which stakeholders are involved in the data collection process. The sales structure of Germany is first divided into three parts (North, East and South) and then into 34 regions led by regional sales managers responsible for direct sales (sales representatives) as well as for the shops of their region. Direct sales is further subdivided into districts each led by a district manager that is responsible for several

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2 The company wants to stay anonymous, as partly critical data is used.
specialized sales representatives. The shops of one region have one or two heads of shops responsible for a number of shops and shop employees. Each head of shops has a specialist assisting him or her with issues such as marketing.

Figure 4: Sales structure of the case company in Germany (Authors’ own, 2018).

The sales structure in the sales subsidiary in the Netherlands is considerably smaller and less complex as all shops and sales staff are coordinated and managed from the national headquarters. The outside sales representatives are spread geographically by district. The shopping arm consists of 26 shops (see also figure 5).
4.3 Quantitative Research: Preliminary Management Survey & Stratified Sampling

4.3.1 Preliminary Management Survey

The aim of the preliminary management survey (appendix 1) is to quantitatively capture the status quo of an organization’s level of shop channel integration. It was created based on the identified success factors of integrated channel systems described in chapter 3.2. The survey therefore assesses the extent to which those success factors are already implemented and part of the current strategy. On a scale of 1 (minimum level of channel integration) to 5 (maximum level of channel integration) this is quantified for each success factor and as a summary of the organization’s shop channel. Table 2 shows the possible answers.

<table>
<thead>
<tr>
<th>Score</th>
<th>Possible multiple choice answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>not at all, very ineffectively, to a very low extent</td>
</tr>
<tr>
<td>2</td>
<td>difficult, uneffective, to a low extent</td>
</tr>
<tr>
<td>3</td>
<td>mediocre, medium effective, to a medium extent</td>
</tr>
<tr>
<td>4</td>
<td>easy, effective, to a high extent</td>
</tr>
<tr>
<td>5</td>
<td>very easy, very effective, to a very high extent</td>
</tr>
</tbody>
</table>

For each success factor the mean was built. Scores from 1 to 3.5 represent the channel integration level of multi-channel, scores from 3.6 to 4.5 represent the cross-channel level and scores from 4.5 to 5 the omni-channel level. This classification is based on the fact that seamless channel switching as a main characteristic of cross-channel systems already demands a high extent of integration for most criteria (see chapter 3.2.3). Moreover, as omni-channel is the maximum level of channel integration only a very small range of maximum scores can be assigned to that level of integration. As in chapter 3.2, the success factors are structured into the following subtopics: Synchronization of merchandising management, integration of the customer relationship management, Integration of customer services, integration of communication, branding & promotion, integration of the organization, integration of transactions, harmonization of processes and infrastructure, information/visibility. For each of the subtopics the mean was calculated out of the results for the respective answers for the single success factors. Finally the mean of all answers was calculated to get the quantitative...
level of integration of the organization from the perspective of the shop channel for Germany
and the Netherlands. In the context of the case study the survey was adapted to mainly assess
the level of integration from the perspective of the shop channel perspective (appendix 1). Hence,
where possible the questions focused the shop instead of the whole organization. To ensure
valuable results the survey was translated to the interviewees mother tongue, Dutch and
German and into the company specific jargon. They were then sent out by e-mail for
Germany and handed out in a management meeting for the Netherlands to the following
respondents (see table 3):

<table>
<thead>
<tr>
<th>Germany</th>
<th>Netherlands</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Head of shop expansion national and international → 2 persons</td>
<td>- Head of regional sales (co-CEO)</td>
</tr>
<tr>
<td>- Managers of sales parts east, north, and south → 3 persons</td>
<td>- Head of national sales (co-CEO)</td>
</tr>
<tr>
<td>- Area sales managers → 34 persons</td>
<td>- Head of e-commerce</td>
</tr>
<tr>
<td>37 persons</td>
<td>- Head of telesales</td>
</tr>
<tr>
<td></td>
<td>- Head of shop management</td>
</tr>
<tr>
<td></td>
<td>- Head of inbound sales</td>
</tr>
<tr>
<td></td>
<td>- Head of customer management</td>
</tr>
<tr>
<td></td>
<td>7 persons</td>
</tr>
</tbody>
</table>

Table 3: Target persons of the management survey (Authors’ own, 2018)

4.3.2 Stratified Sampling

To identify the success factors generating sales success across channels a closer look at
the descriptive statistics of the population that is researched needs to be taken. Likely,
successful combinations of policies will have generated divergent outcomes in terms of
customers shopping across channels. So to retrace that following a stratified sampling method
(Bryman & Bell, 2011) one could separate shops into two groups based on customer data
from 2017 of active shop customers segmented by the number of channels they use and by
region (for Germany) or by shop (for the Netherlands). The following groups were segmented:

1. Successful integration; top 20 % with the highest share of customers using 3 channels
2. Laggards; bottom 20 % with the lowest share of customers using 3 channels

The shop segmentation will primarily be used as selection criteria for 2 interview sets
per segment (successful integration and laggards) and per country. That would provide 4 in-
depth interview sets for each country from which to draw observations. The benefit of stratified
sampling is that it allows the authors to select cases that represent the kind and degree of
variation which is relevant to the variable of interest (Teddlie & Yu, 2009), shopping behavior
across channels. The main criteria are combinations of low inference and demographic
variables of the shops or regions (relative number of customers that shop in three channels
per region or shop), that guide the research towards shops in two ranges of the performance
curve in different (cultural) environments (Sandelowski, 2000).

4.4 Qualitative Research: In-depth Interviews

The selected sets could be investigated using semi-structured interviews (by phone or
personal visit if it is feasible). The goal of this step is to have a more detailed data collection
in order to be able to identify and verify the pain points of the organization’s channel integration
strategy. In the applied context of the case study it aims to uncover the successful policies
that determine the level of integration of the physical shopping channel. There is strong
argument for considering qualitative data to research problems in the field of business
channels. Frazier and Antia (1995) as well as Webb and Lambe (2007) suggest qualitative
research is needed to sort out theoretical difficulties. Johnston, Leach and Lui (1999) note that
in B2B marketing environments multiple variables that are highly context specific influence
organizational behaviors and structures. These variables may be hard to capture in a survey
design. The case study format used in this research demands a level of detail that likely only qualitative data can provide (Yin, 1984). The multiple sets of analysis on different hierarchy levels, namely the management and employee levels in four regions of the German sales structure and four shops of the Dutch subsidiary, require in-depth interviews. The interviewed people per set can be found in table 4.

The benefit of a semi-structured interview is that it gives the interviewees considerable leeway in how they can respond to the questions (Bryman & Bell, 2011). It also allows the researchers to ask follow-up questions where needed. Effort was taken to ensure interviewees were asked similar questions in similar wording by creating interview guides (Bryman & Bell, 2011). The interview guides (appendix 2 and 3) were created on the basis of the theoretical and conceptual model. In order to avoid misunderstandings and to allow interviewees to express themselves freely and precisely, the interviews were conducted in the interviewee’s mother tongue. Furthermore, they were recorded to avoid data loss.

<table>
<thead>
<tr>
<th>Germany</th>
<th>Netherlands</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Regional sales manager of the target region → to see what initiatives he/she is undertaking to make employees promote shopping across channels, and his or her eagle eye perspective of the situation on the ground</td>
<td>- Heads of sales (co-CEO) → to see what initiatives he is undertaking to make employees promote shopping across channels, and his eagle eye perspective of the situation on the ground (2 interview for multiple cases)</td>
</tr>
<tr>
<td>- Head of shops for a region → to see what initiatives he/she is undertaking to make employees promote shopping across channels and what they observe their staff is doing to achieve this</td>
<td>- Heads of sales (co-CEO) →</td>
</tr>
<tr>
<td>- 2 shop employees (identified based on the interview with the head of shops) → operational perspective on influencing factors and on management</td>
<td>- Head of shops (national) → to see what initiatives he/she is undertaking to make employees promote shopping across channels and what they observe their staff is doing to achieve this (1 interview for multiple cases)</td>
</tr>
</tbody>
</table>

| 4 persons per selected region | 4 persons per selected shop (and 3 in national management) |
| 16 interviews in total for Germany | 19 interviews in total for the Netherlands |

Table 4: Target persons of survey (Authors’ own, 2018).

With these interviews one can compare and contrast the management attitudes, policies and local shop floor practices driving successful promotion of shopping across channels within the shop branch of the organization. These can be mapped and outlined for the successful and lagging sets in great detail, allowing the differences between success and failure of channel integration to reveal themselves. To interpret the qualitative data collected via in-depth interviews, the authors will apply simultaneously both deductive reasoning from the existing academic literature and inductive reasoning from the data collected. The reason is that the data gathered in this step should help to result in the generation of new theory (Bryman & Bell, 2011). Namely the determination of (new) success criteria to evaluate the level of channel integration of an industrial retailer.

4.5 Validity & Reliability

Internal validity is concerned with the question whether an outcome that is the result of a causal relationship is actually true (Bryman & Bell, 2015). A mixed method approach involving the gathering of both qualitative and quantitative data is chosen to improve the internal validity of the findings. In the literature this method of improving validity is referred to as (data) triangulation (Merriam, 1998). Gathering data through just one technique can be questionable, biased and weak. Especially purely qualitative research is associated with higher levels of subjectivity and considered difficult to generalize (Merriam & Tisdell, 2016). The variety in data sources created by both the management surveys and the interviews offers the authors the
ability to confirm findings - when the data correspond one can be sure the data are valid and conclusions drawn from them are congruent with reality (Bryman & Bell, 2015).

The external validity of a study is concerned with the (general) applicability of research findings in a different setting and/or with different research subjects (Bryman & Bell, 2015; Merriam, 1998). In this particular thesis the external validity is limited by definition because this research is a case study (Gibbert, Ruigrok & Wicki, 2008). However, the authors did their utmost to increase that generalizability by: 1) extending the study over national borders, 2) exploring the difference between an industrial retail channel in a large MRO market and a small MRO market, 3) exploring the difference between the shop channel of the parent company and a (foreign) subsidiary, 4) collecting data on a number different shops within the two analyzed shop channels. In addition, these shops were carefully selected via stratified sampling, to ensure analysis of different levels of integration. This solution is referred to as a nested approach (Yin, 1984) and consists essentially of several case studies within one organization. By making these considerations the authors hope to ensure that the research findings are generalizable to most industrial retail settings.

The reliability of a study refers to the absence of random error and the possibility for other researchers to replicate the findings if they follow the same steps (Bryman & Bell, 2015). The authors of this study hope to address this concern by providing full transparency about the case study protocol. That means showing which groups of management were chosen to be surveyed and with what survey. Also by disclosing how shops and shop regions were chosen to be studied qualitatively, and what interview guides were used to interview persons associated with those shops. Finally, to allow for any future replication of the study, the authors have collected all the survey data and interview notes gathered during the course of the study in three easy to access data files.

4.6 Ethical Considerations

During any study it is crucial to obtain the informed consent of participants and respect their privacy. Any researcher should make great effort to that any potential harm to participants, physical or nonphysical, is avoided or minimized (Bryman & Bell, 2015). Consequently, the authors of this study have done their utmost to ensure that the career prospects of the participants of this study were not harmed, and ensured that the participants did not incur any other forms of (non)physical harm or discomfort. The authors of this study made extensive efforts to verify the respondents and interviewees made an informed decision to consent to participate in the research. As part of any conducted semi-structured interview and management survey, the researchers made sure to explain, in detail, the research purpose and specific subject of the interview or survey. As a part of every survey conducted the respondent was notified that his or her answers would be anonymized, saved and handled confidentially. Prior to any in-depth interview, the researchers ensured that the interviewee had explicitly agreed to have the interview recorded via audio-recording and written notes. The interviewees were instructed that they were not required to answer all questions and could choose to withdraw from the research. The interviewees were given the option to verify the interview notes, if they so desired. All the collected and recorded data was handled with the utmost care and confidentiality.

5. Data Presentation & In-Case Analysis – The Case Studies of the shop channel of the German Parent company & the shop channel of the Dutch Subsidiary

In this chapter the collected data will be presented and analyzed. In order to avoid repetition and enhance the reader’s comprehension of the analysis, the separation of data presentation and analysis into separate chapters was not applied in this thesis. First, the management survey, which aimed to evaluate the current level of the shop channel’s integration from the management perspective, will be presented and analyzed. Lastly, this chapter contains the presentation and analysis of the in-depth interviews. Chapter by chapter
this will first be done for the headquarters in Germany and then for the subsidiary in the Netherlands.

5.1 Presentation & Analysis of the Survey Results

This chapter includes the survey results aimed to assess the management’s evaluation of the current level of channel integration in the organization. Where possible the survey questions specifically addressed the shop channel. Hence, the evaluation of the integration level is limited to the perspective of the shop channel.

5.1.1 The Shop Channel of the German Parent Company

<table>
<thead>
<tr>
<th>Topic</th>
<th>Score</th>
<th>Level of Channel Integration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Synchronization of Merchandising Management</td>
<td>3,4</td>
<td>Multi-Channel</td>
</tr>
<tr>
<td>Integration of the customer relationship management</td>
<td>2,4</td>
<td>Multi-Channel</td>
</tr>
<tr>
<td>Integration of customer services</td>
<td>2,7</td>
<td>Multi-Channel</td>
</tr>
<tr>
<td>Integration of communication, branding &amp; promotion</td>
<td>3,6</td>
<td>Cross-Channel</td>
</tr>
<tr>
<td>Integration of the organization</td>
<td>3,1</td>
<td>Multi-Channel</td>
</tr>
<tr>
<td>Integration of Transactions</td>
<td>2,5</td>
<td>Multi-Channel</td>
</tr>
<tr>
<td>Harmonization of Processes &amp; infrastructure</td>
<td>2,9</td>
<td>Multi-Channel</td>
</tr>
<tr>
<td>Information/Visibility</td>
<td>2,9</td>
<td>Multi-Channel</td>
</tr>
<tr>
<td><strong>Overall Score</strong></td>
<td><strong>2,9</strong></td>
<td>Multi-Channel</td>
</tr>
</tbody>
</table>

Table 5: Survey results for the different topics for the German Organization (Authors’ own, 2018).

Out of 39 addressed members of the management of the sales department in Germany, 21 responds for the survey were collected, an overview of the results can be seen in table 5. Appendix 4 shows a detailed table with the means of all answers. The overall score is 2,9 and therefore indicates that the German parent company is still on the multi-channel level. The main deficits or pain points are the integration of the customer relationship management (score: 2,4), the integration of transactions (score: 2,5) and the integration of customer services (score: 2,7). The subtopic “integration of customer relationship management” is influenced by the results to the questions “To what extent is the customer history collected and reported in one system by all customer-facing staff?” with a score of 2,0 and “To what extent is the entire customer history accessible by all customer-facing staff?” scored 2,8. The first question indicates that the organization has no CRM system based on information technology shared by all channels but somehow the staff can access the information from the different systems to a medium extent. Heinemann (2011) claimed that such a CRM system is especially important in the context of the customer’s channel switching behavior. The “seamless switching opportunities across all channels”, which Brunner and Rudolph (2015) claim to be a characteristic of cross-channel systems, can consequently not be achieved. Concerning the integration of transactions the respondents answered that the same payment instruments are only available across all channels to a low to medium extent. According to Saghiri et al. (2017) as well as Brunner and Rudolph (2015), this is another success factor and indicator of cross-channel integration, as customers do not have to pay attention to the availability of payment instruments when switching channels. The integration of customer services also has a relatively low score 2,7 indicating that the channels are only ineffectively to medium effectively interconnected to enable their specific services to complement each other or to be available in all channels. According to Saghiri et al. (2017) as well as Schramm-Klein and Wagner (2016) the success of cross-channel systems depends on that. A deficit in this subtopic indicates that the channels are largely separated and just offer alternatives in the buying process. Schramm-Klein and Wagner (2016) as well as Jäger (2016) identified that as a characteristic of multi-channel systems.
The subtopic “Integration of communication, branding & promotion” got the highest score of 3.6 followed by the subtopic “synchronization of merchandising management” with a score of 3.4 and “Integration of the organization” with a score of 3.1. Those subtopics indicate the organization’s shift to the cross-channel level. The integration of communication, branding and promotion is primarily influenced by the high score of 4.2 for the question “To what extent is branding & corporate design (e.g. product/brand names & design, logo, motto) consistent across all channels/points at which a customer interacts with the organization?”. Jäger (2016) requires a significant coherence in promotion policies across the channels for multi-channel systems and consequently as a base for integrated channel systems. It is supported by Heinemann (2011), Saghiri et al. (2017) as well as Wu and Wu (2015), who identified it as an important success factor. According to the management of the German shop channel, this is reached to a high extent. Moreover, all products, shops, sales rep cars, etc. of the core business no matter in which channel carry the same brand, which can be connected to Schramm-Klein and Wagner (2016) claiming that in multi-channel systems the different channels have to be under the same retail brand. The second question of this subtopic indicates that advertising and promotion is medium effectively communicated and released consistently across channels.

The synchronization of merchandising management, which is the base of seamless switching opportunities across all channels (Brunner & Rudolph, 2015), is majorly influenced by the ease of placing an order in the shops (score 4.1). However, the question, which is probably the most important one in this context, is the first: How effectively is the (availability of the) entire assortment presented in the pick-up shop? The customer can only place an order for a product that is not available if he knows that it is available somewhere else in the organization. Various authors agree on the importance of that characteristic as a success factor (Cao, 2014; Wu & Wu, 2015; Schramm-Klein & Wagner, 2016; Saghiri et al., 2017). It was answered to be medium effectively (score: 3.0). So this topic is on a multi-channel level. The same also holds for the third question concerning consistent pricing (score: 3.1). Nevertheless, the multi-channel characteristics by Schramm-Klein und Wagner (2016) as well as Jäger (2016) to show a significant coherence in product and pricing policies across the channels are fulfilled.

The overall score for the integration of the organization is influenced by diverging scores. The respondents answered that the top as well as the middle management is to a high extent committed to the shift towards an omni-channel strategy (score: 3.9). This is one of the factors important for creating a cooperative environment instead of a silo mindset according to Cao (2014), Hansen and Sia (2015) as well as Kersmark and Staflund (2015). However, what might have influenced the answers is the fact that they themselves are members of the middle management and that the top management are their superiors. Apart from that, the results of the last two questions pull the mean down again. They refer to the effectiveness of the shop incentives for promoting the combined channel use and the effectiveness of measuring the shop’s performance in terms of cooperative sales. Various authors, such as Cao (2014), Bianchi et al. (2016), Wilson and Daniel (2007) as well as Heinemann (2011), identified those as factors to shift the organization from a silo mindset to cooperation. For both questions the respondents answered ineffective to medium effective (score 2.5).

All in all also after a closer look into the survey results the overall score of 2.9 indicating a medium level of channel integration and a corresponding multi-channel system rating seems appropriate for the organization from the shop management perspective. The criteria for a multi-channel system are all fulfilled: the organization has two or more marketing channels of which at least one is an online channel (Rittinger, 2014; Kotler et al., 2016; Jäger, 2016; Brunner & Rudolph, 2015; Heinemann, 2011; Schramm-Klein & Wagner, 2016), the marketing concept of the organization also shows a significant coherence in product, pricing and promotion policies across the channels (Schramm-Klein & Wagner, 2016; Jäger, 2016). A consistent branding is also to a high extent the case (Schramm-Klein & Wagner, 2016). The path to further develop to a cross-channel system is paved.
5.1.2 The Shop Channel of the Dutch Sales Subsidiary

<table>
<thead>
<tr>
<th>Topic</th>
<th>Score</th>
<th>Level of Channel Integration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Synchronization of Merchandising Management</td>
<td>3.1</td>
<td>Multi-Channel</td>
</tr>
<tr>
<td>Integration of the customer relationship management</td>
<td>3.4</td>
<td>Multi-Channel</td>
</tr>
<tr>
<td>Integration of customer services</td>
<td>2.8</td>
<td>Multi-Channel</td>
</tr>
<tr>
<td>Integration of communication, branding &amp; promotion</td>
<td>3.0</td>
<td>Multi-Channel</td>
</tr>
<tr>
<td>Integration of the organization</td>
<td>2.5</td>
<td>Multi-Channel</td>
</tr>
<tr>
<td>Integration of Transactions</td>
<td>3.4</td>
<td>Multi-Channel</td>
</tr>
<tr>
<td>Harmonization of Processes &amp; infrastructure</td>
<td>3.1</td>
<td>Multi-Channel</td>
</tr>
<tr>
<td>Information/Visibility</td>
<td>2.7</td>
<td>Multi-Channel</td>
</tr>
<tr>
<td><strong>Overall Score</strong></td>
<td><strong>3.0</strong></td>
<td><strong>Multi-Channel</strong></td>
</tr>
</tbody>
</table>

0-0,9: Multiple-Channel 1,0-3,5: Multi-Channel 3,6-4,5 Cross-Channel 4,5-5,0: Omni-Channel

Table 6: Survey results for the different topics for the Dutch subsidiary (Authors’ own, 2018).

