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From Clicks to Bricks Strategy

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Consumers' National Culture

An Empirical Research on the Influence of Customers' National Culture on the "From Clicks to Bricks" Strategy

Master of Science in International Management

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Abstract

In recent years, despite the growing success and potential of e-commerce, a counter-trend called 'From Clicks to Bricks' has developed. Numerous online companies have in fact started to open new physical shops or expand existing ones, implementing their physical presence. This research aims to provide a clear explanation of the From Clicks to Bricks counter-trend and how it provides a strategic advantage to online businesses in order to help entrepreneurs and investors make their decisions. The main contribution to the academic literature is made by analysing the effects of national customer culture on the effectiveness of the From Clicks to Bricks strategy. To investigate and achieve these objectives, an online survey was constructed and sent to a wide and varied audience. The results suggest that the national culture of consumers does not have a direct linear influence on the effectiveness of the strategy. In fact, it was found that the factors that most influence the effectiveness of the strategy are the emotions felt by customers during in-store shopping and the purchasing preferences of consumers. In addition, the results indicate that demographic attributes are key elements to consider for B2C retail strategies. The implementation of a physical store in Asia would lead to a conversion of 60% of consumers, who instead of comparing online offers to search for the cheapest one, would immediately purchase the product. Finally, for more than 60% of respondents it is important to have the ability to purchase a product both online and in-store because it enhances their shopping experience.

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1. Introduction

1.1 Problem statement

The ecommerce industry has experienced continued growth since its start, reaching \$4.280 trillion in worldwide sales in 2020, the 18% of total global retail sales (Cramer-Flood, 2021). The potential and profitability of ecommerce platforms is now well known, in fact, almost all social medias have implemented the ecommerce functionality on their platforms. In addition, the recent Covid-19 pandemic has spurred the growth of online shopping, and with the migration to digital, global sales through ecommerce channels are expected to nearly double by 2024 (Cramer-Flood, 2021). The e-commerce market is dominated by large companies but presents niches that small business entrepreneurs can exploit (Goldstein & O'Connor 2000). Indeed, markets in digital economies are characterized by a paradox that affects competition. On one hand, digital platforms reduce competition by exerting entry barriers, as the composition of the ecosystem and the behavior of existing firms prevents other firms from playing their role and new firms from entering the market (Khan, 2019). On the other hand, e-commerce has made international business more accessible and manageable for all entrepreneurs, allowing new business opportunities to emerge and increasing the efficiency of the market by matching producers and consumers. The main factors that influence the success of e-commerce platforms are trust (Moody et al., 2014), price (Kaushik et al., 2020), promotion (Lim and Lee, 2015), order of entry (Nikolaeva et al., 2009), word-of-mouth (Cai et al., 2014), website characteristics (Feindt et al., 2002), inventory ownership (Randall et al., 2006), logistics (Colla and Lapoule, 2012), procurement strategies (Xu et al., 2019), firm size and financial performance (Banerjee et al., 2007), and environmental factors (Doern and Fey, 2006). According to Kelly 2020, 45 e-commerce companies were included in the FT-1000 list of Europe's fastest-growing companies in 2020, making e-commerce the sixth fastest-growing industry out of the forty considered. An example of the e-commerce potential is the new Chinese e-commerce platform Pinduoduo, which supports the development of China's rural sector and its small farms by selling their agricultural products online, becoming the world's largest agri-focused tech platform in a few years. Also, considering the rise of the Metaverse, touted as "the successor to the mobile internet" by Facebook founder Mark Zuckerberg (Connect, 2021, Facebook), the online shopping experience will be drastically changed by the use of augmented and virtual reality technologies. Huge sums of money have been invested in Metaverse development, and its total market cap has been estimated by Goldman Sachs, in Framing the Future of Web 3.0 in 2021 to reach more than 12 trillion dollars, with 33% of the digital economy moving to the Metaverse. In addition, in the Ovum Report on the

future of ecommerce 2016, it is predicted that the sale of branded products will continue to shift online, as online business benefit from price-comparison advantage. The demand for physical retail space is expected to continue to decrease, as integrated logistics around click-and-collect and online delivery will reduce the need to maintain full inventories (Ovum, 2016). However, despite the success and potential of e-commerce, which seems to predict that in the future all commerce will take place online, a counter-trend of online companies opening new physical shops or expanding existing ones has developed in recent times. Considering also that the main consumers of the future, i.e. Generation Z, have never known an era without online shopping and their expectations for all purchases are based on this level of convenience and satisfaction, this counter-trend seems contradictory and unsuccessful. This thesis aims to contribute to the academic literature in explaining and interpreting the phenomenon From Clicks to Bricks, emphasising the importance of physical positioning for B2C, especially in the age of digitisation. Furthermore, this research aims to investigate the effects of national consumer culture on the effectiveness of the From Clicks to Bricks strategy, capturing an empirical analysis of a variety of data collected in the post-Covid-19 scenario, to help digital entrepreneurs and investors in their decision-making.

1.2 From Click To Brick Phenomenon

Traditionally, the purchasing process took place in brick-and-mortar shops, where consumers could rely on the help and expertise of sales assistants to meet their needs. With the advancement of technology and on-the-go devices, new sales channels have developed. These new e-commerce channels have given consumers the opportunity to obtain information, opinions and purchase products in one online environment, transforming the way customers shop today (Galino & Moreno 2014). The phenomenon From Clicks to Bricks refers to the product distribution strategy in which brands that initially operated exclusively through an online sales channel (clicks), implement a physical retail location (bricks). This business model can also be identified as 'brick and click', 'clicks and mortar' or 'clicks and bricks'. The From Clicks to Bricks strategy is a reverse omnichannel strategy that blurs the boundaries between different channels and offers a seamless customer experience (Heitz-Spahn, 2013). The combination of bricks and mortar (the physical shop) with clicks (the online environment) is creating a new shopping experience (Marmol & Fernández Alarcón, 2019). Through multiple shopping channels, brands can offer a seamless experience that directly affects business performance. In fact, it is estimated that a web-connected consumer spends 30% more than a non-web-connected one (PSFK Labs; Cisco 2016). Furthermore, according to a study on how sales in all channels reacted to the opening of a new physical store,

over time both the physical and online channels benefited from the presence of the new brick-and-mortar shop (Avery, et al., 2013).

The breakout of the From Clicks to Bricks phenomenon occurred in 2016, when the world's most popular ecommerce store, Amazon, opened its first "brick and mortar" bookstore in the Seattle's University Village. This unexpected decision was intended to expand Amazon's physical presence to better market its products, build closer relationships with customers, and increase online traffic and sales. As of July 2020, Amazon's number of physical retail shops amounted to 589, including the Whole Foods supermarket chain, according to Statista¹. Subsequently, there has been a significant trend of businesses following in Amazon's footsteps and opening their first physical stores, including some of America's most popular brands such as Warby Parker, Bonobos, Birchbox and Casper. From Clicks to Bricks isn't just a domestic trend in America, it's a phenomenon that is expanding internationally. In Italy for example Bauli, Galbusera, Pastiglie Leone and Illy, MNEs operating in the food industry and known all over the world, have opened their first physical concept stores in 2020. In the Netherlands, Belsimpel, the largest and fastest growing online store for cell phones and phone contracts, opened its first 7 physical stores between 2018 and 2022.

The main driver for the From Clicks to Bricks is the cost of visibility and the crowdedness of the web, which makes it very difficult to launch a brand exclusively through the online channel. Online visibility is in fact achieved primarily through search engine advertising, which allows to directly display a paid ads among the search results on the web by "buying" keywords that consumers search for online. As reported by Sucharita Mulpuru, retail analyst at Forrester Research, at the National Retail Federation's annual Conference of 2015: "It's very hard to launch a brand these days that's just online-only. It's an incredibly difficult and crowded e-commerce environment". She reported that there are over 800,000 ecommerce stores, which attempt to attract customers with search engine advertising on Google. Adding to the strong competition for online visibility is the high cost of search engine advertising; Macy's and Nordstrom, for example, spent \$6.4 million and \$4 million, respectively, on search engine advertising in the first quarter of 2015 alone, according to a study published in January 2016 by consultancy firm L2 Inc. According to L2 Inc's 2016 report, clicks are indeed going to the highest placed search ads, leaving little room for differentiation. Another important driver is that opening physical stores, on the other hand, increases brand awareness, sustains brand recognition, and allows for a direct relationship with the end consumer to investigate their tastes, preferences and behaviours. Lastly, behind the emergence of the From

¹ <https://www.statista.com/statistics/1155873/amazon-store-openings-number/#:~:text=As%20of%20July%202020%2C%20Amazon's,Go%20stores%20in%20December%202018.>

Clicks to Bricks phenomenon, there is the benefit from making in-store purchases but benefiting from the online information availability and click and collect option given by ecommerce beforehand.

1.3 Research questions

Entrepreneurs in the era of digitization, in order to keep up with digital transformation, have to make many strategic decisions, which have a significant impact on the success of their e-commerce activities, as they require various financial commitments. The purpose of this thesis is to highlight the importance of physical product placement for B2C, with a focus on national consumer culture, helping to explain the From Clicks to Bricks strategy. One research question is particularly important to this study: Does national consumer culture influence the effectiveness of From Clicks to Bricks strategy? A precise description of the From Clicks to Bricks strategy and the factors that influence the effectiveness of this strategy are necessary elements to help entrepreneurs and investors in their decisions. Studies already exist that examine and explain the From Clicks to Bricks phenomenon, and they will be summarized and presented in the next chapter. However, few analyze the influence of the customer's national culture on the effectiveness of such a strategy (Gerster, et al., 2021; Grewal, et al., 2021). The effects of the From Clicks to Bricks strategy in Europe may not be the same in Asia, as the effectiveness of retail strategies is influenced by national customer culture, which differs greatly from country to country (Grewal & Roggeveen, 2020). This research aims to find out in which countries the From Clicks to Bricks strategy leads to successful effects and in which it may not be necessary or equally effective to implement physical stores. After reviewing the existing literature on this strategy, using a survey, it will be investigated whether the strategy continues to maintain its characteristics in the post Covid-19 pandemic and assess the impact of national consumer culture.

2. Literature Review & Theoretical Framework

The following chapter aims to review the main theoretical perspectives in the existing literature, which are very important for understanding the context in which the research questions were posed and for conducting the analysis. The research contains two main topics, namely the From Clicks to Bricks Strategy and the influence of national culture on consumer behavior. Because the From Clicks to Bricks strategy is a complex strategy that encompasses several areas of study, the literature on e-commerce and multichannel retailing should form the basis of this review and should extend to the areas of customer relationship management, purchasing atmosphere, supply chain management, mobile commerce, and pervasive retailing. However, it should be noted that for reasons of space, this study draws up an indicative list of key references relevant to this topic. This chapter explains and discusses the purchasing process, the importance of omnichannel strategies, the role of physical distribution and the influence of national cultures on consumers behavior.

2.1 The Purchasing Process

The purchasing process is the journey that all consumers go through when making a purchase. It consists of three stages: pre-purchase, purchase, and post-purchase (Howard and Sheth, 1969, Neslin et al., 2006, Puccinelli et al., 2009). In each stage the consumer experiences cognitive, emotional, and behavioural stimuli that have the potential to influence the next stage. Social, cultural, and political factors can also influence the purchasing process, as can retail-level factors such as the retail atmosphere (Puccinelli et al., 2009). The main characteristic of the purchasing process is that it can be variable in all respects. It can last a few seconds/minutes, months or even years; it can end with the final consumption of the purchased goods, or it can be interrupted at any time. In fact, the character of its progress and perception is predominantly intrinsic. The purchasing process as decision based is strictly individual and takes place internally, although there are some external manifestations of the progress of the process. It is in fact unique for each consumer as it depends on his or her culture, habits, background, economic situation, environment, and social situation (Miklošík, 2015). Furthermore, the purchasing process usually takes place unconsciously, as the consumer may not be aware of its initiation or advancement. Only once the good has been purchased or the service has been consumed the consumer realises that the purchasing process has taken place and is finished (Miklošík, 2015).

Branding is a product characteristic that allows consumers to easily distinguish a company's product from its competitors. Product recognisability is a strategic lever, as it simplifies the customer's buying process. If the customer not only recognises the brand, but also attributes to it superior characteristics that make it different from its competitors, the purchasing process is dictated by this preference. The brand therefore also represents the values in which the company believes and has the practical function of establishing a loyalty relationship with the consumer. Loyalty in fact establishes in the customer a perception of the guarantee of quality in the satisfaction of the expectations promised by the brand (Gehlhar, et al., 2009; Wijaya, 2013).

In the digital age, consumers have access to a greater amount of information that is generated and transmitted by all types of media rapidly. This condition has influenced the purchasing process, moving away from the traditional adversarial approach between buyer and supplier towards collaborative relationships (McIvor et al., 1998). The increased availability of information, due to the expansion of the Internet, improved search engine algorithms, the development of social networks, mobile technologies, and the digital economy, can be perceived as an advantage (Miklošík, 2014). Indeed, the accessibility of information allows consumers to evaluate possible purchase options in more detail and much faster than before, simplifying their purchasing decisions. However, this increased density of information can also lead to possible complications. The 'noise' of information can in fact be counterproductive, confusing the consumer who when faced with numerous sources does not know which to choose and how reliable it is. Moreover, too much information can complicate the consumer's decision-making process, and thus the purchasing process (Solík & Lalahová, 2013). In the 21st century, procurement is no longer dictated by a single function, but is evolving into a cross-functional business process (Handfield et al. 2011; Lysons and Farrington, 2012). This evolution leads to cross-functional purchasing processes, in which strategy, placement and marketing play a key role.

In this theoretical framework is posed hypothesis one:

Hypothesis 1: Adding bricks to clicks has a positive and stimulating effect on the consumer purchasing process, by reducing its length.

The results are expected to confirm this hypothesis as the presence of a physical shop increases consumer trust in the brand (Hahn and Kim, 2009), reducing purchase indecision and the need for pre-purchase information, simplifying the purchasing process. Thus, leading the From Clicks to Bricks strategy to be very effective in cultures where there is as a social trait less trust towards the external environment and other individuals.

