

From Multi-Channel to Omni-Channel: Determinants Of Channel Choice

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ABSTRACT

Digital platforms empowered and altered consumer shopping behavior in a big way. Consumers buying journey today encompasses interaction with multiple channels such as search engine, comparison sites, mobile browsers, apps, social media platforms and physical stores. As digital continues to empower consumers in newer and better ways to discover, research, engage and buy products and services, retailers should continuously tweak, evolve or even radically change the way they look at or operate their business in order to create seamless customer experience across all touch points and channels customers interact. Retailers who fail to adopt to the changing consumer dynamics risks falling behind. Therefore it is imperative for retailers to understand consumers channel choice and factors that drive consumers channel choice decisions. This research specifically examines four areas in the context of Omni-channel. Firstly this research explores consumers channel choice during different stages of buying journey in an Omni-channel context. Next, the research investigates the relationship between product type and channel choice. Third, this research explores the relationship between consumer psychographics and channel choice and finally it intends to measure perceived cost and benefits of various channels and its impact on channel choice. The central question this research seeks to understand and address is the factors that explain consumer's choice of channels.

The main purpose of this study is to develop a framework that enhances our understanding of factors that influences consumers channel choice. This study contributes to existing marketing literature by studying the predictors of consumers channel choice. Compared to earlier studies, this study is distinct in its emphasis on consumer decision making journey, psychographics, multiple products and multiple channels. Previous studies on channel choice are either restricted to internet, catalog and offline retailer or a few product categories.

A survey was conducted to investigate consumers channel choice. Data is collected from consumers who have experienced online shopping at least once and bought one or few products selected for the study. Based on the analysis, a conceptual model is derived. It was found that consumers use multiple channels during the research phase (for product information, comparison and evaluation) of their buying journey. There is a strong relationship between consumers channel choice and stages in the buying journey. Online channels such as search engine, review sites, online retailers are mostly preferred due to its perceived benefits. When it comes to making an actual purchase of products like

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home, kitchen appliances and furniture, physical retailers are still highly preferred by consumers. The convenience and simplicity of giving ratings perhaps explains the reason behind why majority had preferred ratings over other touch points or channels during the post purchase stage. The study also uncovered some interesting insights such as the influence of consumer psychographics and channel characteristics on channel choice. This research proves that there is a strong relationship between perceived benefits of online channels over offline stores on channel choice. Respondents show a strong preference towards using multiple channels when the perceived benefits of online channels are higher than offline stores. When the perceived costs of online channels are higher than offline stores, respondents show a strong preference towards single channel use. In my research I present a strong case for retailers to adopt a multi-channel strategy instead of a single channel strategy as consumer's criss cross across channels before making a purchase. Therefore it is imperative for retailers today not only to adopt a multi-channel strategy but integrate these channels to create seamless experience for their consumers.

Retailers should strive to create seamless experience for its consumers across channels. Be it search experience in mobile, website or purchase experience inside the physical store, retailers should not leave any stones unturned. The simple mantra is to be there when and where it matters to consumers. Consumers' decision making journey today is non-linear and fluidic. Consumers' criss-cross across channels during the journey making it even more imperative for retailers to create relevant, personalized and timely information. This call for a unified approach (no channel demarcation but integration for better consumer experience) and presence across channels consumers interact.