In the Netherlands the management of the sales subsidiary and the marketing channels were asked to rate the various dimensions of integration of the shop channel with the other different marketing channels, an overview of the results can be seen in table 6. Among those seven managers, three were responsible for the shop channel. As a group the managers evaluated the Dutch subsidiary to have reached a level of multi-channel integration with a score of 3,0 (1,0-3,5: multi-channel; 3,6-4,5: cross-channel). The full table of survey results for the Dutch subsidiary is in appendix 4.

The main problem areas according to the management seem to be integration of the organization (lowest score, 2,5), information available to customers, visibility of product range (2,7) and integration of customer services (2,8). The very low score for integration of the organization is mainly due to low scores on (monetary) incentivization (1,7) and motivation (2,1) of shop employees to promote combined channel use amongst their customer base.

Additionally, shop employees are generally unaware of the importance of integrated sales channels and also generally uninformed about the changes (2,3) that the implementation of an integrated channel strategy brings along with it. The transition from a multi-channel strategy towards more integrated channel strategies requires a workforce that is informed and prepared for the new tasks and responsibilities required by the new channel strategy (Kersmark & Staflund, 2015). This is clearly not yet the case in the Dutch subsidiary. Perhaps even worse, the shop employees are thought not to be properly incentivized and motivated, which creates a possibility for channel conflict and encourages shop employees to keep customers for themselves instead of offering the best channel solution to them (Cao, 2014; Bianchi et al., 2016; Wilson & Daniel, 2007; Heinemann, 2011).

Other problems are created by what the Dutch management considers lacking availability of easy access to information by customers in the shop and limited visibility of the (entire) product range in the shop. Apparently, managers are convinced that it is not easy for customers to find prices of products on display in the shop (2,4). Moreover, customers have little to no access to customer ratings of the various products on display (2,1). Furthermore, suggestions for product alternatives (2,4) are not easily consulted by customers according to managers - all three aspects may create barriers to purchase for certain customers in the shop. When a customer evaluates a product prior to purchase he needs some access to price, alternatives and possibly customer ratings (Hansen & Sia, 2015; Schramm-Klein & Wagner, 2016; Kersmark & Staflund, 2015) to be able to make an informed decision. Absence of these things could severely hinder the customer in their shopping experience and create a barrier to entry - especially in a cross- and omni-channel system (Brunner & Rudolph, 2015).

The final issue penalizing the level of channel integration in the shop channel of the Dutch subsidiary is the lackluster integration of customer services according to the management. It would seem that the customer in the pre-purchase and purchase phase has limited ability to access complementary services from other marketing channels (2,4) when he is in the shop. Whereas in a sales organization with an cross-channel strategy the customer ought to be able to easily have access to any help or service other marketing channels (Saghiri
et al., 2017; Schramm-Klein & Wagner, 2016) like the sales representative or e-commerce solutions (Wu & Wu, 2015) could offer.

Strong dimensions of channel integration deemed by the management are integration of customer relationship management (3,4) and integration of transactions (3,4). All of which are rated almost at cross-channel level of channel integration by the Dutch executive management and management of marketing channels. Clearly, the availability of payment systems is considered consistent over various channels, implying that the payment systems present in the shop are largely corresponding to those found in marketing channels like e-commerce and the sales representative channel. It should, consequently, allow for quick and effortless switching of channels, should the customer require this (Saghi et al., 2017). Not being able to complete a transaction in a desired way may be a barrier that repels smaller unsophisticated customers. This barrier is effectively taken away by modern electronic payment systems (Saghi et al., 2017).

One other favorably evaluated dimension of channel integration by the Dutch management is the integration of the customer relationship management, with all customer history collected and reported in one system (3,6) and the same customer history accessible to all customer-facing staff (3,3). In an environment in which a customer can switch from channel to channel, he must be able to receive the same quality of communication and service (Heinemann, 2011) - effective information sharing via a protocol between marketing channels can make this happen (Schramm-Klein & Wagner, 2016; Wolf & Schmidt, 2017; Cao, 2014). The dimension “synchronization of merchandising management” (3.1) could have been stronger as the entire assortment is thought to be well presented (3,1) and available for customers to order (4,0). However the overall score is sabotaged by the perceived (lack of) clarity with regards to pricing (2,3).

In conclusion, management of the Dutch sales subsidiary rates its own organization at multi-channel level of integration.

5.2 In-depth Interviews

After the evaluation of the organization’s current level of shop channel integration from the management perspective, this chapter will address the in-depth interviews. Based on the findings of the preceding subchapter, this subchapter aims to verify the pain points that could be identified before or by digging deeper and even identify yet uncovered ones. Moreover, by interviewing management and employees of regions (Germany) or shops (Netherlands) with a good integration and with a bad integration, the authors hope to get best practice examples, which can function as guidelines in the development of improvement initiatives (Kernaghan, 2013). The data presentation and analysis will be structured by the following interview sections: General View and Understanding of the Integrated Channel Strategy, Promotion of Sales in Integrated Channel Systems, Channel Conflict, The Customer Experience and Success Factors of Integrated Channel Systems.

5.2.1 The Shop Channel of the German Parent Company

5.2.1.1 General View & Understanding of the Integrated Channel Strategy

This section includes the subtopics “Understanding of the Strategy”, “The Purpose of Following the Strategy”, “The Attitude Towards the Strategy” and “The Role and Objectives of the Shop within the Integrated Channel Strategy”. Each subtopic includes the manager’s perspective and the employee’s perspective. The introductory questions of the in-depth interviews largely addressed the interviewees’ view on and understanding of the current channel strategy in the organization. These questions predominantly try to assess if critical success factors concerning the integration of the organization are present.

Understanding of the Strategy

The question “How do you understand multi-channel?” was by the management predominantly answered with the purpose of the strategy instead of what it is. Two answered
that it is the offer of the optimal solution or best service for the customer around the clock, other two answered that it is about giving the customer the free choice of which channel to use according to their needs and preferences. One answered that it is about reaching and tying as much customers as possible. Only three answered that a multi-channel system is the offer of different channels, one of them adds that in this context the focus is on the interplay between the channels. According to various researchers one of the main characteristics is the availability of at least two channels (Rittinger, 2014; Kotler et al., 2016; Jäger, 2016; Brunner & Rudolph, 2015; Heinemann, 2011; Schramm-Klein & Wagner, 2016). But the second characteristic, a significant coherence in product-, pricing- and promotion policies, identified by Schramm-Klein and Wagner (2016) as well as Jäger (2016) was not mentioned by any interviewee from the management despite being the characteristic which really distinguishes the strategy from others. The one mentioning the interplay between the channels might have indicated it to a slight extent.

Of the shop employees, five answered that it is about offering multiple channels to the customer. Another one also gave the purpose of giving the customer the possibility to do his purchase the way he wants to or prefers it as an answer. Surprising were the answers of two employees from two different top performing regions (in terms of multi-channel sales): One answered that it is “the interplay between the channels and that they function together” and the other one answered that it is “the interconnection of our three channels in such a way that we are the perfect partner for our customers”. Those two shop employees have an understanding of the multi-channel strategy that is even ahead of the management’s understanding, as they understand that the main point is not to offer several channels but to integrate them. Brunner and Rudolph (2015) as well as Verhoef et al. (2015) claim that higher levels of channel integration are reached among other things through linkage and connection of the different channels and this is what these two employees mention. They consequently seem to have the vision of shifting to higher levels of integration. Various researchers agree that a cross-channel system is characterized by the possibility to easily switch channels during the whole shopping process provided through connection and integration of the different channels (Brunner & Rudolph, 2015; Wolf & Schmidt, 2017; Jäger, 2016; Schramm-Klein & Wagner, 2016; Haderlein, 2012). The understanding of the multi-channel strategy, that these two employees have, consequently even goes beyond the multi-channel level to the cross-channel level.

However, the question was what is their understanding of multi-channel, so strictly speaking these two employee’s answers were not the “right” ones either. Nevertheless, they were the ones coming closest to what the point of integrated channel strategies is. Most of the interviewees are rather thinking of a multiple channel system which according to Brunner and Rudolph (2015) as well as Schramm-Klein and Wagner (2016) have a purely quantitative instead of an integrative focus. Hence, there seem to be deficits in critical success factors of an integrated channel system. Under the category of integration of the organization authors such as Cao (2014), Hansen and Sia (2015) as well as Kersmark and Staflund (2015) claim that for a shift in the corporate culture from a silo mindset to cooperation the adoption, support of and commitment to the integrated channel strategy by the management is as crucial as the education and information of the whole organization. In the survey the management claimed to have a high commitment to the strategic shift towards an omni-channel strategy and that their shop employees is to a medium to high extent educated and informed about the integrated channel strategy. Big parts of the organization, including the middle management seem to lack information about what concretely integrated channel systems are about and what the vision for the future should be. Based on that lack of information the misjudgment in the survey can be explained. The two surprising answers from the employees might have their origin in that they experienced a higher performance through the interconnection of the channels.
The Purpose of Following the Strategy

Contrary to the definition of the strategy, the **purpose of following this strategy** seems clear to the interviewees. Out of 16 interviewees, including management and employees, eight answered that the purpose is to satisfy the customers’ needs and preferences. This is in line with Jäger (2016) as well as Schramm-Klein and Wagner (2016) who observe a multi-optional shopping behavior in B2C markets. It further implies that despite the high share of shop customers only using this one channel to buy in, when looking at the whole shopping process, it is also true for B2B-markets. The shop employees confirm the applicability of this shopping behavior to their B2B customers and mention to have observed the two forms of research shopping, showroming and webroming. One employee noticed customers using the shop as an information source and then shop online, which according to Schramm-Klein and Wagner (2016) is classified as showroming. Two other employees noticed that customers inform themselves online and then buy in the shop. Schramm-Klein and Wagner (2016) classify this behavior as webroming. Moreover, other two employees noticed increased orders via click & collect which Piotrowicz and Cuthbertson (2014) define as ordering online and collecting the order in the store. As in the examined organization, those orders add to the shop’s turnover, meaning that the actual purchase is taking place in shop, they can also be viewed as a form of webroming. The deviation, that the customer data on shop customer’s preferred purchase channel combinations showed earlier from what Jäger (2016) as well as Schramm-Klein and Wagner (2016) found for B2C customers, can be disproved in view of more detailed information.

However, coming back to the question about the purpose of the strategy, seven interviewees (5 managers and 2 employees) answered that the strategy helps to maximize the exploitation of the customer’s sales potential as the company found out that the more channels customers use for their purchases the higher is the exploitation of their sales potential. In addition, seven interviewees (3 managers and 4 employees) answered that the strategy leads to higher sales, which most likely also refers to the exploitation of the customer’s potential as these findings were strongly communicated to promote the strategy. This means that it is not enough to have a multi-optional customer behavior in the entire shopping process but specifically in the purchase phase. Consequently, the customer data about their channel use in the purchase phase is still a valid indicator of the multi-channel performance and of the organization’s pain points it needs to focus on. Other answers to the question were to increase customer loyalty, offer better service or to get a competitive advantage. The answers match scientific findings that integrated channel systems optimize the customer experience (Brunner & Rudolph, 2015; Verhoef et al., 2015), that loyal customers in integrated channel systems are more profitable (Brunner & Rudolph, 2015; Schramm-Klein & Wagner, 2016; Heinemann 2011) and that integrated channel systems can be a competitive advantages for companies (Rosenbloom, 2007; Rittinger, 2014). Moreover, the possibility to shop around the clock was mentioned, matching the trend of “everywhere shopping” that Jäger (2016) as well as Schramm-Klein and Wagner (2016) noticed. The understanding of the strategy’s importance as a critical success factor according to Kersmark and Staflund (2015) therefore seems to be given.

The Attitude towards the Strategy

In order to assess the interviewee’s attitude towards the multi-channel strategy the question **what implications the strategy has for the interviewee** was asked. Here, the management answered quite differently. One manager answered that he is enjoying his work more, even though it also got more challenging and complex. Two managers answered that for them the strategy has no direct implications as contrary to the shop employee’s remuneration system they get credit for sales in all channels. Another one stated that the emphasis and focus changed, especially for the coachings they do with their employees: while before it was only on selling and the products, now it is on consulting and presenting solutions and systems. Lastly, a regional head of shops claimed that the focus now is on the cooperation between shops and sales reps, especially concerning information sharing. Except for the first
answer the views of the management are quite neutral, neither positive nor negative. Thus, there do not seem to be people in the management that are against the strategy hindering a shift in the corporate culture according to Cao (2014), Hansen and Sia (2015) as well as Kersmark and Stafflund (2015).

The views of the shop employees, however, are more judgmental. Four employees (3 from top performing regions, 1 from a laggard region) answered that the multi-channel strategy made many things easier and that especially the introduction of the online channel is a big help. Another employee of the top performing regions mentioned the necessity of a good relationship between the shops and the sales reps to be successful. Another answer (of an employee in a top performing region) was that now they receive frequent calls from customers needing help with the use of the online shop. Moreover, by two employees from the top performing regions it was stated that they experience losses in sales caused by e-business. One of them, however, added that they are able to compensate by cooperating with the sales reps and the other added they manage to compensate a bit by click & collect orders, but not enough. An employee, also coming from a top performing region, expressed a bit of an unfair situation when the shop employees fulfill the counselling function and then lose the actual sales to e-business. An employee from one of the laggard regions confirms this view and states that the remuneration system of shop employees needs to be revised as they only get credit for the purchases taking place in the shop, the sales reps, however, get credit for purchases of their customers in all channels. Another interviewee from a laggard region stated that the work became more difficult and complex and that there is a lack of time to devote oneself to all of it.

While the shop employees from the top performing regions have a mixed view on the strategy, seeing advantages as well as disadvantages for themselves, the ones from the laggard regions predominantly have a negative view of the strategy’s implications on them. In order to integrate the organization the silo structure and mindset needs to be changed into a cooperative mindset according to various authors such as Wilson and Daniel (2007), Jeanpert and Paché (2016), Kernaghan (2013) as well as Hansen and Sia (2015). Out of eight interviewees four, from top performing regions as well as from laggard regions, addressed sales losses. These points to a predominance of a silo mindset in the shops. However, some employees from the top performing regions still seem to understand that cooperation is the key to success in integrated channel systems and that not only the customers can benefit from it but that it also makes things easier for them. This is in line with Jeanpert and Paché (2016) underlining the importance of collaboration and cooperation of concerned key functions. Nevertheless, various authors found that the organizational incentives and remuneration system have to be changed to incentivize the staff to work together and promote the possibilities of other channels instead of competing against each other (Cao, 2014; Bianchi et al., 2016; Wilson & Daniel, 2007; Heinemann, 2011). Four employees and two managers immediately addressed this issue as a problem in the implementation of the multi-channel strategy. Hence, this might be an essential pain point and an explanation for the silo mindset of the employees. Additionally, it was already identified as a pain point in the survey with a score of 2.5. This issue is addressed in detail in the chapter “Success factors of integrated channel systems”.

The Role and Objectives of the Shop within the Multi-Channel Strategy

Four managers and two employees emphasized the high importance of the shop as it generates about 50 % of the organization’s sales, has most customers and is a clear competitive advantage of the organization as no other competitor in Germany has such a wide shop network. However, two managers add that direct sales from the sales rep traditionally are the supreme discipline and that they play a major role in the success of the shops as they are the ones sending them there. Another one underlines that despite the shop’s share of the organization’s overall sales, an order by a sales rep generates approximately 300 to 350 €, while an order in a shop only generates about 100 €. Furthermore, the satisfaction of the customers’ immediate product needs as well as standard purchases are mentioned four times
by the management side and five times by the employee side as the objectives that the shop fulfills. Nonetheless, according to three managers, partly the same, the shop employee’s task is to consult the customer and to sell him new products he was not buying before, especially in the context that while the sales rep is very specialized on one product area, the shop employee has a broad product knowledge. Four employees confirm saying that the customers go to the shop to be consulted and to inform themselves. Connected to that two managers and three employees emphasize the human factor in the shops and the role of shop employees as problem solvers. One manager highlights the importance of building relationships and “purchasing friendships” with the customer. Especially in view of the frequency at which the sales reps visit their customers, maximum once a week, the shops need to compensate as they are always available during the week. The fact that the products can be touched and partly tried out in the shops is also mentioned by two managers and two shop employees.

The shop has two very diverging functions: First, with reference to the satisfaction of immediate product needs and standard purchases the shop matches the role of standardized, low support physical distribution, serving as an inventory storage point according to Cummins et al. (2016). But additionally the employees in the shops also fulfill the role of personal selling which according to Cummins et al. (2016) will stay dominant for interpersonal high support sales as the placement of new products requires. Furthermore, the importance of the human factor and relationships for the organization’s shops shows that in line with the literature also the organization’s customers use systematic sourcing to reduce the cost of procurement (Grieger, 2003; Anderson & Narus, 1998; Kotler & Armstrong, 2011). Moreover, the sensory experience in the shops, which Rajamma et al. (2007) claim to be important for certain product ranges, seems to play a role for the MRO industry as well as the possibility to touch the products in the shop was highlighted. Janz (2017) states that the shop is the place where business is attracted, regardless of what channel the customer ends up placing the order in the end. Despite the high share of sales it generates for the organization, the shops of the examined organization do not have the main purpose of attracting business but rather of being a pick-up shop and sales consultants for existing customers. The sales reps as the “traditional supreme discipline” are the ones mainly responsible for the acquisition of new customers and consequently for the attraction of new business. According to the managers that should be one of their main tasks after freeing up time by sending the customers to the online shop or the store for standard purchases. It can be concluded that in the organization the shop channel has a subordinate role compared to the sales reps even though the organization benefits a lot from that channel. This might also foster the silo mindset in the organization hindering the integration of the organization as a success factor of integrated channel systems (Wilson & Daniel, 2007; Jeanpert & Paché, 2016; Kernaghan, 2013; Hansen & Sia, 2015). In this context two managers and one shop manager of top performing regions surprisingly said that it is not the shop employee’s main priority and task to motivate customers shopping in other channels but the sales rep’s task.

### 5.2.1.2 Promotion of Sales in Integrated Channel Systems

This section is divided into the management perspective and the employee perspective. As the employees are the operative force implementing the strategy visibly for the customers, the employee perspective is further subdivided into the topics Operative Behavior, Communication within the Organization, Motivation and Incentives and Marketing Communication.

**Management perspective**

This section addresses what sort of things the different hierarchy levels do on a daily basis to motivate customers to shop in other channels of the organization. According to their main tasks, all managers answered that they do coaching, trainings, personal conversations and organize customer events that promote the other channels. This is in line with the education and information of the organization suggested by Kersmark and Staflund (2015) in order to create a cooperative mindset. However, the question is how effectively they are
practicing it. In the survey the managers answered that the staff is to a medium to high extent educated and informed.

One of the regional managers from the top performing regions answered the following: “At all times, in all conferences, in all conversations and so on I point to the other channels and show the employees where he/she has deficits and what to improve. Moreover, we have a lot of activities and contests for each channel.” However, he also adds that he still sees deficits in the information of the employees because of the current lack of staff. Daily trainings and coachings would be necessary but are not possible. The other answered that whenever he accompanies the sales reps he promotes the use of the shop channel. The regional shop managers of the top performing regions mentioned a specific conference, which frequently takes place and in which sales reps and shop employees discuss together what each part can do to support the other channel. Here concrete initiatives and the implementation of it are expected. This is in line with Jeanpert and Paché (2016) stating that the collaboration and cooperation of the concerned key functions is a crucial success factor. Moreover one of them shows best practice examples of cooperation, especially addresses the reluctant employees with individual conversations and also takes employees to visit customers generating decreasing sales or those not using the shop yet (he still has some own customers). This matches findings by Kersmark and Staflund (2015) which suggest the frequent visits of the middle managers and the illustration of positive consequences of integrated channel systems, in that case the cooperation between sales reps and shops. The other regional shop manager claims that he especially emphasizes e-business in his coachings as the customers are in contact with the sales rep anyway.