2.2 The Importance of Omnichannel Strategies

Omnichannel retailing was initially defined as "an integrated sales experience that melds the advantages of physical stores with the information-rich experience of online shopping" (Rigby, 2011, p.4). Subsequently, with the development of digitalization, the definition was extended to include not only the simultaneous use of channels, but also the experience resulting from their integrated combination (Levy, et al., 2013, p.67). The development of the digital economy has in fact influenced customers' purchasing behaviour, adding complexity to business processes, but also opening new opportunities for value creation. Today's customers can use different sales channels through which interact with the brand during their purchasing process (Neslin et al. 2006; Beck e Rygl 2015). The use of smartphones in the quotidian routine, for example, has strongly influenced consumers' shopping behaviour and the buying process (Grewal et al., 2017; Pantano and Priporas, 2016). As a result, complementary sales channels become an integral part of the shopping experience (Dholakia et al. 2010; Beck and Rygl 2015) creating an interdependence between physical and online channels (Brynjolfsson et al., 2013). New digital sales channels provide customers with different kinds of benefits, such as convenience, availability of product information and personalisation of the shopping experience (Dholakia et al. 2010; Gensler et al., 2012), making omnichannel strategies a competitive advantage (Lusch et al., 2007). Omnichannel retailing considers different sales channels as a holistic offering to cater for the heterogeneity of customers' purchasing orientations - such as 'need for touch', 'need for cognition' or degree of 'self-confidence' - to provide a seamless cross-channel experience (Verhoef et al., 2015). In addition, it allows for the creation of deeper relationships with customers by interacting with them during the purchasing process.

The literature on multichannel has increased a lot over the years dealing with different concepts such as: strategy, pricing, consumer decision-making, channel cannibalisation, service quality, brand loyalty, customer satisfaction, optimisation of channel mix, channel switching, customer experience, coordination, integration, synergies and dissynergy. The origins of omnichannel retailing stem from the concept of 'click 'n' mortar', when in 2000, Otto & Chung wondered how the potential of e-commerce could be combined with traditional physical retail in order to improve the value of the shopping experience. According to the quantitative survey conducted by Sands et al. (2010), the online sales channel increases spending in the physical shop as it leads consumers to engage and bond with the retailer. Furthermore, Schramm-Klein et al. (2011), employing a quantitative approach, showed that consumers who can seamlessly shop across channels react with strong brand loyalty. Regarding the shopping atmosphere in retail, the literature is limited.

Verhagen & van Dolen (2009), using quantitative methods, found that there is a link between shop atmosphere and multi-channel retailing. Indeed, multi-channel shop atmosphere and shop image can be achieved through the integration of online and offline databases. Finally, according to Vrechopoulos 2010 the retail shop atmosphere has changed as a result of omnichannel retailing, as for the first time the consumer is able to change the atmospheric elements using emerging in-store technologies.

As illustrated in the previous section, the retail sector has been strongly influenced by technological transformation, leading to the development of new forms of exchange places or retailer-customer interfaces. Three main categories of channels through which customers make their purchases have been identified: traditional or physical, computer interaction on the web and mobile devices (Dennis et al. 2014). Within each of these categories, there are multiple possibilities for interaction between retailer and customer (Baxendale et al., 2015), such as 'showrooming' - discovering a product in a physical shop but concluding the purchase online - or 'webrooming' - discovering a product online but concluding the purchase in a physical shop. The heterogeneity of shoppers' needs leads not only to different types of interaction between the shopper and the company, but also to different functionalities that retailers can implement, such as the "click and collect" functionality, which allows shoppers to buy online and pick up a product in a physical shop (Gallino and Moreno, 2014). In fact, the combination of physical and digital retail channels enables brands to implement the click-and-collect functionality used by most retailers today. To give an idea of the importance of this functionality, in the United Kingdom, which has the most established click-and-collect retail market, the value of in-store pickup is expected to increase by 55.6 % over the next five years to reach £9.6 billion in 2022². The integration of physical, online, and mobile sales channels combined with the ability for customers to shop seamlessly, enables a customer-centric view to understand what drives new buying behaviors and tailor value propositions to optimize the customer experience across channels and performance on channels. The reasons why a company should implement an omnichannel retail model is to take advantage of multiple existing channels through integrated promotions, data sharing across channels, and integration of logistics activities (Berman and Thelen, 2004; Kozlenkova et al., 2015). In addition, the integration of the physical and mobile channel can generate important opportunities, such as increased repurchase (Beck and Rygl, 2015) or the possibility for retailers to design and redesign existing shopping processes (Giuffrida et al., 2019; Groß, 2015).

² <https://www.globaldata.com/uk-click-collect-sales-set-soar-55-6-2022/>

2.3 The Role of Physical Distribution in the Digital Age

Since antiquity, traders and producers have always been faced with the need to physically distribute goods, as goods have little value to buyers if they are not "*placed in a temporal and spatial context that provides (customers) with the opportunity to enjoy the physical and psychological attributes associated with possession*" (Bowersox 1968). Due to digitization, globalization, increasing competition and changes in consumer behavior, distribution has taken on a key role today. In fact, in a global market where supply exceeds demand as it does today, the emphasis has shifted to distribution performance (Shaw 1915). As stated by Converse (1936) "*the result is that we are now able to produce many more goods than the consumers are able to buy at the prevailing prices. Hence, businessmen have become greatly interested in distribution*". The objective of distribution is indeed to satisfy human needs (Converse, 1936). Moreover, as demonstrated by Sparling (1920), when a society evolves, moving for example to a more digital and industrialised urban world, the proximity between producer and consumer is increasingly reduced, making distribution a key element in the exchange of goods. Retail is the solution to new customer needs both from a functional point of view, i.e., offering consumer services that simplify the purchase, and an emotional one through the shopping experience (Berry et al., 2006). Physical and virtual stores are increasingly central to the role of consumer interaction. The increase in effectiveness and efficiency of in-store marketing has surpassed that of mass communication. In-store communication is a two-way communication that physically brings the customer closer to the product (Avery et al., 2012). The strength of physical stores is that they sell not only a product but also a story, a way of life and an experience. This happens because having its own space, the brand can develop its brand-concept. Moreover, the in-store experience allows adopting commercial strategies and differentiated and effective operating policies for homogeneous groups of customers or key customers, representing an advantage over competitors (Avery et al., 2012). In addition, according to Podrečniks et al., 2018 a business benefits from a strong e-commerce halo effect if it has a large physical store located in an area with a high percentage of young, urban professionals. This effect is amplified if the physical store is located away from the other stores of the same brand, in an environment with high traffic of possible buyers, and close to the majority of customers. The halo effect is defined as the tendency of individuals to evaluate an object based on a particular attribute that nevertheless influences the impression (Beckwith et al., 1978). This systematic bias in evaluation affects consumers behaviour and perceptions, leading consumers to favour a particular product because of previous positive experiences with other products from this manufacturer. The Halo effect contributes to brand loyalty, strengthens brand image and reputation, and results in high brand equity. It is in fact used as

a strategic resource by companies to establish themselves as industry leaders (Bendixen et al., 2004).

Brand communities, with the rise of Web 2.0, have become an increasingly important concept in contemporary marketing (Muniz & O'Guinn, 2001). These enable communication with loyal consumers and co-produce connection value for the brand (Cova & Cova, 2002). The connection value produced by brand communities represents a competitive advantage over companies that have not established brand communities (McAlexander, et al., 2002). Moreover, numerous empirical studies (Algesheimer et al., 2005; Veloutsou & Moutinho, 2009) have shown that identification in the brand community leads to positive consequences on consumers' purchasing behaviour, increasing brand loyalty. Through external marketing, relationships are created and strengthened with parties/organizations outside the company. It therefore becomes a fundamental element to distinguish from competitors. Recently, a new type of marketing has emerged, tribal marketing, which no longer follows market segmentation but aims to create consumer 'tribes' (Cova & Shankar, 2020). Consumers are in fact grouped on the basis of behaviors and values with which they identify. In tribes, there is no homogeneity in terms of the socio-demographic or psychological profile of consumers, but it is behavioral homogeneity that determines the tribe to which they belong. Therefore, the same subject can belong to more than one tribe on the basis of the behavior he adopts in response to different stimuli. Physical shops are a key element in community branding and in the construction of tribal marketing, as the pleasantness of the in-store environment is able to generate an emotional response in customers, significantly influencing the amount of time spent in the shop and the intention to spend more money than initially planned Donovan and Rossiter (1982).

In this theoretical framework is placed the second hypothesis:

Hypothesis 2: Adding bricks to clicks has a positive effect on customer satisfaction.

Empirical results are expected to generally confirm this hypothesis, as consumers who shop in physical stores are subject to the Halo Effect, greater emotional involvement with the brand and product and benefit from the physical shopping atmosphere (Vlachos & Vrechopoulos 2012, McDaniel & Burnett, 1990). However, customer satisfaction generated by the presence of a physical store may also be influenced by the national consumer culture. Particularly the characteristic collectivism/individualism, i.e. the propensity of individuals to establish emotional relationships and relations, could lead to different results.

2.4 The Influence of National Culture on Customers Preferences and Behaviour

National culture is defined as the set of behaviour patterns that are accepted, shared and transmitted by members belonging to the same society (Arnolds & Thompson, 2005). Indeed, the literature has shown that individuals belonging to the same culture have similarities in the way they express themselves, in patterns of education (Kelley & Wendt, 2002) and imitation (Barney, 1986) and share the same values (Hofstede, 2001). As a result, national culture has a profound influence on all aspects of human behavior. Its impact can vary from individual to individual. It can be subtle or pronounced, lasting or ephemeral, thus making it difficult to determine how and in what ways culture influences human behavior. The concept of national culture refers to the set of factors that includes knowledge, beliefs, art, morals, law, custom and any other skills and habits acquired by humans as members of a society (Tylor, 1881). Culture has a great impact on the life and identity of individuals, as it influences the way in which individuals interact with the world and react to challenges and problems, their beliefs, their social interactions and their behavior. An example is culture's influences on consumers trust towards e-commerce businesses (World Values Survey, 1981–2014), which leads to the diversification of retail strategies for different countries. Cultural values are the vehicles through which knowledge is transmitted from one generation to the next and represent the way in which individuals express their culture (Mourali, et al., 2005). National culture influences purchase choices differently, depending on whether it concerns everyday products or more important or expensive purchases (Luna & Gupta, 2001). Every aspect of our lives is influenced by cultural values (Mourali et al., 2005). An individual's set of cultural values includes not only the cultural elements proper to the social group to which he or she belongs, but also idiosyncratic values unique to that individual (Luna & Gupta, 2001). In fact, in addition to national culture, there are other cultural influences such as regional subculture or family values, which influence the formation of an individual's cultural values. For example, some cultures have a greater difficulty in accepting change and progress, being more inclined to rely on traditional values (Manrai, et al., 2001). This characteristic trait means that individuals are more likely to learn through observation and require a longer purchase time to acquire new or innovative products. Cultural diversity in consumers can create difficulties in understanding behaviour and identifying possible trends. However, culture is considered by marketing researchers to be one of the most important elements in determining consumer behaviour (De Mooij, 2010). One of the cultural dimensions most frequently used to measure the impact of cultural values in consumer behaviour research is the individualism-collectivism dimension (Luna & Gupta, 2001). Academic literature on this topic includes cultural differences in consumer complaint behaviour (Liu & McClure, 2001), innovativeness (Steenkamp, 2001), retail (De Mooij & Hofstede, 2002) and impulse buying (Kacen

& Lee, 2002). Therefore, individualism and collectivism as a measure of cultural values has been successfully used in cross-cultural marketing research (Bond et al., 2004).

In this study, The Hofstede's five Cultural Dimensions (Hofstede, 1980) will be used as the determinants of cultural traits: power distance index, individualism, masculinity, uncertainty avoidance and long term orientation. These dimensions allow distinguishing one culture from another identifying the distinctive traits of each culture. The power distance index indicates the degree to which individuals accept the inequality of power within society. A high power distance index suggests that the level of inequality in a society is approved by both followers and leaders. All societies are characterised by unequal power, but some are more unequal than others. Individualism, the opposite of collectivism, indicates the degree to which individuals are integrated within a group. Individualism, the opposite of collectivism, indicates the degree to which individuals are integrated within a group. In this context, the terms collectivism and individualism have no political meaning: they refer to the individual's social attitudes of being part of a group, not to a State. Masculinity and its opposite, femininity, refer to the distribution of emotional roles between women and men. Empirical studies (Hofstede, 2011) have revealed that women's values tend to differ less from one society to another than those of men, resulting in a greater cultural distance between men from different cultures than between women. Furthermore, men's values from one country to another vary from very assertive and competitive, most unlike women's values, to modest and caring, similar to women's values. The assertive pole has been defined as the highest index of masculinity and the modest and caring pole as the index of femininity. In feminine countries, women share the same values in terms of modesty and thoughtfulness as men; whereas in masculine countries, women are assertive and competitive, but not as much as men, showing a gap between men's and women's values. The uncertainty avoidance index indicates the degree of tolerance for uncertainty and ambiguity in a society, with reference to the human need for truth. It indicates the extent to which members of a certain culture are accustomed to feeling uncomfortable or in unforeseen or unfamiliar situations. Cultures that avoid uncertainty minimise the possibility of such situations with laws, rules and safety and security measures and, on a philosophical and religious level, with the belief in absolute Truth. Individuals from countries that avoid uncertainty are more emotional and motivated by internal nervous energy. On the contrary, in cultures where uncertainty is valued, there is more tolerance of different opinions, fewer rules and, on a philosophical and religious level, there are relativistic norms that allow. People from these cultures are more phlegmatic and contemplative. Long-term orientation, the opposite of short-term orientation, indicates individuals' choice to focus their efforts on the future or the present and the past. This fifth dimension was found through a study involving students from 23 countries around the world. Thrift and perseverance are

the values associated with long-term orientation, while respect for tradition, fulfilling social obligations, and protecting one's reputation are the values associated with short-term orientation.

In this theoretical framework are placed hypothesis three:

Hypothesis 3: Some cultures are more likely to lead to a better effect of the “From Click to Bricks” strategy on the firm’s performance than others.

The results are expected to confirm the two hypotheses, as culture profoundly influences customer behaviour and preferences (Luna & Gupta, 2001), leading to a different degree of effectiveness of the From Clicks to Bricks strategy in different countries. The data collected through the survey will make it possible to distinguish in which cultures the effectiveness of the strategy is highest and in which it is lowest, helping digital entrepreneurs to understand whether or not it is essential for their business to open a physical store.

3. Methodology & Empirical Strategy

After describing the context of the research proposal and the hypotheses, this part specifies the ideal data collection, the variables and the methodology used to test the hypotheses. In this section, only the results are described without interpreting them and relating them to the statements presented in the literature review. This ensures that the results are not confused with subjective interpretations. A more in-depth analysis and interpretation of the significance of the results in relation to the previously described theories is presented in the next section " 4. Discussion and Conclusion". The aim of this chapter is to clearly present the results obtained after data collection and analysis. Responses indicating key findings have been illustrated graphically in the text, while the full questionnaire can be found in the appendices, as indicated where relevant.

