

Experiential Value Driving the Impact of Seamless Experience in Omnichannel Retailing

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Summary

This study investigates the impact of seamless experience on the shopping intention of customers in an omnichannel retail environment. Drawing upon the theoretical foundations of 'flow theory' and 'experiential value theory', this study first examines how a retailer's efforts to provide a seamless experience foster a flow experience for the customer. Additionally, it integrates the seamless experience provided by the retailer with the experiential value that the customer derives throughout the shopping journey. This paper uses the PLS-SEM approach to verify the proposed relationships with a sample of 351 omnichannel customers. The results suggest that seamless experience significantly contributes to the flow experience and influences the customer shopping intention in an omnichannel retail environment. The findings further suggest that the experiential value derived by customers throughout their shopping journey mediates the relationship between the seamless experience and the flow experience. The paper concludes by highlighting theoretical and practical implications.

Keywords: Seamless Experience, Flow Experience, Experiential Value, Omni-channel Retail

Word Count: 1731 Words

1. Introduction

Omnichannel retailing involves synergistic management of all the available shopping channels so that the customers can have a smooth and seamless shopping experience (Liu et al., 2024; Cocco and Demoulin, 2022). In today's evolving retail environment, customers interact with retailers across numerous channels and touchpoints throughout their shopping journey (Shi et al., 2020). Previous studies acknowledge that customers in today's consumption environment seek a consistent experience across all the available channels (Massi et al., 2023). Moreover, marketing researchers have also established that the overall shopping experience of customers is an outcome of their interactions across various touchpoints throughout their shopping journey (Tueanrat, Papagiannidis and Alamanos, 2021). Consequently, retailers are increasingly recognizing the importance of omnichannel integration (Liu et al., 2024), ensuring consistency and flexibility across all available retail channels, to deliver a seamless experience (SE) to the customers (Shi et al., 2020). However, despite substantial financial investments, omnichannel retailers face a critical challenge in channel patronage, as conversion rates differ across channels. This prompts a key question: Is a seamless experience the sole factor driving the customer's shopping intention in an omnichannel shopping journey, or are there additional factors that influence the shopping intention of an omnichannel customer?

Recognizing the need to explore these factors, this paper aims to examine the critical linkages between a seamless experience and shopping intentions in an omnichannel journey. Drawing on existing literature, the study identifies that experiential value and flow experience play a crucial role in determining the omnichannel shopping experience. Based on this, the study proposes the following research questions:

RQ1: How does a seamless experience contribute to generating a flow experience in an omnichannel retail environment?

RQ2: What is the impact of flow experience on shopping intentions in an omnichannel retailing environment?

RQ3: How does the experiential value derived from omnichannel shopping influence the relationship between seamless experience and flow experience?

2. Literature Review

2.1 Seamless experience (SE)

Omnichannel retailing puts its emphasis on the 'consistency' and 'integration' of all the channels where a retailer has its presence to deliver customers with a superior omnichannel customer experience i.e. SE across the different channels (Gao et al., 2021). The two key characteristics that define an SE are the interconnectivity of touchpoints and the efficient transition of customers between touchpoints for various shopping tasks. Chang and Li (2022) present six dimensions of SE and define it as a customer's "holistic assessment of cumulative experiences across different touchpoints throughout an omnichannel shopping journey". In the current study, we conceptualize a seamless experience in omnichannel shopping based on six key dimensions (adapted from Chang and Li, 2022) – "availability of links between touchpoints, consistency of sales strategies across different touchpoints, information visibility across diverse touchpoints., simplicity of cross-touchpoint payment procedures, the flexibility

of fulfillment of order delivery process across different channels, and convenience of sharing product links or experiences with others across different touchpoints”.

2.2 Flow experience (FE)

FE is defined “as the holistic sensation that people feel when they act with total involvement” (Csikszentmihalyi, 2000). FE is explained as an optimal experience where a person is deeply absorbed and everything else does not matter (Hyun, Thavisay and Lee, 2022). Lately, FE has also been explored in omnichannel retailing, as omnichannel retailing primarily aims to engross the customer into a cycle of smooth and seamless navigation across various shopping touchpoints (Ameen et al., 2021). Taking cues from Liu et al. (2024), the current study conceptualizes the FE using five dimensions – “perceived curiosity, perceived control, heightened enjoyment, focused immersion, and temporal dissociation”.

2.3 Experiential Value (EV)

According to Schmitt, Brakus and Zarantonello (2015), value transcends the mere acquisition of goods and services and extends to the ‘hedonic’ and ‘experiential’ elements associated with the product or service. The value that a customer derives through ‘experiences’ is regarded as experiential value (Mathwick, Malhotra and Rigdon, 2001). Over a while, the pursuit of EV has gained unparalleled attention due to several reasons like- a shift in consumer demand, growing competition, and less scope of differentiation in offerings (Varshneya and Das, 2017). Ameen et al. (2021) in their study, highlight the significance of EV in an omnichannel retailing environment. It has been argued that in the omnichannel environment, customers absorb multiple values, thus leading to EV, a higher-order construct. Thus, we conceptualize EV derived during an omnichannel shopping experience based on four dimensions: “cognitive value; hedonic value; social value; ethical value” (adapted from Varshney and Das, 2017).