Also one of the regional managers of a laggard region mentions the project or conference that shop employees and sales reps share to support the other channel. The focus of the other one is to create a positive atmosphere and to sensitize his staff starting from where the people currently are in their affinity to the multi-channel strategy and by showing the advantages of seeing the big picture instead of just thinking in terms of one channel. He emphasizes that instead of determining the way, he helps them finding it by themselves in order to increase the support of the strategy. It can be noticed that in line with various authors he tries to shift the corporate culture or mindset in his region into a cooperative one away from a thinking in terms of silos (Wilson & Daniel, 2007; Jeanpert & Paché, 2016; Kernaghan, 2013; Hansen & Sia, 2015). One of the regional shop managers highlights the importance of cooperation between shops and sales reps but at the same time states that overall the multi-channel strategy does not play a major role in sales coachings as it takes place in real customer interactions and the situations to place such promotional activities are rare. In his opinion it does not make sense to deliberately approach the customer with the topic e-business in the coaching as it would not be a coaching then. It becomes clear that he himself is not trying to promote other channels whenever possible, as he does not think it is always the right way. As according to Cao (2014), Hansen and Sia (2015) as well as Kersmark and Staflund (2015) the adoption, support and commitment of the management to the strategy is an important success factor for the successful implementation, this might be one of the reasons for being a laggard region. The other regional shop manager of the laggard regions does not give specific initiatives with reference to the multi-channel strategy. Moreover, he claims that relationship building has priority and after the customer can be addressed with the topic of e-business but only if he has an online affinity, not deliberately all customers. Here, too, a real commitment and implementation from the management side is missing and might explain the bad multi-channel performance of the region. It can be concluded that while on the regional manager level there do not seem to be differences in their commitment to the strategy between the top performing regions and the laggard regions, on the level of the regional shop managers, hence one hierarchy level below, the laggard regions show indications of their bad performance.
Employee Perspective

Operative Behavior

Coming to the shop employees’ perspective, the topic was introduced by asking if and what is suggested by the management with reference to getting customers to buy in other channels. All employees deny that there are specific guidelines by the management. One of the employees from a top performing region adds that due to the monthly statistics on e-business they still always know when to improve and enforce the initiatives. Furthermore, he said that they had a training with the e-business specialist and feel quite confident. Another employee from the top performing regions also denied specific guidelines. To the follow-up question, if he misses information and support, he answered: “Yes a bit. There is information on how it (online-shop/app) works but nobody really shows you how. I think everybody just tried it out by him-/herself on his/her private phone. And as it is the private phone we have to use for it they cannot really tell us how to do things.” Also, an employee from a laggard region expresses the wish for more information or guidelines and states that they have coachings but they do not specifically address the multi-channel strategy. Another employee from a laggard region however answers to the follow-up question saying that he thinks he and his colleagues all know how to use the app and the online shop and how to communicate it to the customer. Here a mixed picture is drawn partly reflecting deficits in the information of employees and indicating that the survey result for the information and education of employees should rather be medium than between medium and high. But that an employee of a top performing region was the only one mentioning an e-business training could also indicate that the lack of performance has its origin in the level of information. In addition, employees from the top performing regions show a slight tendency of being more self-critical and open to learn and also to take initiative in case of bad performance.

The employees’ answers to the question what sort of things they do on a daily basis to motivate customers to shop in other channels of the organization were relatively homogenous with reference to the top performing regions and the laggard regions. Most of them referred to different opportunities in which the online shop can be addressed in conversations with the customer. For example, when the customer asks about the price of products, the invoice or the delivery note, security notes, the availability in a shop or where a shop is, the employees inform the customer that he can easily access all those information in the online shop by himself. Those functions of the online shop also indicate the integration of services to a certain extent according to Saghiri et al. (2017) as well as Schramm-Klein and Wagner (2016), as services that were usually available in the shop are now additionally available in the online shop. In addition, inventory seems to be transparent in terms of availability in the shops which is a success factor according to Hübner et al. (2016) as well as Kersmark and Staflund (2015). Employees also mentioned that those customer questions are also a possibility to try the app together with the customer, especially with reference to click & collect as the employee and the customer can scan a few products together and show how easy, handy and timesaving it is. The next time the customer comes in, the employee can refer to it again and ask if it worked. That the organization introduced a tool, such as the app capable of scanning products in the shop, indicates that the products of the online shop as well as the respective information are to a certain extent available and visible in the shop channel according to Hansen and Sia (2015), Schramm-Klein and Wagner (2016), Cao (2014) as well as Kersmark and Staflund (2015). Both, the availability of the products (Cao, 2014; Wu & Wu, 2015; Schramm-Klein & Wagner, 2016; Saghiri et al., 2017) and the visibility of the product information (Schramm-Klein & Wagner, 2016; Saghiri et al., 2017) across channels, are crucial success factors according to various authors. It further indicates that with the introduction of click & collect the organization also innovates its distribution services as another success factor of integrated channel systems (Wu & Wu, 2015).

Furthermore, the online shop is always introduced to new customers. Another initiative originates from a tool showing the employees in which channels the customer already generates sales. If an employee sees that the customer is not using a channel he asks why and in case of the sales rep tries to arrange a meeting or in case of the online shop to convince
the customer of the advantages. Schramm-Klein and Wagner (2016) claim that the company should proactively communicate the possibility to switch channels. The above actions are in line with that and justify a survey score of medium to high for the question to how effectively combined channel use is promoted to customers. However, the only answers that set the employees of one top performing region apart were that they are in frequent contact with the sales reps to exchange information and that they also frequently accompany them to their customers, especially to those not frequently using the shop. That way they can build a relationship with those customers and introduce the shop channel to those customers. This means that they are not only pointing to other channels but actually cooperating closely with them which is crucial according to Jeanpert and Paché (2016). One of these employees even confirms that they closely cooperate with the sales reps by describing the last customer interaction in which he encouraged a customer to shop in another channel, which was another question of the interview: “We have a big organization where the mechanics come to the shop and the sales rep has the contact with the purchaser. I talked with the mechanics and found out that they have a high need for a specific product, which they currently get from a competitor. I called the sales rep and asked if he already talked about that product and he said no. He then made an offer and the customer ordered.” He was the only one not referring to the above-described promotion of the online shop. Hence, lack of communication and cooperation with the sales reps might be an explanation for the difference in performance between the regions.

The next question was what tools and materials the employees are using for their activities of promoting a multi-channel shopping behavior of their customers. The employees mentioned the app on the own phone, flyers that are laying out, vouchers or offers that are only valid in the online shop, the computer monitor, which they turn around to the customer and also events such as trade fairs in the shops where the topic online is focused with a fair stand. Moreover, some of the employees belong to regions where tablets are tested. One employee using it stated: “I cannot imagine working without the tablet anymore as selling is easier because I can show pictures and other things and also the topic ‘online’ is brought closer to the customer. So the tablet increases my chance to approach the customer to the online shop.” Another one shared the following experiences: “At the beginning we really used the tablet very often and thought it was helpful as we did not have to go back to the counter to get product information but could stay with the customer at the product shelf. But then the tablets started to not function properly and shut down frequently. So at the moment I am rather using the computer to be honest.” He adds that on the tablets they could also open the customer profile and see common products sold in the customer’s sector or which products the customer buys frequently. The advantages of a tablet for staff in the store concerning the provision of product and customer information from anywhere in the store was also mentioned by researchers such as Schramm-Klein and Wagner (2016), Cao (2014) as well as Kersmark and Staflund (2015).

The question what other tools or materials could help to motivate customers to shop in other channels was mostly answered with “tablets” confirming the literature’s recommendation. And one employee that was already using it stated that it would be good if there would not only be one tablet per shop as it is currently but that each employee should get one. Another employee added that a reasonable telephone system would help to see who called and call customers back and that the online shop should be less complicated, as at the moment you have to click too often to get any information.

Communication within the Organization

The questions of this section addressed the sharing of information between channels. Heinemann (2011) emphasized that in the context of the customer’s channel switching behavior during the shopping process it is important that each customer touchpoint has the same information about the customer in order to provide a consistent quality of communication and service. All employees stated that they share information with their colleagues and sales reps but that because a proper tool is missing it is rather communicated in person, by phone or by e-mail. The survey already indicated a major deficit in the integration of CRM with a
score of 2.4 (to a low to medium extent), however, the lack of any kind of system, where customer data is collected by all channels, shows a far worse situation (Schramm-Klein & Wagner, 2016; Wolf & Schmidt, 2017; Cao, 2014; Heinemann, 2011). In fact, the integration of CRM is not present in the organization. Despite some kind of information sharing, which excludes the online channel entirely, the customer history including letters, e-mails, etc. is neither collected by all channels nor do all channels have access to it. Apart from that, from the answers of the employees the interviewee got the impression that information is only shared with the sales rep in case of problems or concrete sales opportunities, instead of on a general basis. Also two employees said that the tablet provides a tool to save customer notes but only employees using a tablet can see those information and often the time is missing to save information after a customer conversation. One employee summarized the situation as following: “If the relationship between sales reps and shops is good then information is shared by e-mail or on a tool in the tablet. However, the problem with the tablet tool is that the sales rep does not get a note if there is a new information about a customer so often he does not see it and it is the same if the sales rep puts information about a customer. Moreover, the problem with the e-mail is that it is an additional step that is often forgotten. Nevertheless, if the team functions, it is done, unless there are 20 customers waiting. In that case I cannot say that I did it for each customer or if it is a VK1 customer. Our team is quite good so we do share information at some point in passing. But until today we do not have a good tool to effectively share information.”

Five employees answered the question if an easily accessible database would enhance the employees’ pursuance of the multi-channel strategy in the affirmative as they could refer to current projects of the customer for example.

**Motivation and Incentives**

This section addresses the questions if the boss actively encourages and supports the employee to promote a multi-channel shopping behavior and what the current multi-channel performance measures of the shop are. One employee of a top performing region answers the first question as following: “At every conference this topic is addressed including that at every opportunity we should use the other channels and how to best do it. Both, the regional shop manager and the manager of the region, are really encouraging us and helping us to have the best possible success.” Two other employees of a top performing region confirm this. However, one of them also mentions that still overall he does not feel the topic has a big priority. An employee from a laggard region states: “I rather do it by myself, I have not really talked about that with my boss [regional shop manager]. But the manager of the region always talks about it.” Another employee from a laggard region says “No, not really. Sometimes he gives instructions but in front of the customers the customers’ needs and preferences have priority and I don't really care about what my boss says. If I see that the customer is not really interested in e-commerce then I won't push him.” Lastly, also an employee from a laggard region criticizes that in his opinion the topic lost priority and should be more enforced and controlled centrally.

Those answers show a clear difference between employees of top performing regions and employees of laggard regions. First, it confirms the conclusion of the management perspective in this chapter that on the level of the shop managers laggard regions have deficits in the commitment to the strategy. In line with their boss’ commitment and the lack of active encouragement and priority, it can be noticed that also the employees of laggard regions are less committed to the strategy. It supports the findings of the literature that the management’s commitment is key to a shift in the overall corporate culture (Cao, 2014; Hansen & Sia, 2015; Kersmark & Staflund, 2015).

A number of authors claim that to achieve cooperation instead of competition between the channels the organizational incentives and remuneration system has to be adapted (Cao, 2014; Bianchi et al., 2016; Wilson & Daniel, 2007; Heinemann, 2011). All employees name the e-business bonus as the only performance indicator of the shops. The bonus refers to the turnover that the customers in the area around the shop generated in the e-business channel. However, seven employees either state that the e-business bonus is ineffective or that the
remuneration system needs to be revised. The problem is that the e-business bonus is quite intransparent according to the employees as they do not entirely understand how it is calculated and how they can actively influence it. Either they get it or they do not. Moreover, some of them say that it is relatively low compared to the effort they put into the promotion of the online shop. The criticism of the remuneration system in general refers to the general performance targets of the shop which just takes the sales generated in the shop into account even though the shop employees play a big role in the promotion of the online shop. A feeling of unfairness also originates from the remuneration system of the sales reps whose targets are formed by sales generated by their customers independent of the channel. It can be concluded that the current performance measures for the shop are not effectively adapted to the multi-channel shopping behavior of the customers and to enhance cooperation instead of competition. The management scored the two questions in the survey concerning incentives and measurement of performance in terms of multi-channel sales with 2.5 indicating that they are ineffective to medium effective. In view that there are practically no effective multi-channel performance indicators specifically for the shop this score might even be too high and should rather be between 1, not present and 2, ineffective.

An employee adds that a few years ago when e-business was introduced there were targets such as how many customers were activated in the online shop and that at that time they also frequently got statistics about it but that now the topic lost focus and emphasis. It might be an indication that along with the online shop also the multi-channel strategy lost focus and emphasis in the organization which was also mentioned before by some employees.

Marketing Communication

This section and the respective interview questions aim to assess the level of integration of communication, branding and promotion which should be consistent across channels according to authors such as Heinemann (2011), Saghiri et al. (2017), Wu and Wu (2017) as well as Kersmark and Staflund (2015). In the interviews it was asked if the customers are ever confused by the communication sent out by the various departments of the organization or if the customers are aware of all promotions and activities. In line with the relatively high survey score of that section (3.6) all employees answered that they did not notice any confusion referred to inconsistent communication or promotion. They said that for some customers it is rather the high quantity of e-mails and promotions that is disturbing them. This success factor of integrated channel systems and characteristic of multi-channel systems consequently seems to be quite advanced. Nevertheless, the relatively high survey score is mainly influenced by the question of consistent branding and corporate design which is 4.2. The score for the question of consistent advertising and promotion across all channels is, however, an average score of 3.3. Thus, according to the management it is not as consistent as the employees perceive it in the shop. An explanation might be the relatively high share of customers only purchasing in the store as they might not get in contact with the advertising and promotion of other channels. Moreover, interviewees mentioned only online offers to motivate customers to try the online shop, meaning that there are channel specific promotions. Another point is the loyalty programme which is only applied in the shop and cannot be transferred to other channels hindering a seamless channel switching behavior (Brunner & Rudolph, 2015; Verhoeuf et al., 2015). Also the survey question concerning the effectiveness of promotions of combined channel use, which Kersmark and Staflund (2015) claim to be a part of integrating communication, promotion and branding, shows room for improvement with a score of 3.4. Mentioned examples are the only online offers or the e-business trade fair in the shop.

5.2.1.3 Channel Conflict

The Management Perspective

All managers affirm that there is competition between the channels to some extent. Three of them mention that it improved compared to how it used to be earlier but that it is still
there. This indicates structures of a multichannel system in which channels are largely separated just offering alternatives in the buying process according to Schramm-Klein and Wagner (2016) as well as Jäger (2016). The present competition between the channels also indicates that the organization is still majorly thinking in terms of silos hindering the creation of a single shopping environment for the customer according to authors such as Wilson and Daniel (2007), Jeanpert and Paché (2016), Kernaghan (2013) as well as Hansen and Sia (2015). Moreover, this silo mindset and competitive thinking does not make seamless channel switching possible for the customer which is the main characteristic of cross-channel systems according to the definition of Brunner and Rudolph (2015).

As a reason for the competition between the channels the main performance indicator of self-written orders is named by the management. The shops as well as the sales reps are mainly evaluated according to how much sales they generated by themselves. The difference is, however, that sales reps still get credit for the sales of their customers in other channels but for the shops those self-written orders are more or less the only performance indicator. Hence, shop employees might fear turnover losses when customers shop in other channels leading to unreached targets and maybe even a shortage of the shop staff as they generate less turnover. According to Cao (2014), Bianchi et al. (2016), Wilson and Daniel (2007) as well as Heinemann (2011) this remuneration system does not incentivize employees to work together and promote the possibilities of other channels. Contrary, it generates competition. Nevertheless, three managers of top performing regions do not think that the remuneration system of the shops is ineffective or needs to be revised while three managers of the laggard regions claim that the current performance measures are ineffective or not even present in the context of multi-channel sales. One manager of a top performing region explains that the remuneration system is not demotivating in the context of promoting other channels “because if the shop promotes other channels and the customer buys there we have a higher exploitation of his potential so the customer buys more in general and might also buy more in the shop”. Even though the managers see the competition and also name the remuneration system as a problem, the top performing ones do not think that it should be revised. No matter if at the moment they can motivate their employees without incentives, the literature shows that in order to move to higher levels of integration the remuneration system is one of the success factors. It might be an indication that the managers of top performing regions are committed to the multi-channel strategy but do not have a vision of moving to higher levels of integration. Following the view of Kersmark and Staflund (2015) it might be a lack of information and education, which might not only be relevant on the employee level but also on the middle management level. Out of that lack of information a lack of support and commitment of the management to the shift to higher levels of integration can be derived further explaining why the organization did not move to the cross-channel level yet (Cao, 2014; Hansen & Sia, 2015; Kersmark & Staflund, 2015).

The Employee Perspective

In the section “motivation and incentives” the employee perspective on the remuneration system was already analyzed concluding that it needs to be revised. However, to the question if the employee prefers to keep the customers for himself nobody answers in affirmation. The employees do see the presence of competition and one employee from a top performing region states that it hurts to see sales moving from the shop to e-business or that the remuneration system is perceived as ineffective, but nobody openly admits that it influences the behavior.

5.2.1.4 The Customer Experience

This section is subdivided into the topics “Role of Digital Devices and Tools in the Customer’s Shopping Experience”, including the managers’ and the employees’ perspective and “Appreciation of the Integrated Channel Strategy by the Customers”, also including both perspectives.
Role of Digital Devices and Tools in the Customer’s Shopping Experience

Management and employees do agree that the role of digital devices and tools play an increasing role in the shopping experience of the customers. A manager answers the following: “20 years ago that wasn’t a topic but especially because of the changing generations it becomes more and more important. Our customers do not have time to see if he has the products available with reference to the role of c-parts [MRO supplies], the products we are majorly selling. It is our job to make sure that the parts are available for the customer and for that we need more and more digital media and tools, click & collect is one example.” That manager especially underlines the importance of a digitized shopping process for the MRO industry and indicates parallels to the findings of Kotler and Keller (2006). They claim that in view of the relatively high purchasing costs of MRO products, this is the place where industrial distributors are able to add value by increasing the efficiency and effectiveness of the entire business channel.

Appreciation of Integrated Channel Systems by Customers

This section addresses the interview question if the organization’s customers appreciate being able to shop in various channels. One of the managers’ answers that it depends on the industry as the division Cargo has a lot more affinity with online than the division Construction for example.

Another manager and three employees affirm the observation above saying that the customers are partly not open for changes and stick to their old behaviors or that in general customers do not really use the offer. One of the employees differentiates between the customers in the city and customers in rural areas as he worked in shops located in both settings. He observed that customers in the city are a lot more inclined towards multi-channel shopping behaviors, especially including the online channel, as compared to customers of rural areas. Another employee confirms the statement of a manager in the section before that consumers are ahead of our customers and that is why they are not as open yet. The relatively low shares of customers shopping in more than one channel as well as the observations above indicate that B2B customers are indeed a bit behind B2C customers and that the B2C trends of a multi-optional shopping behavior including “everywhere shopping” and research shopping have just arrived in B2B markets (Jäger, 2016; Schramm-Klein and Wagner, 2016; Verhoeft et al., 2007; Rosenbloom, 2007; Wilson & Daniel, 2007; Webb & Lambe, 2007; Sharma & Mehrrot, 2007; Merrilees & Fenech, 2007; Cheng et al., 2007). That would also explain the lack of research in the area of integrated channel systems in B2B markets, especially for higher levels of integration (Verhoeft et al., 2015; Brunner & Rudolph, 2015; Brynjolfsson & Rahman 2013). Nevertheless, several interviewees foresaw that in the near future the organization’s customers’ needs and preferences will change automatically, especially as new generations enter into the customer’s management levels.