3.1 Data Collection and Empirical Approach Description

As the thesis topic aims to study and understand consumer behavior when it comes to From Clicks to Bricks strategy, both qualitative and quantitative approaches seem appropriate. However, only quantitative methods were used in this study, as the questionnaire only contains closed-ended questions, which belong to this category. Furthermore, a large sample size was considered, which means that individuals with very different cultural and psychological characteristics were included in the study. This ensures that the results are representative and, therefore, makes it a reliable approach. In terms of the methodological approach, both primary and secondary data are used to collect information and back the findings. Primary data are used as a primary source; however, secondary data are used to support and provide further insights. The primary data are collected from the questionnaires, which is based on consumers' responses. The questionnaire was sent to a wide audience, but it is necessary that there is cultural diversity within the sample considered, as this thesis aims to investigate the cultural effect. The secondary data used were taken from books, journals, articles, previous literature and websites. Although secondary data raises more concerns regarding validity, as it might be inaccurate, outdated or collected for different research purposes, it enables comparisons from previous years to be made. Throughout this thesis, all information used will be carefully analysed to ensure accurate and truthful results. As the sample answers must be representative, the questionnaire must, therefore, reach a large population. To ensure good representativeness, the rate of response has been set at least 100 online responses.

The questionnaire was set up with forced-choice questions, where respondents are obliged to give an answer, to avoid the bias or the neutral responses options. For this reason, the respondents must

express their opinion/feelings towards a specific issue. The forced choice option also ensures a response and thus increases the number of responses received, as it keeps respondents engaged and active in the whole process. In order to avoid possible misunderstandings or misconceptions on the part of the respondents, the questionnaire has been tested before sending it. The questionnaire was created with Qualtrics, a powerful online survey tool that allows researchers to create complex surveys that address different needs. The entire study lasts about 5 minutes and consists of 14 closed-ended questions. Only one answer can be selected for each question. The data collected will remain anonymous, confidential and used exclusively for this thesis. Furthermore, all personal information collected has been processed in accordance with the European Union's General Data Protection Regulation (GDPR). To investigate the effectiveness of the From Clicks to Bricks strategy according to consumer culture, the questionnaire was constructed in three parts. The first part assessed the demographic attributes of the participants. Participants were asked about their age, gender, education level and ethnicity of origin. To assess the ethnic origin of the participants, they were asked to indicate the continent of origin (Africa, North America, South America, Antarctica, Asia, Australia-Oceania, and Europe). In the second part, the participants' cultural values were assessed using Hofstede's five dimensions, explained earlier in the Literature Review and Theoretical Framework section. Using 5 behavioural-psychological questions, the degree of intensity of each of Hofstede's cultural dimensions in the participants was assessed. Finally, in the last part, the participants' online and in-store shopping preferences were analysed. Participants were presented with various alternatives and asked to select those that best represented their shopping habits or preferences.

After collecting a representative number of responses, the main research questions were first checked and then the results were filtered through cross tabulation of subgroups and breakdown by demographics. Subsequently, the following empirical tests were performed on the collected data using Stata software. The first thing tested was the significance level, i.e. the amount of type I error that will be allowed in the study. Type I error occurs when the null hypothesis is rejected when in fact it is true. Statistically significant values in the analysis are dictated by a two-tailed significance level of 0.1. If the statistical significance or p-value of the collected data is equal to or less than 0.1, it means that the sample has a high statistical significance because the probability of error is less than 10%. The mean and variance of the sample are then analysed, regardless of their confidence interval. The purpose of this study is to obtain a general sense of a belief or attitude, so a lower level of precision may be acceptable. There may be an independent variable that influences the other two dependent variables considered, making them appear to be related when in fact they are not. This case leads to inaccurate or insufficient conclusions. For this reason, causality is analysed in order to

hypothesise precisely which aspects influence the others. Finally, a comparison with past data was conducted to discover a possible trend in retail sales and consumer behaviour, possible improvements or changes. The quantitative analysis performed in the next section uses the following model:

$$\text{Importance} = \beta_0 + \beta_1 \text{Gender} + \beta_2 \text{Age} + \beta_3 \text{Demographic} + \beta_4 \text{Education} + \beta_5 \text{H_Power} + \beta_6 \text{H_Individualism} + \beta_7 \text{H_Uncertainty} + \beta_8 \text{H_Masculinity} + \beta_9 \text{H_Longterm} + \beta_{10} \text{Preferences} + \beta_{11} \text{Emotions} + \varepsilon.$$

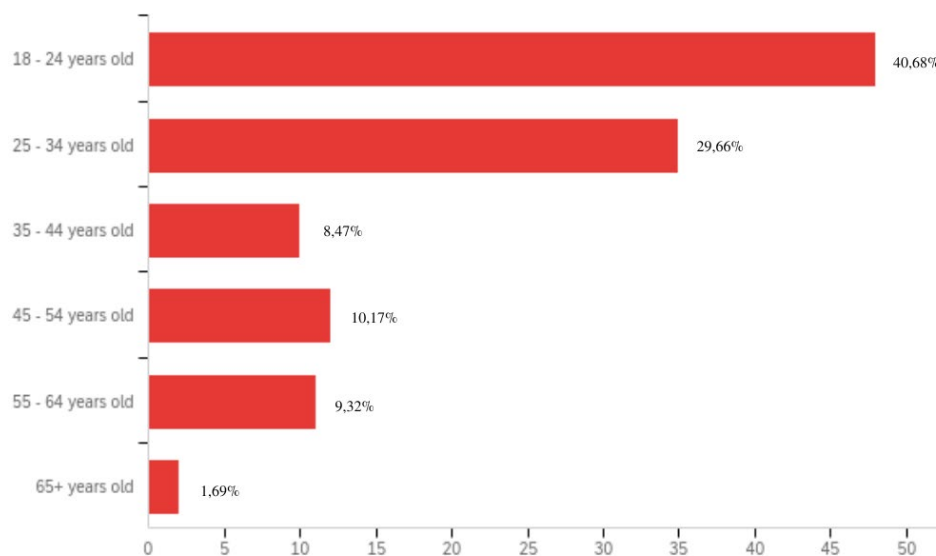
According to the previous literature and the purpose of this study, the five Hofstede cultural dimensions are the main independent variables.

4. Results & Interpretation

4.1 Data Illustration

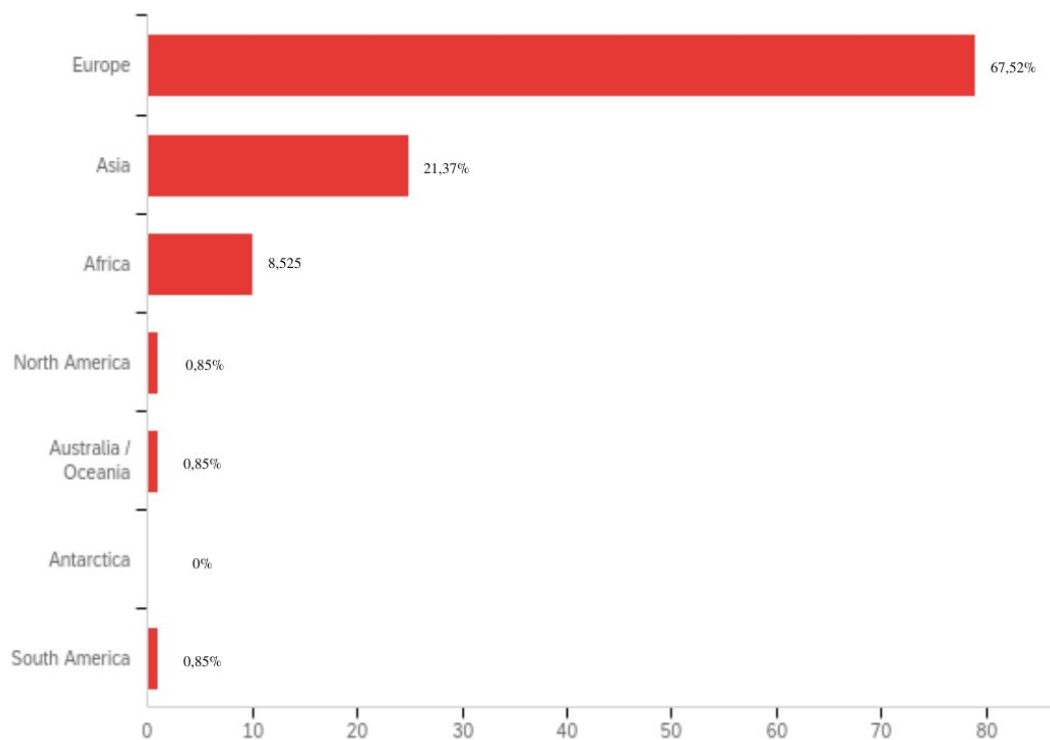
The questionnaire delivered to respondents received a total of 118 responses, exceeding the set minimum level of representativeness. Based on the results obtained in the first part of the questionnaire, it can be seen that there is a fair diversity among the participants. The 50% of participants are male, 48% female and 2% third gender or non-binary. Furthermore, as can be seen in Figure 1, the participants are well distributed across the six age groups considered.

Figure 1: Answers to question 2.



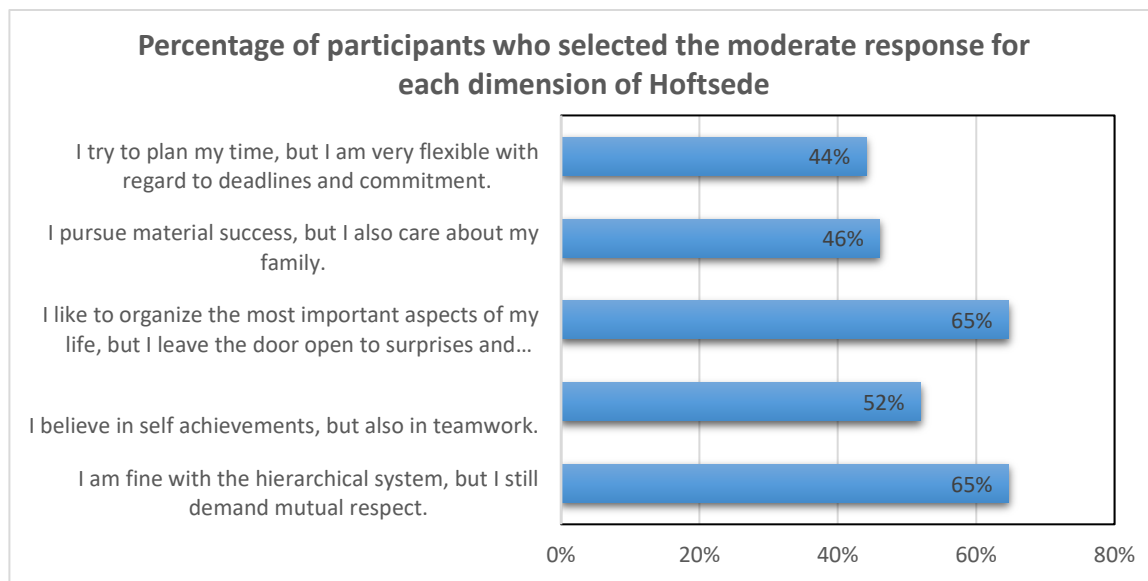
Source: primary data obtained from the survey (Qualtrics).

However, as far as the ethnicity of the participants is concerned, the answers are not equally varied. In fact, it can be seen in Figure 2, the majority of participants come from Europe. This could lead to results that are slightly distorted from reality as a limited number of individuals were considered for some continents. Nevertheless, it is still possible to obtain generally valid and meaningful results to understand the influence of consumer culture on the effectiveness of the From Clicks to Bricks strategy.

Figure 2: Answers to question 3.

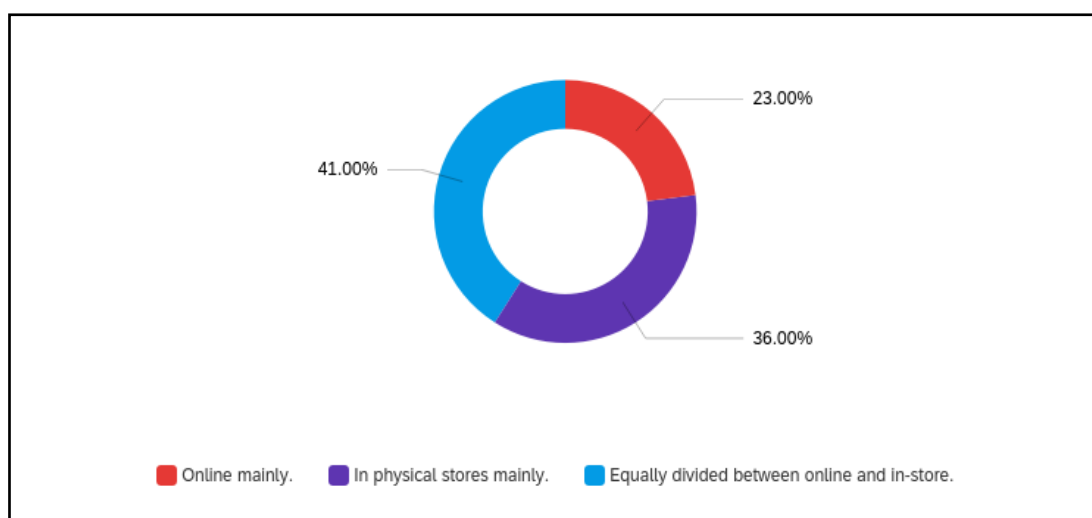
Source: primary data obtained from the survey (Qualtrics).

The second section of the questionnaire assessed the cultural traits of the participants through five questions. In order to assess the cultural traits with regard to power distance index, individualism, masculinity, uncertainty avoidance, long term orientation and indulgence, participants were asked to select the most representative alternative in particular situations. An interesting result is that for each of the five cultural assessment questions, more than 40% of the respondents always selected a medium intensity level of Hofstede's cultural dimensions. As can be seen from Figure 3 below, more than 40% of respondents of different ages, education levels and ethnicities shared moderate cultural traits.

Figure 3: Moderate cultural traits.

Source: primary data obtained from the survey (Qualtrics).