3. Theoretical Background and Conceptual Model

The proposed conceptual framework recognizes the influence of the seamless experience, flow experience, and experiential value on customer shopping intention within the context of omnichannel retailing (Refer to Figure 1). Drawing upon the theoretical foundations of ‘flow theory’ and ‘experiential value theory’, the model first examines how a retailer’s efforts to provide a seamless experience foster a flow experience for the customer. Additionally, it integrates the seamless experience provided by the retailer with the experiential value that the customer derives throughout the shopping journey. Thus, presenting an integrated view of retailer and customer centricity in the omnichannel shopping journey. The model proposes a positive relationship between SE and FE mediated by EV.

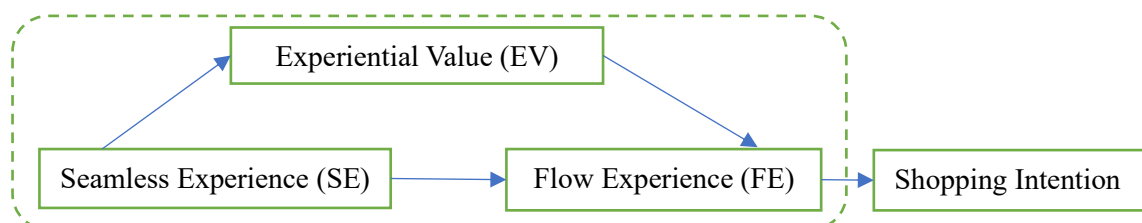


Figure 1: Proposed Conceptual Model

4. Hypothesis Development

H1: Seamless experience positively relates to the flow experience in an omnichannel retail environment.

H2: Flow experience positively relates to the shopping intention in an omnichannel retail environment.

H3: Experiential value mediates the relationship between seamless experience and flow experience.

5. Research Methodology

The empirical testing of the suggested conceptual model is carried out using 'Partial Least Squares Structural Equation Modeling' (PLS-SEM) in two stages. In the first stage, the reliability and validity of the scales are ensured by assessing the measurement model. The second stage focused on path analysis and the empirical testing of the relationships within the suggested model. Additionally, multicollinearity was checked by applying the common method bias (CMB) method. The sample consisted of omnichannel customers from different age groups having different income levels. A web-based survey using Google Forms is conducted using a structured questionnaire of validated items adapted from previous studies. A total of 351 complete responses were administered for the analysis. To ensure content validity, three academic experts were invited to evaluate the instrument for readability, clarity, and comprehensibility. The scales for SE, EV, FE, and shopping intention were adapted from Chang and Li (2022), Varshneya and Das (2017), Liu et al. (2024), and Bian and Forsythe (2012), respectively.

6. Results and Discussion

The results of the study confirmed the reliability and validity of the measurement model, with all constructs showing strong internal consistency with Cronbach's alpha and composite reliability > 0.70 , acceptable convergent validity ($AVE > 0.50$), and satisfactory discriminant validity, with all HTMT ratios below the 0.90 benchmark. Multicollinearity was assessed using the Variance Inflation Factor (VIF), revealing values ranging from 1.39 to 3.2, well below the recommended cut-off of 5.0, indicating no multicollinearity concerns. Moreover, as all VIF values were below 3.3, common method bias was not considered a concern. Structural model analysis revealed that seamless experience (SE) significantly influenced flow experience (FE) ($\beta = 0.318, p < 0.05$), which in turn positively affected shopping intention ($\beta = 0.712, p < 0.05$), with R^2 values (0.537 for FE and 0.507 for shopping intention). Model fit indices were within acceptable limits ($NFI = 0.927$, $SRMR = 0.057$).

After data analysis, the findings of the study provide substantial backing for the formulated hypotheses. Firstly, in line with H1, our results demonstrate a positive relationship between a seamless experience and the occurrence of a flow state. This indicates that the seamless integration of various touchpoints in the customer shopping journey contributes significantly to the creation of an immersive and engaging flow experience. Secondly, in support of H2, this study confirms a positive relationship between flow experience and shopping intention. As customers immerse themselves in a state of flow during their shopping interactions, there is a considerable increase in their inclination to continue and complete their intended purchases. This connection highlights the role of the flow experience as a key driver of customers' shopping intentions. The findings further support H3, indicating that EV mediates the relationship between SE and FE in the omnichannel shopping journey. The study highlights

that customer derives several values during their shopping journey and the retailers' emphasis on merely formulating strategies to deliver a seamless experience is not enough. Thus, in addition to providing a seamless experience retailers should also take into consideration the different values that a customer seeks during their omnichannel shopping journey.

7. Potential Implications for Theory and Practice

The study has theoretical as well as practical implications. This study significantly advances the 'flow theory' and 'experiential value theory' within the literature on omnichannel retailing by delving into the dynamics of customer omnichannel shopping experiences. The emphasis on a seamless experience highlights its role in shaping the overall flow experience of customers during their shopping journey. Moreover, the investigation into the mediating role of experiential value contributes to theoretical advancement, providing insights into the values that customers derive, which assists in generating the flow experience during their shopping journey. Retailers can also find practical implications in this study, using its theoretical insights to develop customer-centric strategies that not only deliver a seamless experience but also foster flow experience to ultimately influence shopping intention. Moreover, by understanding the diverse dimensions of experiential value, retailers can design strategies that resonate with customers on cognitive, emotional, social, and ethical levels.

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