However, also this question reveals differing answers between interviewees from top performing regions and interviewees from laggard regions. While one manager and one employee of top performing regions claim that they do not think it is a matter of information as they already advertise the different channels a lot, three managers and two employees from laggard regions explain that a lot of customers do not know about the possibilities offered by the organization. All three managers name the employees, not informing the customers, as the source of the problem. It reflects the survey score of 3.4 (medium effectively to effectively) for the question of how effectively combined channel use is promoted to customers even though it might still be evaluated a bit too high by the managers and rather be medium effectively. Another survey question was to what extent the customer is aware of the possibility to access product information of a specific product while being in the pick-up shop. It was scored 2.9 (to a medium extent) revealing a more realistic score. It is another indication that the organization definitely did not reach the cross-channel level of integration yet according to Schramm-Klein and Wagner (2016) claiming that especially this level requires the organization to proactively communicate the possibilities it offers in the context of integrated channel systems.
5.2.1.5 Success Factors of Integrated Channel Systems

In this section the managers were first asked what the critical success factors for a successful multi-channel strategy are according to them. The answers to this question reveal what is currently not working as desired in the organization. Three managers from top performing regions answered that the digitalization of the purchasing process and the shops is important, the tablets should be introduced for shop employees, the shops should have Wi-Fi or a LTE-connection and the online shop should become more user-friendly. Generally, this matches the finding of Grewald et al. (2017) about the increasing role of in-store technologies. The claim for tablets is in line with not only the employees’ impressions but also with Schramm-Klein and Wagner (2016), Cao (2014) as well as Kersmark and Staflund (2015) underlining the usefulness of tablets for the customer experience in the store. Furthermore, one manager stated that in order to be able to properly use the app, tablets or other technologies in the store Wi-Fi is necessary. He is in accordance with Cao (2014) who found the same.

Two managers from top performing regions again highlighted the cooperation between shops and sales reps and three of them see the sales reps as the leaders and core of promoting and implementing the strategy in the sales department. They should become multi-channel sales reps by freeing up time to concentrate on the reactivation of fluctuated customers, the acquisition of new customers and the increase of the current customers’ turnover with new products. In order to free up time they have to teach customers to do their standard purchases in the online shop or the physical store. They need to build trust for the other channels. It was established before that cooperation of the key functions is an important success factor to reach higher levels of channel integration (Jeanpert & Paché, 2016) but here it becomes clear that the sales rep plays a special role in connecting and promoting the other channels. According to various researchers the main characteristic of cross-channel systems is the possibility to easily switch channels during the whole shopping process provided through connection and integration of the different channels (Brunner & Rudolph, 2015; Wolf & Schmidt, 2017; Jäger, 2016; Schramm-Klein & Wagner, 2016; Haderlein, 2012). Moreover, Schramm-Klein and Wagner (2016) add that on top of providing the possibility, the company should also proactively communicate it. The vision of the sales rep as a multi-channel sales rep, connecting and promoting the other channels, is in line with the literature and could therefore be a good initiative of the organization to shift to a cross-channel system.

One manager of a top performing region also said that pricing needs to become more independent of the sales reps as currently other channels have very limited possibilities to negotiate prices and have to stick close to the quite high market price. First of all, this indicates a very fundamental deficit in the synchronization of merchandising management across all channels which also includes identical pricing (Cao, 2014; Wu & Wu, 2015; Schramm-Klein & Wagner, 2016; Saghiri et al., 2017). The manager’s impression is further emphasized by the survey score of 3,1 (to a medium extent) to the question “To what extent are customers confused about pricing in different channels?” In addition, it indicates deficits in the integration of customer services, as price negotiations are not equally available in all channels (Saghiri et al., 2017; Schramm-Klein & Wagner, 2016).

Topics that were named as a success factor by managers of top performing regions as well as laggard regions was the necessity of a CRM system, more emphasis on the topic multi-channel and to take away the fear of losses through the strategy. By naming those topics as success factors for a successful multi-channel strategy, the managers affirm issues that were identified as deficits not only in the management survey but also in other sections of the in-depth interviews with managers and employees. In the section “Communication within the Organization” it was, for example concluded that the current CRM is far from being integrated and ready for a shift to the cross-channel level. The section “Motivation and Incentives” as well as in the section “Channel Conflict” revealed that the remuneration and performance measurement of shops needs to be revised and adapted in the context of integrated channel systems in order to integrate the organization. In line with that four managers of laggard regions underlined the necessity of revising the remuneration system for shop employees as a success factor. Additionally, three of them claimed that the number of staff needs to be increased in order to be able to successfully implement the strategy. Lastly, one manager
called for more emphasis of the multi-channel strategy in trainings. It is striking that only managers of laggard regions mentioned the need for a revision of the remuneration system and for more staff in the shops. As those are deficits that are out of the manager’s control and need to be decided centrally by the top management, it might be easier to search the reasons for bad performance there instead of in areas that can be influenced by themselves. It can be concluded that higher levels of integration can be reached based on motivational aspects and the manager’s commitment to the strategy, but according to the literature a shift to maximum integration can only be achieved with an adapted remuneration system (Cao, 2014; Bianchi et al., 2016; Wilson & Daniel, 2007; Heinemann, 2011).

5.2.2 The Shop Channel of the Dutch Sales Subsidiary

5.2.2.1 General View & Understanding of the Integrated Channel Strategy

Understanding of the Strategy

During the interviews with the management members responsible for the shop marketing channel within the Dutch sales subsidiary of the case company, one sees in general, a clear understanding of multi-, cross- and omni-channel marketing strategies. This is a success factor of integrated channel systems according to Kersmark and Staflund (2015) as the whole organization should be informed and educated about the meaning and goals of the integrated channel strategy. Both sales subsidiary directors are able to explain carefully that several channels offer the customer an ability to choose a marketing channel and that in the ideal case the channels complement each other in such a way that the customer never has to divert to using a competitor for the fulfillment of a particular MRO need. This is in line with Kotler and Armstrong (2011) saying that MRO buying customers wish to reduce their number of suppliers. The co-CEO and head of national sales emphasize the need for consistent communication and pricing in each channel (Jäger, 2016) and, thus, imply that the various channels have to be perfectly coordinated to make them accessible and enable an easy switching for the customer (Schramm-Klein & Wagner, 2016). The head of shops explicitly differentiated between the term multi-channel and omni-channel in his answer (Verhoef et al., 2015), explaining that omni-channel refers to a higher level of cooperation between marketing channels (Brunner & Rudolph, 2015; Wolf & Schmidt, 2017).

With regards to the Dutch shop employees, three out of the eight shop employees questioned were not able to explain the concept of a multi-channel strategy. Most strikingly, two of the shop employees stationed in one of the most successful shops in terms of multiple channel use by customers, were not able to explain a multi-channel strategy. The other five shop employees were able to define it by indicating that multi-channel means engaging in sales via different marketing channels - solely focusing on the quantitative element (Brunner & Rudolph, 2015; Schramm-Klein & Wagner, 2016). Two of those five add that the channels do not solely have the purpose of sales but also the gathering of information - indicating they correctly identified that the channels serve more functions than just sales (Schögel, 2012). By contrast, all of the sales representatives were indeed able to explain part of the concept of a multi-channel strategy by confirming that multi-channel is about sales via more than one marketing channel (Heinemann, 2011; Jäger, 2016). Some (2/8) of the sales representatives in middle management positions were able to explain that these different channels ideally should complement one another in an integrated channel strategy and thereby showing a holistic understanding of channel integration (Brunner & Rudolph, 2015; Verhoef et al., 2015).

In the Dutch sales subsidiary the understanding of integrated channel systems (to which they colloquially refer to as ‘multi-channel’) decreases with a decreasing hierarchical level. At levels of the management directly responsible for the shop channel, leaders can differentiate between the purely quantitative element of having multiple marketing channels in a multi-channel setting (Brunner & Rudolph, 2015; Schramm-Klein & Wagner, 2016) and a form of channel integration that could be classified as cross-channel (Wolf & Schmidt, 2017). Also elements of omni-channel systems, such as the need of total consistency in pricing and information (Jäger, 2016), were recognized. Moreover, a realization that the integrated...
channel strategy affects all organizational elements of the business (Rittinger, 2014), can be confirmed for the management. As one moves down to the levels of lower management, two out the four sales representatives in coordinating positions displayed an understanding that could be marked as multi-channel with elements of cross-channel via the addition that marketing channels ought to complement each other (Wolf & Schmidt, 2017; Haderlein, 2012). On the employee level the understanding of the integrated channel strategy was purely focused on multi-channel - with only regard to the quantitative aspect of having multiple marketing channels (Brunner & Rudolph, 2015).

The Purpose of Following the Strategy

The goal of the integrated channel strategy is also generally quite clear for management. Both directors repeat the fact that an integrated channel strategy leads to higher utilization of the customer’s sales potential if the customer indeed starts buying in more marketing channels. Another benefit is increased customer retention if and when a customer buys in more than one marketing channel as previously concluded by Kumar and Venkatesan (2005). Additional competitive advantages of integrated channel systems (Rosenbloom, 2007; Rittinger, 2014) for industrial distributors of MRO goods are also mentioned by one director. Namely, that if the firm wants to transform itself into a MRO goods manager instead of staying a MRO goods seller, it must offer additional marketing channels to customers that are compatible with their specific procurement needs (Kotler & Armstrong, 2011). Moreover, he claims that in the modern age not all customers appreciate a time-consuming visit by a sales representative (Wilson, 2000). The head of shops argues that a rejection of integrated marketing channels could lead to customers simply leaving for competitors as also observed by Kernaghan (2013). Except for the three shop employees who were unable to explain the multi-channel concept, all shop employees and sales representatives were able to convey that multi-channel allows the sales organization to make more sales to existing customers. The majority of them were able to add that connecting with the customer via multiple marketing channels increases customer loyalty (Kumar & Venkatesan, 2005). Hence, management and subordinates (with a few exceptions) are roughly in alignment with regards to the goal of the integrated channel strategy.

The Attitude towards the Strategy

Management’s attitude towards an integrated channel strategy skews from neutral (head of shops) to positive (both directors). The two directors saw the management challenge -a complex transformation of what once was a direct sales organization- presented by the transition towards sales via integrated marketing channels as a managerial and organizational learning process (Rittinger, 2014). Which would require a fair amount of learning by doing as both directors indicate that unlike in the familiar management of a direct sales force, they do not know yet ‘exactly what buttons to push’ to achieve intended results. All things indicate top management of the Dutch subsidiary seems committed to the integrated channel strategy (Hansen & Sia, 2015; Kersmark & Staflund, 2015). Directors and head of sales are aware the changes could lead to feelings of fear and uncertainty amongst the rank and file employees (Cao, 2014).

Almost all of the shop employees are skeptical towards the multichannel strategy indicating that shifting of customer sales from the shop to e-commerce affects them negatively. Only a minority (3 / 8) mentioned some positive aspects of the new integrated channel strategy. These few positive aspects pertained to customers being more prepared and informed when they decide to buy in the shop - a practice known as webrooming (Schramm-Klein and Wagner, 2016). And only one shop employee claimed he appreciated the lighter workload that e-commerce brought him. All three of these (partly) positive shop employees worked in successful shops in terms of cross channel shopping customers, suggesting that breaking free from the silo mentality (even through ignorance) could contribute to a more unified shopping environment in and around the shop (Wilson & Daniel, 2007; Jeanpert & Paché, 2016).
The sales representatives signal that in general the current integrated channel strategy has no negative consequences for them— it offers them more opportunities to make money without having to put in more work because they receive commission over any purchase made their customer. Dutch shop employees almost unanimously (6 / 8) have a negative attitude towards integrated sales channels because any sales orders they have to share with other sales channels means a threat to the attainment of their personal sales target. Especially the e-commerce sales channel is considered an unwelcome addition by almost all shop employees. The above reaffirms the importance of well adjusted worker incentives to create positive and cooperative attitudes (Cao, 2014; Bianchi et al., 2016).

The Role and Objectives of the Shop within the Channel Strategy

In the integrated channel strategy of the Dutch subsidiary the shop plays several roles according to the management. The directors argue that the primary function of the Dutch shops is a backup for customers who need to make an immediate, unforeseen purchase and who cannot wait for it to be delivered the day after. In this scenario the assigned sales representative has failed his goal of unburdening the customer of his MRO needs. For this purpose the shop ought to be as close as possible to the customers whenever possible according to the directors. In this conception of the shop it most closely resembles that of a local B2B service point as proposed by Simons, Steinfeld and Bouwman (2002). The director responsible for operations remarks that the Dutch shops, in comparison to their German counterparts, could best be characterized as pick-up shops given that the spread of Dutch shops is very thin. The head of shops stresses the function of the traditional retail shop in which customers are able to browse and discover new products across categories and divisions. This view resembles the B2B shop as described by Noad and Rogers (2008) with physical product browsing and discovery (Pauwels & Neslin, 2015) setting the shop apart from the sales representative and e-commerce channels.

The management collectively emphasized the importance of physical experience of products by the customers and the possibility for them to receive personalized advice on the use of products - features that are impossible to enjoy in the other channels (Piotrowicz & Cuthbertson, 2014). Additionally, according to the management the shop serves as meeting point, where sales reps invite customers for events or where the customer can receive complementary training and schooling in the utilization of products. Thus, the shop functions as a support of the work of traveling sales representatives (Mantrala & Albers, 2012) and as a point where strictly offline marketing channels integrate (Piotrowicz & Cuthbertson, 2014). The head of shops additionally mentions that the shops serve as a brand experience as well as a physical manifestation of the brand throughout the Netherlands. This links to Arya and Mittendorf’s (2018) observation that intangible marketing channels (e.g. direct sales force, e-commerce) have trouble accomplishing these things and thus set up physical shops and contact points.

The Dutch customer base of the shops is tiered in several levels: according to the head of shops the shop channel is ideally positioned to cater to small independent professionals and subcontractors who operate from their van and have no permanent delivery address. One director adds that for slightly bigger customer segments the shop is geared towards small mobile units that work on location and might occasionally need to pick up something on an ad hoc basis in the shop. If the customer so chooses, the shops could serve those same mobile units as a local resupply center. These observations re-emphasize the role of shops as local brick and mortar B2B service stations (Simons et al., 2002). He continues to say that for big key account customers (>50 employees) the shops could function as local warehouses, with racks of goods reserved just for them. As well as other complementary services, such as waste management of toxic and corrosive remains of products. Such close cooperation with the customer is more reminiscent of Wilson’s (2000) example of big MRO customers getting (parts of) their own shop in their workplace. The head of sales also adds that the main clientele of shops are customers from the wood working, metal working and construction sectors, which highlights the diversity of types of MRO customers the shops receive (Kaplan & Sawhney, 2000). Surprisingly, none of the management members addressed any support functions the
The perspective of shop employees on the role of the shop in the integrated channel strategy aligns with that of the head of shops and the directors, as all shop employees emphasize one or more of the traditional (industrial) retail functions Noad and Rogers (2008) describe as well as acknowledge the importance of unforeseen emergency purchases, as a service point (Simons et al., 2002). The majority of interviewed sales representatives (6/8) mentioned they invite new customers to the shop to show off the product collection, and (4/8) mentioned that they proactively promote marketing events organized in shops in their sales area to their customers as mentioned by Kersmark and Staflund (2015). Merely one shop employee remarked that the shop serves a support function for the various activities of the e-commerce channel, like click and collect and e-commerce returns (Pauwels & Neslin, 2015; Cao, 2014).

The overall view of the Dutch shop channel that emerges is one of primarily a pick up shop format that caters to customers unforeseen and immediate MRO needs. For smaller customers the shop fulfills (industrial) retail functions (Noad & Rogers, 2008), for big customers it becomes more of a localized service point (Simons et al., 2002). Members of the shop channel (head of shops and shop employees) emphasize the retail function, whereas other management and sales representatives emphasize support functions (or hub role) shops have for other channels (Piotrowicz & Cuthbertson, 2014). The management and employees both see the shop as a point of integration of sales representative and shop channels. There is little to no practical attention to integrating e-commerce in the shop by the staff and sales reps, which contrasts the enhanced future e-commerce retail trends described by Cummins et al. (2016), Pauwels and Neslin (2015) as well as Avery et al. (2009).

5.2.2.2 Promotion of Sales in Integrated Channel Systems

Management perspective

The directors of the Dutch subsidiary are both actively engaged with the topic, each in their own way. The director primarily responsible for shops takes a holistic approach and recognizes that the change lies with the people who must execute the integrated channel strategy every day: the (shop) employees, their training and the readjustment of their mindset. He adds that change also depends on the recruitment of new staff which should be equipped to work in the new channel strategy. The need for preparing the (shop) employees for a future in which the integrated channel strategy places more demands on workers is also described by other researchers (Janz, 2016; 2017; Cao, 2014; Hansen & Sia, 2015). The other director is primarily engaged in the improvement of price consistency and transparency in every marketing channel, including the shop channel. In a tandem he pays attention to improving the overall consistency in the flow of messages to the customers. It shows a sense of priority given that integration of the entire marketing communication and product information is a necessary condition for a working integrated channel strategy (Heinemann, 2011; Saghiri et al., 2017; Wu & Wu, 2015). Both of the directors thus make an effort every day to adapt the organization in order to facilitate the execution of the integrated channel strategy (Rittinger, 2014). As far as the head of shops is concerned, he does relatively little to promote the implementation of the integrated channel strategy. The issue is of secondary importance to him, as he is currently not held accountable for it. This point exemplifies the importance of proper incentivization of the management and staff to motivate the promotion of combined channel use (Bianchi et al., 2016; Wilson & Daniel, 2007). The only attention paid to it from his perspective is making sure the shops are equipped with point-of-sale materials advertising shopping in different marketing channels as well as ensuring the in-store kiosk (console computer), that presents the whole product range is present and functioning. These promotional materials are also methods suggested by the literature (Heinemann, 2011; Kersmark & Staflund, 2015).
Employee Perspective

Operative Behavior

The secondary priority of the promotion of the integrated channel strategy at the top of the shop channel is reflected by staff on the shop floor. Efforts on their part are limited to making sure point-of-sale material is present in the shop, they might suggest to customers to contact their sales representative about services or products the shop cannot deliver, and they might mention in passing that e-commerce is a possibility. However, one shop employee is blunt and states that e-commerce is not promoted in any proactive manner. This illustrates again the necessity of proper incentivization and motivation of employees (Bianchi et al., 2016; Wilson & Daniel, 2007), as they will not promote what they perceive to be detrimental to their personal situation.

The unintentional promotion of the integrated channel strategy comes from the fact that (especially beginning) shop employees will rely on the smartphone app and in-store kiosk (computer console) to look up product information. And thus trigger interest in these things amongst customers. When quizzed on their last interaction in which they promoted combined channel use, four shop employees responded they used the app to look up product information, one could not remember, and three others remember themselves prompting their customer to get back in touch with their sales representative. The four interviewed Dutch sales representatives tend to behave remarkably similar to the shop employees meaning that there is mostly only reactive promotion for e-commerce solutions (even click and collect). When proactively pushing the customer towards different sales channels, it is mostly the shop channel by receiving the customer there to showroom the product range. Sales representatives in leadership roles claim that they proactively stimulate the promotion of all available sales channels amongst the sales representatives they supervise in the field. But in reality generation of awareness amongst customers of the other marketing channels (Kersmark & Staflund, 2015) is only proactively pursued for the use of the shop and sales representative channel. The primary thing the e-commerce channel is used for is webrooming (Wolf & Schmidt, 2017; Jäger, 2016). The sales representatives use the shop for the showrooming of products and shop employees welcome this to get traffic to their shops. But at the same time shop employees try to prevent becoming a showroom for the e-commerce channel (Wolf & Schmidt, 2017), by paying little or no attention to the creation of customer awareness about actual e-commerce purchasing possibilities (Kersmark & Staflund, 2015).

Communication within the Organization

In the Netherlands all shops are manned by one shop employee, and amongst shop employees contact is limited. Besides two juniors, no shop employees could exactly tell how other shop employees work. Most shop employees were even unable to say what springers do when they fill in for them in their assigned shop - beyond what they can read in a very succinct daily report. When there is no contact between shop employees, they do not share any information, let alone customer information regarding customer interactions. While integrated channel strategy literature (Heinemann, 2011) worries about inconsistent quality of service and communication from channel to channel, it is possible that in one shop of the Dutch shop channel service may vary greatly depending on who mans the shop that day. Information about shop customers in shops that are not manned by an assigned shop manager, who is there at least four days a week, is scattered over multiple shop employees who fill the shifts leading to inconsistent service (Schramm-Klein & Wagner, 2016; Wolf & Schmidt, 2017). One sales representative said the fluctuation of staffing is a big problem and can make the sales representatives hesitant to funnel customers towards the shop, as the salesmen fear their customers might receive bad service.