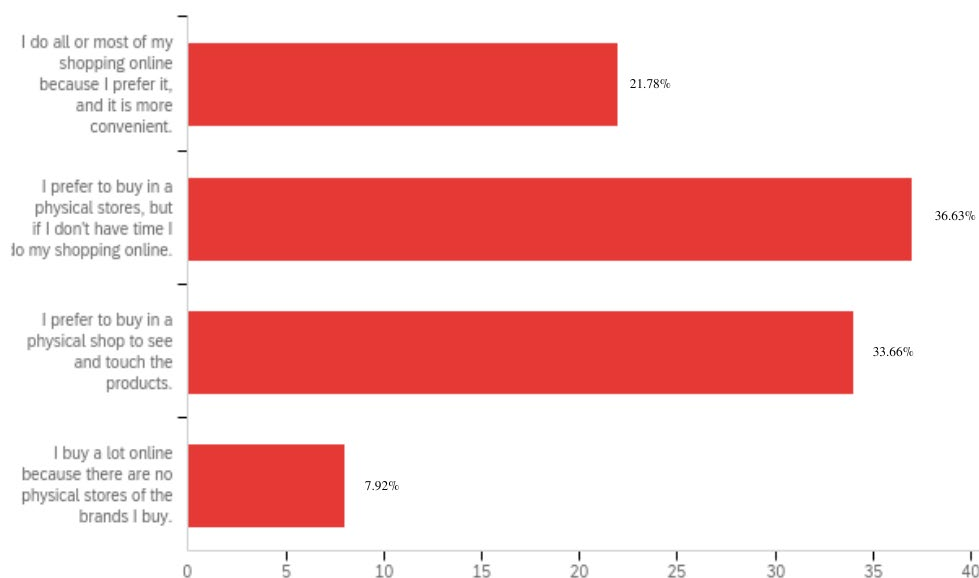
To assess the purchasing preferences of the participants, they were asked to answer five questions by choosing the alternative that best represents their purchasing habits. This part is particularly important to explain how the From Clicks to Bricks strategy works and why it is effective. As shown in Figure 4, in 2022, 36% of respondents continue to shop mainly in stores, only 23% use mainly the online channel for shopping. The remaining 41% admit to making purchases using the online and physical sales channels equally.

Figure 4: Answers to question 10.

Source: primary data obtained from the survey (Qualtrics).

According to the data collected, a company operating only online would cut off 36% of possible consumers and would not meet the 41% of consumers' need to buy both online and in-store. Furthermore, according to the answers to question 11, it appears that about 8 per cent of the respondents buy online because there are no physical stores of the brands they buy. The answers to question 11 shown in Figure 5 are very important for this study, because they provide insight into the motivations behind consumers' preference for in-store shopping. The main driver of online shopping is the speed with which shopping is done, in fact 36.63% of respondents admitted that they prefer in-store shopping but shop online because it takes less time. Convenience is another important factor driving online purchases, as online shopping is perceived as cheaper by 21.78% of the respondents. However, the majority of respondents stated that in-store shopping improves their shopping experience compared to online shopping. Depending on whether consumers consider the convenience and speed of online shopping or a better emotional shopping experience more important, their preference for online or in-store shopping changes.

Figure 5: Answers to question 11.

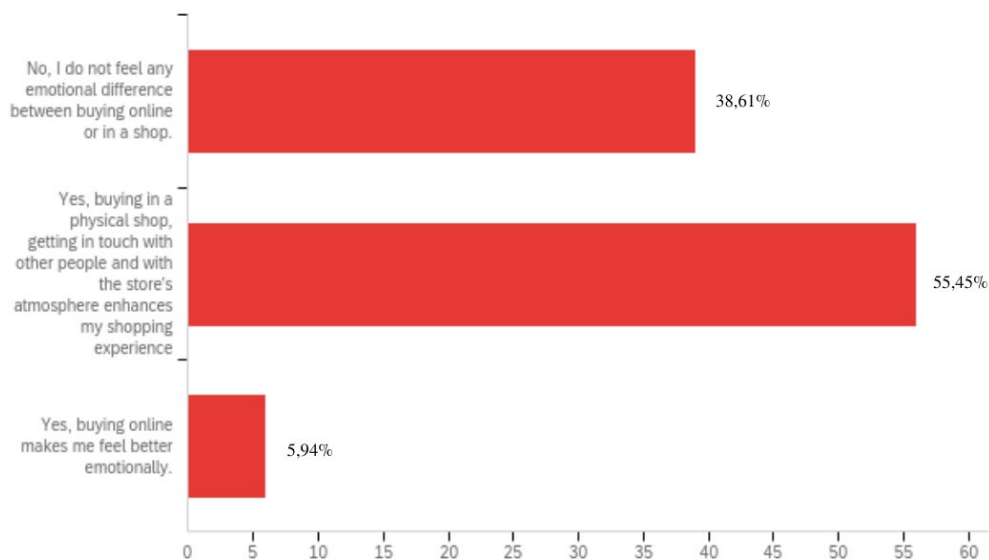


Source: primary data obtained from the survey (Qualtrics).

Question 12 is focused on understanding for which consumers instore shopping represents an added value, due to an increased emotional experience felt. From Figure 6, it can be seen that for more than 55% of the respondents, buying in a physical shop improves their shopping experience, due to physical interaction with the product, sales assistants and greater emotional involvement. On the

other hand, 38% of the participants experience no emotional shopping difference between the online and physical sales channel, while 6% responded that they experience greater emotional involvement when shop online. Further research on the topic could be to analyse whether emotional involvement can be influenced by consumers' cultural traits, such as masculinity or individualism.

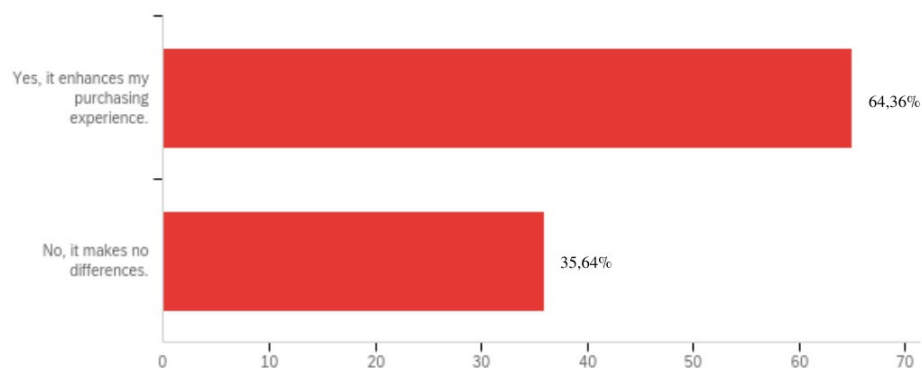
Figure 6: Answers to question 12.



Source: primary data obtained from the survey (Qualtrics).

Furthermore, as shown in Figure 7 below, for 64% of the participants it is important to be able to purchase a product both online and in shop, as it enhances their shopping experience.

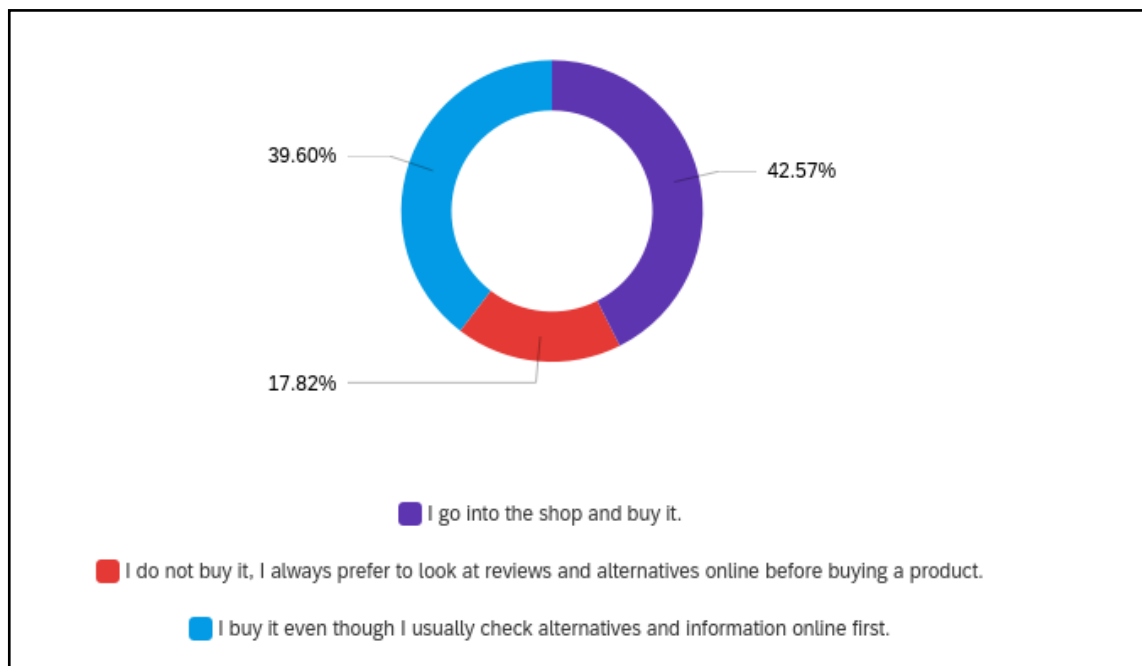
Figure 7: Answers to question 13.



Source: primary data obtained from the survey (Qualtrics).

Question 14 is the last question of the survey, however, is very important for this study as it illustrates the conversion that a physical shop is able to do by turning potential customers into real customers. In a hypothetical situation where participants were walking and saw a product they liked in a shop at a reasonable price, more than 80% would buy it immediately, converting 40% of participants who admitted to consulting all online alternatives before making a purchase to choose the cheapest. This result, which is illustrated below in Figure 8, is crucially important because it expresses how the implementation of a physical shop can heavily influence business performance.

Figure 8: Answers to question 14.



Source: primary data obtained from the survey (Qualtrics).

4.2 Empirical Analysis and Interpretation

After presenting the main findings obtained by qualitatively analysing the questionnaire responses, in this section a linear regression analysis is conducted. In order to perform the statistical analysis described above while ensuring significance, a chosen number of the data collected through the questionnaire was considered. According to Robaina et al. (2020), this empirical approach is commonly used in the literature to analyse raw data and consists of performing various tests to determine which model is the most suitable. Therefore, only the numerical data obtained from answers 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 13 of the questionnaire was considered for statistical

analysis. In this way, a multiple linear regression was run to test whether the importance of being able to shop both online and in a physical shop (question 13) was influenced by: gender (question 1), age (question 2), demographic (question 3) education level (question 4), Hofstede power distance index cultural dimensions of Hofstede (questions 5), individualism (question 6), uncertainty avoidance index (question 7), masculinity (question 8), long term orientation (question 9), shopping preference (question 10) and perceived difference in emotion between online and in-store shopping (question 12). This investigated whether the effectiveness of the From Clicks to Bricks strategy is influenced by the Hofstede cultural traits. The linear regression was performed using the software Stata, and the output is shown below in Tables 1, 2 and 3.

Table 1: Overall model fit.

Source	SS	df	MS	Number of obs	=	118
Model	5.9512678	11	.541024345	F(11, 106)	=	2.68
Residual	21.3792407	106	.20169095	Prob > F	=	0.0044
				R-squared	=	0.2178
				Adj R-squared	=	0.1366
Total	27.3305085	117	.23359409	Root MSE	=	.4491

Source: primary data obtained from the survey analysed with Stata.

The overall F-statistic for the regression model tells whether the regression model as a whole is statistically significant or not. In this case, the F-statistic (2.68) in Table 1, is above the critical level of a two-tailed 90% confidence interval (1.65), indicating that the combined explanatory variables have a statistically significant association with the importance of being able to shop both online and in a physical shop. The R-squared coefficient measures the strength of the linear relationship between the predictor variables and the response variable. A R-squared 1 indicates a perfect linear relationship while a multiple R of 0 indicates no linear relationship whatsoever. In the model the overall R-squared is 0.2178, which indicates a fairly linear relationship between the independent and explanatory variables. The 21.78% of the variance in Importance can be predicted from the explanatory variables. From Table 1 can be noticed that the regression mean squares (MS model) is 0.54, while the residual mean squares (MS residual) is 0.20. The observed values deviate from the regression line by an average of 0.4491 units (standard deviation of the error term), which means that the regression is in general accurate.

Table 2: Correlation matrix.

	Gender	Age	Demographic	Education	H_Power	H_Individual	H_Uncertainty	H_Masculinity	H_Longterm	Preferences	Emotions	Importance
Gender	1.0000											
Age	-0.1474	1.0000										
Demographic	0.0336	-0.1201	1.0000									
Education	0.2778	0.0075	0.1152	1.0000								
H_Power	0.1319	0.1283	-0.1993	0.0049	1.0000							
H_Individual	-0.1940	0.1082	-0.0436	-0.0659	0.0423	1.0000						
H_Uncertainty	-0.1043	0.1324	-0.0405	-0.0817	-0.0237	0.0222	1.0000					
H_Masculinity	0.0360	0.0904	0.0394	-0.1987	-0.0215	0.1573	0.1103	1.0000				
H_Longterm	-0.0410	0.0054	-0.0653	-0.1954	0.1127	0.2477	0.3330	0.2899	1.0000			
Preferences	-0.1252	-0.0214	0.0136	0.0577	-0.0768	0.1221	0.0199	-0.0164	0.0146	1.0000		
Emotions	0.1237	0.0711	0.1555	-0.0031	-0.0135	0.1518	0.0751	0.0806	0.0692	-0.2447	1.0000	
Importance	-0.1398	0.1153	0.0211	0.0222	0.0987	-0.0394	0.0362	-0.0479	0.1080	-0.0347	-0.3568	1.0000

Source: primary data obtained from the survey analysed with Stata.

The first step of the empirical analysis is to perform a Pearson correlation analysis to examine the multicollinearity between the variables included in the regression model. The correlation matrix presented in Table 2 shows that there is a weak correlation between the dependent variable and the explanatory variables. The highest correlation (- 0.3568) results between the dependent variable *Importance* and the explanatory variable *Emotions*. These values exclude the possibility of a multicollinearity problem and the need for further investigation. A multicollinearity problem is detected if the 'tolerance' values tend to move towards zero and the VIF (Variance Inflation Factor) is above the value of 10 (UCLA, 2022). To confirm the absence of multicollinearity, the VIF test was performed. Since, as shown in Table 3, all VIF values of the variables are less than 10, the collinearity diagnostics indicate that there is no problem of multicollinearity between these variables.

Table 3: Collinearity diagnostics - VIF test.

Variable	VIF	1/VIF
H_Longterm	1.34	0.746547
Gender	1.26	0.794854
H_Individual	1.20	0.831214
Education	1.20	0.834414
Emotions	1.18	0.846400
H_Uncertainty	1.18	0.847808
H_Masculinity	1.17	0.853264
Preferences	1.12	0.893331
Age	1.11	0.898424
H_Power	1.11	0.898886
Demographic	1.11	0.901062
Mean VIF	1.18	

Source: primary data obtained from the survey analysed with Stata.

