



Navigating The Click And Brick Frontiers: Challenges, Trade-Offs And Operational Benefits Of Establishing Physical Stores

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Abstract: The decision for transition from an online only retailer to a click and brick retailer was purely customer demand driven, stated by the retailers while the semi-structured interview conducted with 11 Retailers in Kerala, who have come across this transition process. The retailers perceived this expansion as vital for gaining customers trust, to create a better shopping experience and to ensure active customer engagement with the brand. This qualitative research paper examines the major challenges, trade-offs and operational benefits derived from the business model transition. The study found that, financial constraints, seasonal issues, creation of dead stock, and remote location are the major challenges faced and this transition has resulted in operational benefits like increased brand visibility, increased market share, and also it helped them identify the customer's needs and wants. The present study will draw further inferences based on existing literature, semi-structured interview results, and case study evidences. The paper employs a thematic analysis based on Braun & Clarke six step reflexive process, and done coding using NVivo software version 15.

Index Terms - Click & Brick retailers, Trade-offs, operational benefits, Qualitative research

1.INTRODUCTION

The fashion retail industry have witnesses a revolutionary shift with the widespread establishment and acceptance of e-commerce platforms. However, we came across a reverse shift now a days, as the online first fashion retailers are opening a physical store to provide better customer experiences. This transition can be called as Clicks to Brick model or Reverse Show rooming. The qualitative study is rooted in Kerala, because we are most literate and digitally connected state in India with high mobile internet penetration, judicious consumer population and presence of highly organized commercial centers all across the state. Kerala's consumer choices are often influenced by the cultural preferences and also budget buy brands choices. In order to meet the customer's needs and wants, a new retailer is entering the market every day. Their market entry is not only the customer demand, but also the scope for budget buy brand in the retail ecosystem.

The existing literatures are more about Omni-channel retailing in Western Countries and now the Click and Brick models and Buy Online Pickup in Store are widely accepted than Omni-channels. But literary evidence are less on this phenomenon. Thus there exist a research gap. Not only that western country markets and metropolitan city preference will be different from a regional areas perspective. Understanding the shift will significantly extend the literature.

The present study is qualitative in nature and is conducted among the retailers who have originated online and further added physical shops in Kerala to identify the benefits and challenges experiences in the transition process. The research is based on two primary questions.

1. What are the major challenges faced in the transition from an online business to a Click and Brick fashion retailer?
2. What are the key benefits of adding a physical store?

2. Literature Review

2.1 Evolution of fashion retailing

Fashion retailing have changed from tradition retailing to online sale with the advent of e-commerce Verhoef.et.al. (2015). Further it have changed to multichannel or omnichannel retailing where consumers can purchase any time, anywhere and can choose the delivery or pickup options P. Pathamuthu et.al.(2025). Now the trend has been changed the omnichannel platforms to stick alone into click and brick model. David R Bell et.al (2017) finds that adding a physical store will increase demand, increase operational efficiency, decrease returns, and identifies higher cost to serve as a challenge of expansion. Therese Bovil et.al (2015) finds that “Swedish online fashion retailers add physical store to enhance brand image, reach large customers to increase profit, and identifies challenges like supplier protection, negotiation power and product display”.

2.2. Clicks to brick business models: Benefits & Challenges

Erick Maier et.al (2023) finds that adding a physical store increases the sales and profit without significantly affecting the online sales, while attracting new customers. J Linando (2024) identifies the benefits of combining stores by SME's as optimum resource use, waste reduction, better customer research, increase business efficiency and also it align with the technological trends. E. Ofek et.al (2018) identifies the challenges faced by the retailers in the transition process like high investment cost, decreased profits for retailers, and competition is high. D. Herhausen et.al (2015), also found that channel integration creates competitive advantage and channel synergies for retailers rather than channel cannibalization. Armagan Ozbilge et.al (2022) states that Click and Brick business models are under researched area which needs further researches. P. Parasaranphanish et.al (2003) found out that hybrid click and brick model is a strategy that could help the traditional retailers to leverage brand awareness, boost customer reach, better supply facilities, reduced cost and increase profit. C Steinfield et.al (2002)

states that, integrating physical infrastructure with ecommerce will reduce cost, increase trust, market expansion, improved product or brand differentiation and the author advises better managerial implications to prevent cross channel conflicts.

3. Research methodology

The study adopts an exploratory qualitative research approach. The study is conducted among the click and brick retailers operating in Kerala using a semi-structured interview schedule. Each interview took around 20-30 minutes. The interview was conducted in English and Malayalam as per the respondent's preference. Malayalam interviews are transcribed verbatim into English to analyse the data. Business Owners and store managers were responded and they have not given recording permission due to the company policy and regulations. Hence the researcher wrote all the comments and responses and ensured their active participation. Their gestures and attitudes were observed carefully. Purposive and snowball sampling was employed to identify the respondents. The selection of sample is based on certain criteria's:

1. They must be an online first fashion retailer
2. Physical shops must be added subsequently
3. Minimum one year of experience in C&B model of operation
4. Willingness to participate in the study

Codes (R1-R11) were given to the respondents to provide anonymity to the brand. Further analysis has been done using Braun & Clarke (2006, 2019) six step reflexive process. The data has been coded using NVivo software version 15.