On a daily basis the shop employees communicate most frequently with the sales representatives that operate in the area around the shop. The quality of communication and teamwork largely depends on the interpersonal relationship between the sales representative and shop employee and is conducted via informal and ad hoc communication tools, such as face-to-face contact, phone and email contact. The sales reps that operate around the shops
confirm these observations. Provided that the relationship between the shop employee and the sales representative is good, they will exchange information about (imminent) customer problems that require solving but also major sales opportunities. From the perspective of the literature regarding customer relationship management in integrated channel strategies this is undesirable (Heinemann, 2011). The informal and unstructured manner of communication means that customer information could get lost, is inaccessible to new shop employees and salesmen and hard to search or synchronize (Cao, 2014; Heinemann, 2011; Wu & Wu, 2015; Schramm-Klein & Wagner, 2016; Wolf & Schmidt, 2017). Furthermore, the quality of the communication is too dependent on the interpersonal relationship. This dynamic is reinforced by the fact that around shops with assigned shop managers, who have been around for quite some time, networks of relationships will form with ‘short and effective lines of communication’. However, these networks are completely inaccessible to relative outsiders (in other channels) who may need the information to serve customers (Schramm-Klein & Wagner, 2016; Wolf & Schmidt, 2017; Cao, 2014; Heinemann, 2011).

Motivation and Incentives

As of yet Dutch shop employees are not incentivized or actively motivated by their bosses to promote shopping in multiple channels amongst their customers, in order to further the integrated channel strategy. As mentioned before the head of shops does neither see it as any priority to promote combined channel use to his customers, because it is not a criteria he is evaluated on, nor is he rewarded for customers he refers to other channels. The same holds true for the shop employees he manages. They indicate that their performance is evaluated by achieving their monthly target of over-the-counter transactions in the shop. Cao (2011) argues this is a great hindrance in the pursuit of an integrated channel strategy as this leads to the channel not having an incentive to cooperate. If channel staff has no incentive to cooperate they will not promote the use of other channels very effectively (Wilson & Daniel, 2007; Heinemann, 2011).

The directors of the Dutch subsidiary, who are very aware of the fact that shop employees do not enjoy commissions over referrals to other channels, feel hesitant about providing them with (monetary) incentives because according to the head of national sales this risks making the existing monetary incentive structure more complicated and bloated. And the head of regional sales argues that monetary incentives might not be the magical cure-all for the problem. Their bet is on achieving a gradual shift in corporate culture regarding channel cooperation (Cao, 2014; Hansen & Sia, 2015; Kersmark & Staflund, 2015) and that via staff training and leadership by example (Kersmark & Staflund, 2015).

Marketing Communication

The Dutch head of shops has noted a vast improvement in the online presence of the Dutch subsidiary, but in other areas of marketing communication the Dutch sales subsidiary may be lacking. For instance, the website may not be promoted properly by the sales representatives who are the main intermediary of information transmission to the customer. The current marketing communication and messaging in and around the shops throughout the country is hit & miss and fails to communicate quickly and effectively, what the Dutch subsidiary’s brand stands for. The national head of sales experiences this problem as well, as the management wants to position the subsidiary as a MRO goods system manager for customers, instead of being ‘just a MRO goods sales organization’. This message proves hard to convey. His additional focus point is improving the overall consistency of information in messages send out to the customer.

Shop employees have mixed reactions to the quality of marketing communication toward customers, five out of eight shop employees complained about being confronted on occasion with customers who erroneously assumed they could benefit from sales promotions meant to be purchased online or only with the sales representative. Interviewed sales representatives report similar issues - the sales promotions can turn out to be more expensive for their customers than the normal price. Clearly there are several communication inconsistencies in the sales promotions and special offers that negatively affect overall
communication (Saghiri et al., 2017; Wu & Wu, 2015). Promotions are misunderstood by customers and not applicable in every channel (Heinemann, 2011; Saghiri et al., 2017) causing more confusion. Two sales representatives think that customers are overwhelmed with information from different channels and departments in the firm, and as the primary contact point and source of information for their customers, the sales representative must clear up any confusion amongst their customers. One sales representative expressed the desire to have more control over the flow of messages to the customer, so he can prevent these confusions. These admissions indicate that information, publicity and promotions have higher prominence in the sales representative channel than in other channels, which should not be case in integrated channel systems (Heinemann, 2011; Saghiri et al., 2017; Wu & Wu, 2015).

Additional frustrations experienced by shop employees were incorrect prices quoted in shops. Items in the shop have no price tag, as each business customer has his own prices. It is up to the sales representative to negotiate and set a price (a percentage of a base price) and report them correctly so other channels can quote or charge the correct price. If the negotiated price is not correctly reported customers are charged the (higher) base price. The price consistency problem will pervade all the marketing channels and their (marketing) communication to the diverse customer bases, because each customer has his personal price level.

Another shop employee did not notice these issues at all, and two others had either the sales representative solve it for him or changing prices himself for the customer. As with the sales promotions discussed earlier, once again, the view emerges that the sales representative channel is the most dominant and important source of information and communication about prices, which goes directly against the purported integrated channel strategy (Heinemann, 2011; Wu & Wu, 2015).

5.2.2.3 Channel Conflict

The Management Perspective

The directors and head of shops are aware of various conflicts over revenue within the organization (Heinemann, 2011), most of which are attributed by the management to misunderstandings of the sales strategy by the shop employees. Both directors say that limits to the implementation of the integrated channel strategy are due to the older age of some employees, a lack of (digital) skills as well as a conservative mindset with a focus on the short term sales. This type of adjustments via training are also suggested by Janz (2016; 2017) as well as Kersmark and Staflund (2015).

As one director notes, a problem is the difference in time preference between the employee and the firm. The time horizon, in which shop employees base decisions, is shorter than that of the firm. The short term thinking amongst the shop employees results in them only seeing the downside of the integrated channel strategy; namely the sharing of customers with other channels resulting in lower monthly bonuses. The long term benefit for the shop employee, namely improved customer loyalty is not factored into their day-to-day decision making. A classic case of channel conflict (Heinemann, 2011). According to the directors this is due to the fact that the shop employees do no fully understand the new strategy and that this counterproductive silo thinking must be slowly changed over time by continuous training, leadership by example and the hiring of new staff that has the (digital) skills and appreciation of modern omni-channel sales strategies. The latter is a rationale well described in the literature (Cao, 2014; Hansen & Sia, 2015; Kersmark & Staflund, 2015). Additionally, in the current performance evaluation of marketing channels up until the management level, only the sales representative channel is being held accountable for the rate of customers shopping in several channels. Other channels, such as shops and e-commerce, are not, which constitutes a lack of proper organizational incentives that are (potential) sources of conflict (Cao, 2014; Bianchi et al., 2016; Wilson & Daniel, 2007; Heinemann, 2011).

The head of shops identifies a second source of channel conflict, namely the sales representatives influencing their sales orders to optimize and ensure the completion of their sales targets. By maintaining control over some or all customers and not sharing them with
other channels, sales representatives can convince customers to place regular orders before or after the end of the month. If a sales representative is short in his sales target, he makes more visits and convinces customers to buy early. If he has met his sales target, the representative can shift orders to next month by reducing visits to customers. This can be interpreted as another fight over control of resources - customers in this case - making it another obvious case of channel conflict (Heinemann, 2011). Maintaining a level of control is only possible, if the sales representative does not encourage his customers to shop in other channels - blocking the customer flow to those other channel (Wilson & Daniel, 2007). And even if the sales representative stimulates the customer to shop elsewhere, he continues to exert a high degree of control over the customer relationship via the power the sales rep has over any of his sales accounts in the Dutch subsidiary.

The Employee Perspective

The two sources of channel conflict also become clear when investigating the interaction of shop employees and the sales representatives directly. Most notable is the skepticism almost all shop employees feel about the introduction of e-commerce. The majority of them experience this as a negative influence. Predominantly because they fear loss of sales orders when the shop customer adopts e-commerce (Heinemann, 2011). They doubt the effectiveness of e-commerce in the process of cross- and upselling. Also, they deem e-commerce to be too impersonal for their customers.

The second source of channel conflict, caused by influencing incentives by the sales representatives is felt by shop employees. As described by the head of shops, three out of four sales representatives interviewed confirmed they prefer control over (part of) their customer pool in order to secure their monthly sales target (Heinemann, 2011). Two supervising sales representatives confirm that sales representatives have the desire for control over the order flow, despite the encouragement to funnel customers to other channels. This is clearly a case, where monetary incentives override the encouragement and guidance (Bianchi et al., 2016; Wilson & Daniel, 2007). Most shop employees are aware of the motivations of the sales representatives and have to work around or accept the meddling of sales representatives. The longer established shop managers will try to cultivate reciprocal relationships in which sales representatives keep sending customers to the shop. But sometimes they find that some sales representatives do not cooperate and that inconsiderate salesmen only refer the customer to the shop for less lucrative but more demanding orders. In this manner sales representatives free-ride on the hard work of the shop employee, but do not grant business in return as a reward. One specific complaint is for instance that telephone sales representatives based in the Dutch central office will not always send their small customers to shop events. The current dynamic here is that given the influential position of the sales representative as the main customer contact point, the sales representative can overturn any initiative shops engage in, to change customer behavior.

5.2.2.4 The Customer Experience

Role of Digital Devices and Tools in the Customer’s Shopping Experience

The role of digital devices was not addressed in detail by either interviewee group, the management or the employees. However, both mentioned the fact that Dutch customers increasingly use the website and the smartphone app to navigate the large product catalogue of the industrial distributor. Only one sales rep in the vicinity of one of the successful shops clearly saw a younger generation of buyers slowly replacing the old guard of conservative buyers in various firms and explicitly asking for digital solutions to quickly find information and order products. Which could indicate that the trend towards research shopping observed by Schramm-Klein and Wagner (2016) does not extend to all types of SME customers that like use a B2B shop for the procurement of their MRO goods.
Appreciation of Integrated Channel Systems by Customers

The Dutch management acknowledges that not all customers are ready for the integrated channel strategy. The director mainly responsible for operations notes that the vast majority of the Dutch subsidiary's customers use only one or two sales channels. He and the head of shops think that a considerable part of customers is not yet aware of the benefits of using multiple marketing channels to buy MRO goods in. This runs directly against Jäger's (2016) and Schramm-Klein and Wagner's (2016) conclusion that customers appreciate multi-optional channel use. The head of regional sales posits that customers differ in their technical sophistication and must have management systems in place to be able to start using additional channels effectively. In his view the industrial distributor should wait for the customer to signal that he is ready to adopt a new channel for MRO supplies Moreover, the firm should not force the (full) integrated channel strategy on an unwilling customer.

The sales representatives and shop employees' views more or less align with that of the management, meaning that they think it depends on the type of customer. The consensus seems to be that older, more traditional accounts will keep purchasing MRO goods with the sales rep and maybe the shop. A crucial factor for customers to appreciate multi-channel systems is a shop closeby according to the majority of sales reps and shop employees. With a limited shop network throughout the Netherlands this can be a problem on occasion. Three out of four shop employees of the two laggard shops argue that bigger customers will appreciate contact with a sales rep in addition to using the shop and noted that there is a large contingent of smaller, mobile customers that only wants to use the shop. All three did not address the customer's attitude towards e-commerce in any meaningful manner. Of the shop employees attached to the laggard shops only a junior suggested that customers would only appreciate e-commerce for mundane orders and simple goods like bolts and screws. Two shop employees and a junior attached to the successful shops indicated that e-commerce might be appreciated by bigger customers.

According to two sales reps that operate near two successful shop there is a customer demographic that still sees the Dutch subsidiary primarily as a direct sales organization, and will use only the sales representative channel accordingly. Indeed in the not so distant past this was the case for most industrial distributors (Narus et al. 1984; Wilson, 2000). The incorrect customer perception of the firm illustrates the problem of limited awareness by customers of the possibilities of integrated channel, which Kersmark and Staflund (2015) highlight as an important task of communication to the customer. According to the Dutch management, namely the head of shops and head of national sales, the sales representative must function as a multi-channel ambassador and funnel customers to the other marketing channels. However, both managers observe that some sales representatives put very little effort into this. Hence, the varying degrees of effort could be a result of limited knowledge and awareness on the part of the sales reps. The correction of the sales reps' behavior regarding this issue is a responsibility of the management according to Kersmark and Staflund (2015).

5.2.2.5 Success Factors of Integrated Channel Systems

The directors interviewed both identify price consistency and transparency in all marketing channels as a necessary condition first and foremost. The head of shops mentions only one success factor regarding the effective implementation of any type of multi- or omni-channel strategy, and this is the integration of specific integrated channel goals and incentives in the job description and payment structure of shop employees. Currently these aspects are completely absent for employees that are not sales representatives. And hence, the further development of the integrated channel strategy is not a goal that is paid much attention to in the management of the shop channel. Without a defined integrated channel strategy goal on which the shop channel is evaluated, the head of shops deems it is useless to discuss any other success factors. The claims of the head of shops find wide support in the literature (Cao, 2014; Bianchi et al., 2016; Wilson & Daniel, 2007; Heinemann, 2011), with Cao (2014) suggesting that channel management should get credited for customers a channel starts sharing. As these are not in place, little action can be expected. According to the managers there exist no key performance indicators for the integrated channel strategy in the shop
channel. The director focused on shop management declared that these are in the process of being formulated, which may explain the limited focus on integrated channel strategy in the shop channel. Without clear KPIs and expectations, the channel management is unlikely to behave or promote the integrated channel strategy in any specific way (Bianchi et al., 2016).

Other important success factors mentioned by the directors are the user friendliness of marketing channels and the compatibleness of the marketing channels with the procurement, business and IT systems and processes of the customers as well as proper IT support for the marketing channels. In the literature these topics are collectively referred to as the harmonization of processes and infrastructure (Heinemann, 2011). Furthermore, the head of national sales stresses the importance of availability and reliability of information regarding products and service, which Schramm-Klein and Wagner (2016) and Saghiri et al. (2017) refer to as the availability of the same product information in all channels. Another point of focus in the mind of the head of national sales is overall consistency of communication towards the customer, understood in the literature as integration of communication, branding and promotion (Heinemann, 2011; Saghiri et al., 2017; Wu & Wu, 2015; Kersmark & Staflund, 2015). Lastly, the head of regional sales argues that the sales staff in every marketing channel that must work within the new integrated channel strategy must be able to understand the strategy, adapt their daily activities accordingly and have the (digital) skills that the new channel strategy require of them. These overarching concerns are described in the literature as integration of the organization (Cao, 2014; Hansen & Sia, 2015; Kersmark & Staflund, 2015) to facilitate the integrated channel strategy. And the concerns over the quality and behavior of the staff override any worry over any lack of digital linkage tools between marketing channels. The head of regional sales deems the linkages currently present in the shop, (in-store kiosk, the smartphone app, scannable QR- and barcodes) are not yet introduced or explained properly to the customers. The thought seems to be that before any attention is given to new linkages, first the staff working with the linkages must improve. Both directors are adamant that the success factors mentioned in this paragraph should apply similarly across all sales channels of the Dutch subsidiary including the shop.

6. Discussion

This chapter contains the final identification of the organization’s headquarters’ and Dutch subsidiary’s level of shop channel integration based on the preceding analysis. Furthermore, based on these results, areas of improvement that should help to increase the level of channel integration are identified.

6.1 Identification of integration level for each organization’s shop channel

In keeping with the mixed method research strategy the authors have collected two sources of data, namely quantitative and qualitative. In this analysis both of these types of data will enable the authors to determine the level of integration of the shop channel in both, the parent and subsidiary companies in Germany and the Netherlands respectively.

6.1.1 The Management Survey

A survey was conducted polling the management of the shop channels (on the regional level in Germany and the national level in the Netherlands) on the success factors identified in the literature. While in Germany the survey was addressed to managers of the sales department, which are responsible for the shops as well as for the sales reps, due to the small size and structure of the Dutch subsidiary the survey was here addressed to the whole management of the subsidiary, independent of the channel they are responsible for. Both cases have a comparable overall score (Germany: 2.9, Netherlands: 3.0) indicating that both are at the multi-channel level of integration. The overall results of this survey directly contradicted the expectations that the headquarters shop channel is better integrated than the subsidiary’s shop channel due to more experience and financial resources. The bad
measurement may be a case of self-assessment bias, which is one of the downsides of self-assessment surveys.

Despite the comparable overall result, the pain points leading to the score differ between the countries. While the **integration of the customer relationship management** got the lowest score in Germany (2.4), in the Netherlands it has one of the highest score of 3.4. It is the same for the second lowest score in Germany for the **integration of transactions** (2.5), which shares the highest score of 3.4 in the Netherlands with the **integration of CRM**. The **integration of customer services** seems to be a joint pain point (Germany: 2.7, Netherlands: 2.8). All three factors are crucial for the cross-channel level of integration in order to allow for seamless channel switching but minor for the multi-channel level (Heinemann, 2011; Saghiri et al., 2017; Schramm-Klein & Wagner, 2016). The main pain points of the Netherlands are the **integration of the organization** (2.5) and **Information/Visibility** (2.7). Both topics got an average score of 3.1 for the first and 2.9 for the latter in Germany. They are at least to some extent already relevant for the multi-channel level of integration (Schramm-Klein & Wagner, 2016; Saghiri et al., 2017; Cao, 2014; Hansen & Sia, 2015; Kersmark & Staflund, 2015). That the Dutch management evaluates factors relevant for the cross-channel level as strengths and factors relevant for the multi-channel level as weaknesses confirms the doubts about the relatively high overall score for the Dutch organization’s shop channel. The in-depth interviews will give a more detailed view on the level of integration and the comparability of the two cases.

### 6.1.2 Combination of Results from Quantitative and Qualitative Sources

Based on the same success factors used to formulate the management survey, interviews were conducted to complement and address the gaps in knowledge left by the quantitative methods. For every relevant criterion addressed in the evaluation template (figure 2) a short analysis is made using qualitative and quantitative data. The qualitative results are used to determine the accuracy of the management survey.

#### 6.1.2.1 Synchronization of Merchandising Management

The most important criteria for the synchronization of merchandising management include the synchronization of prices and of product availability in the shop channel with the prices and product availability in the other channels. The shops in Germany and the Netherlands are both equipped with roughly the same digital linkages, such as the in-store kiosk and barcodes to scan with the app, offering the customer the possibility to see the entire product assortment available in the online shop while being in the shop (Cao, 2014; Wu & Wu, 2015; Schramm-Klein & Wagner, 2016; Saghiri et al., 2017). Both countries therefore reached the multi-channel level according to Jäger (2016) and Schramm-Klein and Wagner (2016). But still one could argue that the presentation of the entire assortment in the shop in Germany and the Netherlands differ via the way these functionalities are introduced and explained to the customer. In the Netherlands the management indicates that the weakness is still the shop employee who should introduce and teach the customer how to further explore the product range not merchandised in the shop. The quality of that activity is currently judged as too low. Going by what the Dutch shop employees conveyed during the interviews, they promote the use of digital tools only sparingly. By contrast, in the German shop channel there are employees who will proactively demonstrate to the customer the functionalities of the smartphone app and the website. Some shop employees mentioned that they scan products together with the customer, and explore the rest. It can be concluded that the German shop employees increase the effectiveness of the assortment presentation in the shop and along with that facilitate channel switching for the customer. The question is now if the promotion of and the information about the online channel, where the entire assortment is presented, is as effective to enable seamless channel switching and thus justifying to be rated at a cross-channel level according to Brunner and Rudolph (2015) as well as Wolf and Schmidt (2017). Five interviewees claimed that the customers do often not know about the possibilities offered through the integrated channel systems and three of them see the shop employees as the source of the problem. In addition, the effective use of the app in the shop is also questioned.
as there is no Wi-Fi in the stores. This indicates that despite being more effectively in this
criterion than the Netherlands, Germany did not reach the cross-channel level yet.