Next it is important to determine whether the model suffers from heteroscedasticity to avoid misleading inferences. Therefore, the Breush-Pagan test for heteroscedasticity is conducted, which tests the following hypotheses: H_0 : *The model is homoscedastic* while H_1 : *The model is heteroskedastic*. Since the p-value reported in Table 4 is greater than the p value of the significant level 0.1 of 90% confidence interval, the null hypothesis cannot be rejected, so there is no evidence of heteroskedasticity in the model.

Table 4: Breush-Pagan Heteroskedasticity test.

Source	SS	df	MS	Number of obs	=	118
Model	.376715194	11	.034246836	F(11, 106)	=	1.13
Residual	3.22474216	106	.030422096	Prob > F	=	0.3489
				R-squared	=	0.1046
				Adj R-squared	=	0.0117
Total	3.60145735	117	.030781687	Root MSE	=	.17442

Source: primary data obtained from the survey analysed with Stata.

Autocorrelation or serial correlation is another significant problem for empirical models that can lead to biased results. To test whether the model is affected by autocorrelation, the Durbin Watson statistic is performed, which tests the following hypotheses: H_0 : *There is no first-order autocorrelation in the model* while H_1 : *First-order autocorrelation is present in the model*. The Durbin-Watson statistic is a value between 0 and 4. A value of 2.0 indicates the absence of first-order autocorrelation, while, when the value is greater than 2.0, negative autocorrelation is detected in the sample. Conversely, if the value is less than 2.0 it indicates positive autocorrelation.

Table 5: Durbin Watson statistic.

<code>. dwstat</code>
Durbin-Watson d-statistic(12, 118) = 1.840629

Source: primary data obtained from the survey analysed with Stata.

The Durbin Watson value obtained is 1.84, as shown in Table 6. This means that there is very weak

positive autocorrelation in the model. Since the threshold value for Durbin Watson is 2.0 the test in this case shows evidence of positive autocorrelation, but because of its marginal magnitude there is no need to correct for it. In fact, values of the Durbin Watson test statistic between 1.5 and 2.5 are considered relatively normal and so the model does not need to be adjusted or corrected for autocorrelation (Field, 2009). After empirical tests were performed, the linear regression model was estimated using the ordinary least squares technique. The output is shown in Figure 6.

Table 6: Linear regression output.

Importance	Coef.	Std. Err.	t	P> t	[90% Conf. Interval]	
Gender	-.1048122	.0870757	-1.20	0.231	-.2493018	.0396773
Age	.0463016	.0311863	1.48	0.141	-.0054476	.0980508
Demographic	.0425003	.0297669	1.43	0.156	-.0068935	.0918941
Education	.0397823	.057982	0.69	0.494	-.0564304	.1359951
H_Power	.0460331	.0482518	0.95	0.342	-.0340338	.1261
H_Individualism	-.0058986	.0256306	-0.23	0.818	-.0484289	.0366317
H_Uncertainty	.0030986	.0637239	0.05	0.961	-.102642	.1088392
H_Masculinity	-.0290712	.0444626	-0.65	0.515	-.1028504	.044708
H_Longterm	.0825178	.0494747	1.67	0.098	.0004216	.164614
Preferences	-.0575484	.0357193	-1.61	0.110	-.1168194	.0017226
Emotions	-.2547857	.0579919	-4.39	0.000	-.3510149	-.1585565
_cons	1.594444	.8838842	1.80	0.074	.1277654	3.061122

Source: primary data obtained from the survey analysed with Stata.

The coefficients of each explanatory variable indicate the expected average change in the response variable, assuming that the other explanatory variable remains constant. It can be seen that the factors that most influence, in term of significance, the importance for consumers to be able to purchase a product both online and in-store are feeling emotions during the in-store purchase (*Emotions*), and the fifth cultural dimension of Hofstede (*Longterm*). From the results in Table 6, it can be seen that the cultural trait of long-term orientation, i.e., whether individuals choose to focus their efforts on the future or on the present and the past, positively influences the importance of being able to purchase a product either in-store or online. Based on this result, the From Clicks to Bricks strategy would be most effective on customers with a strong cultural trait of long-term orientation. The least significant variables are the other four Hofstede's cultural dimensions: individualism, uncertainty avoidance index and masculinity.

5. Discussion & Recommendations

This chapter contains a more in-depth analysis of the findings as the results and findings of the literature review are presented and linked together. The purpose of this section is to enable a better understanding of the results and provide a clearer final picture, considering the limitations of the study and possible future research. In the following sections, the most important findings that are applicable to the purpose of this study are presented and the previously introduced hypotheses are addressed.

5.1 Discussion of the research question and hypotheses

This section of Chapter 4 considers the research question and hypotheses proposed in Chapter 1. Hypothesis 1 argues that adding bricks to clicks has a positive and stimulating effect on consumers' purchase process, reducing its duration. After careful analysis of the collected data, it can be said that the empirical results support this hypothesis, as in question 14, 80% of the participants said they would immediately purchase an item in the store, converting the 40% of consumers who usually compared all online offers before making a purchase. By purchasing the product immediately in the store, the time of the purchasing decision-making process is greatly reduced and there is no room for competition. In fact, whereas previously 40% of customers would compare substitute product offerings to buy the cheapest, thanks to the physical store this step is eliminated. Hypothesis 2 argues that adding bricks to clicks has a positive effect on customer satisfaction. After carefully analysing the collected data, it can be shown that this hypothesis is also confirmed. In fact, at question 12, more than 50% of participants said that buying in-store, enhances their shopping experience due to a deeper emotional engagement thanks to the physical contact with the product and brand. Deeper emotional involvement in the shopping experience not only increases customer satisfaction, but also increases the likelihood of customer loyalty to the brand (Morrison & Crane, 2007). Hypothesis 3 states that some cultures are more likely to produce a better effect of the "From Clicks to Bricks" strategy on company performance than others, as some consumers may have a greater preference or need to store in-store. To test the validity of hypothesis 3, a multiple linear regression was conducted. The model analyses whether the importance for consumers to be able to purchase a product either online or in-store is affected by Hofstede's 5 cultural dimensions, demographic attributes, and shopping preferences. To evaluate Hypothesis 3, the coefficients of the explanatory variables representing Hofstede's 5 cultural dimensions are considered: power distance index, individualism, uncertainty avoidance index, masculinity and long-term orientation. In fact,

the coefficients of the explanatory variables indicate by how much the mean of the dependent variable changes if the independent variable changes by one unit, holding the other variables in the model constant. This property of holding the other variables constant is critical because it allows the effect of each variable to be evaluated in isolation from the others. The sign of the regression coefficient indicates whether there is a positive or negative correlation between each independent variable and the dependent variable. A positive coefficient indicates that as the value of the independent variable increases, the mean of the dependent variable also tends to increase. A negative coefficient indicates that as the independent variable increases, the dependent variable tends to decrease. To assess whether the effect of the coefficients is a true representation of reality, it is necessary to check their significance by performing the T test. Checking the T statistic of Hofstede's 5 cultural dimensions in Table 6, it can be seen that there is only one statistically significant Hofstede dimension: *Longterm*. However the influence of the long term cultural trait on the dependent variable is very weak, so overall it can be stated that there is no direct linear relationship between the considered dependent and independent variables. Overall, the importance for consumers to be able to purchase a product either online or in-store does not depend on their cultural traits. Entrepreneurs' decision to implement their online sales channel with a physical store does not have to take into consideration consumers' culture, since it does not directly influence their online and in-store shopping preference. Therefore, Hypothesis 3 is overall rejected, since empirical evidence shows that it is not true. The objective of this study is to contribute to the academic literature by explaining and interpreting the From Clicks to Bricks phenomenon, emphasizing the importance of physical positioning for B2C, especially in the era of digitization, investigating the effects of national consumer culture on the effectiveness of the From Clicks to Bricks strategy, and helping entrepreneurs and digital investors in their decision-making process. The factor considered to have the greatest influence on the effectiveness of the From Clicks to Bricks strategy are the emotions felt by customers during in-store shopping. If the in-store shopping experience is able to emotionally engage the customer, the From Clicks to Bricks strategy will be very effective, increasing customer satisfaction and customer conversion rate and leading to an overall positive effect on business performance as well. As a result, consumer psychology and preferences continue to be the key elements for B2C retail business strategy. The proposed research question aims to analyse whether national consumer culture influences the effectiveness of the From Clicks to Bricks strategy. Considering both the literature reviewed and the primary data collected, the answer is negative, as there is no direct linear effect. However, consumer demographic attributes are also factors to consider when implementing the strategy. In fact, filtering the data obtained from the survey shows that the 56% of Asian participants prefer online shopping, while the 60% Europeans

prefer in-store purchases. European and Asian respondents are the majority, so it is more meaningful and accurate to consider only these two demographic groups. Moreover, for 56% of Asian participants, the predominant sales channel is online, as most purchases are made online because it is perceived as more convenient. However, almost 70% of them admitted that it is important to be able to purchase a product both online and in shop, as it enhances their shopping experience. Specifically for Asian consumers, the implementation of a physical shop would lead to an important conversion rate of more than 50%, with 56% of the participants admitting that they would buy a product in-store without first consulting the different online offers. The majority of Europeans, on the other hand, shop equally between online and in-store, with only 15% admitting to shopping only online. The main motivation for online shopping is time, not convenience as in the case of Asian participants, as admitted by more than 40% of Europeans who rely on online shopping only when there is no time for physical purchasing. For Europeans, it is crucial to have the possibility to buy a product both online and in-store, as claimed by more than 65% of them. Furthermore, the conversion rate for Europeans is less than half that of Asians, as European participants rely much less on online shopping and offers.

5.2 Limitations

The study conducted has several limitations. With regard to data collection, individual surveys are not able to analyse trends in real time or over short periods of time, as data are collected only once. It is therefore difficult to measure changes in the population unless two or more surveys are conducted at different times. Such repetition is often costly and time-consuming, making frequent periodic surveys impractical. Moreover, single surveys cannot provide strong evidence of cause and effect. Since surveys collect cause and effect data at the same time, it is often complicated to determine which of the factors is the cause and which is the effect. Furthermore, due to the nature of the method used to collect the data, i.e. an online survey, there is an inherent risk of not including a certain type of respondent, e.g. those who have never made an online purchase. Another limitation related to data collection is the social desirability bias, which cannot be controlled or corrected. This means that respondents may have provided data that is distorted from reality by answering questions that they consider favourable to the researcher or morally correct but do not correspond to an authentic and honest answer. Regarding the limitations of the data analysis, it should be noted that the proposed statistical analysis is very simple and its contribution to make the results on the effect of national consumer culture on the effectiveness of the strategy more precise and meaningful is limited. Further limitations to the proposed empirical model could be the small sample size

analysed in relation to the variability of the data, the limited relationship between the dependent and independent variables, the existence of a relationship between the dependent and independent variables that is not linear, and the general limited fit of the model. Finally, external validity is considered, i.e. the generalisability of the results obtained. In this case, the respondents who participated in the survey come from all over the world, but most of them are European, so the results cannot be applied in general terms to the entire population ensuring high accuracy.

5.3 Future research

In the process of analysing and researching this thesis, it was found that the factors that most influence the effectiveness of the strategy are the emotions felt by customers during in-store shopping and the purchasing preferences of consumers. It would be interesting to investigate whether the national consumer culture has an influence on these two elements, and thus indirectly on the effectiveness of the strategy. Furthermore, it would be interesting to include numbers of participants from parts of the world other than Europe. Therefore, this thesis requires further exploration of the field. Another interesting result discovered is that for each of the five cultural assessment questions, more than 40% of the respondents always selected a medium intensity level of Hofstede's cultural dimensions. It would be interesting to understand why individuals with different demographic attributes share the same cultural traits. Could it be that globalisation, digitalisation and always being in contact with people from different cultures are leading to a standardisation of moderate cultural traits? Firstly, future socio-psychological studies should be undertaken using a larger sample for primary data collection, ensuring more robust and representative results. Secondly, the same research conducted for this thesis should be replicated using empirical models other than the linear model on a larger data set to gain a better understanding of the influence that national consumer culture has on strategy. Finally, future research should also seek to confirm the validity of the results obtained in this thesis using secondary data.

6. Conclusion

The objective of this study is to contribute to the academic literature by explaining and interpreting the From Clicks to Bricks phenomenon, emphasizing the importance of physical positioning for B2C, especially in the era of digitization, investigating the effects of national consumer culture on the effectiveness of the From Clicks to Bricks strategy, and helping entrepreneurs and digital investors in their decision-making process. The proposed research question aims to analyse whether national consumer culture influences the effectiveness of the From Clicks to Bricks strategy. Considering both the literature reviewed and the primary data collected, the answer is negative, as there is no direct linear effect. However, consumer demographic attributes are also factors to consider when implementing the strategy. In this study, it was found that for Asian consumers, the implementation of a physical store would lead to a major conversion rate of more than 50%, with 56% of participants admitting that they would purchase a product in-store without first consulting different online offers. The factor considered to have the greatest influence on the effectiveness of the From Clicks to Bricks strategy are the emotions felt by customers during in-store shopping. If the in-store shopping experience is able to emotionally engage the customer, the From Clicks to Bricks strategy will be very effective, increasing customer satisfaction and customer conversion rate and leading to an overall positive effect on business performance as well. Hypothesis 1 claiming that adding the brick to the click has a positive and stimulating effect on consumers' purchase process, reducing its duration, was confirmed by the empirical results. In fact, on 14.80% of participants said they would immediately purchase an item in-store, converting the 40% of consumers who usually compare all online offers before making a purchase. Hypothesis 2 claiming that adding bricks to clicks has a positive effect on customer satisfaction was confirmed. In fact, more than 50 percent of participants said that in-store shopping improves their shopping experience due to deeper emotional involvement through physical contact with the product and brand. Finally, Hypothesis 3 states that some cultures are more likely to produce a better effect of the "From Clicks to Bricks" strategy on business performance than others, as some consumers may have a greater preference or need to store in-store. Analysis of the coefficients of the multiple linear regression shows that only one of Hofstede's 5 dimensions is weakly statistically significant: *Longterm*. Indeed, the cultural trait of long-term orientation, i.e., whether individuals choose to focus their efforts on the future or on the present and the past, positively influences the importance of being able to purchase a product either in-store or online. However, the influence of long-term cultural trait on the dependent variable is very weak, so overall it can be said that there is no direct linear

relationship between the dependent and independent variables considered, so Hypothesis 3 is rejected.

