Examining the Channel Choice of Experience-Oriented Customers in Omni-Channel Retailing

WenYu Zhao, Shanghai University, Shanghai, China
Nianqi Deng, Shanghai University, Shanghai, China

ABSTRACT

In omni-channel retailing, this article draws on the theory of customer experience to research channel choice when consumers stay at different shopping stages. Through theoretical analysis, the customer experience was divided into three dimensions, functional, emotional, and seamless experience, and channel was divided into online and offline channel. Used survey to collect 266 valid questionnaires, and multiple linear regression and Probit model was employed to test the hypotheses. The results show that product type and shopping stage can influence the consumers’ purchase decision and channel choice. For utilitarian products, functional and seamless experience have positive influence on omni-channel usage, and consumers tend to select online channel both in search and purchase stage; for hedonic product, emotional and seamless experience have positive influence on omni-channel usage, and consumers tent to select offline channel both in search and purchase stage. The findings provided some theoretical contributions and practical implications.

KEYWORDS

Channel Choice, Customer Experience, Omni-channel Retailing, Product Type, Shopping Stage

1. INTRODUCTION

With the dawn of the mobile channel, tablets, social media, and the integration of these new channels in online and offline retailing, the retail landscape has been changed (Verhoef, Kannan and Inman, 2015). We are now moving from a multi-channel to an omni-channel retailing model (Rigby, 2011). In this environment, compared to the quality or price of goods, consumers are more concerned about high-quality pleasant purchasing experience in the whole process of shopping. Further, research has shown that purchasing experience has a strong impact on consumer evaluations and relative preferences (King and Balasubramanian, 1994). Past research about new retailing put forward that integrating online and offline business and combining with modern logistics factors to promote the rapid transformation of the retail industry (Zhao and Xu, 2017). In the omni-channel retailing, enterprises are required to sell products and provide services through the integration of offline channels, e-commerce channels and mobile e-commerce channels. In this context, enterprises must accurately grasp customer experience demand and cater to consumers’ need at any time, at any place and in any way to gain an advantage in the competition (Zhang et al., 2010). Therefore, these problems have attracted extensive attention in academia, and many researchers discussed and studied the factors including the channel choice, customer experience and consumer shopping stage.
Nikki (2011) believes that omni-channel retail should be “4P”-pick, pack, process, pay seamless integration, and finally achieve “buy anywhere, get anywhere”. Godfrey et al. (2011) believe that enterprises can interact with customers in a variety of ways, and use new tools to observe customer behaviors, so as to continue to innovate and improve retail services. All this is due to the integration of multiple retail channels and the emergence of a large number of new medias. Fulgoni (2014) analyzed the purchase path of consumers under the background of omni-channel, and expounded how the development of digital technology changes the way consumers make purchase decisions. The degree of consumers searching relevant information through the Internet before purchase is shocking.

However, in omni-channel retailing, some problems are highly regarded by marketing practitioners and academic researchers. These problems are, which experiences consumers care mostly during the whole shopping stage, and which channel do consumers select in different shopping stages? At present, the research in this aspect is sparse, thus the current research provided some contribution in this research field.

The structure of this paper is as follows: The second part is a literature review; the third part outlines the research hypotheses; the fourth part gives the empirical results and analysis; and the fifth part provides a conclusion and some implications.

2. LITERATURE REVIEW

2.1. Omni-channel Retailing

The concept of omni-channel retailing is first proposed by Rigby (2011), who pointed out that digital retail gradually reconstructs traditional retail industry, and the interaction between retailers and customers is no longer based on a single channel. Physical stores, traditional online stores, mobile terminals and social media can be interactive channels. Chen, Cheung, and Tan (2018) also states that advances in technology have blurred the boundaries between physical and virtual environments, giving rise to the rapid development of omni-channel businesses in which online and offline channels converge to deliver a seamless shopping experience. In order to constantly develop omni-channel retail, first big data analysis and expansion of digital customer base are needed. Verhoef et al. (2010) argue that retail enterprises must pay attention to the whole purchase process of consumers and conduct data integration with the focus of consumers, and optimize the management of relationship between enterprise and customer and resource allocation. Zhang and Guo (2014) pointed out that retail enterprises should comprehensively collect relevant data of consumers from various channels and integrate and analyze the data of each channel to realize the smooth flow of goods between channels.

For a long time, consumers separately shopping in only one channel. Even though in multi-channel environment, consumers can choose many channels such as physical store, online platform, mobile APP, but they always choice only one channel (Zhang et al., 2010). However, in omni-channel retailing environment, the bricks and barriers of channels are got through and channels tend to develop as an integrated channel. Consumers can choose products or services they need through omni-channel. In this way, enterprise can meet consumers’ all-round shopping experience needs (Verhoef et al., 2010). Li (2014) categorize all retail channels and point out that offline store retail mode mainly through offline outlets, service network and digital experience store, and mobile terminal is mainly by mobile business circle (APP) and social business circle (WeChat, Weiblog, QQ, etc), and online mainly through merchant’s official website, agent and the platform.

In omni-channel retailing environment, enterprises open as many online and offline channels as possible to provide services for consumers that meet the needs of consumers at anytime and anywhere shopping. In this context, channels can cross each other, and consumers can choose different shopping modes in different shopping stages to get the best shopping experience.
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