The criterion concerning the ease of placing an order in the shop channel is closely
connected to the criterion concerning the presentation of the entire assortment, because in
order to synchronize the merchandising management the customer does not only need to be
able to see the entire product range but must also be able to order it (Cao, 2014; Wu & Wu,
2015; Schramm-Klein & Wagner, 2016; Saghiri et al., 2017). Due to the close connection the
line of argumentation for both criteria is similar, as both refer to the online shop and how
effectively it is shown and can be used. And as the customer can not only see the products in
the app but also order them there, the criterion is generally fulfilled by both countries for the
multi-channel level (Schramm-Klein & Wagner, 2016; Jäger, 2016). However, the customer
can also just place an order in the shop through the shop employee, which explains the
relatively high survey scores for this question of 4,1 for Germany and 4 for the Netherlands.
This possibility increases the ease for the criterion from the shop perspective. Still, the
customer is dependent on the availability of the employee and might have to wait, which
negatively influences the ease and effectiveness of it. This is underlined by interviewees of
both countries saying that the time of shop employees is very limited. Apart from that, the fact
that an order can only be placed, if the customer noticed the product, this criterion cannot be
evaluated higher than the criterion before. Consequently, the evaluation of this criterion does
not allow for a cross-channel level for either of the countries.

Amongst both, the German and Dutch management, there was attention to pricing, but
for different reasons. Generally, prices are negotiated by the sales rep and then put in the
system for all other channels to be used. Thus, there should be a general price consistency in
Germany indicating that the multi-channel level is reached according to Jäger (2016) as well
as Schramm-Klein and Wagner (2016). Nonetheless, one manager mentioned pricing as a
problem in Germany in the in-depth interviews due to the dependence on the sales rep.
Moreover, in view of the survey score for confusion about pricing (3,1), he does not seem to
be the only one seeing an issue here. Hence, if prices cannot be negotiated by all channels,
there might be obstacles to seamless channel switching for the customer for example in case
of need for renegotiations, the purchase of new products, for which the price is not negotiated
yet and for new customers. The cross-channel level is therefore not reached by Germany, yet
(Brunner & Rudolph, 2015; Wolf & Schmidt, 2017). In view of the fact that the shop channel
has started to rival the sales rep channel in terms of number of customers, turnover generated
and general importance, it might become practical to share the vital channel function of price
negotiation in Germany.

In the Netherlands there is management focus on pricing because prices quoted are
generally, but not always, consistent with the sales rep channel. This is likely the result of the
persistent custom of manual price adjustments by the sales rep which are not transmitted to
the other channels. Pricing consistency with other marketing channels is largely the case for
the Dutch shop channel, but sadly not a guarantee. A significant coherence in pricing policies
as demanded by Schramm-Klein and Wagner (2016) as well as Jäger (2016) is therefore only
more or less the case and would place the Dutch shop channel between the multiple channel
level and the multi-channel level.

6.1.2.2 Integration of Communication, Branding and Promotion

The different channels are operated under the same retail brand in both countries
confirming Schramm-Klein and Wagner’s (2016) characteristic of a multi-channel system.
Branding and corporate design hence seem to be significantly consistent across all channels
also confirming Jäger’s (2016) characteristic on a multi-channel system. This is in line with the
relatively high survey scores for this question: 4,2 for Germany and 3,6 for the Netherlands.
For Germany the evaluation might hence even be cross-channel level, as also the in-depth
interviews do not give any objection about it and the customers therefore seem to be able to
seamlessly switch channels without confusion about the brand (Brunner & Rudolph, 2015;
Wolf & Schmidt, 2017). Despite being relatively high, the survey score of that question for the
Netherlands shows some objections to being integrated to a high extent, which would justify the cross-channel level. In the in-depth interview with the Dutch national head of sales the consistency of the brand image with the brand positioning of the Dutch shop channel is evaluated as low. Based on this the Dutch organization is considered to be still on the multi-channel level in this criterion.

While in Germany shop employees do not detect customer confusion caused by contradictory marketing communication, some Dutch shop employees notice that customers will occasionally confuse sales promotions in the e-commerce channel for sales promotion in the shop channel. Shop employees in the Netherlands further noted small inconsistencies in marketing communication themselves as well. Additionally, the Dutch management did list this as a success factor to pay attention to. This is underlined by a survey score of 2.6 for the Netherlands for this question. The survey score for Germany of 3.3, however, conveys that also in Germany the situation might not be as good as the shop employees think. Even though customer confusion does not seem to be the main problem for Germany, overall advertising and promotion are not highly integrated either as for example campaigns or the loyalty programme are not consistent across channels. In view of the fact that no confusion is noticed in Germany, this criterion is rated to be on the multi-channel level. Due to multiple objections concerning the consistency of the Dutch promotion policies, the characteristic of a multi-channel system according to Jäger (2016) does not seem to be fulfilled. The Dutch organization is therefore rated to be on a multiple channel level for this criterion.

An important factor to reach the cross-channel level is the proactive promotion of combined channel use (Schramm-Klein & Wagner, 2016). In German and Dutch shops the staff has access to the same basic everyday tools in the shop to promote other channels, namely point of sale promotional material, the in-store kiosk, scannable barcodes of products and the smartphone app. How the staff utilizes these tools is, however, completely different. In the Netherlands any promotion of other channels seems to happen indirectly, without any clear intention. Dutch shop staff will refer to e-commerce solutions just to find product information and to sales reps for any request they cannot handle in the shop. Hence, for the Netherlands no proactive promotion can be detected. According to the definition of multi-channel systems it is, however, not necessary on that level, which justifies an evaluation of the multi-channel level for the Netherlands in this criterion. On the contrary, in Germany, especially in more successful German shops, shop staff promotes e-commerce solutions by introducing customers to the app and the click-and-collect functionality. Promotional methods to stimulate combined channel use which are unique in Germany, are shop employees that visit customers together with sales reps, as well as shop employees being able to check with customer sales data in which channel the customer is not shopping yet. The shop employee can follow up on that and ask the customer why he is not purchasing in that particular channel. As there are differences in the proactive use of those tools between regions in Germany, this criterion is rated to be between the multi-channel and the cross-channel level.

6.1.2.3 Visibility of Product Information

The availability of product information across channels is partly connected to the synchronization of merchandising management, especially concerning the price, which is a product information. As pricing policies should be significantly consistent in multi-channel systems according to Schramm-Klein and Wagner (2016) as well as Jäger (2016), the customer should also be able to see it in all channels. Moreover, it can also be argued that in general, if product policies are required to be significantly consistent across channels, so should the information about those products be – at least to some extent. Thus, as this criterion directly connects to the criteria for the synchronization of merchandising management also the same line of argumentation applies: As with the app the customers of both countries have the possibility to asses those information in the shop, but due to a lack of in-store Wi-Fi the availability might not be so easy and fast, this criterion is rated at a multi-channel level for the Netherlands and Germany.
The criterion concerning the awareness directly connects to the criterion of how effectively the order can be placed in the shop (in synchronization of merchandising management) as it also depended on the awareness of the customer. The level of multi-channel for Germany and of multiple channel/multi-channel for the Netherlands can therefore also be applied to this criterion.

The possibility to track the order fulfillment status is especially important for seamless channel switching connected to the cross-channel level according to Brunner and Rudolph (2015) as well as Wolf and Schmidt (2017). If a customer cannot track the order fulfillment status to a high extent independently of the channel the order was placed in, he is influenced in his channel choice. For the multi-channel level it does not necessarily have to be possible. Due to a lack of information from the in-depth interviews concerning this criterion it will be evaluated only based on the survey for both countries. The management of both, the German and the Dutch organization evaluated this criterion to be at the multi-channel level.

6.1.2.4 Integration of the Organization

Based on Kersmark and Staflund (2015), Hansen and Sia (2015) as well as Cao (2014) it is argued that in order to successfully implement a strategy, the management needs to understand it and be committed to it at least to some extent. In Germany most interviewees, from the management as well as from the employee side, were not able to explain what the multi-channel strategy, which they claim to follow, essentially is about. Almost all definitions rather matched the one of a multiple channel system. Nonetheless, the purpose of the strategy was understood by the interviewees. Hence, in this criterion Germany is evaluated between the multiple channel and the multi-channel level. The understanding of the Dutch management surprisingly seems to be better than in Germany, characteristics of channel integration instead were recognized, as opposed to just recognizing the quantitative aspect. Also the purpose was understood. As the employee side, however, shows severe deficits in the understanding, up to the point that three of them had no knowledge at all of the strategy, the Netherlands are therefore evaluated to be on a multi-channel level for this criterion. The Netherlands are rated a bit higher than Germany in this criterion as for the implementation of the strategy on a multi-channel level little proactivity is demanded of the employees according to the definition. The crucial part here is therefore the management.

Remarkably, the level of understanding of the strategy does not consistently relate to the level of commitment to the integrated channel strategy showed by the shop management and shop staff in the two countries. The general management in both countries, Germany and the Netherlands, seems to have a neutral or even positive attitude towards the integrated channel strategy, but crucially the head of shops in the Netherlands does not see promotion of the integrated channel strategy as one of his primary priorities. Consequently, he has no clear formulated policy to promote it in place. Also for Germany differences can be noticed on the level of the shop managers. Shop managers of top performing regions (in terms of the customers’ combined channel use) tendentially have a more positive attitude towards the strategy than the ones of laggard regions and also seem to support and encourage their employees more in the promotion of sales in multiple channels. Nonetheless, due to the commitment of the top performing managers the general level of commitment of the management to the strategy seems much higher in Germany than in the Netherlands. The Netherlands was rated to be on the multiple channel level for the commitment of the management, as it is not present at all from the shop perspective. Due to the regional divergence the German management is rated to be committed to a medium extent as a whole, which matches the multi-channel level according to Cao (2014), Hansen and Sia (2015) as well as Kersmark and Staflund (2015).

Concerning the commitment of the shop employees in the Netherlands, the lack of commitment from the side of the Dutch head of shops translates into very little encouragement and guidance of his employees regarding the promotion of the integrated channel strategy. Almost all interviewed Dutch shop employees felt skeptical about the integrated channel strategy and exert little effort to promote it. The Netherlands are therefore evaluated to be at
a multiple channel level here, too. For Germany it is the same, the commitment of the shop management translates into the commitment of the shop employees dividing them in higher committed top performing regions and lower committed laggard regions. The evaluation here will consequently also remain the same.

In terms of incentivization that promotes the integrated channel strategy there is a remarkable difference between the Dutch and German shop channels. The Dutch head of shops is not monetarily incentivized for cooperative sales and nor are his shop employees. As multi-channel systems do not demand a high level of proactivity for the promotion of combined channel use according to the definition (Heinemann, 2011; Jäger, 2016; Schramm-Klein & Wagner, 2016), a high commitment achieved through incentives (Cao, 2014; Bianchi et al., 2016; Wilson & Daniel, 2007; Heinemann, 2011) is not necessary for the multi-channel level. The Netherlands are consequently evaluated to be on the multi-channel level for these criteria (incentivization of management and employees).

In Germany, the regional managers are rewarded for cooperative sales, via a bonus based on total regional revenue in all channels. The shop managers and shop staff in Germany is rewarded with an e-business bonus - that should encourage them to promote e-commerce. However, seven out of eight employees state that the e-business bonus is ineffective due to intransparency and low amount or that the remuneration system needs to be revised. In line with that the management scored the questions in the survey concerning incentives in terms of multi-channel sales with 2.5 indicating that they are ineffective to medium effective. For the cross-channel level the incentivization of the management needs to be effectively to encourage the necessary proactivity and commitment (Cao, 2014; Bianchi et al., 2016; Wilson & Daniel, 2007; Heinemann, 2011) that can then be translated to the employees. Thus, the level of integration of the management on the shop level is evaluated to be on the multi-channel level for this criterion due to lacking effectiveness. Concerning the employees, however, it was proven in the case study by the top performing regions, that proactive promotion of combined channel use does not necessarily require very effective monetary incentives if the head of shops is committed to the strategy and supporting the employees. The effective incentivization of employees, a success factor of integrated channel systems according to various authors (Cao, 2014; Bianchi et al., 2016; Wilson & Daniel, 2007; Heinemann, 2011), is therefore only relevant for omni-channel systems. Hence, in this criterion Germany can be evaluated to have the cross-channel level.

Neither for Germany nor for the Netherlands performance indicators in the context of the promotion of combined channel use were mentioned, except for the e-business bonus in Germany for which the measurement was not clear to a lot of interviewees. Here the same line of argumentation can be applied as in the paragraph before concerning incentivization as incentives are based on some kind of performance measurement. More specifically the line of argumentation for the incentivization of the management applies here, as in order to encourage proactivity and commitment, effective incentivization and thus performance measurement is primarily crucial for the management. This criterion is therefore rated at a multi-channel level for both organizations’ shop channels.

6.1.2.5 Integration of Customer Services

It is argued that seamless channel switching in a cross-channel system (Brunner & Rudolph, 2015; Wolf & Schmidt, 2017) demands a high extent of integration of customer services, meaning that the channels are interconnected to such an extent that their specific services complement each other (Saghiri et al., 2017; Schramm-Klein & Wagner, 2016). Multi-channel systems do not necessarily require it (Heinemann, 2011; Jäger, 2016; Schramm-Klein & Wagner, 2016). The pre-purchase service of price negotiations was a service not available in the shop in either country. Moreover, in both countries shop employees have raised the issue of the unfairness of having to provide sales consultation to a customer who then places his order in another channel. In the Dutch shop channel shop employees will allow sales reps to use their shops for showroaming purposes and will help customers sent to the shop by sales reps. But in general Dutch shop employees are hostile to the idea of having to function
as to showroom for the e-commerce channel. In the German shops this negative sentiment towards e-commerce is less severe, perhaps also because German shop employees understand and promote click-and-collect ordering. The German shop channel consequently facilitates pre- and purchase phase customer services of the sales rep to some extent and to a lesser extent e-commerce. The Dutch shop channel only facilitates pre-purchase and purchase services for customers sent by the sales rep. At this point it has to be noted that services in the pre-purchase and purchase phase can include a lot of specific services offered by the company and that there might be a lot more services to base the evaluation on. However, the management, which should have a good overview of the offered services and their availability across channels, scored this survey question with medium integration for both countries. It should therefore be valid to evaluate this criterion with the multi-channel level for both countries as integration to a high extent seems unlikely.

Most interviewees in Germany as well as the Netherlands have pointed out that the shop functions as a place, where customers can go to receive after-sales service or drop off their return orders from other marketing channels. Those are after-sales services contributing to the integration of customer services according to Wu and Wu (2015), Cao (2014) as well as Kersmark and Staflund (2015). Other examples are innovative distribution services, such as click-and-collect (Cao, 2014; Kersmark & Staflund, 2015; Schramm-Klein & Wagner, 2016; Wu & Wu, 2015), home delivery (Schramm-Klein & Wagner, 2016) or in-store returns of online orders (Kersmark & Staflund, 2015), all of which are available in the Dutch and German organization. That means that integration of customer service in the post purchase phase is judged to be at the cross-channel level of integration for both, the Dutch and German shop channel. In general these observations indicate a high extent of integration of post-purchase services. Nonetheless, in the management survey this question was only scored with medium level scores of 2,8 for Germany and 3,0 for the Netherlands. Due to the fact that a general overvaluation was noticed in the survey and that a lot of services of the post-purchase phase might not have been considered, both countries are rated at a multi-channel level.

6.1.2.6 Integration of Customer Relationship Management

Seamless channel switching in cross-channel systems (Brunner & Rudolph, 2015; Wolf & Schmidt, 2017) requires the integration of customer relationship management to such an extent that the customer history is collected and reported in one system and that it is also available to all customer-facing employees (Schramm-Klein & Wagner, 2016; Wolf & Schmidt, 2017; Cao, 2014; Heinemann, 2011). There is no indication in the literature that multi-channel systems require it (Heinemann, 2011; Jäger, 2016; Schramm-Klein & Wagner, 2016).

In both shop channels in Germany and the Netherlands there exist no formal protocols or digital systems to quickly and effectively report, share or consult detailed customer data. A pilot project in the German headquarters, a centrally accessible system that saves information and makes it possible to search for information using tablet computers, is currently tested in selected locations. Nevertheless, the bulk of German shops must do without this tool. What does currently exist, however, are informal CRM systems in and around shops, via communication of selective information via face-to-face contact, phone or e-mail. The topics, information is shared about, are usually imminent problems with customers that need solving or obvious sales opportunities. In the German headquarters that particular information is shared amongst the shop staff and with sales reps assigned to the customers. In the Dutch subsidiary that sharing of information seems to be only between the shop employee on shift and the sales rep of the customer. The shops in the Netherlands are almost always manned by just one shop employee, and when the shop employees change daily shifts there is rather limited information transfer.

Whether the customer information shared in the current informal CRM system is communicated effectively in either Germany or the Netherlands, entirely depends on the quality of the interpersonal relationship between the two persons involved. Most often these persons are a shop employee and a sales rep. That makes customer information very hard to access by customer facing staff that is not part of that relationship, nor can the information
that is shared peer-to-peer be referenced in the future by customer-facing staff outside the relationship.

In short, in the Netherlands and Germany customer history is not collected and reported in one system, additionally customer history is not accessible by all customer facing staff. The informal CRM system currently present is somewhat similar in both countries but functions better in Germany, where shops are better staffed, than in the Netherlands. Comparing the current, informal CRM systems with the required characteristics described above one can judge the integration of CRM in both countries’ shop channel to have a multi-channel level of integration.

6.1.2.7 Integration of Transactions

For the integration of transactions the same line of argumentation as for the paragraphs before can be used because for a seamless switching behavior in cross-channel systems (Brunner & Rudolph, 2015; Wolf & Schmidt, 2017) the availability of payment instruments should be irrelevant in the customer’s channel choice (Saghiri et al., 2017). The integration of payment systems was not addressed by any interviewee in the in-depth interviews in the Netherlands as well as Germany. It is therefore rated based on the survey scores of 2,5 for Germany and 3,4 for the Netherlands, a multi-channel level for both.

6.1.2.8 Harmonization of Processes and Infrastructure

As in cross-channel systems the channels are only separated from a technical and organizational point of view (Jäger, 2016) due to a lack of professionalization in the process chains (Haderlein, 2012). The harmonization of processes and infrastructure, according to Heinemann (2011), only concern the omni-channel level (Jäger, 2016; Schramm-Klein & Wagner, 2016). The harmonization of processes and infrastructure was not addressed by any interviewee in the in-depth interviews in the Netherlands as well as Germany. It is therefore rated based on the survey scores ranging between 2,9 and 3,1 and indicating a multi-channel level for both countries.

6.2 Overall Evaluation and Identification of Improvement Measures

Based on the discussed criteria in the preceding chapter, in this chapter the shop channels of the German parent company and the Dutch subsidiary will be evaluated concerning their level of channel integration (multiple, multi-, cross- or omni-channel level). After setting the level of shop channel integration, concrete improvement measures will be identified which are suggested to prioritize in order to move to a higher level of channel integration.