In conclusion, it can be stated that although there is no direct linear relationship between the effectiveness of the From Clicks to Bricks strategy and national culture of consumers, it is important to consider the demographic attributes of consumers, which as illustrated above influence their purchasing habits. In particular, while in Europe the Bricks and Mortar model continues to be the winning one, in Asia a Clicks and Bricks model would be very successful. Overall, the importance for consumers to be able to purchase a product either online or in-store does not depend on their cultural traits. Entrepreneurs' decision to implement their online sales channel with a physical store does not have to take into consideration consumers' culture, since it does not directly influence their online and in-store shopping preference.

7. References

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6. Appendices

Abbreviations:

B2C: Business to Consumers

THESIS SURVEY

QUESTIONNAIRE RESULTS & REPORT:

Dear Participant,

My name is Chiara Vesprini, and I am a student at Utrecht University.

You are being invited to participate in my study about the influence of different cultures on consumers' behavior. This study is part of my final thesis of the "International Management" program. Hereby I provide you some further information regarding the purpose of my study and the use of your data.

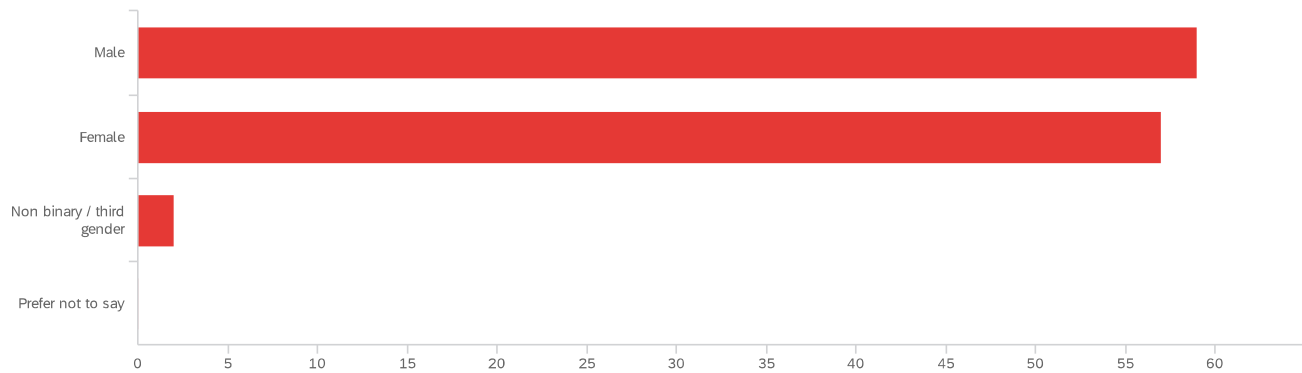
If you agree to participate, you will be asked 14 questions about your cultural values and your purchasing preferences. It is anticipated that the entire study will take approximately 5 minutes.

The data collected will remain anonymous, confidential and used solely for academic purposes. Any personal information will be handled according to the European Union's General Data Protocol Regulation (GDPR).

If you have any concerns or further questions, please do not hesitate to contact me under my email address: c.vesprini@students.uu.nl

Thank you in advance for your participation!

Q1- Gender: Please select your gender.



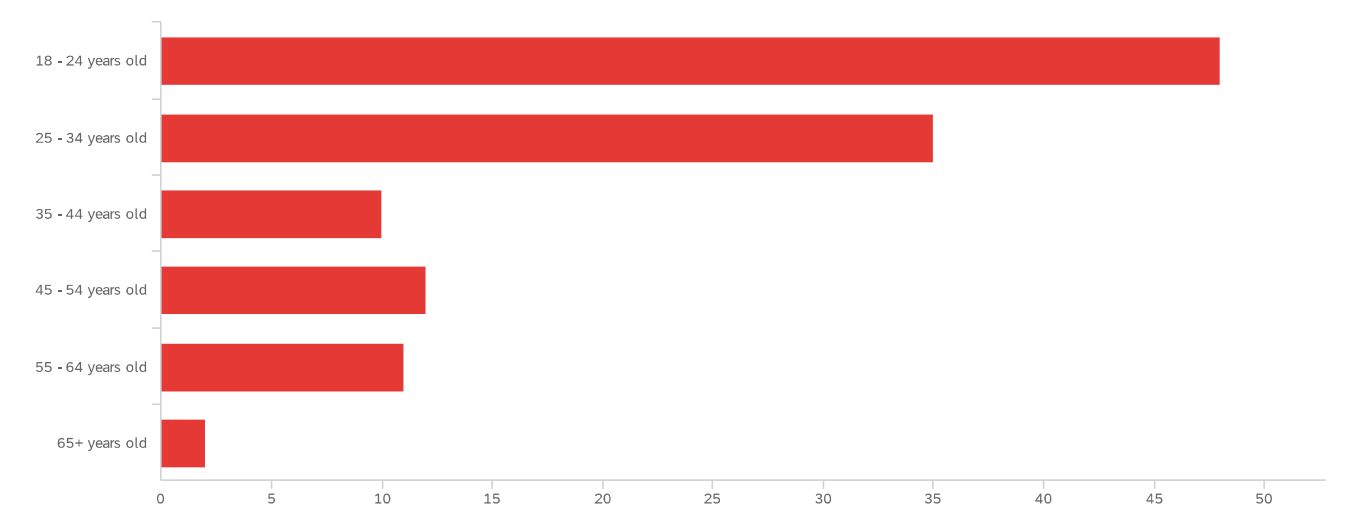
#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	Gender: Please select your gender.	1.00	3.00	1.52	0.53	0.28	118

#	Field	Choice Count
1	Male	50.00% 59
2	Female	48.31% 57
3	Non binary / third gender	1.69% 2
6	Prefer not to say	0.00% 0

118

Showing rows 1 - 5 of 5

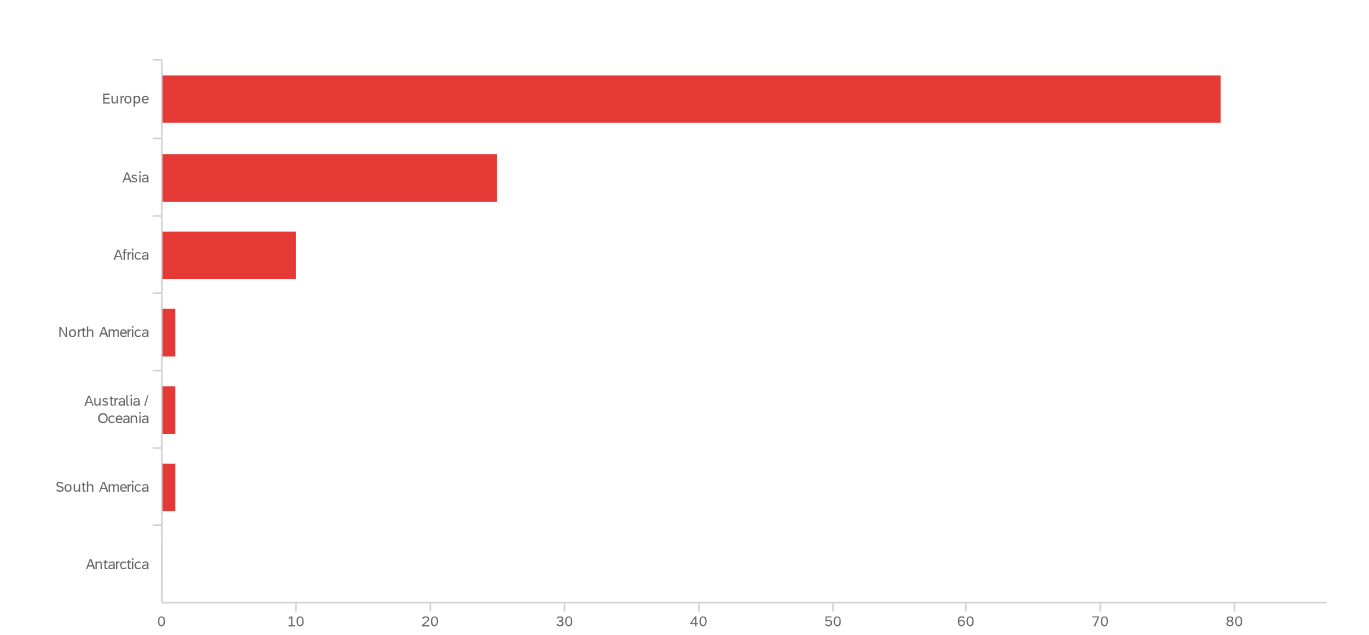
Q2 - Age: Please select your age group.



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	Age: Please select your age group.	4.00	9.00	5.23	1.40	1.96	118

#	Field	Choice Count
4	18 - 24 years old	40.68% 48
5	25 - 34 years old	29.66% 35
6	35 - 44 years old	8.47% 10
7	45 - 54 years old	10.17% 12
8	55 - 64 years old	9.32% 11
9	65+ years old	1.69% 2

Q3 - Demographic: Where are you from?



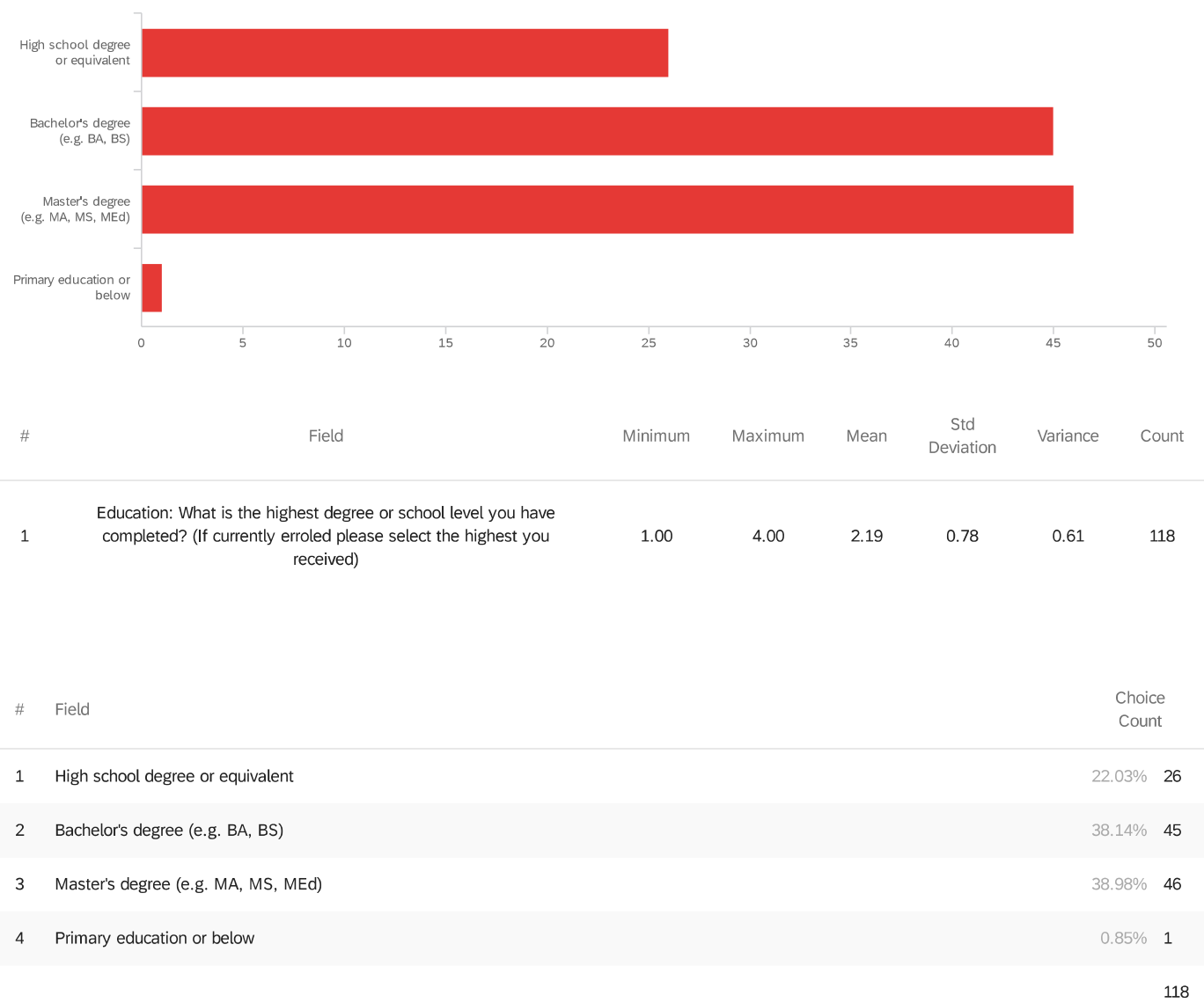
#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	Demographic: Where are you from?	1.00	10.00	2.70	1.46	2.14	118

#	Field	Choice Count
2	Europe	67.52% 79
3	Asia	21.37% 25
6	Africa	8.55% 10
7	North America	0.85% 1
8	Australia / Oceania	0.85% 1
9	Antarctica	0.00% 0
10	South America	0.85% 1
		117

Showing rows 1 - 8 of 8

Q4 - Education: What is the highest degree or school level you have completed?

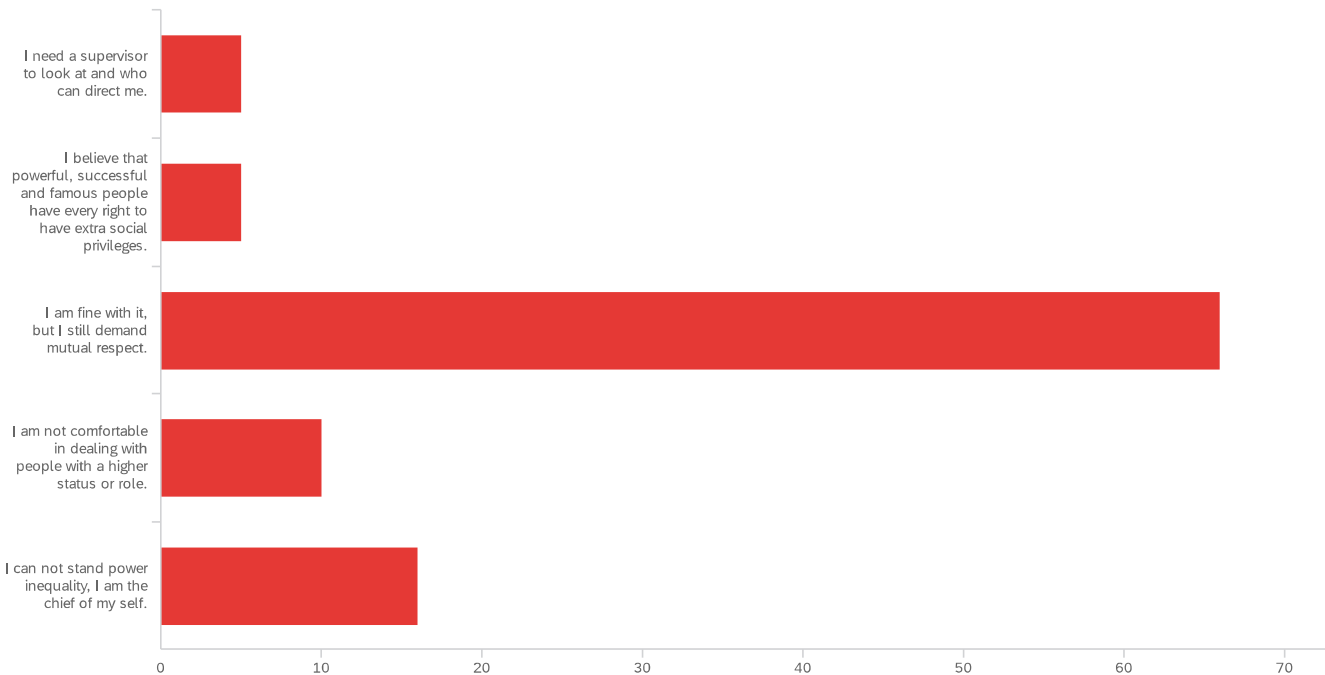
(If currently erroled please select the highest you received)



CULTURAL ASSESSMENT

In the following part, you will be asked about your preferences in particular environments to assess your cultural traits.