3.1. Ethical Consideration

All participants were informed about the objective and scope of the study prior to the interview. Confidentiality was assured and they are given with the complete freedom to withdraw their participation at any stage of the study and have ensured their voluntary participation. All the data collected is stored securely in compliance with privacy protection.

4. Research Findings and Discussions

Table: 4.1

Demographic profile of the respondents

Brand Code	Respondent (Owner/ store manager)	Fashion Segment	District (s)	Year of establishment	No. of stores in Kerala
R1	Store Manager	Ethnic wear	Ernakulam	2014	2
R2	Store Manager	Intimate wear	Ernakulam, Thrissur, Kozhikode, Trivandrum	2011	9
R3	Store Manager	Luxury/ Limited edition wears	Ernakulam, Trivandrum	2021	2
R4	Store Manager	Ethnic and Casual wears	Ernakulam, Trivandrum	2024	2
R5	Franchise Owner	Premium mens wear	Ernakulam, Kottayam	2015	5
R6	Store Manager	Kids wear	All over Kerala	2022	400+
R7	Owner	Casual wears	Ernakulam	2018	1
R8	Owner	Bridal wear	Ernakulam, Kottayam	2023	2
R9	Store Manager	Ethnic wear	Ernakulam, Kottayam, Trivandrum	2020	3
R10	Owner	Ethnic wear	Ernakulam	2019	1
R11	Owner	Bridal wear	Ernakulam	2022	1

The thematic analysis of the research have generated a rich data with three sub themes in both objectives.

Theme 1: Challenges and trade –offs experienced in transition

Even when click and brick adoption provides the retailers with operational benefits, they faces some challenges too. Some of the respondents have mentioned that, revealing challenges will be an opportunity for the rivalries and they were reluctant to disclose the facts. While, some of the respondents have mentioned their challenges.

Table: 4.2**Challenges and trade-offs experienced**

Sub-theme	Quote
Seasonal issues & financial constraints	➤ Seasonal issues are present in product sales and financial constraints during such period (R10,R8) ➤ But opening a physical store involves high investment as we have to keep bulk quantity of stock in the store (R7)
Remote location	➤ Store visibility was an issue for me in the initial months of operation as we are located in a residential area as the foot fall is less compared to city shops. (R8)
Dead stock	➤ It involves lot of expenses and also creates dead stocks too.(R8)

The retailers told that, having an online business does not involve much expenses and need only limited stocks to function. Opening a physical store involve lot of expenses. Thus some retailers faced financial constraints, while some faced seasonal issues and also dead stock. Even though there is some challenges, the retailers are giving importance to benefits. Some of the respondents have said that, they couldn't tell the challenges, as it may help the competitor's to win.

Theme 2: Operational benefits of opening store

The transition to click and Brick business model have made significant operational benefits for the firm, particularly in terms of brand visibility, increased customer reach, market share has increased and also it helped in understanding various customer needs and preferences.

Table: 4.2**Operational benefits**

Sub-theme	Quotes
Brand visibility	➤ The physical presence has added brand visibility and makes remarkable growth every year. (R1) ➤ The physical shops increased greater foot fall into the brand due to social media post and thus brand get greater brand visibility. (R2) ➤ stores increase our brand visibility , satisfaction and trust as we do not compromise on the quality and service.(R3) ➤ Physical presence of the brand increased our visibility and we often experience better foot fall and people recognise our brand and it created trust among the customer (R4) ➤ The physical presence has increased our brand visibility as the customers are more recognising our brand (R5)

- Adding more and more stores increased our brand visibility and it leads to customer's easy access.(R6)
 - The presence of physical shops have now made the brand more visible (R8)
 - Adding shops has increased our brand's visibility (R9)
 - Our physical presence increased our brand visibility through the premium Outlook shop ambience. (R10)
 - Adding a studio increases our brand visibility, our sales have increased, and our customers have also increased. (R11)
- Increased market share
- New customer segments are reached day by day due to the increased footfall and increased the sales and market share (R1)
 - Our market share increase due to the increase in sales (R2)
 - By opening more and more stores we are getting Momentum in sales and it always showed a positive Trend and thus the market shares also increased (R5)
 - I think the market share has increased because of the increased sales and also the reputation.(R10)
- Customer needs can be identified
- Customers' preference for in-person shopping and influencers help us to identify the customers' needs and wants, and it helps us to customise products accordingly.(R9)

The respondents views the physical stores as an anchor that increases their brand visibility, and customer attention as everybody could interact with the brand in ease. Fashion retailers mentioned that physical stores creates trust among the customers due to the online scams happening around the world. Physical presence creates new customer segments every day and it result in increased foot fall, greater sales volume and also increased market share.

Conclusion

The study found out that physical stores act as an anchor store that increase brand visibility, market share, customer trust, and also helps in identifying customer needs and demands better. While, they experience challenges like financial constraints, seasonal issues, creation of dead stock and remote location issues. Even though the retailers are more satisfied with the expansion as it could better reach the customers and gain profits in a long run. The study contributes to the existing literature which is more about the western context and fills the gap by addressing the regional contexts. The research finds that, investing in a prime location and setting up an experience oriented physical store will definitely increase the retailers brand image, trust, sales, and market share. The expense incurred in the transition process will be covered in the long run and the retailers feels that, adding the store as per the customer demand was the best decision they have ever made.

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