Table 7 illustrates the evaluations for all examined criteria. As some criteria are not relevant for the cross- or omni-channel level (as indicated by the colors) the final evaluation needs to be done step by step. Both organizations’ shop channels fulfill the multiple channel level, as they operate alongside more than two marketing channels (Heinemann, 2011; Jäger, 2016). Thus, the multi-channel level needs to be examined next. Among all of the ten criteria relevant for the multi-channel level (criteria marked with the lightest shade of green background in table 7) the German organization’s shop channel was evaluated with the multi-channel level for eight criteria. One criterion was evaluated to be between the multiple channel and the multi-channel level and one criterion was evaluated to be even on the cross-channel level. It can be concluded that the German organization reached the multi-channel level of integration from the perspective of the shop channel, as there is a significant coherence in product, pricing and promotion policies across channels (Schramm-Klein & Wagner, 2016; Jäger, 2016). However, the German organization should highly prioritize the information and education of the organization about the integrated channel strategy, especially the management (Kersmark & Staflund, 2015). This is a crucial step for the shift towards a corporate culture that facilitates an integrated channel strategy.
<table>
<thead>
<tr>
<th>Presence of at least two channels</th>
<th>Necessary for multiple channel level (MPC)</th>
<th>Necessary for multi-channel level (MTC)</th>
<th>Necessary for cross-channel level (CC)</th>
<th>Necessary for omni-channel level (OC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Synchronization of Merchandising Management</td>
<td>Presentation of entire assortment in shop</td>
<td>MTC</td>
<td>MTC</td>
<td>MTC</td>
</tr>
<tr>
<td>Merchandising</td>
<td>Placement of order in shop</td>
<td>MTC</td>
<td>MPC/MTC</td>
<td></td>
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<tr>
<td>Communication</td>
<td>Consistency in Pricing across channels</td>
<td>MTC</td>
<td>MPC/MTC</td>
<td></td>
</tr>
<tr>
<td>Integration of Communication</td>
<td>Consistent branding &amp; corporate design</td>
<td>CC</td>
<td>MTC</td>
<td></td>
</tr>
<tr>
<td>Visibility of Product Information</td>
<td>Consistent advertising &amp; promotion</td>
<td>MTC</td>
<td>MPC</td>
<td></td>
</tr>
<tr>
<td>Integration of the Organization</td>
<td>Access of product information in shop</td>
<td>MTC</td>
<td>MTC</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Customer awareness of possibility</td>
<td>MTC</td>
<td>MPC/MTC</td>
<td></td>
</tr>
<tr>
<td>Integration of Customer Services</td>
<td>Tracking of order fulfillment status</td>
<td>MTC</td>
<td>MTC</td>
<td></td>
</tr>
<tr>
<td>Integration of Customer Relationship Management</td>
<td>Org. understands strategy &amp; purpose</td>
<td>MPC/MTC</td>
<td>MTC</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Commitment of management</td>
<td>MTC</td>
<td>MPC</td>
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<td></td>
<td>Commitment of shop employees</td>
<td>MTC</td>
<td>MPC</td>
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<tr>
<td></td>
<td>Incentivization of shop management</td>
<td>MTC</td>
<td>MTC</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Incentivization of shop employees</td>
<td>CC</td>
<td>MTC</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Performance measurement for integrated channel sales for the shop</td>
<td>MTC</td>
<td>MTC</td>
<td></td>
</tr>
<tr>
<td>Integration of Customer Relationship Management</td>
<td>In pre-purchase and purchase phase</td>
<td>MTC</td>
<td>MTC</td>
<td></td>
</tr>
<tr>
<td></td>
<td>In post-purchase phase</td>
<td>MTC</td>
<td>MTC</td>
<td></td>
</tr>
<tr>
<td>Integration of Customer Relationship Management</td>
<td>Customer history is collected and reported in one system</td>
<td>MTC</td>
<td>MTC</td>
<td></td>
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<tr>
<td></td>
<td>Customer history is accessible by all customer-facing staff</td>
<td>MTC</td>
<td>MTC</td>
<td></td>
</tr>
<tr>
<td>Int. of Transactions</td>
<td>Availability of same payment instruments</td>
<td>MTC*</td>
<td>MTC*</td>
<td></td>
</tr>
<tr>
<td>Harmonization of Processes &amp; Infrastructure</td>
<td>Simplification &amp; harmonization of processes</td>
<td>MTC*</td>
<td>MTC*</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Interconnection of information systems</td>
<td>MTC*</td>
<td>MTC*</td>
<td></td>
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</tbody>
</table>

Table 7: Evaluation criteria for each level of channel integration (Authors' own, 2018).

Concerning the same multi-channel criteria illustrated in table 7 the Dutch subsidiary's shop channel was evaluated to have the multiple channel level for three criteria, the multi-channel level for four criteria and for three criteria it was in between the two levels. Thus, the Dutch organization did not fully reach the multi-channel level yet but is at the edge to it. The main weaknesses are the lacking commitment of the head of shops and his employees to the integrated channel strategy as well as the dominance of the sales rep channel, which causes an ineffective synchronization of product, pricing and promotion policies (Schramm-Klein & Wagner, 2016; Jäger, 2016). In order to reach the multi-channel level of integration the Dutch organization should therefore prioritize to increase the head of shops' commitment to the integrated channel strategy, for example by explicitly adding the promotion of the integrated channel strategy to his tasks and by making it one of his goals he has to achieve. According to Cao (2014), Hansen and Sia (2015) as well as Kersmark and Staflund (2015) this commitment, adoption and support of the management is crucial for a shift in the corporate culture. If the head of shops is committed to the strategy this will likely transfer to his employees in the shops, as observed via best practices in the German shop channel. The Dutch shop employees should be informed and educated about the strategy, for example through frequent visits and convincing statistics (Kersmark & Staflund, 2015). If done
effectively the shop employees will understand the necessity of proactively promoting the possibilities of integrated channel systems to the customers. The effectiveness of the presentation of the whole product range in the shop, the ease of placing an online order there as well as the visibility of product information across channels would increase due to a higher customer awareness of the existence of these services. Moreover, the commitment of the management and the education of the employees should also be a priority in the other marketing channels and departments of the Dutch organization in order to provide more consistency in pricing and promotion in shop channel. If the sales reps for example are more sensitized about channel integration, their diligence in price reporting might increase according to Kersmark and Staflund (2015). Also the marketing department would put more effort in consistent marketing communication and promotion.

In the next step it needs to be examined if the German organization also reached the cross-channel level for its shop channel. This includes the criteria relevant for the multi-channel level of integration, but now requires them to have a cross-channel level, as well as the criteria specifically relevant to the cross-channel level of integration (criteria marked with the medium green background). Among all 20 criteria relevant for the cross-channel level (table 7), the German organization’s shop channel was evaluated to be at the multi-channel level for 16 criteria, at the cross-channel level only for two criteria and in between the two levels for one criterion. It can therefore be concluded, that the German organization did not reach the cross-channel level yet from the perspective of the shop channel. Moreover, due to the few criteria rated at a cross-channel level the German organization’s shop channel still seems far from providing seamless channel switching possibilities (Brunner & Rudolph, 2015; Wolf & Schmidt, 2017).

The main deficit in the integration of the German organization’s shop channel already identified on the multi-channel level was the education of the shop management as well as the employees about the integrated channel strategy and what it includes to strive for higher levels of integration (Cao, 2014; Hansen & Sia, 2015; Kersmark & Staflund, 2015). Even though differences between the regions were spotted, this criterion was a general problem and likely it is also the source for the differences, as it is the basis of any cultural shifts. The German organization claims to follow the multi-channel strategy, the understanding of the strategy however mostly matches a multiple channel strategy as any aspects of integration are largely disregarded. Hence, it is suggested to establish a clear understanding of channel integration in the German shop channel, including the different levels of integration and the implications and changes connected to the strategic shift to the cross-channel level (Kersmark & Staflund, 2015). According to Cao (2014), Hansen and Sia (2015) as well as Kersmark and Staflund (2015) this should lead to an increase of the commitment to the strategic shift, especially concerning the laggard regions, and to a reduction of the regional variations. The effective promotion of the strategy’s possibilities and benefits as well as of the other channels in the shops of the laggard regions will be addressed this way. It positively affects the synchronization of merchandising management, the visibility of information and the integration of communication, branding and promotion and consequently contributes to approach the cross-channel level. It can be concluded from the case study analyses of both organizations that the integration of the organization in terms of strategy understanding and commitment is the basis to the integration of other criteria.

An observation from the comparison of top performing and laggard regions was the presence or lack of active cooperation between the channels. Top performing regions tended to go beyond the promotion of other channels and actively cooperated with them. This is named as a success factor by Jeanpert and Paché (2016). It can be concluded that in order to reach the multi-channel level, the promotion of other channels should be prioritized as in the case of the Netherlands, but in order to reach the cross-channel level cooperation should be emphasized. Identified best practice examples for the promotion of other channels drawn from the comparison of German top performing and laggard regions are customer conversation guidelines showing opportunities at which other channels can be promoted to the customer. For example employees mentioned that when the customer asks about the price of products, the invoice or the delivery note, security notes, the availability in a shop or where
a shop is located, the employees inform the customer that he can easily access all those information in the online shop or with the app by himself. They further tried it out together with them. Those best practice examples are primarily suggested to the Dutch subsidiary’s shop channel. Best practice examples for the cooperation of the shop channel with other channels are frequent conferences and customer visits with the sales rep channel or e-business trainings and specialists for each region. Moreover, cooperation also includes frequent communication between the channels. Consequently, it is suggested to the German organization to emphasize those best practice examples and enforce their implementation in all regions. It also matches Kersmark and Staflund (2015) advocating to educate the organization by showing the potential and positive consequences of integrated channel systems. The top performing regions further showed that effective cooperation can replace a CRM information system to a high extent and that the factor integration of the organization also affects this criterion. Still, according to Heinemann (2011) it is imperative to reach the cross-channel level by enabling seamless channel switching (Brunner & Rudolph, 2015; Wolf & Schmidt, 2017). The last criterion where a connection to the integration of the organization was spotted is the integration of customer services. If the integration of the organization is low and channel conflict is prevailing as it was found especially in the Dutch case study that the provision of services is inconsistent across channels in the pre-purchase and purchase phase.

Other aspects relevant to increase the integration level for the aforementioned criteria and necessary to reach the cross-channel level of integration is the independence of pricing from the sales rep channel (Schramm-Klein & Wagner, 2016; Saghir et al., 2017) and the introduction of Wi-Fi to the shops (Cao, 2014). Aspects, such as the integration of customer services and transactions, claimed to be necessary for the cross-channel level, are suggested to be examined further, as the collected data did not allow a well-founded improvement suggestion.

7. Conclusion

The purpose of this thesis was to provide guidelines by which industrial retailers can evaluate and improve the integration of their marketing channel. The answer to the research question can therefore be divided into two parts. The first part concerns the question of how to evaluate an industrial retailer’s level of channel integration while the second part refers to the improvement of an industrial retailer’s level of channel integration. Based on relevant current literature different levels of channel integration were identified (multi-, cross- and omni-channel level of integration) and connected to specific evaluation criteria. The result was the creation of a conceptual model which industrial retailers can apply to evaluate their current level of channel integration and to identify their weaknesses hindering them to move to higher levels of channel integration. This conceptual model was applied and tested in a cross-border case study, namely the industrial retail channels of in Germany and the Netherlands of a large MRO distributor. The model was proved to be applicable to industrial retailers as not only their shop channels’ current level of integration could be evaluated but also clear improvement measures could be identified. The first part of the research question was therefore answered with the creation and successful application of the conceptual model (figure 2, p. 20). It was found that the shop channel of the German headquarters is integrated at a multi-channel level providing significantly consistent product, pricing and promotion policies with the other marketing channels of the German organization. The Dutch subsidiary’s shop channel was evaluated to be at the multiple channel level and can therefore not be described as an integrated channel system yet, as the basic criteria for the lowest level of channel integration, a significant consistency in product, pricing and promotion policies, are not fulfilled. It can be concluded in this context that it is likely that the parent organization has a higher level of channel integration than the subsidiary and that contradicting results of internal data analysis should be reviewed.

As during the application of the model each criterion was evaluated individually, the factors hindering the organization in shifting to higher levels of integration can also be identified with the conceptual model. This provides the foundation to the answer of the second
part of the research question: How can an industrial retailer’s level of channel integration be improved. The major finding, confirmed by the analysis of both organizations’ shop channel integration, was that an organizational understanding of and commitment to the integrated channel strategy is the basis of a successful strategic shift. In this context the management is the first variable to be addressed, as this is critical for the information and education of the employees. The importance of this factor is further underlined by its influence on other factors. It was found that an effective presentation of the entire assortment in the shop, the effective placement of online orders in the shop and the quick and easy access of product information in the shop all depend on the customer’s awareness of it which in turn depends on the promotion of the possibilities of integrated channel strategies to the customer by the employees. Employees will, however only promote the possibilities if they are educated about the integrated channel strategy and committed to it, which depends on their superior’s commitment to the integrated strategy. The corporate culture or the integration level of the organization therefore affects the synchronization of merchandising management, the visibility of information and the integration of communication, branding and promotion, which are all success factors of integrated channel strategies. Moreover, it also affects the integration level of customer services and of CRM. It can therefore be concluded that the integration of the organization is the main priority for industrial retailers with a multiple channel system as well as a multi-channel system.

Another finding in the context of the factor integration of the organization is that for multiple channel systems it is suggested to first emphasize the promotion of other channels while multi-channel systems should go beyond that and actively cooperate with the other channels. Best practice examples to improve the promotion of other channels are customer conversation guidelines showing opportunities at which other channels can be promoted to the customer. Best practice examples to improve the cooperation between channels are joint conferences or customer visits and regional e-business specialists educating employees and customers to effectively use the possibilities offered through the online channel. Alongside this necessary integration of the organization it was found that in order to reach the cross-channel integration level, industrial retailers are required to make pricing independent of one specific channel, provide an internet connection enabling the efficient use of the app and online shop in the store and introduce a CRM information system capable of collecting and sharing the entire customer history across all marketing channels.

Above clear improvement measures are described for the different levels of channel integration. The second part of the research question of how to improve an industrial retailers level of channel integration could therefore also be answered. The conceptual model complemented with the findings of the application within the case study is able to fulfill the research purpose of providing industrial retailers with appropriate guidelines for the evaluation and improvement of their marketing channels’ level of integration. Moreover, the B2C centered research of integrated channel systems could be further widened in the B2B context offering valuable insights not only to industrial retailers but also to other B2B organizations. In view of the strategic importance of successful channel integration for the competitive market position of organizations now and especially in the future, the findings of this thesis did not only contribute to research in the field of integrated channel systems in B2B markets but is also useful to practitioners.

8. Limitations and Future Research

The results of this research are limited by the basic drawbacks of a case study design and the ambitious scope of the topic. The main drawback of the case study is the limited generalizability outside of the specific research context. For verification of applicability outside of the Western European MRO supplier context, the conceptual model should be tested on other industrial retailers, in different product markets and different national markets.

Moreover, the nested approach to the case study pursued in this thesis does not correct for the fact that not all the stakeholders of the studied industrial retail channels were considered. The customer perspective is missing in this study, and how the customer...
experiences the benefits of the channel integration of the industrial shop channel. The study in its current form only considers the customer indirectly, via the way shop management and employees perceive the customer behavior to be. As this study only considers the internal perspective with internal data, a logical follow-up would be a study that incorporates, or solely focuses on the external, customer perspective. A study from the perspective of the shop customers would also allow researchers to consider a detailed segmentation of shop customers by specific purchasing behavior. The specific needs and demands different customer profiles place on an integrated channel strategy may differ greatly. Depending on the mix of customer profiles present in the customer base of any industrial retailer, the emphasis placed on various success factors might change. In the context of the case study research was also limited to the multiple and to the multi-channel level. Further research should be done with industrial retailers that could have already reached the cross- or omni-channel level of integration.

Another drawback of this study is its ambition to assess all of the success factors that determine the level of channel integration of an industrial retail channel as whole. By taking a broad approach, one undeniably will gloss over potentially interesting details that could be explored further. In fact any of the success factors used to evaluate channel integration for an industrial retailer in a B2B context could warrant a study in and off itself. That is also what the authors suggest for future research. 'The integration of the organization emerged as a crucial factor determining the level of channel integration and would be an obvious starting point for additional research. But also the factors integration of customer services and of communication, branding and promotion were found to be especially under researched in this study due to their broadness.

Additionally, the broad scope has prevented the authors of this study to fully explore a unique issue faced by industrial distributors who wish to integrate marketing channels, namely achieving a consistent price policy in an environment where every customer has his own negotiated price lists. Which has the potential to complicate overall price consistency over multiple channels considerably. The broad scope has also prevented the authors to delve deeper into the problem of the effective virtual presentation of the whole collection of MRO goods in a shop of limited size. Industrial suppliers, usually carry an assortment of goods that is several orders of magnitude larger than any typical B2C retailer.

**9. Managerial Implications**

As the research question of this study is already indicating a very practical use for managers, in a way the whole conceptual model and the complementary findings of its application are managerial implications in itself. However, if the authors must reduce the list of takeaways for managers to the most essential ones, it would be the following: The most important managerial implications to be drawn from this study are the notions that the level of channel integration of an industrial retail channel may differ between various parts of the organization, but there may also exist different levels of channel integration within one shop channel. The first step towards formulating a policy that improves the level of channel integration requires decision makers to know what level of integration the (specific part of) the industrial level currently has. As the level of channel integration increases, priorities that must be set to reach the new criteria of the next level of channel integration may be different. That implies that there exists no one-size-fits-all approach to improve the level of channel integration of an industrial retail channel. Any set of policies to improve the specific level of channel integration must be tailored to the specific context of the (specific part of the) industrial retail channel. That means that an industrial retailer with a shop channel at the level of integration of a multiple channel system may benefit from a more consistent price policy, whereas more attention price consistency may be fruitless for an industrial retailer at the cross-channel level of integration. Despite the emphasis that ought to be put on a tailor-made, case-specific approach, a crucial factor that precedes any formulation and implementation of policies that improve the level of channel integration of an industrial retail channel is managerial understanding of and commitment to an integrated channel strategy. Without
those two criteria sufficiently covered, progress seems to be impossible, regardless of any level of channel integration of the industrial retail channel.
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### Appendix

#### Appendix 1: Survey for the assessment of an organization’s current level of channel integration from the perspective of the shop channel

<table>
<thead>
<tr>
<th>1 – not at all/ to a very low extent; 5 – very/ to a very high extent</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
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</thead>
<tbody>
<tr>
<td><strong>Integration</strong></td>
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</tr>
<tr>
<td><em>(Consistency of all physical and information flows)</em></td>
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<tr>
<td><strong>Synchronization of merchandising management:</strong> Optimally the entire product assortment is identically available across all channels, e.g. by making the online shop or the catalogue accessible in the pick-up shop.</td>
<td></td>
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<tr>
<td>How effectively is the (availability of the) entire assortment presented in the pick-up shop <em>(e.g. by making the online shop or the catalogue accessible)</em>?</td>
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<tr>
<td>How easily can a customer in the pick-up shop place the order for products not available in the pick-up shop?</td>
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<tr>
<td>To what extent are customers confused about pricing in different channels?</td>
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<tr>
<td><strong>Integration of the customer relationship management:</strong> Optimally the entire customer history <em>(e.g. customer data, purchases, communication, needs and preferences, customer behavior…) is jointly collected, reported and accessible for all staff interacting with customers in any way, e.g. in a CRM information system.</em></td>
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<tr>
<td>Note: customer data refers to more than just purchase history.</td>
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<tr>
<td>To what extent is the customer history collected and reported in one system by all customer-facing staff?</td>
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<tr>
<td>To what extent is the entire customer history accessible by all customer-facing staff?</td>
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<tr>
<td><strong>Integration of customer services:</strong> Optimally each customer service is equally available <em>(same quality and speed)</em> in all channels independent of the channel the purchase is taking place in.</td>
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<tr>
<td><em>E.g. consultation should have the same availability and quality in the online shop as in the store and the customer should be able to freely choose a channel for the after sales services independently of the channel the product was bought in.</em></td>
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</tbody>
</table>
In the pre-purchase and purchase phases how effectively are the channels interconnected to enable their specific services to complement each other?

To what extent are customer services of the post purchase phase equally available in all channels (e.g. advice on/demonstration of product application, workshops, delivery and return services such as click & collect, in-store return of online products...)?

**Integration of communication, branding & promotion:** All points at which the customer comes in touch with the company and its brand should send one consistent message.

To what extent is branding & corporate design (e.g. product/brand names & design, logo, motto) consistent across all channels/points at which a customer interacts with the organization?

How effectively is advertising and promotion (e.g. events, special offers, campaigns, loyalty programme...) communicated/released consistently across all channels?

How effectively is combined channel use promoted to customers (e.g. by communication, campaigns and advertising)?

**Integration of the organization:** instead of a silo structure and mindset the corporate culture and structure of the organization needs to enable and support cooperation and the strategic changes towards an omni-channel organization.

To what extent is the top management committed to the strategic shift towards an omni-channel strategy (e.g. to what extent are they working together? / to what extent is (competitive) information/knowledge shared/how willing are they to take measures in the own channel that enhance the performance of another channel?)?

To what extent is the middle management committed to the strategic shift towards an omni-channel strategy (e.g. to what extent are they working together? / to what extent is (competitive) information/knowledge shared/how willing are they to take measures in the own channel that enhance the performance of another channel?)?