Q5 - Power distance index: How do you feel about hierarchical system and different privileges within society organization? Please express your degree of comfortability with the inequality of power within society.

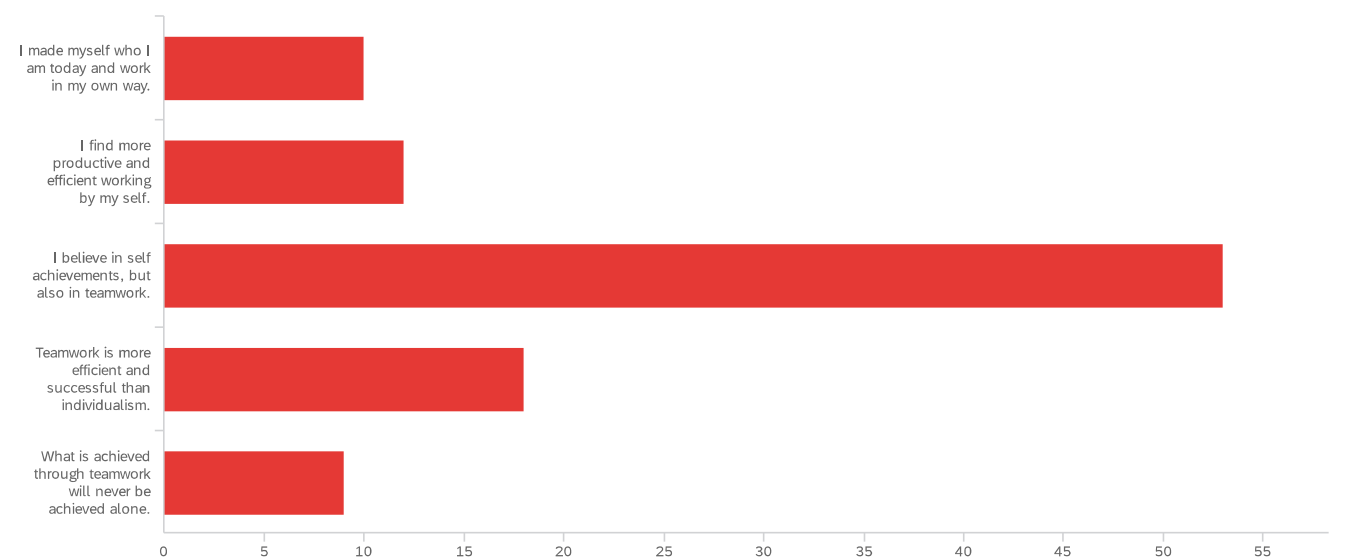


#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	Power distance index: How do you feel about hierarchical system and different privileges within society organization? Please express your degree of comfortability with the inequality of power within society.	1.00	5.00	3.26	0.95	0.90	102

#	Field	Choice	Count
1	I need a supervisor to look at and who can direct me.	4.90%	5
2	I believe that powerful, successful and famous people have every right to have extra social privileges.	4.90%	5
3	I am fine with it, but I still demand mutual respect.	64.71%	66
4	I am not comfortable in dealing with people with a higher status or role.	9.80%	10
5	I can not stand power inequality, I am the chief of my self.	15.69%	16
			102

Showing rows 1 - 6 of 6

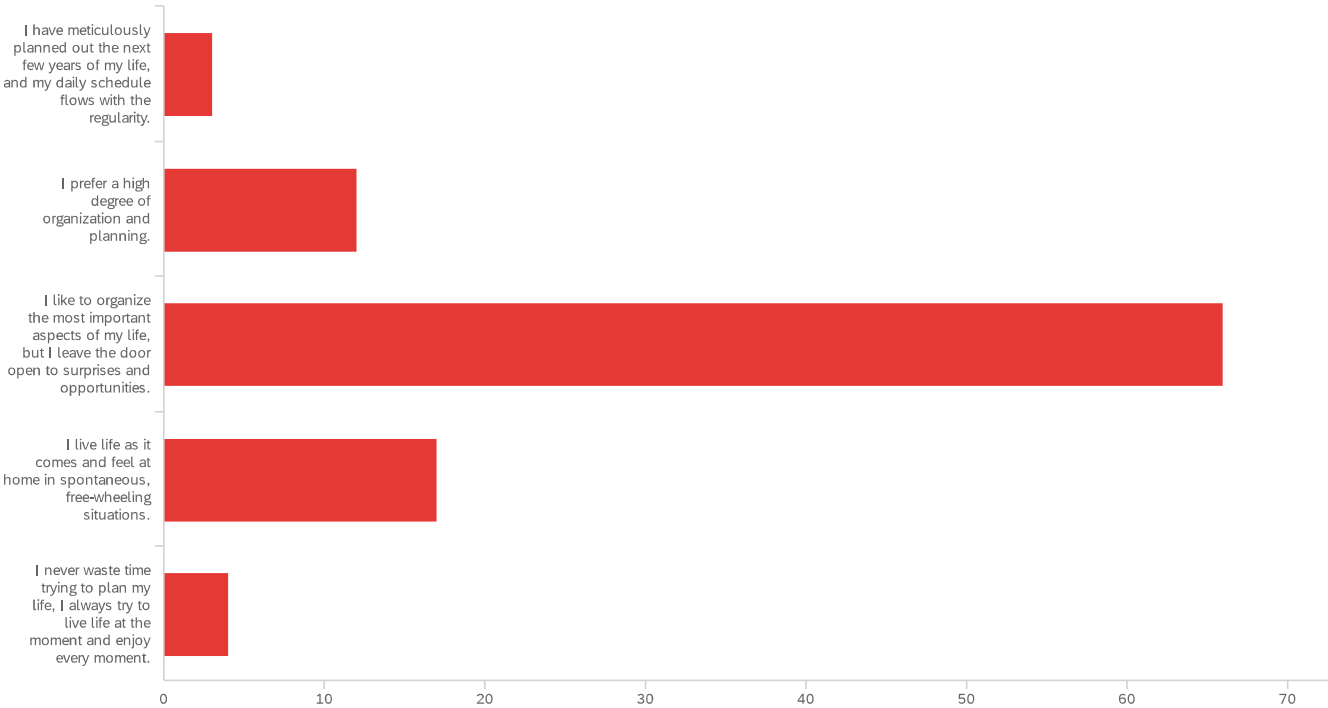
Q6 - Individualism vs collectivism: What do you believe in more: in teamwork and collective achievements, or in being personally responsible for your own success and achievements?



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	Individualism vs collectivism: What do you believe in more: in teamwork and collective achievements, or in being personally responsible for your own success and achievements?	1.00	7.00	3.57	1.79	3.19	102

#	Field	Choice Count
1	I made myself who I am today and work in my own way.	9.80% 10
2	I find more productive and efficient working by my self.	11.76% 12
3	I believe in self achievements, but also in teamwork.	51.96% 53
6	Teamwork is more efficient and successful than individualism.	17.65% 18
7	What is achieved through teamwork will never be achieved alone.	8.82% 9
		102

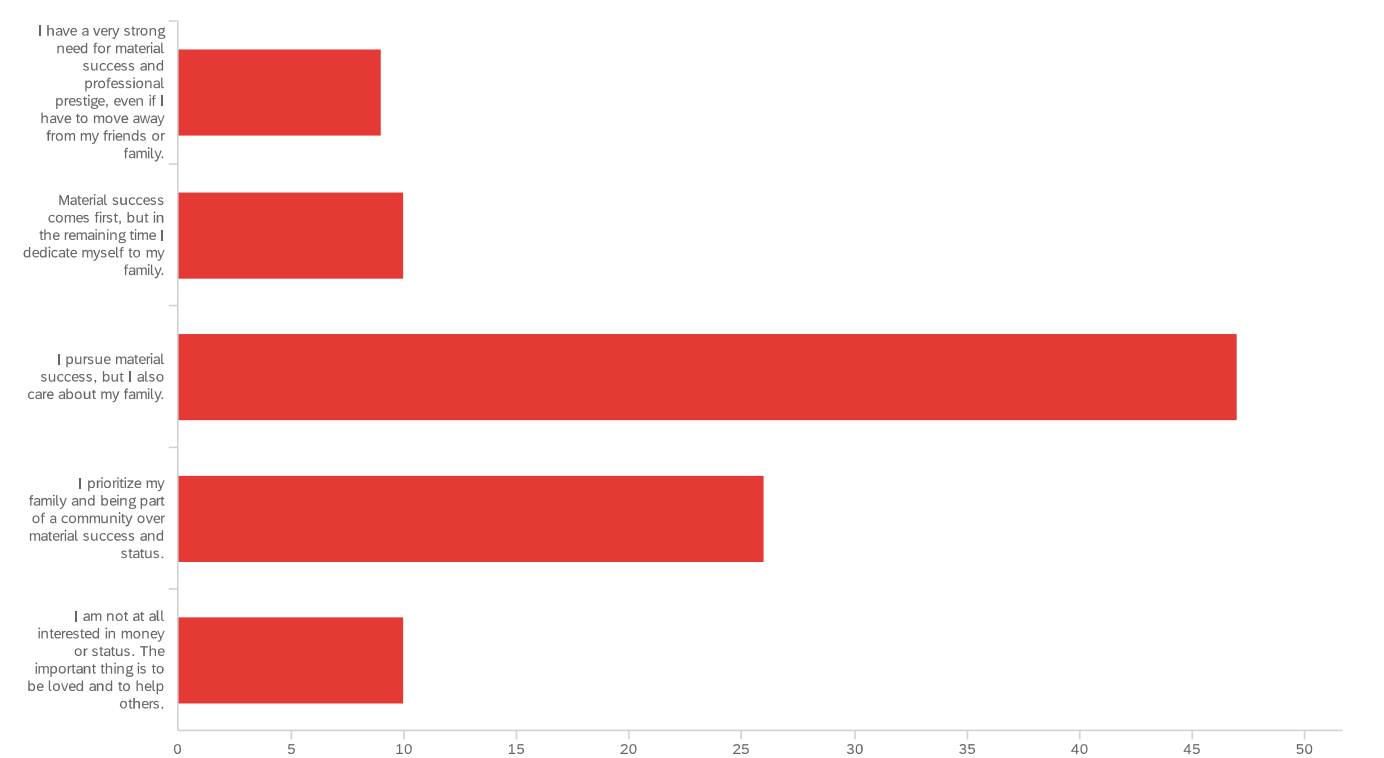
Q7 - Uncertainty avoidance index: Do you feel a strong need to have every part of your life organized and planned, or do you feel more at home in free-wheeling, spontaneous, even chaotic situations?



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	Uncertainty avoidance index: Do you feel a strong need to have every part of your life organized and planned, or do you feel more at home in free-wheeling, spontaneous, even chaotic situations?	11.00	15.00	13.07	0.74	0.55	102

#	Field	Choice Count
11	I have meticulously planned out the next few years of my life, and my daily schedule flows with the regularity.	2.94% 3
12	I prefer a high degree of organization and planning.	11.76% 12
13	I like to organize the most important aspects of my life, but I leave the door open to surprises and opportunities.	64.71% 66
14	I live life as it comes and feel at home in spontaneous, free-wheeling situations.	16.67% 17
15	I never waste time trying to plan my life, I always try to live life at the moment and enjoy every moment.	3.92% 4
		102

Q8 - Masculinity vs femininity: Do you think one has to be proactive and energetic to acquire maximum material comfort, social status and prestige, or do you think one has to be tolerant, relaxed, loving and family focused?

