



Internet Kills the Physical Store? – Empirical Investigation of a Contingency Framework on the Financial Performance of Multi- versus Single-Channel Strategies

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The growth of Internet retailing forms a recent debate in marketing research and practice: Experts either consider a pure Internet or a multichannel strategy to be the future of retailing. Thereby, they often expect stores to disappear as a single channel. Our study compares the financial performance in the short (i.e., cash flow) and long run (i.e., Tobin's q) of multichannel and single-channel strategies (i.e., pure Internet and pure store strategy) using a 3C theory contingency approach (Ohmae, 1991). We analyze data on 191 U.S. retailers over a time period of 19 years. Applying time-series cross-sectional analysis, we find that Internet retailers are more successful in the long run, but a multichannel strategy is recommendable in several conditions. A single store strategy can also be feasible, albeit the necessary conditions are rare.

Keywords: *multichannel management, distribution channel strategy, financial performance*

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