To what extent is the staff working in the pick-up shops educated and informed about the benefits/importance of an integrated channel strategy?
<table>
<thead>
<tr>
<th>Question</th>
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</thead>
<tbody>
<tr>
<td>To what extent is the staff working in pick-up shops informed about changes during the implementation of an integrated channel strategy?</td>
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<tr>
<td>To what extent is the staff working in the pick-up shops motivated to promote combined channel use to customers (e.g. by pointing to advantages of other channels)?</td>
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<tr>
<td>To what extent is cooperation between channels enabled by the organizational structure (e.g. matrix structure, managers of the different channels located at the same place,…)?</td>
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<tr>
<td>How effectively are pick-up shops and their employees incentivized to promote combined channel use?</td>
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<tr>
<td>How effectively is performance in terms of cooperative sales measured for each pick-up shop?</td>
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</table>

**Integration of transactions**

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</thead>
<tbody>
<tr>
<td>To what extent are the same payment instruments available across all channels?</td>
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</table>

**Harmonization of processes & infrastructure**

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<tr>
<th>Question</th>
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</thead>
<tbody>
<tr>
<td>To what extent are processes connected to the pick-up shops simplified and harmonised in a way that an employee not working in the pick-up shop comprehends these?</td>
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<tr>
<td>How effectively are the different information systems of the whole organization interconnected (do they create a consistent picture of all processes and data?)?</td>
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</table>

**Information/Visibility**

*Awareness of the entire purchase and order fulfillment process including the availability of the same product information across all channels and inventory transparency*

<table>
<thead>
<tr>
<th>Question</th>
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<tbody>
<tr>
<td>How easy/quickly can the customer access information on a specific product while being in the pick-up shop?</td>
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<tr>
<td>● Price</td>
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<tr>
<td>● Product description</td>
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<tr>
<td>Item</td>
<td>Description</td>
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<tr>
<td>Technical data</td>
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<tr>
<td>Customer ratings</td>
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<tr>
<td>Suggestions of product alternatives</td>
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<tr>
<td>Stock status in other pick-up shops</td>
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</tbody>
</table>

To what extent is the customer aware of the possibility to access the above mentioned product information of a specific product while being in the pick-up shop?

How easily can the customer/staff track the order fulfillment status of orders placed in the pick-up shop?
<table>
<thead>
<tr>
<th>Segment/item</th>
<th>Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction &amp; General understanding of multichannel and the attitude towards it</td>
<td>Introduce oneself, find out the background of the interviewee, explain goal of interview and thesis research. Provide a disclaimer, explain that the conversation will be transcribed and/or recorded(?). In addition this stage will be used to establish what the definitions of various concepts will be during the conversation.</td>
</tr>
<tr>
<td>As a start could you please shortly introduce yourself (what is your, age, your time with the organization and your position, education and professional background etc).</td>
<td>Record demographic information of the interviewee.</td>
</tr>
<tr>
<td>How do you understand ‘multi-channel’?</td>
<td>Get clarification of the definition of basic concepts discussed during the interview. People inside the organisation generally will refer to cross- and omni-channel strategy as ‘multi-channel’. Each interviewee may have her own interpretation of cross- and omni-channel, which deviates from the researcher’s definition or that of the organization.</td>
</tr>
<tr>
<td>In your opinion what is the purpose of following a ‘multi-channel’ strategy?</td>
<td>Find out if interviewee is aware of the benefits integrated sales channels have for customers and their customer experience.</td>
</tr>
<tr>
<td>Do you think the organization benefits from it in a specific way? (firm performance, customer loyalty, customer satisfaction, revenue)</td>
<td>Find out if interviewee is aware of the benefits integrated sales channels have for the company itself</td>
</tr>
<tr>
<td>What implications does the multi-channel strategy have for you?</td>
<td>See if interviewee perceives cross-channel strategies as a positive or negative influence on their job. Determine</td>
</tr>
<tr>
<td>What function(s)/objectives does the shop fulfill in the multi-channel strategy of the organization?</td>
<td>Determine their view of the shop (is it a full fledged retail operation, merely a pick up point, or service point?)</td>
</tr>
<tr>
<td>Actual interview</td>
<td>General goal is to get a clear image of the daily practice on the (middle) management level with regards to the cooperation of sales channels</td>
</tr>
</tbody>
</table>

Promotion of implementation of integrated channel strategy
On a daily basis, what sort of things are done by you (and your team members) to motivate customers to shop in other channels of the organization (e.g. employee trainings…)?

Determine how much of a management priority 'multi-channel' is in this level of the organization. And how much time they devote to it daily (on average).

What management tools and measures do you use for this?

Determine what management tools are used to analyse and report.

**Success factors of the integrated channel systems**

What are the critical/success factors of a successful multi-channel strategy for a B2B distributor in the MRO industry according to you?

Determine if management is able to identify success factors and is actively working to create these conditions.

Do those main success factors differ between channels? Which ones are crucial for the shops?

Determine if the success factors for brick and mortar shops are special or form a special management case.

What are the current multi-channel performance measures of the shop? Could you think of better ones?

Determine if the current evaluation methods of performance are fit for purpose.

What linkage tools (e.g. in store kiosk, QR codes etc.) do the shops need to achieve a better multi-channel experience for the customer?

Determine if there is a perceived limitation in tools provided to employees to execute cross- and omni-channel shopping promotion.

**The customer experience**

How similar/comparable do you think the buying behavior of SMEs is to B2C buying behavior?

Attain the perspective of practitioners on the difference between B2C and B2B and how it manifests in cross- and omni-channel management.

What are the effects of an (improved) multi-channel strategy for the customer in practice?

Determine what is exactly the value offered to the organization's customer.

Is the customer aware of these benefits if they exist?

Determine whether the value offered is recognized by the customer.

What role do digital devices and tools play during the shopping experience?

Determine if digital devices are actually used, and if they are fit for the purpose they were intended for.

**Channel conflict**

Do you feel that the channels are actually competing with one another?

Determine if there is obvious channel conflict that prevents completion of channel integration.
<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>At what hierarchical levels in the organization do you spot frictions in the context of channel competition?</td>
<td>Determine if this channel conflict exists only in certain organizational levels, or throughout the hierarchy.</td>
</tr>
<tr>
<td>Can you describe the causes of these frictions?</td>
<td>Determine if there are local fiefdoms in the organization, competing interests, wrong incentives etc. etc.</td>
</tr>
<tr>
<td>Do you personally feel constrained by these problems in pursuing the multi-channel strategy?</td>
<td>Determine to what extent channel conflict hinders the execution of an integrated sales channel strategy.</td>
</tr>
<tr>
<td>Conclusion</td>
<td>Summary of the interview,</td>
</tr>
<tr>
<td></td>
<td>Interviewer rephrases main points expressed by interviewee and asks if they agree.</td>
</tr>
<tr>
<td>Wrap-up</td>
<td>Wrap up of the interview and saying goodbye</td>
</tr>
<tr>
<td></td>
<td>Thank the interviewee. Communicate that the main points of interview will be transcribed and send to the interviewee to confirm. Exchange contact information.</td>
</tr>
</tbody>
</table>
Appendix 3: Interview Guide for Shop Employees & Sales Reps

<table>
<thead>
<tr>
<th>Segment/item</th>
<th>Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Introduction &amp; general understanding of multi-channel and the attitude towards it</strong></td>
<td>Introduce oneself, find out the background of the interviewee, explain goal of interview and thesis research. Provide a disclaimer, explain that the conversation will be transcribed and/or recorded(?)</td>
</tr>
<tr>
<td>As a start could you please shortly introduce yourself (what is your age, time with the organization, position, education and professional background etc).</td>
<td>Record demographic information of the interviewee.</td>
</tr>
<tr>
<td>How do you understand ‘multi-channel’?</td>
<td>Get clarification of the definition of basic concepts discussed during the interview. Each interviewee may have her own interpretation of ‘multi-channel’, which deviates from the researchers’ definition or that of the organization.</td>
</tr>
<tr>
<td>In your opinion what is the purpose of following a ‘multi-channel’ strategy?</td>
<td>Find out if interviewee is aware of the benefits integrated sales channels have for customers and their customer experience.</td>
</tr>
<tr>
<td>Do you think the organization benefits from it in a specific way? (firm performance, customer loyalty, customer satisfaction, revenue)</td>
<td>Find out if interviewee is aware of the benefits integrated sales channels have for the company itself</td>
</tr>
<tr>
<td>What implications does the multi-channel strategy has for you?</td>
<td>See if interviewee perceives cross-channel strategies as a positive or negative influence on their job. Determine</td>
</tr>
<tr>
<td>What role does the pick-up shop play alongside the other channels of the organization (e.g. pick-up point, information channel…)?</td>
<td>Determine key objectives and functionalities</td>
</tr>
<tr>
<td>How similar/comparable do you think the buying behavior of SMEs is to B2C buying behavior?</td>
<td>Attain the perspective of practitioners on the difference between B2C and B2B and how it manifests in cross- and omni-channel management.</td>
</tr>
<tr>
<td><strong>Actual interview</strong></td>
<td>General goal is to get a clear image of the daily practice on the shop floor with regards to the cooperation of sales</td>
</tr>
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</table>

Promotion of sales in an integrated channel system
<table>
<thead>
<tr>
<th>Question</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>On a daily basis, what sort of things are done by you (and your team members) to motivate customers to shop in other channels of the organization?</td>
<td>Question to probe what general policies exist, answers will likely be general, vague or just what management wants to hear. The goal of further questions below is to fact-check this answer.</td>
</tr>
<tr>
<td>What tools and materials do you use for this? (e.g. computer, brochures...) and how?</td>
<td>Determine whether shop employees actually use the tools provided. And how exactly they use them.</td>
</tr>
<tr>
<td>Which other tools/materials could help you to motivate customers to shop in other contact points?</td>
<td>Collecting suggestions for improvements and new ideas.</td>
</tr>
<tr>
<td>Can you describe your last customer interaction in which you encouraged a customer to shop in another contact point. (wait for response).</td>
<td>This question forces the interviewee to give a specific answer about a specific situation. Avoids vague answers and platitudes.</td>
</tr>
<tr>
<td>Did you initiate the discussion of the topic or merely responded to an explicit question about it?</td>
<td>Follow up, to determine to what degree employees take initiative</td>
</tr>
<tr>
<td>During this customer interaction, were you aware of the customer need (e.g. in what product he/she was interested in) or did you have to ask?</td>
<td>Follow up, to determine to what degree a shop employee is aware of what the customer is concerned with, and how he feels about the service he is receiving from his supplier as a whole. In a modern approach to CRM this is crucial.</td>
</tr>
<tr>
<td>In the effort of getting customers to buy in other channels, what is suggested to you by management, and what are your initiative(s)?</td>
<td>Determine what the employee thinks management requires of him. This might differ from what is actually required of him.</td>
</tr>
<tr>
<td>Communication within organization</td>
<td>For effective CRM, channels and departments within the organization need to share the relevant information that enables all customer-facing staff to provide a personalized customer experience</td>
</tr>
<tr>
<td>Do you share customer information and information regarding his satisfaction with the interaction / other team members, or other contact points? If yes, how?</td>
<td>Determining whether information sharing only happens in crisis situations, when the customer is unhappy and needs a problem solved (negative and reactive) or whether there is a proactive approach that facilitates future sales opportunities and prevents typical customer problems before they happen.</td>
</tr>
<tr>
<td>When do you share customer information? Only when there is a problem that someone else needs to solve quickly?</td>
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<tr>
<td>Question</td>
<td>Answer</td>
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</tr>
<tr>
<td>Besides your direct team members, who do you share information with?</td>
<td>Determine if there is effective interdepartmental information sharing by and with the shops.</td>
</tr>
<tr>
<td>Why (only) them?</td>
<td>Perhaps there are obvious points in the organization not contacted. If that happens, one might need clarification.</td>
</tr>
<tr>
<td>How do you do this? Via what communication tools?</td>
<td>See whether there are effective CRM policies or systems in place, how they help or inhibit the work of the employee.</td>
</tr>
<tr>
<td>Do you feel like many pieces of information are communicated multiple times instead of being visible for everybody?</td>
<td>Determine whether shop employees experience ‘red tape’ and bureaucracy and whether this loses them time or not.</td>
</tr>
<tr>
<td>Is the sharing of information detrimental to your multi-channel initiatives? Would an easily accessible database free up time you could use to motivate customers to shop at different contact points? /  enhance your pursuance of the multi-channel strategy?</td>
<td>Employees’ time to devote to various different tasks in the shop is limited. They are forced to make an allocation. Determine whether a better CRM protocol or tools could free up time that shop employees could use to do more important work.</td>
</tr>
<tr>
<td>Motivation and incentives for action:</td>
<td>Determine whether middle management sees promotion of use of multiple sales channels by customers as a priority and encourages and rewards it properly.</td>
</tr>
<tr>
<td>What are the current multichannel performance measures of the shop? Could you think of better ones?</td>
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<tr>
<td>Marketing communication (information function of channel)</td>
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</tr>
<tr>
<td>Are customers ever confused by the communication (e.g. about discounts or promotions) send out by the organization’s various departments? Can you give examples?</td>
<td>The shop employees are one of the primary contact points that are faced directly with the consequences of (potentially) contradictory messages send out by various parts of the organization. E.g. the customer might think something is discounted when its really not. As a result the customer will be misinformed, confused, frustrated or unaware.</td>
</tr>
<tr>
<td>If that happens shop employees have to clear up the miscommunication.</td>
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</tr>
<tr>
<td>Do you feel customers (also customers that do not primarily shop in the shops) are aware of all the promotions and activities in the shop?</td>
<td>Asks the employee to rate the quality and frequency of communications send out that discuss the shop. Do they serve their purpose, are they factually correct</td>
</tr>
<tr>
<td>The customer experience</td>
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<tr>
<td>Do you think customers appreciate being able to shop in various sales channels?</td>
<td>Determine if a shop employee recognizes that a customer might want shopping options. Also try to see whether shop employees hold specific beliefs about customer behavior.</td>
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</table>

<table>
<thead>
<tr>
<th>Channel conflict</th>
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<tbody>
<tr>
<td>Do you feel that you are rudely sending customers away to other channels if you motivate them to shop there?</td>
<td>Determining whether cross-channel sales disturb the shop employees’ idea of courtesy and good manners.</td>
</tr>
<tr>
<td>Do you prefer to keep customers for yourself? Do you feel that other sales channels prefer to keep customers for themselves?</td>
<td>Determining the level of channel conflict and animosity between the sales channels. Sales targets may cause a refusal to share customers.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Conclusion</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Summary of the interview,</td>
<td>Interviewer rephrases main points expressed by interviewee and asks if they agree.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Wrap-up</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Wrap up of the interview and saying goodbye</td>
<td>Thank the interviewee. Communicate that the main points of interview will be transcribed and send to the interviewee to confirm. Exchange contact information.</td>
</tr>
</tbody>
</table>
### Appendix 4: The Results of the Management Survey

<table>
<thead>
<tr>
<th>Question/Subtopic</th>
<th>Score Germany</th>
<th>Score Netherlands</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Synchronization of merchandising management</strong></td>
<td>3,4</td>
<td>3,1</td>
</tr>
<tr>
<td>How effectively is the (availability of the) entire assortment presented in the</td>
<td>3,0</td>
<td>3,1</td>
</tr>
<tr>
<td>pick-up shop (e.g. by making the online shop or the catalogue accessible)?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>How easily can a customer in the pick-up shop place the order for products not</td>
<td>4,1</td>
<td>4,0</td>
</tr>
<tr>
<td>available in the pick-up shop?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>To what extent are customers confused about pricing in different channels?</td>
<td>3,1</td>
<td>2,3</td>
</tr>
<tr>
<td><strong>Integration of the customer relationship management</strong></td>
<td>2,4</td>
<td>3,4</td>
</tr>
<tr>
<td>To what extent is the customer history collected and reported in one system by all</td>
<td>2,0</td>
<td>3,6</td>
</tr>
<tr>
<td>customer-facing staff?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>To what extent is the entire customer history accessible by all customer-facing</td>
<td>2,8</td>
<td>3,3</td>
</tr>
<tr>
<td>staff?</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Integration of customer services</strong></td>
<td>2,7</td>
<td>2,8</td>
</tr>
<tr>
<td>In the pre-purchase and purchase phases how effectively are the channels</td>
<td>2,7</td>
<td>2,6</td>
</tr>
<tr>
<td>interconnected to enable their specific services to complement each other?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>To what extent are customer services of the post purchase phase equally available</td>
<td>2,8</td>
<td>3,0</td>
</tr>
<tr>
<td>in all channels (e.g. advice on/demonstration of product application, workshops,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>delivery and return services such as click &amp; collect, in-store return of online</td>
<td></td>
<td></td>
</tr>
<tr>
<td>products...)?</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Integration of Communication, Branding &amp; Promotion</strong></td>
<td>3,6</td>
<td>3,0</td>
</tr>
<tr>
<td><strong>To what extent is branding &amp; corporate design (e.g. product/brand names &amp; design, logo, motto) consistent across all channels/ points at which a customer interacts with the organization?</strong></td>
<td>4,2</td>
<td>3,6</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td><strong>How effectively is advertising and promotion (e.g. events, special offers, campaigns, loyalty programme...) communicated/released consistently across all channels?</strong></td>
<td>3,3</td>
<td>2,6</td>
</tr>
<tr>
<td><strong>How effectively is combined channel use promoted to customers (e.g. by communication, campaigns and advertising)?</strong></td>
<td>3,4</td>
<td>2,7</td>
</tr>
<tr>
<td><strong>Integration of the Organization</strong></td>
<td><strong>3,1</strong></td>
<td><strong>2,4</strong></td>
</tr>
<tr>
<td><strong>To what extent is the top management committed to the strategic shift towards an omni-channel strategy (e.g. to what extent are they working together? / to what extent is (competitive) information/knowledge shared/how willing are they to take measures in the own channel that enhance the performance of another channel?)?</strong></td>
<td>3,9</td>
<td>3,3</td>
</tr>
<tr>
<td><strong>To what extent is the middle management committed to the strategic shift towards an omni-channel strategy (e.g. to what extent are they working together? / to what extent is (competitive) information/knowledge shared/how willing are they to take measures in the own channel that enhance the performance of another channel?)?</strong></td>
<td>3,9</td>
<td>3,1</td>
</tr>
<tr>
<td><strong>To what extent is the staff working in the pick-up shops educated and informed about the benefits/importance of an integrated channel strategy?</strong></td>
<td>3,5</td>
<td>2,1</td>
</tr>
<tr>
<td><strong>To what extent is the staff working in pick-up shops informed about changes during the implementation of an integrated channel strategy?</strong></td>
<td>3,1</td>
<td>2,3</td>
</tr>
<tr>
<td><strong>To what extent is the staff working in the pick-up shops motivated to promote combined channel use to customers (e.g. by pointing to advantages of other channels)?</strong></td>
<td>2,7</td>
<td>2,1</td>
</tr>
</tbody>
</table>
To what extent is cooperation between channels enabled by the organizational structure (e.g. matrix structure, managers of the different channels located at the same place,...)?

| | 3,0 | 2,4 |

How effectively are pick-up shops and their employees incentivized to promote combined channel use?

| | 2,5 | 1,7 |

How effectively is performance in terms of cooperative sales measured for each pick-up shop?

| | 2,5 | 2,3 |

**Integration of transactions**

| | 2,5 | 3,4 |

To what extent are the same payment instruments available across all channels?

| | 2,5 | 3,4 |

**Harmonization of processes & infrastructure**

| | 2,9 | 3,1 |

To what extent are processes connected to the pick-up shops simplified and harmonised in a way that an employee not working in the pick-up shop comprehends these?

| | 2,9 | 3,1 |

How effectively are the different information systems of the whole organization interconnected (do they create a consistent picture of all processes and data)?

| | 2,9 | 3,0 |

**Information/Visibility**

| | 2,9 | 2,7 |

How easy/quickly can the customer access information on a specific product while being in the pick-up shop?

| | 2,7 | 2,7 |

**Price**

| | 2,8 | 2,4 |

**Product description**

| | 3,0 | 3,3 |

**Technical data**

| | 3,0 | 3,3 |

**Customer ratings**

| | 1,9 | 2,1 |

**Suggestions of product alternatives**

<p>| | 2,4 | 2,4 |</p>
<table>
<thead>
<tr>
<th>Stock status in other pick-up shops</th>
<th>3,1</th>
<th>2,6</th>
</tr>
</thead>
<tbody>
<tr>
<td>To what extent is the customer aware of the possibility to access the above mentioned product information of a specific product while being in the pick-up shop?</td>
<td>2,9</td>
<td>2,7</td>
</tr>
<tr>
<td>How easily can the customer track the order fulfillment status of orders placed in the pick-up shop?</td>
<td>3,0</td>
<td>2,7</td>
</tr>
<tr>
<td>How easily can the staff track the order fulfillment status of orders placed in the pick-up shop?</td>
<td>3,6</td>
<td></td>
</tr>
<tr>
<td>Overall Score</td>
<td>2,9</td>
<td>2,8</td>
</tr>
</tbody>
</table>
Saskia Wichmann, German master graduate at Halmstad University

Jan-Willem Nieuwenhuis, Dutch master graduate at Halmstad University