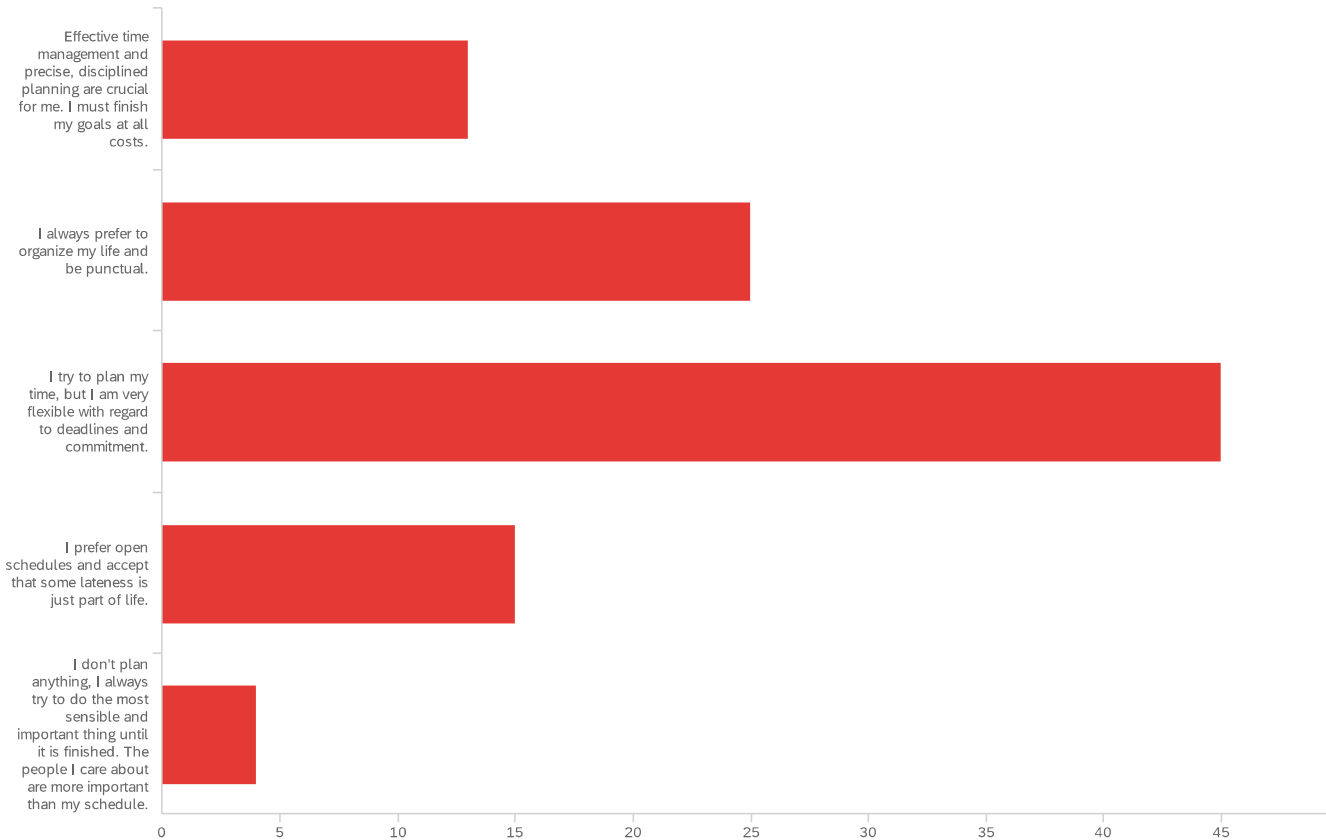


#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
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1	Masculinity vs femininity: Do you think one has to be proactive and energetic to acquire maximum material comfort, social status and prestige, or do you think one has to be tolerant, relaxed, loving and family focused?	1.00	5.00	3.18	1.03	1.07	102
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#	Field	Choice Count
1	I have a very strong need for material success and professional prestige, even if I have to move away from my friends or family.	8.82% 9
2	Material success comes first, but in the remaining time I dedicate myself to my family.	9.80% 10
3	I pursue material success, but I also care about my family.	46.08% 47
4	I prioritize my family and being part of a community over material success and status.	25.49% 26
5	I am not at all interested in money or status. The important thing is to be loved and to help others.	9.80% 10

Q9 - Long-term vs short-term orientation: Do you perceive time as linear, and it is better to do only one thing at a time, or are you comfortable doing several things at once?



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
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1	Long-term vs short-term orientation: Do you perceive time as linear, and it is better to do only one thing at a time, or are you comfortable doing several things at once?	1.00	5.00	2.73	0.99	0.98	102
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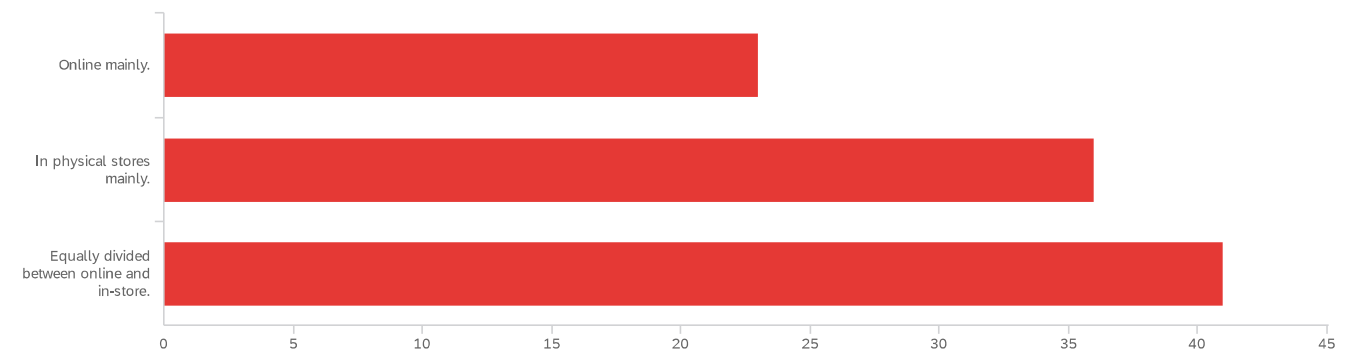
#	Field	Choice Count
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1	Effective time management and precise, disciplined planning are crucial for me. I must finish my goals at all costs.	12.75% 13
2	I always prefer to organize my life and be punctual.	24.51% 25
3	I try to plan my time, but I am very flexible with regard to deadlines and commitment.	44.12% 45
4	I prefer open schedules and accept that some lateness is just part of life.	14.71% 15
5	I don't plan anything, I always try to do the most sensible and important thing until it is finished. The people I care about are more important than my schedule.	3.92% 4

PURCHASING PREFERENCES

In the current section, you will be asked to answer some questions about your purchasing preferences.

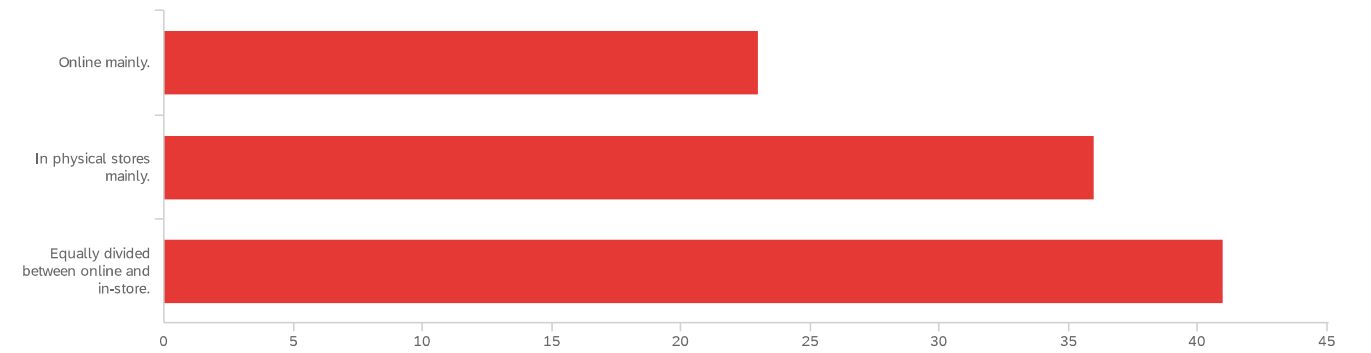
Q10 - Online vs In-store purchasing: Where do you mainly shop?



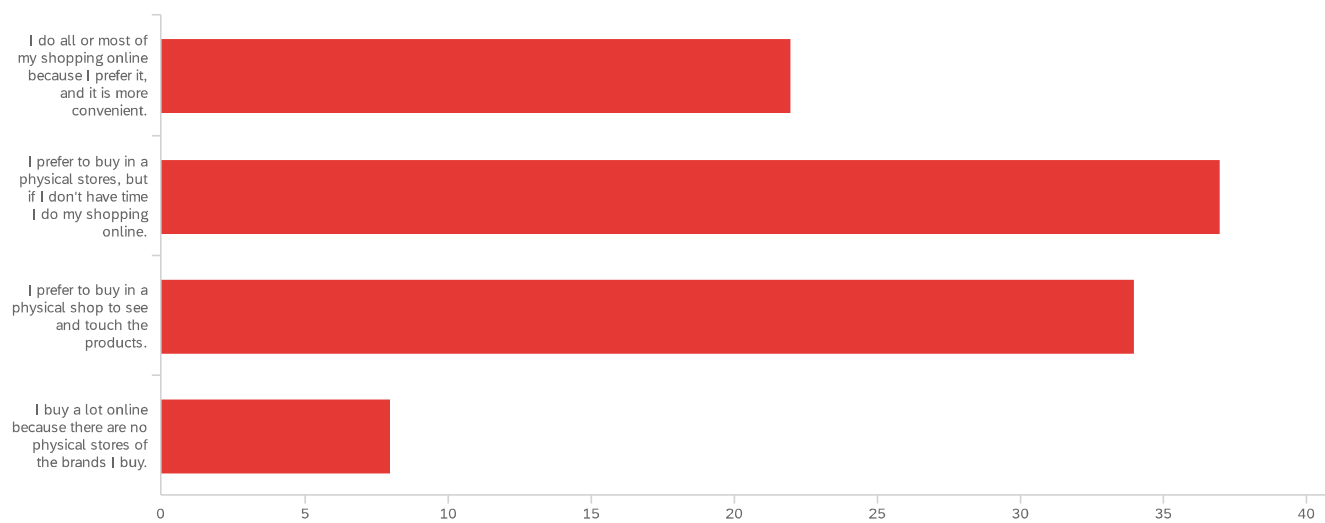
#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	Online vs In-store purchasing: Where do you mainly shop?	5.00	8.00	6.59	1.23	1.52	100

#	Field	Choice Count
5	Online mainly.	23.00% 23
6	In physical stores mainly.	36.00% 36
8	Equally divided between online and in-store.	41.00% 41
		100

Showing rows 1 - 4 of 4



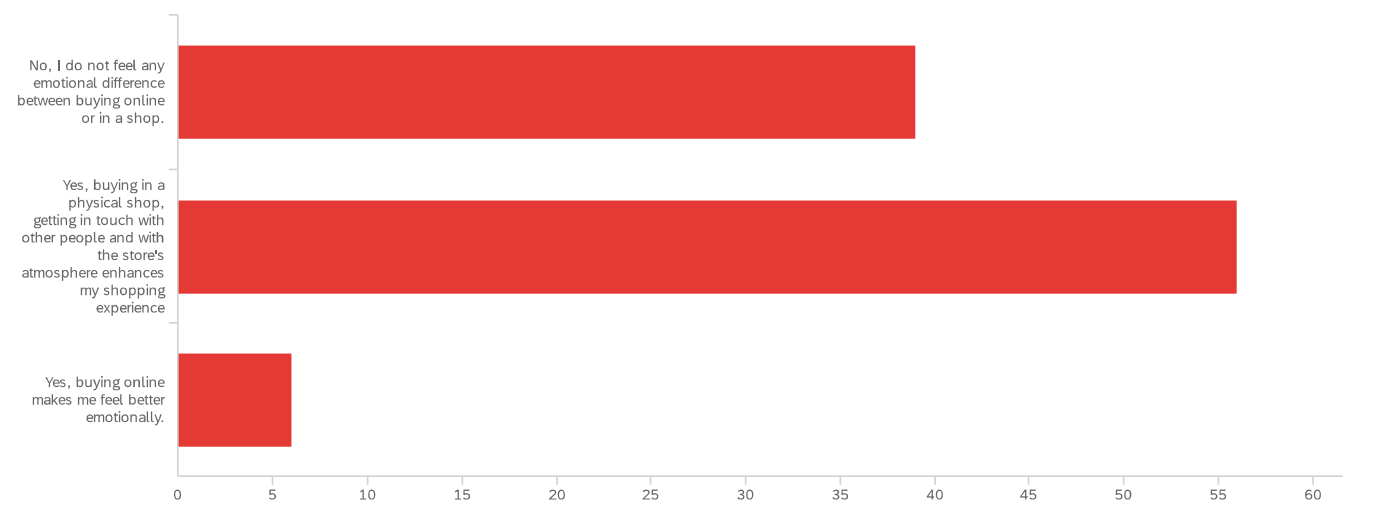
Q11 - Which of these statements most represents your purchasing behaviour?



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	Which of these statements most represents your purchasing behaviour?	2.00	5.00	3.28	0.89	0.79	101

#	Field	Choice Count
2	I do all or most of my shopping online because I prefer it, and it is more convenient.	21.78% 22
3	I prefer to buy in a physical stores, but if I don't have time I do my shopping online.	36.63% 37
4	I prefer to buy in a physical shop to see and touch the products.	33.66% 34
5	I buy a lot online because there are no physical stores of the brands I buy.	7.92% 8

Q12 - Do you experience a difference in emotions and shopping experience between in-store and online shopping?

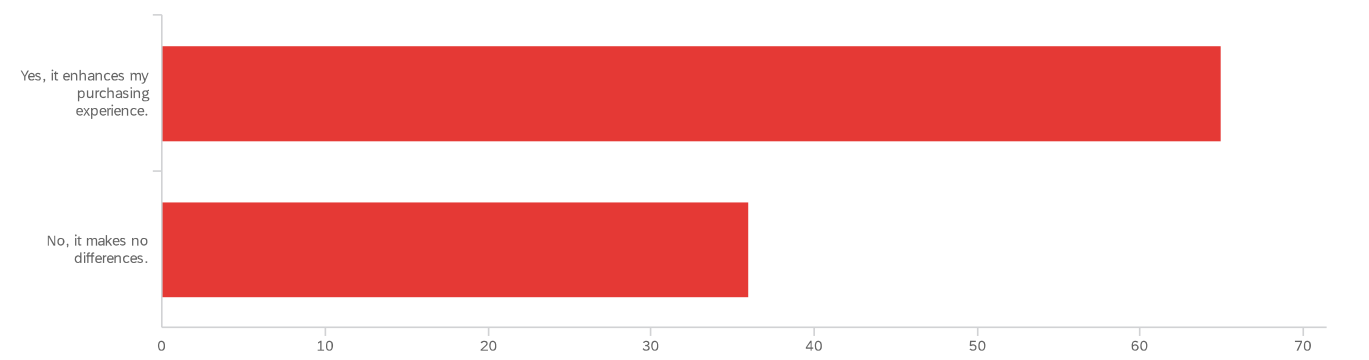


#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	Do you experience a difference in emotions and shopping experience between in-store and online shopping?	1.00	4.00	1.73	0.74	0.55	101

#	Field	Choice Count
1	No, I do not feel any emotional difference between buying online or in a shop.	38.61% 39
2	Yes, buying in a physical shop, getting in touch with other people and with the store's atmosphere enhances my shopping experience	55.45% 56
4	Yes, buying online makes me feel better emotionally.	5.94% 6
		101

Showing rows 1 - 4 of 4

Q13 - Is it important for you to be able to buy a product both online and in a physical shop?



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	Is it important for you to be able to buy a product both online and in a physical shop?	1.00	2.00	1.36	0.48	0.23	101

#	Field	Choice Count
1	Yes, it enhances my purchasing experience.	64.36% 65
2	No, it makes no differences.	35.64% 36

101

Q14 - If you are walking around and see in a shop a product you like at a reasonable price, what would you do?



Showing rows 1 - 4 of 4

End of Report